

Urban land markets for housing in Luanda, Angola

Presented by

Development Workshop Angola

To the

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Conference on Land and Poverty**

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Research Objective

- This program aims to provide information on how the poor access urban land in Luanda through formal and informal market mechanisms
- The project contributes to the development of urban policy and land management in urban and peri-urban areas in Angola
- To evaluate the actors and factors that govern informal urban land markets in Luanda



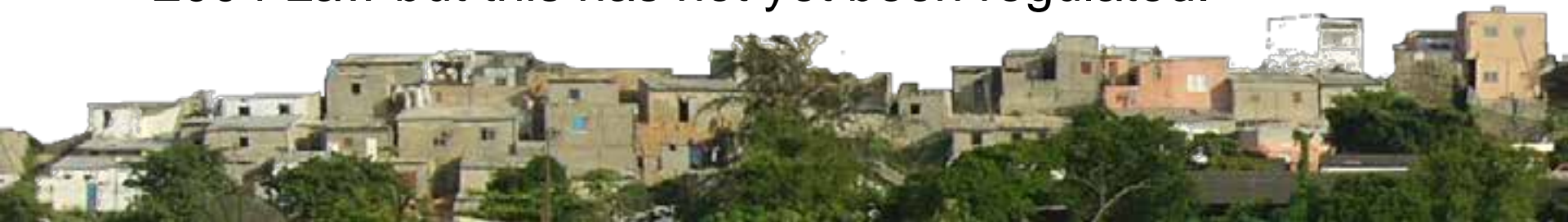
Problem

- In recent decades Angola has gone through a process of extremely rapid urbanization due to socio-economic growth as well as a protracted armed conflict in the countryside
- Luanda has grown rapidly, particularly in slum areas of the peri-urban parts of the city
- Three quarters of the population live in these areas do not have legal land tenure.



Legal Environment

- Angola like Mozambique inherited their legal framework from the Portuguese Civil Code which did not easily accommodate itself to African land tenure practice.
- Large areas of land were appropriated for Portuguese settlement and incorporated into the colonial cadastre.
- The post independence constitution affirmed the State to be the owner and manager of land.
- Land Laws of 1991 and 2004 affirmed that colonial cadastre as the basis of land titling therefore weakening traditional land claims.
- The concept of Customary tenure was incorporated into the 2004 Law but this has not yet been regulated.



Legal Environment

- The 2004 Law removed all protection that the Civil Code had provided for 'occupation in good-faith' or user rights.
- Thanks to Civil Society advocacy, a three year window was given for informal occupants of land to regularise their land claims and apply for legal titles.
- Provincial and municipal administrations had little capacity to administer and approve land claims.
- The regularization window is now closed and very few titles were issued.
- Titles for urban land are only issued in fully urbanised planned areas.
- By-Laws for the regularisation of peri-urban land have still not been published.



Incremental tenure rights

The 2004 *Lei de Terras* does not recognise scalable or incremental tenure rights as a policy, but the law does not prohibit it either. The range of existing land tenure options permitted by the Land Law can be adapted to an incremental approach. Article 34 stipulates that the state can grant:

- (a) precarious (temporary) occupation rights
- (b) surface rights
- (c) useful customary domain to rural communities
- (d) useful civic domain, and
- (e) private property rights to urban land



Current Opportunities

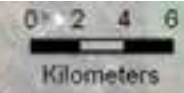
- The Angolan Government has adopted an ambitious policy that promotes the construction of one million houses by 2012
- Through this programme the Government aims to eliminate most slum settlements known as Musseques.
- In this process the Government intends to facilitate self-help construction of 685,000 homes
- The Land Law of 2004 reaffirms the authority of the state as the primary manager and owner of all land resources



PROVINCE OF LUANDA

Land Reserved for Housing

Mussequ Capari



- Patrice Lumumba
- Ilha do Cabo
- Rangel
- Marçal
- Operario
- Terra Nova
- Ingombota
- Maculusso
- Kinanga
- Malanga
- Neves Bendinha
- Prende
- Havemos de Voltar
- Cassequel
- Samba
- Rocha Pinto

Sambizanga Antenas
Sambizanga, Bairro Operario, Boavista

Cazenga Antenas

Cacuaco

Nova Urbanização Cacuaco

Sapu

Kikuxi, Sapu e Benfica

Bitá Sapu I

Bitá Sapu

Zango

Nova Cidade de Luanda

Cacuaco Sede

Funda

Kikolo

Cazenga

Palanca

Gorfe

Estrela

Fotunço

Mossuro

Benfica

Viana Sede

Calumbo

ANGOLA

LEGEND

- Reserve - Decree 64/07
- Reserve - Decree 87/08
- Comuna Boundaries

DENSITY



Challenges

- A major constraint to the implementation of urban plans remains the poor management of land by the government and consequently the poor security of tenure of the urban population
- Despite the affirmation of the government to the control of land, a vibrant real estate market exists for the land occupied both formally and informally
- A better understanding of the dynamics that govern the urban land market as key factors in the process of urbanization

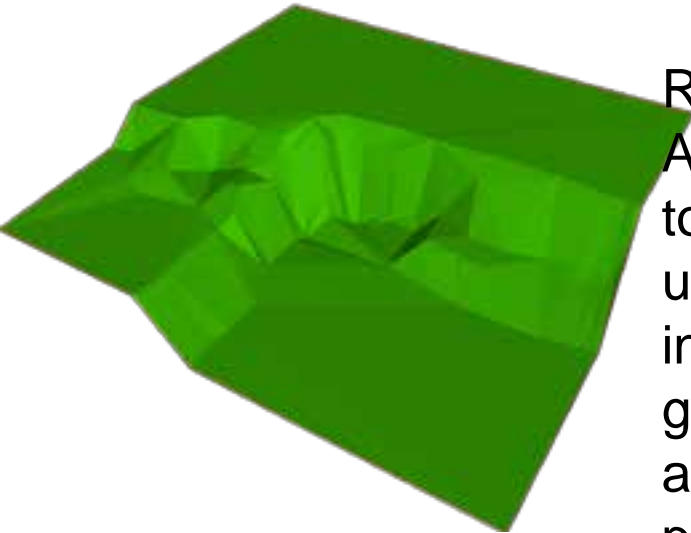


Metodology

- The methodological approach focuses on collecting new information and the systematization of existing data from previous studies
- Review of existing documentation
- Interviews with key informants (Government, non-governmental sector, experts)
- Surveys (questionnaires) door-to-door in four areas to pre-selected sample, gathering information on the existence of titles and quality of building materials;
- The participatory analysis, focus groups with local governments and civil society



Use of Geographic Information Systems



Remote sensing:
Applied the
tools of GIS to
urban
information
gathering using
aerial
photographs
and satellite
images.

**Participative
Mapping**



Population growth rate in Luanda

Municipality	1983		2000		Annual Growth Rate (1983 - 2000)	2008		Annual Growth Rate (2000 - 2008)
	Population	Density /Ha	Population	Density /Ha		Population	Density /Ha	
Cacuaco	12,923	0.23	113,310	2	13.7%	860,600	15	28.8%
Cazenga	215,105	56	920,864	239	9.0%	1,182,600	306	3.2%
Ingombota	97,824	102	187,831	196	4.0%	129,700	135	-4.5%
Kilamba Kiaxi	118,441	18	362,277	57	6.8%	892,200	62	11.9%
Maianga	161,663	65	520,308	211	7.4%	529,000	214	0.2%
Rangel	132,270	210	195,418	310	2.2%	176,600	280	-1.3%
Samba	27,369	0.79	217,892	6	13.0%	503,000	15	11.0%
Sambizanga	123,655	87	568,561	401	9.4%	473,800	334	-2.3%
Viana	34,592	0.26	63,591	0.47	3.7%	1,060,100	8	42.1%
Luanda Total	923,842	3.80	3,150,052	13.0	8.2%	5,823,200	23.3	7.9%

