



TERMS OF REFERENCE

A Consolidated Overview of Township Economies and Related Non-Residential Property Markets

August 2012

1. Introduction

There is limited research and information about township economies and related non-residential property markets. However, numerous studies have been undertaken that have included an analysis, albeit often indirectly, of these economies and markets. Such studies include the FinMark Trust Small Business Surveys, the Housing Entrepreneurs project and the Second Economy work by the Presidency, among many other sources. Unfortunately, there is no place where information and data about township economies and related non-residential property markets are captured in one place.

There is an increasing interest in these markets as greater attention is paid to establishing “sustainable” human settlements. As a result, Urban LandMark wishes to commission desktop research that draws on existing research and data sources to develop a consolidated picture of this sector of the market.

2. Objectives and Scope of Work

The key objectives of the research are to:

- Understand the current nature and structure of township economies and related non-residential property markets;
- Identify data or sources of data needed to assess these economies.
- Identify ways in which these economies and related non-residential markets can be grown at scale.

While we recognise that there may be data gaps, it is important that the method used to understand and describe the nature and structure of township economies and related non-residential property markets is clear and robust.

To achieve these objectives, the research should identify and document the following:

1. The current nature of township economies, including their constituent parts (the sectors and activities that make up this market).
2. The dynamics (the scale and trends of the constituent components).
3. The structure of the market (including the backward and forward linkages within and outside the areas).
4. The size of the respective markets (disposable income, buying power, etc.).
5. The role of the different constituent components in growing these economies and the actions that are required to facilitate this.
6. The indicators and related data that should be used and collected to track these economies and related non-residential markets over time. In doing so, the service provider should list the currently available/used indicators and datasets and suggest potential new indicators / datasets.
7. The nature and scale of the non-residential property markets that result from the economic activities identified in 1 above. Where available, indicators such as rentals, prices, vacancies, turn-overs etc. should be documented and analysed.
8. Drawing on 5 and international examples, identify ways in which these economies and related non-residential markets can be grown at scale.

The service provider is to identify and undertake a comprehensive review of existing research and documentation (both published and unpublished) pertaining to this market. The service provider should be innovative and pro-active in identifying and sourcing such material. The research to be reviewed includes, but is not limited to, the following:

- Training for Township Renewal Initiative – Township Renewal Sourcebook
- TIPS - Second Economy Strategy Project
- Finmark Trust Small Business Surveys, and Housing Entrepreneurs Project
- African Centre for Citizenship & Democracy – Spaza Shops in Delft
- Centre for Affordable Housing Finance – Home-Based Entrepreneurs: Research Findings and Recommendations
- Centre for Affordable Housing Finance – Government Subsidised Housing Assets: all reports
- Centre for Affordable Housing Finance – Workings of Township Residential Property Markets Study: all reports
- Urban LandMark – All research covering home-based entrepreneurs and small-scale landlords
- Urban LandMark – Street traders in Tshwane
- Urban LandMark – The impact of the development of formal retail centres in 'emerging economy' areas in South Africa.

The service provider is expected to substantially augment the list of sources above.

Items 1 to 4, and 7, of section 2 all require the review of existing information. Items 5, 6 and 8 similarly require the review of existing information, but also require further analysis and interpretation.

The spatial focus of the research is national and covers townships located in or near metropolitan areas, secondary towns and rural areas. The focus will, however, depend on the information available. In addition, where the information exists, the researcher is to review and analyse any relationships and trends that exist between the township areas and established economic areas and nodes.

3. Deliverables

The key deliverables will be the following:

- A report and PowerPoint presentation that address items 1 to 8 in section 2 above. It is important to note that the work to be undertaken is not a summarising exercise. The service provider must add value by using a set of research questions to filter the existing material, and must apply a clear method to analyse the data, so that the questions can be answered in a clear and comprehensive manner.

The report will be released publicly. For this reason, the report must use innovative written and graphic techniques to communicate the findings. The findings are to be presented in a manner that makes them easy to understand and makes the readers want to engage with the topic and the research.

4. Assignment Timeframe

Proposal submission: 24 August 2012

Assignment duration: 3 months from appointment of the service provider

The research will be contracted as a three-month project comprising approximately 30 to 40 person days. This should be clarified and broken down in the bidders' proposals.

5. Management and Reporting

A steering committee likely to be made up of representatives from Urban LandMark, FinMark Trust, SA Cities Network and the Neighbourhood Development Partnership Unit in the National Treasury will oversee the service provider and the service provider will report to this committee accordingly. Urban LandMark will be responsible for convening the committee.

The service provider should propose a methodology for the work and then, once appointed, will collaborate with Urban LandMark and the appointed steering committee to confirm the agreed approach, common analytical framework and common structure for all the reports.

The service provider will work under the day-to-day supervision of Robert McGaffin, under the overall guidance of Mark Napier of Urban LandMark. Final approval of the product for the purposes of payment will be at the discretion of Urban LandMark.

6. Skills Required

Service providers bidding to undertake the research must show evidence that they have experience in, and an understanding of, emerging market economies, especially their nature, underlying logic and drivers, linkages and spatial patterns. Service providers must also provide evidence of their ability to undertake desktop research and analysis, and to filter and synthesise such material to answer specific research questions.

7. Submission of Proposals

Proposals are to be submitted to Mark Napier at Urban LandMark (mark@urbanlandmark.org.za, cc: lerato@urbanlandmark.org.za or by fax to +27 (0)12 342 7639 by 12pm on 24 August 2012.

Proposals must contain:

- An outline of the proposed approach to the work. This is to include how the service provider intends filtering the material to answer items 1 to 8 in section 2 above. In doing so, the service provider must identify a preliminary set of questions that they would envisage using to filter the existing material, and a method or framework for analysing the data.
- Proposals and ideas as to how the findings will be innovatively communicated, e.g. graphic representations of the findings.
- The CV(s) of the consultant(s) who will do the work.
- The BEE status of the service providers applying for the assignment.
- A valid Tax Clearance Certificate.
- An offer to do the work for a fixed sum inclusive of VAT and disbursements.
- The contact details of three individuals who can attest to the consultants' ability to carry out work of this nature.

Any queries should be directed to Robert McGaffin (robert.mcgaffin@gmail.com) or Mark Napier (mark@urbanlandmark.org.za).