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The impact of high-income land markets on the low income groups. A case study of Beacon Bay, East London, South Africa.

**By
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Dissertation submitted to the School of Built Environment and Development Studies, University of KwaZulu-Natal, in partial-fulfilment of the requirements for the degree of Master in Town and Regional Planning.

**COLLEGE OF HUMANITIES
DECLARATION**

I, Ongezwa Ntshiqqa declare that:

1. The research reported in this thesis, except where otherwise indicated, is my original research.
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Signed

.....

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DEDICATION

I dedicate this work to my late grandmother Madlomo, to my dear mother Pateka, the woman who has always had bigger dreams for my future than I did.

Lastly, this research is dedicated to all advocates of spatial integration in institutions and organizations dedicated to disentangling apartheid planning in South African and the fight against the displacement of the poor in our cities.

ABSTRACT

Following the democracy of South Africa in 1994, was an influx of blacks migrating from rural to urban areas in search of economic opportunities. One of the spatial challenges resulting from this movement was that the development of housing and infrastructure in cities was not as fast as the movement of blacks to cities, which led to inadequate housing and infrastructure. Since 1994, the government of South Africa has drafted policies in anticipation of achieving a reformed economic, social, and political just country. However, income disparities and displacement of the landless poor in cities continues in South Africa. Imperative land use and town planning principles are essential in reforming cities. In the absence of resilient land use plans in municipalities and policy implementation, private landholders influence land uses. Private urban land markets influence land use planning, land distribution and housing allocation due to the adoption of macro-economic policies. Land and housing markets in East London are driven by three economic theories such as neo-liberalism, modernisation and Marxist theory. Neo-liberalism increased the levels of privatization in social service delivery and other services in South Africa. Modernization was adopted to bring transformation in the traditional society of South Africa, this theory reduced government from being central in service delivery by introducing privatization. Lastly, the Marxist approach was used to elucidate the power struggles between owners of land and the poor. In South Africa, the economic disparities have led to socio- economic divisions creating dependency chains between the owners and workers. This research used both qualitative and quantitative methods to investigate the impact of high-income urban land markets in the planning system concerning land access for low-income groups in East London. Qualitative methods that were used made use of semi-structured interviews, structured interviews and field observations. The Quantitative methods that were used made use of existing IDPs, SDFs, zoning concepts and maps. The main findings of this research were lack of institutional capacity to acquire land in East London, poor integration strategies, separate planning and invasion of environmental sensitive areas by the poor in informal settlements. The recommendations guided by the research findings are that settlement forward planning requirements must be followed in housing developments. Policy implementation in the view of Breaking New Ground (BNG) and In-situ Upgrading of Informal Settlements should be extended to benefit more poor inhabitants in informal settlements.

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ABBREVIATIONS AND MEANING

ANC	African National Congress
ADM	Amathole District Municipality
BCMM	Buffalo City Metro Municipality
BCMM BEPP	Buffalo City Metro Municipality Built Environment Performance Plan
BNG	Breaking New Grounds
CHP	Comprehensive Housing Plan
COGTA	Cooperative Governance and Traditional Affairs
CRU	Community Residential Units
CWP	Community Work Programme
DPH	Department of human settlement
DVRI	Duncan Village Redevelopment Initiative
EHP	Emergency Housing Programmed
FFC	Financial and Fiscal Commission
FONAVI	Fondo Nacional de la Vivienda
G8	Great Eight Nations of the World
GEAR	Growth, Employment and Redistribution”
HAD	Housing Development Agency Act
IBM SPSS	Statistical Package for Social Science
IDP	Integrated development plan
IMF	International Monetary Fund
IRDP	Integrated Residential Development Programme
LED	Local Economic Development
MISA	Municipal Infrastructural Support Agency
MIG	Municipal Infrastructure Grant
MOSS	Municipal Open Space System
MURP	Mdantsane Urban Renewal Programme
ODA	Official Development Assistant
OHHA	Own haven Housing Association
PPP	Public-Private Partnership
RDP	Reconstruction and Development Programme
SALGA	South African Local Government Association
SDF	Spatial Development Framework
SHIs	Social Housing Institutions
SIP7	Strategic Integrated Project
SRHP	Social and Rental Housing Programme
UDS	Urban Development Strategy
UISP	Upgrading of Informal Settlement Programme
UN	United Nations
WB	World Bank
WTO	World Trade Organization

CHAPTER ONE

1. Background statement

Land is one of the most valuable resources in social, economic cultural and political phenomena. For these reasons land is a sensitive subject, it is part of a culture of a nation and defines their origins, which explains the extent to which people are willing to defend their land, (Mahoney et al, 2007: 2). For the historically disadvantaged individuals in South Africa, the government has made interventions of defending land through land reform and land restitution. Even though there are these government mediations, the persisting land struggle began from the 17th century when whites settled in South Africa, through a series of complex processes of colonialism. The colonizers legally appropriated more than 90% of the land, (Ntsebeza and Hall, 2007: 107). Consequently, land redistribution in South Africa had to be the priority in the manifesto as it did. There was also need to reevaluate policies in order to deliver the desired outcomes of the liberated South Africa with the demise of apartheid obnoxious policies.

However, there is a challenge in failures of distribution of land in South African cities as they continue to grow beyond their capacities in terms of sustaining the livelihoods of human settlements. A variety of economic classes; the lower, middle and upper classes are all moving to the cities and the economic classes that are getting precedence in the issuing of land are the middle to high-income groups through urban land markets. Many historically disadvantaged individuals entirely depend on the National Department of Human Settlement schemes to access land in the urban areas. "Urban land markets where agreements fiscal arrangements exchange of land occupation rights or property rights are made" (Mahoney, 2007:3) are the main limitations for the poor to access well located and serviced land. In South Africa, the fundamental basis for land challenges in urban areas was the expropriation of land in 1913, which led to the inequalities that exist currently. The basis for inequalities in South Africa is ownership of resources especially land owned by a few, this practice was established by the policies of colonial governance in the country. "The Native Land Act of 1913 apportioned 8% of the land as reserves for the Africans and excluded them from the rest of the country, which was made available to the white population. Black people were prohibited from buying land in areas outside the reserves" (Rugege, 2004:1).

The 1913 Land Act was amended with a 5% increase in 1936 because of the inadequacy of land that was available for the subsistence of traditional farmers and grazing land for their cattle. However, the problem in the land reform in South Africa is that, black people do not have easy access to land in the urban areas. Urban land markets financially limit access to land for low-income historically disadvantaged households because only the higher middle and upper economic classes can afford them. Normally, the poor resort to informal settlements due to close proximity to jobs and access to transportation. Formal human settlement schemes have proven to be insufficient in the face of the housing backlog in many South African cities including East London. Statistics show that the number of informal dwellers waiting for housing allocations for the past 15 to 20 years and more have gone up to 102 417 in the informal settlements of Amathole District in 2010, ironically, it is said that this number has grown due to urbanization (Chiweshe, 2014:12). The options of residential settlements available for the poor is limited, with one of the options being through the National Housing Scheme (Planact, 2007: 2).

Table 1: Showing the 2011 Housing Backlog per District Municipality in the Eastern Cape.

District	Informal Dwellings	Backyard Shacks	Traditional Dwellings	Total
Cacadu	13 500	4 954	9 772	28 226
ADM	82 350	20 067	128 861	231 278
Chris Hani	9 464	2 778	76 317	88 559
Ukhahlamba	7 291	1 592	26 658	35 541
OR Tambo	10 128	3 904	219 531	233 563
Alfred Nzo	2 556	1 760	82 888	87 204
NMBM	77 868	11 839	3 854	93 561
Total	203 157	46 894	547 881	797 932

Source: Chiweshe (2014:12)

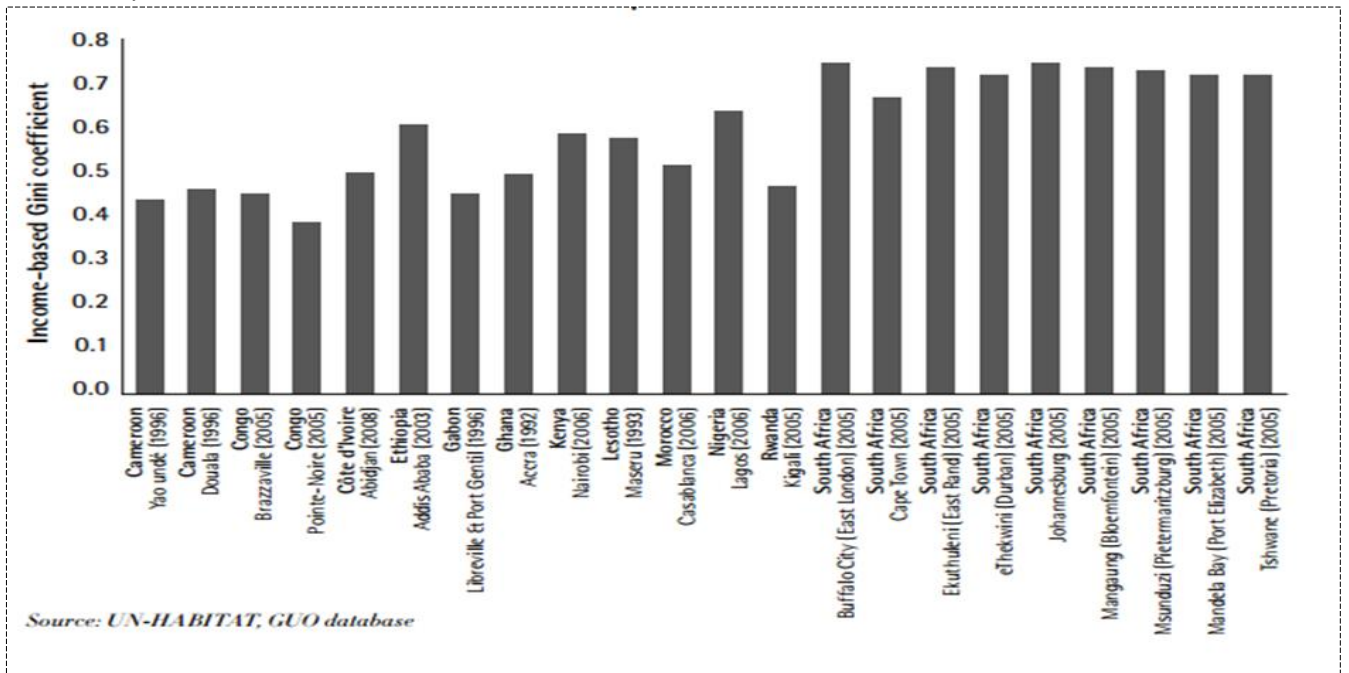
Table 1 on page 2 shows informal dwellings in different municipalities in Eastern Cape. Amathole District Municipality (ADM) the district municipality that Buffalo City

Metro Municipality (BCMM) is situated recorded the highest number of informal dwellings because of its high population and increasing housing needs within the district. The BCMM as a metro is more affected than any other local municipalities in the district since it attracts more people for employment opportunities.

The possible means of acquiring land in urban areas are through land markets. Land developers and owners in urban land markets are distribute land mainly through real estate agents in the private sector, who sell their land at extremely high market values thereby denying the urban poor purchasing power. Private land owners in urban land markets sell their land to interested affording individuals since the formal land market is guided by the concept of 'willing buyer willing seller'. This private practice of land distribution has led to exclusion of the poor in the formal land market consequently, the poor who cannot afford land and housing in land markets, resort to informal land markets where they access land with lower rates and value (Thirkell, 1996:74).

In planning terms, the configuration of the city of East London is in form of an apartheid city with wide gaps between the rich and poor. Most urban land in the city is still in the hands of the few; as a result, this emerging city was recorded with big African cities with urban economic inequalities in 2005. Represented in *figure 1*, are African cities with wide inequalities between the rich and poor, which interestingly shows that Buffalo City was the highest amongst the cities faced with this challenge (Napier et al, 2013: 95).

Figure 1: Shows country, South Africa with highest incomes-based gini coefficient per city.



Source: UN habitat (2014:12)

Economic perspectives explain how land values do not depreciate, (Gorman, 2014: 1) the implication of this continuous accumulation of profits further widens the gaps between the rich and poor. Impediments for transformation of the urban space in East London are based on tensions of the apartheid city, which were modeled along the concepts of segregation, inequalities and disparities, (Hendler and Wolfson, 2013: 2). These tensions are articulated conflict with the ideas of modern planning, rebuilding and reconstruction of cities to create efficiency and equity.

1.2 Problem Statement

The distribution of land in Beacon Bay, East London is through private urban land markets. The low-income groups and the gap markets are excluded in residential developments. Beacon Bay is an up market residential area, limiting the poor people access to land due to high market values of land and property. The township of Nompumelelo situated adjacent to the Beacon Bay Suburban area on the other hand is land-locked by the natural forests located on a steep landscape, making it an environmental sensitive zone. While Beacon Bay has massive land owned private developers who sell their land at high markets values.

Consequently, the urban poor have invaded many available spaces for residential purposes because of landlessness. The invasion of available spaces by informal settlers challenges zoning and the Spatial Development Frameworks (SDF) in developing the invaded spaces. Some of the invaded spaces in these locations are deemed as non-developable land by developers and town planners, for instance, the informal settlement near Nompumelelo is on undevelopable land due to the geology type and steep slope, which increases vulnerability during heavy rains. Housing development is critical and considers soil structure and choicest location to “prevent landslides and exposure to extreme weather conditions” (Housing Development Agency, 2012:11). What propels invasion of these open spaces is landlessness to the residents who foresees more houses being built in the area. “Unlawful invasion of land is a direct implication of the housing crisis” since many people have limited options to secure shelter in urban areas (Shandu, 2014:4).

The residents of Nompumelelo informal settlement stay under harsh conditions though their location brought them closer to jobs, schools, and transportation routes in the township. Besides, the possibilities of preserving land in urban areas for the low-income groups outside the provision of the Department of Human Settlements remains virtually impossible. The land markets disadvantage the poor who resort to establishing informal settlements as their households dwellings. This underpins the seriousness of landlessness issues especially among the poor in South Africa who are faced with problems like urban poverty, poor living conditions and lack of social infrastructures, in spite of the fact that South Africa is a thriving economy in Africa. Poor residents in East London are faced with the challenge of landlessness, though land is available yet, the poor cannot meet the financial requirements to secure property within Beacon Bay, which is exclusively occupied by high-income groups. Over the years, land speculators through markets have distributed and influenced the land market.

The poor in East London are faced with the challenge of landlessness yet land is available to meet their housing needs. Even though land is available, the restraint is the value of property in Beacon Bay area for rentals and bonds ranging from R6 500- R15 000 per month (Private property, accessed in 2015), these are mostly two-bedroom town houses within secured gated complexes. The value of this kind of property cannot be afforded by majority of residents of the Buffalo City except where the relative affluence

of the majority of Buffalo City residents remains low, with only 17% of people in the area earning more than R1600 per month” (BEPP, 2014-2015: 9). Although the percentage of incomes per month as indicated above was five years ago, the housing backlog keeps on increasing leading to the growth of informal settlements annually. The current IDP document indicates that the demand for housing in Buffalo City amounts to 100 000 units, (Buffalo City, IDP 2014/2015: 36).

Land is an asset that private owners hardly release because wealth is generated through it. Urban land is in high demand and sought after by all-powerful sectors of the economy. Through the Reconstruction and Development Programme (RDP), government was able to create development in a people centered approach, (Southall, 1999:1). The RDP was the means of addressing social and economic problems facing the country and restoring dignity to the previously disadvantaged people through the delivery of services including housing opportunities (White Paper on Reconstruction and Development Programme, 1994). The housing vision in the National Housing Code established in 1994 was intended to deliver viable, socio-economic integrated community thus allowing convenient access to economic opportunities as well as health, education and social amenities for South Africans. (Department of Human Settlements, 2009:8). In spite of all these initiatives, the study area manifests gross deficiency in housing delivery with low-income groups being denied access to the urban land market. This reveals the level of inequalities in land distribution in the area of Beacon Bay.

This research study investigates the extent to which high-income land markets affect access to land for the low-income groups in Beacon Bay, East London. This research also seeks to investigate differences in land distribution among the poor and rich. The Buffalo City Metro Municipality’s (BCMM’s) town planning scheme is wedged by private ownership of land therefore the municipality’s efforts to secure land for low cost housing have proven to be futile in Beacon Bay. Private land ownership in Beacon Bay has led to many land occupations by the high-income groups. This study will determine the amount of land occupied by the high-income groups compared to the low income, in order to reveal the levels of inequalities in land distribution in the studies.

1.3 Justification and motivation

The African National Congress (ANC) led South Africa from 1994 with a manifesto founded on addressing land issues. The manifesto was titled “a better life for all- working together for jobs, peace and freedom,” (Mapadimeng, 2003:20). The manifesto was followed by a series of policies aimed at eradicating poverty. Among the policy documents identified crucial were the 1994 Reconstruction and Development Programme (RDP) White Paper and the White Paper on Land Policy of 1997 aimed at addressing the land question consisting of land redistribution and tenure reform. One of the reasons the government fell short in securing land tenure for the poor is the ownership of land by the few individuals in South Africa. To aggravate this problem, a swiftly growing black population in the urban areas did not only characterize South Africa, it caused growth of stratifications in race and economic status which was perpetuated by the apartheid legacy, (Ramashamole, 2011:8).

The social divides in economic status is the reason thousands of poor South Africans keep migrating to cities where they occupy vacant land at risks of being forcefully removed by owners. Social divides are widespread in many cities across South Africa; Johannesburg for instance experiences influx of rural urban migrants to the extent that municipal authorities cannot keep pace in terms of providing decent houses, (Bulger, 2001:93). Since there are limitations to land access, the poor access it in “racially and unequally confined peripheries furthest from economic opportunities.” (Ramashamole, 2011:28). This intergenerational cycle of inequalities within poor communities in South African cities is because of dispossessed land, restricted opportunities to employment, low-quality public education and health care and physical confinement to impoverished parts of the countryside or cities, (Seekings, 2007: 2).

The dispossession of most urban land has been replaced by private ownership of land which the government of the African National Congress believes that it gives the people of South Africa a stake in the land, “offers social security and promotes the optimal use of land and stimulates the importance of the preservation of this valuable resource” (Walker, 2003:11). The reality about the value of land as a means of social security is that the poor are not able to benefit from the stake of land resources, instead the system uses them to provide the stake to those who own land.

South African cities are faced with a bleak future as the state fails to provide adequate land for all, which is leading to the development of mega informal settlements, overcrowding and inadequate water, and sanitation for all, (Napier et al, 91:2013). Davis, (2006:22) asserts that informal settlements are a product of structural processes in cities whose growth is driven by reproduction of poverty. The land reform impulses have also failed to interplay distribution between rural farmers and low wage earners in urban areas who suffer landlessness challenges so much as the rural inhabitants do (James, 2001:1).

Accordingly, the National Department of Human Settlements of South Africa has adopted numerous policies to resolve the challenges mentioned above. Among these policies are the following: Department of Human Settlements Housing White Paper of 1994, National housing Act (107 of 1997), The Social Housing Act (16 of 2008), The Rental Housing Act (50 of 1999) and the broad legislative strategies and frameworks, which direct the actions for provision of sustainable human settlements in South Africa. These government policies in place supporting the goals of the following Projects: Strategic Integrated Project (SIP7), Comprehensive Housing Plan (CHP), Community Residential Units (CRU), Emergency Housing Programme (EHP), Upgrading of Informal Settlement Programme (UISP) and Integrated Residential Development Programme (IRDP), (Department of Human Settlements, 2009).

This research therefore, seeks to contribute to the ongoing debate on marginalization of the poor in the urban land market in South African cities. Furthermore, it seeks to illuminate some of the challenges involved in land distribution among the poor and rich in South Africa.

1.4 Aim

The aim of the study is to investigate the influence of high-income land markets on the planning system and accessibility to land by low income households.

1.5 Objectives

- To interrogate land acquisition procedures for housing developments.
- To determine the value of property in Beacon Bay.
- To determine credible income groups in housing financing institutions and urban land markets in Beacon Bay.

- To examine the institutional framework, which governs urban land markets for housing.
- To determine the extent of land which high-income land markets access to develop and the groups whom the land is distributed to.
- To investigate available land for development, investment and residential purposes in Beacon Bay.
- To assess housing policy and municipal by laws implementation in the planning system of Buffalo City Metro.

1.6 Main Research Question

How can the town planning system be used efficiently to allocate land for low-income housing in Beacon Bay?

1.7 Subsidiary Research Questions

- How is land for housing development acquired in Beacon Bay?
- What is the average value of property in Beacon Bay?
- How do various residents finance their housing in Beacon Bay?
- What is the proportion of land distributed for high, middle and lower income groups in Beacon Bay?
- What policies and institutions promote private housing provisions in the urban land market of South Africa?
- What role do housing policies and town planning system in the Buffalo Metropolitan Municipality have to control the impacts of urban land markets on the poor?

Table 2: Synopsis of Research Objectives and Question

Objectives	Research Questions
To interrogate land acquisition procedures for housing development.	How is land for housing development acquired in Beacon Bay?
To determine the value of property in Beacon Bay.	What is the average value of property in Beacon Bay? How do various residents finance their housing in Beacon Bay?
To determine credible income groups in housing financing institutions and urban land markets in Beacon Bay.	How do various residents finance their housing in Beacon Bay?
To determine the extent of land which private high-income land markets access to develop and the groups whom the land is distributed to.	What is the proportion of land distributed for high, middle and lower income groups in Beacon Bay?
To determine the amount of land available for development/ investment for residential purposes in Beacon Bay.	Is the land state or privately owned, who are potential residents to the future residential developments in Beacon Bay.
To examine the institutional framework, which governs urban land, markets for housing?	What are the policies and institutions that support private housing provisions in the urban land market of South Africa?
To assess housing policy implementation in Beacon Bay and application of municipal by laws in the planning system of Buffalo City Metro.	What role do housing policies and the town planning system have in controlling the impacts of urban land markets on the poor?

Source: Author (2016)

1.8 Chapter Outline

The chapter outline of this research paper is organized into seven chapters as detailed below:

Chapter one of this research paper introduces the topic on urban residential land markets in the context of land speculation and occupation of most land by the affluent groups in Beacon Bay. Backgrounds and spatial detail of the areas of focus in the study are given, further explaining the spatial disparities in the case study. The aim and objectives of this research have been structured for the expected findings to be achieved and working hypothesis.

Chapter two focuses on the methodology adopted by the research, which was a mixed method. It provides the sample size of the research and their specific organizations. It also provides the specific tools for data collection. The mixed methodology adopted in the research required are interviews and reflection on documented information on specific departments. In this chapter, the research tools are also specified and how they lead the researcher to information gathered. This chapter is wrapped up by explanation of the data analysis tools used, which better explains the findings of the whole research paper.

Chapter three deals theoretical and conceptual framework, the first part of the chapter discusses the theories: Neoliberalism, Modernization and Marxist theory on which the practices and opportunities guiding urban land markets are based. The second part focuses on legislatures, policies, and the regulatory framework that guides the distribution of land and issuing of land and social housing around the world. The last part discusses the manner in which urban land markets operate and their effects on the poor, there are

Chapter four discusses a general literature review of different countries from the third and first world countries in the world. From the discussions, there are clear indications of differences in the operation of land markets in the world. This chapter also refers to specific countries as case studies. The three precedent case studies are: Norway, India, and Nigeria that the literature in this research focuses on to discuss the dynamics of land markets in different countries with different levels of development. These precedent studies model what works for urban land markets and why it works while also giving an understanding to various reasons for failures in the operation of urban land markets in other countries.

Chapter five of this research report has covered literature review in the context of South Africa. With Land and housing markets in South Africa and policies guiding them, this chapter focuses on the history of land administration and distribution of South Africa. In discussing the policies this research paper draws on the history of South Africa to explain how the previous regimes influenced land distribution and expropriation during colonial times, during apartheid and in the present day context of urban land markets. The concept of urban land markets is discussed as the agreements between landowners

and the buyers or investors, these institutions are pro-elite because of the principle of “willing buyer willing seller”.

Chapter six presents discussions findings, observations and analysis of data from sources and interviews conducted in the collection of data. In analyzing data in this research, the researcher made use of software as IMB or SPSS that simplifies the research findings for better explanation and presentation. The statistical methods of presenting data used are tables, graphs and charts. Photos are also part of the analysis to verify secondary sources and on site in Beacon Bay East London. The maps play a crucial role in the analysis of the areas as they depict the manner of growth in the case study area.

Chapter seven presents the conclusion, recommendations and summarizes the whole research paper with conclusions drawn on chapters, and lessons learnt and achieved objectives. After conducting series of interviews and referring to government documents, the researcher has analyzed data and arrived at conclusions concerning the case study. Recommendations are made based on all the research findings and on the policy and legal framework of South Africa. Other lessons have been observed from the different experiences of countries from which the practice of leasing and selling land is done.

1.9 Summary of chapter

This Chapter has focused on introducing the research topic; the chapter has given a detailed validation for conducting this research by drawing on the background and problem statement that supports the importance of critically examining urban land markets in the context of South Africa. From this chapter, urban land markets were questioned to consider the plight of the poor, which justifies the hypothesis of this research, which suggests changes in policies that govern land markets.

