



**Urban LandMark**



## Developing Integrated Towns: Land use management and spatial planning

Urban LandMark -

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August, 2008

**MAKING URBAN LAND MARKETS WORK FOR THE POOR**

# *Outline*

- Objective
- Background
- Overview of earlier research
- Terminology
- Overview of Land Use Management
- Overview of key findings
- Emerging themes
- Conclusion
- Recommendations



# *Objective*

- To assess the extent to which current land use policies and practices enable municipalities to provide the poor with access to well located land in a sustainable manner to integrate them effectively into the daily workings of the town
- This involves two broad components:
  - i. the spatial logic (or lack of logic) of planning and land management.
  - ii. the way the market works
- Examined both economic and residential opportunities

# *Background*

- Based on research conducted on small towns and their municipalities for ULM following work on 5 largest cities
- Primary case studies:
  - Rustenburg,
  - Sasolburg/Metimaholo,
  - Pietermaritzburg/Msunduzi,
  - Dullstroom/Emakhazeni,
  - Ulundi,
  - Lusikisiki/Ingquza Hill
- Need to consider both the town itself and the municipal context in which it is situated

# *Overview of earlier research (1)*

- Land use system not fundamentally reformed.
- Inefficient, exclusionary, unsustainable
- Impacts on the poor and on the state itself
- Government has the potential to improve the access of the poor to urban land through institutional reform, requiring a shift in the conceptualisation, funding and implementation of urban planning and land use management.
- All spheres of government need to better understand the fiscal implications of the costs associated with different forms of land development for the poor
- Research on integration in cities showed that access to well located state owned land can have short and long term benefits for the city as a whole, as well as the poor.

## *Overview of earlier research (2)*

- There are cases where the poor have accessed well located urban land, using their own initiative, private developers or lobbies, or government action.
- It may not be necessary to invest vast amounts of money to reap substantial benefits in terms of integration.
- Economic interventions are important and often more successful at lower costs.
- Integration is a complex issue and does not always lead to social inclusion.
- Poor people will constantly seek access to the city due to their economic circumstances. If the city fails to act, they are vulnerable to exploitation.

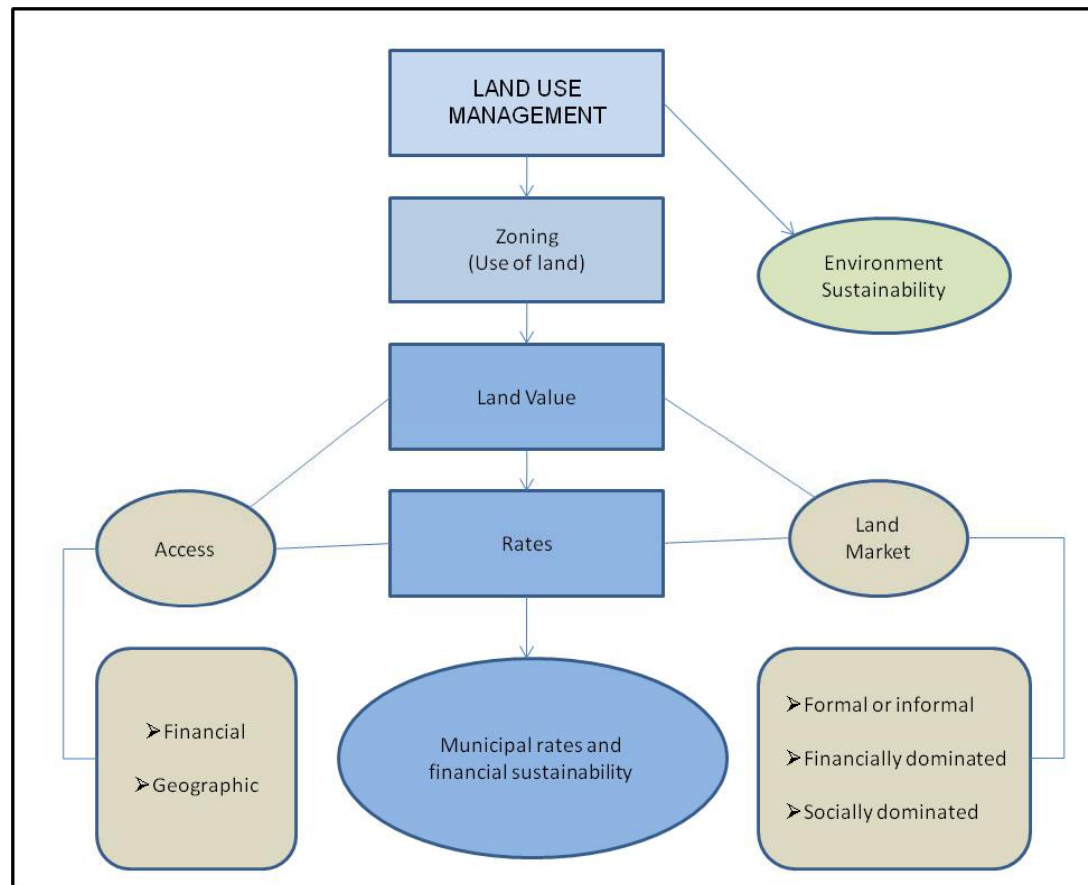
# *Terminology*

- **Land use management** - regulates use of land - “planning of human activity to ensure that land is put to the optimal use, taking into account the different effects that land-uses can have in relation to social, political, economic and environmental concerns”
- **Tenure options** - Social relationships define the rights and obligations of individuals or groups towards a piece of land. Several pieces of legislation govern tenure options, and there is a range of formal tenure options
- **Market processes** - Property is bought and sold in the property market,; key factors are the institutional environment (political, social, economic and legal institutions), the property market as an institution (i.e. the informal and formal rules, conventions, relationships through which property is used and traded, market and non-market, formal and informal, property rights, land use and development), and property market organisations and participants
  - Informal/formal market (socially-dominated/financially dominated)