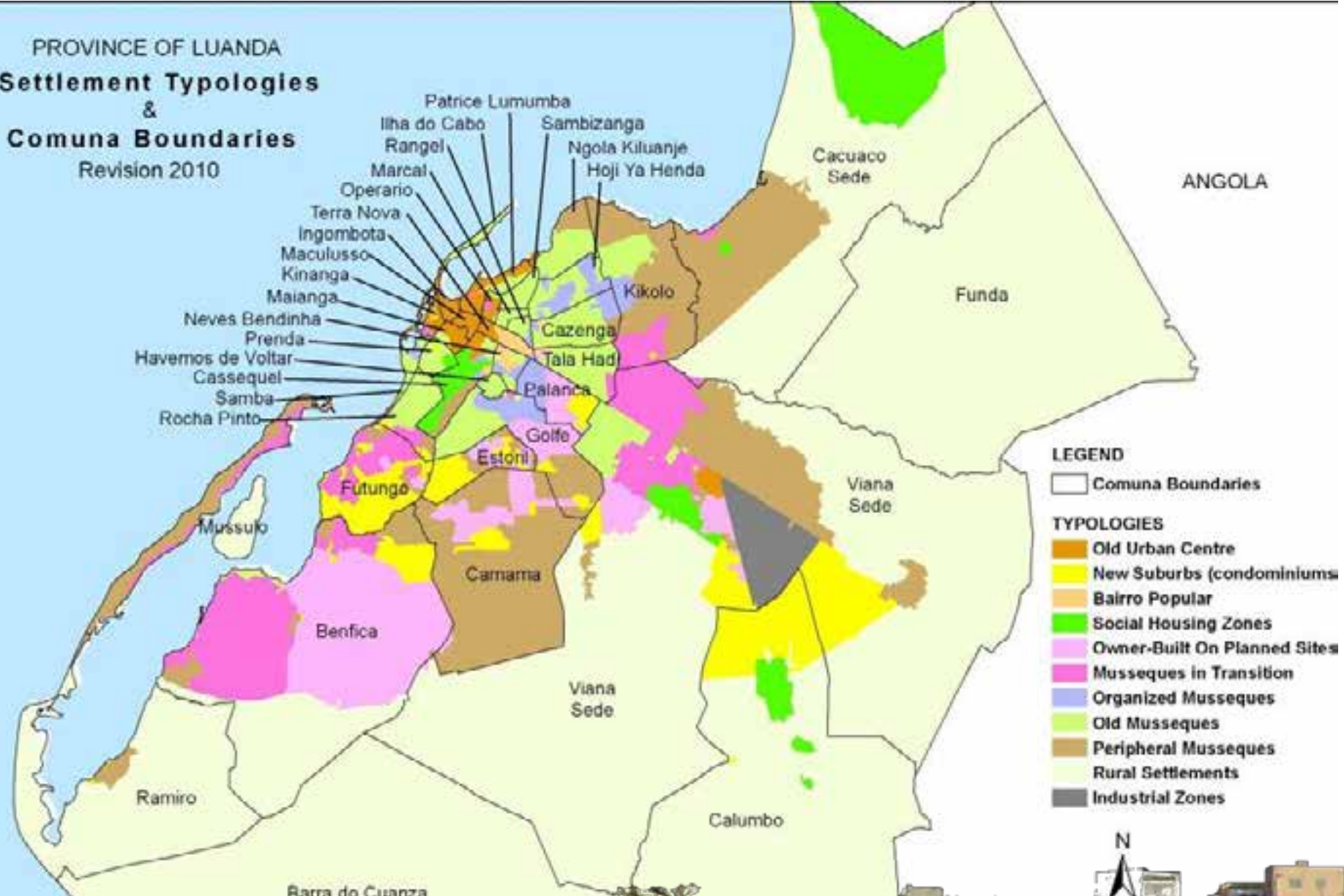


Settlement Typologies in Luanda

TIPOLOGY		Description	POPULATION	% of total Population
A	Centro Urbano Antigo	Mais de 35 anos	165 693	3%
B	Novas Urbanizações e Condomínios	Nova, Pós Guerra	163 721	3%
C	Bairro Popular	Mais de 35 anos	83 290	1%
D	Zonas de Habitação Social	Nova, Pós Guerra	118 380	2%
E	Áreas de Auto-construção Dirigida	Nova, Pós Guerra	396 736	7%
F	Musseques em Transição	Pós Independência	622 950	11%
G	Musseques Ordenados	Mais de 35 anos	477 956	8%
H	Musseques Antigos	Mais de 35 anos	2 312 701	40%
I	Musseques Periféricos	Pós Independência	1 237 028	21%
J	Assentamentos Rurais		241 787	4%
K	Zona Industrial		2 957	0,05%
	Total		5 823 200	100%



PROVINCE OF LUANDA
Settlement Typologies
 &
Comuna Boundaries
 Revision 2010



ANGOLA

- LEGEND**
- Comuna Boundaries
- TYOLOGIES**
- Old Urban Centre
 - New Suburbs (condominiums)
 - Bairro Popular
 - Social Housing Zones
 - Owner-Built On Planned Sites
 - Musseques in Transition
 - Organized Musseques
 - Old Musseques
 - Peripheral Musseques
 - Rural Settlements
 - Industrial Zones



Research Questions

1. Origin of buyers
2. How to transfer property, including the types of documentation and the weight of each type, as well as the validity of these documents;
3. The estimated annual volume of properties (residential, commercial and other) transferred by sale or rent in formal and informal markets;
4. What are the average sales price of land in the various areas of Luanda



Research Questions

5. The role of formal and informal real estate brokers;
6. What are the opportunities for public sale and lease;
7. How are property values determined;
8. How are the transactions financed;
9. Characterization of the role of agencies, private entities and communities in the processes mentioned above.



Findings of the Study

Características	Type of Settlement			
	<i>Musseque Antigo</i>	Área de Habitação Social	<i>Musseque Periférico</i>	<i>Musseque em Transição</i>
Study Area (<i>Bairro</i>)	Val Saroca	Panguila	Paraiso	Operario
Age:	Mais de 35 anos, construído antes da independência	Construído à menos de 8 anos, depois do fim da Guerra em 2002	Construído à menos de 10 anos.	Inicialmente estabelecido antes da independência
Who Settled:	Próprios residentes, indivíduos e famílias com fracos rendimentos	Governo	Geralmente iniciados por famílias com fracos rendimentos	Próprios residentes, indivíduos
Structure: (Land occupation)	Estabelecimentos informais	Ruas alinhadas e minimamente estruturadas	Não planeado, padrão irregular	Inicialmente informal, mas gradualmente se transformou num bairro com estrutura mais formal.
Located:	Adjacente ao distrito industrial de Luanda e o antigo Mercado Roque Santeiro	Solo em más condições. Relativamente distantes do centro da cidade e difícil acesso a transportes públicos	Periférica	Muito próxima da area urbana. Considerada área de valor acrescentado.



