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2008-2010

URBAN LANDMARK

Annual Report



Urban LandMark

making urban land markets work for the poor



UKaid

from the Department for
International Development

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Established in May 2006 with funding from the UK's Department for International Development (DFID), Urban LandMark works to find remedies to the problems that have made urban land markets dysfunctional, and hence land unaffordable.

Our initiatives aim to shift policies and practice to improve access to well-located urban land by making markets as well as land planning and management systems work better for poorer people, giving effect and meaning to the idea of people having a right to land.

Urban LandMark plays a catalytic role by using research to inform policy, and by promoting dialogue between key stakeholders – government, the private sector and civil society – to foster a common understanding of and find effective solutions to prevailing obstacles in urban land markets.

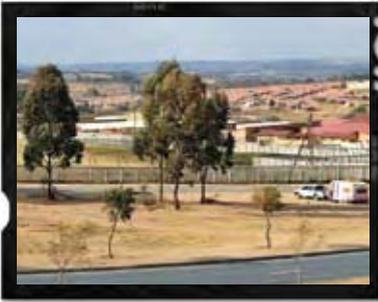
Our work in South Africa, which shares common problems with cities and towns in many other developing countries, such as rapid urbanisation, rising land prices, unequal access to services, uneven legal protection and limited state resources, has been broadened to include a Southern African regional focus.

We are grateful for DFID's continued support of this programme.

2008-2010

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Annual Report



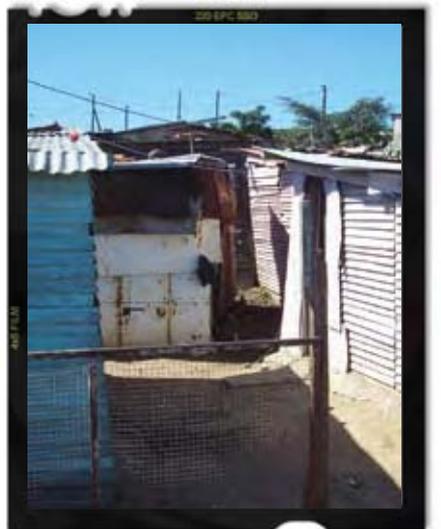
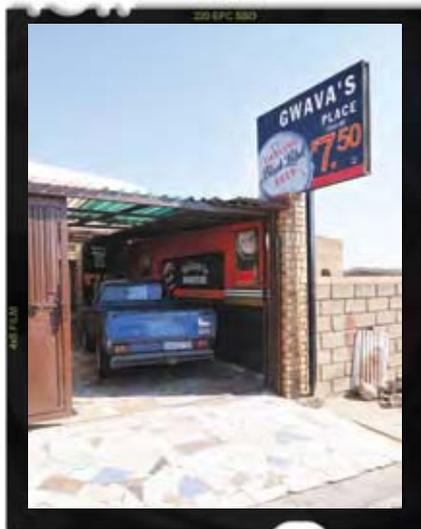
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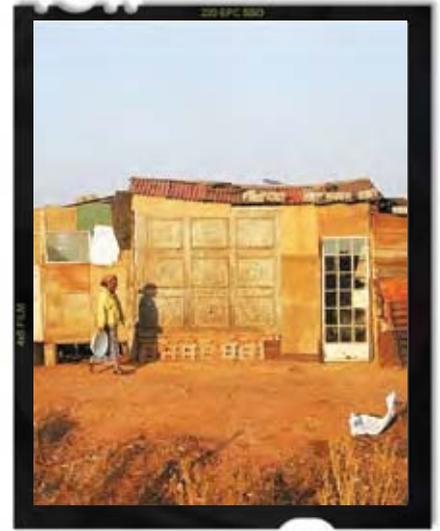
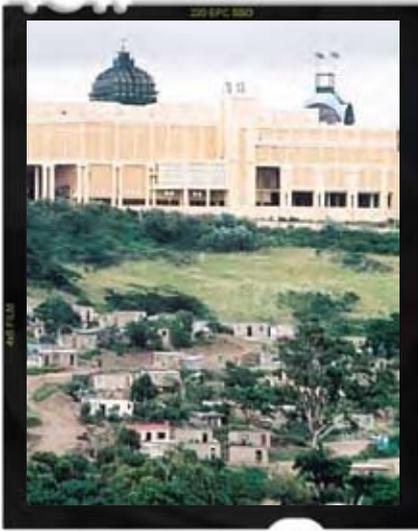
from the Department for
International Development





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PROGRAMME DIRECTOR'S REVIEW

lending our voice to the global discussion on making urban land work better for poor people

In March 2010, Urban LandMark joined 14 000 people from over 150 countries for the World Urban Forum in Rio de Janeiro to discuss the challenge of ensuring adequate, sustainable and equitable human settlements in the context of rapid urbanisation.

Some answers to these concerns are known – making urban land resources available in the right places, underpinned by inclusive land policies, concomitant infrastructure development and the provision of basic services, as well as access to affordable financial services. What is proving increasingly difficult, though, is creating and ensuring better opportunities for poor people to access, hold on to, use and trade land in urban areas.

as cities grow, so do slums

This is evidenced by the fact that the problem of landlessness remains as much of a challenge as when Urban LandMark began operations early in 2006. In fact, despite the global commitment to improve the lives of people living in slums, with increasing urbanisation in the region, the number of slums in cities and towns continues to grow.

Even active housing and urban development programmes by governments in some countries have not halted this process of slum formation. Often existing practices in urban planning, management and administration have not fully addressed the underlying issue of access to land by poor communities.

The state also sometimes fails to ensure that people's land tenure is secure against future competing claims from other urban actors. As a result, even when people do access land in the short term, whether that land is used for living or trading, they often fail to hold on to that opportunity. An example of this in the South African context is when people sell a government-subsidised house, usually for a fifth of its real value, and return to living in an informal settlement, having lost their one greatest asset.

This may be because households need a short-term cash injection and therefore make 'distress' sales, or because the house is not located near to opportunities, or simply because the household cannot afford to live there.

In other countries, people are displaced from their land because of conflict, or because the overall economic situation does not allow them to stay there, or even because they are forced off the land by government itself. Street traders in many countries also live life on the margins, and state recognition of their sources of livelihood may be fickle and at risk of being withdrawn at

the global commitment to improve the lives of people living in slums is expressed in the Millennium Development Goal which targets 100-million slum dwellers by 2020

any time. Municipalities do not have consistent street trading laws and are prone to 'clean the streets' ahead of state visits or sporting events.

land security is fundamental to development

What this points to is that the ability to access and hold land should be understood as a fundamental building block for development. Land security can be linked to food security, especially in rural areas.

In urban areas, land security and income security are directly interlinked, with space being used for small businesses and sub-renting. In fact, a recent Urban LandMark project in collaboration with the Social Housing Foundation found that 35% of South African households that rent their accommodation occupy small-scale rental units – houses, flats, rooms or shacks built in the backyards of existing properties. The sub-sector is responsible for one of the most successful and efficient housing delivery systems in South Africa, with no direct state support and often in the face of a hostile policy framework.

It is clear that land security is an essential element of promoting economic development, and that access to space for living and trading is the first foothold that urbanising families establish in cities.

For this foothold to be consolidated, the conditions need to be such that households are able to hold on to that land without being arbitrarily dispossessed of that right.

The next stage in the consolidation of land security is the ability to trade land and land use rights, and thus to participate gainfully in the market. If the barriers to entering the market are not too great, this allows households to participate more fully in the urban economy, not to mention being able to attain residential and business mobility.

What this mobility means is that households are able to move house more easily, or move their businesses, so that they can take advantage of urban opportunities in different places without having to commute long distances. It is also a fact that not

all people living in southern African cities are wanting to stay in urban areas indefinitely. There is often a seasonal movement of people between urban and rural places, or people move to rural areas when they retire. This means that residential mobility and the availability of rental housing are key to accommodating people's lifestyles.

finite development land and limited natural resources mean increased competition – and often more losers

As cities and towns rapidly grow, the competition for land between urban actors becomes more intense. Added to this is the clash between the resource needs of urban development and the ability of the natural environment to sustain this growth. The stakes become higher. We are prone to view development land as a plentiful resource in the region. But urban efficiency becomes an issue once cities grow beyond a certain size.

Urban economies face the danger of collapsing in on themselves as unmanaged urban sprawl continues, fuel prices increase and the costs of extending urban services become unattainable within the limits of the existing tax base.

While urban areas and land markets have a way of adapting to growth, the poor are in the meantime often the greatest victims of urban inefficiencies until the system corrects itself – or perhaps collapses or bifurcates. This has happened in some South African cities, where second city centres develop driven by the private sector and favouring high-end commercial and residential development. While this is a 'natural' process of adapting to urban size, municipalities are ill prepared to regulate such developments, and the outcome is often a rich city - poor city divide.

The adverse experience of this unmanaged growth is manifested in hunger, ill health, under-employment and disproportionate travel costs.

Urban collapse has happened in post-conflict situations where urban services breakdown and issues like poor water quality threaten and take lives. This makes the need for urban work in the region all the more necessary.

in many African countries, the formal systems of land planning and regulation operate in one world, while the poor – sometimes more than half of urban dwellers – effectively live in another world where people occupy land that is largely unplanned and unregulated

However, there are also positive opportunities in growing urban areas, which is why people put up with the adverse effects of living on the peripheries of poorly planned and managed cities. People are able to network more effectively, provide supporting services, access larger markets, and benefit from better health and education than they are able to elsewhere.

our worlds keep drifting apart

In many African countries, the formal systems of land planning and regulation operate in one world in which activities, transactions and land rights are regulated, registered and legal. The poor majority live effectively in another world, in which people occupy land which is largely unregulated, untaxed and unplanned.

Despite this, complex rule systems are in place which locally regulate the occupation and use of that land. And people move between the two systems, seeking opportunity where they may find it.

But the systems seem not to be able to speak to each other. The transaction costs of entering the formal system are usually too high for most urban dwellers to make the jump. So for people trying to make the move from a shack to a permanent house, or from a small business to a larger one, this is rarely attainable without state intervention.

Where this does happen, the second sale of that house is rarely registered (which means no title deed changes hands). And while street traders may have some form of licence to trade, it is often retracted by the authorities, and what security has been gained is then lost again.

The 2010 Soccer World Cup hosted by South Africa is a case in point. A recent study by Urban LandMark focusing on some of the threats of removal and harassment of street traders ahead of this world sporting event found that traders in close proximity to stadiums are rarely able to benefit from increased trading opportunities.

This is a common theme for the urban poor and leads to little overall improvement in people's situations, increasing inequality between the rich and the poor, and the continuing growth of slums.

getting the basics right* ensuring land access and security for larger numbers of poor people

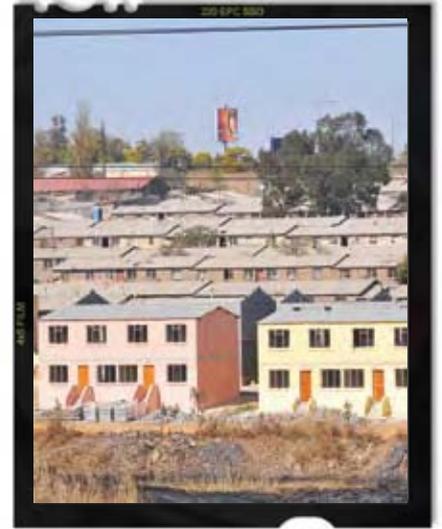
This is the challenge that we as the Urban Land Markets Programme for Southern Africa have been working on intensively over the last two or three years covered in this report.

When we started this work, we knew that the underlying land issues were important for addressing and sustaining development, but we did not appreciate just how fundamental they were and how much work needs to be done to shift thinking and behaviour.

Much of the work has been aimed at deepening our understanding of the dimensions of access to urban land and to markets. Increasingly we have moved towards framing interventions which begin to address how larger numbers of people may attain land security and inclusion into the formal system. This includes examples such as supporting the South African government in establishing a parastatal organisation which has the power to acquire and hold land for housing the poor. And it includes working on national land use legislation which will replace much of the (still existing) apartheid legislation.

If the challenge of slums is to be comprehensively addressed, we believe that the formal system needs to learn from, and adapt to, local rule systems which in reality govern many sections of the city.

Communities also need to be able to see clear benefits to participating in the formal system if they are to be integrated into a unified planning and land tenure system.



Our ongoing partnership with the City of Johannesburg to develop an approach for the regularisation of informal settlements recognised and used the role informal settlements play in providing fast, affordable accommodation, but at the same time sought to include informal areas into an appropriate regulatory framework. This meant that people living illegally in hundreds of settlements in Johannesburg are now officially recognised as part of the city's planned areas and stand to benefit from full urban services and legal land tenure.

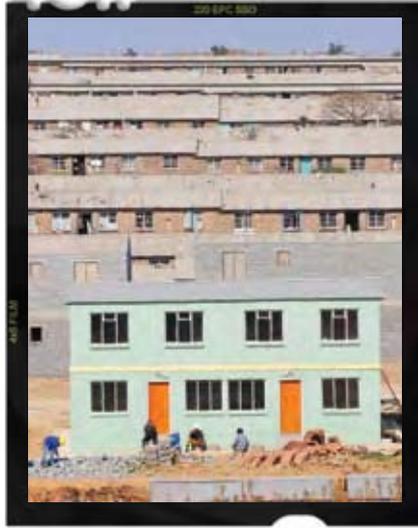
While reading this report, I would encourage you to look at the dimensions of this challenge, and at some of the solutions that are being developed to address urban poverty.

taking our experience to – and learning from – the region

Moving forward, our aim is to consolidate the work that has been done so far, so that it achieves maximum impact and is easily available in accessible formats, and then to explore what it means to broaden our vision to encompass more work in the southern African region.

While land systems and markets look very different in different countries, there are approaches, methods and ways of working which Urban LandMark has developed which may be applied in the region. Many of these seek first to understand markets before suggesting any kind of intervention. So our emphasis will be on learning from the region and opening up channels which will foster communication and the cross-fertilisation of ideas and experience.

This holds out hope of improving the lives of millions of people whose urban futures are currently uncertain.



Introduction to the Report

This report, reviewing Urban LandMark's activities for the period 2008 to 2010, is structured around our five main areas of focus: urban land rights and secure tenure, functional markets, better governance, regionalisation and professional development.

Each section of the report details our objectives within the particular theme area, gives an overview of the research and initiatives undertaken and partnerships engaged in during the period under review, and provides the reader with some of the leading findings and recommendations that influence our further work in these areas.

Within the **urban land rights and secure tenure** theme, we focus in particular on an incremental approach to recognising informal settlements and promoting tenure security to ensure a more immediate improvement in poor people's livelihoods.

The focus of the **governance** area is on how institutions, policies and legislation can accommodate and enable better access to land.

The **market** theme area looks at broadening understanding of the operation of the market, improving knowledge around market participation, designing appropriate interventions – in

particular in terms of removing barriers to entry – to improve poor people's access to land and promoting engagement with the state.

Where **regionalisation** is concerned, Urban LandMark, together with our partners, envisages improving our understanding of the African experience with urban land markets, particularly at a regional level, by providing accessible material on the functioning of such markets.

Our focus on **professional development** spans all four theme areas described above, and is aimed at practising professionals and officials, as well as students training in the sector. Here we work with various academic institutions, government departments and NGOs to ensure capacity-building at local, national and international level. This section of the report details how we make the outputs from our research and project activities available as learning material to enhance urban land market actors and practitioners' understanding of and effective participation in this area.

Our information is further disseminated and our experience shared through our website, conferences and workshops, and through participation in external events, dialogues and forums.

