



Urban LandMark

Land Markets and Land Policy in Africa

For Workshop on Housing
Finance in Sub-Saharan
Africa

Jo'burg, 3 November 2008



MAKING URBAN LAND MARKETS WORK FOR THE POOR

Funding and institutional home

- Funded by UK government's Department for International Development (DfID)
- Part of the Finmark Trust stable (www.finmarktrust.org.za)
- Emerged from Finmark Trust's Township Residential Property Markets ('TPRM') study



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goal: what we want to achieve

to improve access to well-located urban land (in South Africa)

by making markets work for the poor and improving governance systems

thus giving meaning and effect to the right to land



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mission: how we intend to achieve our goal

By creating a place for engagement and discovery, and establishing:

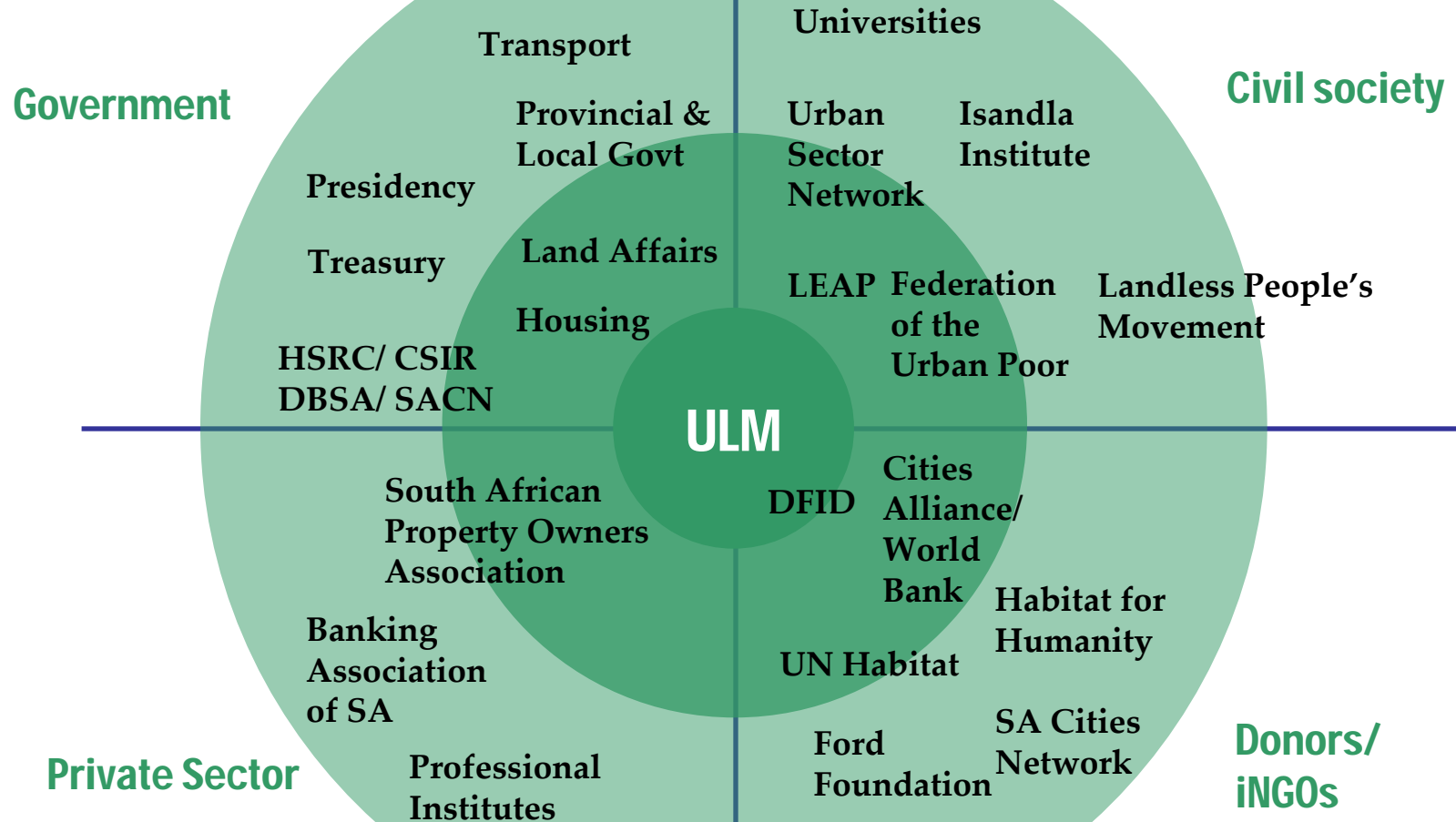
- a dependable empirical information base
- a clear advocacy position on M(UL)MW4P
- as the basis for policy dialogue and change