CHAPTER TWO

RESEARCH METHODOLOGY

2.1 Introduction

This chapter discusses the methodology adopted by the researcher to investigate the impact of high-income land markets on the land access for the low-income groups, using Beacon Bay in East London, South Africa as a case study. A mixed methodology approach was used consisting of both qualitative and quantitative methods. To weigh the quality of results, maps IDP's and SDFs were used as references. Further than all existing and collected data, observations were also used to complement data found in this research. The sampling methods used in this study are stratified random sampling and clustered random sampling. Lastly, this chapter explains the data analysis and presentation methods used in this research.

2.2 Case Study Research Design

The case studies in which the in-depth study was done in this research are two areas mentioned above, Beacon Bay and Nompumelelo Township. The research topic, aim and objectives were contextualised in accordance to the land issues in the case study under the Buffalo City Metro Municipality. Beacon Bay is a high-class suburban area in which elite and mixed race people of high incomes reside. Two complexes in this area have been used in the surveys. Nompumelelo Township on the other hand has low cost housing and informal dwellings, these two areas form the case study of this research because the researcher could not separate the land issues in Nompumelelo without looking at the urban land markets, private ownership and development of land in Beacon Bay.

2.3 Mixed Methods Approach

This research adopted a mixed methods approach, which constitutes of both qualitative and quantitative methods. The qualitative research method made use of a series of semi-structured interviews, structured interviews, field observations and Maps. The qualitative method enabled the researcher to gather information from different stakeholders giving distinct narratives about land acquisition to classified income groups. Using this

method, the researcher was able to interpret data from the perspective of flexible informative participants; because of lack of barriers in language, the researcher easily achieved this through intensive dialogue during the surveys. Moreover, the household surveys enabled the researcher to understand and document how communities and their representatives are affected by powers in the private land uses and occupation in the study area.

The quantitative method provided statistical data in this research, from demographic information provided by Statistics South Africa and the case study backgrounds presented on IDPs and other municipal documents. This research has also through quantitative research design presented statistical results from the surveys presented by means of tables, graphs and charts. The tables and charts presented a numeric order in the analysis of the results generated from survey. This method helped the researcher analyse the statistics of both areas by means of comparison in terms of levels of educational and racial differences. The quantitative method complemented the qualitative data in the analysis by comparing sources from these two methods.

Using a mixed methods approach created a balance in the data gathered where the documented information conflicts with the realities in the case studies, the researcher was able to triangulate and provide non-biased results.

2.4 Sampling Method

The sampling methods used in this research are stratified random sampling and clustered random sampling. A Stratified random sampling is a technique which attempts to restrict the possible samples to those which are “less extreme” by ensuring that all parts of the population are represented in the sample in order to increase the efficiency” (Kumar, 2013:3). In a simple random sampling process stratum, variables are grouped together in different categories such as economic status, geographical region, race, or sex. The researcher applied this method of sampling to ensure that all strata were homogeneous before analysis. This sampling method was used to create different strata for both economic and geographic categories where the high-income groups are located separately in the upmarket geographic region of Beacon Bay and the poor in the low cost houses in Nompumelelo Township in East London.

Upon conducting the study in the two neighbourhoods, the researcher created separate research questionnaires to execute the study. The entire population of Nompumelelo faces common economic limitations and opportunities, thus the whole population is made up of low-income people. A sample of 50 residents from Nompumelo Township participated as respondents in the study. The participants constituted of residents of both the formal and informal settlement of Nompumelelo. Within the stratified sample in terms of geographical region and socio-economic status, the researcher employed a random sampling method in selecting participants where all participants got the same chances of participation. This sampling method enabled the researcher to gather data that is indiscriminate about access to land for the poor income groups.

The participants from the high-income households interviewed by the researcher in the study were 55. The community of high security residential complexes in Beacon Bay share a common socio-economic life style of high standard of living in the modern suburb. The researcher visited two complexes, which are in the same strata in socio-economic terms to get the 55 participants. Within Beacon Bay the strata used to establish the participants is a cluster sampling method in which a unit of a residential type was used in the data collection. The units used are residential complexes since they make it possible to access many households within the same section of residence. The sampling sizes used in this research also enabled the researcher to gather information from both income groups and to avoid distorted interpretation and analysis of data.

2.5 Research tools or Data collection methods.

The research tools the researcher used in the collection of data are interview guides for key stakeholder interviews, questionnaires for residents, observations, mapping and existing and forward spatial land use plans of Beacon Bay. The sources of all the data collected was government officials from the Department of Rural Development and Land Reform, Department of Human Settlements, the Buffalo City Metro Municipality Town Planner, Residents, and community leaders at the informal settlement near Nompumelelo, Remax Real Estate Agent, Bank Financial Information, and Statistics South Africa.

2.5.1 Interview Guides

Interviews were conducted with key informants such as town planners from Buffalo City Metro Municipality and the Department of Rural Development and land Reform's deeds register and the office of housing administration from the Department of Human Settlements, interview guides were used in the collection of data. Interview guides were essential to control the subject and direction of the interview. The guides assisted the researcher to identify and record all relevant information to the research; this helped maintain the focus on specific objectives that have to be achieved in the study. However, the semi-structured interviews did not limit respondents since they were allowed to give detailed responses, experiences, and propositions. Semi-structured interview guides were in the form of open-ended questions. Information gathered by the researcher from semi-structured interviews was an explanation of processes and procedures that the department follows in delivering services and development. These processes included time, land, and financial budgets as one of limitations.

2.5.2 Questionnaires

Questionnaires were used to gather information from the residents of both Nompumelelo and Beacon Bay. Questionnaires were also used to collect information from key informants such as community leaders. The gathering of information from these sources was in the form of short and closed-ended questions. Closed-ended questions are also more suitable in analysis of data gathered. Using questionnaires enabled the researcher to leave the questionnaires in the absence of participants, in cases where participants were at work during surveys for collection later. The research was interested in understanding whether there was communication between the community and the municipality since many residents have been living in the study area for more than 15 years. The researcher was also interested in understanding the level of services in the study area including risk services including environmental soundness since the informal settlement is situated on a dangerous steep slope in the township.

2.5.3 Household Surveys

The researcher used closed-ended with only a few open ended questions in the survey in order to spend less time on each participant and to be able to interview as many respondents as possible. Household surveys were executed using questionnaires as

tools to collect data from residents of both the higher income area of Beacon Bay and the low-income formal and informal township known as Nompumelelo.

2.5.4 Observations and field visits.

Observation is one of the most important tools that provided validation and collection of unbiased data in the case studies of this research. “Observation is a method of data collection in which researchers observe within a specific research field” (Bryant, 2004:5). Through this kind of tool, the researcher was able to capture the context of the case studies at first hand. The unstructured research method of observation was used, which avoided predetermined behaviours and preconceptions that contaminate data. This data collection tool was crucial because of the gaps in data presented in existing maps on the study area. Some of the existing maps were outdated thus failed to depict the current developments in the study area. For example, there are new residential complexes built in Beacon Bay every two years and there are automotive industries, which were not captured on existing maps. This signifies that the most valid and current data that the researcher could access was through field observation. Site observation also enabled the researcher to identify the situation in both Beacon Bay and Nompumelelo.

2.5.5 Maps

Firstly, according to (Daley, 2004:1) maps allow the researcher to see participants’ meaning, as well as the connections that participants discuss across concepts or bodies of knowledge and across their positions in the society. Maps from different data sources were used in the research to create the connection across all concepts of the municipality and the knowledge contributed by the communities. Maps in this research were furthermore used for the following reasons:

To delineate the land area of each settlement within the study area, which are the high income, low Income Township and in the informal settlement. Maps were also used to depict the level of inequalities in land distribution. Through these maps, the researcher was able to locate undevelopable land available for future developments as captured in the integrated development plans of the greater Buffalo City Metro Municipality. The maps showed land ownership patterns in the areas. This tool also assisted the researcher to know the gradient of the land where the informal settlements was located. The physical maps of Beacon Bay and Nompumelelo also depicted the environmental risks posed by the topography where residents in the informal settlement were residing.

Existing land use plans in Beacon Bay from the Integrated Development Plans and Spatial Development Frameworks were used to measure the degree of consistency between developments plans and current developments that have taken place in the area. The land use plans helped the researcher realize future developments in the study area. Through these developments, the researcher determined whether the Beacon Bay and Nompumelelo were aspiring zones to integrate residential developments and social services in the whole study area since these two settlements were geographically in close proximity. The existing land use maps were used by the researcher to evaluate the planning and provision of social services in the areas such as schools, community halls, and recreational activities especially in light of the high crime rates in Nompumelelo.

2.5.6 Secondary Data sources

There were various sources of information both published and unpublished such as books, journals, government documents, business reports and brochures from which data in the form of land use budgets, housing stock, units per square meters and population were useful and on the study area. Secondary information was used to acquire information that exists on the use of land in Beacon Bay as shown in the SDFs and IDPs. This information was highly essential in the data analysis and was analysed in comparison to the information gathered from interviews.

The sources above were used by the researcher to gather information and used in interpretation of data. These data sources were useful in ensuring validity of information gathered on the site and the documented information. The data collected from different sources corresponded and contrasted with the information gathered from the sites during the interpretation and compilation of research findings. Data from Statistics South Africa were also used by the researcher in the gathering of information in Beacon Bay and Nompulelo. The information from census was also helpful in identifying developmental growth trends driven by urbanization in the study area.

2.5.7 Data Analysis

This research made use of analytic software tools such as International Business Machines Statistical Product and Service Solutions (IBM SPSS) to analyse and interpret

the data collected in the study. IBM SPSS was used notably in the analysis of the qualitative data. The information gathered was displayed in tables, graphs, and pie charts that are explained further in the study. Analysis of the interviews and household surveys was executed through content analysis where coding and categorization was used order to uncover the context in the study area and all stakeholders concerned. The analysis of this work also included image models and mapping to explain the physical environment of the case study area. The analysis also made use of existing land use plans and maps to generate substantiated analysis and understanding of urban land markets. The data collected was analysed and presented through tables, maps charts and analogies of people's perceptions and observations made in the areas of study.

2.5.8 Research Challenges

The challenges identified through this research were based on the acceptance of inequalities and the subtle idea of what a post-apartheid city should look like. The understanding of the concept of urban land markets operating in a pro-capitalist approach is normalized due to the inequalities in the country. Simultaneously, the existence of the displaced poor in South African cities appears ordinarily. The challenges above are understood in this research if the eradication of informal settlements has to be realized in South Africa especially as a millennium development goal. This challenge was overcome by conscientizing and engaging with stakeholders involved about an ideal democratic city. Planning for residential areas of all income groups is the way of controlling development and avoiding displacements of other groups. The other challenge was misunderstandings and conducts of reproach on sectorial weaknesses in accomplishing interdependence of departments. This challenge required more reading on policy documents, missions and projects executed, the coherent evaluation was achieved.

Upon data collection, the researcher encountered challenges such as limited access to the high-income area of Beacon Bay due to high security. To overcome this challenge, the researcher opted to use residential clusters or complexes where many participants were easily contacted. In the low-income area of Nompumelelo Township, safety was a challenge to the researcher due to high crime rates including life threatening crimes. The researcher consulted the councillor prior the survey. Accordingly, the researcher arranged to be accompanied by a community member during the household surveys in order to earn peoples trust and to ensure safety.

2.6 Chapter Summary

The methods of data collection and analysis utilized in this research together worked to achieve the objectives of the study. The sample sizes on areas studied were also considered appropriate in this research, since the population in these areas was not very big. All data collected and the sources enabled the researcher to diagnose all housing and land issues related in the case studies.

CHAPTER THREE

CONCEPTUAL AND THEORETICAL FRAMEWORK

3.1 Introduction

The chapter explores the concept of urban land markets regarding how they operate, and what influences the need for residential urban land markets. To achieve this, the chapter is divided into three sections. The first part of this chapter will explain how the specific concepts are used in this research. These concepts are defined and explained within the context of South Africa's private residential land market. The chapter further discusses theories that inform and promote the practices of land markets. This chapter draws on positive and negative aspects of theories that promote capitalism in countries that have adopted various approaches to development. The theories discussed in this research are Neo-liberalism, modernism and Marxist theory. These theories have assisted the economy of some countries in growth while in countries they have endorsed marginalized economic growth. The last part of the chapter reviews literature on urban land markets from the global context. Three precedent case studies are used to explain the broad understanding of the operations on urban land markets in different countries. The three case studies were selected from Norway, India, and Nigeria.

3.2 Conceptual Framework

The concepts defined in this section are town planning and housing related and are applied in this research to explain principal subjects. The terms are used in various contexts and disciplines in this research. These concepts were adopted to justify their application in planning and housing sector, in alignment with the theories in the research. These concepts include urban land markets, land use plans, commodification, privatization, and housing.

3.2.1 Urban Land Markets

Statistics South Africa defines urban land as land occupied by more than 1000 people with a density of 500 people per km² and where they have access to urban amenities and opportunities (Gordon et al, 2007:4). Formal residential urban land markets are legitimate private means of accessing housing and housing land in the case of South

Africa. Land markets are noticeable and functional in the presence of competitors, provision of property rights, voluntary participation, many buyers, and availability of information, (Dowel, 1993: 3). There are also informal land markets where landholders informally transfer land rights to the landless groups or make informal rental agreements with interested groups. From many cases in South Africa Housing land markets sell land in up-market areas because of the target markets of these types of land markets.

Urban residential housing Land Markets consist of a framework of institutions, social practices, relationships, regulations and actors for all of whom participate in one way or another in the production and exchange process, (United Nations, Urban Landmark, 2010:14). The institutions formulate both formal and informal land markets from local neighbourhoods and municipal markets to large international investors. Residential land markets largely operate in local and municipal scale in order to meet residential needs. The price range in land markets is influenced by location and property sizes or plot sizes. Urban land economists stress that land in urban areas becomes more valuable if it is in close proximity to commercial centres, business districts, and nodes. Due to differences in property values developers build different properties, in different areas for various income groups in order to meet the housing needs of people in South Africa especially for the middle and high-income groups (Thellane, 2008:9).

The private housing provided by urban markets according to this work supplements the insufficient housing stock in South Africa (Rust, 2006:21), this type of housing supply benefits many middle to high-class citizens. On the other hand, land is also a means of accumulating wealth because it does not lose its value easily and people in urban areas continuously need shelter. Trustees and private developers do not only benefit capital accumulation but also provide infrastructure for growth and demands in many urban areas, this has dual economic growth effects (Sundaresan, 2011:706) as it supports growth of cities and urban land markets. Land markets exist in different modes, some land markets offer land leasing, some offer undeveloped land and others offers land with property (Urban landmark and UN Habit, 2011:1).

The component of the assumed value of urban land varies with their location and land use type. According to planning and the surrounding developments, these factors can make land more expensive or cheaper. It is also true that the value can be calculated

according to the quality of improvements and access to amenities (Gordon et al, 2007:5). “Urban land and property markets operate in the same logic as any market: the basic forces of supply and demand determine pricing and shape the behaviour of buyers and sellers” Hickey-Tshangana (2011:11). Land speculators develop land in areas where land values will bring them desired profits, in other words they target areas deemed for growth.

There are three roles and functions of land markets identified by Dowell, which are bringing buyers and sellers together, setting prices and lastly locating land uses (Dowell, 7: 1993). This means land markets are not only a means of selling land but they also influence land uses and impact planning or allocation of land in cities and towns. This is because the value that land holds forces certain developments to take place although zoning also shapes the manner in which land is allocated for different uses in towns and cities. On the other hand, the function of the state in urban land markets is largely policy making notably in town planning, environmental and transport policies and transaction support services (Hickey Tshangana, 25;2011) which are fundamental in permitting and managing land allocation for developments.

3.2.2 Land Use Planning

Land use planning is defined as an interactive process based on agreements among stakeholders aimed at achieving sustainable use of land, (Amler, 2009:1). The term land use planning is applied in numerous fields to ensure standardization and order of compulsory statutes that allow social and economic efficiency of land uses such as protected areas, road construction, residential areas, industrial buffer zones, as well as traffic and pollution zones. Many State laws require each city and county to develop a comprehensive plan and the implementation of policies needed to put the plan into effect. In effect, the planning program becomes a partnership between state and local governments, (Richey, 1999:72).

In terms of biodiversity and nature conservation, land use planning has been adopted as a strategy to protect biodiversity in the changing landscape due to urban sprawl and progressive industrial growth. Sprawl has led largely to a permanent impact on the environment that prevents wildlife and ecosystem protection. Conservationists must become involved in land use planning, for protection of ecosystems. (Cohn, 2005:7). The

involvement of conservationist in planning is as positive as the contributions that other sectors have in the growth of cities and towns as they guarantee sustainability of the environment and compliance to environmental laws. According to (Kehn, 2009:5) the land use plan has its framework in which different approaches determine and guide use of land. This means land use plans are negotiated between governments and communities to shape economic, social, and political circumstances.

In this research, the term land use planning is used to illustrate the importance of acknowledging all land uses and planning standards encompassed in the processes of decision making within municipalities. Often ignored suitable land use plans responding to endorsing environmental planning are environmental planning based land use schemes in South Africa. At a global scale, environmentally friendly land use plans are responsive to sustainable, just, and resilient settlements, (Stevens, 2015:19). The low-income groups are neglected and excluded from benefiting from the cities (Watson, 2009). In many land use plans, this flawed system of planning has resulted in substandard development. Alienation of the poor in urban areas is one of the undesirable factors of established land use planning systems because many people live far from the cities and have to travel long distances to work depending on transport and therefore contribute toxic gases to the atmosphere. The main attempt to address the issue of spatial exclusion in South Africa and abroad has been to promote the concept of inclusionary housing, (Stevens, 2015:21). The inclusionary housing concept is hindered by growth of gated communities where the poor can by no means afford private property.

3.2.3 Commodification / Privatization

(Hermann 2001:2) explains the terms commodification and privatization as accumulation of wealth by dispossession of goods and services. In the process of commodification and privatization, there is a weakened accountability of a public good and a maximum use value of the good or service. In essence the beneficiaries of goods and services become those who privately consume the given use value. Commodification can also be used as a displacement of use values by exchange values, (Ball, 2004:5). Privatization on the other hand is the outright sale of government assets or resources to the private sector (Varner, 2006:1).

Both commodification and privatization are variables of capitalism and neoliberalism and refer to sales in both service provision and delivery. The terms are promoters of capitalism through which marginalization of the poor is perpetuated in South Africa. These terms according to Harvey are orientated and structured in the urban space and in the city (Harvey, 2005:22). The phenomenon of urbanism and commodification is evident in many countries including South Africa where commodification of public goods only occurred in cities. Commodification and privatization are also characteristics of structural adjustments of the IMF and World Bank in which ultimate capitalism is practiced in order to ensure generation of incomes for maximization of economic growth, (Easterly, 2005:13). In the context of this research, the terms refer to the economic growth and individual wealth generated through sales of land and property. Privatization of land is the ownership of land by individuals or corporations, urban land markets are the means to market and distribute land to interested individuals.

The terms explain a turn in the development and service delivery where social and infrastructure services delivered is in quality only as it is privatized. South Africa has also adopted this policy associated with fiscal growth benefits, improved performance, output and productivity growth (Jerome, 2004:1), and it has had negative and positive consequences. For South Africans, this suggests that one can only be able to access better services as much as they can pay for their services. These terms propagate the spirit of capitalism and leave the masses to suffer from poor public sector services. The infrastructure reform policies were introduced in developing economies; many of the countries had no guiding mechanisms, and were under the pressure of multilateral corporations to adopting methods from developed countries, (Jerome, 2004:6). These mechanisms for countries like South Africa cause disjointed development effects notable in the post-apartheid recovering economy. Privatization makes investment in land and property the biggest assets many families have. The need to have a home, land or forces families and individuals to prioritize these investments. On the other hand, many people in the society cannot afford the costs of owning or renting out land, which has promoted informal settlements all over the world.

3.2.4 Housing

Housing is defined as a permanent structure for human habitation (Jiboye, 2011:121). The structure requires land, appropriate services such as the provision of water and the

removal of sewage and the financing of all these, including the building of the house itself (Constitution of The Republic of South Africa, Chapter 2000:2). This structure is also referred to as a home, a dwelling place and the United Nations as one of the basic human rights, (United Nations Habitat, Revision 21, 2013: 3), meaning housing is a fundamental human need. Governments around the globe have intervened in the fight to meet this human need due to urbanization trends, which have led to increased demands for housing around the globe. In a period of only 60 years, the developing world's urban population increased tenfold due to urbanization (UN Documents, 2009:2). Since housing is also a critical component of economic, social and health fabric of every nation, many countries have implemented policy strategies to resolve the housing needs of their citizens (Jiboye, 2011:122). Through housing provisions, people are able to access jobs opportunities and other crucial services that support daily human needs (Hove et al, 2013:3).

In South Africa, the need for housing is exceptionally considered at all government levels. It is amongst government objectives to uplifting the standard of living for people (Malley, 1999:2), especially among black previously disadvantaged communities and in response to poverty alleviation and the millennium development goals. The post-apartheid Government of South Africa employed policies and strategies of economic development, which respond to the housing and land needs for its people. Amongst these policies were the Reconstruction and Development Programme (RDP) of 1994 that was predicted as one of the strategic schemes of responding to inequalities that existed in South Africa before 1994. The motives of employing RDP as argued by Mnisi-Mudunugu, (2010:16) was to meet basic needs, develop human resources, build the economy, and democratize the state. Housing and land needs, amongst black people were among many strategies to accomplish democratization and equality of the indignity caused by expropriation of land through the 1913 land Act to the blacks

The concept of housing concerning low-income groups in this research is closely attached to access to land since the poor cannot have possession of housing without access to land. The structures of housing in Nompumelelo are detached and single standing houses with single-family capacity. The main housing delivery systems in the case study are private houses consisting of spacious town houses, smaller apartments, and government low cost housing, which are mainly four roomed houses.

3.3 Theoretical Framework

Three theories that form the basis of urban land markets this research are identified as: Neo-liberalism, modernity, and Marxist theories. These theories support market-orientated delivery of housing and development in favour of independent classes in the society. The adoption of these theories by countries as methods of governance and economic growth has sanctioned growth of class divides, economic growth, and expansion of infrastructure development and improved standards of living. In the distribution of land, the theories above have limited equal access to services especially land for housing because of privatization. Better delivery of housing and services is reserved for high-income groups who are able to pay unlike the needy impoverished.

3.3.1 Neo-liberalism

Neo-liberalism is a theory of political economics advocating that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade” (Harvey, 2005:125). The theory of neoliberalism was introduced by the first world economies through the International Monetary Fund (IMF) and the World Bank (WB) as a monopoly of trade with poorer countries to exploit their resources and overpower them in global markets. Markets in third world countries had “conditions like reduced budget deficits, devaluation, and reduced domestic credit expansion, and structural conditions like freeing controlled prices and interest rates, reducing trade barriers, and privatizing state enterprises” which was a structural adjustment programme of the IMF, (Easterly 2003: 364). The theory of neoliberalism as explained by Harvey (2005: 120) “is a capitalist state with freedom of powerful entrepreneurs who wish to run any economic practices which have less state autonomy.”

Weissman (2002) formulates neoliberalism as “market fundamentalism” and identifies five areas of influence: marketization, deregulation, decentralization, privatization, and financial market manipulation. This suggests that by virtue of adopting the neoliberal approach to economic growth and management, the government of South Africa, has introduced internationalization of markets (Mohamed, 2007:4). Since the adoption of this policy, there has been gradual growth of marketization of social services such as water, electricity, sanitation, housing, and roads (Kelly and Ntlabathi, 2007:36). Many

of these mentioned services have been sold in South Africa for a long time. The newly found growth in markets of social services is public roads paid for through tolls in most South African cities. In 2014, the tolls took the Gauteng region as the new generator for the economy to develop infrastructure and maintain the growth of Gauteng, (Gauteng Provincial Government, Republic of South Africa, 2014:26).

Land is one of the most valuable resources that the poor have limited access to on the basis of “willing buyer, willing seller” (Lahiff, 2007:1) a statement that disregards reality of poor people’s ability to buy land especially the poor blacks who had limited access during their segregation and therefore could not acquire land in the cities. In the case of Cape Town, buyers are not always willing to sell and when approached, they inflate the prices of their land (Urban Land Mark, 2008:7); promoting the idea of willing buyer and willing seller excludes the poor from being part of the cities since they cannot meet the requirements for acquiring private land. Liberalization raised an expectation of equality and quality service delivery but it was surpassed by neo-liberalism, which gave autonomy to the private sector in delivering services (Evans and Shield, 1998:1). Liberalization was ideal as neo-liberalism took more power in creating a framework for governance and economic growth in a capitalist society.

The government in South Africa through neoliberal policies has implemented social housing projects as means of extending access to housing for the lower-middle class in the society. Some of the examples of social housing projects in South Africa are the Maboneng precinct in Johannesburg, Bothasig Gardens in Cape Town and many developments under Housing Association of East London such as Own Haven. These housing projects offer people housing at affordable prices. The projects are also examples of decentralization of the state in the case of South Africa where the national Department of Human Settlements approves plans and works in association with private sector corporations in the delivery of houses for rental. These projects have performed well in assisting the lower middle-to-middle income groups but not the poor of the poor in South Africa. Whilst some people afford housing rentals of R2 900-R6 800 in the social housing projects, some people earn less than R2000 a month and cannot afford to qualify for housing in these housing markets run by both the state and private entities (SALGA, 2012:16).

