



# Urban LandMark Review 2007/2008



**Urban LandMark**

Urban LandMark was set up in May 2006 with funding from the UK's Department for International Development. It aims to play a catalytic role by using research to inform policy, and by bringing people together for dialogue. The goal of the programme is to shift policies and practice towards improving poorer people's access to well-located urban land, by making markets and land governance work better, thus giving effect and meaning to the concept of the "right to land". Urban LandMark's original mandate to focus on South Africa has been extended to cover urban land markets in the southern African region.

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# PROGRAMME DIRECTOR'S REVIEW



Mark Napier

Southern Africa's cities are being shaped by the increasing number of people who are moving in and trying to find a place for themselves. The way cities and towns are planned and the way the land is being made available needs to be thought out in ways that make it easier and more practical for poorer people to participate in the urban economy. Location far from economic opportunities makes this participation more difficult.

The ability of governments to fulfil their responsibility to manage land in the public interest and improve the rights and quality of life of vulnerable people is being tested. They are struggling to keep up with demand and land is increasingly being informally provided in shack areas, street-side stalls, and overcrowded inner city apartments.

In 2007, 1.2-million households were living in informal settlements in South Africa. Most did not have secure tenure. At the same time, private sector property owners and developers have been exercising their entrepreneurial skills and rapidly building and renewing formal parts of the urban areas. Where there is a buoyant market, they are seeing the benefits of their investments, with gains in property values, but they remain mostly uninvolved in the financing and provision of low-income residential, retail and production space. Even where there has been encouraging economic growth, the gap between the wealthy and the poor is widening.

Urban LandMark was launched in this context, to find ways to make urban land markets work better for the poorer sectors of society. In particular, we set out to explore how the state, private sector and civil society could work together to realise better access to land, in essence to fulfil our mission of "making urban land markets work for the poor." Over the past year, the second year of Urban LandMark's existence, we have explored and deepened our understanding of the formal and informal property markets.

Research undertaken in our first year uncovered a vibrant informal market in land, shacks and houses, one that is supplying the demand in a fairly functional way. Poor people can find a place to stay quickly and cheaply, and tenure is reasonably secure. The downside is that once people have used their social networks to make an effective claim on land, it is difficult to move from that into better, more secure and formal accommodation. In South Africa there is an established route into state-sponsored housing but, despite massive supply, the route is long and somewhat costly for the prospective residents (even though subsidy houses are 'free').

Our work this year has broadened to look at the larger property interests operating in urban areas. Analysis of property transactions shows widescale registered exchanges in the formal and wealthier areas of the city, and the almost complete lack of access to formal systems of exchange in poorer areas. This holds true for informal settlements, the historical townships and new state housing.

We also began to look at how to lower the barriers to entry into the formal land market and to increase the recognition of the rights of people to the land on which they live, trade and conduct their businesses.

Our aim is to build on this empirical work, which is described in this review, and is available on the Urban LandMark website. The UK's Department for International Development (DFID) has extended our

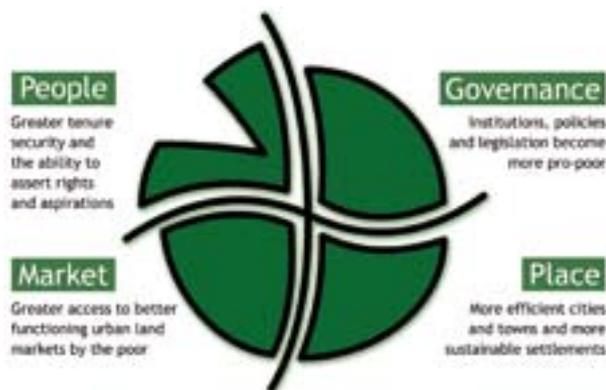


mandate with secured funds until 2011. Over the next year we hope to move away from research to develop ways to make access to land by the broad base of the poor a reality. We will also extend our geographical reach to take in the Southern African region over the next two years.

This review is structured around Urban LandMark's four theme areas: people, governance, market and place. Although some of our work spans our different theme areas, the general focus of the **people** theme is on securing tenure and improved livelihoods; the focus of the **governance** area is on how institutions, policies and legislation can accommodate better access to land; the **market** theme area works on broadening understanding of the operation of the market and then designing appropriate interventions to improve access to land; and the **place** theme documents and promotes the spatial aspects of more inclusive and efficient cities and towns.

A fifth area of work has been **professional development**, aimed at practicing professionals and officials as well as students training in the sector. Support for a short course on Land Use Management and Value Capture, run by the Development Action Group, was effective in reaching officials and practitioners involved in land taxation. We also supported 12 students from non-government organisations to attend the University of the Witwatersrand's Public and Development Management housing course, which included a two-day section on urban land markets. Urban LandMark also developed a day's module for the Training for Township Renewal Initiative run by Treasury's Neighbourhood Development Partnership Grant Programme and the Department for Provincial and Local Government.

We have used a number of avenues to disseminate our information, including presenting a paper to the Fourth Urban Research Symposium in Washington,



convened by the World Bank, SIDA, GTZ, Cities Alliance and the Lincoln Institute of Land Policy. The presentation, Making urban land markets work better in South African cities and towns: arguing the basis for an advocacy position for access by the poor, was one of two papers to win an award for making an “exemplary contribution” to the conference.