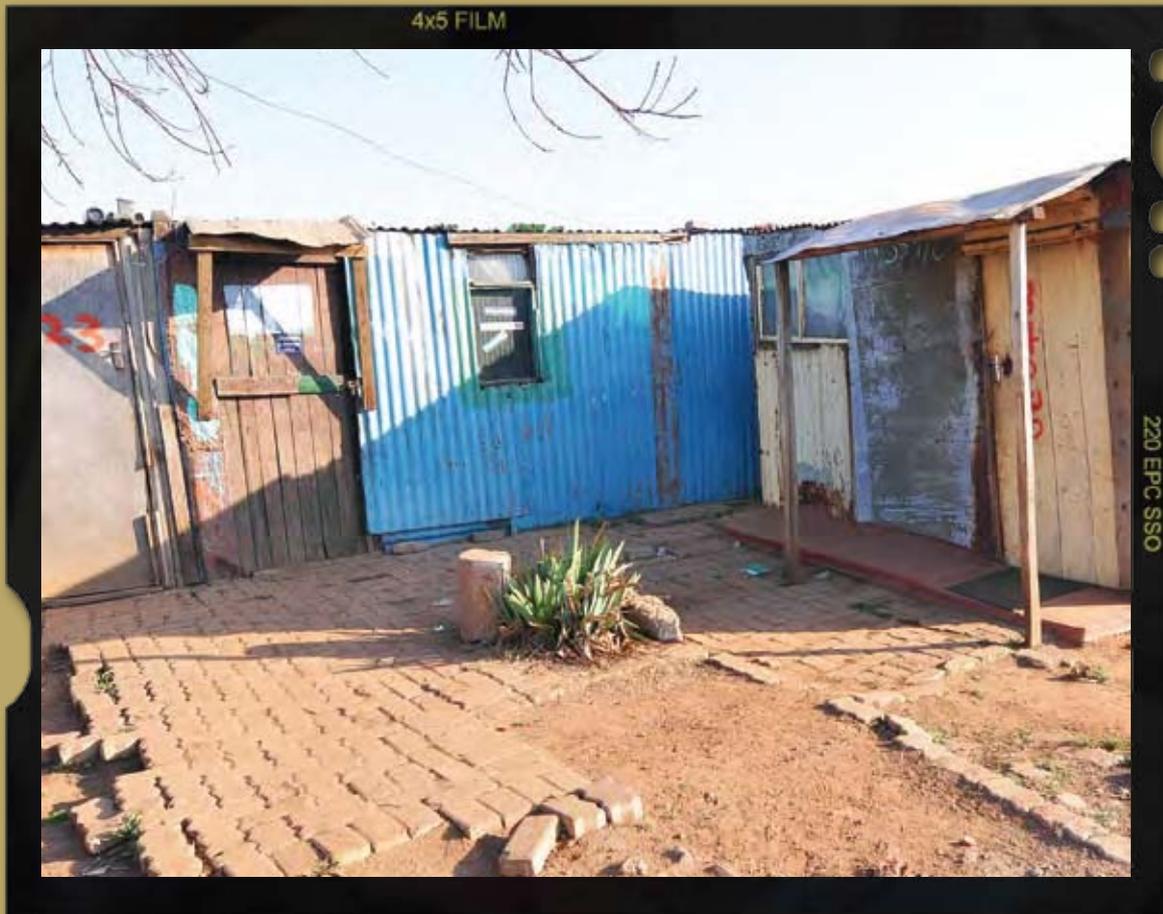
Our African Urban Wiki initiative aims to ensure practitioners in the urban development sphere have access to research and the experience of urban development experts, and are able to exchange information through online discussions.

During the period 2008 to 2010, our in-house staff complement included the director, a programme manager, an administrative officer, a project administrator and an office assistant. Much of our work is driven and managed by our five theme co-ordinators, while a range of partners, consulting organisations and individuals engages with Urban LandMark to deepen the thinking around and establish an informed understanding of urban land markets in the region, and to assist us in influencing change in the sector.

Guidance and advice on strategic direction was provided during the period by an advisory committee of about 12 people and a management committee comprising DFID and FinMark Trust staff. The FinMark Trust also manages Urban LandMark's finances.

Urban LandMark takes this opportunity to acknowledge and thank everyone who has been involved in building the organisation and implementing our initiatives to improve poor people's secure access to well-located land in urban areas by ensuring better functioning markets and supporting effective land governance by the state.





URBAN LAND RIGHTS AND SECURE TENURE

The urban land rights and secure tenure theme work focuses on the issue of how rights over land are progressively realised, by raising awareness around informal markets and by addressing tenure processes in the upgrading of informal settlements. The work drives towards greater recognition and enhancement of informal land markets.

securing land tenure in informal settlements, improving access to land and facilitating the local recognition and management of land rights

Urban LandMark is finding ways to open up more officially recognised channels of land supply that increase poorer people's access to the economy, to tenure security and to infrastructure services, social facilities and micro-finance. We emphasise practical instruments that allow land rights to be upgraded over time.

One of the starting points of our approach in terms of informal settlement upgrading is to work with what already exists, and where possible to build on it in ways that gradually secure people's tenure rights.

Government's formal tenure and housing intervention in South Africa has been a complex process, and the waiting periods introduced unavoidably affected urban land markets and their functionality for the urban poor. Of course, land markets continue to operate in informal settlements anyway. But their lack of transparency reduces their efficiency and often reinforces problematic power relations in communities.

Urban LandMark emphasises an incremental approach rather than the up-front delivery of the final product. Such initiatives to recognising informal settlements and promoting tenure security allow action that makes a difference now rather than at some unspecified date in the future.

In South Africa, the 'time lag' between the emergence of an informal settlement and the actual implementation of upgrading (or delivery of legal title to land) represents an important

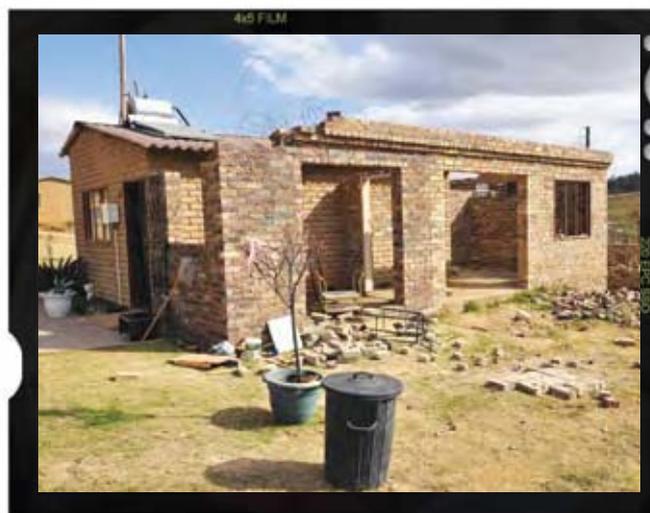
strategic gap into which incremental tenure can be inserted. Incremental tenure processes serve as insurance against slow implementation processes, contribute to ultimately making formal titling processes more sensitive and pro-poor, and introduce management into previously neglected areas.

Importantly, incremental initiatives also give communities the chance to consolidate their settlements and to clarify conflicts via internal processes which may have substantial legitimacy. Moreover, incremental processes allow government to develop the technical capacity over time to properly institutionalise new approaches. In the same vein, incremental approaches allow the 'sorting out' of many social dynamics and claims to land ahead of formal settlement upgrading. Such a process is not only sensitive to the needs of poor people, but also helps to ensure that things go smoothly when formal upgrading occurs. Incremental processes also assist in making many social processes and transactions more transparent, making the land market work better for the most vulnerable.

Since the delivery of formal titles remains a national objective, Urban LandMark's work on incremental approaches to tenure security connects to the 'ultimate' delivery of title while making provision for alternate forms of legal tenure, such as short-term leases, rental and servitudes of use. The approach also emphasises the importance of administrative mechanisms for increasing the recognition of informal settlements, and thereby tenure security. Such mechanisms include council resolutions, utility bills, street addresses and letters of occupation.

WE NEED NEW WAYS OF THINKING ABOUT AND RESPONDING TO INFORMAL SETTLEMENTS

Until recently, government has seen its response to informal settlements largely in terms of their replacement or eradication via the introduction of subsidy-driven housing delivery. Linked to formal housing delivery has been the vision of replacing informality with full-fledged township establishment processes and the delivery of full ownership title. Whilst delivery of houses and formal tenure is a laudable goal, a time lag remains between the formation of informal settlements and the actual implementation of full-fledged subsidy-driven upgrading – which challenges all tiers of government. With the average age of our informal settlements more than 20 years, various stakeholders concerned with making urban land markets work better for poorer people, including government, have concluded that 'traditional' approaches to informal settlements have to be complemented by an increasingly innovative course of action in which land rights and urban services are continuously upgraded until an acceptable standard is achieved.



Our incremental tenure security approach is therefore not against legal or formal approaches but rather against a uni-dimensional titling approach to all situations, which is very much the case in South Africa. Thus, while we realise the importance of legal recognition, we emphasise the need to acknowledge and build on community tenure recognition and management approaches.

Urban LandMark's work in this area also highlights the importance of not conflating people's 'urban access' strategies with their longer-term locational preferences and asset-accumulation strategies.

It should not be assumed that just because people have settled somewhere, this is where they want to be, even in the medium term, or that such access strategies negate aspirations to acquire better physical and economic assets (land and housing) to reduce their vulnerability.

The initiation of legal or formal tenure processes in poor locations can 'lock' people into such locations, particularly if the process is linked to the provision of subsidies, as in South Africa. Although the international literature on tenure provides much evidence of the low mobility of the very poor, we believe that this reflects the dysfunctionality of land markets as much as it does the propensity to stay put.

Urban LandMark's initiatives aim to develop officially recognised mechanisms to register rights locally and provide evidence to rights holders that can be used to defend claims to productive and residential land use, and for transferability.

Our incremental approach to tenure security does not require the provision of freehold title. Instead, it relies on simple administrative and legal mechanisms to provide protection against evictions and to signify implicit recognition of informal settlements, for example, through the provision of services, voter rolls, registers, layout plans, and street and shack numbering.

The tenure security approach places greater emphasis on mechanisms that secure collective rights rather than individual rights, as we have found that the award of individual rights to some can lead to greater tenure insecurity for the most vulnerable – for example, tenants.

Incremental upgrading approaches therefore secure rights on a more gradual, and at first on a less individualised, basis, which also better accommodates existing practices.

local land registration practices

To inform our work on securing and managing land rights in informal settlement upgrading processes, Urban LandMark's scoping study, *Local Land Registration Practices in South Africa*, documented the characteristics of key local practices in registering land claims and rights, and the different forms of evidence used to defend claims and enhance tenure security.

The case study-based research found that communities and community structures have created their own land registration practices, with registered rights and claims that exist over the official system of title deed registration applicable to the underlying land. At the same time, the state has also initiated land registration practices – primarily in opening municipal registers of informal settlement occupants.

Hybridised land management arrangements have developed from these interactions between communities and the state, with sets of claims and rights being created that have varying degrees of social legitimacy. This implies that the land's meaning, use and value are governed through negotiated and socially accepted informal land management processes, based on the application of historical or cultural mechanisms.

Who can or cannot do something on such land and how it can or cannot be done therefore depend on a shared understanding of rights and obligations between different interests and groups

of people, with in particular women, tenants and migrants being vulnerable to conditions of contested claims and biased practices.

While Urban LandMark acknowledges the complexity and plurality that underpin these practices, the study aimed to find commonalities in the selected cases which could form the basis for exploring an approach to and devising practical ways of securing land rights as simply as possible and at low cost, on an interim basis.

LOCAL LAND REGISTRATION PRACTICES – SOME FINDINGS

- **The state's upgrade interventions are often contested terrain**, especially where the intention is relocation rather than *in situ* upgrade. Such upgrade interventions require co-operation from the community, which depends on the nature of the relationship with the state, particularly whether consensus exists on future plans for the area.
- **Although municipal registration initiatives do not begin as rights registration processes, they quickly become so.** Municipal registration practices should not be seen purely as urban management functions intended to identify households and curtail the growth of settlements so that development can be planned for a known quantity. Such registers indicate that the settlement has been recognised by the municipality, sending a signal that tenure is more secure, since the threat of eviction has been removed in the immediate term. They thus create claims to future development for registered households.
- **Land rights registers are seldom static documents**, and changes over time, arising from properties being transferred through either inheritance or sale, lead to hybridised lists.
- Static registers, intending to avoid rapid settlement growth in areas marked for development, are unlikely to serve the needs of dynamic informal settlement communities or remain accurate. **Successive re-registrations multiply different forms of evidence and create confusion, undermine community organisation and relationships between communities and the state, and exacerbate vulnerability to abuse**, especially in the context of long development delays.
- Authority for land management is a powerful tool in communities, and it is the vulnerable whose tenure is most at risk from state, community, family and market pressures. **The location and control of the register, and the extent to which people have recourse to an external authority or recognised community structure must be considered in upgrading interventions that work with what currently exists.**
- **Differentiated rights exist for households with claims to future development and vary based on length of stay.** This hierarchy of claims is entrenched in new registrations undertaken through community-municipality co-operation, and regularisation processes are not able to upgrade the rights of households with local forms of evidence to title, although these appear to have social legitimacy.
- The **existence of local forms of evidence** and the claims that underpin them need to be identified when upgrading commences, and either verified or adapted, taking consequences for tenure security into account.
- The **de facto rights and claims of households** – which go beyond conventional ownership and rental to include households that share, occupy, look after and sub-let units – **should be identified and accommodated in upgrading interventions.**

new approaches to land use management

In its *Land Biographies* project, Urban LandMark explored how urban land is divided and re-divided within the context of the interaction between formal and informal land use management systems.

Three case study precincts – Thokoza, Diepkloof and Doornfontein in Gauteng – illustrate how formal systems of control, which have waxed and waned in their effectiveness, and the livelihood strategies of people living within these systems, have conflicted and complimented each other over time.

The analysis is based on accounts of individuals with long histories in the areas who have been using, holding or claiming land, and from formal land use managers identified as having authority over land management.

The study found that the formal land use management system tends to be conceptually and politically insulated from the diversity that exists in reality, and is hence in many cases unable to respond to it. By revealing a greater set of land use management processes than those officially recognised by planners and policy-makers, we show what has and has not 'worked' in terms of land markets, land management, urban redevelopment and community participatory approaches to development.

Opening a debate about how land use management practices change, and how they can be made to change, the study aims to find ways that enable poor people to use urban land more productively. The evidence suggests that opportunities are more likely to flow from an approach that builds on existing practices, or an acceptance of what is, rather than continued attempts to ignore or replace them by locking the allocation of state and private resources into a false separation of 'formal' and 'informal' land institutions and practices.

how poor people access and trade urban land: revisiting our findings

In 2008, Urban LandMark revisited its earlier investigations of the extra-legal ways in which poor people access, trade, hold and develop urban land in different types of settlements in the metropolitan areas of Cape Town, Ekurhuleni and eThekweni.

The study showed that urban land markets in the poorer parts of South Africa are a complex mix of financially driven processes, mediated by local community-based organisations and processes mediated by the state.

In addition, a wide variety of sub-markets exist, including, for example, ownership of a shack in an informal settlement, rental of a shack (or a room within a shack) in such a settlement, rental of a backyard shack in a township (or having one's own shack in rented backyard space), rental of a room in a township and ownership of an RDP house (either in an upgrading or a greenfield project).

Each option has advantages and disadvantages for households and individuals who make conscious choices about, and frequent moves between, the different and most suitable options at various stages.

The study showed that the key factors on which people base their decisions on where to stay at particular points in their lives include adequacy of location – which depends on proximity to jobs, shops, facilities and transport – adequacy of shelter, space and services, affordability, physical security, security of tenure and future prospects for accessing RDP housing.

While the initial report emphasised the fact that informal, or socially dominated, markets work well for poor people in the short term, with limitations in the medium and longer term, this study focussed on the trade-offs that need to be made. By proposing a framework of factors that need to be satisfied, the study further developed the limitations of these markets, showing that they are seldom able to satisfy more than a handful of the above requirements simultaneously, and often lock people into certain locations and livelihood choices.

Another problem with urban land markets is the fact that there are very few options available to poorer people towards the 'formal' end of the continuum. RDP houses offer very little choice when it comes to location, type of accommodation, affordability level and form of tenure. In addition, the value of RDP houses realised when they are extra-legally traded is significantly less than they are worth.

The study highlighted the importance of increasing the points of entry into the urban land market and multiplying the channels of supply. Moreover, potential intervention strategies should be able to reconcile the benefits of informality, such as flexibility and inclusion, while providing the legitimacy and clarity that accompany formal recognition.

To address the inadequacies and contribute towards the development of urban land markets that better meet the needs of poor households, Urban LandMark suggests, first, reforming the formal or state-recognised land system to be more applicable to and useful for poorer people, and secondly, developing a

wider range of subsidised housing options for all categories of need. Thirdly, informal settlements should be incrementally upgraded where appropriate rather than being automatically relocated, while finally, the provision of good quality backyard rental accommodation should be stimulated.

recognising informal settlements and tenure security

To refine our approach to tenure processes in the upgrading of informal settlements, Urban LandMark partnered with the City of Johannesburg (CoJ) to strengthen the pro-poor orientation of its consolidated town planning scheme. Assisting the City to develop an approach for the regularisation of informal settlements not only provided valuable inputs to its incremental

model but also a mutual learning experience for Urban LandMark and the CoJ.

Johannesburg contains 180 informal settlements, constituting a quarter of its four million people. In addition, the growth rate experienced by Johannesburg will see land and housing needs increasing, with an anticipated 90 000 new dwelling units needed each year. Only a third of these needs can be met through current delivery methods, underscoring the need for policies that enable the formalisation of existing settlements.

The City's approach to the regularisation of informal settlements brings a level of security to residents within informal settlements other than formal township establishment processes,

DIVISIBLE SPACES – OUR FINDINGS ON LAND USE MANAGEMENT

- The ways in which various land use management systems and practices coexist make it possible for people to shift from one system to another. **These shifts do not necessarily occur in an evolutionary direction from informal practices to the formal system**; rather, they are mutually influencing, with the formal becoming informalised when the formal cannot be sustained and the informal becoming formalised in innovative, unconventional ways.
- **In some cases, land is embedded in social relationships that attempt to insulate it from the market** to safeguard family or group members' vulnerability from impulsive sales or evictions. In others, **dynamic engagement with informal land markets** or state-subsidised services **leads to a great variety of transactions**, such as layers of often extra-legal rental or occupational agreements.
- **It is difficult for the 'formal' system of land surveying and conveyancing to recognise uses or divisions of land based on social relationships** or informal contracts rather than documented 'paper systems' based on legal cadastres maintained through formal registration. In the former cases, rights are nested within various layers of social organisation and not easily picked up as a neat correlation between a parcel of land and a registered owner. They are thus not recognised by the state and private financial institutions, despite playing an indispensable role in poor people's livelihood and survival strategies.
- **The non-financial values households attach to their land are neither acknowledged nor understood**, the law does not protect their socially recognised rights or defend their claims, and they are excluded from many benefits afforded within the official land use management system.
- Apportioning of land occurs practically, physically and imaginatively through shared or layered use of spaces with corresponding levels of rights and obligations that may not easily be physically mapped out. These include division of spaces through informal subdivision of household plots into different spatial arrangements, such as backyard shacks and room rentals, or rearrangement of spaces, such as residential uses overlapping with business uses. **Such diverse arrangements may not necessarily retard the productivity of urban land but actually release it.**
- Alternative insights to those that see 'formalisation' as the necessary end-goal of urban land use management include **understanding the relationship between different processes to make informed decisions about which processes merit strengthening, adaptation or transformation** to engender a land management system that works better for poorer citizens.
- **Most formal land use managers access a wider range of resources regarding land use than is generally accepted.** These skills could be used more effectively and appropriately by ensuring institutions in the formal system value and respond to the full range of land use management abilities.

