

Urbanisation in Africa: A new town

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By Nicholas Norbrook

Property developers are building satellite cities and new housing compounds on the outskirts of some of Africa's largest cities, demonstrating a new trend in African urbanization.

Drive down the increasingly well-paved Lekki Expressway east of Lagos and take the exit for the new Free Trade Zone. You will be surprised by huge housing estates looming on the horizon. These lonely buildings are all empty. Their half-finished windows gaze down, imploring 'When are you moving in?'

They will not have to wait for long. [Lagos governor Babatunde Fashola](#) believes the city, whose current population is estimated at around 10 million, can house 40 million people. The Lekki corridor is the fastest urbanising area in Nigeria and it will also host a new airport that is currently under construction.

[Many African cities are bursting at the seams](#). Cairo's night-time population of eight million increases by the day. Capital cities are choked with traffic. Housing, school places and hospital beds are in short supply. Commercial rents are cut-throat. Decades of under-investment in the legal infrastructure of property rights means there are many ownership disputes, thus freezing investment.

Seeing this as an opportunity, [developers are building independent urban projects on the periphery of cities](#), starting afresh. From Lekki to Tatu City outside Nairobi, the Cité du Fleuve in the middle of the Congo River outside Kinshasa and the Land of Honey development in Abuja, these new cities will bring the dream of hassle-free modern living to those who can afford it: security, running water, electricity, shopping and reliable communications. The danger is the deepening of a divide – gleaming globalised elites held apart from the struggling masses.

The Sandton model

More than 25 years ago, with Johannesburg city centre hamstrung by the crush of population growth, companies like Liberty Life bought up land to build offices, housing and shopping centres. Sandton is now a major business district in Johannesburg. "Canary Wharf in London is another good example," says Arnold Meyer, chief executive of Tatu City. "It's a big piece of land slightly awkwardly off centre, but they were able to move the financial heart of the city there."

Financed by Russian investment bank Renaissance Capital, with local partners including former central bank governor Nahashon Nyagah, Tatu City is being built under the same premise. Every year, there is demand in Kenya for 50,000 new homes, with a cumulative deficit of 350,000. Kenya Mortgage Finance has a waiting list of pre-qualified applications in the tens of thousands. Having just left the planning and permit stage, Tatu City's contractors are moving first earth to create housing for 70,000 people, a shopping centre and a techno park to attract 'Silicon Savannah'-style operators who want to tap into the growing opportunities for call centres and research and development units in Kenya.

The sales pitch aims at upwardly mobile young professionals and aspirational families. 35% of the acreage will be green areas and gas will be piped to homes. "You can't just build things for the lower or middle class, you've got to create a fully integrated mix because of the economic interdependency between those classes," explains Meyer. "The master plan has 25,000 residential units, which will be a combination of apartments, houses, estates, condos, spread among upper and lower incomes. There is provision for entry-level mortgage buyers."

The Cité du Fleuve has a different model. Whereas Tatu City wants to turn over plots to developers at the end of next year, the Congolese project's organisers have found it better to build and sell a few show homes to whet appetites. "The DRC [Democratic Republic of Congo] doesn't really have any heavyweight property developers, so we had to change plan and do it ourselves," says Robert Choudury, project manager for Cité du Fleuve. "We built four apartments and sold them in the first week".

While the private sector has the financial muscle and commercial experience to drive complex urbanisation projects, Africa's mayors and municipal leaders are not so lucky. "You can only put in vital infrastructure when you have the money to hire the experts, so you also have to improve the efficiency in the mobilisation of local resources", says Massamba Diene, an urbanisation expert at the African Development Bank (AfDB). He believes that central governments could do more to help with fiscal decentralisation by allowing cities to retain more of the tax take. He points to federal systems in South Africa and Ethiopia as models. Senegal and Burkina Faso have successfully boosted tax collection from the informal sector by implementing street identification systems.

The private sector has often not invested in 'social' housing, so the state simply has to get involved, according to Rory Gallocher, chief executive officer of Johannesburg Social Housing Company (JOSCHO). The company takes over disused buildings – many that have previously been run by Nigerian gangs – and turns them into subsidised rental accommodation. "The financial returns for private sector investment are not attractive because we're talking about poorer families. The city has a big housing shortage, and the city created JOSCHO as an affordable housing rental agency to plug that gap. We develop it as a public city asset and we rent it out," says Gallocher.

The bad old days

Another serious problem is that the forces of reform are often blunted by vested interests. Matthew Gandy of University College London, wrote in 2006 of Lagos that, "when municipal authorities do attempt to extend water supply to poorer neighbourhoods they are often met with violence and intimidation from water tanker lobbies, 'area boys' and other groups who benefit from the unequal distribution of water and the 'micro-circuits' of exploitation which characterise slum life."

Lagos has much improved since then. "The governor [Babatunde Fashola] has pushed some eye-catching projects like Eko Atlantic, but then in the background dealt with things like the sewer system in the central business district. The waste management agency has done a fantastic job in actually managing and bringing down waste in Lagos," argues Giles Omezi, an architect with Laterite. His firm is working on Abuja Technology City, an urban redevelopment project linked to a technology university. He believes, however, that rather than reclaim land, the money should be better spent: "Look at Banana Island. They reclaimed that in the 1990s and it is still not full".

Even with improving local tax collection, the need to recoup costs, predictably, has pushed investors to seek other methods. Both Tatu City and the Cité du Fleuve, which is located on reclaimed land on the Congo River 5km from downtown Kinshasa, are getting around this problem by retaining taxes from residents and then handing on the balance to the municipal authorities. The Cité du Fleuve has a contract with the Congolese government that allows it to 'co-manage' municipal taxes.

Self-governing

Tatu City will spend \$80m on electrical infrastructure alone in phase one and has taken advantage of a provision for self-governing status in Kenya's new constitution that is available for any agglomeration of more than 1,000 acres. The Tatu City management company will charge all residents a service charge, subtract costs and fee, and give a portion to Kiambu county. It will then sell electricity, water, gas and other amenities for residents, becoming the largest retailer of power after Kenya Power.

Critics suggest this trend could lead to a dystopian future where private sector-driven cities reign confident, excluding people who are not residents, and creating "islands of plenty among an ocean of poverty", according to Filip De Boeck of Leuven University. If the legislators of the DRC were to come in as anchor clients for the Cité du Fleuve project, their mortgages underwritten by the Congolese state, would they care about upgrading municipal infrastructure when they live in luxury? Will the investors in Hawkwind, the Anglo-American hedge fund that is behind the project, be concerned about conflicts of interest?

Successful urbanisation projects should not raise spectres of exclusion but rather be a challenge to which African governments should rise. The United Nations estimates that 72% of sub-Saharan African urban dwellers live in slums. If they want to avert an 'African Summer' following the Arab Spring, they will need to act fast.