

# An inspirational voice at the low end of the land market



Mark Napier, Programme Director of Urban LandMark

**Informal settlements occupy an important place in the urban land market. They become community places and help members form social identities. They also represent organised markets in land, albeit on a complex level that requires careful study.**

Urban LandMark, under the energetic direction of Dr Mark Napier, has undertaken rigorous studies into the ways in which land markets operate in poorer parts of three of South Africa's metropolitan areas. These studies have been commissioned by Urban LandMark to understand how formal and informal land markets work so that more people can access land and housing in South African cities. Taken collectively, they represent a prolific, well researched and broad study of the socio-economic vulnerability, the ecological risks and other aspects that accompany growing informality and self-organisation where other stakeholders have come to assume functions that would normally fall within the government's remit.

The allure – or the significance – of these studies is that, while they cover these aspects at times academically or philosophically, for the most part they are well founded on practical, *sur place* situations and actual process analyses. They are, therefore, working documents that describe full

life situations and offer real solutions. The researchers involved are mainly well known names who have spent years specialising in observing the characteristics and behaviour of informal land markets in South Africa's and sub-Saharan Africa's major cities. They have come to know the potential contained in these markets – markets in which a great deal of human resources and creativity are concentrated and can be beneficially engaged for the good of the real estate market as a whole – the formal as well as the informal.

An architect by profession (with a doctorate in housing studies from the University of Newcastle-on-Tyne), Mark's powerful commitment to land development programmes grew out of the conviction that, while (as an architect) the client brief was the defining instruction, the community's wishes more often than not ranked subordinate to the brief.

Gradually, Mark departed from architecture per se, shifting his interest to finding ways

and means of making community inclusion in urban land issues a concern capable of being widely understood and therefore one that could be applied to focus widespread attention on the critical role informal settlements play in urban land access and development. Bricks and mortar architecture morphed into understanding and designing around non-formal ways of transacting around land, using actual case studies as the building blocks for a powerful advocacy programme.

A career to which valuable depth has been lent by involvements with the Department of Human Settlements, the CSIR and a number of local NGOs has given Mark an extensive network into the international community specialising in and consulting on metropolitan dynamics and their socio-economic problems – actual and potential. He has presented papers on these problems at conferences that address the dynamics of migration into megacities, from Surabaya to Washington and places in between. Noteworthy here



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Profica was awarded the Association for Construction Project Managers (ACPM) Project Management Excellence Award 2008 for the Jackal Creek Golf Estate project.

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# PROFICA

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was a paper presented by Urban LandMark to the 4th Urban Research Symposium in Washington entitled 'Making urban land markets work better in South African cities and towns: arguing the basis for an advocacy position for access by the poor,' which won an award for its "exemplary contribution" to the conference.

In 2006, Mark was taken on to establish the Urban Land Markets Programme by the UK's Department for International Development. Urban LandMark would use predominantly empirical research as the catalyst to bring people together for dialogue. Out of such dialogue programmes would evolve that would help shift policies and practices towards improving poorer people's access to well located urban land, achieving this by making markets and land governance work better, thus giving meaning and effect to the concept of the "right to land".

Surveying urban land markets commenced from the premise that land transactions take place within this market most often outside of the officially recognised norms or system of land management and property ownership. But, as Mark says: "Little was known about how these arrangements actually worked. Urban LandMark's aim was to make these alternative markets highly visible so as to allow pro-poor interventions."

Empirical studies revealed that land markets were operating in the informal settlements and that the number of transactions in informal settlements and backyard shacks was appreciable. In fact, on average 25% of shacks were sold every five years for between R50 and R500 and it took up to 69 days on average and an additional R1 351 in transport and associated

costs to secure a shack unit. In the RDP housing, small starter housing provided by the state (which housing units cannot be legally sold until the first eight years have elapsed), 11% of households were involved in transacting in the last five years, with 6% of the transactions seen as sales at average prices of between R5 750 and R17 000. The other 5% were renting and looking after houses. Virtually all the transactions were off register as title deeds were not officially changing hands.

