



Urban LandMark

making urban land markets work for the poor

URBAN LANDMARK COMMISSIONS WORK ON URBAN LAND TRADING SYSTEMS

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Urban LandMark is a programme of DFID Southern Africa.

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Urban Landmark has recently commissioned work on the exchange of urban land, focussing on the various ways in which people in urban settings trade and hold land. In particular, extra-legal mechanisms for land trading and the barriers to entry into the formal land titling system are being explored. This work is being undertaken by the Isandla Institute and Stephen Berrisford Consulting. It commenced in November 2006 and it is anticipated that the findings will be available in May 2007.

Despite well-established formal systems for land transactions and ownership in South Africa, a parallel land market exists drawing on extra-legal and customary arrangements mediated through various forms of social contract. Although not always formally recognised, this parallel market typically flourishes in informal settlements, townships, backyard shacks in townships and inner city apartments. The extent of this phenomenon is evidenced in research undertaken by Statistics South Africa, which indicates that nationally in 2001 some 36% of households live under extra-legal and customary tenure arrangements.

The lack of formal recognition of these systems can limit access by people living under such arrangements to finance and infrastructure. The magnitude of informal urban land market systems also potentially indicates functional gaps in the formal urban land market system. The research commissioned by Urban Landmark therefore aims to develop a better understanding of how these informal systems operate, what this might

mean in terms of the accessibility of formal land systems, and how urban land policy might be improved towards greater access to services and resources for low-income urban dwellers.

The research combines literature-based theoretical development of understandings of informal urban land markets, backed and expanded upon by solid empirical evidence. Survey-based case studies are being undertaken in metropolitan areas as well as large or small towns in at least three provinces in South Africa, with the objectives of identifying and understanding the operation of informal systems there, as well as causative factors behind their perpetuation. Data will be drawn upon to formulate recommendations for public sector policy and legislative responses, as well as suggested actions for the private and popular sectors towards improved access to urban land markets and better location for the poor.

The availability of the findings of this research, including a summation of the key findings themselves, will be announced in due course through the Urban Landmark newsletter.



LOCAL NEWS

CHANGES TO RATING SYSTEM MAY BRING INCREASES IN PROPERTY RATES

Johannesburg's city council has indicated that residents could experience property rates increases next year as the new rates scale, linked to property values, is implemented. This comes in the wake of changes to the national rating system, reported by Business Day as one of the most extensive changes to local government taxation systems in decades.

The new rates system, in the process of being nationally standardised, will see new valuations based on market values. According to Erika Naude, director of rates and taxes for Johannesburg's finance and economic development department, unlike previous rates based solely on land value, the new rates will extend to include improvements to the land, therefore potentially spelling rates increases for many Johannesburg residents. However, the anticipated changes also offer the opportunity for municipalities to increase their rates base, and thus enable them to make greater investments in urban upgrading and lower income housing.

In response to concerns regarding rates increases, city council spokesperson Virgil James noted that the new rates policy, developed by every municipality, will still be reviewed by the public as well as government to ensure that rates are not unrealistically high. Erika Naude confirmed that "massive public participation around the draft rates policy" would take place between June and the end of November. The draft evaluation is anticipated by January next year, enabling home-owners to view the values assigned to their individual properties and potentially launch any formal routes of objection. Case by case provisions for exemption are also expected to be made for non-profit organisations and pensioners.

(Business Day, Thursday January 4th 2007)



INNER CITY PROPERTY VALUE INCREASES PUSH HOUSING BEYOND THE POOR'S REACH

The escalation in property value associated with the revival of Johannesburg's inner city is further shifting inner city housing beyond the reach of the poor. This is according to Taffy Adler, CEO of the Johannesburg Housing Company and responsible for the successful mixed income Brickfields housing development. Properties in Johannesburg's city centre have tripled in value, encouraged by government tax incentives to assist with revitalisation and development in South Africa's cities.

The current plight of the inner city poor was sharply highlighted in March last year when the city was ordered by the Johannesburg High Court to cease with evictions until alternative accommodation was provided. The need for rental stock within inner cities, improving access for the poor to work opportunities, is a goal that Adler notes will be undermined if government at all levels does not treat land disposal as part of its pro-poor policy. Currently, Adler notes, large tracts of inner city land owned by government and parastatals are being sold "to the highest bidder". He further notes that mixed income developments, which make cross-subsidisation of rental properties possible, would struggle to expand in light of high inner city property values.