INNOVATIVE APPROACHES TO PROVIDING TENURE SECURITY TO INFORMAL SETTLEMENTS

The City of Johannesburg's 'Amendment Scheme'

The CoJ's Department of Development Planning has conceptualised an incremental approach to providing tenure security that fits into the gap between illegality, with no government interventions, and the point where a full township establishment process proceeds to deliver individual freehold sites.

This novel approach to regularising informal settlements had its origins within town planning and the tools available to planners to manage cities. Key considerations in the minds of the planners – who applied existing legal and administrative frameworks to more progressive ends – were that informal areas should be 'included' within the City's developmental, servicing and regulatory frameworks. A strong belief that informal settlements must be made 'legal', that there should be an acknowledgement of the investment residents have made in these areas and that residents in the city should live in dignity, formed the basis for the Amendment Scheme approach.

Through this mechanism, an informal settlement is granted legal status as a Transitional Residential Settlement Area, notwithstanding the zoning applicable to the land. Important to the Amendment Scheme approach are the scheme conditions which set out the management rules that will apply in the areas identified. These include the provision for a basic layout plan and the issuing and recording of occupation permits in a register that would keep abreast of any land use changes.

The intention of the Scheme is to improve the life chances of the very poor by formally or legally recognising them and incrementally introducing increasing rights to residents, including finding a way to:

- acknowledge their occupation and use of the land
- allow their infrastructure department to provide services within a legal framework
- give residents an address so that they can open bank accounts, enter into higher purchase arrangements, etc.
- allow them to upgrade their dwelling structure and make improvements or investments
- allow residents to transact properties even though they are not owned in the full sense of private ownership
- manage the informal areas within a framework similar to any established suburb in the City.

The City's approach illustrates how an incremental model can mirror the outcomes and tenure mechanisms of formal legal processes, but in a simpler way. In this model there is evidence of tenure (certificate), a record of rights (register), a basic layout plan and intermediate services which mirror title deeds, township registers, general plan and full services in the formal township establishment process.

To upgrade from the lower to the full content forms is likely to be less burdensome on communities, the intention of each mechanism will be firmly established and the upgrade will represent higher levels of tenure security.

The Scheme is also an important breakthrough for government interventions in informal areas – in terms of the Municipal Finance Management Act, a settlement's illegality prior to being declared a transitional residential settlement area prevented authorities from investing in infrastructure and community services. In addition, the Scheme, by extending land use regulation into informal settlements, provides for such a resident to have the same protection against a nuisance land use as one in an established suburb.



which are often tedious and require longer periods of implementation. Such an incremental tenure reform approach recognises the role informal settlements play in providing fast and affordable accommodation, but seeks to include informal areas into an appropriate regulatory framework to remove the inefficiencies inherent in this mode of housing delivery.

Our work with the CoJ has had a significant impact on regulatory and facilitative land management tools, contributing to changes in policy and practice at local government level. Urban LandMark and the CoJ envisage continued collaboration in activities such as pro-poor audits of policies and plans, and debating and testing ideas with other municipalities. We also aim to share our work in this area more widely in South Africa through our local partnerships with, for example, the South African Cities Network (SACN), detailed later in this report.

LANDfirst: an alternative approach to land and housing development

Further work in the urban land rights and secure tenure environment has seen Urban LandMark support Afesis-corplan to develop the LANDfirst concept. This approach to settlement development emphasises the provision of planned secure land with basic services as a first step towards a longer-term housing and settlement upgrading process.

The concept contrasts with most existing settlement development programmes that focus on the immediate provision of a complete ‘full house’ as part of a fully planned and serviced project.

By speeding up the settlement development process, LANDfirst provides previously disenfranchised South Africans with

access to well-located, affordable and secure land for residential and other development.

Urban LandMark and Afesis-corplan see this approach as both a reactive response to allowing people to stay on land they have already occupied, and as a proactive response to allowing people to occupy new land in an organised manner, preventing more unrecognised and unorganised informal settlements emerging.

OUR PARTNERSHIP WITH AFESIS-CORPLAN

An NGO based in East London, Afesis-corplan works with a range of stakeholders to promote managed land settlement processes. To implement the LANDfirst concept and build on the advocacy work done in this regard in co-operation with Urban LandMark, Afesis-corplan is planning to undertake pilot land-first-type projects in the Eastern Cape.

Afesis-corplan, with support from Urban LandMark, has also developed a number of Land Access Manuals and held a series of workshops with stakeholders countrywide – from academic institutions, government departments, municipalities and NGOs to developers – to introduce and garner support for the LANDfirst concept (for further details on these interactions, see *Professional Development and Training*, pp 43-44).

In addition, Afesis-corplan and Urban LandMark are facilitating the establishment of a network of NGOs and CBOs to share information, experiences and perspectives, learn from one another and provide a platform to engage other role-players in this area.

Our objective is therefore to ensure more effective processes – which take cognisance of poorer people and communities’ requirements, challenges and rights where the upgrading of informal settlements is concerned – but also to enable government and other stakeholders to plan for growth by releasing serviced land ahead of demand.

The LANDfirst initiative is particularly important to Urban LandMark, not only in terms of what it proposes – an innovative, practical approach to settlement development – but also how it works to implement the process, bringing together an important array of civil society organisations around land access.

THE STRUGGLE FOR PROPERTY OWNERSHIP IN NEW CROSSROADS, CAPE TOWN

New Crossroads, located in Nyanga on the Cape Flats in the City of Cape Town, is one of numerous settlements 'catapulted' into the formal property system through local residents' participation in the transfer of Council-rented housing to private ownership using the government's 'discount benefit subsidy scheme' in the late 1990s, described as one of the largest 'top-down' urban tenure reforms to take place in South Africa post 1994.

Supported by Urban LandMark, the Mandlovu Development Initiative explored the intended and unintended consequences of home ownership for poor citizens living in 'formal' settlements in post-apartheid South Africa by focussing on the relatively small urban community of 20 000 people in New Crossroads.

Using a case study approach, the research looked at issues related to tenure security, the process and impact of an uneven registration of tenure or 'titling', the nature and value of property (rights and obligations) for the City of Cape Town and local residents, and what 'ownership' means for the community's largely poor residents.

In 2002, the New Crossroads branch of the South African National Civic Organisation (Sanco) approached the Mandlovu Development Initiative – a non-profit 'learning' organisation that harnesses development skills and knowledge to implement sustainable community development initiatives – to assist to unravel the causes behind continuing housing evictions and basic service delivery problems bedevilling residents.

Mandlovu's 2003/04 socio-economic baseline study of the community found evidence of an uneven 'titling' and transfer process, resulting in confusion and insecure rights, a poorly-developed link between place and belonging or citizenship.

Between 2001 and 2006, three different local government administrations facilitated three titling processes in New Crossroads to transfer public rental property into individually registered 'titles'. The manner in which the transfer and registration process took place, as well as different pieces of legislation implemented by the different local government administrations, left residents confused about the exact status of rights conferred and

delivered to them. This lack of certainty left them with a weak sense of tenure security, with no guarantees against eviction.

The study also revealed considerable confusion as to who takes responsibility when it comes to repairs and maintenance of council-owned or transferred housing. Even house owners who knew they were responsible for doing repairs themselves often did not do them, either because they did not have the necessary funds, or because they lacked the documents (title deeds) to prove that they were the legitimate property owners.

The study further identified residents' uncertainty over how houses were valued and rates calculated in the 2000 property valuation. In addition, a 2008 investigation by Mandlovu showed that residents of New Crossroads failed to participate in the process of public inspection of the property valuation roll after the City's extensive re-evaluation of properties across Cape Town in 2006 – which resulted in a significant increase in overall property values for New Crossroads – and revealed that this lack of engagement on property valuations was not limited to New Crossroads but extended to other low-income areas.

Services and rental arrears and a less-than-enabling institutional and political environment completed the dismal picture sketched by the initial study. Municipal debt is endemic in South Africa. The general belief is that service, rental and rates arrears and defaulting reflect a culture of non-payment inherited from the anti-apartheid years.

A deeper investigation showed that many poor people are willing to pay for services and make every effort to pay their accounts within their limited household incomes. But they remain frustrated by accounts they do not understand and accounts that consistently escalate, even if they make monthly payments.

Many citizens, especially those who are poor, do not necessarily understand compound interest. This leads to arrears escalating no matter how long they try to pay off debt. In addition, while policy instruments such as the city's Indigent Policy, municipal rebates for pensioners,

and zero-rating of properties valued under R88 000 go a long way towards dealing with this reality, accessing relief and taking advantage of rebates on offer assumes knowledge, with the onus on the poor to access relief.

The 2008 analysis of individual case studies of rates, rental and services issues highlighted how much time, energy and money poor people spend trying to understand existing ownership, occupational rights and municipal debt.

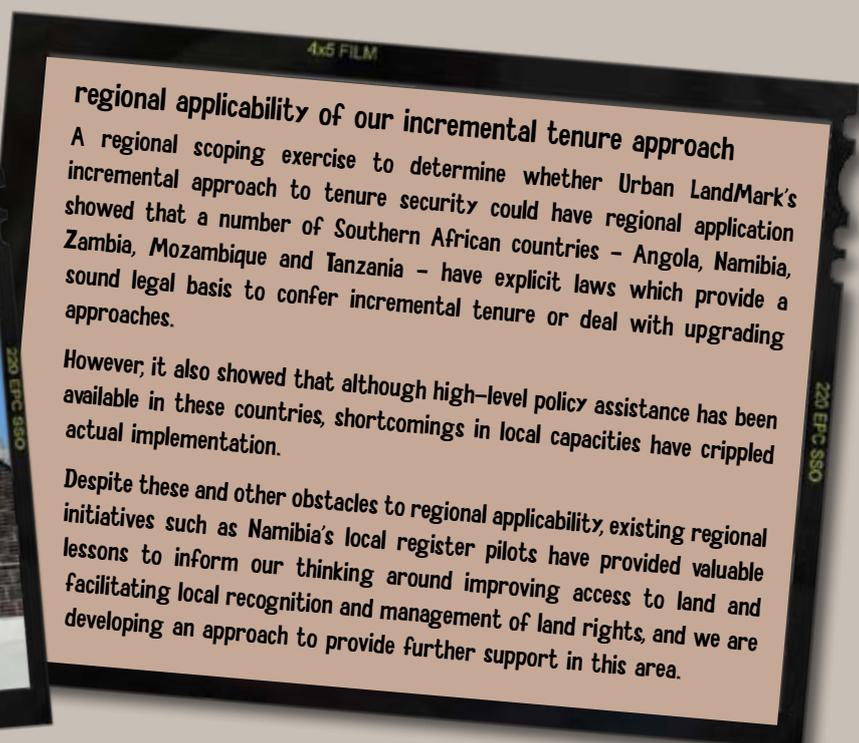
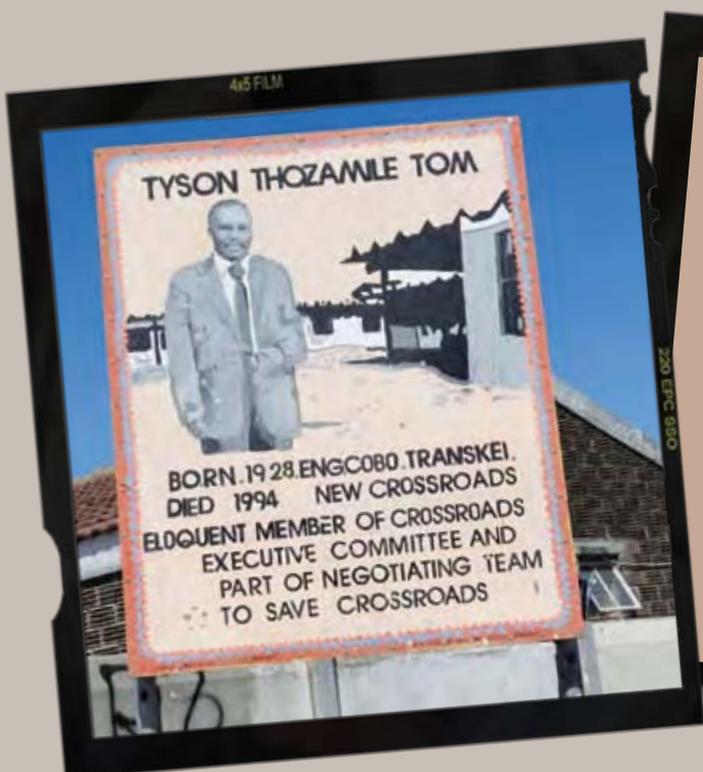
The study also found that municipal accounts, as the City of Cape Town presents them, obscure rather than explain amounts owing for arrears and current costs, leading to increased confusion among residents – in some cases people were charged rates when they did not own the houses, or were being charged rent when they should have been paying rates.

The report points out that, instead of a formal house being an asset for the poor, as anticipated by policy-makers in post-apartheid South Africa, it has turned into a liability for many poor citizens. The reality is that for many poorer people, living in an informal settlement is often more affordable. The study therefore raises specific questions and challenges facing millions of poor South African citizens who now form part of the property system as owners of RDP houses or, as is the case in New Crossroads, are the uneven beneficiaries of former public rental housing stock.

It is clear from this work that land or housing cannot simply be delivered from 'above' without educating the recipients about the consequences arising from owning these assets – the way in which assets are transferred is as important as what is delivered.

Further, institutional instability and unco-operative governance have a negative influence on residents' ability to resolve civic issues and challenges. There is an urgent need for municipalities to communicate policy instruments on offer and engage at local level to ensure that policies become more widely known. Appealing to government to listen to, prioritise and respond quickly to housing and service delivery challenges on the ground – before they flare up into violent protest – is an essential and overarching lesson arising from the study, along with the need for ongoing co-operative governance across and within all spheres of government.

To further this work, a community-based programme of action for New Crossroads is being developed, including the establishment of a number of task teams composed of relevant strategic partners and resource people to tackle priority issues. These include resolving challenges faced by residents regarding unsurveyed and unregistered land in the area, clarifying existing rights of occupation with the assistance of the City and Deeds Office, and tackling the issue of municipal debt by clarifying the basis for disputes regarding property rates and billing arrears.



affordable inner city residential accommodation for poorer people

Urban LandMark carried out a modelling exercise of selected formal residential accommodation options for the poor in Johannesburg to establish what is required, from a financial perspective, to accommodate the poor in various housing options identified.

The model established the financial viability of the various housing options identified under a set of assumptions described as 'cases'. 18 different cases covering three housing options have been modelled, each with its own set of assumptions and inputs. The model reflects the workings for one of these cases at a time, but stores a set of results for each one for comparative and illustrative purposes.

The three categories of housing options comprise four city-led affordable rental for low-income cases, six private sector and social housing institution-led rental for low-income cases and eight inclusionary housing cases.

Financial viability of the housing options was based on two aspects – funding of the development costs and the ongoing financial sustainability of operations. Where a case was not shown to be viable, measures were identified and modelled to improve the viability, in terms of whole-life cycle cash flows in the form of a project Internal Rate of Return, as well as a minimum Debt Service Cover Ratio in the cases where there is debt.

A CASE IN POINT

The Olivia Road court case saw the CoJ seeking to evict 400 residents from two buildings in Berea in Johannesburg's inner city as part of an overall clearance policy under the Johannesburg Inner City Regeneration Strategy.

The city contended that living conditions were unhygienic and constituted a fire hazard, but had not offered the occupiers alternative accommodation. Eviction would likely have resulted in the residents becoming homeless or having to relocate to slum areas on the periphery of the city, and thus cut off from livelihood opportunities in the city centre.

In March 2006, the High Court, citing international human rights law, ordered the municipality not to evict. The City appealed this decision to the Supreme Court of Appeal (SCA) and the Centre for Applied Legal Studies cross-appealed on behalf of the occupants. In March 2007, the SCA ordered the residents to vacate the buildings concerned. However, it also ordered the CoJ to provide those residents who needed it with alternative shelter "where they may live secure against eviction". In this decision, the SCA held that the residents did not have a constitutional right to alternative housing in the inner city, but also said that the economic circumstances of the occupants should be considered. The case was eventually appealed to the Constitutional Court.

Before hearing the case, the Constitutional Court ordered the parties to engage in a meaningful dialogue to see if they could agree on a mutual solution. The parties reached an agreement that was endorsed by the Court in November 2007, providing for the occupiers of both properties to be given affordable, safe accommodation in the inner city where they may live "secure against eviction" – one of the key requests of the applicants.