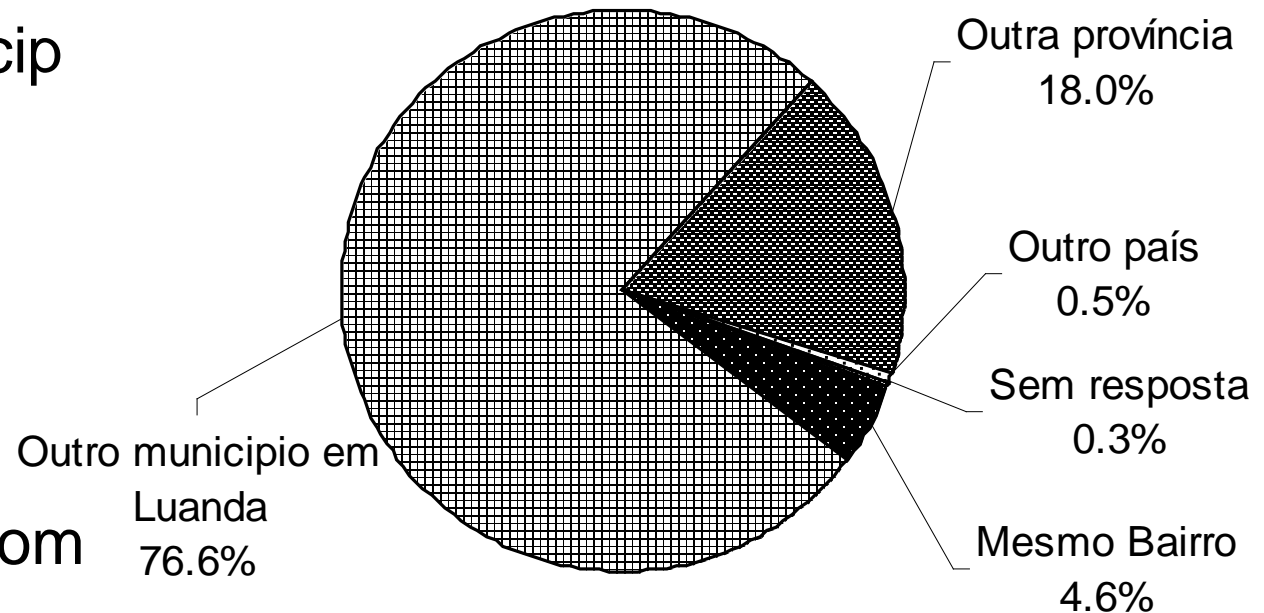
Findings of the Study

Características	Type of Settlement			
	<i>Musseque Antigo</i>	Área de Habitação Social	<i>Musseque Periférico</i>	<i>Musseque em Transição</i>
Service Access:	Acesso à água através pontos de fornecimento publico e tanques privados; área parcialmente coberta por corrente elétrica	Provisionamento formal de água e electrecidade, acesso a infra-estrutura de esgotos.	Acesso à água através de camiões cisterna e tanques privados; sem eletricidade formal não possuem sistema de esgoto	Formal embora possuam um sistema desactualizado relativamente à electricidade, água e esgoto
Housing:	Estruturas precárias de edifícios e casas		Construção muito elementares e habitações precárias	Reconstruído e melhorado pelos moradores ao longo do tempo
Improvements:	Reconstruído; melhorias feitas principalmente por residentes, mas a um ritmo lento	Melhoria gradual das casas feitas pelos moradores ao longo do tempo	Falta investimento público para melhorar a infra-estrutura, mas elevado investimento em construção por parte de moradores e investidores privados	Investimento público para melhorar alguns serviços urbanos. Outras melhorias feitas principalmente por residentes, mas um ritmo lento.
Population Scale (% of Luanda's total)	40% (2.3 milhões)	2% (118,000)	21% (1.2 milhões)	11% (623,000)
Exemples:	Maioria dos municípios de Sambizanga, Cazenga e Rangel	<i>Bairros</i> Panguila e Zango e nos municípios de Cacucaco eaViana	<i>Bairro</i> Paraiso no município do Kicolo	<i>Bairros</i> Catambor, Operario e Mabor



1. Who are the buyers?

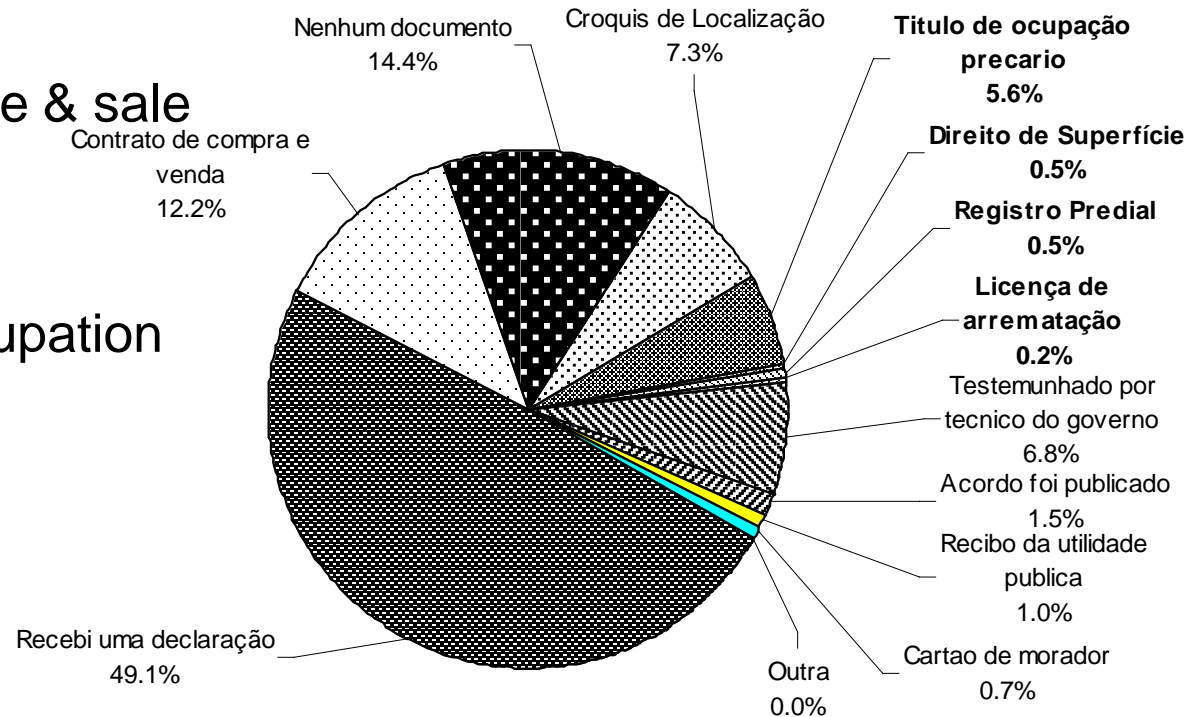
- Most buyers are from other municipalities in the province of Luanda 76.6%
- 18% come from other provinces
- Only 4.6% are from the same neighbourhood.



2. How do they acquire and secure their land?

A total of 61.3% of the sample bought their land on the informal market.

- Declaration of purchase & sale
- Contract of sale
- Land site survey map
- Title or precarious occupation
- Title of Surface Rights
- Land Registry
- License of occupation



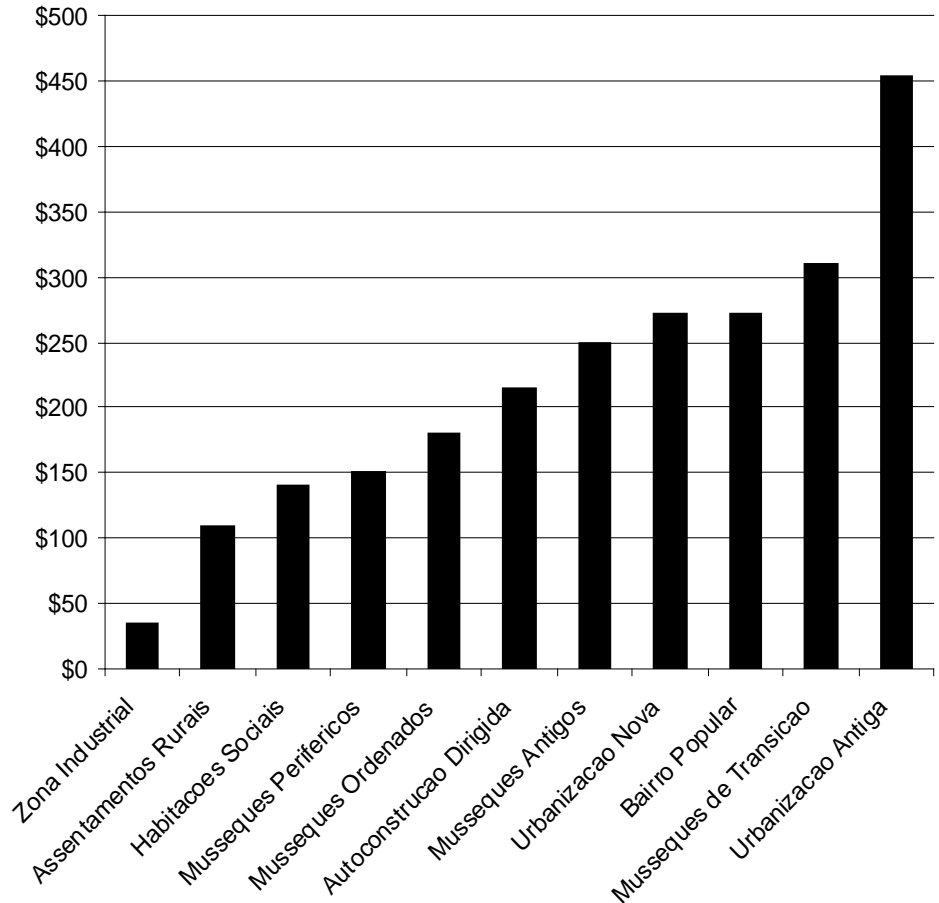
Only 6.8% of the total sample has legalized possession in accordance with current legislation.



