Urban Land Markets in Africa: Consequences for urban development

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Urban land Markets in Africa: The context

- African urbanisation resulting in high demand for land
- By 2050, 50% of Africans will live in cities
- By 2015 Lagos will grow by 58 people every hour, Kinshasa 39, Nairobi 15
- Informality is the predominant characteristic of urban growth
FIGURE 1.1.4: DISTRIBUTION OF SLUM AND NON SLUM HOUSEHOLDS

Note: The data in figure 1.1.4 are based on the UN-HABITAT definitions of slums (a contiguous settlement where the inhabitants are characterized as having inadequate housing and basic services; a slum is often not recognized and addressed by public authorities as an integral part of the city) and slum households (a household that lacks one or more of the five elements: access to improved water; access to improved sanitation; security of tenure; durability of housing; and sufficient living area).

Source: UN-HABITAT, 2008
Urban land market inefficiencies in Africa

- Poor land administration and registration systems
- Different systems of rights and practices
- Failure to register different types of occupancy
- Mistrust in courts
- High transaction costs
Figure 14: Percent of managers surveyed lacking confidence in courts to uphold property rights in a number of selected African countries

Source: World Bank, 2006
Figure 17: Percentage of respondents claiming that procedures for accessing land are an obstacle to their business opportunity and growth.

Source: Shen, X 2008
Business start up process in Egypt 133 processes, 324 days US$ 15,260
Harder to register property in poorer countries

Source: Doing business database

<table>
<thead>
<tr>
<th>Region</th>
<th>Days</th>
<th>% of prop value</th>
</tr>
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<tbody>
<tr>
<td>OECD: High income</td>
<td>34</td>
<td>4.8</td>
</tr>
<tr>
<td>East Asia &amp; Pacific</td>
<td>51</td>
<td>4.2</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>54</td>
<td>6.8</td>
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<tr>
<td>South Asia</td>
<td>56</td>
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<td>Latin America &amp; Caribbean</td>
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<tr>
<td>Sub-Saharan Africa</td>
<td>116</td>
<td>14.4</td>
</tr>
</tbody>
</table>

Source: Doing business database
The informal sector key avenue of urban land supply: but risky…

- Informal land and housing illegal
- Operations are often opaque
- Land is controlled by multiple regimes of authority
- Precarious tenure security which is sometimes linked to political power and patronage
Degrees of tenure security

Fully Legal

Freeholder

Leaseholder

Tenant with contract

Legal owner - unauthorised subdivision

Socially recognised owner unauthorised sub-division

Squatter owner regularised

Tenant in unauthorised sub-division

Squatter owner non-regularised

Squatter tenant

Homeless street dwellers

Poorest of the poor

No legality

No security

Elite & Politically connected

Full Security
Consequences

- ‘Illegal’ settlements limit public sector investment
- Limited private sector and individual investment in land and housing
- Cannot take advantage of economies of scale and agglomeration
Building blocks towards better urban land markets

• Developing flexible forms of land ownership and use recognition
• Building state capacity to manage urban land
• Planning efficiently
• Providing security for poor urban dwellers
• However technical solutions meaningless without POLITICAL WILL
Some Resources:
www.urbanlandmark.org.za