The ruling was a landmark victory for the more than 67 000 low-income residents of Johannesburg facing eviction due to the City's Inner City Regeneration Strategy. The case is one of the first to hold that meaningful participation, or engagement, with rights-holders is constitutionally required. The Constitutional Court's decision emphasised the need for the State always to engage meaningfully with the inner city poor and respond reasonably to their housing needs by finding adequate alternatives.

Based on an excerpt from the International Network for Economic, Social & Cultural Rights (ESCR-Net) archives www.escr-net.org/caselaw/caselaw_show.htm?doc_id=883971



The study therefore sets up a financial model with the explicit purpose of making formal inner city residential accommodation more affordable, with variables which can be ‘manipulated’ by users to test the impact of change. The significance of the modelling exercise is that it shows the extent of public financial support needed to make such accommodation affordable.

Importantly also, the project Steering Committee managed to bring together and facilitate dialogue between the City of Johannesburg, the Provincial Housing Department and the Centre for Applied Legal Studies, which has been involved in public-interest litigation in the inner city.

small-scale rental strategies to improve the supply of affordable housing

In spite of various attempts at resolution over the years, South Africa still has a housing shortage. Urban LandMark and the Social Housing Foundation in 2009 launched a project to provide greater understanding of and profile to the small-scale rental market within South Africa’s human settlements framework. Our investigations brought together the Gauteng Department of Housing, Western Cape Provincial Government, civil society representatives and private consultants.

As the most comprehensive attempt yet to engage with South Africa’s small-scale rental sector, our findings and recommendations have been distilled into an alternative solution which promises to significantly improve the supply of affordable housing.

While often ridiculed as so-called ‘granny flats’ or ‘backyard shacks’, small-scale rental is one of the most successful and efficient housing delivery systems in South Africa. Of the 2.4-million South African households that rent their primary accommodation, 850 000 (35%) occupy small-scale rental units. This equates to about 10% of all South African households.

Contrary to popular belief, 53% of all small-scale rental units are formally constructed (houses, flats or rooms), with the balance (47%) being shacks. The small-scale rental sub-sector achieves this with no direct state support, and at times in contravention of a hostile policy framework.

The fastest-growing sub-sector within the small-scale rental sector is houses, flats and rooms built on existing properties, with a growth rate of 83% between 2002 and 2006. The average delivery of formal, small-scale rental units between 2002 and 2006 was 33 500 units per year.

Not only is small-scale rental successful in terms of quantity delivered, it also offers other benefits, such as rapid delivery at little cost to the state, a decreased burden on transport infrastructure by increasing population density, encouraging private sector activities and enhancing the growth of capital in housing areas.

The key challenge to changing national policy is the strategy upon which it is based. Such a strategy needs to promote the supply of affordable small-scale rental, while at the same time ensuring that basic standards and levels of service are met.

Our strategy, set out in the report *Small-scale Private Rental: A Strategy for Increasing Supply in South Africa*, provides the basis on which policy about what people build in their backyards – or their frontyards – might be reviewed. Our strategy identified three essential conditions for increasing the supply of small-scale rental housing.



OUR PARTNERSHIP WITH SOCIAL HOUSING FOUNDATION

To fulfil its mandate of developing a vibrant, sustainable social housing sector for South Africa, the Social Housing Foundation works to create credible social housing institutions and develop housing capacity.

Urban LandMark and the Social Housing Foundation's collaboration on the small-scale private rental project included a strategic assessment of local and international literature relating to small-scale dwelling rental, tenant and landlord focus groups undertaken by Social Surveys Africa, focus group workshops for professionals and various one-to-one consultations.

Urban LandMark and the Social Housing Foundation also co-operated on the investigation into evictions from private rental housing.

First, small-scale rental can only be effectively supported on sites with recognised legal ownership and surplus space. Secondly, infrastructure such as water supply and sanitation is essential to support the increased densities allowed by small-scale rental. Thirdly, for small-scale rental to be successful, it requires a landlord with the necessary motivation and access to resources (capital or materials) to build good quality accommodation.

We recommend harnessing the power of small-scale private landlords to increase the rate and scale of delivery of affordable, acceptable rental accommodation in South Africa's existing suburbs and townships.

In addition, South Africa's human settlement policy must focus on opportunities for the rapid creation of additional, new human settlement accommodation opportunities. Small-scale rental offers the highest potential of all settlement sub-sectors for this.

To date, the only overt strategy statements about this sub-market related to the "eradication of informal settlements and slums". This creates a very fragile platform for the stability and growth of the potential of the sector.

Our strategy therefore outlines the critical role that co-ordination across all spheres of government will play, including how the business sector needs to be involved. The importance of government's housing policy and strategy and market interaction between landlords, tenants, financial institutions and contractors are also emphasised.

investigating the factors influencing evictions from private rental housing

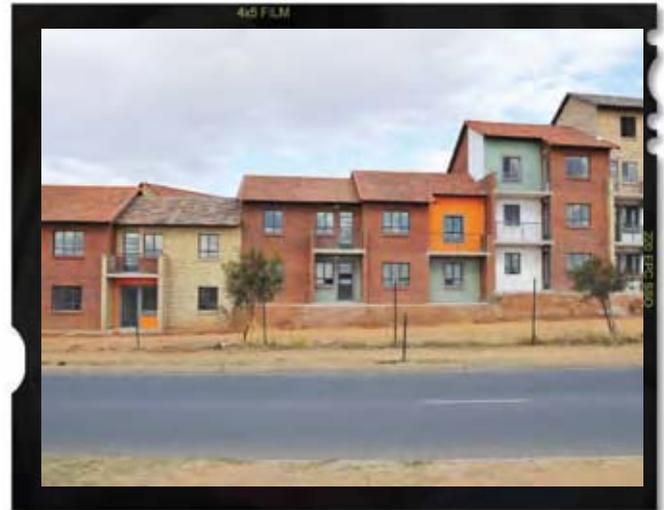
The success of the private rental market is premised on the assumption that tenants make rental payments so landlords are able to repay the costs of providing the accommodation and make a profit. The initiative to enquire whether there has been an increase in evictions, and whether this is due to default in rental payments, is thus an important one. If reasons for default are not properly understood, it is impossible to address them and the resultant problem of evictions.

The purpose of this study, undertaken by Urban LandMark and the Social Housing Foundation, was therefore to identify whether there has been an increase in evictions in the period under review, the extent of illegal evictions, the costs of evictions, as well as factors influencing evictions, the subsequent use of stock and housing alternatives accessed by evictees.

A review of policy guidelines and legislation, as well as better evictions records kept by government departments, the need for paralegals at the local level to assist those threatened by eviction and to find alternatives to eviction where possible, and negotiations with the banking sector to develop a protocol to deal with evictions of tenants in repossessed properties were some of the main recommendations.

EVICIONS FROM PRIVATE RENTAL HOUSING – SOME FINDINGS

- **Illegal evictions**, in the form of lock-outs and service cut-offs, are increasingly used by landlords to get non-paying tenants out of properties, rather than following legal process, as owners and landlords find the eviction route costly and slow.
- **High service costs**, particularly electricity, are becoming more problematic for landlords and tenants, especially in the City of Johannesburg.
- The **use of the indigent policy for targeting subsidies on services** is problematic in terms of deciding how to define beneficiaries – as households, account holders or citizens – defining who qualifies as indigent, accessing non-account holders and the administrative burden on municipalities.
- **Implications of the lapsing rent control protection** for poor and vulnerable tenants have not been investigated thoroughly.
- There is a **lack of capacity in Rental Housing Tribunals** to deal with issues raised by landlords and tenants.
- Government's **Emergency Housing Programme does not cater effectively** for those affected by eviction from private rental accommodation.





functional markets

A well-functioning property market greatly contributes to achieving shared economic growth and development and reducing land scarcity. We work with the private sector and other market agents to address the land needs of poorer people – for living, trading and production purposes. Ensuring urban land markets become more accessible and efficient enables more people to use land and property rights productively – making this a reality requires Urban LandMark to identify and address the considerable legal, bureaucratic, financial and social barriers to entry into the market and improve education around market participation.

looking beyond policy frameworks to progressively influence urban land development practice

interaction between developers and municipalities in urban land development in South Africa

To contribute to the creation of more inclusive cities that provide better access for poor people to well-located, valuable and productive land – and therefore better livelihood choices – Urban LandMark conducted an in-depth study of how urban land development and governance work in practice.

The research included a number of case studies, ranging from suburban residential estates, a commercial shopping mall and up-market golf and coastline resorts to social housing projects, a theme-oriented tourism park, a precinct development and a large-scale, integrated, mixed-use development.

Examining the political, economic and social factors that influence these types of developments, and the nature and dynamics of the relationship between developers and municipalities, brought important issues to the fore. The relative inaccessibility of the industry to poorer people and the inability of the industry to make a significant contribution towards poverty alleviation inhibit efforts to change the urban landscape in South Africa to be more equitable and sustainable. We also found that more efficient urban land development necessitates greater synergy, co-operation and mutual understanding between municipalities and developers, and municipal attention to developmental outcomes.

Developers identified their main challenges as bureaucratic delays, rising municipal infrastructure investment costs and municipalities' lack of capacity. The plethora of planning policies and frameworks in some municipalities, and the inability of municipalities to prepare these documents consistently, and to harmonise and co-ordinate them, were also seen as stumbling blocks.

Municipal officials acknowledged the lack of capacity, experience and skills within their institutions, but cited unrealistic expectations as a challenge, especially from poorer

communities, with the public often unaware of the time-scales involved in development processes and therefore demanding immediate results.

The study's recommendations on improving processes between developers and municipalities highlighted the fact that officials should regain their role as facilitators of development, rather than limiting it to administering development applications.

For the benefit of the community, officials should be more proactive when public finance becomes available for development projects. They should also know their constituencies better and take more initiative during the application and development process.

To benefit developers, municipalities should develop guidelines on acceptable practice and incentives offered, be more proactive in communicating possible land development incentives, take on a stronger role as a trader in development rights and infrastructure, and allocate limited resources selectively and in accordance with clear rules.

For the benefit of municipalities, planning consultants should assist their clients in developing a clear concept with alternative development proposals that are informed by a proper site analysis, rather than letting the developer simply aim to maximise economic gain from the land. They should also act as project co-ordinators throughout the land development process, as opposed to merely administering the application and consent processes.

Our findings clearly point out the need for greater awareness, sensitivity and consideration of the roles, responsibilities and difficulties faced by the respective parties, and what the different role-players can do within their existing ambits to improve urban land development processes and relationships.

Where market access is concerned, the study found that it is often difficult for smaller contractors to work in the sector because of the high levels of skills required in the financial, project management and built environment professions. Moreover, land owners dominate the process because they own well-located land and have access to the necessary finance, capital and intricate networks of developers and other professionals.

Finally, although large developers have been found amenable to investigating more normative development in a kind of 'creative trade-off' once the profitability of a development has been established, a framework which would equally assess the economic and social sustainability of projects is still lacking in South Africa. Clearer protocols for achieving shared outcomes would make urban land development more equitable and sustainable without necessarily reducing how well the market operates – Cosmo City and Westonaria South show that it is possible to steer development to achieve both local government developmental agendas and satisfy private sector interests.

development of formal shopping centres in townships: a benefit or cost to local economies?

According to 2005 figures, about 4.6-million households – 36% of the total number of households in South Africa and 50% of metropolitan households – live in townships across South Africa.

Township (and rural area) economies have been boosted over the past 15 years by the significant growth of the black middle class and the expansion of the social grant system. This growth in income, coupled with the saturation of retail centres in suburban areas, have led to a rapid increase in the number and size of formal shopping centres in township and rural areas – since 1962, 160 centres with 1.7-million m² of retail floor space were developed in 'second economy' areas, with 53% of such floor space developed since 2000.

The growth of township shopping centres has encountered mixed reactions. Some believe these retail centres provide locals with a wider range of goods at lower prices and play an

CASE STUDY FINDINGS – DEVELOPMENT THAT ACHIEVES A VARIETY OF OBJECTIVES

- A key objective of the **Cosmo City** development was to ensure integration between different income groups and create compatible land uses. A joint venture between the City of Johannesburg, Gauteng Provincial Government and developer Codevco, the project demonstrates the principles of integration, value creation and maintenance for the poor through property development that did not just relocate informal communities but developed a more permanent, sustainable settlement.

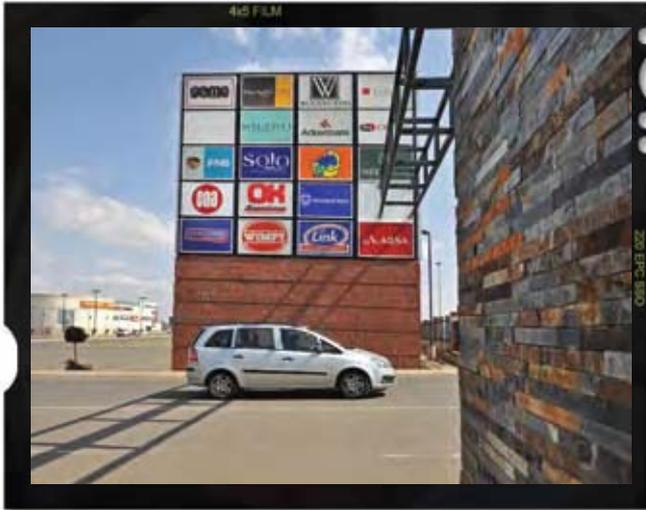
The first of its kind in South Africa, this development provides for subsidised, bonded and rental housing, as well as schools, clinics, sports fields and a police station, shopping centres, business nodes, petrol stations and taxi ranks, a conservation area and an industrial development site to contribute to job creation.

The development demonstrates positive interaction between the private sector and the state, with the developer and the City of Johannesburg assisting one another and, indeed, all parties involved, to meet their objectives of profitability, sustainability and the creation of value in housing and property for poorer people.

- **Westonaria South** represents a new type of urban development, in the spirit of the Department of Human Settlements' *Breaking New Ground* policy, which promotes mixed-income, mixed land-use, public transport-friendly and integrated, sustainable housing development in medium-density settlements. The project stems from the need to relocate the Bekkersdal community settled on land located in a sinkhole-prone dolomite area.

Difficulties were experienced in terms of project governance, in particular because of a shortage of technically competent officials in both the municipal and provincial spheres, leading to slow application processing and decision-making, and because of financial constraints.

However, the long-term networks established between private sector service providers and their colleagues in the organs of state contributed greatly to successful negotiations around differences in the approach to and objectives for the development.



important catalytic role in stimulating nodal development in the townships. Others feel they undermine the survival and growth of local small enterprises.

With investors currently considering all aspects of the commercial market in township areas – including offices, industrial facilities and hotels – it is clear that the commercial property market will form a much greater part of the township built environment in future. At the same time, small businesses perform a vital role in townships by providing employment, competition and innovation.

For example, in Gauteng in 2006, there were just over one-million small businesses, with about one in six adults operating within this market. About two-thirds of these small businesses are traders, with more than half of all small businesses in Gauteng owned by youth.

In the South African context, small businesses also help to reduce the over-concentration of 'formal' economic power. On the other hand, many small enterprises are 'survivalist' businesses, with owners generating a turnover below the current poverty line. In addition, black and women-owned businesses find it difficult to respond to opportunities in the broader economy and exist largely on the fringe of the 'formal' economy.

Urban LandMark's investigation into the growth of formal shopping centres in township areas and their impact on local consumers, enterprises and the economy aimed to find practical interventions to optimise their positive effects and minimise the potential negative consequences of such development.

Our study included consumer and local business surveys, as well as interviews with developers and investors involved in township retail development.

To achieve economic growth in townships, we found that public and private sector practitioners need to attract large-scale commercial developments whilst ensuring such developments do not choke off opportunities for small businesses. Development of the formal commercial and retail sector in 'emerging' economy nodes must secure the growth and interests of small businesses through training, improved access to credit, maximising BEE opportunities and partnership arrangements between large and small businesses. And public and private sectors should work together to ensure successful township economic development.

realities and challenges of informal trading in urban centres

South Africa's commercial informal sector is growing in line with its rate of unemployment, as people seek ways to sustain themselves. Poorer entrepreneurs mainly resort to this sector – and in particular to street trading – because the barriers to entry and the technical expertise needed to run an informal business are relatively low. Moreover, the sector is largely untaxed, excluded from calculations of Gross National Product and not monitored closely.

Attempts to regulate, facilitate and integrate informal traders into the formal business stream have proven problematic, and many municipalities grapple with the management of informal trading, particularly in the large urban metros.

IMPACT OF FORMAL RETAIL CENTRE DEVELOPMENT ON LOCAL BUSINESSES AND INFORMAL TRADE

Generally, traders and local businesses find it difficult to move into formal retail centres. Due to the high levels of investment risk in these areas, tenants are required to submit a business plan recording the history of their business. Although this requirement is not limited to prospective tenants of township retail centres, local businesses operating in this environment generally face a greater challenge than retail businesses in 'formal economy' centres, as the former often do not have financial records or documentation of management structures that reflect their business performance over time.

