



**Urban LandMark**



# From Land Rights to Property Markets

28 August 2008

Functional Land Governance: ULM Comment

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

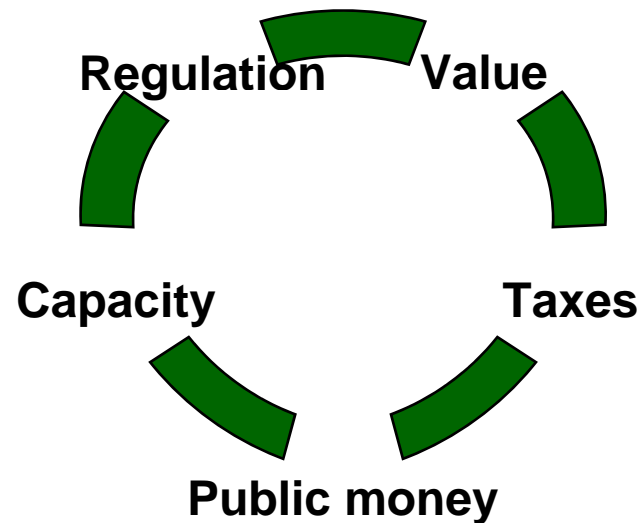
# Functional Land Governance

## Why is governance important?

- The tension between the forces of a market and the powers of a regulator is not unusual, especially in the case of (urban) land markets
- The rules of the game determine the outcomes

# Functional Land Governance

## Interdependencies in regulating the urban land market



# Functional Land Governance

## The challenge for Urban LandMark

How to achieve most redistribution in urban land markets in South Africa

- Within constitutional parameters
- On a sustainable basis
- Without crashing the market

This demands a state that understands the market. If we - as a community of experts - can't, it's not fair to expect it from the state!

# Functional Land Governance

## Managing the urban land market to achieve pro-poor outcomes

What are the tools currently at hand?

Planning regulations (most direct impact)

Land taxation, and

Land acquisition and disposal

# Functional Land Governance

## Planning regulation

- Back to basics: what's the rationale for planning regulation? How did it all begin?
- Planning regulation can either
  - Confirm, or
  - Changecurrent market trends
- Rationalising laws won't help the poor if it just reinforces the spatial status quo.



# Functional Land Governance

## Land taxation

- Coherence with the objectives of IDP/SDF is crucial.
- Unlike regulation, this is where incentives are possible (although unlikely to be of drastic effect)
- (limited) potential to ease the impact of gentrification on poor people



# Functional Land Governance

## Land acquisition & disposal

The state (national, provincial, local, parastatal) is a significant player in the urban land market itself

What rules govern this behaviour? Do they attain pro-poor outcomes?



# Functional Land Governance

## Guiding the way forward

The rules must

1. change
2. work
3. be implemented confidently

The state has to understand the market better (so do we all...), and

The effects of regulation on the market need to be monitored

