



Urban LandMark



Opportunities in a falling market: informal land markets, tenure security and the poor

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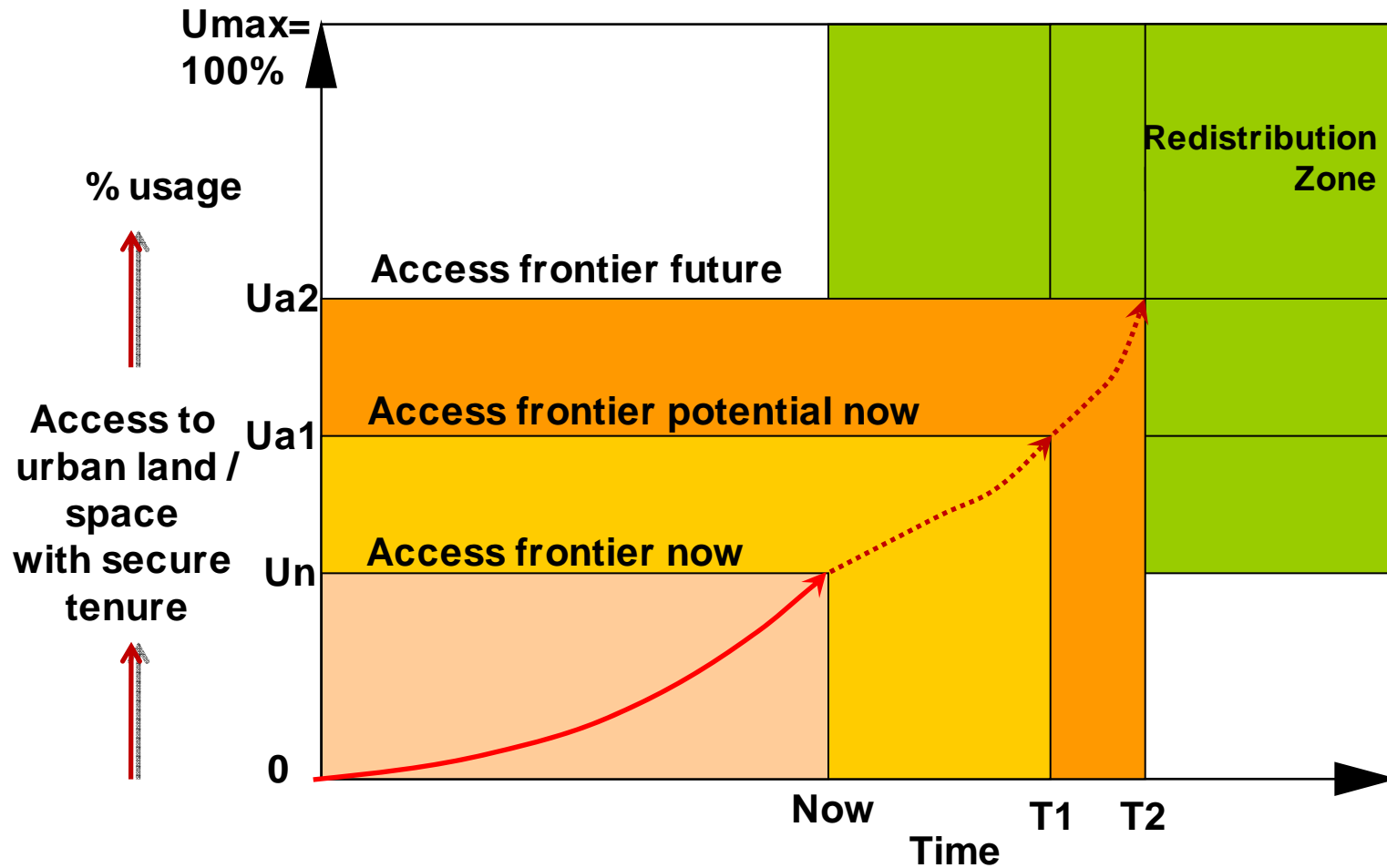