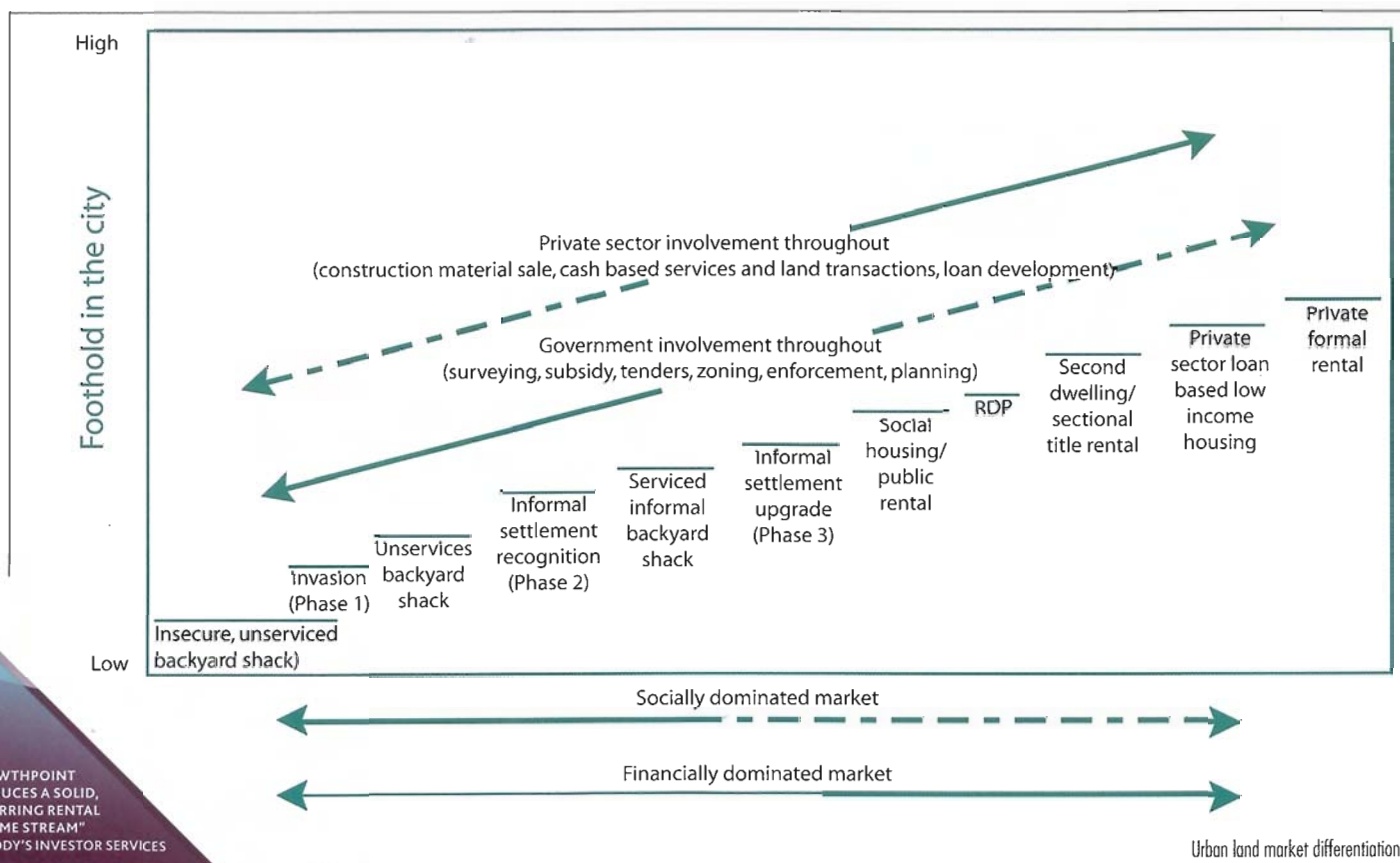
Activities in these informal land markets were driven by social networks, transactions happening by word of mouth, through family and friends. But, as Mark points out, there is a clear underlying financial logic to these activities. "Although price is not the main determinant in a transaction, this should not be misconstrued as people acting in ways that are economically irrational. People make the judgment that paying the transaction and sales costs of living in a shack is worthwhile despite the risks associated with these undertakings, as they see this as strengthening their claim on formal RDP housing," says Mark.

"This is an example of how the state – without knowing it – encourages specific land markets among poor people," Mark points out. "Even though the land is often marginal, it becomes the means of obtaining an officially recognised right to land in the city." Shack registration processes, therefore, are seen as conferring some kind of right to future development. There is a downside, of course, in that the poor are limited in being able to leverage much in the way of wealth out of land thus "acquired" because it is often not recognised as being legal occupation by the authorities.

According to Mark: Informal settlements perform a function the state and private sector cannot easily achieve. Simply removing them without providing a viable alternative would undermine the operation of the urban land market. This is not to suggest that improvements could not be incorporated into the existing system – the effective delivery of the services that typically are necessary to improve quality of life, such as transport, health and welfare and anti-crime programmes, are examples of such improvements.

Other examples centre around ways and means of using the asset itself to generate wealth for its owner. While examples of this type presuppose an intensifying interest in the regulatory and governance aspects of urban land management and administration and the role of the state in making it possible for the poor to access land, this line of possible action is undermined by a lack of capacity within local government to manage land and land values effectively.