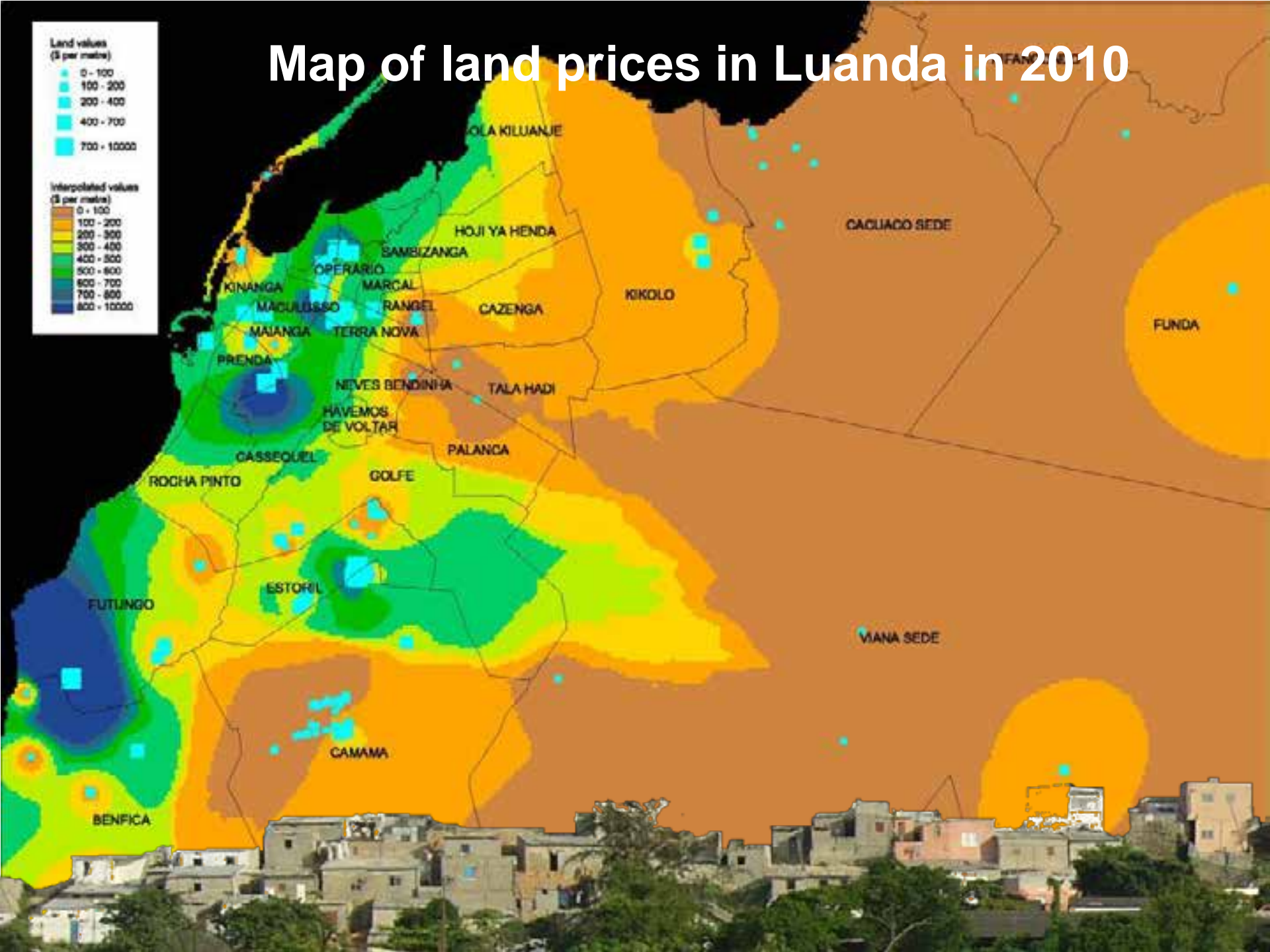
5. Average Land prices?

- Most respondents indicated they paid for access (61%).
- In Paraiso (Musseque Periferico), a significant majority (96%) indicated they paid for access.
- This confirms that the purchase of land is the dominant form of access in peri-urban areas.

Preco Medio US\$ por m2



Map of land prices in Luanda in 2010



Estimate of the values of land in Luanda

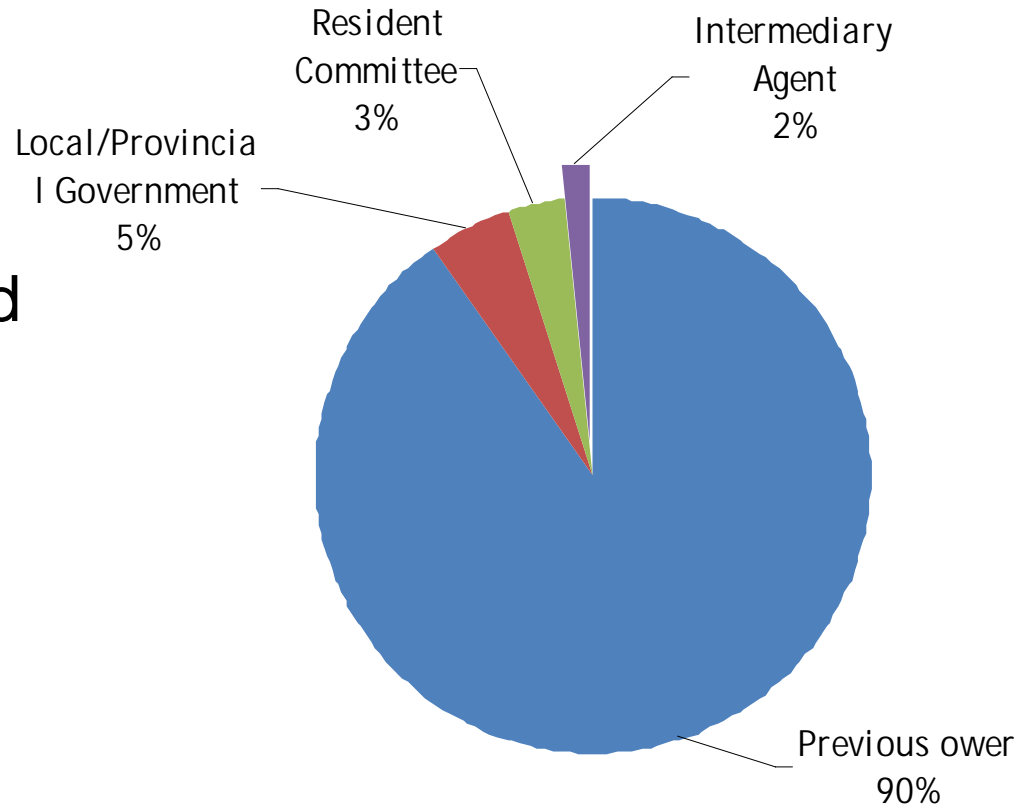
TIPOLOGIA	Area M2	VALOR USD\$/M2	Valor Total em USD\$
Musseques Periféricos	227,292,000	\$269	\$61,179,960,348
Musseques em Transição	97,486,400	\$513	\$49,999,409,750
Bairro Popular	4,370,200	\$292	\$1,275,639,529
Novos Subúrbios (condomínios)	92,301,800	\$292	\$26,957,202,199
Musseques Antigos	82,249,600	\$347	\$28,559,693,107
Terrenos planificados para auto-construção	109,704,000	\$301	\$33,049,865,856
Zonas de Habitação Social	56,841,400	\$125	\$7,100,798,212
Assentamentos Rurais	1,314,820,000	\$123	\$161,770,193,520
Musseques Organizados	20,831,900	\$243	\$5,063,797,420
Antigos Centros Urbanos	15,795,500	\$495	\$7,817,003,404
Zonas Industriais	21,983,800	\$55	\$1,213,747,582
TOTAL PROVINCIA	2,043,676,600		\$383,987,310,928



6. The role of intermediaries and agents

- In the four areas surveyed, intermediaries play a role in only 2% of cases.
- The Administration and neighbourhood commissions are involved in 8% of cases.
- 90% of transactions occurred directly with the former owners.