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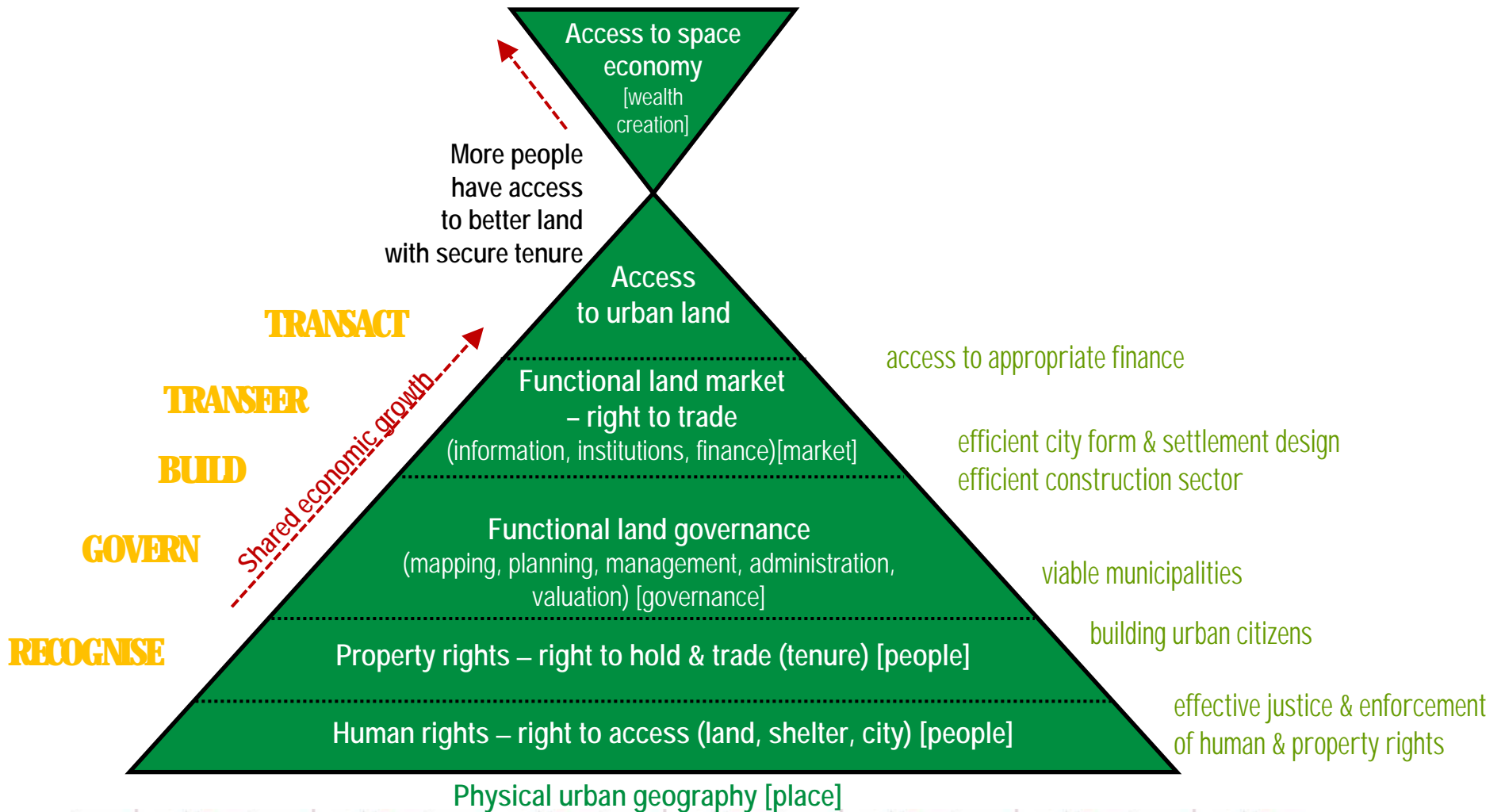
MAKING URBAN LAND MARKETS WORK FOR THE POOR

In a falling market...