During 2007 and 2008, Urban LandMark had a small staff component – the director, programme administrator and a part-time research assistant. Much of our work has been driven and managed by the three theme co-ordinators. Guidance and advice on strategic direction came from an advisory committee of about 12 people and a management committee comprising DFID and FinMarkTrust staff. The FinMark Trust managed Urban LandMark's finances. A range of consulting organisations and individuals embraced the challenge of working on new frontiers to deepen thinking and begin influencing change in the sector. A review team assessed the effectiveness and impact of Urban LandMark's work to date, giving it a high rating in establishing an empirically informed understanding of formal and informal urban land markets.

I would like to acknowledge everyone who has been involved in building Urban LandMark and heartily thank them for their constructive engagement in taking forward the goal of ensuring “poor people in urban areas have secure access to well-located land”

# PEOPLE – TENURE AND THE POOR

A fundamental lesson that has emerged from the making markets work for the poor, is that the poor are engaged in these activities, and that building on these ensures a greater chance of success than imposing ready-made solutions from outside.

A fundamental lesson that has emerged from the making markets work for the poor approach to development is that the starting point needs to be the activities in which the poor are engaged, and that building on these ensures a greater chance of success than imposing ready-made solutions from outside. To better understand how poor people in urban areas access, hold and trade land, Urban LandMark conducted research in different types of settlements in three metropolitan areas in South Africa: Cape Town, Ekurhuleni and eThekweni.

The urban land markets – how the poor access, hold and trade land study started from the premise that land transactions take place outside the officially recognised system of land management and property ownership. However, little was known about how these arrangements worked. The aim was to make these alternative

markets visible to allow pro-poor intervention.

The types of settlements chosen for the study were informal settlements, state-subsidised housing projects (often known as “RDP housing” from the Reconciliation and Development Programme), backyard shacks, an area under a traditional authority, and an area of local council housing.

The study confirmed that land markets are operating in these settlements, and that the number of transactions in informal settlements and backyard shacks was high. On average, 25% of shacks were sold every five years, for between R50 and R500, and it took up to 69 days and an additional R1 351 in transport and associated costs to secure them. In RDP housing, small starter housing provided by the state where the state limits the resale of houses for eight years, 11% of households were involved in transacting



in the last five years, with 6% of the transactions seen as sales and average house prices of between R5 750 and R17 000. The other 5% were renting and looking after houses. Almost all of the transactions were off-register in that title deeds were not officially changing hands. However, despite these exchanges not being registered with the Land Deeds Register, state officials were often called in to witness them.

The central finding of the research was that family relations and social networks dominate transactions around land in these areas. Sales were driven by such issues such as births, deaths, marriages, divorces, study, work opportunities and forced removals. Transactions mainly became available by word of mouth through family and friends. This socially dominated land market allows poor people to access the city cheaply and quickly, be close to employment, and acts as a safety net when households are hit by "shocks" but need to remain in the city.

However, this socially dominated market coexists with clear financial logic. Both state policy and financial markets are shaping these areas and informal land markets are intricately linked to formal land markets, such as in the way that the financial value of land accessed by the poor is determined.

This interaction plays out on a number of levels. Although price is not the main determinant in a transaction, this should not be misconstrued as people acting in ways that are economically irrational. People make the judgment that paying the transaction and sale costs of living in a shack is worthwhile, despite the risks associated with these undertakings, as they see this as strengthening their claim on formal RDP houses.

This is one example of how the state without knowing it encourages specific land markets among poor people. Even though the land is often marginal, it becomes the means of obtaining an officially recognised right to land in the city. Once people have accessed land informally,



often through making claims on social networks, they are then later absorbed into developments determined primarily by the state. The presence of the state can be seen in, for example, shack registration processes that confer some kind of right to future development. The socially dominated market has the effect of locking people into specific locations. The result is that both the state and poor people become locked into developing marginal or peripheral land, which means that the poor are limited in being able to leverage any wealth out of the land.