To whom was the payment made

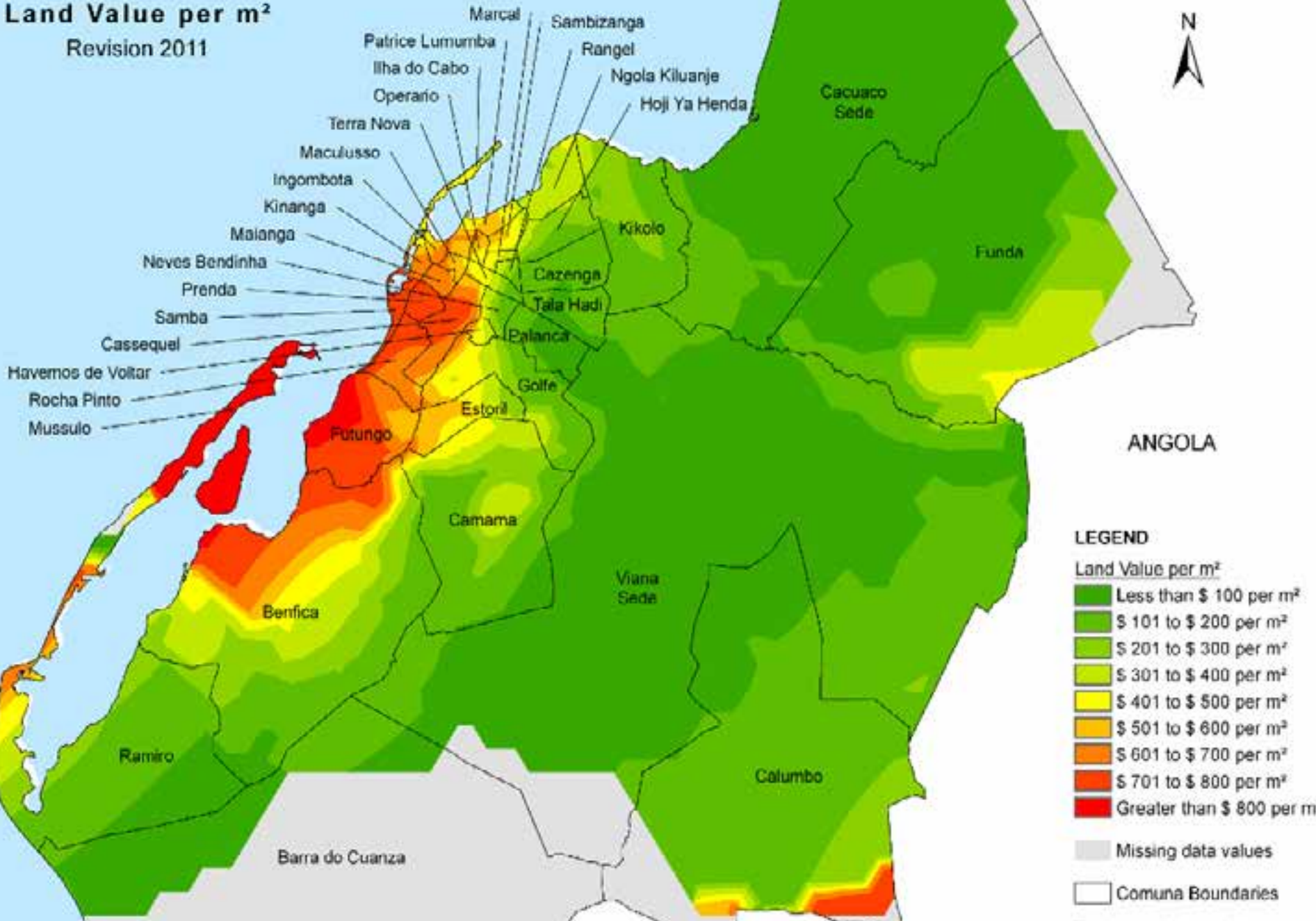
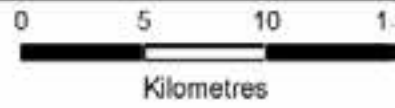


8. How is the value of urban land determined?

- location in relation to employment opportunities;
- demand resulting from population density;
- presence of infrastructure and basic services;
- legal status of the land, evidence of ownership;
- access to social services (schools, health);
- access roads and public transport;
- level of environmental risk.



PROVINCE OF LUANDA
Land Value per m²
 Revision 2011



ANGOLA

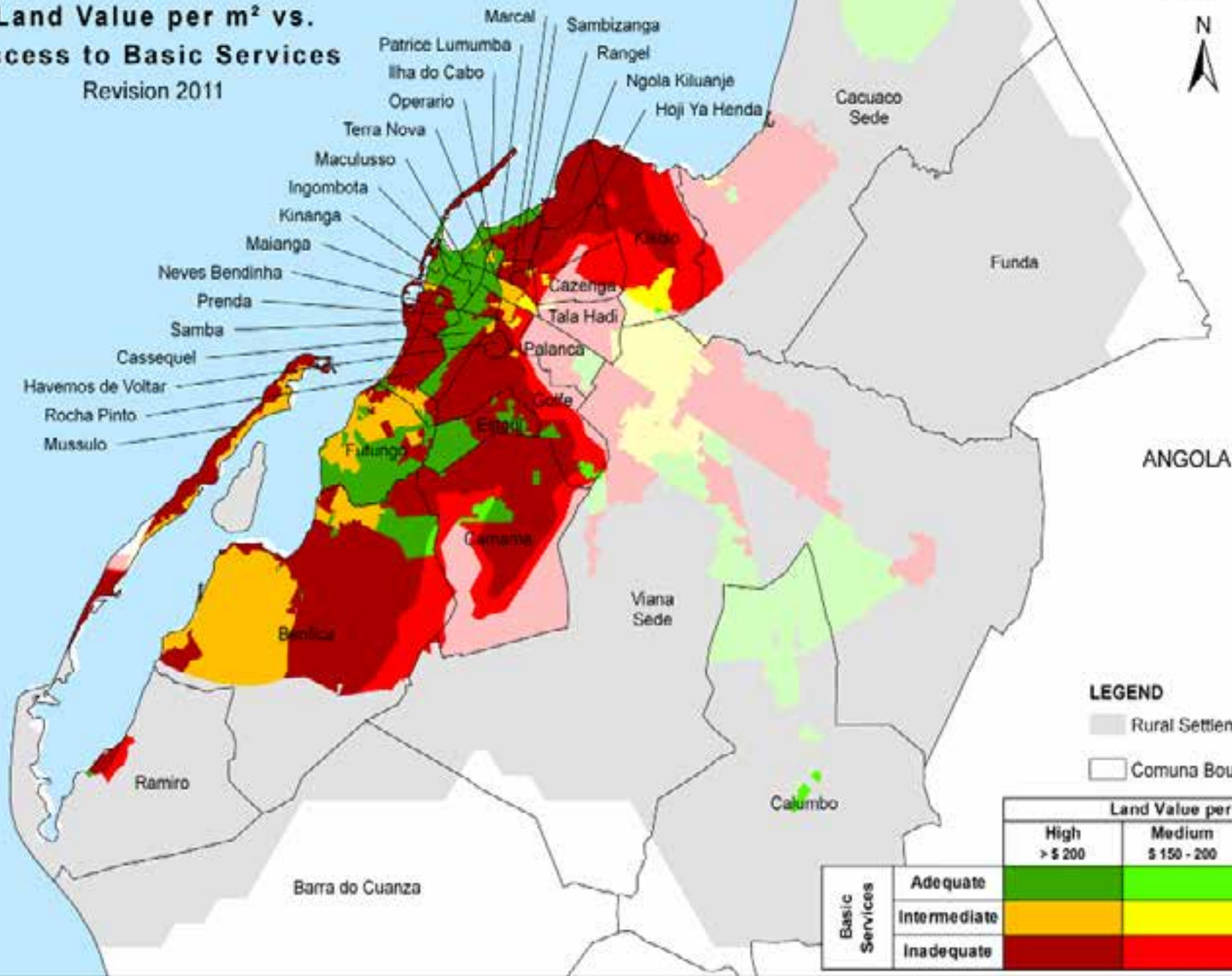
LEGEND

Land Value per m²

- Less than \$ 100 per m²
- \$ 101 to \$ 200 per m²
- \$ 201 to \$ 300 per m²
- \$ 301 to \$ 400 per m²
- \$ 401 to \$ 500 per m²
- \$ 501 to \$ 600 per m²
- \$ 601 to \$ 700 per m²
- \$ 701 to \$ 800 per m²
- Greater than \$ 800 per m²
- Missing data values
- Comuna Boundaries