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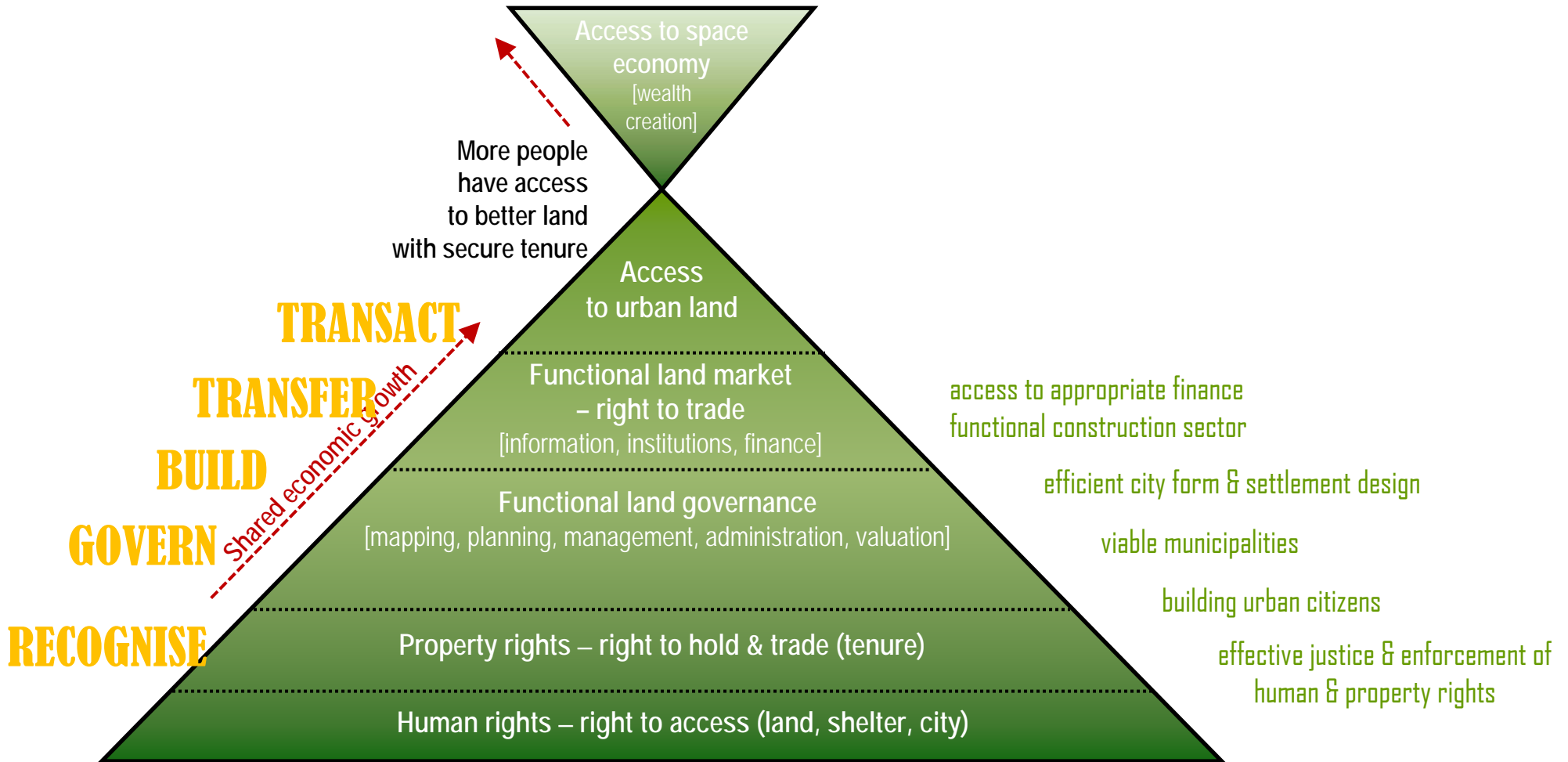
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who are our stakeholders?



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Land policy and land markets in Sub-Saharan Africa

- It's true: land policy in Africa is a major cause of underdevelopment
- It's true: land markets in Africa perform badly
- It's true: every donor in every country has tried to push land policy reform
- It's true: land policy remains as unclear and as messy as it's always been



Some things are wrong: what are they?

- Land policy has focused almost exclusively on rural land
- Land markets have been an official taboo, while transactions proceed furiously (off the register)
- The mistrust of private ownership is overwhelming: the wildly swinging pendulum between the threat of speculators vs. the allure of investors
- The capacity of the state to regulate the markets in order a) to mitigate negative impacts of land use, thereby clarifying market values and b) to tax the revenue and/or capital growth from land is very weak



Land policy and housing finance

- There is very little in most land policies (and even less in practice) to give confidence to housing finance providers, especially in relation to tenure security (and the possibilities of foreclosure)
- Land policies tend to reflect the needs of strengthened citizenship rather than strengthened markets: the effect is a seriously weakened citizenry, with tenuous security and negligible prospects of building assets
 - e.g. Lesotho land official's boast: 'unlike SA we don't have shacks; every Basutho who wants land has it'.



What can be done?

- No doubt that housing finance is needed in Africa. Where there's a will and a wallet, it's being provided (e.g. Lilayi housing estate outside Lusaka, Zambia) – but despite rather than because of land policies, and not touching the poor.
- High-level land policy changes are unlikely: examples of Zambia and Kenya where land policy processes are just as difficult as (and intertwined with) Constitutional reform processes.
- Steady pressure is needed to build the argument for urban land policy reform, backed by good publicity for examples of success



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