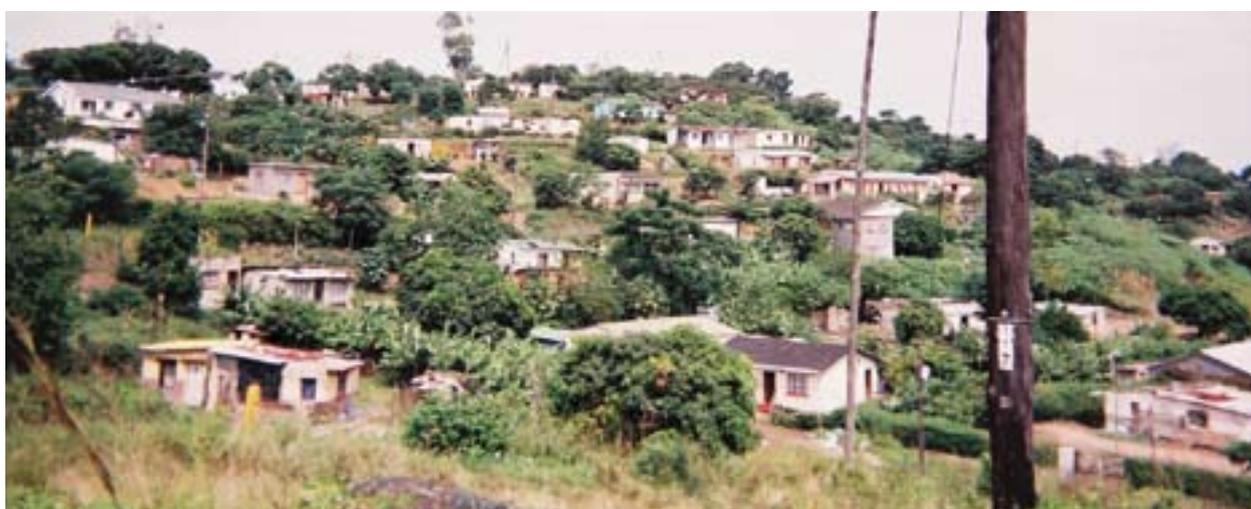
A further key finding was that the differences in the benefits of living in informal settlement, RDP housing projects or a backyard shack in terms of location and amenities was insignificant. The research found that poor people do not perceive significant qualitative advantages between living in an informal or formal settlement. Public investment in land, in the form of the provision of facilities such as schools, was found to be an important lever for generating greater differentiation between different settlement types.

Informal settlements perform a function the state and private sector cannot easily achieve, and they are an important part of the urban land market. Simply removing them without providing a viable alternative would undermine the operation of the urban land market, and deny

some households a “reception area” in the city. Avenues of reform need to explore the interplay between socially dominated land markets and the effective delivery of the services that would improve quality of life, such as transport, health and welfare and anti-crime programmes.

Urban LandMark has actively engaged with a number of municipalities around the findings of this research. This included a workshop with five municipalities. All reported that they do

recognise informal land markets in one way or another, and this can be seen by a number of audits of informal settlements being carried out. Both the City of Cape Town and the City of Johannesburg noted an increase in the number of people living in these areas. Municipalities are also involved in providing certain services to these areas. However, policy mechanisms within municipalities for dealing with informal land markets are not clearly defined.



### Voices of the poor

The Voices of the Poor workshops, held in 2007 and attended by community organisations and non-governmental organisations, provided insights into how poor people view land issues.

The biggest obstacle poor people say they face in getting a place to live in the cities is the formal property market, which sets land prices at levels higher than they can afford. Implementation of government policy was also seen as not favouring the poor enough. Land audits to identify vacant and underused land were seen as crucial. There were also calls for greater state intervention in granting land rights to ensure that land is more affordable for all.

Although there was an implicit desire for greater access to mortgage finance, peoples’ experiences had generally been negative. A typical view was,

“After getting a bond it’s so hard to pay it off you end up in the informal settlement again.”

Perceptions of RDP housing were damaged by corruption around the allocation and sale of these. In some settlements, councillors who bought up RDP houses were seen as part of the problem. Despite this, an underlying theme was the importance of the state housing subsidy scheme that supplies these houses. Many participants regarded the scheme as their only hope of getting formal housing and land in the city. Informal sale of RDP houses was seen as inevitable, despite the legal restriction on resale of these houses for the first eight years. One community representative said: “People sell their houses because they are hungry and need the money. Also, those who come from the

This informed the development by Urban Landmark of practical proposals for municipalities to make urban land markets work better for the poor. These are aimed at:

- Recognising socially-dominated land markets;
- Achieving better integration between financially-dominated land markets (or formal land markets) and socially-dominated land markets; and
- Reforms that address the way in which the financially-dominated land markets operate and how the poor may access them.

A third phase of this project, to be developed over the next year, comprises support to implement the proposals. This includes building greater awareness among municipal planning and housing decision-makers about these extra-legal markets and providing technical support to municipalities to devise a strategy that responds to the dynamics of the informal housing market.



rural areas sell their houses because they have another home in the rural area to fall back on, or they want to go home to retire.”

Informal tenure arrangements, where people exchange houses and land through personal agreements were seen as flexible and worked well if there were strong community organisations to monitor and control access. However, perceptions of informal tenure were coloured by perceptions about life in informal settlements generally. They are seen as uncertain, uncomfortable, unsanitary and unsafe. One community representative summed up how people feel about life in informal settlements: “People don’t know when they will be moved or what the conditions at the place they will be relocated to are like. There is no sanitation. There is no water. There is no electricity. People’s

health and safety are at risk.”

Community networking to lobby for greater access to urban land was seen as crucial, but help is needed. Numerous participants identified access to information as vital. Information was needed about, among other things, people’s rights, vacant land, government procedures, the housing subsidy scheme, credit from banks and how to access it, and the property market.

Also important was increased consultation with communities. Many communities are resisting relocation from the areas where they live to peripheral areas far from jobs and facilities, and want to participate in any decisions affecting them. Participants repeatedly said decision-makers do not understand their real problems and issues.

# GOVERNANCE – MAKING INSTITUTIONS, POLICIES AND REGULATIONS WORK FOR THE POOR

There is increasing recognition of the importance of urban land in fighting poverty, in particular its value as an asset and how it can be used in other ways to generate wealth.