Jabulani Mall's impact on local consumers and informal traders and businesses in Soweto

- **In the main, the mall has had a positive impact on consumers**, with the percentage of shopping done outside of the area and the average time and cost to travel to other formal retail centres declining, and the range of affordable goods and services provided locally increasing.
- However, Jabulani's development has also seen a **decline in consumer support for local traders**, while the **number of local traders in the area has dropped**.

Centre development dynamics in 'emerging economy' areas

- It is imperative that centres be developed at the **right location, with the correct critical mass and tenant composition**.
- Shopping centres typically serve as powerful nodal development catalysts and **create opportunities for ancillary commercial development**. Hence, space should ideally be available to accommodate future expansion.
- **Local buy-in is critical for retail centre success**, and facilities such as taxi ranks and formalised informal trade facilities should be factored into development plans.
- **Low levels of public sector investment** in township areas and a lack of local government support in some cases should be addressed.
- It has proven somewhat **difficult to get banks into centres**.

As the Centre for Applied Legal Studies detailed in its 2009 study, *The Business of Survival*, 7 000 informal traders clashed with municipal officials from eThekweni metro at the Early Morning Market in Warwick Junction in the Durban CBD in June 2009, over their attempted eviction to make way for a mall to be built on the site.

During the same month, informal traders and City of Cape Town officials in Mitchells Plain town centre argued over the proposed eviction of traders and the allocation of trading sites. Because efforts to formalise informal trading are often at odds with traders' ability to access public space and sustain their livelihoods, they result in many traders 'falling between the cracks' of formal developments.

An Urban LandMark study into informal trading in Tshwane Metropolitan Municipality attempted to gain insight into the conditions informal traders are exposed to, their knowledge about licensing and their rights, and how they operate their businesses.

The study highlighted the fact that street trading poses both opportunities and challenges to spatial planning and the management of cities. On the one hand, they are not always in line with the zoning of an area and might be associated with anti-social behaviour, for example, the selling of illegal goods such as drugs. On the other, they provide pedestrians with easily accessible goods and services (mainly in the form of

IMPROVING THE BIDDING POWER OF THE POOR

In many South African cities, despite well-intentioned state investment regimes, there continue to be two unequal poles of development and under-development, with their origins in segregated apartheid.

Urban land with the kinds of characteristics which would give people the means to create wealth is in high demand and thus sought after by more powerful sectors of the economy. Where groups of poorer people invade land, they perhaps gain locational advantages, but landowners of more valuable land generally use the means at their disposal to resist such occupation of their land or land near to their vested interests. Given the 'logic' of the market, poorer communities – or organs of state acting on their behalf – are often unable to bid competitively on valuable land.

Large private urban interests are usually able to outbid other actors on price because they are able to realise commensurate value from that land – referred to as 'highest and best use'. Although this market logic can be circumvented by state interventions, people subsequently allocated such land, or the use of the space, can be vulnerable unless they are also capacitated to be able to use the land in ways which extract sufficient value. Low-income housing, and small production and trade, are rarely profitable or intense enough to compete and therefore to warrant good location, at least in market terms within the current predominant South African urban form.

Increasing the bidding power of poor communities to access a progressively more defensible place in cities and in urban economies in the face of competitive market pressure resides to a large extent in state action to manage land, creating enabling and efficient regulations and administrative systems, deepening land and property rights, improving tenure, directing infrastructure investment, and understanding markets while targeting spatial planning towards the needs of poorer people.

In addition, building the urban land and property market from the bottom up by improving the negotiating power of poorer communities can be realised by forming associations – in partnership with NGOs if needed – which are recognised by municipalities and in law. Further, if private sector-driven partnerships are incentivised by the state, this type of interaction and co-operation could ensure more effective market supply of land, made available in the right quantities, in the right places and with the right designated uses.

The imperatives of the market versus the interests of poor people

*The Cape-Town-based NGO, Development Action Group, is working with the **Hangberg community in Hout Bay** to secure their rights to keep on living on prime hillside land keenly sought after by private property developers. The settlement comprises mainly shack housing, but to ensure their position on the land, the community would need to find a viable source of funding to improve their own housing and to maximise the value of their position there. This is a case where the community would be threatened by the interests of property developers if they wished to remain on the land and not simply sell it. One solution would be to zone the land so that the community could collectively extract value from their prime position, if necessary extracting rent from parts of the land.*

*A similar tension is felt by historical land claimants who are trying to finalise what development should take place in **District Six in Cape Town**, a community displaced from their neighbourhood by the razing of the settlement to the ground in 1965. Although the land claims have mostly been settled, the high value of the land near the Cape Town CBD is making it difficult to resolve who of the original residents (or their descendents) should have the right to extract value from the land.*

public phones) and create job opportunities at the lower end of the informal retail market.

Currently, however, areas designated for street trading are in many cases not ideal for informal traders, and applying for street trading licences is often a lengthy and costly process. 60% of the sample of informal traders interviewed in the Sunnyside, Hatfield and Arcadia areas in Tshwane metro do not have licences to trade in their particular trading spaces; most of these traders are foreign nationals.

And although licensing requirements restrict street traders in terms of the types of products they can sell, 'illegal' products such as cigarettes are often sold because of market demand and the profit realised. Still, most informal traders have a monthly turnover of less than R500, while 25% have turnovers of between R1 000 and R2 000.

The study also found that because of street closures and other security restrictions, the 2010 Soccer World Cup would not offer traders in close proximity to stadiums increased trading opportunities.

enabling meaningful engagement

To give substance to the notion of defining what makes markets work for poor people in an urban land context, the commercial property market is one of Urban LandMark's priority areas of engagement.

To increase our programme's exposure within this market, Urban LandMark in 2009 participated in the Convention of the South African Property Owners' Association (SAPOA), which

brings together all role-players in the commercial property field and creates a powerful platform for property investors.

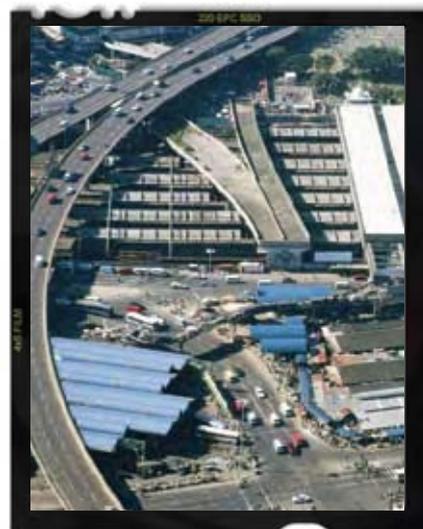
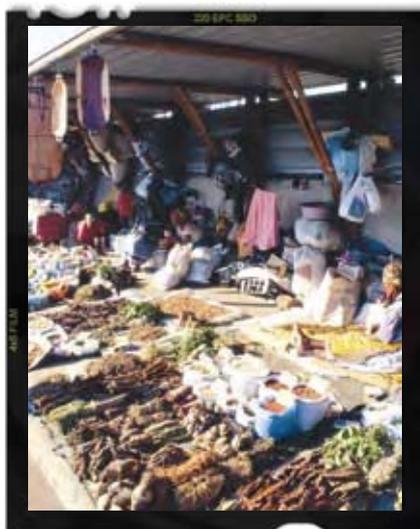
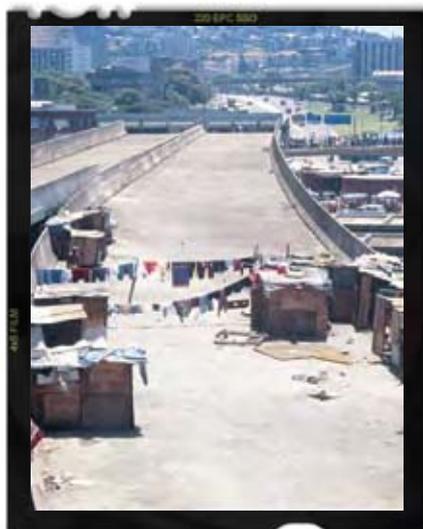
Discussions at the Convention made it clear that research into urban-centred development, tenure issues and the engagement of poor people by commercial developers is somewhat lacking.

However, we found that although commercial property owners and developers have a predominantly business-orientated approach, they are not unwilling to engage with other stakeholders; rather, they are uncertain about how this could or should happen. Expanding and developing the relationship with organised private sector beyond the current engagement is high on our agenda.

Further activities in this area include discussions with the Housing Development Agency, which was established in 2009, on how to acquire and dispose of land beneficial to the interests of poorer people.

With government identifying land release as a major bottleneck, especially in urban areas, the Agency's mandate is to help provinces and municipalities acquire land – working with private sector developers – and prepare it for implementation of integrated human settlements.

Urban LandMark's expertise on the role of the market and the private sector – and our ability to inform policy and shape urban land market practice – are also reflected in our participation in discussions on future scenarios for Gauteng province, which has been taken up in the Gauteng Spatial Development Framework.



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better governance

The South African urban land and property market operates within a defining legislative and policy context. Land that is properly administered and confidently governed are key to an effectively functioning land market. The state's role is to harness the power of the market and broaden its access to new players, with the ultimate goal of giving more poor people access to better land, which leads to improved access in other spheres, such as the labour and capital markets. Urban LandMark's work in this area focuses on how government can improve its management of land through better planning and land use management.

how the state can change the way it exercises power to provide greater access to and more secure tenure for poor households and business in the urban land market

The state's activities in various ways affect the supply and demand for urban land, and so the price. Although neither the state nor the private sector actually determines the price, the state, through the numerous powers at its disposal, can influence both supply and demand for urban land, and so can also influence prices.

Urban LandMark looks at ways to facilitate change in the manner in which the state regulates the use and development of land, primarily through town and regional planning legislation; how it taxes land value, primarily through municipal property rates; and how it transacts in land through both acquisition and disposal.

shaping the urban development component of government's Second Economy Strategy Framework

Urban LandMark has made a direct contribution to the Second Economy Strategy Framework, led by the President's Office and approved by Cabinet in January 2009. Our research into the Second Economy Framework substantially shaped the content of this policy work by ensuring the inclusion of informal settlements as a fundamental component of poverty in urban areas. Prior to this, urban issues had not been acknowledged as an integral part of the Presidency's Second Economy work. In fact, it has been noted that the shift towards acknowledging the importance of upgrading informal settlements by government were in part a direct result of the Second Economy Strategy work done by Urban LandMark. In addition, our analysis of spatially divided cities fed into the Second Economy theme of building inclusive cities and towns.

For the urban development component of the Second Economy Strategy, Urban LandMark managed the commissioning of a variety of papers, and debated and synthesised them to extract a coherent area of emphasis for insertion into the Second Economy Strategy Framework. Our deep engagement in the content and planning of the Second Economy work was clearly recognised and commended for its depth of community of practice.

The work specifically dealt with transforming informal settlements through more effectively integrating economic activity in these areas. For example, it was highlighted that housing in such settlements functions as more than only a financial asset; its social and economic value – evidenced by the fact that 60% of small and medium enterprises in Gauteng are home-based – should be acknowledged, better understood and incorporated into informal settlement upgrading strategies.

OUR PARTNERSHIP WITH TRADE & INDUSTRIAL POLICY STRATEGIES

Urban LandMark partnered with TIPS, which for the last two years hosted the Presidency's Second Economy Strategy programme, to investigate the urban development component of a Second Economy Strategy.

As part of this initiative, we focussed on investigating public investment in urban infrastructure and the capacity of such investment to impact positively on the socio-economic integration of poor and marginalised urbanites. The parameters suggested for informing the urban component of a Second Economy Strategy included a public sector investment focus on developing an effective capital web in urban areas.

Within this focus, building density, increased mobility within urban areas and the strategic use of development tools and incentives to direct public investment, as well as effective partnerships with the private sector and communities, were identified as priorities.

Together with the Second Economy Strategy programme at TIPS and the Presidency, Urban LandMark also funded a Regulatory Impact Assessment process in respect of the draft Land Use Management Bill. As indicated above, this Assessment work was refocussed with the withdrawal of the draft Bill to provide input to the drafting of new land-use management legislation within a larger process of re-imagining the planning system in South Africa as a whole.

INTERACTION BETWEEN THE STATE AND THE PRIVATE SECTOR IN THE URBAN LAND MARKET

The access frontier – the maximum proportion of people in a society who could access products or services such as urban land or urban services given the prevailing configuration of costs and market structure – is an important concept when examining actions by both the state and the private sector to make markets work better for poor people.

In a healthy market, the access frontier will move outwards over time, increasing the proportion of users who can access land, bringing new consumers into the market and therefore expanding the market. However, due to poverty, there are consumers who are beyond the reach of the direct market. Such people need government interventions in the urban land market, such as infrastructure investment, good planning, skills development and regulating the market and incentivising market players where the market is not functioning effectively.

Since the state governs the resource of urban land as well as the market transactions carried out in relation to it, the development and implementation of effective government policies are essential to ensure that the access frontier is able to move out and increase the number of people served – in particular in an urban land market such as South Africa's which often fails to distribute resources equitably.

But government intervention can have negative consequences, crowding out private provision, which results in the access frontier becoming a ceiling and making it impossible for the market to work further for poor people. For the state to be able to guide its governance of land towards achieving pro-poor outcomes in urban land markets and therefore creating better cities providing a better, more secure place for poor people, its role should be facilitatory, acting as a catalyst for others in the market system without becoming part of the system directly.

Therefore, the interaction between the state and the private sector in the urban land market is ideally one where government interventions meet the needs of very poor people who are beyond the reach of the market, while maintaining the incentive for private firms to push the access frontier and remove barriers to market development.

In addition, transforming informal settlements into sustainable neighbourhoods to unlock greater economic opportunity would require enhanced co-ordination around the release of well-located land, planned infrastructure for service delivery and optimally functioning transport corridors.

Urban LandMark is also working with the Department of Human Settlements and the World Bank on the National Upgrading Support Programme, which builds on the informal settlement emphasis in the Second Economy Strategy. The Programme's aim is to facilitate the upgrading of informal settlements which are already on well-located state land and to maximise the sharing of information between projects in different municipalities, which will improve the delivery of affordable housing for all.

reformulating the Land Use Management Bill

Urban LandMark is playing an important role in reformulating the Land Use Management Bill (LUMB), which is to be submitted to Parliament for approval.

Our participation at this level was preceded by valuable input into an earlier version of the Bill, which pointed out key gaps that needed further analysis and discussion.

Urban LandMark's involvement in the review of the Bill, through National Treasury and the Presidency, represented an opportunity to shape crucial planning legislation which underpins the entire system of land management, and through this the realisation of rights, in South Africa. Land use management is part of a regulatory framework currently characterised by a multiplicity of different, outdated laws, and the lack of an institutional home.

Key amendments to the Bill that Urban LandMark suggested to parliament include:

- Clear guidance on each government sphere's responsibilities.
- A clear legal path to the scrapping of apartheid legislation and the transition of inherited regulatory systems into ones reflecting current political and economic challenges.
- An efficient and effective relationship between planning law and regulatory land use and development, as well as environmental and other laws.
- Mechanisms for effecting and equitably fast-tracking identified projects in specific circumstances.

MORE ON THE DRAFT LAND USE MANAGEMENT BILL

Government has worked on the formulation of a national Land Use Management Bill since 2001. In 2008, the draft Bill was dropped by the House of Assembly after a series of hearings before the Portfolio Committee for Land and Agriculture. Hanging over the entire process had been the underlying problem that it is not unambiguously clear which sphere of government has the constitutional competence to make laws dealing with land use and spatial planning.

However, from Urban LandMark's perspective, the overriding weakness in the draft Bill was that it failed to address – or even acknowledge – the impact a law of this kind has on the land market.

The supply of rights to use and develop land is directly determined by the legal processes created in terms of planning laws. Each time a farm is rezoned and subdivided for urban development, the supply of urban land is increased. Each time an 'urban edge' is established around a town or city in terms of an Integrated Development Plan, the supply of urban land is curtailed and, in the absence of a simultaneous increase of development rights within the urban area (for instance through densification) the overall price of land in that city goes up. Existing land owners within the urban area benefit from rising land values and those who do not hold such land are less able to access it. Thus, decisions that may be well motivated in 'planning' terms can have negative impacts on poorer people's access to land.

Another illustration of the way in which the application of planning laws affects urban land markets relates to the rules contained in such laws governing compensation to land owners whose land values might have dropped as a result of a planning decision. In South Africa, these rules tend to protect landowners very effectively, with the result that the rezoning and development of land for low-income housing on well-located land inevitably fails because of objections from surrounding landowners who claim that such development will lower their land values. We need to redirect the purpose of such regulation so that it achieves outcomes that enable people excluded from that market altogether to enter it.

In relation to these possible market outcomes of land-use management regulation, the 2008 draft of the LUMB is silent. It effectively provides no concrete or binding pressure on decision-makers to ensure that the outcome of their planning decisions positively affect poor people's access to urban land.

Indeed, at the parliamentary hearings where Urban LandMark raised these concerns, officials from the (then) Department of Land Affairs indicated that they could not adopt such an approach, because of the anticipated backlash from the anti-Expropriation Bill lobby. For Urban LandMark it is essential that we build arguments to refute the protestations of that lobby. It is precisely the dominant position – entrenched by current laws – that makes the urban land market work so badly for the poor. Urban LandMark is working to ensure that new planning laws have a directly pro-poor impact on urban land markets. We provide both technical and financial support to the inter-ministerial reference group, coordinated by the Presidency, which is tasked to guide the drafting of a new, more effective, legally stronger and more pro-poor national land-use management law.

using municipal rates policies to promote poorer people's access to urban land markets

As detailed earlier in this report, substantive work has been done in building partnerships with municipalities and the South African Cities Network. Initiatives such as the support provided to the City of Johannesburg on an incremental approach towards the regularisation of informal settlements have demonstrated the potential for doing work which can be more widely shared within this sector and which are mutually beneficial.