- ... how do the opportunities affect the poor?
- ... do they create potential for more pro-poor market performance?
- what's happening to property in the informal markets?

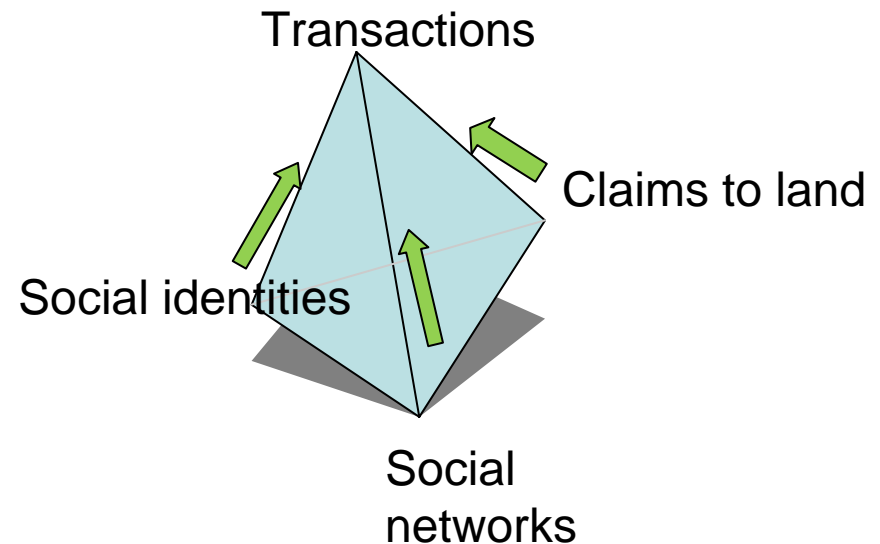
The access frontier





Informal land markets

- The importance of social relationships
- Property as “socially embedded”
- A false formal/informal binary
 - Social and community; financial; and state processes
- Household decision-making about accessing urban land is closely linked to livelihoods



Informal markets cont

- In every five years, an average of 26% of households in shack settlements exchanged houses
- In RDP housing, where there is a state limitation on the resale of houses for five years, some 11% of households were transacting.
 - 6% seen as sales
 - average house prices of between R5,750 and R17,000
 - almost all off-register - title deeds not officially changing hands
 - state officials often called in to witness
- In one settlement where transactions in backyard shacks were measured, almost 70% of households had moved into their rented accommodation in the last five years.

Supply channels and settlement types

- **Transaction** levels are low in RDP settlements [7% **rental** and 6% **purchase**]. The 6% purchase is evidence of a secondary market. As one would expect, by far the most significant method of supply in RDP settlements is **municipal allocation** (77%).
- In informal settlements **transactions** are significantly higher at 31%, although **occupation** is the dominant form of supply at 42%.
- **Rental transactions** dominate in the backyard rental sub-market and they are also evident in RDP settlements, informal settlements and council flats (7%, 3% and 9% respectively).
- **Purchase** is high in the council stock segment (at 33%) although **municipal allocation** dominates (47%).

Approach

- Broaden the base of opportunity by expanding routes to property and the terms on which property can be held, beyond formalized and individually titled access and holding.
- Multiplying both the routes of access and the means for tenure security

Focus

- Title, and barriers to title
 - Josette Cole, New Crossroads
- Rental, especially small scale rental
 - David Gardner, Small Scale Private Rental
- Incrementally securing tenure in informal settlements
 - Urban management and planning approaches
- Managed land settlement
 - LANDfirst