Within development circles, there is increasing recognition of the importance of urban land in fighting poverty, in particular its value as an asset, not only in itself but also how it can be used in other ways to generate wealth. Combined with this is intensifying interest in the regulatory and governance aspects of urban land management and administration and the role of the state in making it possible for poor people to access urban land.

As a legacy of apartheid, the persistence of segregated land use patterns in South Africa's towns and cities is seen in the many new affordable housing developments being constructed on the outskirts in the least accessible and least integrated areas where land is cheap and readily available. Underlying this is a lack of capacity within local government to manage land use and land values effectively.

Urban LandMark has been working with

government departments in drafting policy and creating an appropriate regulatory environment. This work included the introduction of Regulatory Impact Assessments for two interventions proposed by the Department of Housing to assess the potential impact of establishing a housing development agency and implementing an inclusionary housing policy. Through engagement with the office of the presidency, the making markets work for the poor approach has been incorporated in the draft Spatial Development Perspective. This engagement has resulted in a partnership with National Treasury on the neighbourhood development programme that will involve 100 township improvement projects around the country.

At a provincial level, Urban LandMark helped to research land bank banking for the Gauteng Department of Housing.

Urban LandMark has also provided technical



assistance to the City of Johannesburg to support its informal settlement upgrading programme. This included looking at how to recognise and give tenure to residents in the 183 informal settlements in the city. Desktop research was conducted on international best practice in Namibia, Zimbabwe, India and Brazil on aspects relating to tenure regularisation. The Urban LandMark technical assistant was included in a study tour to Brazil to look at the regularisation of favelas in Rio de Janeiro and Salvador. The intention is to document the experiences with upgrading in the two cities to highlight aspects relevant to Johannesburg's approach.

By combining research and working in the field, both with local authorities and with central government at a policy level, Urban LandMark is now in a better position to tackle the more practical aspects of making the urban land market in South Africa work for the poor. Central to this is local governments proactively managing urban land markets to influence trends in these markets. Achieving this does not need more research but rather an increase in direct technical assistance to municipalities as well as engagement with government at a policy level to get the regulatory environment right.

Areas that municipalities can play a part in fall into three broad themes, each of which provides opportunities for change.

**Planning and land use management:** Municipalities can identify desired patterns of land use and allocate rights to use and develop urban land. Urban municipalities are acquiring valuable information technology such as the Geographic Information System (GIS) that enables better and quicker decisions on a range of land and land-related issues, but they need the skills and experience to use these.



**Taxing land values:** Local governments are empowered to tax land values through property rates. By combining planning and taxing powers municipalities can ensure that rating policies return to the public coffers a higher proportion of the additional land value created by providing public services. These additional funds could be used to improve urban infrastructure and acquire better-located land.

**Land acquisition and disposal:** Local governments have the power to acquire land and dispose of land that they own. However, municipal-owned land is treated legally like any other municipal asset under the Municipal Financial Management Act (MFMA), which does not acknowledge land as being different to other commodities. As a result the way in which a municipality acquires, manages or disposes of its land is regulated in the same way, as for example, a municipal tractor. Part of the solution is to engage with National Treasury on the Municipal Finance Management Act asset management to ensure that urban land is treated appropriately.

Also important is that the lessons from these interventions are captured in a way that can be used by other municipalities – from the perspective of what works as well as what doesn't work. In essence this means understanding what allows poor people to participate in the land market and then how to roll out the ideas that work to municipalities in the rest of South Africa, but also in the region.

### **Metsweding – creating a model for other municipalities**

Pro-poor management of peri-urban land in the rapidly growing urban areas of South Africa is an increasingly important issue. Peri-urban areas are formerly rural localities, but because of the rapid expansion of South Africa's main towns are directly in the path of urbanisation.

Metsweding District Municipality comprises the north-eastern part of Gauteng and lies next to both the Tshwane and Ekurhuleni Metropolitan municipalities. According to the 2001 Census, Metsweding's population was 160 740 people, with 50 427 households; 107 543 of the population resided in Kungwini and 53 197 in Nokeng tsa Taemane.

The area is mainly rural, with a number of dispersed settlements. The three main urban centres are Bronkhorstspuit (Kungwini Local Municipality), Cullinan and Rayton (Nokeng tsa Taemane). Other settlements comprise either township areas established under the pre-1994 dispensation or informal settlements.

Peri-urban land is managed most directly by district and local municipalities, and these local governments often have capacity constraints which limit their ability to deal effectively with land management and make it easier for poor people to access to land.

By focussing on Metsweding Urban LandMark hopes to identify problems and come up with solutions that can be duplicated in other areas. Metsweding, with its two constituent local municipalities, Kungwini and Nokeng tsa Taemane,

has been identified as an area that has a high level of development potential, but where possible capacity constraints also exist.

The peri-urban land management assessment and strategy in Metsweding District Municipality study confirmed that capacity constraints are hampering local governments in implementing effective urban/peri-urban land use management and therefore tackle development for the poor.

For example, none of the municipalities had a proper IDP Manager in 2007. People did not always understand the municipal functions properly. The study devised a number of interventions or strategies to deal with the most important of these capacity constraints, taking into consideration the budget constraints of municipalities. These include:

- Creating temporary capacity to help eradicate land-use application backlogs;
- Filling vacant positions to create permanent capacity;
- Implementing a spatial information management system;
- Implementing a land-use application management system;
- Improving land-use management processes and granting delegated authority to approve land-use applications in certain instances to the City Planning Division; and
- Launching a professional mentoring and training programme, possibly in conjunction with a tertiary planning school.