Further work in this area includes research commissioned by the SACN, with the support of Urban LandMark, to examine how municipal property rates policies are, or could be, used as an instrument to promote access by the poor to urban land markets.

Property rates policies are foremost an instrument created through the Municipal Property Rates Act (MPRA) of 2004 to provide a policy framework at municipal level within which a transparent and fair system of rating, exemptions, reductions and rebates can be implemented. The Act explicitly incorporates a pro-poor objective alongside its fiscal goals in an attempt to aid poorer people who struggle to access well-located land in cities and are further hindered by legal, institutional and procedural constraints which impede secondary residential property markets from functioning effectively in black townships.

There are two main avenues by which municipal rates policies could be designed to positively impact on the struggle by low-income households to gain access to urban land. First, by providing direct tax relief, municipal rates policies can impact

the demand-side of the equation by making it more affordable to remain in one's current property or to move up the property ladder. Second, through indirect means, municipal rates policies can create incentives for property owners to make land-use decisions which increase the supply of available, well-located land and the stock of low-income housing. These instruments would work by creating incentives which favour land-use decisions that promote densification and integration. The Act provides municipalities with the space to decide which properties to rate or exempt from rating, and whether rebates or reductions will be offered to some of the rateable property categories, based on local conditions and circumstances. The creation of particular categories of properties or property owners and the application of differential rates and rebates to those categories is therefore a potential policy tool for pushing vacant or under-utilised land back into the market.

Buffalo City Municipality and the City of Johannesburg were used as case studies to probe implementation issues and highlight some of the key trade-offs made and approaches taken by municipalities to balance municipal revenue concerns with pro-poor policy intentions.

We noted that one of the key difficulties for municipalities in applying rebates to vulnerable groups is determining who is poor from the information on the valuation roll alone. The rebate process puts the onus on the ratepayer to access the benefit. Hence pro-poor rebates have sound social objectives but are very difficult to implement. Required documents to show eligibility and low levels of public awareness keep take-up rates at minimal levels. As a result, a high number of eligible poor people are therefore not accessing available property tax rebates.



BALANCING MUNICIPAL REVENUE COLLECTION IMPERATIVES WITH PRO-POOR POLICY OBJECTIVES

The case of the City of Johannesburg and Buffalo City Municipality

- The residential exclusion is likely the most important instrument in the municipal rates policy for providing direct relief to poor people. The MPRA mandates a R15 000 residential property exclusion, and **some municipalities, like Buffalo City, has simply adopted this minimum**, while others have used more complex rationales for deriving their residential exclusion thresholds.

At the time of the drafting of the MPRA, this R15 000 figure was chosen to reflect the perceived average market value of a government-subsidised RDP house. However since then, the amount of the subsidy has increased significantly as the specifications for the standard RDP house have improved. The mandated R15 000 residential exclusion has not kept pace with the input costs of a government-subsidised house, nor with the estimated re-sale price of such houses through formal or informal transactions. Consequently, the wide variation in residential exclusion thresholds means that RDP beneficiaries in some municipalities will be liable for rates, while beneficiaries in neighbouring municipalities may be exempt.

Johannesburg and eThekweni have the highest residential exclusion rate of R150 000. In the current housing bond market, these municipalities effectively subsidise households with a monthly income of about R5 000 or less (assuming they took out a bond to purchase the house). According to the current valuation roll for Johannesburg, the R150 000 residential exclusion completely eliminates rates liabilities for 32% of residential property owners, or 24% of total rate-payers in Johannesburg. However, properties entirely exempt from property rates due to the residential exclusion are a very small portion of the total properties on the roll and the total value of the roll. The total Rand value of residential properties under R150 000 is R11.6-billion, which is only 3% of the Rand value of all residential properties and only 2% of the Rand value of the entire valuation roll.

- Experiences at the CoJ and Buffalo City suggest that **the ability to calculate collection rates of different property value bands is a critical part of determining the residential exclusion amount.**

Municipalities must consider revenue foregone when selecting and designing direct tax relief measures for the poor. In the case of the residential exclusion, the revenue foregone is a function of the value of the threshold, the number of qualifying properties on the roll and the estimated collection rate.

Given vulnerable groups' ability to pay and the rates base, revenue foregone due to direct tax relief measures is not significant compared to total rates revenue. However, the total cost to the municipality of implementing tax relief measures is the cash revenue foregone plus the administrative costs and staff time to chase arrears, verify documentation and conduct public awareness campaigns to increase uptake. Weighing the options, the means-tested rebate instrument has higher accuracy in terms of reducing errors of inclusion. However low public awareness and difficulty verifying eligibility may reduce uptake and therefore lead to errors of exclusion. **In the case of the CoJ**, one of the factors in setting the residential exclusion threshold was the collection rate for lower-value properties, specifically avoiding the administrative burden and debt write-offs associated with chasing high numbers of low-amount arrears.

The CoJ and Buffalo City case studies suggest that the **residential exclusion is one of the most effective and least costly mechanisms** – from an administration perspective – for targeting the poor for rates relief. Better information on collection rates per income band and on the secondary residential property market in township areas can improve the methodology for setting the residential exclusion threshold, thus increasing its pro-poor benefits while meeting municipal revenue needs. **Income-based rebates and other specific measures to target particular vulnerable groups can then be used to enhance the rates safety net for the poor.**

The study also showed that the lower-middle income band is the hardest hit by property rates – specifically those who earn too much to qualify as indigent but whose property value may exceed the residential exclusion.

However, the current research is insufficient in providing evidence of how the poor are affected by property rates liabilities: rates rebates can leave more money in the pocket of poor households, but can they save a family from needing to relocate, or assist a household to move up the property ladder?

Interviews with municipal officials indicated that the residential exclusion did not likely affect the property market, but further research is needed to test the relationship between the residential exclusion and resale prices in the residential property market.

Finally, from a local government perspective, our research suggests that one of the main issues in terms of developing pro-poor property rates policies is the legality of giving special treatment to a particular area.

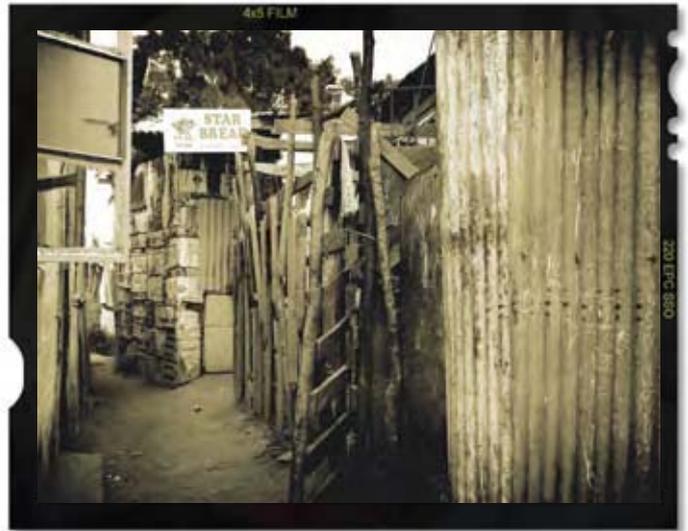
Some municipalities are more aggressive in considering and experimenting with ways to provide rates relief to categories of property or property owners to alleviate poverty or promote economic growth and development.

The legality of such schemes will likely be questioned, if not tested in Court. Other municipalities are being more cautious in interpreting the Act regarding impermissible discrimination between property owners and property categories.

As municipalities shift their energy from sorting out start-up problems with their new policy and valuation roll, we may see the addition of further rebate schemes and the wider spread of special rating areas.

assessing the Western Cape's land-release programme

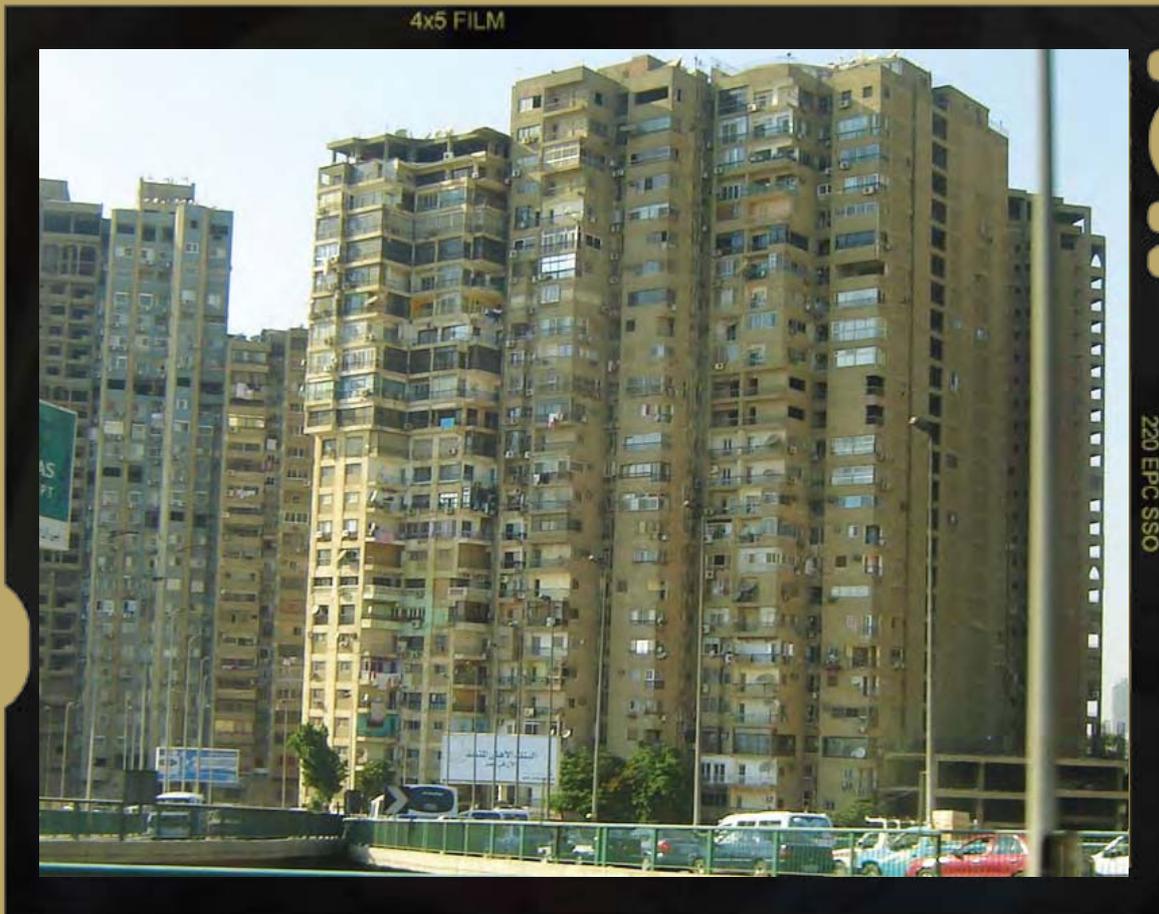
Urban LandMark was commissioned to carry out the first phase of a year-long programme of support to the Western Cape Provincial Government to strengthen and evaluate its land-release programme in order to identify standards and indicators for an effective programme of land release that has pro-poor market outcomes.



The over-arching purpose is to identify best practice for public-land release in South Africa – not just in the Western Cape – and devise qualitative and quantitative methods for evaluating other government-run land-release programmes, particularly in the context of supply to the 'gap' housing market.

We developed a practical template for a high-level, qualitatively-based description and assessment of the land-release programme of the province's Department of Local Government and Housing to serve as a building block for the ongoing intervention.

The evaluation methods were geared towards determining whether public land-release programmes achieve urban-land-market outcomes that support poor people's capacity to improve their material conditions and economic well-being, and if not, why such outcomes are not occurring.



Regionalisation

Together with UN-Habitat and Cities Alliance respectively, Urban LandMark's regional programme has embarked on a number of projects that seek to provide basic, easily accessible material on how urban land markets function in Africa. The partnerships are based on the recognition of a gap in our understanding of the African experience with urban land markets, particularly at a regional level. Urban LandMark and UN-Habitat have therefore jointly commissioned five sub-regional studies of urban land markets in Africa – for North Africa, West Africa, Central Africa, East Africa and Southern Africa – to support our work on developing a series of handbooks explaining African urban land markets at an economic, conceptual and practical level, and to support our participation in the development of State of the Cities Reports for Africa, both with UN Habitat and Cities Alliance.

raising our regional profile to increase our impact and reach

developing State of the Cities Reports in Africa

Urban LandMark is partnering a new initiative to support the development of African State of the Cities reporting, which has become internationally acknowledged as a useful analytical tool in urban development.

African countries are currently experiencing some of the most rapid urbanisation rates in the world. According to United Nations projections, the urban population of sub-Saharan Africa will increase from 387-million in 2010 to 705-million in 2025. In the face of such rapid urbanisation, countries and cities are increasingly seeking access to knowledge and capacity that will enable them to manage growth in a sustained, equitable way.

By compiling current, relevant data and analysis, State of the Cities Reports provide a comprehensive portrait of an urban area from a range of sources, and can help to establish benchmarks for measuring progress. They also serve as learning tools for public management systems and governance structures to enable the development of innovative, adaptable policies.

The initiative is hosted by the University of Cape Town, with its African Centre for Cities serving as the lead implementing partner, while collaborating with the African Association of Planning Schools, the South African Cities Network and other African partners.

The 10-year programme targets 30 countries, with a first phase of three countries being analysed currently. This phase will establish a roadmap for developing State of the Cities Reports on an incremental basis across Africa, which includes identifying and securing partnership support for activities, defining and adopting the State of the Cities Report framework for African cities, and mobilising institutional and human resources to support requests for participation.

The first phase of the programme will also include the development of baseline State of the Cities Reports, and establish an urban knowledge base and network for African cities to ensure that relevant information from the State of the Cities Reports and other programmes reach decision-makers and city builders in civil society.

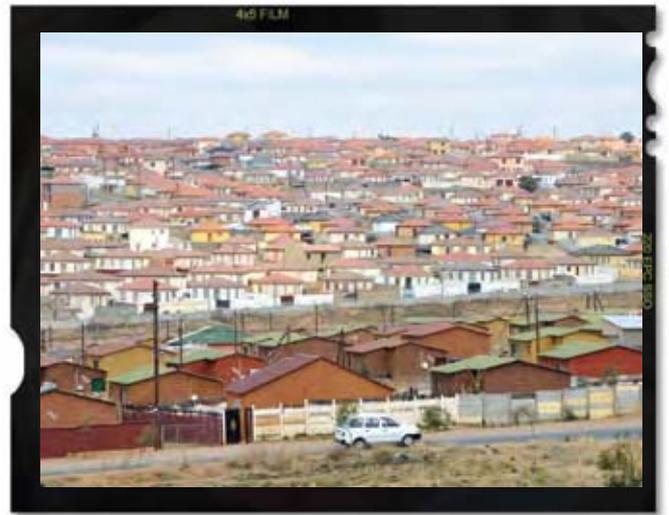
At a regional level, Urban LandMark's participation in the State of the Cities Reports has significantly raised our profile. We are working closely with the African Centre for Cities and Cities Alliance, both of whom have global reach, and are supporting the development of pre-baseline studies. For the first time, land market issues are being included in the state of cities reporting framework.

Both Urban LandMark and the Cities Alliance are providing financial support to the initiative.

Aiming to build urban knowledge and organisational capacity amongst African urban policy-makers, planners and practitioners, this work will underpin and inform future work to improve the understanding of land issues and highlight the implications for urban planning and poverty reduction.

our Handbook sheds light on urban land markets in Africa

The first in a series of handbooks on urban land markets in Africa, this Handbook, titled *Piecing Together an Economic Puzzle*, is a beginner's guide to the economy, especially those aspects of the economy that are relevant to urban land markets and to questions about land use, supply and demand as they unfold on the African continent.



Produced in collaboration with UN-Habitat, the Handbook introduces foundational economic and related concepts which are often used to explain the functioning of urban land markets. By introducing key economic concepts, we do not imply that African land markets should 'fit into' neo-classical economic theories, nor do we propose that 'perfect' markets exist. Rather, we hope to provide the tools for engaging in a critical analysis of conventional economics, particularly in terms of our understanding of African urban land markets.

The Handbook is intended for use by practitioners in government, private firms and NGOs involved in the fields of housing, urban planning, engineering, architecture and related areas. It provides a basis for strengthening urban policy in ways that enable poorer people in African cities to access well-located living and work spaces.

Our intention with this Handbook – and future volumes in the series – is for the reader to come away with a better understanding of how particular interventions affect the urban land market. This first edition of the Handbook also explains how markets affect, enable, constrain and shape initiatives by governments, developers, traditional authorities, banks and micro-lenders, or any of its actors. It therefore provides a sense of the dynamics of the urban land market – how particular decisions in one sector affect other sectors.