The Neo-liberal ideology has been applied in the distribution of housing and housing land markets around the world. The application of this theory in distribution of land in housing policies according to the IMF and WB is a strategy to combat poverty and improve standards of living for the people. In most countries, the neoliberal reform programs in administration and delivery of services are aimed at tackling fiscal imbalances in countries (Zanetta, 2007:2). In Argentina improvements in public housing programs that contributed largest funding constituted the Fondo Nacional de la Vivienda (FONAVI), a reform administrative authority that aimed at providing housing for the poor, (Zanetta, 2007:2). Neo liberalization in Argentina was implemented by decentralizing the role of the state in service delivery especially houses for the poor. FONAVI is one of the funding mechanisms found by the IMF and World Bank to finance housing needs of the low-income population in Argentina.

Another success story of neoliberalism in the delivery of housing is the story of the Commonwealth Development Corporation that funded 25000 new houses in well-served sites through a settlement-upgrading scheme in Kenya. This project is one of the largest housing projects initiated and implemented outside government expenditure, (Babb and Kentikelenis, 2010:62). The contributions made by this development in the housing stock in Kenya indicate that to tackle housing backlogs there are strategies such as self-help, which need assistance to be perfected for absolute human settlements.

The United Kingdom is one of the countries that have applied neo-liberalism in public housing provisions and the results were significantly pronounced in dealing with housing backlog in the country. Provision of rent social housing has been central to the development of urban land markets in the United Kingdom. The public housing of United Kingdom provides the most secure and least expensive housing. After the implementation of the neoliberal policy 6, 5million homes were built, (Hodkinson et al, 2012). The capacity of the sub-national government corporation with private organization authorizes improvements in management of public services develops credibility and legitimacy of the housing markets (Zanetta, 2007:2).

Although this theory has been used by some countries in the housing sector for the sole purpose of housing and service delivery, in countries like Mexico it has also been used

as a mechanism for public and private sector mortgage credit provider to México's financing system (Zearley, 1993:241). This means when land markets are well implemented, they can play a pivotal role in the growth of the economy. While in some countries, the policies aligned to neoliberalism have resulted in loss of economic control over scarce financial resources by the central government. Laissez fair policies also result in widening disparities in social spending such as land, health, and education with subsequent negative implications (Zanetta, 2007:4).

The effects of the autonomy of the private sector in the distribution of land is not only a challenge in the issue of marginalizing the poor but it can be a problem to long term Integrated Development Plans and Spatial Development Frameworks that planners formulate as goals to be achieved over a number of years. In 1998, the Buffalo Metro Municipality had sound proposals of rezoning land for property development including social housing arrangements, the usefulness of these smart partnership schemes presented to the municipality were however threatened by procurement of municipal land by private housing delivery agents, (SALGA, 2012:18). There is a prevailing privatization of land in East London and most developers in the housing land market do not take interest in housing the poor. This negligence on the poor perpetuates continuous inequalities in access of services and land in the city.

3.3.2 Modernization Theory

Modernization is an economic development theory of the 1950s and 1960s rooted in capitalism. Modernization is a drastic transformation that traditional societies undergo to become modern, (Matunhu, 2011:65). This theory arranged operations of governance where the state is central in the delivery of services until the 1980s when this universally accepted precept of direct public sector provision was displaced by privatization policies, (Mullins et al, 2001:602). In the modern era, government projects began to be completed with assistance of private entities in terms of decisions in delivery of services, finance, and other forms of governance. According to Rostow's economic model of stages of economic growth, the transition from a tradition of central government as core to an era of private sector autonomy is the stage of take-off. The passage of a traditional to modern society or economy is followed by the drive to maturity then an age of high mass consumption, which is the peak of capitalism, (Rostow, 1960:7). The increasing use of private sector funds in rescuing shrinking government commitments

through capital subsidies indicates a stage of new political, economic, and social direction leading to the peak of capitalism, the stage of mass consumption as predetermined. The shifts in government function have also affected one of the most significant responsibilities of the state, the delivery of housing and land for housing.

The city of Berlin in Germany also delivered one of the best housing estates and new social housing for all income groups with the best architectural designs with support made by union of social democrats, trade union cooperatives and municipal and other none profit organizations in the society. Although the architecture of Berlin's social housing and estates attracted experts, it had interests of families, common spaces and the lease tenants that occupy them passing them from one generation to another, (<http://whc.unesco.org/en/list> (2007:133), accessed in 2017. Since Germany is one of the economically thriving countries, capital to finance sustainable housing stocks especially for the low income groups is easily generated giving the state less welfare services to take care of, therefore Germany is even more successful because of modern economic theories.

In some countries in the first world economies, modernization in housing did not work effectively in housing the poor and ensuring low rents and taxes in housing markets. Australia is one of the countries whose housing system served and dismally failed others. According to the (Affordable housing Reform Report, 2015:4), housing prices in capital cities continue to swell and average houses are projected to reach prohibitive heights for the citizens below average incomes. Normal domestic family homes are expected to experience an upsurge exceeding \$1 million in the next 10 years, this will make housing extremely exclusive than it is at present. Although Australia's housing sector is faced with inadequate housing stock, there were policies in place in support of modernization theories to back up the state capital provision for housing.

Some of the main schemes in place containing incentives for housing sector on ownership are Housing Affordability Fund and First Home Savers Accounts giving beneficiaries grants, (National Housing Bank, 2009:4). These initiatives by the government worked for the benefit of groups that afforded paying the remaining 83% of rent or housing bonds. Gilmour (2008:2) asserts that "improving housing affordability is a key priority, the government is committed to and coordinated approach to housing policy

to increase the supply of affordable housing so that all Australians have a decent place to live” (Australian Government 2008a). Housing prices in Australia are evidently the cause of homelessness of low-income groups and worsens class divides. Through the system of housing alienation, high-income groups have prevented diverse income groups from sharing same residential locations through exclusive housing prices. The poor income groups that do not afford houses at all are excluded and alienated.

The United States of America also has experiences with the modernization theory applied in provision of housing. In America, one of the primary Public Housing Acts is the one of 1939, which operated to assist people build their own housing for low and moderate-income groups. Due to the break of the Second World War very few houses were built, this called for another Act regulated by the federal governments. The housing Act of 1949 was passed by the federal government, the municipalities that benefited from the projects under the Act signed cooperation agreements granting the projects exemption from real property taxes, (Schill, 1993:500). Some of the house built in Chicago were rental flats aimed at eradicating informal settlements and affordable rental housing. After a few years, tenants could afford their own houses from estate agents and they moved out to be replaced by other needy families.

The rentals of the people were used to construct more houses but after the Second World War, incomes were low while expenses rose faster, (Lane, 1995:868). The system of modernization as an economic theory, was adopted in the 1950s-1960s (Matunhu, 2011:1), during an era of white domination in South Africa, the system consequently worked for them. The provision of housing at the dawn of liberation, in favour of RDP strategies only poised dependency because the original intents of social housing were directly providing, distributing, and managing publicly funded housing stock (Mullins, 2001:601) in default of beneficiary’s contribution.

Land and all economic resources were in the hands of the white elitists whom the blacks worked for, earning low wages thus disabling them from building their own homes. What created endless dependency among the native people of South Africa was the landlessness in urban areas, segregation, and particularly through apartheid, which distorted the urban land market in South African cities, (Gordon et al, 2007:34). “The history is one of active dispossession and prevention of ownership of land for black

people sustained through a variety of systems over many centuries” (Napier, 2007:4). Some of urban evictions and demolishing memories for black people during apartheid were the cases of Dimbaza, Botshabelo, District Six, Cato Manor, Sophia Town, and many others (Angelini, 1996:4).

Even in America, one of the consequences of modernization was the dependency of the poor to the government, (Lane, 1995:867). The government and investors also overused powers in dictating to the poor on where they should go. The abuse of power was witnessed from the autocratic Robert Moses; the master builder of New York City who transformed the city after the raising of funds following the great depression of World War II. Robert Moses transformed the neighbourhoods, built bridges, tunnels, and roadways of New York City, (Caro, 1974:385) through political, social, and economic phenomena such as corruption.

The adoption of modernization in Africa stimulated development by introducing technological advancement and means of production during the worldwide green revolution, (Hazell and Andersen, 1985: 3). Modernization helped African economies by providing the means to infrastructural development and provision of welfare services through funds injected into the state. The cause of failure in many modern countries was that modernization was brought through tied aid. Aid promoted indebtedness in many countries and could be paid back on conditions, which the International Monetary Fund and World Bank ascribed to borrowing countries. Many critics of modernization such as (Matunhu, 2011), (Mullins, 2001) and (Robert, 1999) have claimed that the theory was poorly designed to deliberately control development.

According to Matunhu, (2011:65) modernization is deeply rooted in capitalism and paradoxically intended to raise the standard of living for the poor. The process of improving the standards of living for African people in South Africa did not occur until the democracy of the country in 1994. The Reconstruction and Development Programme (RDP) was not the first phase of urbanizing South Africa but it was the initial economic growth strategy aimed at equally advancing the lives of all South Africans. According to Garrity (2004:3), South Africa has been a beacon of success for other developing countries especially in the Sub-Saharan Africa. After two decades of democracy, South Africa’s development policies are tricky, beginning from the RDP a people cantered

approach, which signified a shift from Non-Government Organization (NGO) in delivering growth patterns to the state.

For modernization to take place, the government of South Africa had to adopt many other policies in support of neo-liberal economic theories such as privatization, currency devaluation, reduction of government spending amongst others, (Garrity, 2004:4). State intervention in housing delivery was seen as key in raising the standards of living especially for the groups that were displaced by the apartheid government, (Napier and Ntombela, 2014:2). Since the RDP housing programme was perceived as slow and excluding middle and high income groups, the National Housing Paper introduced among other policies the gap market a focus group between the rich and the poor. This social housing initiative promotes creation of quality living environments for low and middle-income residents, (A Social Housing Policy for South Africa, 2003:15).

3.3.3 Marxist Theory

Marx describes this theory as a challenging revolutionary theory of capitalism to a communist economy. In this theory, Marx distinguishes between different classes of society and the relationship they have, the rich are owners of production, and the proletariat are labourers. Marx also explains alienation of the working class or proletariat from the work of their hands, (Macionis and Plummer, 2008:79). The proletariat cannot afford the production of their hands because of high prices. In essence, this theory explains how power struggles work through bureaucracy in the economy to create peace in a capitalist state, (Gumbi, 2001:34). According to Marx the conflicts of social groups exist between two groups, which Marx identifies as the working class and bourgeoisie, the clashes between the two groups are owed to the growth of capitalism that can lead to its downfall when the proletariat rise and overthrow capitalism.

This social change is necessary to change the nature of governance and break the exploitation of the poor by the rich. Marxist theory is a historical, socialist and economic theory based on how capitalism has led to the class struggles. This theory best describes and further explains the concept of urban land markets in terms of class struggles, (Jesop and Wheatley, 1999:38). Marx explains that a state that allows the financial powers to be in control is an instrument of the ruling class (the bourgeoisie), where the state is used to officiate influence and power of collective capitalist interests, (Hay, 1977:154).

The Marxist approach in the phenomena of urban land markets or the nature of distribution of resources to certain classes can be seen in the manner in which owners of production promote supremacy over the workers. In circumstances where there are imposing and affluent classes in the midst of societies of absolute poverty, a level of equality cannot be reached because the goal is not to help those who do not have enough but the intention is for the rich to remain on top of the hierarchy.

The application of this theory in delivery of housing is explained by restrictions in markets, where the proletariat are made dependent on the bourgeoisie by the decisions made by government officials without the voice of beneficiaries. In a Marxist view, the delivery of housing is the role of the state, (Manikela, and 2008:33) where the government prioritizes social interests. In a capitalist society, the responsibility of the state has been shifted to a market role where housing and land are commodified. Sales of housing and land are the reasons for the existing power struggles since commodification created dependency between the workers and the bourgeoisie; this is because if the workers do not own land they become consumers and pay rent to property owners, (Clark and Ginsburg, 1975:5; Barton and Barton, 1977:4). The dependency of the proletariat upon the capitalists is therefore because of work and housing.

Premised on the above, Davis argues that informal settlements exist not because there are no employment chances. Davis recognizes the supply of jobs but he perceives it as a principal factor for generating poverty, (David, 2006:22). Poverty confines the needy to informal settlements; the markets are consequently secured and dependable in availability of housing and land to income groups that can afford. Marx's opinion to capitalism was tracing a notable communist manifesto describing the pain of bourgeois mode of production, illustrating it as climbing on a battered wall (Jessop and Wheatley, 1999:36). Marx explained the ambiguous belief that the poor would not catch up with the owners of productions if the capitalist society were prolonged.

In the case of deficient means of constructing enough housing stock, municipalities integrate their housing strategies with private corporations to provide social housing for rental at affordable rates (SALGA, 2012:18), and along social housing, there is an increase in gated alienated communities. The majority of working class does not have

financial means to access markets for the alternative housing provisions outside of government provisions. Gumbi (2001:36) asserts strongly “that the fact that only a handful of blacks is able to cater for the private sector with regard to housing delivery schemes is proof of the restrictive and constraining efforts of the so called free market housing delivery process.” Lack of land ownership for the majority in the South African context has led to the formation of informal settlements.

Marx classified his thought into three broader theories, which were alienation, historical materialism, and surplus value theory, (Lehuta, 2007:1). In the South African context, the Marxist theory of capitalist ideology materialized along the power struggles, which according to Burawoy, (1981: 286) is related to distribution of resources and labour markets. The labour market in South Africa is split into cheap and expensive labour, which explains why poverty is believed to be a social construct. If the labour market is split between cheap and expensive labour markets, this means the poor fall under the structure of class struggles, which they cannot catch up with the rich because the latter acquire more capital everyday as long as the poor are willing to perform cheap labour for them.

CHAPTER FOUR

GENERAL LITERATURE REVIEW

4.1 Introduction

The first part of this chapter gives a review of urban land markets from different parts of the world. The benefits of having urban land markets are discussed together with challenges posed by land markets in other parts of the world. It is noted that some countries have profited from the operation of private ownership of land markets while others suffer countless challenges of mismanagement and failing urban land markets. This literature review focuses on three precedent case studies that are Norway, India, and Nigeria. These countries are geographically different, in terms of their economies; Norway is an example of a success story of urban land markets while India and Nigeria are both developing countries that are struggling with policies that can improve the administration of land since they face common challenges such as corruption amongst others.

4.2 Trials of European medieval urban land markets

The evolution of urban land markets and urban land leasing was instigated in the era of late medieval and early modern periods in Europe. Italy was the first to have accelerated changes in the transfer of land rights in the eleventh century in Europe, (Bavel a, 2008: 14). Although markets remained weak in limited scale during this era, the idea of selling the right to land began in this era. This trend was then followed in East Anglia in the thirteenth century spreading to the rest of Europe up to Ireland in the eighteenth and nineteenth century.

The influence of this development cannot be overestimated since land was the most important means of production and source of income. The value of land in England was great in medieval times; feudal lords under the fixed territories monitored the markets. The feudal lords however did not solely have power in the distribution of land but neighbours, the village people and the social frameworks possessed a right to repeal sales of land rights, (Bavel, 2008: 13). There were many other parties involved in the agreements for ownership of land in Europe. The various parties involved in the establishment or transfer of land rights were offered security, prestige, personal bonds, and various bonds, which included social and cultural benefits.

The extra costs of transferring land rights were schemes for restricting sales and acquisition of land by outsiders because in every state and location around the world, land involves the issue of culture and a sense of belonging, this is the reason citizens in parts of Netherlands agreed to highly costly prices placed by the feudal lords. These restrictions were problematic in many ways and they created the insurmountable divide between landholders with enough to feed a family and those with sufficient land who need income from wages on non-agricultural activities, (Bekar and Reed, 2012: 2).

From the late middle ages onwards, many regions of Western Europe experienced heightened inequalities in the distribution of land via consolidation of property in the hands of the interest groups, (Curtis, 2014: 1). Curtis's understanding of the growth of land markets and their long-term impacts indicates that other countries and the whole world to be précised; by virtue of following the same trend has suffered the same consequences. This explains the power land had in the establishment of class divides carried from generation to generation from as early as the Middle Ages (Dale et al, 2007:5). One can estimate the power or value that land has that it creates more gaps between the citizens that have and those who do not in light of the industrial era and to the present day diverse land uses in every city, which are centred on the ownership of land.

On the other hand, the fall of sales in land markets in Europe was the decline in property sales due to economic crisis since few citizens could afford to get mortgage loans at the height of increased interests. The appreciation in real property transactions and the percentage of mortgage loans in Europe have in the past fifteen years, risen up to 50% to 70% of the national GDP especially in Denmark and Sweden (Dale et al, 2007: 8). This explains that as much as European countries are first world; there are groups of people that do not afford rent or mortgage loans for payments of their real property sales.

The housing market in the United Kingdom has also been declining due to increased prices after the global economic crisis from 2007. Citizens of the United Kingdom had no choice but to enter in to the property markets because there were low interest rates and inflation that pushed prices higher. (Harris, 2003:10). Land markets functioned sufficiently as buoyant and healthy markets do because the government failed to meet the annual housing supply expected, (Dale et al, 2007: 8). One of the main reasons for the

insufficiency in the property markets was that it was limited especially in larger cities. Countries such as the United Kingdom continue to grow due to many factors such as migration and growth or natural increase in population growth. The failure to meet the housing needs of the citizens of United Kingdom was due to a steady increase in housing prices which tripled between 1998- 2007 (Kuenzel and Bjørnbak, 2008:1)

4.3 Spatial planning and zoning in first and third world countries.

The spatial planning system in third world countries, to name a few, Zambia, Kenya, Zimbabwe and South Africa is generally shaped by colonial planning models with limited urban space incapable of adjusting to changing demands for urban land due to population growth (Chirisa and Dumba 2012:2). “With large scale colonial occupation, planning systems that existed in Britain, Belgium, France, Portugal and elsewhere in Europe were applied within the colonies” UN Habitat (2014:10). The spatial planning adopted in Zimbabwe had two residential groups, the African and European areas, the latter mainly the then Salisbury now Harare (Charizeni, 2003:115). During the settlement of the British in Zimbabwe, Zimbabwe underwent a social change but did not adopt to a just and egalitarian society as transpired elsewhere in Europe where modernism was first initiated (Barrett, 1997:18). Instead, adoption of modernism in Zimbabwe was the beginning of the intensification of socio-economic divisions. The case of spatial planning in South Africa was similar during the apartheid era. The planning regulations of the apartheid era cities tailored a racially divided urban landscape with black townships out of sight.

The state of spatial planning in Nairobi, the capital city of Kenya resembles that of colonial cities, developed for European projects, one being the Kenya-Uganda railway line, which later became an administrative center (Owuor and Mbatia, 2008:120). The transition to modernization in the city of Nairobi, Kenya, from agricultural and rural farms to urban, industrial and European brought a new culture (Barrett, 1997:20). One of the challenges in Nairobi’s planning is the legacy of the segregationist planning which causes limitations in urban growth in the city and promotes informal growth in the cities. Nairobi later became a commercial and business hub for the British East India Company and from its earliest stages, the city’s spatial pattern was segregationist with Europeans in the CBD, with separate African and Indian communities (Mitullah,

2003:2). The poor migrated to urban areas where unplanned, urban sprawl and congested settlements existed in Nairobi, (Kimani and Musungu, 2010:1).

In Ghana, land management in the post-colonial state from 1957 was replaced by traditional systems, which are still formally recognized and are incorporated into the post-colonial system. The Town and Country Planning Department (TCPD) is the department that plays an important role in land management and development in Ghana. This department has created challenges in the planning of different states in the country since it does not have necessary resources to prepare all planning schemes and layouts required. Another ordeal in Ghanaian city's planning is various planning units for the districts and states carrying out diverse plans and developments for each district (Gough and Yankson, 2000: 2487). This suggests that there is no uniformity and order in the planning of different states in Ghana. One of the consequences of this practice of different departments developing and managing land in each area are inequalities in management and service provision. Planning in Ghana continues to be influenced by traditional ways of life; hence, there are less chances of segregation and social segmentation. When measuring modernization in Ghana, it can be ranked as a country between the first second stages of the stages of economic growth, characterized by a slow transition from traditional to conditions of take off (Rostow, 1960:16).

Developed countries are modernized, economically and technologically advanced to design better town planning and zoning layouts. Urbanization, industrialization, commercialization, and decentralization have taken place in developed countries. On the other hand, some developed countries differ in zoning due to land availability while others are compact since there is limited land. The American zoning system in particular is characterized by single use areas with residential areas separate from other land uses. Consequently, America is one of the countries with magnitude sprawl extent and segregation of income groups (Olmedo, 2008:3). Although urbanization in the United States of America followed that of Europe, the transition from rural to modern life and urban growth took place was fast-tracked, demonstrated by modern skyscrapers and subways, (Park et al, 1925:47).

4.4 Town planning system and privatization.

Among the most considerably essential infrastructure services especially in the third world countries is the supply of piped and purified water, power, street networks and telecommunications. As neo-liberalism manifests globally, some countries in Africa are through a transformation phase impeded by scarcity of funds, for instance in Ethiopia, the first Ethiopian light and power authority proclamation was established in 1995 (Zegeye, 2012:25). The slowed pace of infrastructure development in Ethiopia can be attributed to the country's economic growth further heightened by effects of globalization and trade liberalization in marginalizing the country's economy. In Ethiopia, liberalization of trade through regulation of neo-liberal policies and privatization in the service provision further pressed down the economy due to lack of investors.

As a result, the development in Ethiopia is affected by current urban growth with high demands for infrastructure and services instead of the more investments. Municipalities are responsible of maintaining existing stocks and increasing their provision capacity. The public-private sector partnerships are means of cost recovery but are limited due to more responsibilities shouldered on municipalities in Ethiopia even though municipalities face serious budget constraints (Nyarirangwe, 2008:83). Revenue mobilization remains a challenge and compares negatively with other countries, indicating the limited private sector tax base (IMF country report, 2014:15).

Low-income countries in developing countries, over the past 25 years, reduced their share of state ownership by privatizing more than half (Auriol and Picard, 2006:2). This was the first stage after independence for which economical aggravating crises forced governments to be immersed in private partnership. In the case of Kenya, the establishment of private companies by individual municipalities to undertake water supply in respective jurisdictions have been regarded as a solution to the country's water sector crisis (K' Akumu, 2002:214). In this way, in Kenya private means of water supply were established. In other developing and transition economies, lack of investment and shortages in revenues, equipment and labour productivity were challenges in state owned monopolies, which have driven to privatization (World Bank Research Paper, 2004:3).

The poorest country in Africa and in the world, Guinea, from its independence to the 1980s experienced poor quality in its state operated infrastructure companies providing

water, energy, telecommunications and roads (Nellis, 2005:3). The poor performance in government services is the overriding factor for the states to make arrangements with private sectors for delivery of better services. South Africa, a developing economy in Africa has also followed the private sector service delivery strategy and has through these achieved and enhanced service delivery by providing efficient services, technical skills and the capacity to spend allocated budgets (Chetty and Luiz 2014:1). Although there are benefits of having efficiency in infrastructure service performance, there are also socio-economic challenges through which privatization has threatened South Africa. Some of the negative impacts of privatization are reduced access to water especially to the poor, which violates section 27(1) of the constitution. Another outcome of limiting access to clean and purified running water are outbreaks of water borne diseases in the country (Mwembe, 2004:40).

Contrary to the developing worlds, the developed world is on the other edge of benefiting from efficient privatization of infrastructural services. “The generally poor performance of public utilities, and changing views on the role of the state in the economy, have meant that public provision of infrastructure fell from grace”(Nestor and Mahboobi, 1999:1). The benefits in United Kingdom weighed more for economists than they did to developing countries. Privatization was perceived as more of a reform in service performance; economically the reform brought more revenue for government to use taxation to meet other human needs. The former British Minister saw that privatization is “not just as fundamental to improving Britain’s economic performance but as central to reversing the corrosive and corrupting effects of socialism” (Davies et al, 2004:5).

4.5 Land tenure systems in developing and developed countries.

The common types of land tenure systems approved in most African countries are customary land tenure systems that require no written land ownership practices. Indigenous communities in countries such as Kenya, Namibia, Swaziland, and Zimbabwe to name a few practice this type of tenure (Adams et al, 1999:5). Land under indigenous or customary land tenure systems in Namibia is not surveyed and fenced and is mainly fertile agricultural land in Northern parts. The concentration of agriculture as a land use and

lack of proper land surveying or registration has hindered development of infrastructural services and the focus on the land is particularly economic productivity country (Namhindo, 2012:2).

The first land administration system in Zimbabwe was found to be a dual system which operated on a top down approach, without transparency and accountability (Jacobs and Chavunduka, 2003:14). This system was developed through policy reforms including the Land Tenure Amendment Act of 1977 that later became The Land Tenure Repeal Act of 1978. The brutality of these policies and racialization was eased by the rural resettlement policy during independence in 1980 (Paulo, 2004:22). Amongst many other policy frameworks, paramount to land reform policies of Zimbabwe is the “fast track” reform exercise of the third Chimurenga which managed to acquire four million hectares of land for a 100 000 of households within a year (Paulo, 2004:53, cited on Mugabe, 2001).

