



Urban LandMark

making urban land markets work for the poor

AFESIS-CORPLAN AND URBAN LANDMARK WORKSHOP THE URBAN LAND ACCESS SERIES

CONTENTS

Page 1 & 2

Afesis-Corplan and Urban LandMark Workshop the Urban Land Access Series

Page 3

New Policy to Regularise Informal Settlements in Johannesburg

Township Housing Market Outperforms Suburbs

Page 4

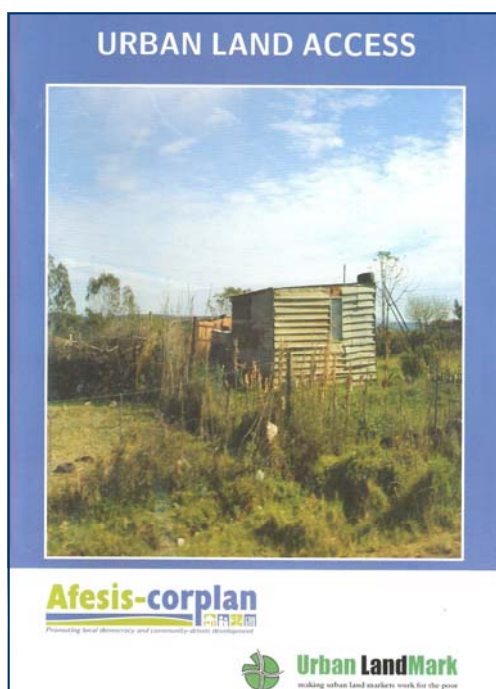
Is a Property Bubble Being Created in Nairobi?

Rapid Urban Growth Expected in Africa by 2030

Editor: Denise Buiten



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 that was developed contains step by step information on matters such as organising as 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, Urban LandMark aimed to support NGOs supporting community access to land.



Following this, in October 2008 Afesis-corplan, with the support of Urban LandMark, conducted a series of workshops on land access for settlement development. These workshops took place in Pietermaritzburg, Johannesburg, Cape Town and East London, and brought together small

groups of specially selected people from government, communities and NGO's with experience in land issues. The aim was to share information about access to land and to identify opportunities for improving the process. In light of a number of recent initiatives around land access for settlement purposes, the workshops explored how various role-players can engage with government departments using new policy instruments to improve land access for the poor.

The workshops touched briefly on what a possible vision could be for residential land within the next ten years. The following would be the key dimensions of such a vision:

- All people in South Africa 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.
- The land is well located and integrated with other land uses (e.g. schools, businesses, etc.);
- People have options for where they can live and in what type of houses, and where household livelihood strategies are supported.
- People are generally able to live where they are with minimal need for disruptive removals, where new land is made available in well located areas so people don't have to resort to land invasions, and housing environments are progressively upgraded over time in a programmatic manner.
- Government listens and responds to the needs of people, and people participate in decisions around land and housing.

URBAN LANDMARK NEWS



Leading on from this vision, participants engaged in collective brainstorming around various strategies for land access by low-income households for residential and settlement development.

A component of the vision outlined through the workshop series was that people should generally be able to live where they are, with minimal need for disruptive removals.

A number of creative and interesting ideas emerged, ranging from more standard responses around the need for government to provide more funds for new land purchase and development, to more unique responses such as the suggestion to tax underutilised land to encourage owners to develop or use the land. Some interesting examples of the strategies raised included the following:

- Use the new Housing Development Agency to help communities and municipalities access and develop land.
- Provide better spaces/places/opportunities for communities in need of land/housing to be heard by government and participate in land access issues.
- Use the recognition of occupation approach as an alternative to help provide people with access to land, in both *in situ* upgrading and greenfield contexts.

- Undertake a national drive for higher density housing development.

In terms of the proposed way forward, the following suggestions emerged from the workshops:

- The Housing Development Agency be supported to continue with its establishment plans and ensure that there are opportunities for the various role players to engage with them.
- Municipalities and communities at the local level need to improve communication channels between one another.
- The National Housing Department and the Department of Land Affairs both extended an invitation to the various local governments and communities/NGO's to approach them with proposals on how to roll out and improve their various programmes.
- Organisations such as the South African Local Government Association and South African Cities Network should be approached directly to discuss some of the ideas from these workshops and hear their views on how to access land for settlement purposes.
- Afesis-corplan and Urban LandMark must find ways to continue to build on the momentum that has been created through the four land access

workshops so as to work towards the vision of all people having access to land for residential purposes.



The workshop series helped to glean various insights and generate ideas around providing better land access for the poor. The participation and expressed commitment by the various role players was also encouraging.

As part of the way forward, the workshop series highlighted the need for municipalities and communities at local level to improve communication channels between one another.

The general consensus was that the time had come for affordable access to well-located urban land to stand on its own as an issue, distinct from the broader rural land and housing debates. Afesis-corplan and Urban LandMark have stated their commitment to taking forward the ideas generated in the workshop series.

The Urban Land Access Manual developed by Afesis-corplan is available at www.urbanlandmark.org.za

(Land Access Workshop Series Report, November 2008)



LOCAL NEWS

NEW POLICY TO REGULARISE INFORMAL SETTLEMENTS IN JOHANNESBURG

Upgrading informal settlements “in situ” may in cases be preferable to the traditional approach of fully formalising and eliminating informal settlements. This emerging perspective is reflected in a recently adopted city of Johannesburg policy, under which an initial sixty informal settlements around the city will be upgraded and formalised in various ways.

Philip Harrison, executive director of development planning and urban management for the city, has explained that settlements that are safely located and do not compromise the development objectives of the city will be upgraded where they are. He also highlighted the complex and time consuming nature of traditional approaches to formalising informal settlements, and stressed that this new policy will help to fast-track regularisation within settlements.