# MARKETS – GREATER ACCESS TO URBAN LAND MARKETS

Government is a central player in mitigating poverty and its social consequences.

There are two broad debates around the functioning of urban land markets. In the development discourse, markets have failed and government intervention is needed to redistribute basic goods such as housing, water and essential services. Government is a central player in mitigating poverty and its social consequences. In this paradigm, the market is “bad” and the government is “good”.

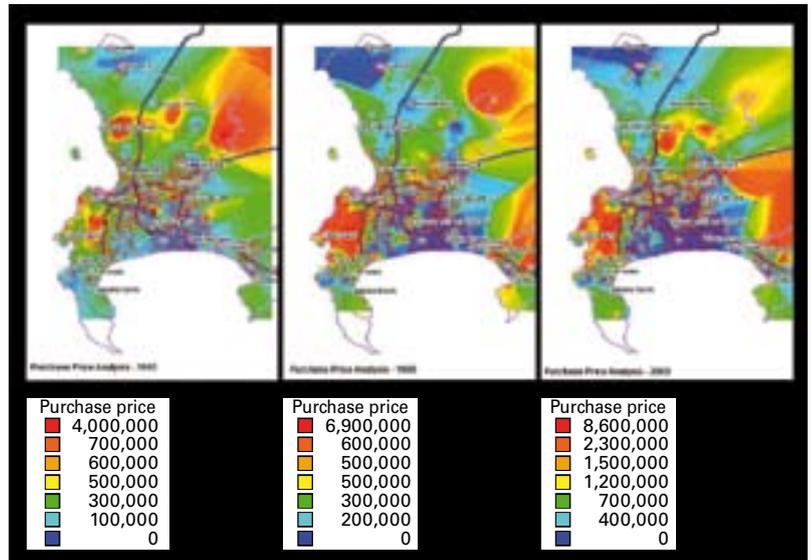
Then there is the discourse in which the market is seen to be working well. Its self-regulating logic ensures that urban land use and values are optimally located to the “best and highest use”. Government intervention is perceived as distorting and resulting in the sub-optimal allocation of land use and values. In this paradigm, the government is “bad” and the market is “good”.

Both positions are limited. There is need to recognise the limits of supply-side government interventions. These offer a social net but cannot, in and of themselves, solve the problems of poverty and inequality. State regulations and land management practice do place limits on the market system but government interventions can also have ripple effects and unintended consequences on the market, which can undermine places where the market works well.

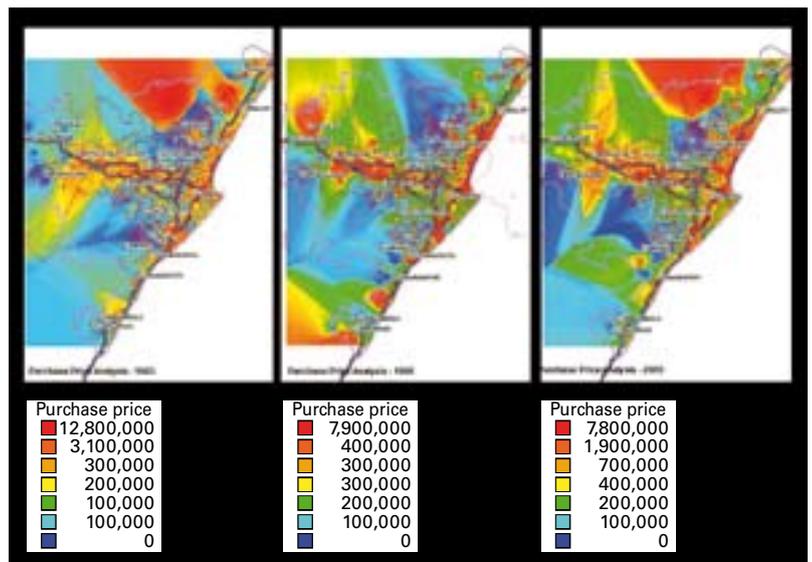
The market too has its limitations. It is important to acknowledge that the concept of the free market is a myth. There are market imperfections and failures. The playing fields, especially in South Africa, are uneven. Unequal access to capital and information translated into unequal access to land. Fourteen years after democracy, our cities and towns have spatial patterns similar to those created during the apartheid years.