In Turkey, land and housing tenure is under customary and leasehold tenure systems. Difficulties in the tenure system rose after migration of rural people to major urban cities, which required dramatic expansion of cities. The settlement of migrants was on vacant land where informal shelters were built. This has changed the tenure system of Turkey to be a matter of legitimacy rather than legality (Payne and Balamir, 2001:1). The case of Ghana, traditional institutions hold more than 90% of the total land in Ghana. The dominant land tenure system in Ghana is indigenous or customary system where different states have their chiefs. Since customary tenure is undocumented agreements between chiefs and community members are informal and the poor mechanisms of land management have led to housing, sanitation problems and environmental decay, (Antwi 2002 cited from, urban landmark, 2010:2). The poor forward planning for services in housing developments also leads to informal provision of services, which may not be sustainable such as single-family sewage systems with poor management.

The customary land tenure system limits the opportunities and incentives for investments in land (Myrolal, 1974:6). The limited opportunities are due to limitations in planning laws that guide land uses, as there are traditional authorities rather than planners and formal municipal management in the Ghanaian land distribution. This means

traditional judiciary laws that exist protect the interests of the community and not investors (Kwadwo, 2006:6). Further than that, Kwadwo argues that communal and customary land ownership is a disincentive to economic development cited in (Urban landmark, 2010:6). Another reason for many Ghanaian states to experience stagnant economic growth is the customary land management systems that operates. In many urban areas, there are poor living conditions because of the informal transactions made through traditional authorities.

In the developed world, the English doctrine of tenure is based on the English land law is vested on the crown. Post feudal times, terms of land ownership came to confirm to arrangements of socage or freehold but the absolute land ownership has been continuously vested under the crown (Adams,1994:12). Individuals in possession of land under the crown have an estate holding land right (Habib et al, 2005:12). Provision of infrastructure in developed countries is seen as a component of land administration which basic infrastructure like roads, railways and electricity distribution are part of economic development and environmental management (Williamson 2000:22).

4.6 Precedent Studies.

There are several precedent studies on urban land markets conducted across the world. Below is a review of some of such studies in three countries namely Norway, Nigeria and India representing first and third world countries respectively.

4.6.1 Residential Land markets in Norway

This section discusses Norway as one of the precedent case studies. Norway is one of the richest countries located in Western Europe with expansion of most industries. This country is largely governed by private property rights, private sector, and run by private sector universally. The wide spread private sector economy of Norway has helped develop the economy of this country into a world economy. The GDP per capita is high and wealth is relatively distributed equally to the population as there is a manageable population of 5,1 million, (European Commission, 2015: 38). Because of the levels of economic growth in the country, Norway is a welfare state with much support from the private sector, (Nystad, 2004: 10). Norway has one of the most successful economies in the world because of the well-functioning private sector system.

The historical background of land markets in Norway traces a slow clearance and occupation of unaltered farms and forests from which land was divided and sold. Most of land in ancient Norway was under the ownership of the Christian church, which was later transferred to a king. It was the responsibility of the King to administer the sales of land; this went on for more than a century. This is how privatization of 80% of land began in Norway (Kartverk, 2012:3).

Private ownership of most land in Norway indicates the financial gains that most of the population have invested in either leasing land to international investors or by selling their land to the government for construction of state housing, (Anderssen, 1998:2). The private ownership of land in Norway also serves as economic growth factor since land is one of the most valuable commodities in the world, many people in Norway have invested in this commodity and expect revenues (Nystad, 2004:11). The remaining population that does not own private property is secured by the state; this proves that a capitalist nation can be prosperous although many countries in the global South have failing economy owing to the system of privatization.

There is generally a good functioning urban land market in Norway driven by low land values, (Kartverk, 2012: 1). The price factor is one of the details that contributes either good or badly on how markets function because they are either affordable or unreasonable to the population of the country. The markets in Norway are relatively affordable to many of the population as unemployment rates are only 3, 5%, (European Commission, 2015:45). The prosperity of the economy of Norway allows the country to deal with welfare responsibilities such as building homes for the homeless and bridging the gap have and have not.

The processes of land registration and land ownership transfers are done within four days in Norway. This is because a contract between the parties is a valid and binding land transfer even without registration, although registration ensures protection against third parties, (Kartverk, 2012:3). When one registers land, they register land through the land register owned by the Norwegian state and administered by the cadastre and land register division of the Norwegian Mapping Cadastre Authority (NMCA) (Borch, 2008:2). Through this registry system, each property has a registry number assigned to it, land title number and a unit number if the property is sectioned properly. The purpose

of the registration of land through the Norwegian registry is to identify the current owner of property as well as other property rights such as leasing through filing extracts of the document in the register. In a way, registration of land is meant to protect the owners of land or the people that are buying property rights on land.

Land and property prices have fluctuated in Norway due to economic factors such as increasing inflation rates. Since 2013, the prices of property in Norway rose by 2, 29% but slowing down again in the second half of 2014, (Global property Guide, 2014:3). On yearly basis the prices rose up in January up to 8, 5%, as the economy stabilized change was seen in the rate of increase in January 2015 where the increase was only at a rate of 2, 9%, (Eiendom, 2015:8). Although there are huge and steady increases in Norway in the housing and land market, it is easy to realize that Norway is doing well compared to other states in the European Union and rich economies in the world. Oslo as a largest city in Norway is affected by fluctuations in the property market because of agglomeration pattern in cities; this means increased housing prices are determined by supply and demand factors in the housing market, (Molden, 2011:4).

Some of the reasons for the price increases are owing to the governance of the construction sector for new developments. Housing projects in Norway depend on the planning policy, which has adopted a developmental form of governance. The division of labour in the planning policy which has negotiated a mutual dependency between the private market and public planning in order to carry out private developments. The direct reason of price increases is the growth of private development plans, (Brattback, 2000: 3, 4). Privatization of housing and real estate construction makes the housing market the most powerful generator of incomes for investors. As predicted by the Norges Bank, on its projections there was an expected fall during 2015. However, the expected stabilization and increasing trend towards the end of 2016 seems impossible due to continued decreased sales in the Norwegian housing market (Reserve Bank Bulletin, 12:2016). More sales of land and construction of new houses can make the situation better in Norway.

4.6.2 Operation of Land Markets in India

The genesis of land markets in India began with the Bengal Regulation Act of 1824 enacted to endorse profitable interests for the British. In 1911, the British moved to

imperial capitalism in Delhi, a central government directly managed the city's administration through a commissioner, (Shakla and Singh, 2005:31). Following this Act, land policies in India were political and run along feudal interests, which did not allow implementation of land reform policies, (Sandhu, 2005:2). Failure of the conventional public housing programs and realization of their costliness and ineffectiveness led to the governments adopting the sites and the services approach, firmly supported by institutions such as the World Bank during the 1970s (Pugh, 2001), cited in (Sandhu, 2005:3). In the case of land, institutions influenced by colonial powers frequently led to a concentration of land ownership and the elite capture of policy-making. These market regulations have led to continued inequalities that constrain long-term economic growth in India (Besley et al, 2011:4).

In the 1990s, the government of India shifted from urban governance towards a multi-actor arrangement in public services as the country witnessed liberalization of the economy. This kind of governance is defined by Mathur (1999) as partnerships which are new organizational commitments towards collective and strategic public policy goals, in which resources are allocated based on normative standards of provision, (Baud and de Wit, 2008:15). It is important to note that the logic in implementing a new arrangement of governance was forced by excessive pressure caused by India's population on the government's ability to provide public services. India is the second world largest populated country in the world with over a billion people, (Ballaney, 2008:1).

As in most developing countries, the key challenge to economic development and urban land markets in New Delhi, India was limited availability of serviced land for urbanization, (Sasidharan, 2014:1). Despite the unavailability of serviced land, there are sales and leases of land in cities in India, which operated informally, (Thirkell, 1996:73). This suggests that land markets that exist in India's mega cities like New Delhi operated informally, since the formal land market is challenged by paralyzed policies and limited land supply especially in New Delhi. The capital city of India, Delhi's land policy proposed in 2013 based on land readjustment has not been implemented; this policy would have sanctioned the city's private landholders to be active in urban land markets for the first time, (Sasidharan, 2014:1). The disapproval of private investments in real estate opportunities in India resulted in lack of decent urban land markets and to decreased chances of improving economic growth through private sector prospects.

India's economic growth is not at par with its population growth. The population of cities in India possess challenge to not only provision of housing but poorly serviced roads, water supply, sewerage and storm water networks, inadequate health and education amenities, traffic congestion, ineffective and inadequate public transportation systems, unregulated and chaotic growth, slums, poor building stock, destruction of heritage resources, (Ballaney, 2008:1). All of the challenges identified by Ballaney are town planning related, massive population density affects town planning schemes and the ability of governments to provide services. The poor are victims in all poor service provision and are the most vulnerable in cities as their chances of accessing land becomes more limited in urban land markets. "Land for housing the poor is thus becoming an insurmountable obstacle in the housing struggle facing the growing cities. Moreover, the housing interventions by governments continue to focus on technical, financial and administrative aspects of the housing problem, failing to act decisively on land issues or deliberately avoiding or evading them wherever possible" (Angel, et.al, 1983, p.1, cited in Sandhu, 2005:1).

Legislative regulations, corruption, and unauthorized settlements have impeded further growth of urban land markets in India. One of the legislative constraints to developing urban land markets is the conversion of land from agricultural to other land uses (Sivam, 2002:520). The growing demand for land in urban centres with infrastructure provision is exacerbated by restrictive supply of sales for land and rent controls. The lack of infrastructure development in India such as access routes has also contributed to the slowed growth of well-functioning markets and poor roads in India, which make it impossible for services to be delivered to the residents, (India Infrastructure Report, 2009:6). Urban areas are often defined by better mobility patterns and in order for police to defend and secure the needs of beneficiaries in urban land markets there is need for efficient service provision.

Furthermore, the level of economic development and growth of India has affected growth in sustaining efficient urban residential markets. Unauthorized housing settlements indicate poor levels of planning systems that has failed to accommodate the poor that are scattered all around the metro. "Poor access to serviced land is one of the major

problems,” Sivam (2002:523). The poor access to serviced land in India is corresponding to the over-population in the country, which has significantly increased housing demands. Most people in India cannot afford privatized provisions of housing solutions. This suggests that the idea of land markets in countries with enormous populations and major socio-economic problems such as third world countries limits rightful and serviced land access for the poor.

Informal land markets or land invasion is an alternative method to access land for the poor in the developing countries including India. Due to lack of land titles and provision of other housing options in Cebu, many middle income families informally buy land and develop housing on government or private owned land which they do not acquire legal titles, (Thirkell 1996:73). The low-cost housing provided by Cebu city is constrained by high costs of urban land in the city, which has forced officials to develop houses in the urban peripheries. Housing provisions by the city’s housing sector are not enabling residents to benefit from urban opportunities people normally seek in the city, hence, poor people in India are not accommodated in the urban areas of India, and they are located land in urban peripheries.

The distinct informal land occupation occurs in Delhi, where land purchases were practiced outside the formal urban land markets and the invasion of open spaces in urban areas. The worst form of informal settlement and markets in Delhi were slums and squatter settlements, also known as “*JhuggiJhompri*” clusters, which accommodate about 4.5 million people in informal settlements in North, South and West of Delhi from the 1990s, (Chakrabarti, 2001:27). In this form of land tenure, there was no purchase of land use rights as a result these kinds of settlements were located in environmentally degraded areas and hazardous sites. Location of informal settlements in Delhi are scattered around the city, this makes it difficult for the government to implement in-situ rehabilitation projects, and provide basic infrastructure such as roads, water and sanitation (Jain et al, 2016:15).

4.6.3 Operation of residential land markets in Nigeria.

The last precedent study reviewed in this chapter is Nigeria. The Nigerian land and housing market is one of the weak land markets in the world, limited by countless distortions. Access to land is a struggle in Nigerian residential land markets. The legislation that regulates land administration and acquisition is the Ordinance and Public Lands Acquisition Act of 1917. Prior to the implementation of the Land Use Act, an immeasurable control and expansion in development had extensively taken place in Nigeria. Later in 1978 there was a Land Use Act Decree (No 6 of 1978) that brought all land under government control, (Owei, 2007:1). After the implementation of this Act, many families and communities who had land holdings not acquired through the government system quickly sold them in fear of public acquisition of their land, (Owei, 2007:2). The overall control of land by the Nigerian government was lawfully established after 61 years of public acquisition that operated through traditional approaches. Nigeria gained her independence in 1960 but there was no governmental interference with land management until 1978.

The reasons for residential land market failures in Nigeria were poor formulation of fair urban land policies for land distribution. There is also obliviousness and informality in the ways residential land markets are run; some of these are externalities, which occur, as land markets did not take into account the impacts of economic value of having a stable residential land market, (Otubu, 2009:75). This results in families residing in the cities paying the same market value of land as businesses in the current market system, (Bertaud, 2010: 10). Generally, access to housing in Nigerian towns is acquired by very few families. It is evident that residential housing land markets in Nigeria are not seen as imperative in the provision of better housing. The limited access to urban housing proves that the housing land markets in Nigeria, is not a sufficient tool for land distribution, lack of affordable housing in city impacts negatively on access to employment opportunities for the poor.

Otubu (2009:26) cited that Nigeria is “far from operating efficiently and in a manner that benefits all and not just a few in society.” The inability to cater for the poor is a limitation of the markets. Even though land markets exist in Nigeria, the significant cause of their failure is their inability to provide public goods or services such as run-

ning water and sewer systems (Bertaud, 2010:75). The market failure to provide affordable housing has created urban problems for households living below poverty levels by forcing them to occupy low quality dwellings located in decayed and informal settlements, (Amao and Ilesanmi, 2013:152). The markets are failing to provide housing to the poor and the state is equally failing to implement policies that enable access to land for the poor.

The public administration of land that operated for 60 years, affected the poorly planned cities, which lack services and infrastructures in Nigeria. Rapid urbanization has also contributed to the unplanned and unregulated growth of Nigerian cities, (Owei et al, 2010:1). The level of population growth and land occupation in Nigeria was faster than the provision of services and planning. Moreover, poor planning in Nigerian cities has resulted in the absence of formal land titles. The municipalities are unable to deliver proper services; resulting in unhealthy environmental conditions, (Amao and Ilesanmi, 2013:152). Since many agglomerations are informal and located in environmentally degraded environments, governments do not prioritize providing infrastructure in the informal areas. The assumption is that the poor will be transferred to formal housing as the governments in many developing countries focus on fighting the existence of informal settlements. Most of these urban dwellers are poor and have not acquired land legally, and therefore occupy sub-standard housing in degraded environments. The urban poor are attracted to urban tenure even though it is insecure because in cities they can run their informal trading and make a living, (Ajilowo and Iyanda, 2013:3).

The Anambra State in Nigeria is one of the states experiencing major urbanization and planning challenges. Challenges caused by rapid urbanization are synonymous with many cities around the world, but in Nigeria poor planning exacerbates the negative impacts of urbanization. This is regarded as a major reason for problems confronting many urban areas especially Onitsha Metropolis, (Made, 2013:42). Lack of good governance is another factor that has led Nigeria to experience the undesirable results of bad governance. Principles of good governance can be made operational through equity, efficiency, transparency and accountability, sustainability civic engagement and security in Nigeria (Ajilowo and Iyanda, 2013:3). Since Nigeria's weakness in governance is corruption, it is impossible for the government to account on sustainable and transparent decisions made with civic society engagements. It is obvious that this state

of government is dragging sufficient housing land markets in Nigerian cities. Ogbeyi (2012:2) asserts that political leadership and corruption in Nigeria were interwoven from the 1960s. Although Nigeria is richly endowed with natural resources, corruption is deeply rooted in its socio - economic fibre. Adeyemi (2012:183) adds that, corruption has denied ordinary citizens the basic means of livelihood because of bribery, illegal acquisition of state land and exercise of discretion. Corrupt administration in the local and national government and poor management of resources especially land leaves many poor citizens in vulnerable living conditions.

There had been various policies on land and housing markets in Nigeria. These policies encompass provision of mass housing through federal housing authority and state housing corporations and service schemes for different social houses and schemes. (Oloyede *et al*, 2011:599). Notwithstanding the disparities caused by corruption, the national government of Nigeria, the federal governments and corporations have contributed to mass provisions of housing developments in Nigeria. However, these mass productions do not meet the required housing stock of Nigeria, this requests alternative means of meeting the housing and residential land needs for the urban poor in many Nigerian metros.

In trying to combat the existing informal settlements and environmentally degraded human environments, it is crucial to scrutinize the government and the land distribution methods. For the government to be involved in distribution of land there is urgent need for state intervention. In order to implement just housing and land distribution laws, the corrupt means of governance need to be addressed in any land administration or institutions of governance. Institutional structures should comprise of a mixture of political, economic, legal, and social factors and relationships, with each having a meaningful impact on the distribution of land, land rights and use (Oloyede *et al*, 2011:599). The number of states that exist in Nigeria should be able to deal with a great deal of urban challenges especially the land access and planning predicament. The traditional law of tenure has also played a role in land distribution and at the liberation of the country; all land tenure was transferred to the state, (Owei, 2007:2). This signifies that land distribution challenges are within current government structures.

Alternative administration methods are necessary for Nigeria to improve the challenges in accessing land especially for the poor. Many urban poor have relied on alternative

ways of accessing land. The informal land market is the conveniently more accessible means of land for many cities in Nigeria. Transactions in informal land markets are often not controlled and registered by official authorities, (Oloyede et al, 2011:599). However, the challenge with permitting land use rights informally is that there is no planning for infrastructure services and environmental health provisions. Nigeria is clearly a capitalist economy that provides better services for those that are willing to pay for services because the well-developed infrastructure benefits income groups that afford market prices.

Provision of land in urban areas for the poor is costly in Nigerian cities since spatial concentration of economic activities determines the value of urban land, (Bertaud, 2010:60). However, the government of Nigeria is in charge of land management and distribution, therefore some of the gaps that can be found in distribution of land are bias with the government in favour of the wealthy classes in the processes of land distribution. Rakodi (2010:125) asserts, "Corruption in land administration is tightly related to the principle of domanialite, which gives government exclusive power to allocate land and regulate land tenure, as well as with the coexistence of formal and informal land markets that operate on different price scales." Corruption is one of the weaknesses that destabilize and impede Nigeria's growth as a country.

It can be noted that while in some countries economic development and overall growth is doomed by privatization, some are at loss due to socialist ownership of resources. Oloyede, (2011:600) argues that land ownership in the hands of the government has negatively contributed to social justice especially in major urban areas and has over the years contributed to major planning and implementation of development schemes between states and federal government. Administration clashes between states and federal governments affect the welfare of many poor people in Nigeria. Because of not fitting in the urban land market, there has been growth of markets in the urban periphery for the poor. People usually found in peripheral areas are usually the urban poor who had purchased land from the local chiefs of the area or who just simply occupied the empty land and had stayed there for a long period, which has now led to the growth of a settlement, (Foleramni, 2015:46).

4.7 Lessons to be learnt from Norway, India and Nigeria

Land administration and policy making by the state is key to a smooth arrangement of town planning and distribution of land. Norway is the only country in which land distribution is administered with accuracy and transparency. From the Norwegian urban land market, it can be learnt that before privatization sanctions were authorized, corruption was not a threat in exchanging land titles. Private ownership in Norway has attracted foreign investors and has become an economic growth factor, a mechanism that can be adopted by developing economies.

Regarding India's urban land market, it was observed that the management and regulation of markets should not be leaned to politics. Another imperative risk in the operation of urban land markets is the continued influence of colonial powers in India, which led to the legislature and market regulations to capture the interests of the elite. It can be learnt from India that to operate fair urban land markets a post colony has to dismantle colonial influence. Corruption and negligence of the low-income groups is another challenge in land administration because it has piloted the formation of many informal land markets and land invasion in India. Because of corruption in India, there are wide gaps between the rich and poor and limited availability of serviced land for urban development.

The case of Nigeria's urban land market is made unique by failures in formulating urban land markets policies for land distribution. This has led to Nigeria having countless traditional authorities administering land. Traditional authorities in Nigeria have dismally failed in providing proper town planning standards, land titles, provision of public goods and guiding policies. It can be realized that the need for dismantling political and colonial influence is fundamental. It can also be learnt from Nigeria's case study that if it were not for corrupt, land acquisition would not be in current situation. Corruption in land administration has also resulted to limited affordable housing in the city where the poor are mostly disadvantaged. Therefore, leaving the poor out have made Nigeria's urban land market the weakest distorted by informality, poor planning and overcrowding.

4.8 Chapter Summary

This part of the chapter has covered common terms and approaches that govern urban land markets in different countries around the world. Themes that emerged in the review regarding urban land market were identified and expounded in context with the research topic. This chapter has also reviewed experiences of countries around the world, both the countries whose economies have thrived and those who have failed to implement constructive policies to enhance their land markets. It was ascertained that the administration of land in many African countries was under native authorities until the colonial rule, with many countries further adopting western land administration methods after liberation. The common result of poor land administration is inability to provide land for urban population especially the poor and the unceasing sprawling of informal settlements, denting the cities in most developing countries in third world.

CHAPTER FIVE

LITERATURE REVIEW: SOUTH AFRICAN CONTEXT

5.1 Introduction

This chapter focuses on unpacking the broad historic background of land dispossession and social exclusion in South Africa. The city of East London within the Buffalo City Metro Municipality's experience of rule and divide by the British imperialists and segregation is highlighted. The chapter also discusses methods for land and low-income housing provision during colonial times in South Africa. In order to measure the changes in the provision of low-income housing, this chapter also discusses the land and housing delivery in post-apartheid South Africa. The policy framework approved by the government of South Africa is also outlined as the main force for the implementation of various housing developments. The housing policy framework is also reviewed to point out responsibilities of government and other stakeholders in delivering housing and housing financial needs of people.

5.2 Land and low-income housing in colonial and apartheid South Africa.

After the colonial conquest of South Africa by British in the 19th century, the first ordeal that the native suffered was the brutal land dispossession. It is over 100 years ago since the enactment of the 1913 Natives Land Act, which became the fundamental decree of expropriating land from blacks. "The Natives Land Act of 1913 deprived the majority of black South Africans the right to productively own land for their economic wellbeing and sustainability" Mohamed and Finnoff, (2004:14). From its enactment, the severity of the land act is evident and visible from its legacy, the inherited socio-economic injustice and landlessness that continues to haunt many black South Africans (Modise and Mtshiselwa, 2013:1). After 23 years of capturing the natives in limited land of 8% of the total land cover of South Africa, there was need for black's settlements in the white land reserves. A new policy was implemented to extend the establishment of black's access in the urban areas, this policy was the Native Trust and Land Act of 1936 that administered land for the support of native's union.

The Natives Trust and Land Act 18 of 1936 did not substitute the Native Land Act of 1913 but instead became a foundation of racial segregation. The Native Trust and land Act 18 of 1936 increased segregation by designating certain areas only to whites and

others to black, (Belinkie, 2015:224). After the approval of the Native Trust and Land Act of 1936, the South African Native Trust Fund was founded to acquire and develop the native reserves and black people (Kloppers and Pienaar, 2014:682 linked this to the abolishing of individual land ownership. This implies that the land was vested in the trust even though it was reserved for occupation of black natives. The government of white supremacy in South Africa from the beginning sought for land dispossession through forced laws as a strategy to achieve territorial segregation, population resettlement and political exclusion (Kloppers and Pienaar 2014:679).

Black South Africans continuously experienced vicious persecution in urban areas under white supremacy. The practical prevention of blacks from living and owning land in urban areas of South Africa was the Group Areas Act 51 of 1950. The Act is described as a wave of evictions used by the National Party government to forcibly remove blacks, Indians and coloureds from urban areas (Kloppers and Pienaar, 2014:683). The main aim of the Act was limiting black access to urban areas, (Belinkie 2015:225). The idea of group areas was long overdue, long before the union when the separate locations and townships or reserves were set aside for natives (Horrell, 1963:1). This suggests that when the union took over, it followed on the plans of brutal segregation on the blacks, Indians and coloureds that wanted residence on land reserved for them.

In accordance to the segregation of the 1913 Natives Land Act, blacks were only allowed residence to the land vested on trust in urban areas just like they were only allowed land to their communal native land. The Group Areas Act was a manifestation of the 1913 Land Act in urban settings. (Wollheim, 1960:57) argues that the Group Areas Act and the development of Bantustans became main mechanisms of bringing about a separation of that surfaced in urban areas during the union. Even the residence of blacks in urban areas or townships was limited in the days of the Nationalists government, for instance, blacks in Cape Town were all to move to Langa, Nyanga or the Cape Flats where mainly bachelor accommodation was provided (Horrell, 1963:9). An amendment to the act was the Group Areas Act 36 of 1966, which aimed to control the acquisition of immovable property and occupation of land in urban areas as the blacks continued (Klopper and Pienaar, 2014:185). After the enactment of this law, blacks that acquired land in land reserved for the white were evicted.