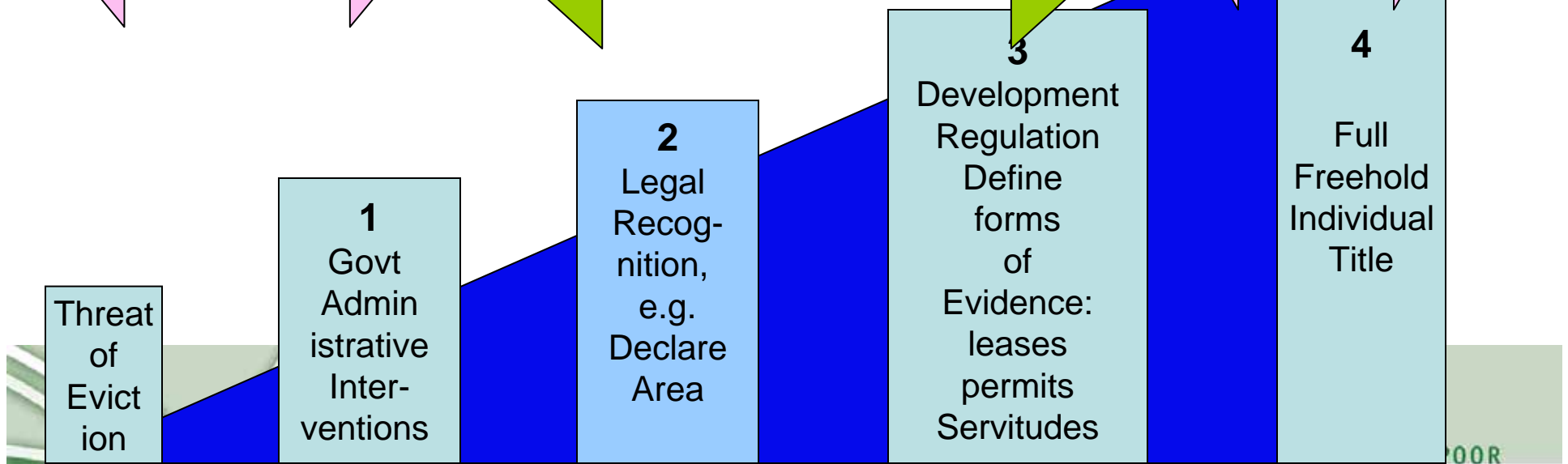
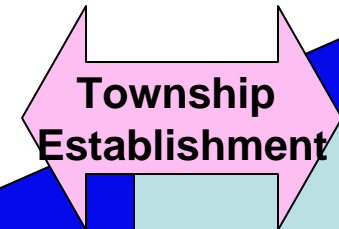
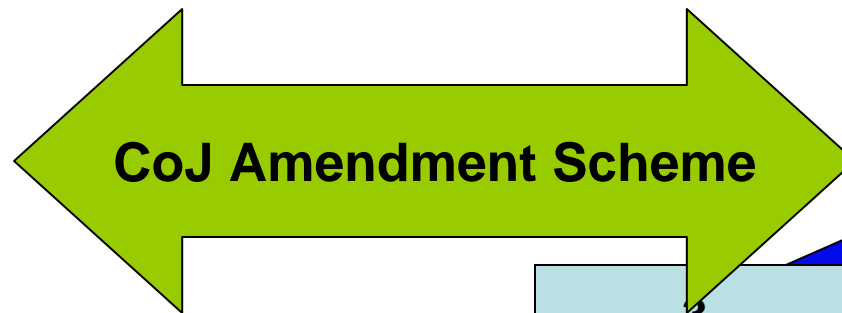
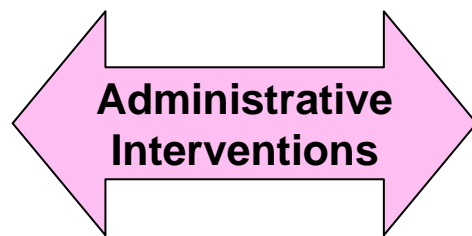
Title or tenure security?