This is a pity because it results in no clear hierarchy to the planning of land use and management. Clearly, the road to an inclusionary settlement becomes that much more complex, when it ought not to be so. Urban LandMark research has amply borne out that, whilst there is a commonality in the notion of a dual economy and the notion of socially and financially dominated land markets, this encourages polarisation when aggressive or decisive planning would move towards the reality that there is in fact one economy and one land market, albeit one that encompasses great diversity within which forces of inclusion and exclusion operate (see diagram below). "These concepts," Mark points out "lend themselves to proposals for eradication – eradicating the sec-



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ond economy, eradicating informal settlements – instead of recognition. They risk dismissing the attempts that the poor make to secure land access as market “distortions” and state “failure”. The alternative is integration, which recognises socially dominated markets (and the second economy) within a single economy and a single land market, albeit invariably without adequately accommodating the poor.”

The disconnect paradigm endures. As the Urban Age Project (see box below) shows

- there is a sharp disconnect between the challenges of the urban age and our current set of urban solutions;
- there is a disconnect between policies intend-

ed to promote economic growth, policies designed to advance environmental sustainability and policies aimed at reducing poverty;

- there is a disconnect between the complexity of challenges and the narrow responses that dominate urban policy;
- there is a disconnect between the artificial geography of government and the real footprint of the economy and the environment.

Urban LandMark’s thorough empirical research work amply bears this out. A concise description of the effects of such disconnects may be found in Urban LandMark’s *Urban Land Biographies: A study of co-existing land use and land use management in three precincts in Gauteng;*

*Voices of the Poor: Community perspectives on access to urban land; and Urban Land Markets: How the poor access, hold and trade land* - in addition to some 30 detailed, completed research projects undertaken or commissioned by Urban LandMark.

A passionate specialist in urban issues, Mark’s other interests are astronomy and science fiction. Specialism and interests render Mark a powerful supporter of South African film director Neil Blomkamp’s *District 9* which illustrates how we tend to treat people who come to ‘our’ cities as aliens!

END

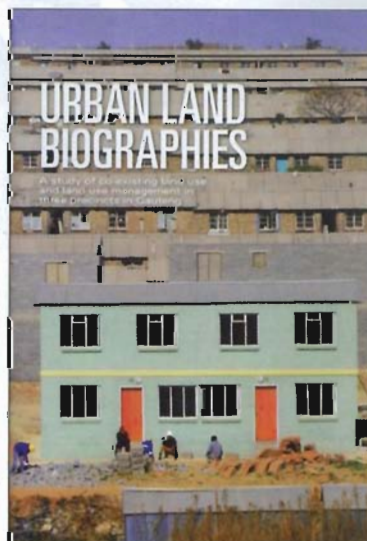
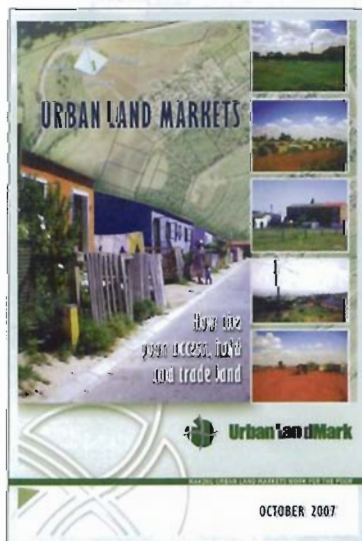
### Cities of a lesser god?

Finding new languages and conceptual tools for making sense of urban realities in Africa is made all the more difficult by the inherent location of the analysis in a Eurocentric teleology...New York, London and Paris represent the “real” urban experience, while Lubumbashi, Lagos and Johannesburg represent somewhat deviant, if inauthentic cities. These labels and categories would be innocuous were it not for the theoretical implications they have on our understanding of urbanisation processes, both in Africa and across the globe...In other words, Western cities possess the analytical

and theoretical content that informs the discourse on (global) urbanisation. Cities in the global South, therefore, are at most understudies possessing no original history or authentic future. This is often evident in the way debates on urbanisation quickly descend into binary oppositions – “developed” versus “developing” cities, “formal” versus “informal” urbanisation, “global” versus “local” cities. The latter terms not only have a lesser social status but are also theoretically inferior to their more “advanced” counterparts. This implies that the condition of formality gives value and content

to the informal on its own terms....They are incapable of producing any conceptual insights that are automatically universally applicable. These linear modes of writing not only lead to conclusions of Africa’s deviancy but, more inimically, rid the continent of its own analytical content or value.

Extract from THE ENDLESS CITY, proceedings of the Urban Age Project by the London School of Economics and Deutsche Bank’s Alfred Herrhausen Society



Source: *Making Urban Land Markets Work for the Poor*, Urban LandMark, 2007

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