After the segregation policies of the Nationalist and apartheid government such as the Group Areas Act of 1950, the allocation and quantity of land for blacks was tightly controlled through a system of Black Communities Development Act of 1984 (Royston, 1998). “The Bantu Homelands Citizenship Act of 1970 provided that Africans could no longer be South African citizens but were citizens of respective homelands” (Weideman, 2004:13), this is a territorial arrangement which planners have been striving to dismantle all over the country. Through these policies land identified for the tenure of black people was far from existing city centers and often close to established black townships on less desirable and valuable land. The final act under apartheid government was Free Settlement Act of 1989, although it did not become a reality as anticipated, it denied blacks rights to private real estate markets where they could get ownership of property (Hervè, 2009:39).

5.3 Land and low-income housing in post-apartheid South Africa.

The post-apartheid land and housing struggle in South Africa still suffers from the political turbulences of pre-democratic government. The housing system inherited by the new government faced various limitations such as serious housing shortages, income disparities and lack affordability to meet housing needs amongst blacks (Burgoyne, 2008:13). The lack of affordability and the housing backlog are related to the land dispossessions and forced removals that demolished people’s homes, and pushed them away from jobs and thereby inflicting poverty. One of the communities where forced removals took place is Sophiatown in 1953 where approximately a hundred thousand people from all black spots were moved to the western parts of Johannesburg (Weideman 2004:12). The major removals also took place in other major cities such as Port Elizabeth (South End), Durban (Cato Manor) and Cape Town (District Six) and even in East London (Duncan Village). Blacks, Asians, Coloured and whites are still widely confined to land inherited from the apartheid spatial planning system. The housing and urban landscape in post-apartheid South Africa has been heavily criticized for its lack of sustainability, urban sprawl, and lack of integration as inherited from former planning system. The primary phase of housing delivery for post-apartheid South Africa between 1994 and 2004 delivered 1,3 million houses with government investments of R27,6 billion (Ramashamole, 2011:42).

The delivery of low-income housing in South Africa according to section 9(1) of the Housing Act of 1997 stipulates the duty of municipalities to provide for adequate housing in their IDP within their jurisdiction (Burgoyne, 2008:32). The percentage of households who cannot have access to housing is the cause for a fragmented housing sector. The market orientated housing sector of South Africa has been developed to provide social housing and subsidy housing along neoliberal methods in order to reduce housing backlogs. To alleviate housing problems in urban areas throughout South Africa, the government has implemented various policies such as the Reconstruction and Development Programme (RDP) and the Housing White Paper of 1994 to provide low cost housing and other housing options. RDP low cost housing is provided by the government of South Africa for poor with a combined income of R3500 or less (Greyling, 2009:2).

5.4 Land and housing production systems in South Africa.

“Whereas in terms of section 26 of the Constitution of the Republic of South Africa, 1996, everyone has the right to have access to adequate housing, and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right”, (Housing act 107 of 1997:1). In this Act, the government does not justify a market as a means of everyone’s access to land. Instead, the state guarantees that the parliament of the republic of South Africa recognizes that adequate housing as shelter fulfills a basic human need, thus, housing is a vital part of integrated developmental planning which the sectors of the government responsible must fulfill.

The first housing projects that accommodated blacks in urban peripheries were known as matchboxes, a term given because of the sizes of the houses. “Matchbox houses were small, rudimentary houses built massively by the government between 1948 and 1962 to house non-white workers” Hervè (2009:39). These structures were meant to accommodate bachelors in order to control influx of blacks to cities (Horrell, 1963:9). Their construction was after the realization that blacks were needed for maximization of low wage unskilled migrant labour (Nattrass and Seekings, 2010:5). Even though the black migrants were accommodated in the urban area, they were limited access only to their frontier reserves. The apartheid laws segregated the black labourers to adjacent townships in many cities, racial segregation is what formed the bases of apartheid planning in South Africa. For example, in the development of Port Elizabeth the foundations of

apartheid were laid, as early as 1834, the London Missionary Society established a black settlement where kaffirs and other strangers would reside (Maylam, 1995:22).

The second housing projects in South Africa were delivered due to the injustices in land distribution in South Africa, owing to the history as discussed above, “the largest exercise in place for the extension of urban tenure to poor people largely dispossessed of land rights in Apartheid South Africa is the National Housing Programme”, Napier, (2005:2). One of the supposed challenges in the distribution of land in urban areas through the National Housing Programme is lack of affordable well-located land for low cost housing. Another criticism besides the structures of low cost housing is their locations, which is location of poor populations far from city centers, in outlying areas, thus continuing the apartheid planning trajectory even after 1994 (Hervè, 2009:36). However, the National Department of Housing sought to extend existing areas, which are often located in the urban periphery, and consequently the housing programme is achieving limited integration.

5.5 The policy framework for land and housing delivery.

The South African housing system since 1994 has been driven by various policies, which define all housing needs for different income groups and backgrounds. All policies implemented have a role in addressing inequalities due to colonialism and apartheid planning. Amongst the housing policy framework of South Africa discussed in this research are the RDP White Paper of 1994, Housing Act 107 of 1997, Rental Housing Act 50 of 1999, Home Loan and Mortgage Disclosure Act 2000, National Housing Code 2009, Breaking New Ground, Housing Development Agency Act 2008 and Social Housing Act 16 of 2008.

5.5.1 Reconstruction and Development Programme (RDP) White Paper 1994

The White Paper on Reconstruction and Development Programme (1994) was the basic policy enacted for infrastructure and housing development in the democratic South Africa. This policy document is proof that government is the cornerstone to development, with the main role of giving different statutory approaches to development beginning from the 1994 RDP (Tissington, 2011). The RDP and its macro strategy the (GEAR) were the most comprehensive and detailed plans of action to be documented in respect of government policies in South Africa, (Visser, 1999:1). RDP was inclusive of all social, economic and political transformation that would help the country conquer the

inequalities that prevailed all over the country. The integrated socio-economic coherent strategy was mainly aimed at fighting poverty.

The concept of RDP for the South African citizens was identified as hope for a new beginning which opportunities for change were conceived. Reconstruction under this policy was transformation in provision of health, education, basic services employment opportunities and infrastructure in terms of roads, housing, electrification, water and sanitation and social welfare among many other important necessities, (Reitzes, 2006:6). Corder (2009) recognizes the successes of the RDP by looking at studies that have been carried out after the implementation of the RDP in South Africa in which different groups were interviewed about their knowledge in the black and coloured areas who admitted to have benefitted a lot from the policy implementation. In the study there was evidence of improvements in the living standards of previously disadvantaged individuals. The challenges in the process of reconstruction South Africa were external since foreign aid was one of the funding sources of the RDP.

For South Africa to calm domestic capital and foreign currency markets, the government embraced a conservative macro-economic strategy, "Growth, Employment And Redistribution" (GEAR). In 1996 it was seen that the RDP was faced with external pressures and instability in the currency, it was for this purpose that GEAR was adopted, (Lewis, 2001:5). This policy strategy was implemented because policy makers realized that poverty reduction and unemployment reduction was impossible if job creation was not maximized. Another effect of GEAR was projected to be transformative change and increase in the Gross Domestic Product of the country. Even though unemployment and inequalities still exist in South Africa, the provision of 3 376 675 new houses to the black, Indian and coloured disadvantaged individuals and many other services from 1994 -2010, (Mulder, 2010:1). This policy has aggravated crisis of housing the poor because it promotes a neo-liberal agenda and are a result of the structural adjustment policies, (Tshikotshi, 2009:25).

5.5.2 Housing Act 107 of 1997

The Housing Act of 1997 was enacted to facilitate sustainable housing processes, to define housing functions at local, provincial and national levels. This Act is in accordance with section 26 of the constitution of the Republic of South Africa, that everyone has a right to have access to adequate housing (Government Gazette, 1997:2). The Act

is about the fulfillment of the basic human right. Attached to the Act are roles assigned to municipalities for the delivery of housing. The terms of municipal roles accredited according to this Act are ensuring that people within their jurisdiction have access to adequate housing and to respond to frameworks within national and provincial policies. The Integrated Development Plan (IDP) is the focus of post-apartheid municipal planning regarded as key in intergovernmental coordination (Tomlinson et al, 186: 2006). The IDP was introduced in 1998 and it was centered on integration and performance management.

Municipalities set aside land, plan and manage it through IDPs from which they facilitate housing development within their boundaries. Municipalities are also responsible of provision of bulk infrastructure services (Government Gazette, 2006:68). Municipalities are actively realized as the immediate means of facilitation of services. Housing is central to accessing many of the social services. Housing development according to this Act is defined as “the establishment and maintenance of habitable, stable and sustainable public and private residential environments” (Tissington, 2010:36).

5.5.3 Rental Housing Act 50 of 1999

In 1994 1 075 000 households lived in shacks, hostels and outside buildings in urban areas which accounted for 23,8% of all urban households (Gilbert et al, 1997:133). The housing problem became more and more demanding in South Africa as more people migrated to urban areas at political independence. This led to growth of informal settlements and informal tenants in backyards and housing problems in South Africa. As the government moves at a very low pace in meeting the housing needs, one of the options of shelter many South Africans found in urban areas is rental housing (Gilbert et al, 1997:137). There has been a significant demand for housing from single people to small family households who were not accommodated by the RDP or who do not benefit from subsidy housing (Urban LandMark, 2011:1).

The need for rental property piloted the implementation of the Rental Housing Act 50 of 1999 which allowed leasing of property including flats, apartments, garages, hut, shacks, rooms or demarcated spaces outside which is an agreement concluded between the tenant and landlord (Government Gazette, 1999:3). This is one of the options to land rights, that is why many South Africans working in urban areas opt for due to limitations they encounter in formal residential urban land and property markets. The

general reason for this is high market prices. The features of the Act include the instituting of Rental Housing Tribunals, the repeal and amendment of Rent Control Act of 1976 and Unfair Practices Regulations (Tissington, 2010:38).

5.5.4 Home Loan and Mortgage Disclosure Act 2000

This act aims to promote fair lending by financial institutions where information is made available to bring knowledge and disclosure. This is for the benefit of the public that the information they require be made available. In order to manage the information and its availability, the government has an office responsible, an office that has information of whether or not financial institutions are serving the housing credit needs. To respond to the constitutional rights of the public, the office also assists in identifying discriminatory lending patterns and assisting in statutory regulatory bodies ensuring compliance to acceptable standards (Government Gazette, 2000:4).

5.5.5 National Housing Code 2009

The National Housing Code is a requirement by section 4 of the Housing Act of 1997 to fulfill and set a national housing policy and provide procedural guidelines for policy implementation presented by the Minister of Housing (Tissington, 72: 2011). The structure of the code is divided into 4 themes, which are financial interventions, incremental interventions, social and rental interventions and rural interventions. The main aim of the housing code is to simplify the implementation of housing projects by giving clear guidelines. The 3 core housing programmes fulfilled through the housing code are designed to develop sustainable human settlements. The programmes are Integrated Residential Development Programme (IRDP), Upgrading of Informal Settlement Programme (UISP), Social and Rental Housing Programme (Department of Human Settlements, 2010).

“The Government of the Republic of South Africa is party to the United Nations Millennium Development Goals, which will provide for the significant improvements in the lives of at least 100 million slum dwellers by 2020” National Housing Code (2009:8). Informal settlement eradication is one of the focuses of the National Department of Human Settlements to provide better living standards for the poor. Upgrading the Human Settlements Programme is one of the strategies in place to deliver improved life to all informal settlement dwellers in South Africa. The programme referred to as

the situ upgrading of informal settlements, is an arm in the upgrading of informal settlements that is given to the municipalities to carry out. Grants are given to municipalities to undertake upgrading of informal settlements in their judiciary. The grant given to municipalities is also offered to them for provision of security of tenure, basic municipal services, social and economic amenities and the empowerment of residents in informal settlements to take control of housing development directly applicable to them, (National Housing Code, 2009:8).

5.5.6 Breaking New Ground of 2004

The shortcomings of the RDP and GEAR led the National Department of Human Settlements to devising an improved plan of action to meet the housing need for the annual housing backlog and demand of 200 000 units. Breaking New Grounds (BNG) is a 5-year plan for the delivery of sustainable human settlements (BNG Policy Document, 2004:3). The strategy required to redirect and enhance existing mechanisms to move more responsive and effective delivery. The new housing plan aims to promote the achievement of non-racial, integrated society through the development of sustainable human settlements and quality housing focusing on a more accelerated development, using provision of housing as a scheme for job creation and poverty alleviation, (BNG Policy Document, 2004:7). The focus of the new policy and its vision is to see faster growth and sustainability of the provision of housing. Property in South Africa is one of the wealth generating mechanisms, the BNG policy promotes access to property by beneficiaries for wealth creation as part of poverty alleviation and employment creation. The new plan envisages the expansion of the mandate of the Department to encompass the entire residential housing market to improve the formalization of housing property markets.

The number of households living in shacks in informal settlements and backyards increased from 1.45 million in 1996 to 1.84 million in 2001, an increase of 26% (BNG Policy Document, 2004:4). The subsidy scheme under the housing code is one of the widely known strategies indicated in the code, these subsidy applicants have to be South Africans earning less than R3 500 per month and whom are over the age of 21 years (Marias and Venter, 2010:252). The department of Human Settlements has analyzed a broad composition of indicators of poverty in the South African context from which it understood the poverty line in to be found within the income group of potential subsidy beneficiaries, these groups need government interventions in their housing provisions.

“Poverty manifests itself in different ways. In Towards a 10-year Review, poverty is understood to involve three critical dimensions: income, human capital (services and opportunity) and assets” BNG Policy Document (2004:11).

5.5.7 Housing Development Agency Act 2008

The main objectives of the agency are to identify developable land, acquire, project manage housing developments and to ensure monitoring, release state owned land, communal and private land for development of sustainable human settlements (HDA, 2008:9). The objectives of the HDA will ensure access to well-located land pivotal in supporting the current urbanization and urban growth and development requirements in South Africa (Ovens, 2013:27). The HDA promotes sustainable communities by allocating well located land for development of housing projects. The availability of land and building for sustainable human settlements helps to develop a new urban setting for South African cities, of a compact city, lack of segregation and (Witbooi, 2015:32). Upon the acquisition of land from state, communal and private proprietors, the HDA develops plans and declares housing projects as priorities in IDP and SDFs. This forces the municipalities to respond to housing developments by providing detailed housing land in suitable areas.

5.5.8 Social Housing Act 16 of 2008

Under the Social Housing Act there is an institutional subsidy or capital from the municipality or provincial government allocated for approved housing programmes (Government Gazette, 2012:2). The Act operates through social housing programmes where social housing institutions in urban areas give security of tenure to individuals in need of affordable rental units. The Social Housing Programme therefore applies only to “restructuring zones” which are identified by municipalities as areas of economic opportunity and where urban renewal or restructuring impacts can best be achieved (Department of Human Settlements, 2010:10). The urban renewal zones are the areas where some groups were prohibited from by apartheid laws, therefore, the restructuring is a comprehensive plan to address the inequalities of the past.

The social housing context has three dimensions which are social- integrating different income and racial groups, the economic- closer to opportunities of work and economic revitalizing chances, and lastly there is spatial- is reversing the apartheid city model (HDA Report, 2013:10). The Social Housing Act is able to deliver urban renewal and

social equity in cities which bridge the gaps of poverty and spatial segregation in South Africa. The inter alia benefits of social housing includes: middle income, emerging middle class, working class and the poor (Odia, 2012:4). The Social Housing sector has created room in the housing market for the income groups that could not afford private property markets and those who do not qualify to benefit from RDP housing programmes. The efficiency and affordability of social housing in urban areas has made social housing institutions responsive to housing needs (Odia, 2012:4).

From the Social Housing Act, it is understandable that their subsidies from government to social housing associations benefit the working class who cannot benefit from other housing programmes. The social housing associations are privately run where sustainability is maintained by surplus generated to create more housing. The disregarded fact is that more groups in South Africa earn less than the said R3 500 because of unemployment rate which were 24% in 2012 (Statistics South Africa, 2014:16) and more land is still in the hands of the white especially in East London. The high unemployment rates lead to poverty, the number of people living in poverty in East London in 2010 were 375 000 (Development Indicators, 2012:17).

5.6 The impact of land reform on urban housing.

After more than 300 years of dispossession of native land by British and Dutch through colonial defeat, and through the 1913 Native Land Act, land reform and distribution in South Africa became essential. The end of the apartheid regime forced Africans to be confined to just 13% of the land designated to them as native reserves while the white farmers owned 82 million hectares of commercial land (Lahiff, 2000:1). In the 1950s, the ANC's draft Freedom Charter, at the time decolonization was the main agenda, ANC promised that land should be shared among all those who work in it (Ntsebeza and Hall, 2007:109). At the dawn of democracy in South Africa, the emergency of land redistribution became less important than the infrastructural projects of the RDP.

With a then newfound economy, government funds to shape the proposed developments were inadequate and thereby opening gaps for multinational corporations to influence the decisions of the newly elected government. In South Africa the dispossession of land has played and still plays a pivotal role in impoverishing black South African (Modise and Mtshiselwa, 2013:1). The dismantled legacy of socio-economic injustices inherited from the Natives Land Act of 1913 can be attributed to the retraction

of the ANC to its vows. The ANC did not maintain its promises to the people because of the influence of the IMF and World Bank which South Africa had joined and borrowed from in 1944. In 1992 an agreement of a structural adjustment programme was made towards the progressive democracy, the membership of South Africa in the IMF meant that the IMF's team would have annual surveillance visits with the treasury and the Reserve Bank (Turok, 2008:176).

The reality is that the South African democratic government under the ANC was indebted and acquired more funds for RDP projects from international investors, the International community or Official Development Assistant (ODA) which were the main donors of RDP projects (Ewing and Guliwe, 2004:1). The underlying factor for receiving international financial support and attention for African countries is the persuasion many developing countries have had, which is to draw more fully to the global economy controlled mainly by the G 8, IMF, World Bank and WTO (Turok, 2009:235). The RDP objectives included providing all citizens with water, electricity, sanitation, jobs, housing, education, social protection, quality healthcare, clean environment, public transport as well as adequate nutrition (National Treasurer, 2013:1). Like the Asian Tigers, South Africa at the time of its independence needed what is known as the democratic developmental state for a modern economy in order to build radical socio-economic transformation (Maphunye, 2009:8). The developmental state mechanisms suitable for South Africa would be ones that match its level of development as opposed to propositions of the developed countries and the IMF.

Since South Africa's transition to democracy, the country has taken a market led approach to land reform as a more powerful tool of redistributing valuable land both in agrarian land and in residential urban land. The major economic beneficiaries of the land market system and those who continue to be in control of tracks of South African land are mostly farmers (Ntsebeza and Ruth, 2007:108). The residential markets are formal and run by private entities that operate legally and underpinned by the concept of 'willing buyer, willing seller' (Lahiff, 2007:9). The market led approach was a viable alternative due to the economic inefficiencies and fiscal disadvantages of a supply-driven approach, as the beneficiaries do not participate in the payment of land and other support services, (Dlamini, 2008:27). Urban land is a limited resource that people plan, develop and use to shape local urban economies and societies, under given ecological, economic and political circumstances. Statutory spatial plans and land-use policies are

ways in which municipalities and other governmental departments can influence the development of urban spaces, (Hendler et al, 2013:15). This suggests that the municipalities are in charge of ensuring economic success which the poor are barely part of since they have less earnings.

“The condition of landlessness threatens the enjoyment of a number of fundamental human rights. Access to land is important for development and poverty reduction, but also often necessary for access to numerous economic, social and cultural rights, and as a gateway for many civil and political rights”, Wickeri and Kalhal (2011:1). The depth of landlessness and its effects on the ability to transform the lives of urban dwellers and its limitations to achieving many of the development goals especially if women get the equal rights to land as men is beyond theories. According to the constitution of South Africa land is a human right that ensures equality in a social and economically divided South Africa since 1994 which led to the transformation charter that includes the Reconstruction and Development Programme in the South African National Congress manifesto, (Visser, 2004:6).

Although the urban land markets function outside the government, government through policy and law that are responsible for legal frameworks that govern the formal land markets, (Urban Landmark, 2011:12), directly affects it. Even the Urban Development Strategy (UDS) points out differences in settlements of urban areas where there are well maintained low density areas which are dominantly white neighbourhoods, low income neighbourhoods comprising of townships and informal settlements, (Dlamini, 2008:23). The government influences the operation of urban land markets as some land administrators issue land titles to private land owners and those who purchase land use rights.

During Mandela’s presidential administration, Land Redistribution aimed to provide the poor with land for residential and economic productive purposes (Adams, 2000:3). The provision of land to the poor was important for the empowerment of people especially the native since they were poor victims of land dispossession. The Constitution of South Africa provides that persons or communities who were dispossessed of property after 19 June 1913 as a result of past racially discriminatory laws or practices are entitled in terms of an Act of legislature to restore property or to equitable redress (Rugege, 2004:4).

The shift to market approaches of land distribution infringed the human right of the poor because Kotaka and Callies (2002:1) argue that “the free market does not always – some would say often result in a logical and equitable distribution of land uses and attendant public facilities necessary to serve the use of land” cited in (Luthango, 2009:4). This view is based in the understanding that landholders or the land markets do not redistribute land, but are merely means for land speculators to make earnings while the poor do not have land nor do they afford to buy the value of property and land in residential urban land markets. This is because speculation affects the supply of land by withholding land from the market and therefore drives to high prices of land, making it almost impossible for the urban poor to access well-located land. The free market system implies that the government now selling land to citizens in South Africa although the constitutional land.

The National African Congress, the ruling democratic party has committed its government to eradicate the inequalities of the past through a comprehensive land reform programme consisting of three pillars restitution, land redistribution and tenure security (Kloppers and Pienaar, 2014:677). In South Africa, Chapter 2, Section 25 of the Constitution holds that property might be expropriated ‘for a public purpose or in the public interest’, and land reform and equitable access to natural resources are issues of public interest. The Spatial Planning and Land Use Management Act (SPLUMA) (No. 16 of 2013) also aims to promote ‘spatial justice’, social and economic inclusion, and a more equitable distribution of land, by ensuring ‘more access to and use of land’ for those previously denied these rights. For some academics, the Constitution’s property clause entrenches individual property rights and has stifled land reform progress in South Africa (Ntsebeza, 2007).

However, others argue that activists have paid too much attention to Section 25(1) and, in so doing, have failed to recognize the progressive parts of the property clause and its potential for bringing about social change and transformation (Achmat, 2014). In several cases, South African courts have upheld the progressive intention of the Constitution, and so ‘land and property injustice can be remedied lawfully should government use existing laws to ensure decent housing and integrated cities’ (Achmat, 2014: 28). Achmat seems optimistic that the Constitution and laws like SPLUMA can enable municipalities to direct the use of land in more socially just and equitable ways. However, the question remains whether the Constitution and SPLUMA are explicit enough in

defining the social function of land, or are there other legal instruments needed that would give municipalities' clear guidance.

Higher density, mixed-use, mixed-income, in-fill development in South African cities are very inefficient, characterized by low density urban sprawl, created by apartheid spatial planning and perpetuated post-1994 by large subsidy housing developments on the urban periphery where land prices tend to be lower. The impact of low-density urban sprawl has been well-documented, including: transport costs and provision of infrastructure in outlying areas (Yusuf and Allopi, 2004:520).

The Financial and Fiscal Commission (FFC, 2012/2013) argues that low-density urban sprawl costs R6.4-billion annually in 6 metros. The difference between a city characterized by urban sprawl and a compact city amounts to use of 1.4% of gross domestic product in infrastructure. More efficient use of land and other resources is critical for creating economical, social and environmental sustainable cities. To improve use of limited urban land and to address low-density, land infill development is important because it encourages construction of higher density units on well-located, vacant or under-utilised parcels of land in the city, (Mtantato, 2011). Some of the benefits associated with infill development compared to low-density development on the urban periphery include (McConnel and Wiley, 2010; Turok, 2011; WCDEAT, 2009a):

- More efficient use of land.
- Addressing crime and grime sometimes associated with vacant parcels of land.
- Economies of infrastructure, through better use of existing infrastructure and services Lower transport costs.
- Lowering of carbon emissions and air pollution associated with motor vehicle dependency.
- Greater integration and social interaction.
- Regeneration and redevelopment of older buildings into new higher density development, which can create job opportunities.

The official neo-liberal status that South Africa is run with, the commodification of services suggests the need for transformational leadership. "Transforming leadership

has an elevating effect both on the leader and the led because it raises the level of human conduct and interaction” Ledlow and Coppola (1978: 83).

5.7 Land and low-income housing challenges.

The various avenues in which low-income groups can access land for housing legally are through delivery of housing since the two are inseparable. The means to land for the poor in South Africa are housing developments such as RDP houses, high-rise housing and social housing. Population is the overriding challenge for provision of land and housing for the low-income groups in South Africa. Low-income groups account for most of the population in South Africa, which indicates that most rely upon government subsidies than those that can provide their own housing needs. According to the Department of Human Settlements (DHS), about 70% of South African-households do not have access to housing credit through the formal banking sector (Le Roux 2011:15). The poor in South African cities live below poverty, above 7% of blacks live in informal settlements with an additional 10% that experiences regular water and electricity cut offs due to lack of affordability (Sabela, 2014:70). This leaves South Africans with two groups, “first are able to access additional financial resources for housing above the subsidy by means of employment and secondly those are “unable to participate in housing finance markets and are therefore completely dependent on the government subsidy” Le Roux (2011:23).