Our expectation is that a more in-depth understanding of the market would give practitioners in the field a framework to make more informed decisions when formulating policies or making recommendations.



PROFESSIONAL development and training

Urban LandMark's professional development and training programme aims to find practical ways to enhance the skills available in the dominant professions dealing with the urban land question and urban land markets, so that they can better cater for poor people in urban areas. This programme also ensures that outputs from our research and project activities are made available as learning material to academics, experts, facilitators and teachers. We also co-ordinate and support participation in external training initiatives to enhance co-operation and capacity-building at local, national and international level.

professional development and increasing knowledge around urban land market participation

learning material

Urban LandMark has produced a set of learning materials, in the form of case studies, which provide a summary of key research issues and the findings and recommendations covered in our research reports. The case studies also register the key policy issues for each learning theme. The learning material encourages active participation by identifying learning outcomes as well as learning activities. An interview-based approach in some of the case studies further promotes engagement with respondents' real-life experiences of urban land markets. For those requiring additional information, the particular research reports are made available as source documents to the case studies.

voices of the poor: access to urban land

In 2007, Urban LandMark undertook a series of consultations as part of our Voices of the Poor project. Four workshops, attended mostly by civil society organisations and NGOs, were conducted. This case study presents the perspectives and experiences of more than 100 participants from 30 such organisations talking about access to urban land by the poor.

access to land in poorer parts of towns and cities

This case study is based on research that investigated the extra-legal ways in which poor people access, trade and hold urban land. It uses evidence collected through in-depth interviews with 74 households in nine settlements in three metropolitan areas – Cape Town in the Western Cape, Ekurhuleni in Gauteng, and eThekweni in KwaZulu-Natal – to discuss the key features of informal urban land markets, the role of social and economic relationships in the transaction process and the factors influencing people's access and trading decisions.

informal urban land markets and the poor

This case study dealt with similar considerations as the one detailed above, but focussed more on the trade-offs poor people have to make when accessing urban land. For example, residents of informal settlements put up with inadequate shelter, services and physical insecurity in return for the benefits of access

to jobs, reduced transport and a greater chance of getting an RDP house. Those who choose rental accommodation in more established areas put up with the limitations of space and insecurity of tenure.

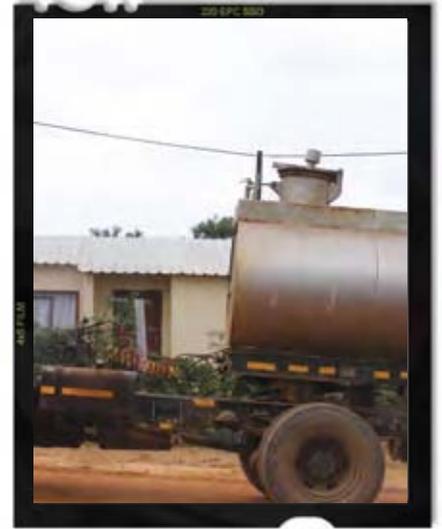
The study also shows how these land markets are influenced by government policies and interventions, such as registration of shacks in informal settlements and the provision of services. Finally, it provides recommendations on how incrementally upgrading informal settlements, a wider range of subsidised housing options and the provision of good-quality backyard rental accommodation can aid the urban poor's access and asset-accumulation strategies.

co-existing urban land-use management practices

Based on findings from a research study that investigated 'land biographies' in three areas in Gauteng – Thokoza, Doornfontein and Diepkloof – this case study shows how urban land is claimed, used or divided, and the land-use management practices that exist around these various and sometimes competing land uses. It uses stories from hostel dwellers, people living in informal settlements or renting rooms or shops in urban centres and informal traders to show the co-existence of formal and informal, and often unacknowledged, land uses to provide a better understanding of the power relationships behind these different management processes so that they can be strengthened or addressed.

urban land development in practice: developers and municipalities share their experiences

This case study draws on research that sought to understand the process of urban land development in practice, from the perspectives of developers and municipalities. Using three large development projects as models, it discusses the legal instruments primarily used in the property development process in South Africa, the factors considered by developers in conceptualising a development proposal, the different planning application routes taken, and the interactions between municipalities and developers.



land governance and its influence on access to urban land

This case study is based on research undertaken by a team assembled by the World Bank in response to a request from Mogale City Municipality for technical assistance on designing and implementing integrated housing and agriculture projects. It details the experiences of a community of largely laid-off farm workers attempting to access land through formal channels in peri-urban South Africa.

10 years ago this community wanted to buy their own farm in a peri-urban area west of Johannesburg to establish a mixed-use settlement, Ethembalethu. The 250 families started their own savings scheme for this purpose, and by 1997 had saved enough money to make their first purchase offer. But they faced numerous obstacles, including three cancelled sale agreements, an out-of-court settlement for which community members were paid to not move into the historically white neighbourhood, and large sums of their own money spent on consultants and environmental impact studies.

The case study provides recommendations to make it possible for poorer people such as this community – which, although they now have a confirmed right to occupy the land in terms of an agreement with the municipality, still do not yet legally own the land, nor have permission to build on and work the land – to access peri-urban land more easily and to build stable and sustainable communities.

informal land registration in urban areas

Based on specific examples of localised and informal land registration practices, this case study shows how people who are unable to access and afford the formal systems for acquiring and holding fixed property often make use of informal systems to satisfy their need to secure rights in relation to urban land.

facilitating access to networks and training

Our work in the area of professional development aims to promote the pro-poor approach to the urban land question at national and local level, and to enhance international co-operation through training and capacity-building.

To this end we co-ordinate and support participation in training initiatives such as the Training for Township Renewal Initiative, the Development Action Group's value capture course and the Certificate Programme in Housing Policy Course offered by Wits Graduate School of Public and Development Management. We have also partnered with Afesis-corporation in the development of its LANDfirst manuals and conducting a series of workshops on land access for settlement development.

To expand the breadth and depth of knowledge on urban land markets amongst practitioners in the field, Urban LandMark during the period under review actively participated at events such as the International Urban Development workshop and SACN's Well-Governed Cities seminar. We also organised forums to stimulate debate around crucial issues affecting poorer people's access to and use of urban land.

transforming South Africa's townships into functional and sustainable neighbourhoods

The Training for Township Renewal Initiative was launched in 2007 by National Treasury and its partners to develop an understanding of the needs and dynamics of South Africa's townships – where some 40% of the country's urban population resides – as well as the various ways of transforming them into functional and sustainable neighbourhoods.

The initiative is a joint venture between the Neighbourhood Development Programme of National Treasury, the Urban Renewal Programme of the Department of Co-operative Governance and Traditional Affairs, the SACN and the Sustainable Communities Initiative of the Development Bank of Southern Africa.

Following a successful first course in 2007, the second overview course for municipal officials working in township renewal in South Africa was presented in 2009 in Durban, with Urban LandMark supporting the initiative for a second time.

The purpose of the course was to build local expertise to conceptualise, design, initiate and implement township development projects around the country. This provided a platform for Urban LandMark to join with the other partners in contributing another perspective on township development issues.



As part of the course, we addressed the theme of 'unlocking township markets'. This module included learning material and presentations on labour, residential and retail service markets to illustrate how poorer people are excluded from participating in urban land markets.

The module also proposed possible interventions that could be put in place to improve participation of poor people in urban land markets.

OUR PARTNERSHIP WITH SOUTH AFRICAN CITIES NETWORK

The SACN is a network of South African cities and partners that encourages the exchange of information, experience and best practices on urban development and city management.

Urban LandMark has over the last two years collaborated with the SACN to implement a series of learning themes about making urban land markets work better for the poor.

This has included research on pro-poor property rating policies, which examined how municipal property rates policies could be used as an instrument to promote poorer people's access to urban land markets.

As detailed earlier, the two organisations also partnered on the Training for Township Renewal Initiative. The SACN in 2009 collated outputs from the Initiative's learning events into a Township Renewal Sourcebook.

Module 2 of the Sourcebook was developed by Urban LandMark and examined economic development in townships and how both public- and private-sector actors can contribute to improving market efficiency.

Our joint initiatives also include support to the development of *State of the Cities Reports* in Africa, which is discussed in the Regionalisation section of this report.

certificate programme in housing policy development and management

Urban LandMark participates in the Certificate Programme in Housing Policy Development and Management, a bi-annual four-week course offered at the Wits Graduate School of Public and Development Management. The course has been designed to address capacity issues through developing skills among a range of actors in the housing sector in accordance with recent changes to South Africa's housing policy.

The Department of Housing's 2004 document, *Breaking New Ground: A Comprehensive Plan for the Development of Sustainable Human Settlements*, requires that housing education be enhanced to meet the new demands and challenges faced by role-players in the housing sector. As such, the course aims to develop capacity amongst individuals to effectively understand and implement the country's housing goal of developing sustainable human settlements. This includes course work focussed on understanding the nature of housing demand, particularly in the context of integrated delivery, as well as the achievement of equitable, efficient, accountable and transparent housing administration. The links between policy formulation and legal or regulatory issues, as well as planning and budgeting dimensions, are also explored.

Urban Landmark presented in the second module of both the 2008 and 2009 courses. Our 2008 presentations drew closely on case studies to exemplify key issues around land as a commodity, integrated land planning and administration, and the creation of urban land markets that work for poorer people.

Our participation in 2009 revolved around the establishment of sustainable human settlements in the context of land access and market issues. In 2008 and 2009 we also funded students from NGOs to undertake the Certificate Programme.

value capture course – Development Action Group

Urban LandMark has been involved in participating in and co-funding a land use management and value capture short course developed by the NGO Development Action Group (DAG). Value capture looks at ways through which public investment in the private sector can be 'captured' and effectively used for pro-poor benefit.

This two-part course aimed to develop skills, knowledge and understanding amongst local government officials around the potential limitations and requirements of value capture as a tool to generate resources and to manage land effectively

to make more land available to low-income groups. Exploring land economics and the ability of value capture instruments to increase government revenue whilst improving land use, the course also provided participants with an opportunity to get acquainted with experiences from different countries on the implementation of value capture instruments.

The course, presented in 2008, specifically targeted key management-level public officials responsible for planning, environment, resource allocation, public facilities, valuations, revenue and municipal finances, as they are strategically placed to influence decisions regarding the implementation of value capture instruments.

The course was attended by a group of 15 municipal officials representing 10 municipalities from across South Africa. The group included town planners and officials from municipal finance, property valuations, land and housing as well as property management departments. The course has raised awareness of the potential of this approach and exposed officials in government to innovative ways to plan resources. It has also created the opportunity to assess to what extent tools are already in use, and to try to create communities of practice on using this approach.

The course was well received by the participants, with many indicating that they had gained new knowledge and insight into issues such as the scale and extent of informality, local government's mandate in respect of the provision of housing, alternative sources of funding, the operation of the formal land market and how it excludes the poor, and how to capture land value.

Urban LandMark presented its experiences in this regard during the session titled existing tools and praxis in relation to land management and revenue mobilisation.

In addition, we provided sponsorships to DAG and other NGOs to attend the Wits Certificate Programme in Housing Policy Development and Management, which provides an intensive engagement on urban issues.

LANDfirst manuals

In August 2007, housing NGO Afesis-corplan, with local government support, approached Urban LandMark to develop a manual that would facilitate poorer communities' access to land. The manual contains step-by-step information on matters such as organising community members around land access

processes, deciding on an approach to be taken, planning for land access, gaining approvals and solidifying access to land through final implementation processes. In this way we aid NGOs supporting community access to land.

In October 2008 Afesis-corplan, with our support and participation, conducted a series of workshops on land access for settlement development in Pietermaritzburg, Johannesburg, Cape Town and East London, and brought together groups from government, communities and NGOs with experience in land issues.

The aim was to share information about access to land and to identify opportunities for improving the process. The workshops also explored how role-players could engage with government departments using new policy instruments to improve land access for the poor, and briefly looked at a possible vision for residential land within the next 10 years. Key dimensions of such a vision debated at the workshop included that:

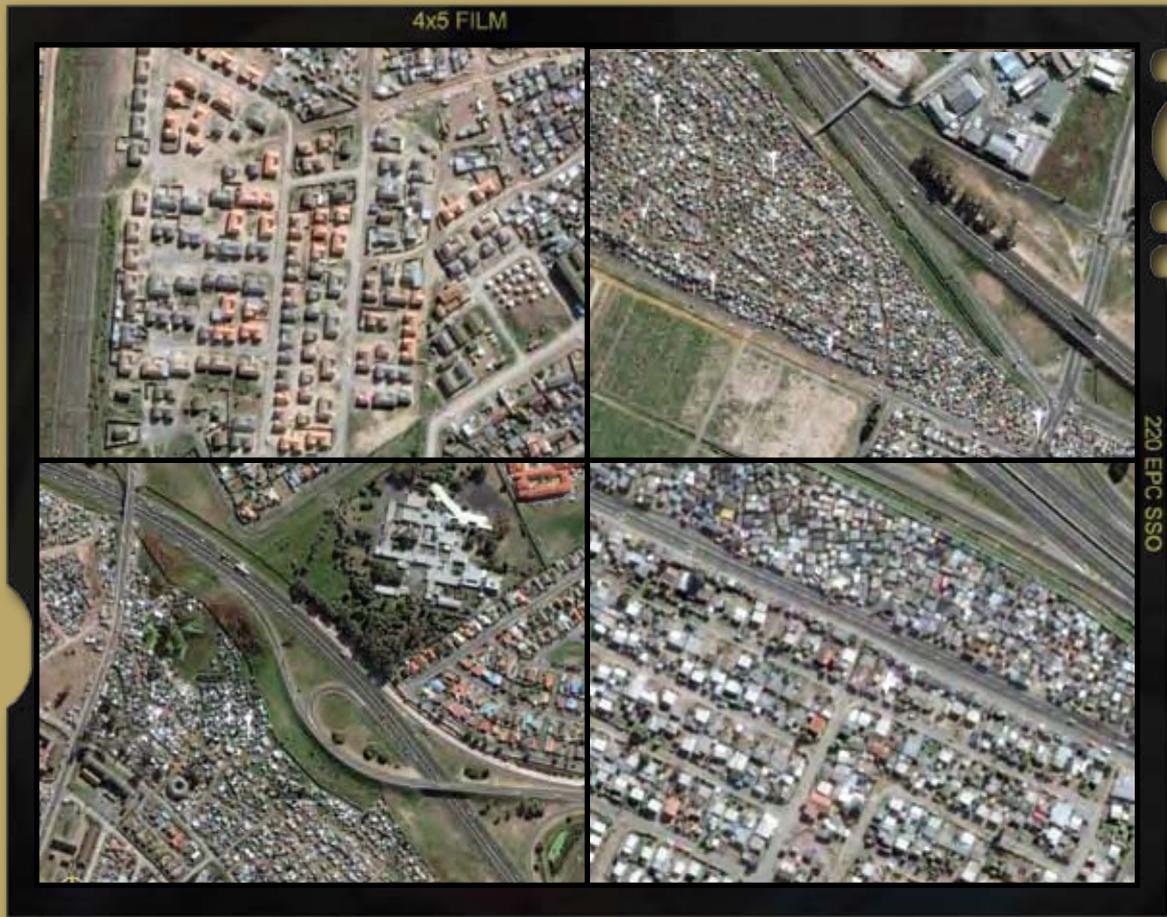
- All people in South Africa should have access to land on which to live, which is affordable, with some form of security of tenure, and with access to basic services and facilities. In this case it was suggested that the new Housing Development Agency should focus on helping communities and municipalities access and develop land.
- The land should be well located and integrated with other land uses.
- People should have options around where they can live and in what type of houses.

- People should generally be able to live where they are with minimal need for disruptive removals. In this regard it was suggested that the approach of incrementally recognising occupation rights should be used as an alternative to help provide people with access to land, in both in situ upgrading and greenfield contexts.
- Housing environments should be progressively upgraded over time in a programmatic manner.
- Government should listen and respond to the needs of people, and people should participate in decisions around land and housing.

Going forward, Afesis-corplan and Urban LandMark aim to find ways to continue to build on the momentum that has been created through these land access workshops to build a network of NGOs and CBOs so that they are able to effectively campaign for access to land for residential and other purposes.

Our partnership with Afesis-corplan has also facilitated the NGO's access to networks and training opportunities, enabling the organisation to connect nationally with a range of players on land issues.





Knowledge Shaking

Urban LandMark aims to provide a credible platform for intellectual debate in a sector where our knowledge and experience enable depth of practice. This platform is developed through our conferences and other events where urban land market practitioners can exchange knowledge and ideas, and debate standpoints and their practical application. The positive impact of such engagements, and of the information portals we have introduced and manage, is reflected in the quality of relationships we have been able to foster and the calibre and diversity of people these platforms have brought together.

African Urban Wiki: building credible knowledge to share more widely throughout Africa

The African Urban Wiki, a non-profit organisation that Urban LandMark has developed and supports together with the World Bank Institute, is aimed at building urban knowledge and capacity, and sharing information around African urban land markets more widely.

By creating access to international best practice, to detailed knowledge of their own national urban realities, and to effective means to rapidly increase urban management capacity, the African Urban Wiki aims to aid urban policy-makers, implementers and development practitioners in Africa to respond better to their unique challenges and opportunities.

The online portal, which is being developed, uses available information and multimedia technologies to access existing information and to create new knowledge on urban management and development. It provides a platform for sharing networked, collaborative knowledge, and acts as a vehicle for meaningful interaction between development consultants, development partners and agencies, and community participants.