(Business Day, Thursday January 4th 2007)

"Large tracts of inner city land owned by government and parastatals are being sold 'to the highest bidder'"

EVENTS AND LINKS OF INTEREST

Inclusive African Cities Conference: The Development Bank of Southern Africa (DBSA), the Human Sciences Research Council (HSRC), the South African Cities Network (SACN), the University of the Witwatersrand (WITS) and Urban Landmark are hosting a conference on inclusive cities intended to provide the basis for developing locally appropriate tools for the creation of more inclusive cities in Africa. The three key thematic areas of the conference will be:

1. Access to urban resources and infrastructure
2. Constructing urban citizenship in everyday lives
3. Emerging experiences of inclusion in African cities

For further information go to <http://www.dbsa.org/inclusivecities/>

Conference on Making Markets Work for the Poor: ComMark Trust will be hosting the *Making Markets Work for the Poor in Southern And Eastern Africa* conference at the Spier Estate in Cape Town from 12 - 15 March 2007. The conference will showcase practical experience of the M4P approach to development, with presentations from diverse quarters including DFID, USAID, ILO, FIAS and FinMark Trust.

For further information go to <http://www.commark.org> or email norma@commark.org

Land Lines Quarterly Magazine: The January issue of the Land Lines quarterly magazine (vol 19, no 1) is available at <http://www.lincolnst.edu/pubs/pub-detail.asp?id=1181>

INTERNATIONAL NEWS

QUESTIONS RAISED OVER THE SUSTAINABILITY AND EQUITY OF URBAN RENEWAL IN INDIA



“In-depth scrutiny of the urban renewal document indicates that the process will be run by, and in the interests of, the urban upper classes and high-level bureaucrats”

A year ago, Prime Minister Manmohan Singh launched the high-budget Jawaharlal Nehru National Urban Renewal Mission. The Mission statement for the programme specifies the objectives as being to promote reform and sustainable development through infrastructure development, management systems for effective maintenance, capital investment, urban corridor planning and expansion, the redevelopment of heritage areas and the provision of civic services to the urban poor. However, in a provocative piece for Hard News Media, Danu Roy questions the approach and structures set up to implement this programme. The pro-poor objectives implied in the general ‘rhetoric’ of the Mission statement are called into question.

Danu Roy asks whether more in-depth scrutiny of the urban renewal document indicates that the process will be run by, and in the interests of, the urban upper classes and high-level bureaucrats. In particular, Roy interrogates the separation of the components of infrastructure and basic services in the urban renewal programme, delegated to the urban de-

velopment ministry and the poverty alleviation ministry respectively. Roy asks whether the ministries will develop a strategy to ensure the adequate integration of these inter-related components, and therefore promote pro-poor planning through infrastructure as well as services.

Roy also expresses concern that the reforms appear, upon closer inspection, to be targeted at benefiting those who own land, money and property, making property transactions easier particularly for large private developers and builders, as well as gearing access to improved information towards those with greater electronic resources. He further argues that a lack of money flow through lower-level locally elected bodies, and the higher money flow through unaccountable nodal agencies nominated by government, undercuts any efforts to democratise urban development. In this regard, incidences in which such development authorities have been responsible for dispossessing the urban poor in favour of commercial development or urban “beautification” are raised.

For the full article see

<http://www.hardnewsmedia.com/portal/2007/01/732>



Source: www.safs.msu.edu

GLOBAL LAND TOOL NETWORK ADOPTS A DRAFT GENDER MECHANISM

Recognising the significance of gender in addressing land issues, the Global Land Tools Network held a round table on *Gendering Land Tools* on 21 June 2006, the day after its official launch. The key objective was to provide public, civic and private partners with the opportunity to engage with and discuss the GLTN’s draft gender mechanism. The mechanism proposes a framework of methodologies and strategies to support gendered land tools towards improved rights and security of land tenure for women.

Anna Tibaijuka, highlighted that land access among women has declined during the last few decades. This, she asserted, underscored the need to transform “paper rights” into authentic social, economic and political rights for women. Among the obstacles raised were structures guiding inheritance of land and housing. Discriminatory practices were also often multi-layered, with gendered assumptions and systems intersected with geographical location, culture and other socio-economic and spatial factors. The round table concluded with a decision to adopt the GLTN gender mechanism, with a pilot study to test the tool to be held in Rwanda.

Executive Director for UN-HABITAT, (GLTN, <http://www.gltn.net>)

“Land access among women has declined during the last few decades”