PROVINCE OF LUANDA

**Land Value per m² vs.
Access to Basic Services**
Revision 2011



ANGOLA

LEGEND

- Rural Settlements
- Comuna Boundaries

		Land Value per m ²		
		High > \$ 200	Medium \$ 150 - 200	Low \$ 0 - \$ 150
Basic Services	Adequate			
	Intermediate			
	Inadequate			

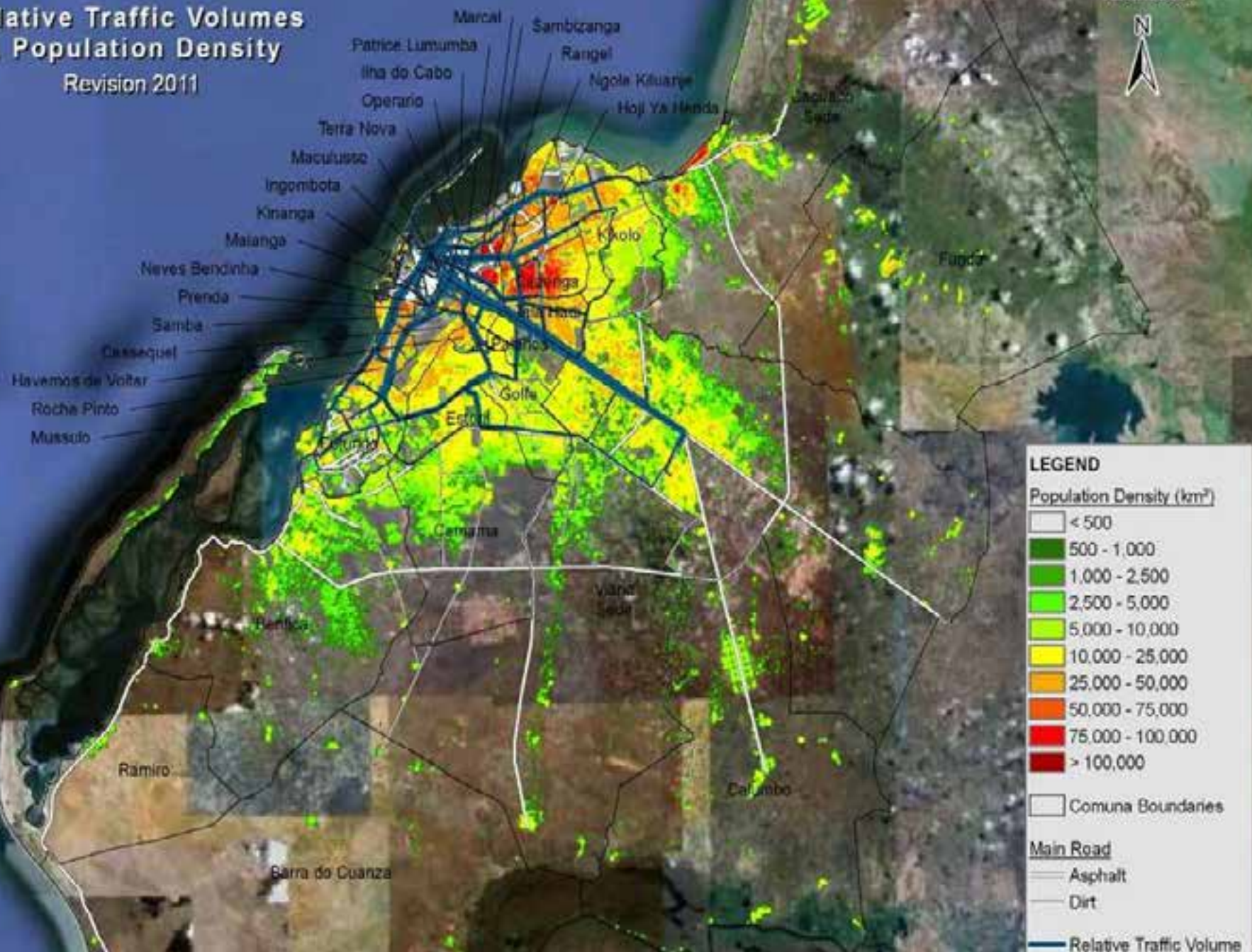
PROVINCE OF LUANDA

Relative Traffic Volumes & Population Density

Revision 2011

0 5 10 15

Kilometres



LEGEND

Population Density (km²)

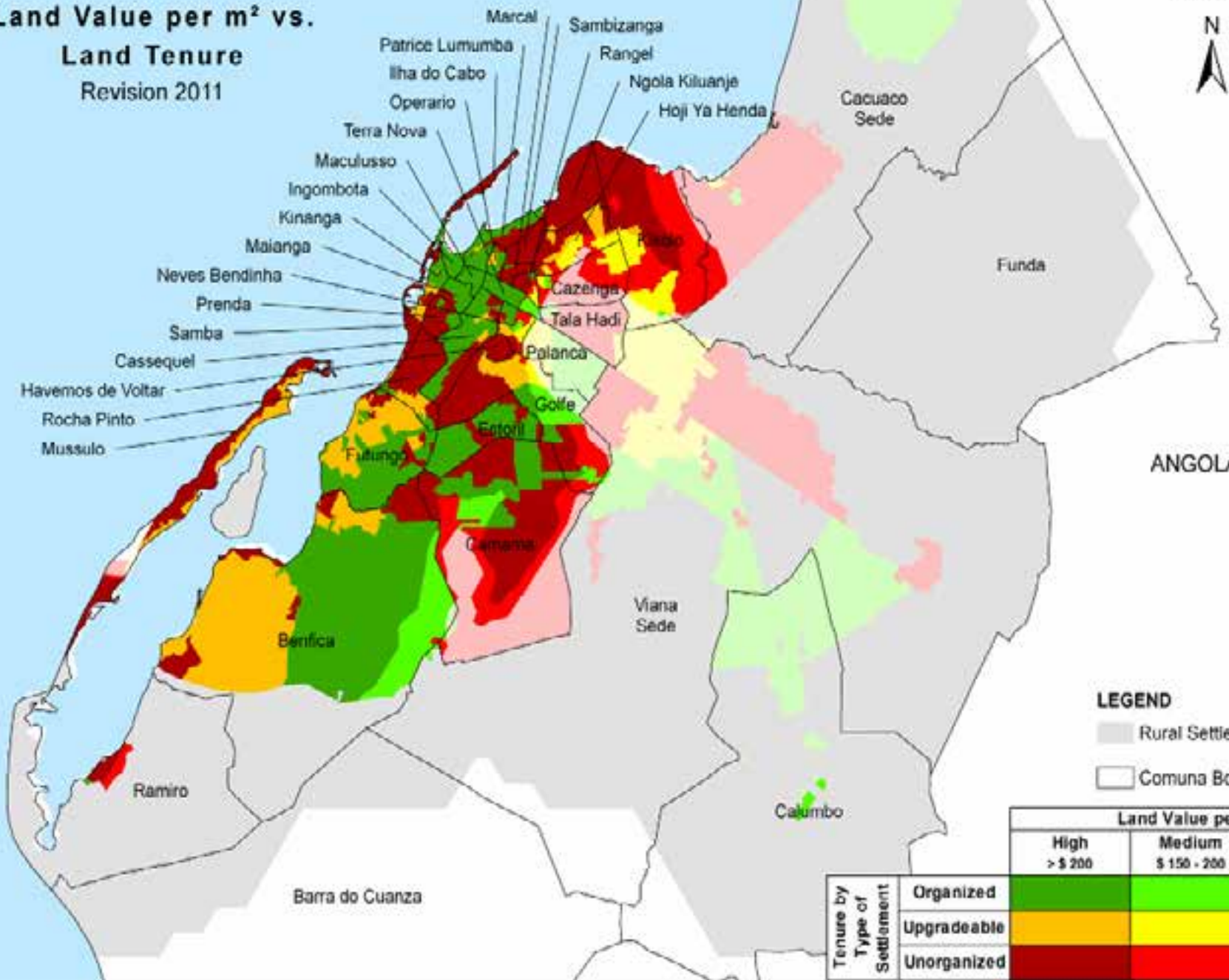
-  < 500
-  500 - 1,000
-  1,000 - 2,500
-  2,500 - 5,000
-  5,000 - 10,000
-  10,000 - 25,000
-  25,000 - 50,000
-  50,000 - 75,000
-  75,000 - 100,000
-  > 100,000