There is rapid rural-urban migration of the of the poor concentrated in informal settlements located in urban peripheries beyond the reach of infrastructure services and health care facilities (Sabela, 2014:70). This suggests that the poor are displaced in the city because they occupy spaces that are not easy to reach and develop. Adebayo (2011:12) argues that the poor will remain dependent on the government for many reasons, for instance, if they save money to buy their own land, their names appear on the data base as home owners which disqualifies them for subsidies.

Another challenge is that there are many steps in acquisition and disposal of land for affordable housing, the time taken in the processes is very long and it is essential to follow these steps because they are legislative procedures (Thellane, 2008:77). Lastly another housing problem is the declaration by the Housing White Paper (HWP) of 1994 with a view that housing provision should be provided mainly in macro-economic terms, and as ultimately dependent upon growth of real per capita incomes and savings

(Le Roux, 2011:23). The HWP has through interventions such as social housing, institutional subsidies promoted a market orientated housing delivery system that requires certain incomes, and savings from housing applicants, this system has proven not to be viable in South Africa.

5.8 The impact of government intervention on urban land and housing delivery.

It is in the power of government to change certain clauses of the constitution with regards to land. The constitution is the highest of all judiciary, should the land issues be amended on it for the benefit and dignity of the poor, South Africa would be different in terms reducing socio-economic inequalities and eradication of informal settlements. The impact of government interventions in supply of land for housing and delivery in South Africa is mainly through policy intervention. The issuing of affordable and well-located land for the poor can also be challenged by implementation of policies enforcing expropriation of vacant land, compulsory acquisition of land in municipalities and nationalization of portions of land (Thellane, 2008:25) within municipalities to bridge inequalities.

The urban planning system should locate the poor people closer to their jobs for better participation in markets, better lifestyles and an equitable society (Napier and Ntombela, 2012:6). The idea of isolating the poor in urban peripheries does not help the risks incurred by the municipalities in the damage control of drawbacks caused by informal settlements on the environment and vice versa. A better planning of all human settlements including low-incomes ensures sustainable human settlements and addresses issues of poor integration of human settlements. The Public-Private Partnership (PPP) through social housing government intervention in housing delivery is problematic in the interests of the poor to acquire land because of affordability. If the poor living in South Africa afforded the social housing rental fees, then the problem in South Africa would be more demand for subsidized rental housing than the status quo.

5.9.1 Residential land and housing acquisition and financing procedures.

In South Africa, land and housing acquisition procedures depend immensely on financing institutions such as banks and investment and credit providers because of the high value of land. To acquire land and housing, housing financing institutions are tools and mortgages are instruments (Rust, 2011:6) paid over long periods agreed by borrowers and providers. There are various options of acquiring and financing land and housing

in South Africa. Low-income groups depend on government provisions in order to access land for housing while middle and high-income groups rely on subsidies, self-acquisition, and funding for their land for housing and housing.

There are set backs in government-funded housing both for low cost and for subsidy housing, the main cause for these setbacks is the insufficiency of the funds, poor coordination, affordability of housing (Le Roux, 2011:24). Funding for low cost housing is entirely provided by government. The middle income groups in subsidy housing pays a sum of the value of property and the government pays the balance, the Home loan and disclosure Act of 2000 ensures fair lending by financial institutions (Government Gazette, 2000:4) since there are different categories of income within the middle income group.

5.9.2 Effects of high income land markets to low income land access

The effect of high-income residential land markets to low-income land access is visible in many urban areas in South African cities. The value of location and in land size is the main distinction between low, middle and high-income land. In East London, like many other cities, urban land well located land is privately owned, suburban and high in value while townships are located further away from city centers and other amenities. The main factors to developments of low cost housing or townships away from the city is the history of racial segregation and the unaffordability land by municipalities in well-located areas. There are socio-economic status and history of South Africa marks land markets as irrelevant agents for poor citizens due to income inequalities. Wage inequality is deeply rooted in South African history and plays a pivotal role in the economy.

Patterns of human capital development are fundamental to the future growth path and thereby to poverty and inequality (Van Der Berg, 2010:3). The patterns of human capital development were not prioritized in the making of the new government and economy in South Africa, therefore, the economy is continuously affected by history. The high value of land, motivated by privatization through neoliberal policies has promoted developments of high-income land and housing markets, which are afforded by least of the citizens in the Buffalo City. Land markets operate in a willing buyer willing seller principle (Lahiff, 2007:1579) which does not consider affordability by the poor. The poor citizens are affected by private land markets; they are displaced in and forced to

urban peripheries where they spend most of their incomes in transportation. (Siphunga and Nleya, 2016:3) argue that the housing markets are dysfunctional and displacing the poor in the process because they sought developments that meet the need of the middle-income groups through social housing institutions.

5.10 Chapter Summary

This chapter focused on clarifying the status quo of land and housing before and after the apartheid in South Africa. It also drew on challenges that lead to failures in the policy framework. This chapter has also discussed the effects of urban land markets in urban areas and its effect on the poor. It is clear that although land reform and other government interventions implemented to improve the land and housing provisions of the poor, there is more to be done in acquiring more land in well-located areas in urban areas.

CHAPTER SIX

DATA PRESENTATION AND ANALYSIS.

6.1 Introduction

This chapter focuses on the presentation and analysis of data collected from the study area. The chapter also presents findings from the research to elucidate recommendations and conclusions, to aid devising mechanisms to resolve main and subsidiary questions raised in the research. To achieve this objective, the chapter is divided into three phases. The first section presents data obtained from the low-income residents at Nompumelelo, followed by the next section that covers data gathered from the residents of Beacon Bay. It concludes with last section presenting data collected from the various elite interviewees relevant to the research.

This research investigates income groups that afford the market value of land in Beacon Bay, East London, a mixed methodology was adopted to analyse data by coding and categorization, comparative and computer assisted qualitative thematic data analysis methods. Statistical methods from the coding were synthesized to yield modes and totals presented in percentages of statistics to affirm population densities. Coding and categorization in this research were used for capturing and analysing data in simplistic approach, since the data included qualitative perspectives. Data presentations in this research were made suitable for both qualitative and quantitative methods, which were executed using visual graphs, tables, and narrative analysis for discrete data.

6.2 Background

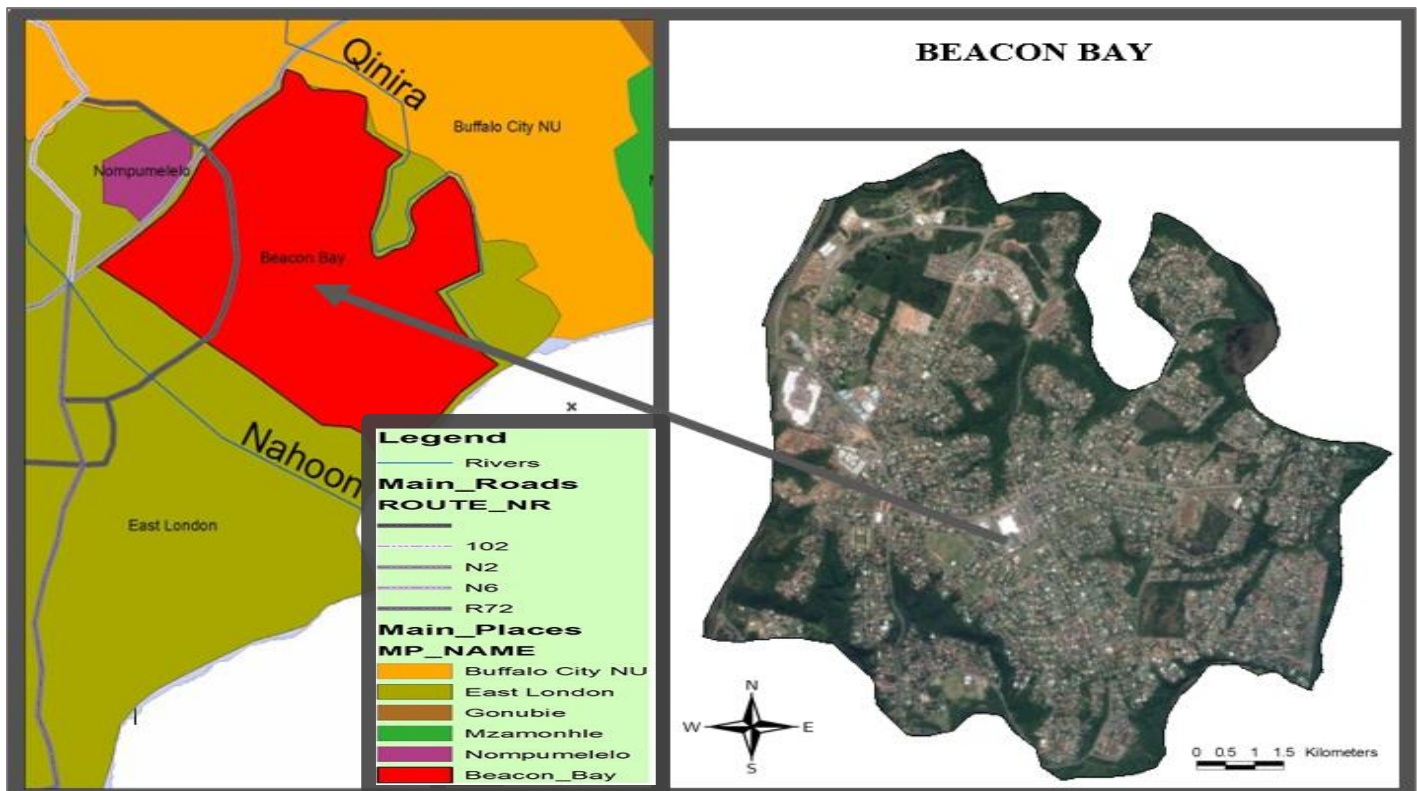
This research was carried out in Beacon Bay and Nompumelelo Township under the Buffalo City Metro Municipality, the national road N2 separates the two residential areas. There are obvious distinctions between the two areas visible in their planning, developments and income groups. Beacon Bay is one on the suburbs in East London described as 'a town with a clear legacy of enforced racial separation (Mylam 1995:23). Beacon Bay is a distinguished high-income neighbourhood associated with segregation and apartheid planning dominated by a white population although there is a currently a considerable growth of the black elite in the area, (Buku, 2014:130). Beacon Bay is also associated with high class or affluent people since the democratic government of 1994. On the other hand, Nompumelelo is a low-income community characterized by high

poverty levels, unemployment and crime amongst other socio-economic challenges. Residents in the informal settlement in Nompumelelo lack land and the proposed private residential developments in the neighbouring Quinera are not meant to meet their housing needs.

6.2.1 Location of Beacon Bay

Map 1 below shows the area of Beacon Bay that extends to 78 392 km² in size. The area is developing rapidly as land developers have targeted it because of its convenience in terms of location and the beauty of its scenery. The beauty of Beacon Bay is added by the two buffering rivers, flowing eastwards is the Nahoon River (Nxarhuni) and on the west lowlands lies the Gunubie River, both flowing into estuaries which are tributaries of the Indian Ocean. Unlike Nompumelelo with limited land mass, Beacon Bay have abundance of land with bigger erfs or plot sizes.

Map 1: Location map of Beacon Bay, a suburb in East London

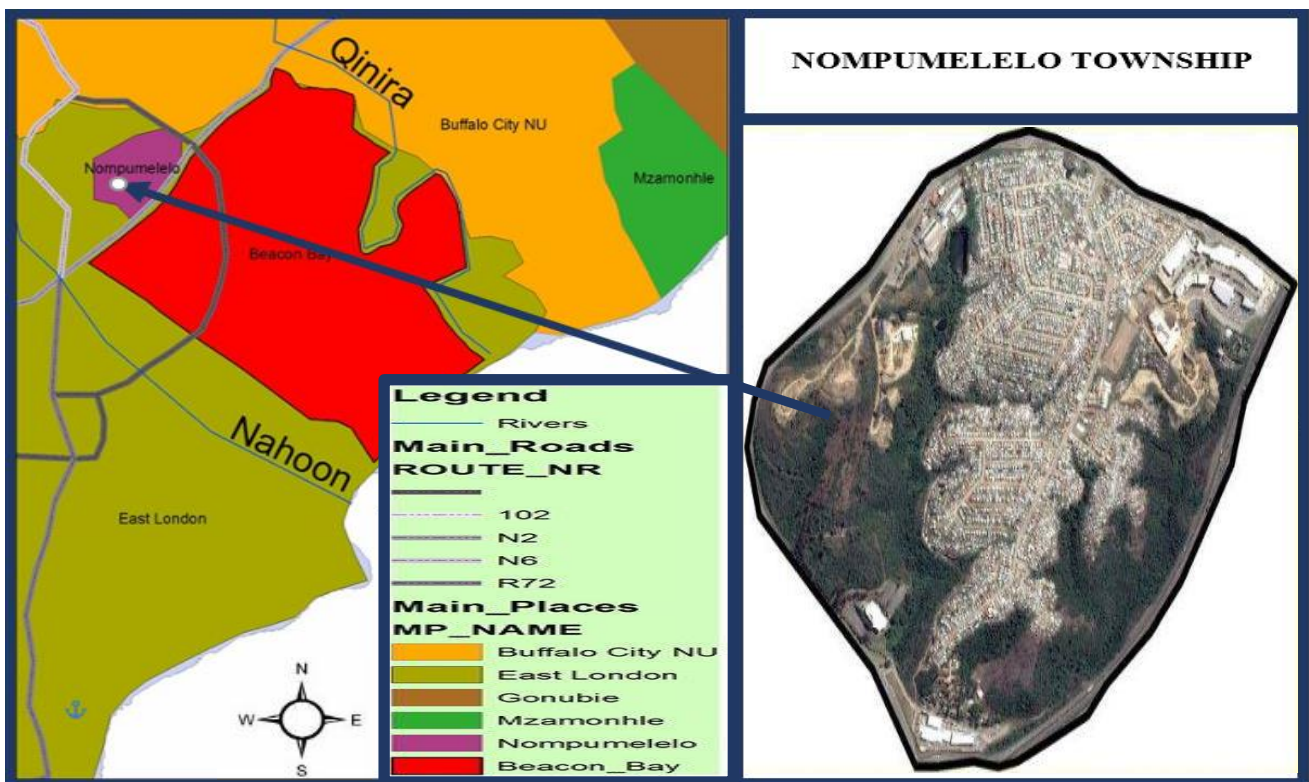


Source: Author 2016

6.2.2 Location of Nompumelelo Township near Beacon Bay.

Map 2 indicates how Nompumelelo and Beacon Bay are spatially close to each other only separated by the national road (N2) which forms a strong edge. The two residential areas have a distance of 1,774 meters apart thus making the distance almost two kilometres away. What separates them further besides the physical elements are the differences in the social groups found in the areas. As indicated already, residents in Beacon Bay have a different world of privileges than those in Nompumelelo, which is characterised by features of poverty. Among the privileges visible on map 2 is the abundance of land in Beacon Bay while Nompumelelo is less than a quarter of its total land area. The total land area of Nompumelelo is 32 921 km².

Map 2: Location map of Nompumelelo Township, East London



Source: Author 2016

Map 2 on page 76 further shows the township of Nompumelelo. Along the edges of the township, is an informal settlement established on the valleys of the undevelopable steep slopes reserved as a forest. Nompumelelo has grown in population due to the development of the informal settlement, and the residents presumed that the township

would develop further. However, the BCMM sees no chances of extending this township in terms of developmental initiatives for more houses since different private holders own land in the neighbouring area. Some of the landholders and beneficiaries of the land near Nompumelelo are the SKG group, who are owners of the four-star hotel under construction. The hotel is located next to Nompumelelo. Although the hotel is envisaged to create employment opportunities for residents of Nompumelelo, it cannot be denied that the poor in this area have no more land for further development for low cost houses in the township. Furthermore, the BCMMs SDF shows that more economic growth prospects in the city are projected to follow the existing trend of urbanization along the Bacon Bay corridor. The urbanization includes creating a growth point in Beacon Bay with big businesses; some of these major developments have been developed already, automobile trading and up market new blocks of residential buildings, office parks and more retail is already underway.

Figure 2: View of the finished Beacon Bay crossing Hotel near Nompumelelo Township

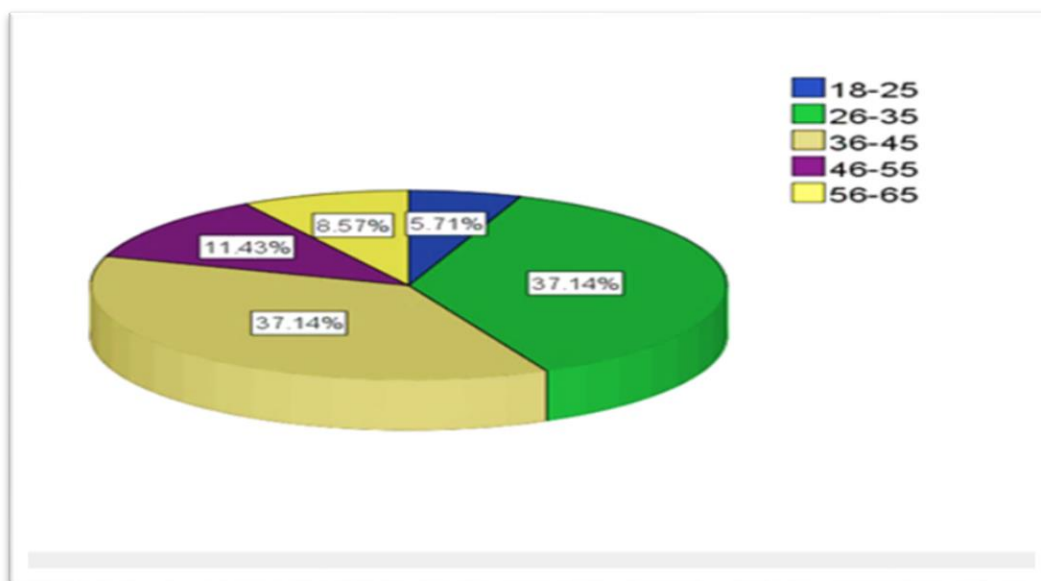


Source: Google Images, Accessed 2016

Figure 2 on page 77 depicts the development harbouring; four-star hotel, movie theatres, upmarket retail, and fresh food super markets. The vast developments in Beacon Bay as showed above indicates how development of the area is made to fit well within existing neighbouring spatial vitalities. The BCMM planning shows no integration of

income groups in Beacon Bay as no land is reserved for development of social housing or low cost housing. This suggests that Beacon Bay does not accommodate gap housing market since the municipality has failed to acquire land to provide for such typologies for a mixed housing system in Beacon Bay. The limitations of land in the township and magnitude of land owned privately is the product of the current urban land markets where recognition is given to a “willing buyer and a willing seller.” In Beacon Bay and Nompumelelo the concept of “willing buyer and a willing seller is a reality since those who are not able to procure land have been dependent on the system of the Department of Human Settlement to access land, while the groups able and willing to buy land have power to own as much as they wish. The owners of land in Beacon Bay practice land speculation through which they accumulate profits through either purchases or continuous leasing of their properties.

Figure 3: Age groups of residents in Nompumelelo in percentages.



Source: Author, 2015

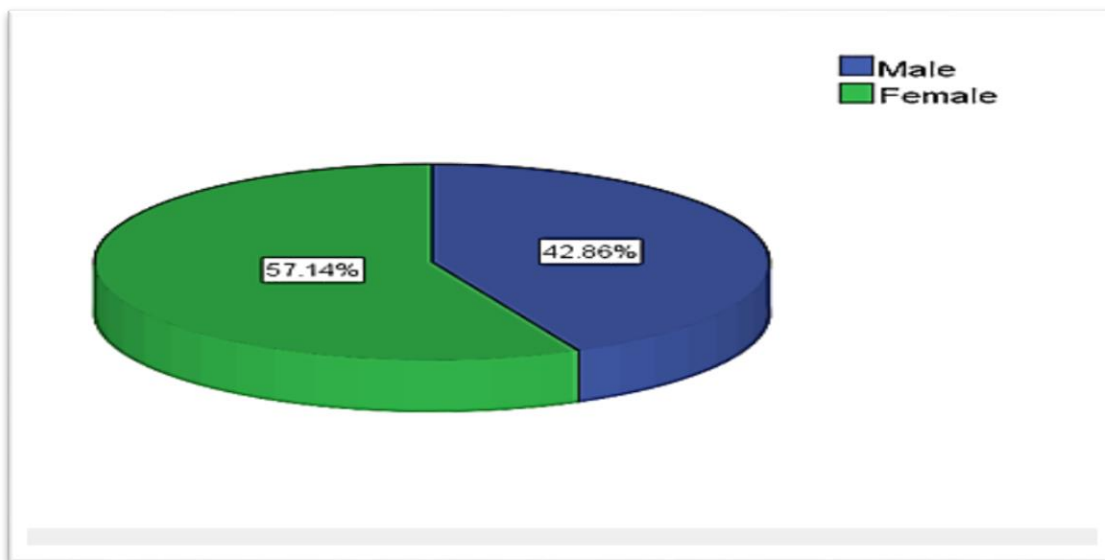
6.3.1 Age distribution in study area- Nompumelelo

The sample used in the research, was employed to analyse the social economic related information about the residents in the study area. *Figure 3* on page 79 above is an analysis of the age groups, which participated in the study taken in Nompumelelo Township in East London. As illustrated, only 5.71% of the population are young people at the ages between 18 and 25. The major age groups in Nompumelelo are the ages between

26 -35 and 36-45 years, the findings show a higher number of young to middle aged population group living in the study area.

The pattern of age groupings found in Nompumelelo suggest that the area consist of a higher workforce or job seeking population, since majority of the population are not employed, the Nompumelelo precinct experience many socio-economic challenges such as crime, poverty and unemployment. Only 8,57% participants interviewed were within the retirement age in the study area, this being a finding which points out that, majority of the families stay in the township mainly because of access and proximity to job opportunities to near-by commercial centres and high income homes and not as a homestead of permanent abode. Intestinally, the entire group that participated in the study originates from different parts of Eastern Cape, which further confirms the assertion made above.

Figure 4: Gender of the participants of Nompumelelo Township.



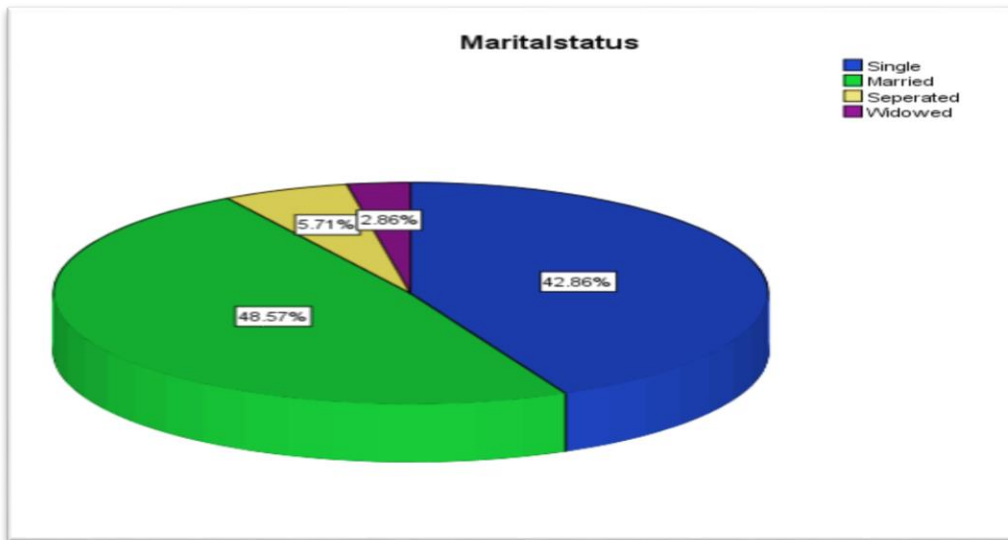
Source: Author, 2015

6.3.2 Gender imbalance in study area - Nompumelelo

It was established from findings that many participants were employed females than males. Generally, it was observed that most of the women in the study area were married and living in the area for easy access to work or independent single women working or seeking for employment opportunities in the area. The male participants also affirmed that they were living under conditions of high crime rates; illegal occupation

with poor amenities however affordable transport costs explains why they still live in the area. The findings verify imbalances in the gender population with records more women than men. *Figure 4* above shows a breakdown in percentage of men and women who participated in the interviews within Nompumelelo Township. 57.14% were female while male participants accounted for only 42.86%

Figure 5: Marital status of residents of Nompumelelo Township.