To better understand the dynamics of the urban

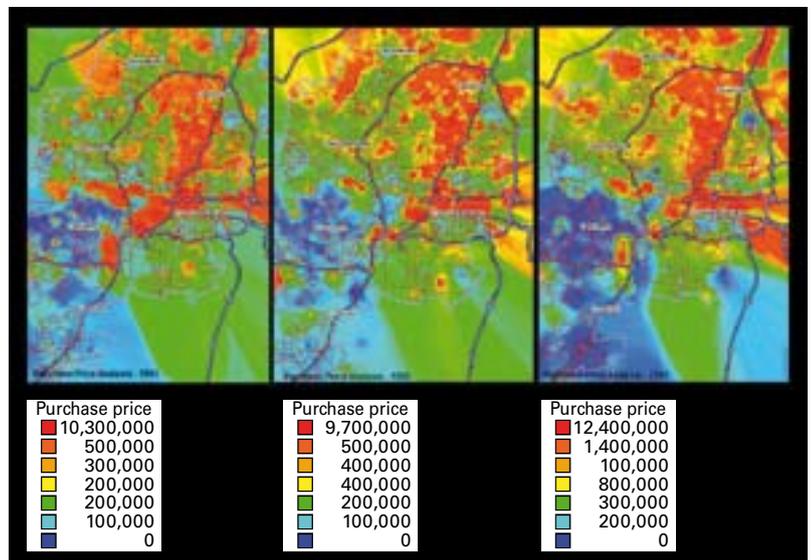
## Cape Town



## Durban



## Johannesburg



land economy, and the underlying workings of the financial logic governing it, Urban LandMark commissioned two complementary reports which look at the market from two vantage points. The dynamics of the formal urban land market in South Africa, by GenesisAnalytics, describes and analyses the macro environment within which development takes place. Moving beyond policy frameworks, the voices of municipalities and developers in South Africa's urban land market, by the University of Pretoria, details the actual practice and the context within which urban development takes place.

This research will help Urban LandMark to understand how to mitigate the negative consequences of the market for poor people as well as how to harness its strengths to improve the poor's access to well-located, tradable land.

The challenge for the next year will be to identify ways of intervening in the market without hampering what it does well. The Genesis report provides some policy recommendations that would incentivise the market to provide for lower-income population groups, particularly the working poor, for example mortgage tax relief.

There is also a need to create a greater awareness of the powerful tools that government has for broader economic transformation of our cities such as the Urban Development Zones and

urban renewal grants, as well as improving the efficiency of property rating and using this to reinvest in areas where poor people live and where infrastructure needs upgrading.

Over the past year Urban LandMark has explored links with the South African Property Owners' Association. It is encouraging that the private sector supports some of these interventions, such as the enhancement of the Property Charter to go beyond transforming only company ownership and for the private sector to become more actively involved in the more equitable distribution of land ownership.

There may be ways to design appropriate land use into town planning schemes, land management practices, legal and regulatory systems, and urban interventions such as informal settlement upgrading initiatives, which allow traditionally more vulnerable communities to defend their place in the city against what the economists would say was the inevitability of the market.

Economists talk about land being allocated to its best use with price, conditioned by demand and supply, being the key determinant. While this assertion is anathema to land activists campaigning for a better place for the poor in our cities, there is some truth in the observation that the market optimally allocates land to the agent or sector which can extract the greatest value from using that space – and sometimes for not using it.

The question is how to reconcile the invisible hand of the market with the rights of poor and vulnerable people to use urban space. Land is not like other commodities. The state has a legitimate role in planning and managing land in the public interest. This does not mean full state control and the possible risk of patronage and the state needs to be better at understanding market dynamics. State intervention cannot counter market logic and people located on such land can be vulnerable. Unless they use the land in ways that increase its value, the vision of equitable and integrated cities will remain unrealistic.



## Looking at state intervention

The South African government has responded to domination of the urban land market by the private sector and the (possibly linked) exclusion of poorer communities, as well as the lack of spatial transformation over the previous 12 years, by attempting to manipulate the market in a number of ways:

- Appealing for social and class integration;
- Developing urban strategies such as the National Spatial Development Perspective;
- Establishing state funds to buy private sector land for housing;
- Lobbying within government for state departments and state-owned enterprises to make their own land holdings available at below market prices (which has met with mixed response, where some less valuable land has been released);
- Introducing inclusionary housing policy and possible legislation to encourage the private sector to build mixed residential development;
- Supporting voluntary agreements to encourage commercial banks to offer mortgages on smaller properties (through a Financial Sector Services Charter), and a Property Charter to transform the larger property concerns;
- Providing tax incentives for inner city developments;
- Amending property rates formulas to extract greater value from wealthier land users; and
- Establishing a national Housing Development Agency which will, among other functions, buy land for housing.

These interventions range from political appeals to tax incentives to direct land acquisition.

Some are characterised by the tendency to throw money at the problem by mobilising large amounts of money to buy land on the market, or otherwise to somehow channel market forces or cajole market players into being more philanthropic.

Most effective are those which harness market forces and use sophisticated tools to manage land and land values, through planning, regulations, taxing and state investment and prudent use of state land holdings.

Most importantly, where the state is directly involved or where the private sector is being pressured, no-one is sure what poor communities and households will do once the few gain access to these land and property windfalls, or what the market will do if large tracts of land are redistributed this way. In this context, high-density land use by the poor to protect against market evictions is essential.



# PLACE – MORE EFFICIENT CITIES AND SUSTAINABLE SETTLEMENTS

The hope of a better life draws people to the urban areas, with the poor mainly living on the outskirts, dislocated from jobs and opportunities.

Where you live can improve your chances of escaping poverty. On one level, urbanisation is a reflection of rural poverty. The hope of a better life draws people to the urban areas where they will be closer to amenities and work. South Africa's cities and towns, however, have perpetuated the divisions of apartheid, with the poor mainly living on the outskirts, dislocated from jobs and opportunities.