Through the African Urban Wiki initiative, practitioners in the urban development sphere have access to academic articles and case studies, and the views and experience of urban development experts, while community participants are able to engage with and exchange information through discussion forums and blogs.

The African Urban Wiki aims to be the leading online portal for open knowledge sharing and creation for African urban development practitioners that aggregates content from multiple sites – and allows users to categorise and prioritise such content to facilitate a more focussed and refined search experience.

our website: consolidating access to information and resources

Urban LandMark, through its own website, aims to create a repository of relevant, useful information on the various opportunities and challenges presented by local and regional urban land markets and their participants.

We contribute to the creation and dissemination of a deep body of knowledge by hosting our own research outputs and those of

other specialists in the field. Website statistics show that usage of our online repository has increased from an average of 218 unique visits a month in 2007 to 367 visits a month in 2008, and to 789 visits a month in 2009.

our conferences: facilitating in-depth discussion to shape opportunities and opinions in the sector

Urban LandMark's annual conference is an important component of its strategy to shape opinions in the sector. Research presented at our 2008 conference, From Land Rights to Property Markets, outlined the area of intersection between urban land markets and poverty reduction strategies, and underscored the need to understand and engage with the property market to provide meaningful content to the right to adequate housing. The principles that emerged from the conference included the need for:

- Lower access frontiers to urban land
- Recognition of informal trade
- Improvement of governance systems and legislative frameworks to respond to realities on the ground
- Diversification of housing and land access options
- Developing partnerships between the private sector and the poor
- Improving the bidding power of the poor to compete in the urban land market.

The aim of our 2009 Opportunities in a Falling Market Conference was to explore and review recent developments at the lower end of the urban land market within the context of the international economic recession, as well as to examine the question of what the urban players should be doing at this time to secure better and stronger access for poor people in urban land markets.

Statistics showed that the mortgage loan market in South Africa in 2009 slowed to an estimated 11%, down from 24% growth in 2008, while building plan approvals by municipalities were down 27% over the same period and property values fell by 3.5%.

The number of registered estate agents decreased by more than 61%, while government faced a significant shortfall in tax revenues. In this context, the Conference looked at addressing the following questions:

- Are there opportunities in this economic environment, especially in terms of poorer people's use of urban land? And what are the implications for people at the low end of the market trying to access land or hold onto land they currently occupy?
- Is it any easier to acquire land in this 'buyer's market', to move house, or to build on? And what are the transaction costs? Is anyone using their title deeds in a house transaction? And is there a healthy supply of rooms for rent?
- Are communities involved in viable land projects, which would work if they could persuade government to come to the party?
- Is the reaction of landowners and developers during the recession to sit tight and hold onto land, postponing developments until a better day? If so, is this creating land scarcity that might be unlocked through some targeted expropriation?
- Should the state be releasing its own land to developers and investors for residential, commercial and small industrial development?
- Are there opportunities for the private sector itself to go 'down market'? And if so, is there an appetite for risk-sharing by government to incentivise such a move, or are the conditions such that the private sector can go it alone?

Our Conferences point to the need for Urban LandMark to look for further opportunities to continue the discussions started, in ways that would have measurable positive outcomes, as well as finding workable solutions to the numerous requests by CBOs to play more of an advocacy role on their behalf with government and other partners working in the sector.

During the period under review, Urban LandMark also presented internationally, most notably in Washington in March 2009 at the Conference on Land Governance in Support of the Millennium Development Goals, organised by the World Bank and the International Federation of Surveyors.

grants to catalyse larger bodies of research

Urban LandMark has provided funding support to a variety of organisations which do research or share knowledge on issues particularly relevant to urban land markets, in an attempt to catalyse larger programmes in these areas. During the period under review, funding support was provided for the following research activities.

the role of land markets in people's livelihood strategies within Johannesburg's informal sector

The arena of informality has been a contested and widely investigated terrain since the early 1970s, and of late there has been a great deal of investigation and debate around the ability of the informal sector to act as a site of economic growth and poverty alleviation.

Whilst various aspects of the sector have been studied and recommendations made to improve the lot of informal traders, service providers and manufacturers, the role that the actual site of their activity plays has been a severely under-researched theme.

This study by the University of the Witwatersrand, for which Urban LandMark provided financial and intellectual support, intended to contribute to an understanding of how the actual space contributes to or obstructs growth and development of entrepreneurial activities in the informal sector. Part of the thinking was to examine the land market and see how this affects the economic activities of those involved in the informal sector.

The study was carried out in four areas of Johannesburg – Yeoville, Pimville, Elias Moatswaledi and Protea North. It found that access to space plays an important part in the viability of survivalist businesses, which makes finding ways of legitimising access to space whereby the lowest income earners are able to maximise their profit, flexibility and sustainability, without threat of eviction, crucial.

A modification of the by-laws and a programme to educate government officials about informal trade is recommended as a good place to start this process.

The study also points out that informal entrepreneurs are unclear about the role of and need for documentation, and suggests increased education and information-sharing across the sector to improve people's tenure security and sense or perception of tenure security.

Moreover, greater access to finance and to information about where and how finance can be accessed is needed, while state-supplied trading, manufacturing and service areas are vital to provide secure (but not necessarily costly) tenure and space for businesses to grow.

Finally, better support should be given to organisations and membership groups to enable them to become more proactive in their efforts to lobby for better infrastructure, amenities and facilities.

Further research has been suggested on the role of education in profitability, investigating the relationship between tenure, particularly ownership, and sustainability needs, and the effects evictions have on sustainability and profits.

An analysis around whether longevity in a particular place means that access to services is incrementally improved, or whether having better access enables people to stay in a particular area longer was also recommended.

interaction between informal land markets and rural-urban migration

Informal land markets are widely recognised as the predominant mechanism through which poor individuals and households gain access to urban land. Another feature that characterises being poor in South Africa's cities is migration.

In apartheid South Africa, restrictions on the urbanisation of Africans gave rise to patterns of circular or temporary labour migration. Influx control meant that African migrants mostly were not permitted to settle permanently at places of employment, nor could they migrate with spouses and family members.

Consequently Africans, and particularly men, would migrate to places of employment, but would retain a base in their (predominantly) rural households of origin, to which they would return each year, and which was their permanent 'home'.

Available research on migrant labour, which uses nationally representative household survey data, surprisingly suggests that patterns of temporary labour migration have not changed with the lifting of influx control and the ending of apartheid.

However, although informal land markets and migration are defining features of South Africa's cities, very little is known about how informal land markets influence migration patterns

and how migration patterns shape informal land markets. Issues addressed in this research by the University of KwaZulu-Natal, in collaboration with Kingston University London, will therefore include questions around the following:

- Do informal transactions sort households into different types of markets? For example, are individuals more likely to transact successfully in informal land markets than families and are there differences in access across informal land markets?
- Do households reconfigure after transacting in informal land markets?
- What households are people migrating to and why? Do migrants join existing households and if so, for how long, or do they form new households?
- Do migrants see their migration as temporary and how is this influenced by their ability to transact successfully in informal urban land markets?
- Do informal land transactions 'encourage' or 'discourage' further migration? And do informal land markets adjust to incorporate migrants' needs?
- What are the costs and benefits of migrants trading in informal land markets?
- How do migrant workers retain their claims in informal urban land markets, when they return to their households of origin?



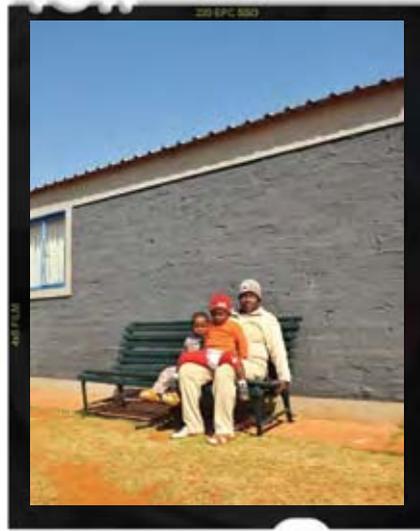
the battle for Johannesburg

Urban LandMark has provided support for the post-production phase of a creative documentary by Uhuru Productions that has been developed in conjunction with Eurodoc, an EU media project (see www.uhuruproductions.co.za/documentary/feature-documentaries/ for an excerpt from the film).

The objectives of the film project were to explore and raise critical questions around the benefits and consequences of urban rejuvenation and in particular the right to housing for the urban poor.

The aim is to inform policy so that housing is seen as a right, and housing in the city as a real need due to the high proportions of low wages that the urban poor – who live in outlying townships and informal settlements across South African cities – spend on transport costs.





Research outputs

To build a sound empirical base, Urban LandMark commissions and carries out investigations on many different issues around how urban land markets work, addressing in particular whether poorer people have access to urban land and how this access might be facilitated and improved. Copies of our papers and publications are available on our website, at www.urbanlandmark.org.

position papers and research reports

urban land rights and secure tenure

title	author	date
Local land registration practices in South Africa: a scoping study	Margot Rubin, Centre for Urban and Built Environment Studies (CUBES), Wits University Lauren Royston, Development Works and LEAP	November 2008
'Divisible spaces': land biographies in Diepkloof, Thokoza and Doornfontein, Gauteng	Colin Marx, Kingston University London Margot Rubin, CUBES, Wits University Progressus Research and Development	May 2008
Urban land biographies: a study of coexisting land use management in three precincts in Gauteng – a booklet	Colin Marx, Kingston University London Margot Rubin, CUBES, Wits University Progressus Research and Development	August 2008
How the poor access, hold and trade land: revisiting our findings <i>Additional quantitative analysis of original findings</i> <i>Additional qualitative analysis of original findings</i> <i>Urban land markets and the poor: new findings</i>	Ros Gordon and Warren Smit	June 2008

title	author	date
Incrementally securing tenure: an approach for informal settlement upgrading in South Africa	Dan Smit Development Capacity and Gemey Abrahams Consultants	April 2010
Development of an approach for the recognition of informal settlements and tenure security in South Africa with the potential for regional applicability	Dan Smit Development Capacity, Gemey Abrahams Consultants, Atelier von Riesen, Development Interface and Peter Rutsch Associates	January 2010
LANDfirst campaign strategy	Veda Associates	March 2009
Housing and land funding programmes review report in support of the LANDfirst Approach	Veda Associates	March 2009
The 'tandpyn' that won't go away: tenure, housing, and property challenges in New Crossroads	Josette Cole, Mandlovu Development Institute	March 2009
Affordable inner city residential accommodation for the poor: a financial model report	Sagitta Financial Consulting	August 2008
Strategic literature assessment for informal rental research project	Vanessa Watson, School of Architecture, Planning and Geomatics, University of Cape Town	March 2009
Investigation into the proliferation of low-income private rental housing supply, and the development of recommendations concerning appropriate interventions / responses	Susan Carey	May 2009
Strategy for increasing supply of small-scale private dwelling rental in South Africa	David Gardner	October 2009
Small-scale private rental: a strategy for increasing supply in South Africa – a booklet	Urban LandMark	January 2010
Investigation into an apparent increase in eviction from private rental housing and the completion of a position paper analysing the issues, recommending action and establishing the basis for further investigation	Lawyers for Human Rights Consortium: Louise du Plessis, Alison Wilson, Kate Tissington	May 2009

functional markets

Beyond policy frameworks: listening to the voices of developers and municipalities in urban land development in South Africa	M. Oranje, K. Landman and J. du Toit Department of Town & Regional Planning, University of Pretoria	November 2008
Voices of developers and municipalities: a booklet	Urban LandMark	January 2010
Impact of township shopping centres: market research findings and recommendations	Demacon Market Studies	February 2010
Street trading in Tshwane Metropolitan Municipality: realities and challenges	Marry Masonganye, University of Pretoria	January 2010

better governance

title	author	date
Development of an urban development component for the Second Economy Strategy Project: strategy document	Tanya Zack	September 2008
Land Use Management Bill regulatory impact review process: synthesis report - Development Facilitation Act review	Rhizome Management Services and Gemey Abrahams Consultants in association with Ivan Pauw & Partners	March 2010
Housing and the Second Economy: how Breaking New Ground might better contribute towards wealth creation and overcome the two-economies divide	Tanya Zack, Kecia Rust, Mark Napier, Published in the Journal of Town and Regional Planning, Department of Urban and Regional Planning, University of the Free State No. 54	May 2009
Municipal rates policies and the urban poor: how can municipal rates policies promote access by the poor to urban land markets?	Palmer Development Group (PDG) and Isandla Institute	October 2009
An assessment of the land-release programme of the Western Cape Provincial Department of Local Government and Housing	Rode and Associates and Ignite Advisory Services	November 2009

regionalisation

Africa's urban land markets: piecing together an economic puzzle	Caroline Wanjiku Kihato, Urban LandMark Lucille Gavera, Yunus Momoniat, Into the Limelight	April 2010
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chapters in books

Making urban land markets work better in South African cities and towns: arguing the basis for access by the poor, in <i>Urban land markets: improving land management for successful urbanization</i> , S.V. Lall, M. Freire, B. Yuen, R. Rajack, J.-J. Helluin (Eds.)	Mark Napier, Urban LandMark Published by Springer, Dordrecht	2009
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OUR STAFF AND ASSOCIATES



from left to right: Abueng Matlapeng, Caroline Wanjiku Kihato, Mary Phalane, Girly Ntombizodwa Makhubela, Gemey Abrahams, Jonathan Diederiks, Lerato Ndjwili-Potele, Robert McGaffin, Lauren Royston, Mark Napier, Stephen Berrisford

Mark Napier is Programme Director of Urban LandMark. An architect by profession, Mark has worked in government, setting up a research unit in the national Department of Housing (now the Department of Human Settlements) and before that was with the Council for Scientific and Industrial Research (CSIR). Mark has researched and published in the areas of housing extensions, home-based enterprises, environmental aspects of informal settlements, and land and housing markets.

Lauren Royston is theme co-ordinator for Urban LandMark's *urban land rights and secure tenure* programme of work. A development planner by training, Lauren has worked in the NGO and public sectors, and has been a principal at Johannesburg-based Development Works for over 10 years. Her fields of specialisation are land and housing, where she has focussed on planning for housing as part of municipal integrated planning and urban tenure security. She advises the Centre for Applied Legal Studies and the CBOs with which they work on anti-evictions and community engagements, and serves on a panel which assesses municipal capacity and compliance for housing accreditation, which makes recommendations to provincial housing members of the executive council (MECs).

Robert McGaffin, our *property market* theme co-ordinator, is a town planner and land economist. He has worked as a town planner for local and provincial governments and as property finance manager for Standard Bank. He has also lectured in Land Economics and Valuation at the University of Cape Town.

Stephen Berrisford is Urban LandMark's theme co-ordinator for *regulatory and governance* matters. Trained as a lawyer and a town planner, Stephen has worked as a consultant in the field of urban land and planning law and policy since 2000. Before that, Stephen worked on land development facilitation for the then-Department of Land Affairs and as an urban planner with the city councils of Cape Town and Johannesburg.

Gemey Abrahams, Urban LandMark's part-time theme co-ordinator for *regulatory and governance* matters during 2009 and the first half of 2010, has been working with us since 2007 when she provided support and capacity-building to the City of Johannesburg on urban governance and recognition of informal areas. She has 25 years experience in development planning, town planning, spatial planning and housing policy development, and has worked extensively with municipal, provincial and national government and the private and non-government sectors. Gemey holds a Masters in Town and Regional Planning from the University of KwaZulu-Natal.

Caroline Wanjiku Kihato is the co-ordinator of Urban LandMark's *regional initiative* and a senior research fellow at the School of Architecture and Planning at the University of the Witwatersrand. At Urban LandMark, Caroline currently works on understanding urban land markets on the continent, and in collaboration with UN-HABITAT is developing our guides on urbanisation in Africa for policy-makers, private firms and NGOs involved in the fields of housing, urban planning, engineering, architecture and related areas. Her research and teaching areas are around public policy in developing countries and participatory planning, as well as the impact of migration on African cities, in particular inner-city Johannesburg.

Abueng Matlapeng, co-ordinator of our *professional development and training* programme, is a geographer and development planner with a deep interest in addressing housing and squatter settlements issues. She has held several teaching positions, including in the Department of Geography at the University of the North, and has worked as a senior researcher in the Science and Technology Policy Directorate of the Foundation for Research Development.

Jonathan Diederiks was, up to July 2010, Programme Manager at Urban LandMark and has an MA in Geography (Environment and Society) from the University of Pretoria. He joined us from the Danish International Development Agency and prior to that he was with the then-Department of Land Affairs.

Lerato Ndjwili-Potele is our Administrative Executive Officer responsible for project administration and operations. Lerato has a Bachelor degree in Business Administration and a post-graduate diploma in Marketing. She previously worked at the Royal Danish Embassy, the Transvaal Rural Action Committee (TRAC) and the Black Sash.

Girly Ntombizodwa Makhubela is Programme Administrator at Urban LandMark and has previously been with the South African Revenue Services and at South African State Information Technology Agency.

Mary Phalane, Urban LandMark's office assistant, hails from Temba near Hammanskraal and worked in the food and retail sector before joining the organisation. Mary's responsibilities include office administration, filing and cleaning.



Urban LandMark

making urban land markets work for the poor

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