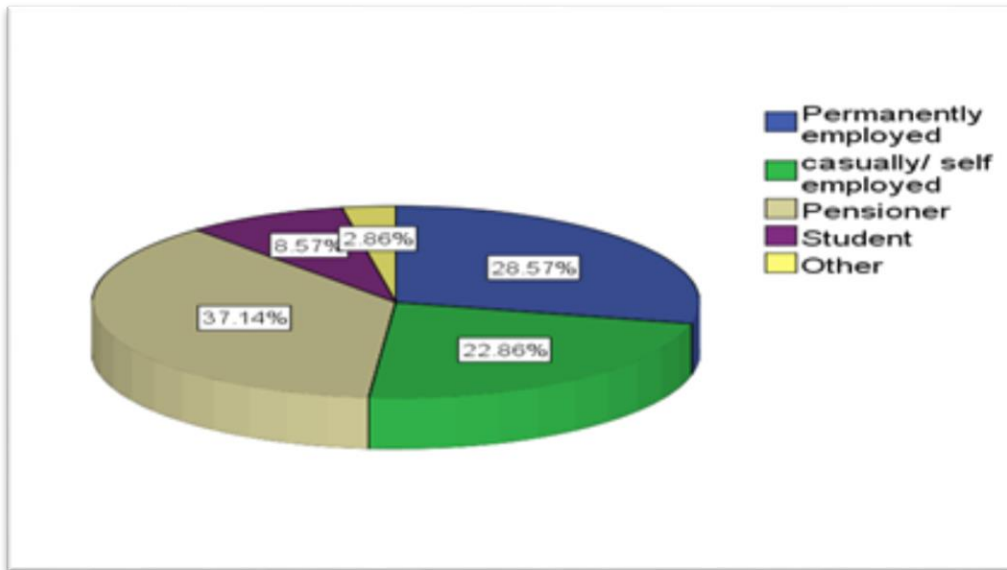


Source: Author, 2015

6.3.3 Marital status of residents of Nompumelelo Township

It was observed that most participants both men and women have relocated to the area to make a living to support their families. Almost half of the participants were married and more than 60% of the married residents have migrated from their original homes and spouses to seek greener pastures. There were also 42.86% of single residents who have participated in the study, however the widowed recorded consisted of 2.86% which was the smallest population in terms of the marital status of those who participated in the survey. The married participants recorded 48.57 %, while participants separated from their spouses were 5.71% of the total sample size. *Figure 5* above shows the marital status of residents of Nompumelelo Township. Though the findings point out that most participants in the study area are married and would require disposable incomes to sustained their families nonetheless, the economic profile of the residence indicates that households in this area are affected by poverty and low and unstable disposable incomes.

Figure 6: Employment levels in Nompumelelo.

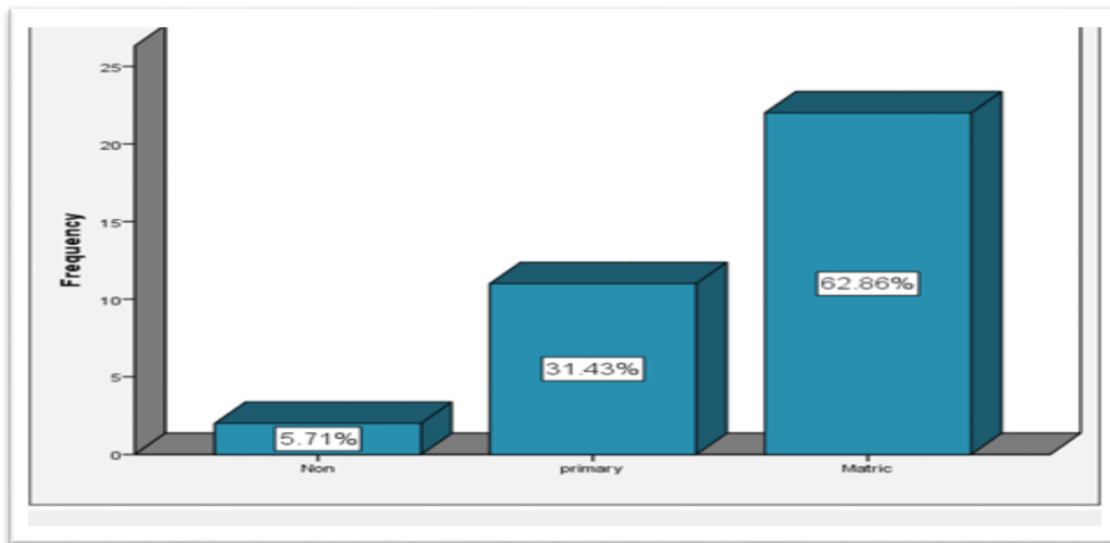


Source: Author, 2015

6.3.4 Employment levels in Nompumelelo Township.

The livelihood strategies in Nompumelelo vary from small tuck shops run from home to street vending, illegal selling of liqueur and drugs. Many homes depend on child support grants because of low levels of formal and informal employment. Lack of employment opportunities has generated illegal taverns in the area run by individuals to support their families. Only 28.57% of the participants are permanently employed, which accounts for less than half of the workforce. The casually employed group often loses their jobs anytime of the year and therefore has unstable incomes. Only 8.57% of the participants are pensioners while nearly 3% of the participants are self-employed in the form of property owners and shops in the community. The general employment levels in Nompumelelo are low and unsustainable. *Figure 6* above shows the employment levels in Nompumelelo, one of the causes of the high levels of unemployment in Nompumelelo is scarcity of skilled human resource meaning that most of the residence are unemployable.

Figure 7: Education levels amongst residents in Nompumelelo Township.

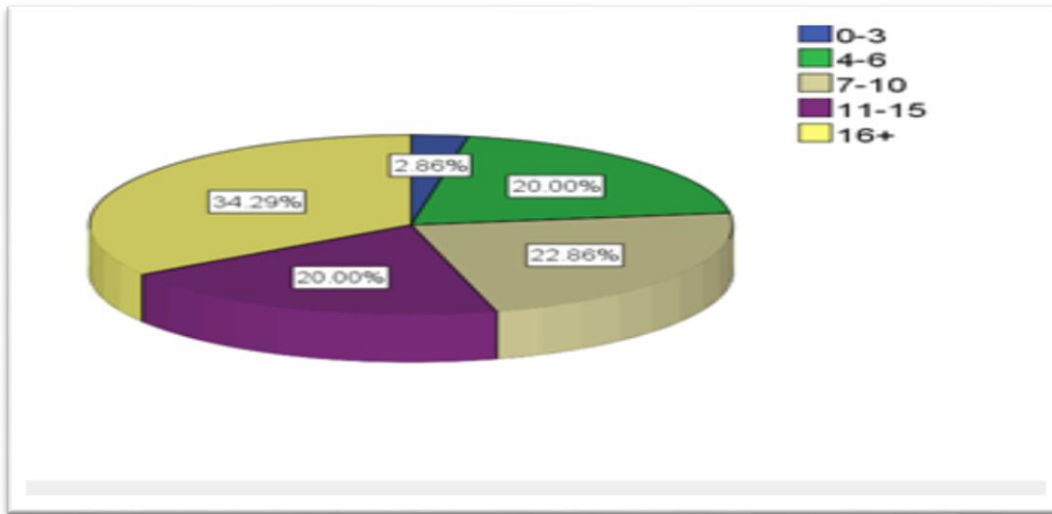


Source: Author, 2015

6.3.5 The educational level in Nompumelelo Township

The educational level of the community members are matric drop outs without the requisite skill to compete for the limited job opportunities. More than 60 % of the participants have been to high school and acquired matric and 31.43% has only been to primary school while 5.71% do not have any form of educational qualification . The income levels among the participants are low because of the inability of parents to afford better education for their children, for instance the high school in the area has been closed down hence children whose parents cannot afford transport to other schools have difficulties with transportation to school.

Figure 8: Period of residence in years' for people of Nompumelelo Township.



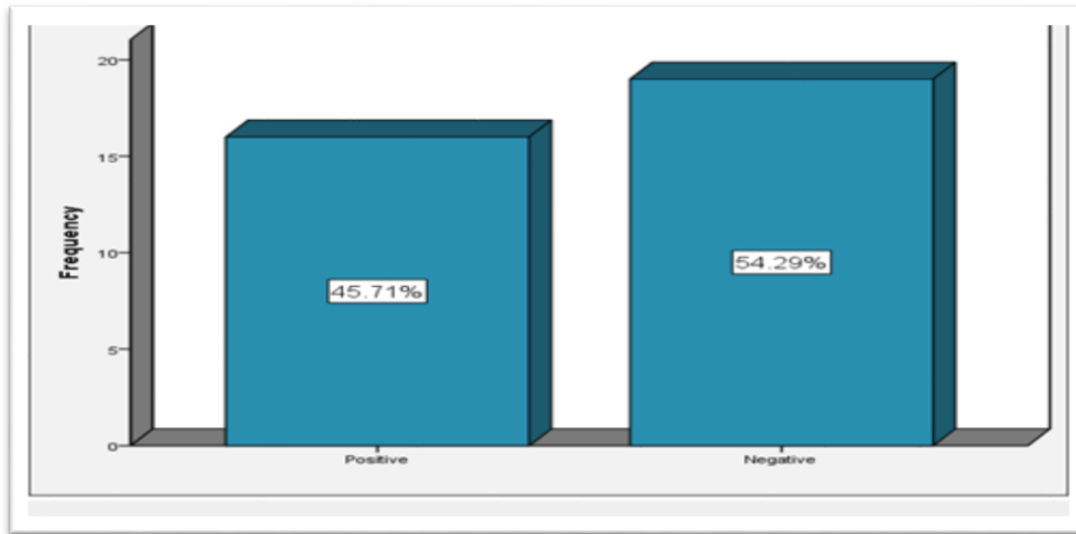
Source: Author, 2015

6.3.6 Participants years of residence in Nompumelelo Township

Despite many years of residence in Nompumelelo, the participants in the study area still suffer poor amenities and infrastructure services. Most of the participants confirmed that they have stayed more than 16 years in the area, this group made up 34.29 % of the total population. Most of the members of the community who have been in the township for a longer period were the first permanent residents to receive RDP houses through the Department of Human Settlements. Some of the residents that settled in the informal settlement of Nompumelelo have also stayed in the township for more than 16 years. *Figure 8* above shows the number of years' residents have been staying in Nompumelelo Township.

Most of the residents are about 20% has also stayed in the area for more than 10 years. 22% of the participants also indicated that they have been in the township for between 7 to 10 years while another 20% of the participants have been in Nompumelelo for 4 to 6 years. The residents that have stayed in Nompumelelo for 3 years and less are fewer among the participants, they amounted to only 2.86% of the whole participants in the study area.

Figure 9: Housing applications of residents from Nompumelelo Township

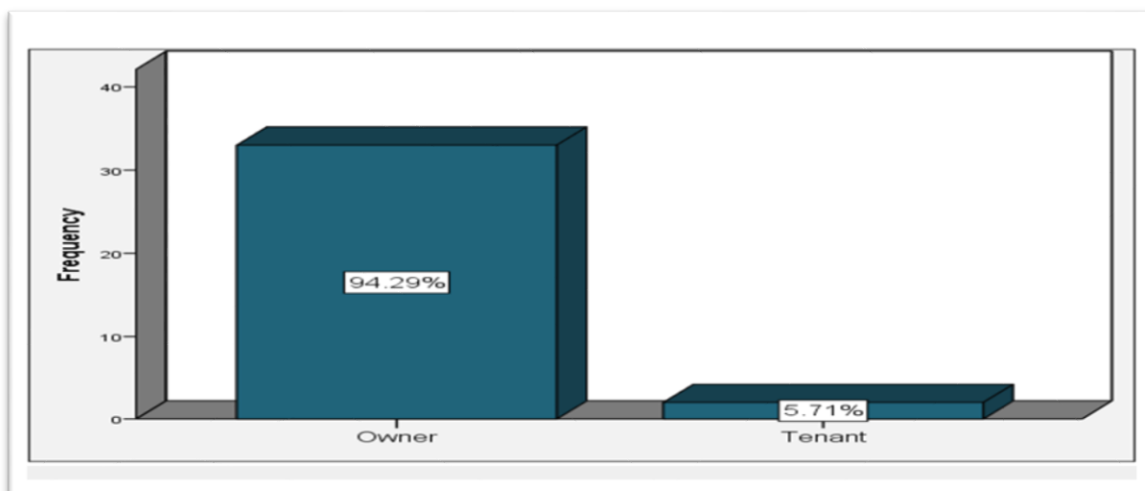


Source: Author, 2015

6.3.7 Results on housing applications by residents from Nompumelelo Township.

For many years, residents have been applying for housing since the first housing development in the township. The housing applications made by many residents over the years were unsuccessful, with an exception of the first residents in the area. As illustrated in *figure 9* above shows that only 45, 71% participants had positive responses after they had stayed in the settlement for a few years. Many people have hoped for more housing developments thereby putting their applications but there were no responses. Majority of the participants accounting for 54.29 had negative responses on their housing applications.

Figure 10: Land rights of the participant

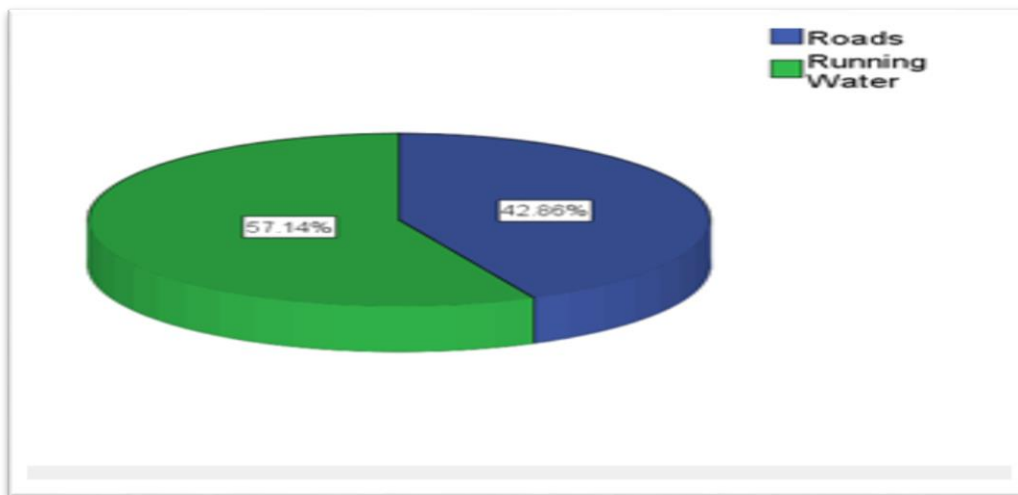


Source: Author, 2015

6.3.8 Land rights in Nompumelelo Township.

Many residents in the informal settlement near Nompumelelo own shacks on land which they have invaded. This means they do not have land use rights in this undevelopable. As shown in *figure 10* on page 85 most residents own their homes (shacks) in Nompumelelo and the informal area near the township. Even though many residents stay in properties (shacks) they own, the structures are temporal. This suggests that the only residents that have surety of land and property rights and ownership in Nompumelelo are residents in formal structures. There were also two residents out of thirty five who are renting property, these were foreigners. The foreign residents felt safer in the township after a few years of residence.

Figure 11: Infrastructure services available in Nompumelelo.



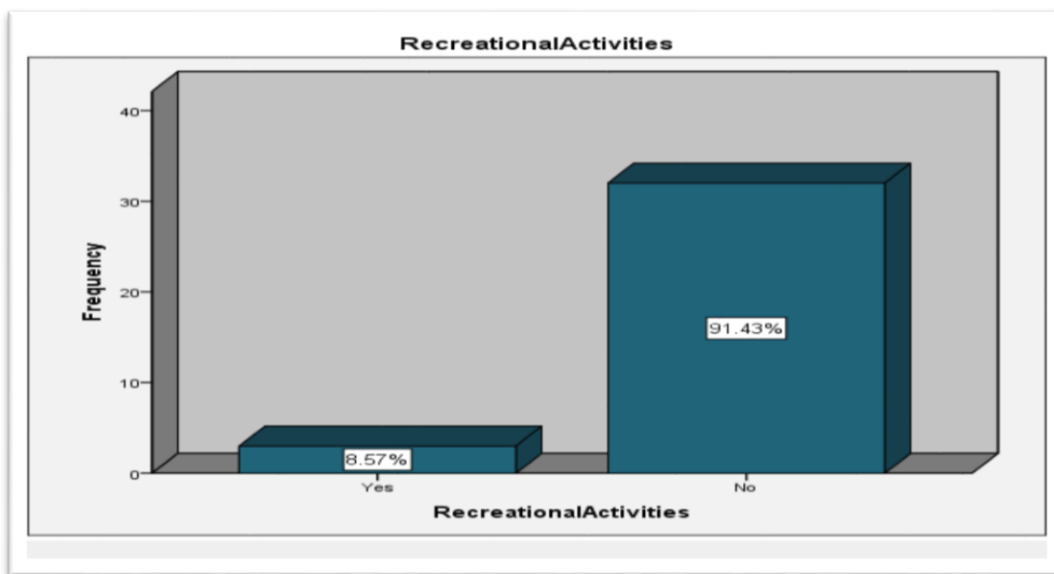
Source: Author, 2015

6.3.9 Infrastructural services delivery in Nompumelelo Township.

Even after the implementation of BNG policy, the informal settlement in Nompumelelo has only two basic infrastructural services delivered. The informal settlement upgrading programmes focus on basic services such as sustainable housing structures running water and sanitation, electricity, roads, and storm water pipes. During the survey 57.14% residents confirmed that they have access to running water while 42.86% indicated that their access to roads was better than access to water. In reality, the community of Nompumelelo generally has poor infrastructural service delivery especially in the informal settlements areas. The informal settlement in Nompumelelo has not been formalized by the municipality into the informal settlement upgrading programmes as

other informal settlements around the Buffalo City Metropolitan Municipality. The scarcest infrastructure services in the informal settlement near Nompumelelo are sanitation, power, storm water systems, and good road networks. Due to lack of electricity, the residents' of the informal settlement resort to making illegal connections to power lines closer to their shacks. The formal settlement of Nompumelelo also lacks storm water pipes. According to Town Planning Ordinance 15 of 1986, a township establishment should realize different engineering services that the community will need which are planned for before construction takes place.

Figure 12: Availability of recreational facilities in Nompumelelo.



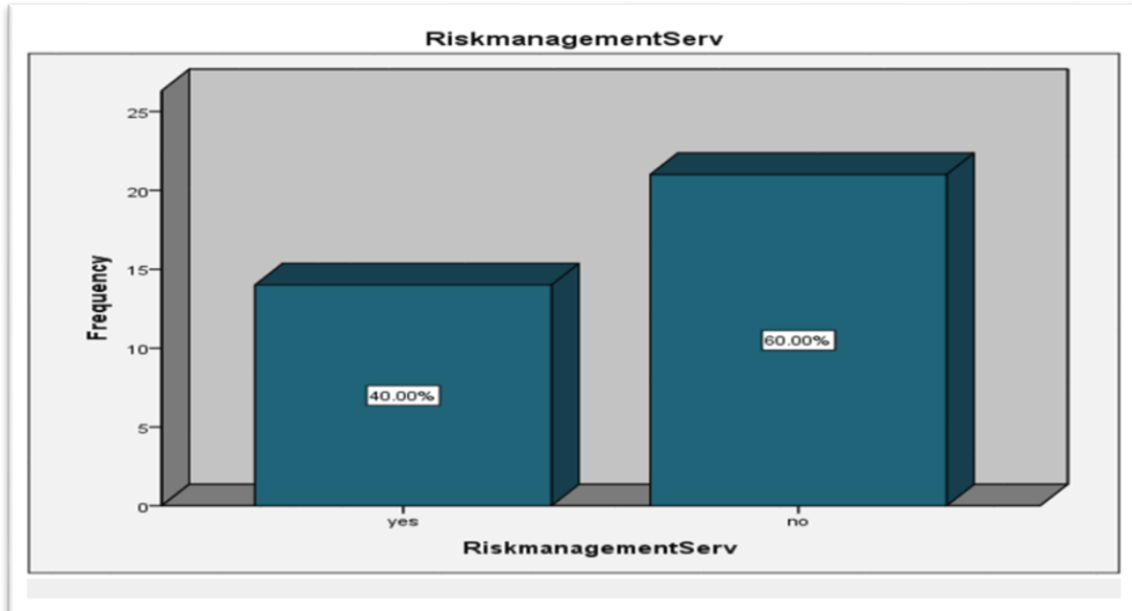
Source: Author, 2015

6.3.10 Availability of recreational activities in Nompumelelo.

Recreational facilities are some of the important aspects of planning and are crucial in township establishment stages. When town planners design communities, it is vital for the designs to include spaces for all activities especially for recreational purposes. In Nompumelelo, no land is practically reserved for development of recreational activities such as play lots, sports grounds or community centers. Due to lack of recreational facilities, unemployed youth in Nompumelelo has become victims of drugs and criminal activities. The residents explained that there are no community centers or recreational facilities that encourage youth to develop their talents in sport and community facilities where the youth are supported. The only community playground that existed about 10 years ago was occupied by temporal homes (shacks). The remaining 8.57 %

confirmed that the community has a recreational park, which they described as under-sized dusty sport field inside the only primary school of Nompumelelo.

Figure 13: Availability of risk managements and emergency services.



Source: Author, 2015

6.3.11 Risk Managements and Emergency Services.

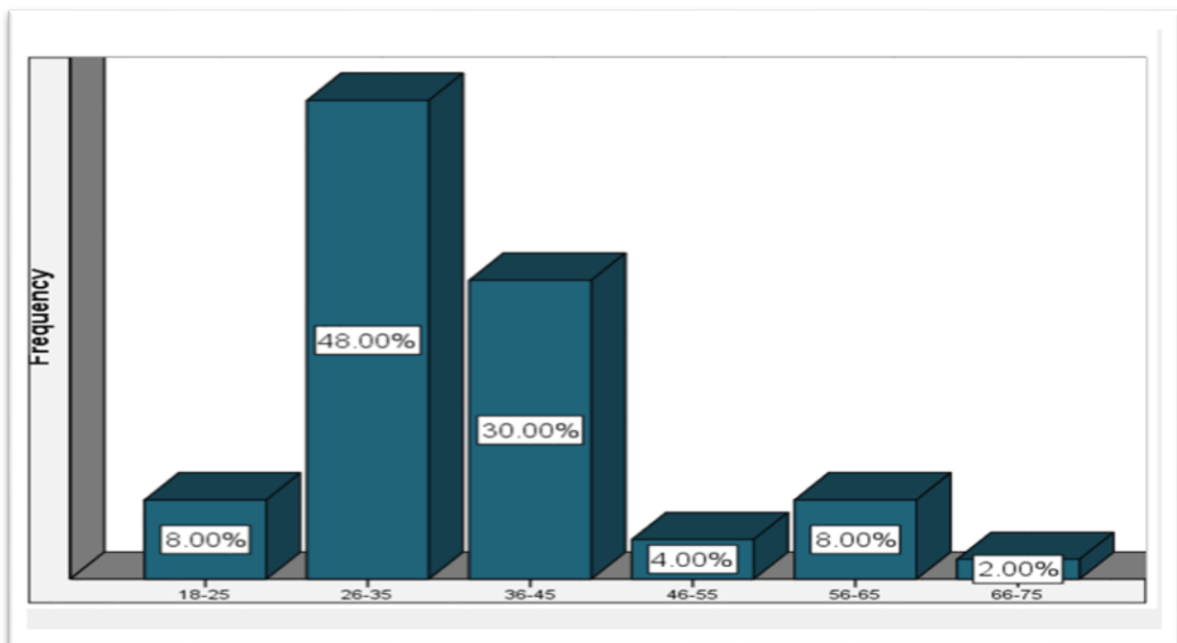
Residents of Nompumelelo and the informal settlement around the township are vulnerable to environmental problems especially the informal areas. Participants both from the formal and informal areas confirmed similar ordeals during rainy seasons. They indicated that there are no storm water pipes to drain rainwater, consequently they experience flooding which damages their homes and property. Moreover, residents in the informal areas of the township located on the steep slopes and buffered by forests, find it difficult to walk around the area during the raining season. The most devastating environmental health and hygiene risks are the bursting of sewer pipes connected to Bonza Bay and Beacon Bay passing through Nompumelelo.

Residents in the informal area also complained that when there are heavy floods the water enters the water system until its full and runs over to the area. However, the municipality has provided emergency services when homes get flooded during rain seasons. In cases of emergency the municipality provides residents with basic needs such

as blankets and food parcels to households and victims of floods, however it was confirmed that these provisions are not enough to benefit all victims of Numpumelelo. The councilor confirmed the poor service delivery from the municipality, and also explained that residents with temporal houses in Nompumelelo did not have any assistance from the Buffalo City Metropolitan Municipality when they were evicted from the land parcel used for the four-star hotel.

6.4 Analysis and presentation of data from high-income community of Beacon Bay

Figure 14: Age range of Beacon Bay residents.



