Urban Land Markets in Africa: Lessons from the field

Caroline Wanjiku Kihato, PhD
University of the Witwatersrand
“Best practices for another development”
Municipality of Padua
29 October, 2013
Roadmap

- Background
- Key Characteristics of Urban Land Markets in Africa
- Case study – drawing from Maputo & Luanda
- Implications for policy
Urban Agglomerations in 2009 (proportion urban of the world: 50.1%)

Source: United Nations, Department of Economic and Social Affairs, Population Division: World Urbanization Prospects, the 2009 Revision. New York 2010
Urban Agglomerations in 2025 (proportion urban of the world: 56.6%)

Source: United Nations, Department of Economic and Social Affairs, Population Division: World Urbanization Prospects, the 2009 Revision. New York 2010
Urban population by major geographical area (in per cent of total population)

Source: United Nations, Department of Economic and Social Affairs, Population Division: World Urbanization Prospects, the 2009 Revision. New York 2010
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).
African urbanisation resulting in high demand for land

By 2050, 60% 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

Fastest growing areas are peri-urban zones
Land supply in African cities

- Multiple systems of supply – formal & informal
- Legal tenure: Common Law, Customary law, religious law
- Majority of land holdings in African cities are in the informal “extra-legal” sector
Characteristics of urban land markets

- Limited formal supply
- Poor land administration and registration systems
- Different systems of rights and practices
- 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
Land registration takes longer and is more expensive in poorer countries

<table>
<thead>
<tr>
<th>Days</th>
<th>Percentage of property value</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD: High income</td>
<td>4.8</td>
</tr>
<tr>
<td>East Asia &amp; Pacific</td>
<td>4.2</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>6.8</td>
</tr>
<tr>
<td>South Asia</td>
<td>6.1</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>5.6</td>
</tr>
<tr>
<td>Europe &amp; Central Asia</td>
<td>3.2</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>14.4</td>
</tr>
</tbody>
</table>

Source: Doing Business database
Study area

Maputo has a land area of 308 Km$^2$ and about 1.1 million inhabitants distributed by its 7 Municipal Districts (Census 2007).

75% (800,000 inhabitants) live in informal settlements with slum characteristics.
Study background

- Operation of the Market Studies in South Africa, Maputo, Luanda
- In Maputo – Hulene B and Luis Cabral Bairro’s in peri-urban areas
- Survey of 568 households – 27% of the population.
Study findings

• Few households in Luanda’s musseques (6.8%) and Maputo’s bairros (2.6%) have formal title
• **An active informal market** in land exists despite the fact that the sale of land is illegal in Mozambique and Angola.
  
  Luanda, 61% in Maputo 60% households bought their land.
  
  In Maputo, 33% said they were paying for the land, 12% both land and house and only 6% just the house.

• Only 6.3% responded that they had **no agreement**, indicating that having an agreement whether it is verbal or documented is an important aspect of accessing land in the informal market.
Study findings

• **Social networks and relationships** play a major role in the land market
  
  In Maputo, 19% had verbal agreements witnessed by family members, neighbours and local leaders

• **Highly organized local administrative structures**
  
  Secretario de bairro, Chefe de quarteirao - 50 households, Chefe de block 25 households, Chefe de dez casas – 10 households

Andersen, 2009

Urban LandMark
Study findings

- Local, neighbourhood leadership figures are significant in legitimizing agreements, resolving disputes, keeping land registers
  - the declaração is the primary form of documented evidence. 29% of households responded that they had received a declaração from the Secretario de Bairro
- Despite not having formal title 66.5% of those surveyed in Maputo and 85% in Luanda had a strong or very strong sense of security
Some implications of the findings

• What do the findings imply?
  – Households do not have title - an incremental approach is worth exploring
  – The danger of thinking in binaries - full title or no security at all is highly exclusionary
  – In Maputo, civil war era local political structures often critical to lending credibility to local land management practices
  – But by the same token as democracy deepens structures that blur the distinction between party and state are likely to come under pressure
  – Local land practices are functional but perceptions aside they are potentially under threat from a growing economy and investment pressure on land resources
A case for incremental tenure security

1. Opening up more routes into the formal system
2. Giving greater recognition to existing local mechanisms
3. Thinking conceptually about stepping stones – distinct from large scale titling solutions
4. Resource arguments for an incremental approach
An incremental approach

Eviction threat

Less security

Master planning with city wide Settlement classification

Less official recognition

Existing administrative arrangements

Interim legal recognition of locally witnessed claims

Block planning and group rights

More security

Legal tenure form: DUAT

More official recognition

Less official recognition

Urban LandMark