After 12 years of democracy our urban areas are still mainly segregated, now economically rather than racially, and new formal and informal housing is far from integrated into the urban fabric.

Areas where there is private sector investment and where jobs are created through industry, commerce or residential development (often in gated communities), are located on the opposite pole of the city from where poor people remain concentrated. Unequal growth in property values confirms this pattern.

This ghettoisation of the poor in these areas means that the basket of support, or the "social wage" funded by the state is spatially targeted in economically non-viable areas. In addition the productivity of people is affected by travel times to work and lack of direct access to markets. The strain



of trying to invest in two poles of the city is visible.

The reality is that land near economic opportunities is usually the most expensive land. Therefore the market tends to work against providing such land to low-income people, unless the government intervenes, or the poor themselves adopt strategies such as land invasions to access well-located land. And although municipal investment and national policies consciously elevate the needs of poorer people and of parts of the city which have historically been under-developed, urban infrastructure investment is most often drawn towards developing the wealthier sides of the city.

The lack of access by poor people to urban land, and how poorer communities are integrated into cities, is a central policy issue in South Africa and other developing countries. Conducting research and engaging in this debate on a both a policy and practical level has been a central platform of Urban Landmark's work over the past two years.

This has included research on the patterns of South African cities in terms of land use, ownership, local value, race and class, and working to develop alternatives that would be more sustainable and equitable and achieve greater inclusion of the poor. Urban LandMark documented 10 case studies on urban integration, and investigated urban land management in both metropolitan areas and towns struggling to overcome the spatial legacy of apartheid.

We have also tried to define what is meant by inclusion in the democratic era. Integration does not necessarily mean only racial integration. Integration can have a spatial component, an institutional component, an economic component and a social component. An intervention that successfully leads to integration is one which facilitates increased access of the poor to work opportunities, improved residential opportunities, improved access to social facilities and, ideally, an increased sense that they are part of the city, rather than marginalised from it.

State and private sector planners and urban managers are flummoxed by the failure of apparently sound and well-intentioned spatial planning processes and designs to reverse unequal spatial patterns. This is seen in the widening income gaps between the rich and the poor. It is the result of land values and limited state funding for acquiring land for the use of poorer people. However, the lack of integration of the poor into urban areas in South Africa is not solely a function of the market (or its immutable logic) or that the poor (or the state acting on their behalf) are not able to put the land to good use. There is also a lack of market supply of land in the right quantities, in the right places and with the right designated uses.

A key question for the coming year is how to help poor people become integrated into cities by increasing their bidding power and consolidating their place in urban areas.



### Case studies on integration

There have been a number of cases where the poor have succeeded in gaining access to well-located land either through their own initiatives, private developers and lobbies, or through government action, often at local level. To better understand how this was possible, Urban LandMark documented 10 relevant cases.

The 10 case studies on integration by Felicity Kitchin and Wendy Ovens were selected from different cities across the country. Together they represent a fascinating snapshot of different types of integration of the poor into the city, some residential, some economic and some mixed use. Each case considers the key drivers of these initiatives, the nature of the land deals involved, and the scale of investments and benefits to both the poor and any others. In particular, they look at whether increased social and economic inclusion has accompanied the increased access to well-located urban land.

Although events described in the case

studies are an encouraging feature of our urban landscape, the study notes that some of them came about during a particular time in South Africa's history, the early days of transition when there was less regulation, and probably would not happen as easily now.

In Durban, the Mansell Road Night Market was established in 1998 on land in the central business district leased from the railways. Since the 1980s women had been occupying land informally to sell goods to bus passengers and traders who were coming to Durban from rural areas. Multi-purpose accommodation, which allowed the women to sleep and trade from the same premises, was then built along with a bus station.

Other projects in Durban are the formalising of street traders, in which parking bays and loading zones were converted into trader stalls, and the renewal of Warwick Junction. The research also looked at the illegal conversion of commercial space into what are called "residential workhouses,"



buildings in which tenants are engaged in small production and living.

The Amalinda co-operative housing project, about 5km from the centre of East London, is an example of the municipality making land available for housing the poor. Also in East London is the social housing project Belgravia Valley, which is about 2km from the CBD and 1km from the main hospital in the city.

The Better Building Programme in Johannesburg involved identifying buildings and upgrading them into rental stock. Rondebosch Mansion was the second building acquired by the Johannesburg Housing Company (JHC) under the Better Building Programme. It was dilapidated, had been vandalised and its services had been cut off when the JHC bought it. It has now been renovated and is rented out to tenants. Other Johannesburg case studies are the regeneration of the fashion district in the CBD and the Faraday Station development, which has improved the lives of many traders who previously peddled their goods under the M2 highway.

Three examples of extra-legal land deals were selected: Folweni, 30km southwest of Durban's centre, Zevenfontein, 40km north of central Johannesburg next to Dainfern, a wealthy area, and Ethembelethu in Mogale City. These highlight some of the difficulties the poor face in their efforts to find well-located land and the informal mechanisms they use to overcome the problems they face in the formal system. The study details how the growing gap between formal and informal practices contributes to continuing inequality.