- A broad based access to property
 - broader than access to title allows
 - with the potential for wider, quicker and more sustained reach.
- Three routes for property access to increase economic opportunity by the poor, the first of which tends to be favoured above others:
 - Property ownership and the production of capital gains
 - Land, livelihoods and accumulation
 - Secure household base for access to the city



ULM Approach showing CoJ Amendment Scheme Mechanism

Tenure Security Continuum





Superblock planning

- Land is identified prior to need
- Feasibility and suitability tests are conducted to ensure that land is appropriate for LANDfirst site development
- An outer boundary is marked and 'superblocks' are demarcated

Community Organisation

- "Landless" target groups are organised and land access agreements signed with local municipalities
- LANDfirst communities receive capacity building training to help them understand legal context, government processes, planning considerations and community responsibilities that underpin the LANDfirst process

Superblock Allocation

- LANDfirst communities allocate Superblocks of land to households falling within their community agreement
- Allowances are made for internal access roads and spaces for public utilities

Basic Services

- Communal standpipes and ablution facilities are built within each superblock.
- 'Community halls/ gathering facilities' are constructed within superblocks as physical reinforcement of the principles of the collaboration and joint decision making underpinning LANDfirst.

Tenure Security

- Households / Individual making up LANDfirst communities are given "recognition of occupation", with some form of certification indicating tenure security
- Municipalities become the custodian of the certificates of tenure security and keep record of these transactions

Incremental Upgrade

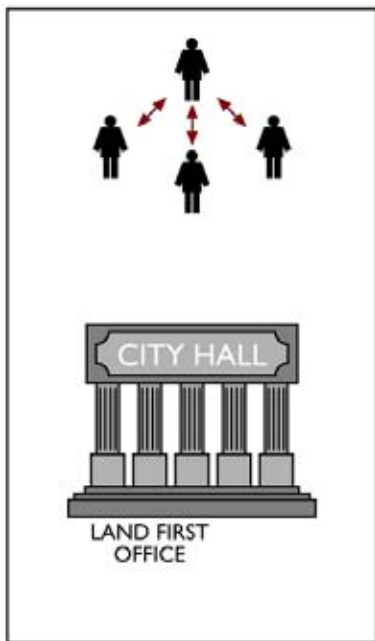
- LANDfirst settlement is upgraded with the provision of additional services, houses, tenure and facilities.
- Upgrading subsidies are made available to LANDfirst communities and households.
- LANDfirst communities are 'mainstreamed' as regular rate paying communities.



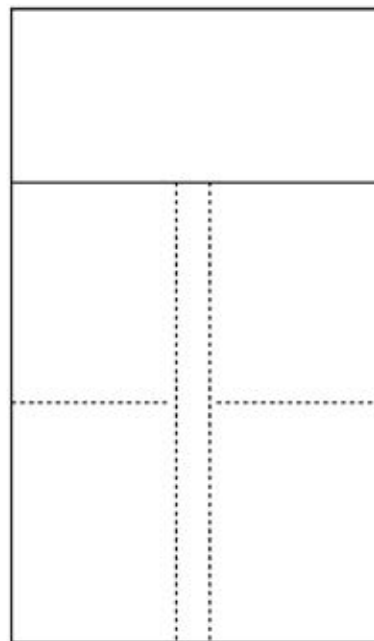
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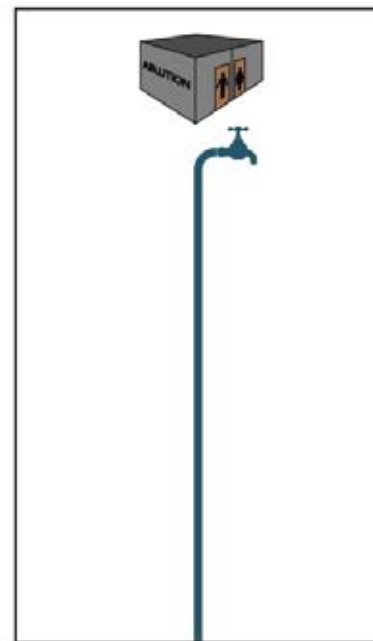
Basic Organisation



Basic Planning



Basic Services



Basic Tenure