Comuna Boundaries

Main Road

-  Asphalt
-  Dirt
-  Relative Traffic Volume

PROVINCE OF LUANDA
**Land Value per m² vs.
 Land Tenure**
 Revision 2011



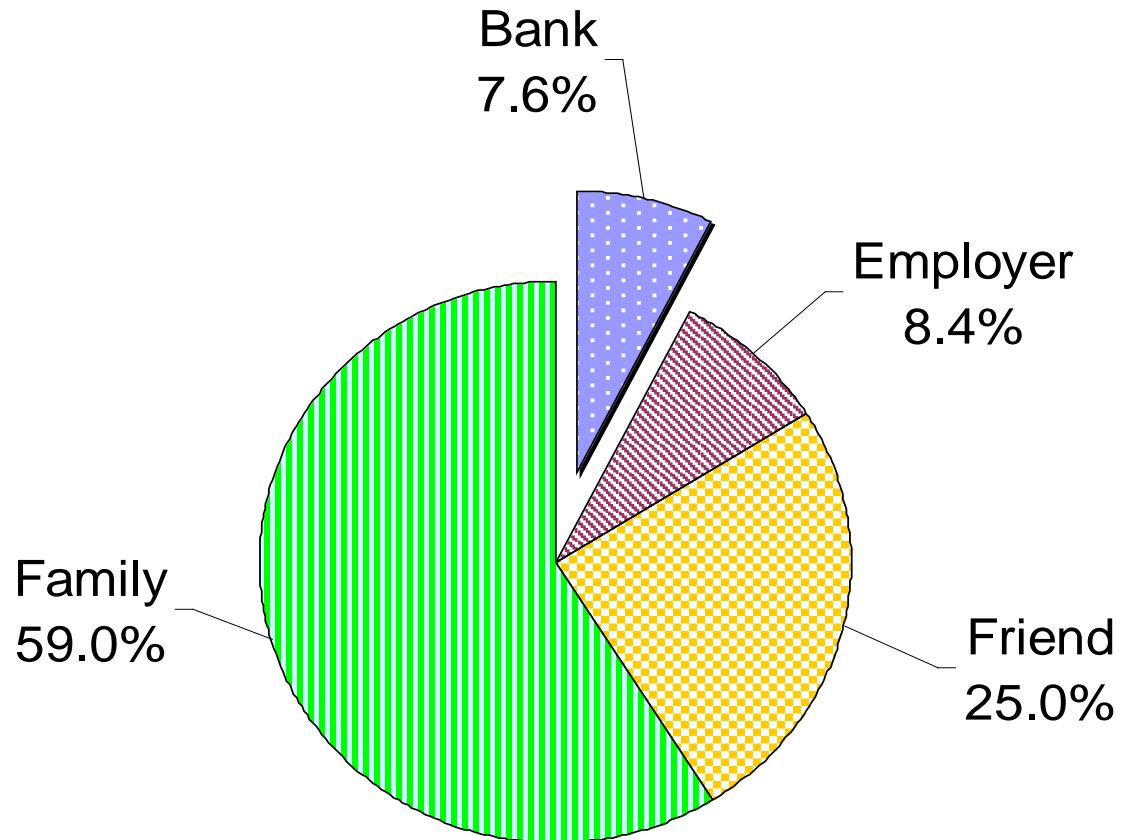
ANGOLA

LEGEND
 Rural Settlements
 Comuna Boundaries

		Land Value per m ²		
		High > \$ 200	Medium \$ 150 - 200	Low \$ 0 - \$ 150
Tenure by Type of Settlement	Organized			
	Upgradeable			
	Unorganized			

9. How are land transactions financed?

The formal banking sector have shown some fear of entrance into the real-estate market. Most funding comes from family (62%) and friends (27%).



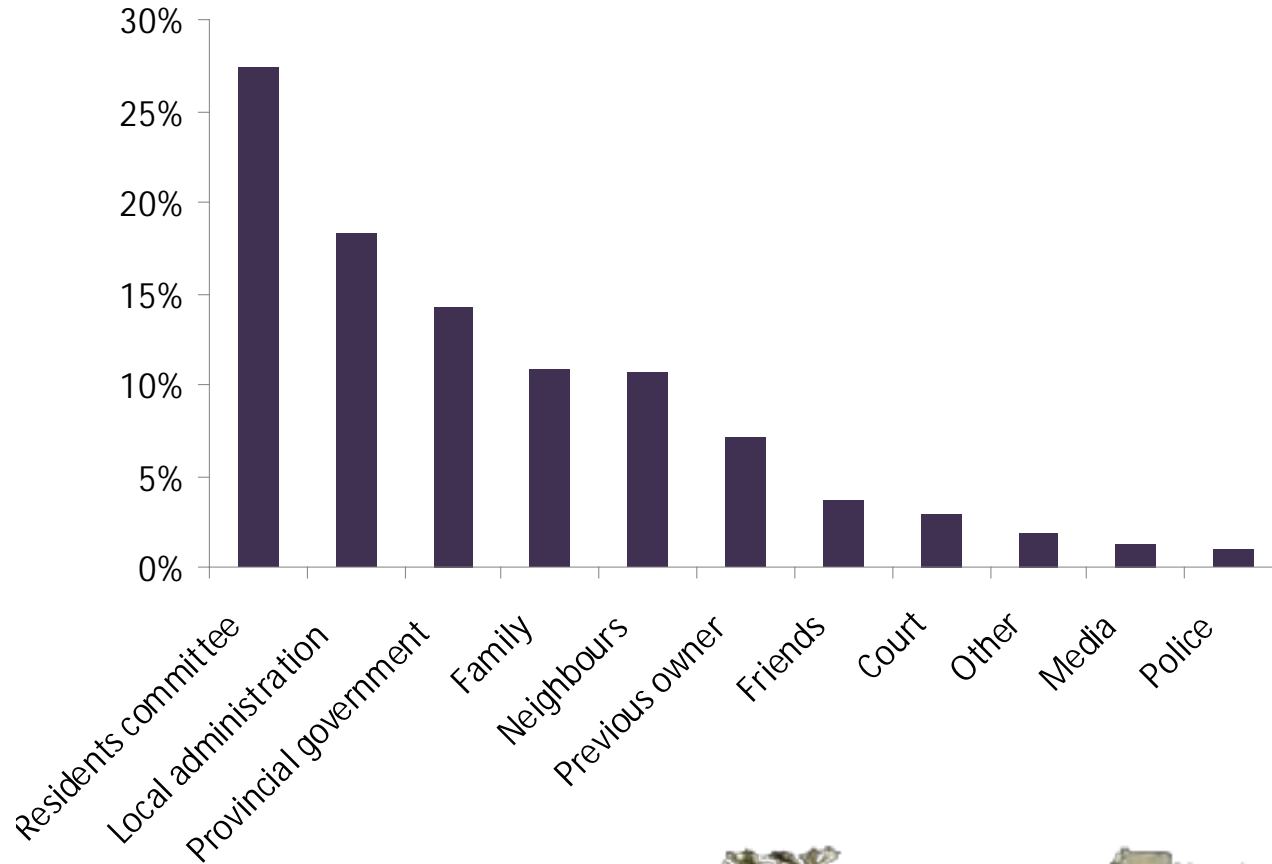
Reasons given for lack willingness to finance

Reasons given by banks to justify their reluctance:

- The lack of clear legislation on land that allows the use of property as collateral
- Long repayment periods
- The lack of a government policy on bank credit
- The lack of ownership documents by borrowers
- The lack of a culture of timely repayment of loans by borrowers



10. The role of Government agencies, private sector agents and communities in mitigating land conflicts.



Results of the qualitative research

The challenges related to urban land management:

- the gaps in regulation and legislation;
- the need for more supervision and implementation of the existing law;
- the need to reduce unnecessary regulation imposed by the central government
- need to improve local land registration capacity ;
- the need to increase the quality level of all actors involved.



Conclusions

- There is a significant informal market for land in Luanda. At least 61.3% of transactions involve financial payments.
- Transactions are documented, proof that these are not really informal.
- These transactions are considered secure and legitimate by the majority of buyers (85%).
- Most transactions are legally insecure as only 6.8% of them can be validated with officially recognized documents
- The poor are at risk of loss of their property (land and housing) as a result of demolitions and relocations



Recomendations

1. Promote more functional markets

- Efficient and equitable markets for land are a prerequisite for the proper functioning of cities.
- Banks and private sector entrepreneurs should be encouraged to invest in social housing, as well as on the market for more.