# THEME AREAS AND ACTIVITIES

Theme area	People	Governance	Markets	Place
<b>Champions</b>	<b>Lauren Royston</b>	<b>Stephen Berrisford</b>	<b>Caroline Kihato</b>	<b>Mark Napier</b>
<b>Objectives</b>	Greater tenure security, greater choice of urban location and the ability to assert rights and aspirations, leading to greater residential and income mobility	Making institutions, policies and legislation become more responsive to the needs of the poor	Poor people having access to better functioning urban land markets	More integrated, inclusive and efficient cities and towns in which the poor are able to access better livelihoods
<b>Main projects/ activities 2007/8</b>	Voices of the poor Inner city evictions Recognition of extra-legal exchange Land biographies	Support and capacity building for the City of Johannesburg Peri-urban land management assessment and strategy in Metsweding District Municipality	The dynamics of the formal urban land market in South Africa Listening to the voices of developers and municipalities in urban land development in South Africa	Case studies of integration Urban component of the second economy strategy



Lauren Royston



Stephen Berrisford



Caroline Kihato



Mark Napier



Lerato Ndjwili-Potele



Abueng Matlapeng



Girly Makhubela



Jonathan Diederiks

# PAPERS AND PUBLICATIONS

Copies of these are available from Urban LandMark	Author
Making Urban Land Markets Work for the Poor in the Context of Existing Local Land Access and Transfers Institutions Urban Landmark Position Paper 1	Lauren Royston Development Works and member of LEAP Association November 2006
Attacking Urban Poverty with Housing: Towards More Effective Land Markets Urban Landmark Position Paper 2	Catherine Cross Urban and Rural Economic Development Programme Human Sciences Research Council November 2006
Conceptualising 'The Economy' to Make Urban Land Markets Work for the Poor Urban Landmark Position Paper 3	Colin Marx Isandla Institute November 2006
Regulatory Systems and Making Urban Land Markets Work for the Poor in South Africa Urban Landmark Position Paper 4	Michael Kihato and Stephen Berrisford Stephen Berrisford Consulting November 2006
Capturing Unearned Value/Leakages to Assist Markets to Work for the Poor Urban Landmark Position Paper 5	Mercy Brown-Luthango Development Action Group November 2006
Land Use Differentiation, Class Differentiation, and the Urban Land Market – International and SA Frameworks in MMW4P Perspective Urban LandMark Position Paper 6	Dr Jeff McCarthy Development Research and Strategy November 2006
Opening Up Spaces for the Poor in the Urban Form: Trends, Challenges and their Implications for Access to Urban Land Urban Landmark Position Paper 7	Karina Landman and Nana Ntombela CSIR Built Environment November 2006
Making Urban Land Markets Work for the Poor: Synthesis Paper Urban Landmark Synthesis Position Paper	Sarah Charlton University of the Witwatersrand November 2006
International Land Banking Practices: Considerations for Gauteng	Dr Kirsten Harrison Gauteng Department of Housing and Urban Landmark March 2007
Land Management and Democratic Governance in Five South African Major Urban Centres	Wendy Ovens Wendy Ovens & Associates June 2007
Voices of the Poor	Development Action Group June 2007
Towards a Vision for the Urban Land Sector in South Africa by 2020: Interventions and Future Scenarios	Matthew Nell & Associates: Workshop to generate a vision of the urban land sector in 2020 Perspectives from ULM Workshop 10 May 2007

Copies of these are available from Urban LandMark	Author
Case Studies on Integration	Wendy Ovens & Associates March, 2007
Overview of Urban Land as a Commodity in South Africa Research Findings and Recommendations	Matthew Nell & Associates 10 August 2007
Application of Regulatory Impact Analysis Methods to Proposed Regulatory Interventions Relating to the Urban Land Market	SBP for Urban Landmark working with the Department of Housing 11 May 2007
Town Land Management-Developing Integrated Towns	Wendy Ovens & Associates
Recognition and Enhancement of Socially Dominated Urban Land Markets	Wendy Ovens & Associates
Case Studies on Integration	Wendy Ovens & Associates
Recognition and Enhancement of Socially Dominated Urban Land Markets	Isandla - Mirjam van Donk
Review of Qualitative Data: Access, Holding and Trading of Land	Ros Gordon Consultant
Analysis of Qualitative Survey on Land Access, Holding and Trade	Warren Smit
Voices of the Poor Booklet	Warren Smit
Land Biographies	Progressus Research & Dev. Consultancy, Margot Rubin, Colin Marx
Peri-urban Land Management Assessment and Strategy in Metsweding District Municipality	Riana Du Plessis Urban Planning
The Dynamics of the Formal Urban Land Market in South Africa	Genesis Analytics
Beyond Policy Frameworks - Listening to the Voices of Developers and Municipalities in Urban Land Development in South Africa	University of Pretoria
Strategy for Professional Development in Urban Land and Urban Land Markets	Tanya Zack, Melinda Silverman, Lone Poulsen and Sarah Charlton 16 April 2007
Urban Land Access Manuals	Afesis-corplan
Review of Land Titling Programmes in Urban and Peri-urban areas	Social Surveys Africa
Inner City: Modelling Exercise for Johannesburg Inner City Affordable Rental Accommodation for the Poor	SAGITTA (Alice Rennie)
Support and Capacity Building to the City of Johannesburg to Improve Access to Urban Land Markets by the Poor	Gemey Abrahams



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