One of the anticipated outcomes of the process of upgrading and regularising informal settlements is a greater sense of ownership and therefore willingness to invest in dwellings by communities.

Johannesburg contains 180 informal settlements constituting a quarter of its four million people. In addition, the growth rate being experienced by Johannesburg will see land and housing needs growing each year, with an anticipated 90 000 new dwelling units needed per annum. It is further expected that 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.



One of the anticipated outcomes of this process is a greater sense of ownership and willingness to invest in dwellings once formal recognition of settlements and basic infrastructure are put in place. An Informal Settlement Programme, with an Informal Settlement Unit, is being set up by the city of Johannesburg. This will involve various professionals such as town planners, civil engineers and project managers in assisting with the process of upgrading and formalisation. It is expected that the policy will take two years to be implemented.

Harrison has underlined the need for ongoing learning throughout the process of implementing the policy. “As new approaches are being tested here, there needs to be acknowledgement that the programme will need to be flexible to accommodate improvements as projects are piloted”, he said. Urban LandMark has supported this process through a technical assistance arrangement with the city of Johannesburg during the past year.

(Lucille Davie, City of Johannesburg, 15 August 2008)

“In the long term many townships should be boosted by major infrastructure upgrades, including retail developments and economic growth. This will make townships more appealing places to live in.”

TOWNSHIP HOUSING MARKET OUTPERFORMS SUBURBS

While the township property market is declining alongside the national market, it is still performing better than its suburban counterpart. This is according to the annual FNB Township Property Barometer. While activity levels had dropped in South African townships in 2008, these activity levels were still slightly stronger than the suburban barometer findings.

Also significant, however, was that 44% of house sales were due to sellers having to scale down as a result of financial pressures. In addition, 31% of buyers in Gauteng townships were in fact returning from the suburbs.

John Loos, a property strategist at FNB Home Loans, noted that South Africa could see more of a two-way flow between townships and suburbs in the coming years. Movement into townships, he said, was not only due to financial constraints but also due to developmental changes in townships such as better infrastructure and retail developments, making some township areas attractive places to live. He added that house price inflation in townships remained good and that stock shortages may be playing a role in sustaining these growing prices.

“In the long term” he said, “many townships should be boosted by major infrastructure upgrades, including retail developments and economic growth. This will make townships more appealing places to live in, providing more jobs and income.”

(Loyiso Sibali, Business Day, 19 November 2008)

REGIONAL NEWS

IS A PROPERTY BUBBLE BEING CREATED IN NAIROBI?

Concern has been growing in Kenya over the past few months over the sudden swell in property prices in the local market. This despite a relatively gloomy economic outlook that began with the political turmoil taking place last January. With inflation standing at nearly 30 per cent and participation of Kenyans in the local property market declining, many prospective buyers are left wondering what the causes behind such a surge in prices could be.



From a market point of view, there are three key drivers of housing prices, namely construction costs, market demand and speculation. General predictions of future price trends can usually be predicated upon these three cost drivers, with a housing "bubble" coming about where prices increase beyond the level justified by market fundamentals. Identifying a housing bubble needs to take cognisance of specific local features, since one first needs to determine what a reasonable price appreciation would be.

In Kenya discussion surrounding a possible housing price bubble is, however, currently limited by a lack of long-term tracking data on Kenya's key home price drivers. As such, there has been no clear way of establishing what house prices should be or which measures used in other countries are applicable.

(Laila Macharia, Business Day Africa, 20 November 2008)

RAPID URBAN GROWTH EXPECTED IN AFRICA BY 2030

Africa is in an historic period of demographic change. While worldwide urban growth is expected to slow, a new report released by UN-Habitat projects that Africa's urban population will more than double by 2030. In 2007, Africa was still the least urbanised region in the world, with only 38.7% of the continent-wide population inhabiting settlements classified as cities. At this time, Africa's population stood at 373.4 million.

Africa is in a historic period of demographic change. Projections show that by 2030 there will be 759.4 million African urban dwellers, more than today's total number of city dwellers in the entire Western hemisphere.

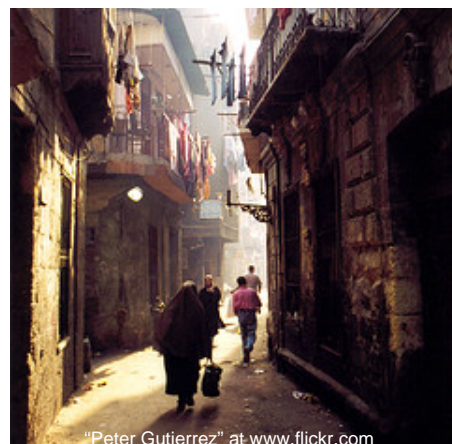
However, this figure is expected to rise significantly over the coming years. According to the report, "projections show that by 2030 there will be 759.4 million African urban dwellers, more than today's total number of city

dwellers in the entire Western hemisphere." The report adds that, contrary to common perception, the urban population growth in Africa is not being primarily absorbed by its largest cities. Instead, in the foreseeable future it will be within intermediate cities (towns with less than 500,000 inhabitants) that two-thirds of all African urban growth will be occurring.

The implications of the rapid urban growth facing Africa are significant, especially from a governance perspective. African governments need to begin strengthening governance capacities, particularly within intermediate and smaller cities.

The implications of this rapid growth are significant, especially from a governance perspective, with a need for African governments to begin strengthening governance capacities, especially within intermediate and smaller cities. This includes the need for increased capacity in preparation for new and additional demand for urban spatial planning, housing, services and livelihoods.

(UN-HABITAT online, 11 November 2008)



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