2. Integrate existing practice into an inclusive policy

- Existing informal arrangements for access to land are well established and have strong legitimacy among the peri-urban population.
- The existing practice should be recognized and framed into legal practice



Recommendations

3. Recognise the right of occupation based on the principal of good faith

- reconhecimento *de facto*, dos direitos de ocupação do solo dos moradores urbanos que, de boa fé, compraram ou adquiriram suas terras através de algum outro mecanismo legítimo
- Criar a base jurídica e a aplicação administrativa para que se evite a especulação

4. Incorporar o direito à informação como prática efectiva

- obligation on the part of government and its institutions publicly disclose their plans, interventions, concessions and upgrading programs



Recomendações

5. Adopt the principal of intermediate rights and evolution of secure land tenure

- can be expanded to include the principle of an average level of occupancy, possibly, one entitled "Provisional Certificate of Land," which can be regarded as the basis for permission to stay evolutionary

6. Strengthen municipal institutions for land management

- effective demand can be better evaluated
- the legal and administrative framework should be established



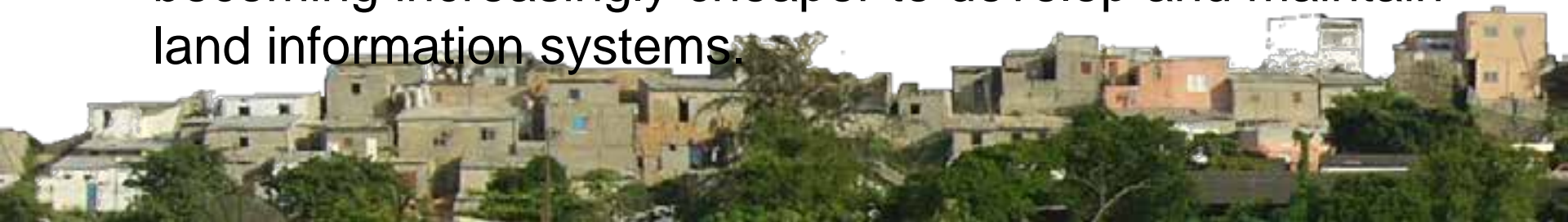
Recomendations

7. Improve basic service infrastructure

- Instalation of services gives de facto recognition of the rights of land for urban dwellers who, in good faith, purchased or acquired their land through legitimate mechanisms
- Payment for municipal services provides evidence of occupation that contribute evidence of long term occupation that may later be transformed into some form of tenure.

8. Create municipal cadastre systems

- Providing an opportunity for municipal government to collect registration fees or revenue from property taxes
- With advances in geographical information technology, is becoming increasingly cheaper to develop and maintain land information systems.



Recomendations

9. Protect and promote women's land rights

- the study demonstrated that the proportion of families headed by women is 46%.
- women's rights to land can be strengthened by legislation that is compatible with the Angolan Family Code

10. Create a higher public awareness of urban land rights and obligations

- carry out comprehensive public education campaigns on land rights and new responsibilities of urban residents



Recomendations

11. Implement participatory land regularization projects.

- Pilot demonstration projects should be implemented through partnerships between provincial governments and the private sector with participation of civil society.
- Projects should be monitored closely and costs carefully tracked in order to learn lessons that can be scaled up into larger programmes.

12. Adopt the principal of just indemnisation

Fair compensation may include but is not necessarily limited to the market value of land and expenses incurred by the landowner as a result of expropriation.



Huambo Pilot project on Land Pooling

Land Pooling or readjustment provides a market mechanism to regularize informal settlements, providing sustainable infrastructure and access to services while at the same time strengthening the rights of tenure and protection of assets of the poor.



Proposed Incremental tenure rights

It is recommended that the existing list of land tenure options be expanded to include the principle of an intermediate level of occupancy, possibly entitled a “Provisional Land Certificate”, that can be considered as the basis for several evolutive land permits, for example:

A **temporary residency permit** which:

- would be invoked in peri-urban areas where regularization is not possible for a limited number of established reasons^[1]
- would be non-transferable
- would be limited in period of validity
- would establish limited rights to compensation of property built prior to its application
- would be allocated by the local municipality on the basis of evidence of right established locally
- could be applied to land which had customary land tenure
- would carry a limited one-off land charge (to cover administration)
- and suitable ecological situation.



Proposed Incremental tenure rights

A **provisional occupancy permit** which:

- would be invoked in peri-urban areas where regularization is possible for established reasons
- would be transferable within the direct family
- would have a defined period of validity (15 years) with renewable status if no upgrading is imminent
- would establish rights to compensation of property built prior to its application and any improvements authorized thereafter
- would be allocated by the local municipality on the basis of evidence of right established locally
- could be applied to land which had customary and collective land tenure
- would carry a limited initial and annual land tax (to cover administration)

A **provisional surface land permit** which would:

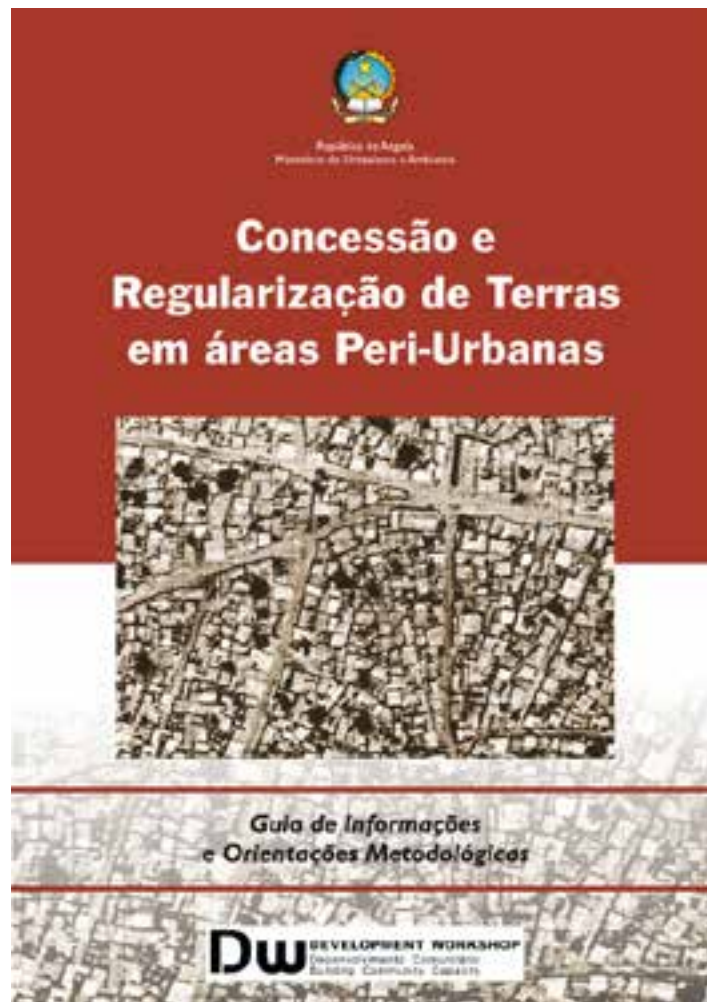
- be invoked in peri-urban areas where regularization is planned/underway
- be transferable through a registered transfer process (e.g., notarized sale)
- have to be taken up within a defined period to be validated (e.g., 5 years), with renewable status if upgrading is delayed for recognized reasons



Outcomes on Influencing Legislation

DW was commissioned by the Ministry of Urbanism to prepare a Draft Decree for the legalization of tenure in peri-urban areas that was presented to the Council of Ministers for approval.

The aim is to bring Angolan land legislation into closer alignment with international good practice and to improve the land tenure rights of citizens living in peri-urban districts who risk losing their assets under the existing law.



An aerial photograph of a densely packed urban neighborhood, likely in a Latin American city. The image shows a complex grid of streets and numerous small, rectangular buildings. The buildings are mostly light-colored, possibly concrete or plaster. The streets are narrow and form a tight network. In the foreground, there are some larger, more modern-looking buildings and greenery. The word "Obrigado" is overlaid in the center in a bold, yellow, sans-serif font.

Obrigado