# *Overview of Land Use Management (LUM)*

- Effective LUM needed for access of the poor to land (economic and residential)
- LUM affects availability & monetary value of land and physical & financial access to land
- LUM affects the financial viability of the municipality as it determines land value and thus rates payable
- Link between LUM and finance dept determines whether rates are collected efficiently. LUM is linked to rates policy which influences access to land and municipal revenue - thus rates policy is a tool of land use management
- Lack of effective LUM creates problems, administratively and for implementation of a developmental agenda
- Most town planning schemes were developed with a racial agenda; used to preserve high property values in particular areas, excluding the poor.
- Other regulations linked to LUM also affect access to land e.g. zoning regulations, building regulations and safety regulations
- Need to ensure strategic planning documents like IDPs have links to technical mechanisms and processes associated with LUM

# Overview of Land Use Management



# *Overview of key findings in towns*

- All battling to overcome spatial legacy of apartheid
- Lower levels of capacity than larger cities
- More easily dominated by other interests (traditional authorities, mining companies, corrupt or powerful individuals etc)
- Less able to control their spatial development
- Some experiencing rapid growth
- Some instances of providing well located land and densification, although often continuing urban sprawl
- Variations in levels of industrial growth and land invasions
- Regulatory framework varies across towns and cities

# *Emerging themes (1)*

- *Poverty and the Economy - the socio-economic context:*
  - Significant differences in nature of economies, and in nature of poverty
  - In some population is almost uniformly poor and black

## *Emerging themes (2)*

- *Playing catch-up: Lack of municipal control over land & performance of municipal functions*
  - Traditional authority (e.g. Rustenburg, Ulundi, Lusikisiki)
  - Mining & manufacturing companies (Rustenburg, Sasolburg)
  - Land owned by SOEs and govt (e.g. Ulundi)
  - Private developments (e.g. Emakhazeni/ Dullstroom)
  - Corruption (e.g. Lusikisiki)
  - Province

## *Emerging themes (3)*

- *How do they manage? - municipal capacity and strategic understanding*
  - Lack of consistency in planning capacity esp. implementation (LUMS, town planning schemes, range of planning regulations)
  - Need to understand local economy and social needs, in overall regional context
  - Law enforcement - insufficient capacity, inadequate by-laws etc
  - Legal capacity is insufficient

## *Emerging themes (4)*

- *Changing housing needs: Middle income and social housing*
  - Demand for middle income housing high
  - Possible shortage of rental stock, lack of social housing opportunities
  - Needs to be factored in to municipal planning

# *Emerging themes (5)*

- *Financial suicide? Location of housing developments and sustainability of municipality*
  - Upper income developments - developer bearing costs of service installation, no policy to deal with these, municipality responsible for maintenance e.g. Dullstroom/Emakhazeni
  - Extensive and dispersed settlements, far from employment opportunities e.g. Ingquza Hill, Ulundi
  - Rural housing programme e.g. Ingquza Hill, Ulundi - implementation of programmes by provincial govt may undermine municipal sustainability
  - Holiday homes, golf estates, illegal cottages - impact on sustainability
  - Municipality can play a role e.g. Sasol Square vs small retail centres in Dullstroom

## *Emerging themes (6)*

- *Operation of the land market*
  - Informal land market operates differently for different types of housing
  - Officials and councilors unaware of informal land market, generally deny it exists
  - Mechanisms to try to prevent it e.g. Rustenburg, Sasolburg
  - Homeowners using homes as collateral for loan sharks in Ingquza Hill
  - Need to educate homeowners on how market operates
  - Local economy affected by dominance of sector e.g. Sasolburg Need to consider proportion of homes that are able to be traded in formal market vs. those that are forced to be traded in informal market



## *Emerging themes (6) cont.*

- Does not include brick houses in traditional authority area, or RDP housing
- Represents high % transactions not recognised by authorities = loss of rates income to municipalities, less control over development

**Table: Proportion of households that are informal**

<b>Municipality</b>	<b>Total HH</b>	<b>Total informal</b>	<b>Percentage</b>
City of Cape Town	778236	157749	20.3
City of Johannesburg	1050229	223999	21.3
eThekweni	824372	210572	25.5
Mangaung	188875	51810	27.4
Emakhazeni	10940	3076	28.1
Msunduzi	135328	39873	29.5
Metsimaholo	33733	11652	34.5
Buffalo City	194479	70285	36.1
Rustenburg	116667	48207	41.3
Ulundi	34958	18379	52.6
Ingquza Hill	51063	34246	67.1

## *Emerging themes (7)*

- *Making a plan: Residential property and income generation*
  - Backyard shacks and second dwellings (illegal vs. “servants’ quarters” or granny flats)
  - Urban agriculture
  - Home based enterprise - no clear policy

## *Emerging themes (8)*

- *Seizing the moment: Timing and innovation*
  - In some cases, e.g. Bufferstrip in Pietermaritzburg, between about 1992 and 1998 appears to have been a particular window of opportunity to provide space for proactive, decisive decision making and commitments, with long term benefits for the integration of the poor

# *Recommendations*

- Local consequences of provincial and national policies and practices need to be understood by all spheres of govt
- Need for innovation, negotiation, bargaining
- Provision of land, land values and profit related to public land – impact of state actions, current legal framework
- Need for differential/asymmetrical approaches
- Need to educate both policy makers and consumers
- CLARA - impact on municipal control over land, finance
- Strategic planning and link between land use management and municipal sustainability needs to be strengthened
- Conversion of agricultural land needs to be investigated