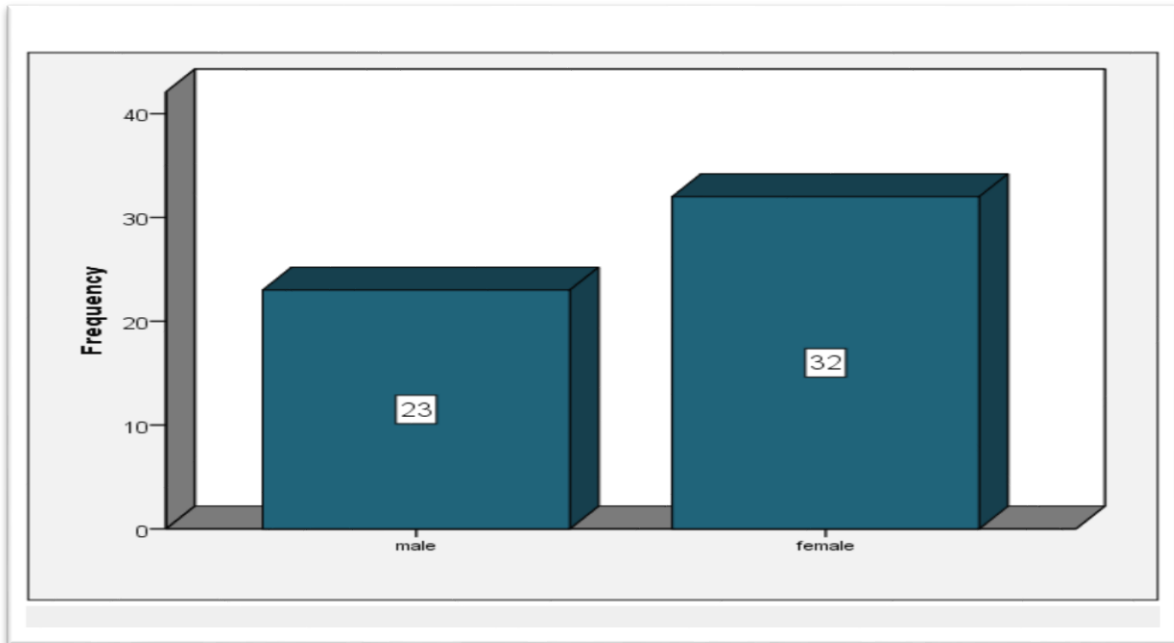
Source: Author, 2015

6.4.1 Age distribution of Beacon Bay residents

As illustrated in *figure 14* on page 88, most of the residents of the complexes in the high-income area of Beacon Bay are young adults who are mostly independent working youth between the ages of 18-35. About 9% the participants in the study are the young residents. The largest age groups in the two complexes are residents between the ages of 26- 35 years of which many have stable jobs and are able to afford the value of their properties. A fair number of residents fall within the group between 35- 45 years of which most own property in the complexes while others are trustees. There are fewer residents in the complexes within the age groups of 46-75 years; this is because most people in these ages generally prefer single standing houses for their families. Most

pensioners and elderly people residing in the complexes in the study area are trustees and property owners who rent out some of their property.

Figure 15: Difference in gender of residents in the Beacon and Beacon Bay crossing complexes.

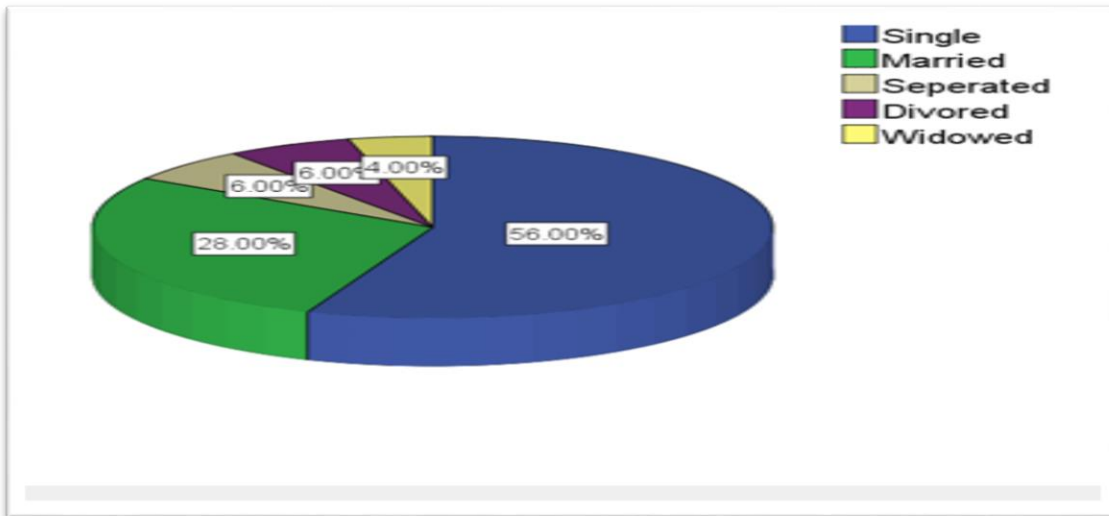


Source: Author, 2015

6.4.2 Gender composition and marital status

Figure 15 above shows the number of male and female participants in the study, generally, more women participated than men from the complexes. The ratio of male to female participants was 23: 32. These figures match with the national population census, which has continuously proves that the population of women is bigger. Most female participants staying in the complexes are single and are not from the city of East London, they explained the convenience of living in the complexes was due to access to housing bonds in Beacon Bay through land markets. Most of the males especially those who are renting houses explained that it was because of proximity to their jobs, that is why they preferred renting in safe complexes.

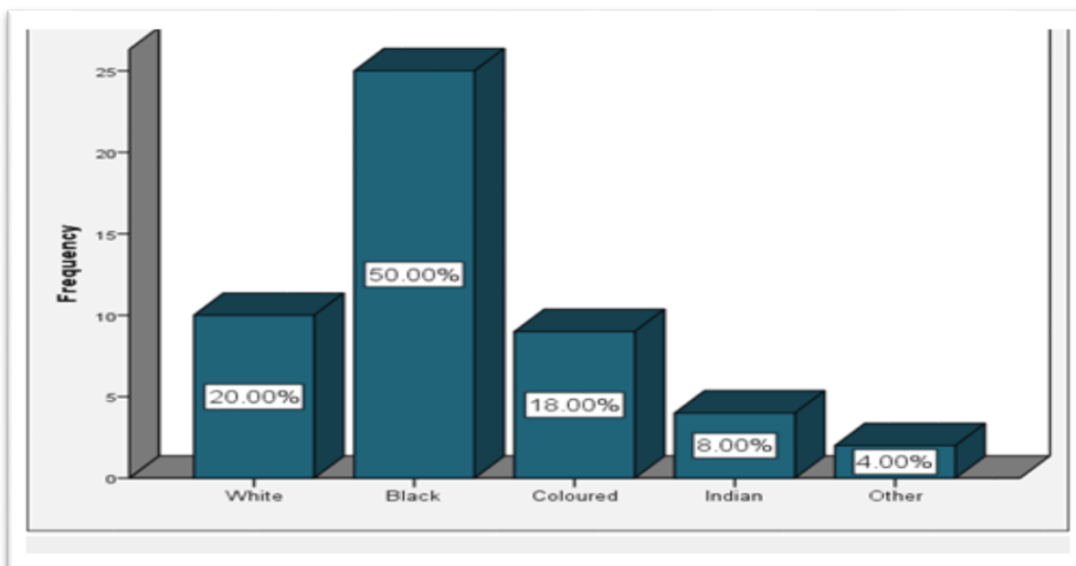
Figure 16: Marital status of Beacon Bay residents



Source: Author, 2015

Many participants in Beacon Bay unlike in Nompumelelo are single representing 56% of the sample, while the married participants were the second biggest at 28%. The smallest percentage is the widowed. The marital status of most these participants explains that some resident prefer complexes since they do not have families and children. The preference of small apartments in secure neighborhoods is therefore a preferred standard property ownership amongst the high-income single residents.

Figure 17: Racial composition of Beacon Bay residents

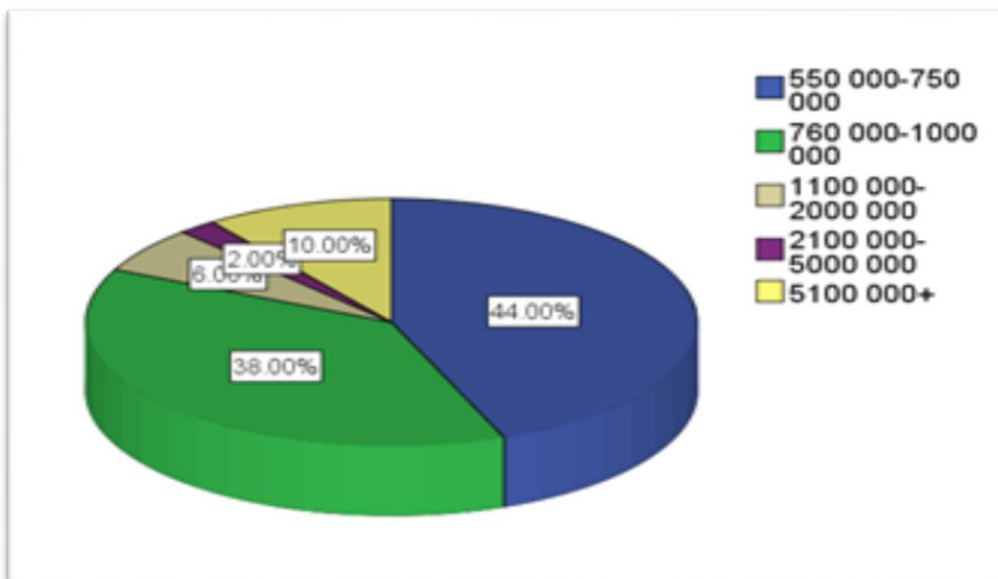


Source: Author, 2015

6.4.3 Racial composition

The racial composition as depicted on *Figure 17* on page 91 in Beacon Bay is dominated by white people both English and Afrikaans speaking. White South Africans residing in the complexes used in the study constitute 38% of the participants of the study. Africans are the second biggest population residing in the two complexes. Coloureds are the third biggest population followed by Indians and on the hand; international residents are only 3.6% of residents in the complexes in the study. The overall racial composition of Beacon Bay has a majority of the white especially considering the entire suburban community. The value of land in the area is available only to the population that is able to buy land or rent up to the value of the land in Beacon Bay.

Figure 18: Property values of homes in Beacon Bay.



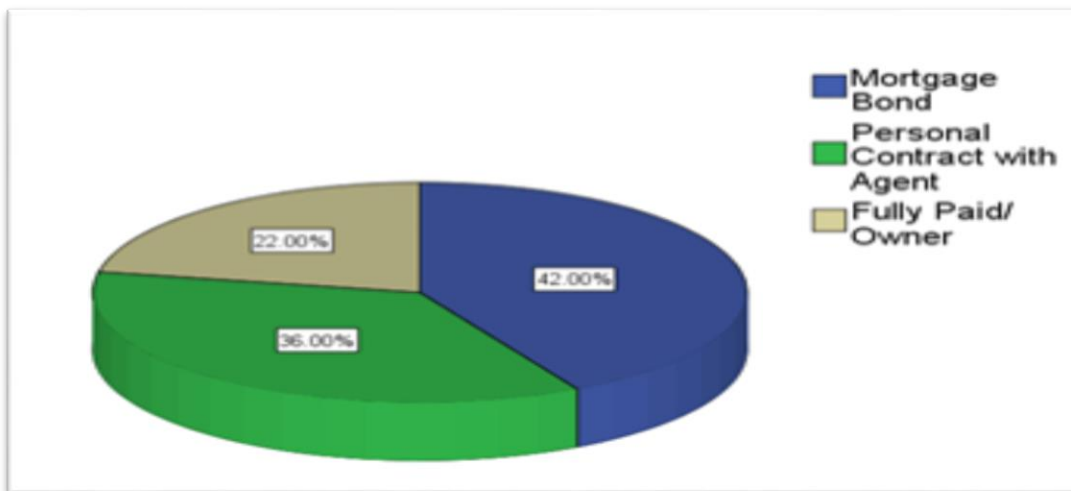
Source: Author, 2015

6.4.4 Property values of homes in Beacon Bay

The value of property owned and rented out by participants in the residential complexes in Beacon Bay is shown in *figure 18* above. Many residents in townships and informal settlements cannot afford the property in Beacon Bay and neither can the lower middle class families. The lowest properties found in the complexes are one bedroom apartments available from R550 000 and the prices go up depending on the size, number of rooms and depending on the homeowners. Many real estate markets have an additional

6% mark-up on property value for their turnover. The majority of residents in the complexes have properties ranging from R550 000 to R750 000 because most of them are young adults with one child or no children at all. The second dominant property value amongst residents is between R760 000 to R1 000 000, many residents in this bracket are families that need much bigger spaces. Many participants have ownership of properties between R1 100 000 to R5 000 000 and above are mostly trustees in the complexes and are renting out some of their property while also resides there.

Figure 19: Financing method used by residents to acquire properties in Beacon Bay



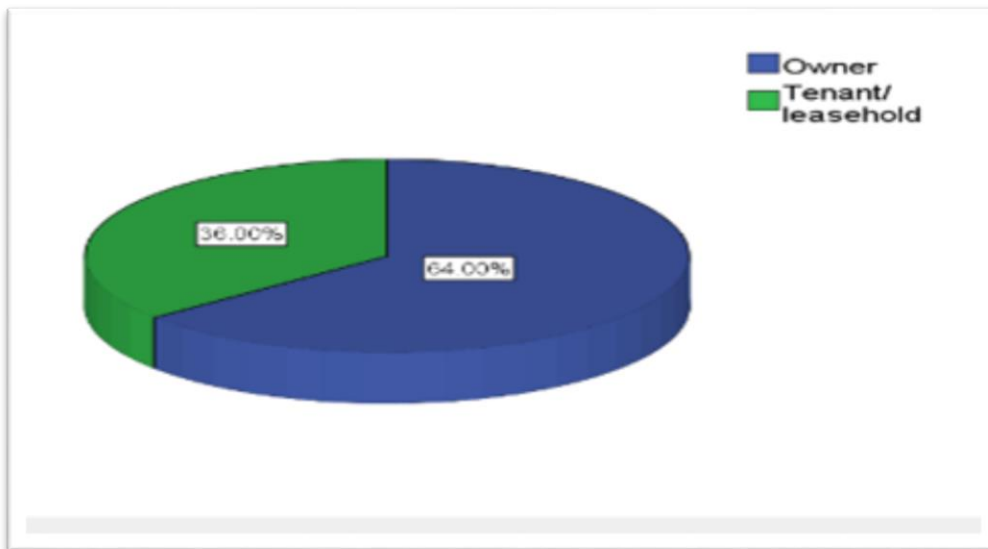
Source: Author, 2015

6.4.5 Methods of payments by residents at the complexes in Beacon Bay

The methods of payments used by residents at the complexes in Beacon Bay are three; the most dominant among the three is mortgage bond. Through mortgage bonds, residents in the complexes have contractual agreements with banks that pay their home loans to the property owners. In this way, residents will own the property once the home loans are fully paid. At least 36% of residents have payment arrangements with their property owners, many of these property owners are trustees in the complexes. Lastly, 22% of the residents that participated in the study confirmed full and payment ownership of their property values. Some of the property owners rent out some of the property while some have their families in the apartments they own.

The financing methods shown in *figure 19* above require applicants interested in living in the complexes to go through financial inquiry, which qualifies them to acquire property in the complexes or not. The residents complained about difficulties one faces when applying to buying a property, this has therefore forced many of the residents to rent property instead of buying although they have financial means to acquire the properties. The property values are very high and there is evidence of racial discrimination by estate agents. The residents explained that land owners are profiting by owning property therefore they do not easily let go of their property. Consequently, only 22% own their property while 42% pays their property through financing institutions. The remaining 36% had having contractual agreements with agents are renting out and pays through agreed arrangements

Figure 20: Types of ownership among residents in the two complexes.



Source: Author, 2015

6.4.6 Types of ownership among the residents in the two complexes.

The property ownership in the complexes is determined by the ability of financing institutions to give residents housing bonds. As shown in *figure 20* above, more participants are in bond contracts; this suggests that there is more ownership. Ownership of property is high at 64% while those who rent are only 36%. However, the profound trend of property and land ownership amongst the participants is that many have not fully paid their properties and are on mortgage loans, this suggests that property ownership by this group is under financing institutions in the two complexes.

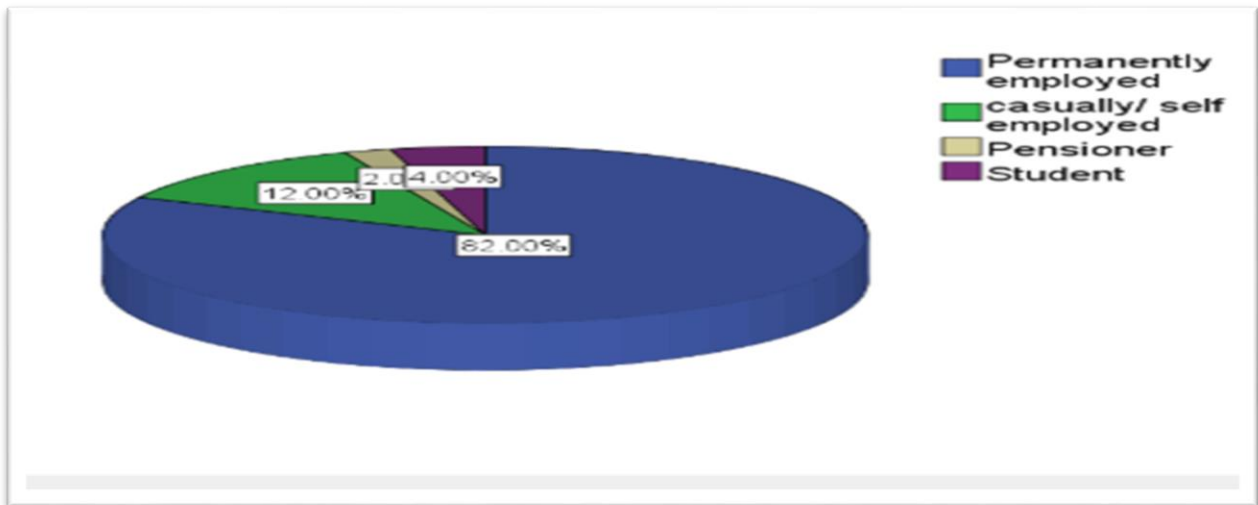


Figure 21: Employment levels for residents of Beacon Bay.

Source: Author, 2015

6.4.7 Employments Levels

High employments rates were identified in high-income areas like Beacon Bay. As shown in the in *figure 21* above, at least 82% of the residents in Beacon Bay are permanently employed, since it is a requirement to produce a proof of incomes during application to secure residence in this area. The incomes of residents are also evidently high as the properties rates are clearly high. 12% of the residents are self-employed and do met the standards in income levels required to be residents in the complexes within the study area. There are also pensioners and students among the residents whose properties are fully paid. The residents of the complexes regardless of their ages or employment status are able to afford the property markets price for their homes.

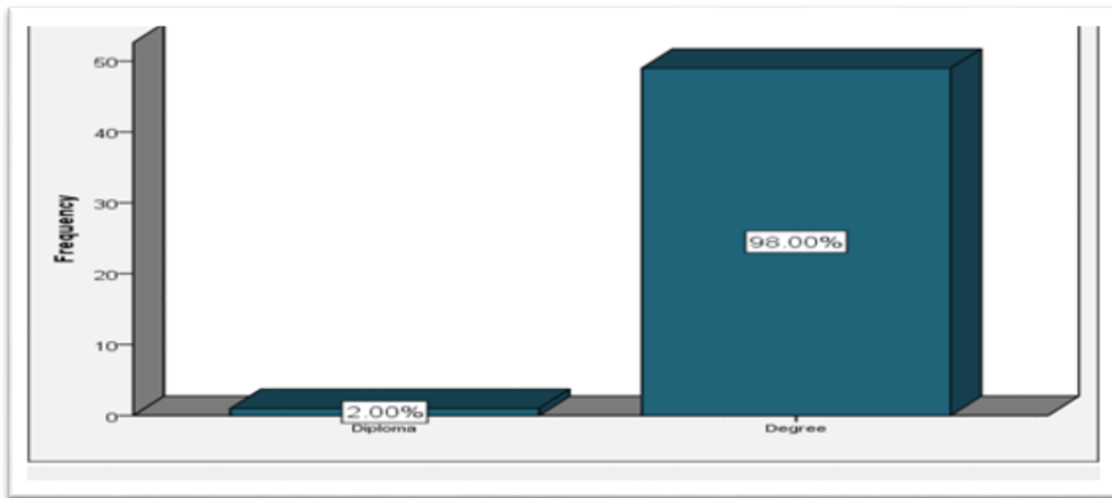


Figure 22: Levels of education amongst the residents of Beacon Bay's two complexes.

Source: Author, 2015

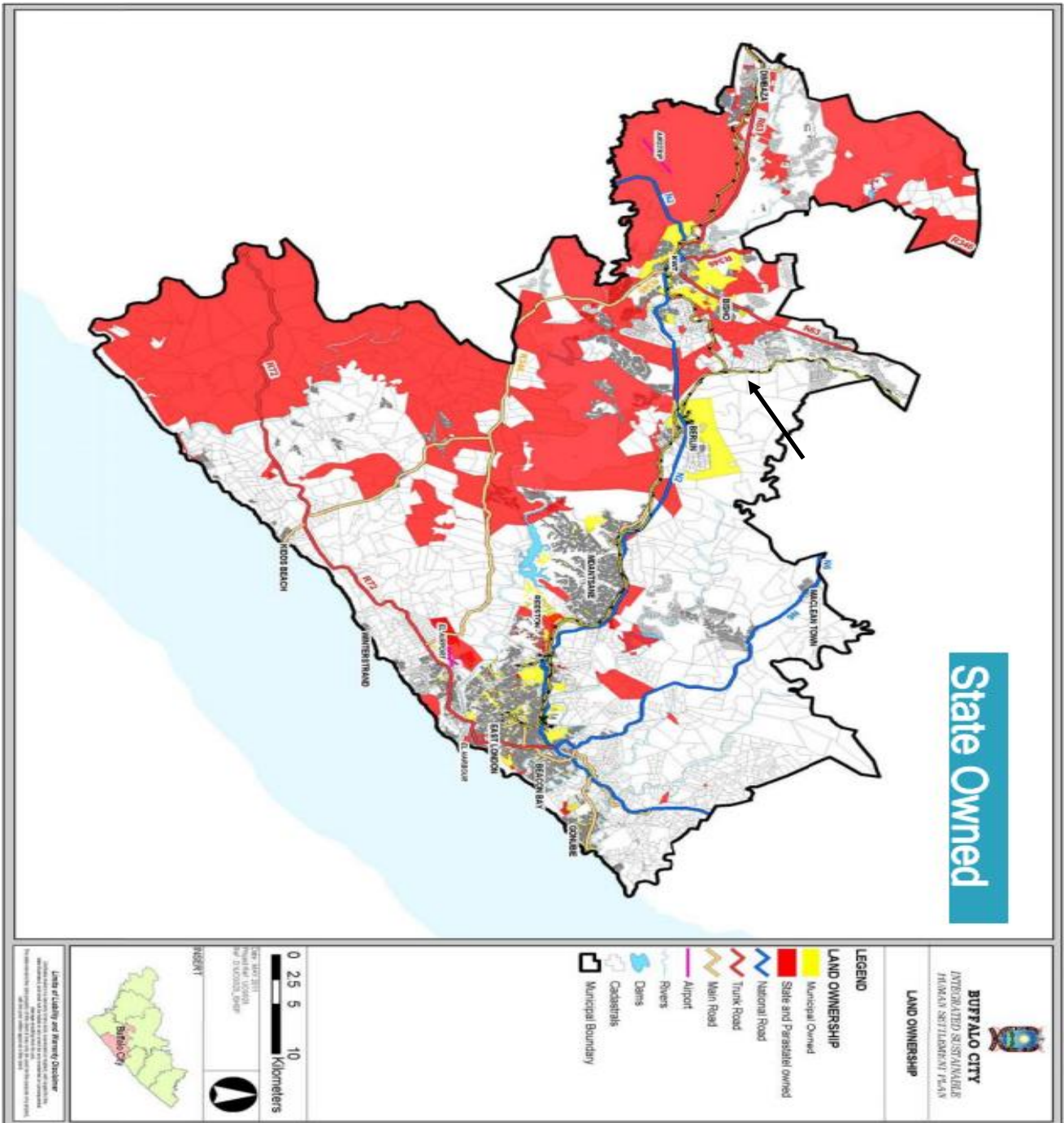
6.4.8 Levels of Education

High levels of education are a determinant of human resource skills in Beacon Bay. Education was observed as one of the privileges for financial freedom in Beacon Bay since it enables residents in this area to have easy opportunity to secure good jobs. *Figure 22* above shows the levels of education amongst the participants from the complexes in Beacon Bay. Generally, access and affordability to better education amongst the residents of Beacon Bay was observed as essential to their economic livelihoods. All of the participants in the complexes had some form of post- high school education which none of the residents in Nompumelelo had. The least educated participants in the complexes had diplomas; these residents constituted only 5.45% of the total population while 47.27% of the population had university degrees and postgraduate studies. Due to this trend, it was discovered that unemployment in the complexes was non-existent since the unemployed individuals there, are self-employed or have some means of support to enabling them afford the exclusive lifestyle in Beacon Bay.

6.5 Differences between Beacon Bay and Nompumelelo

Comparing the two settlements (Nompumelelo and Beacon Bay), it is observed that the living circumstances found in the two settlements is a situation of completely two different economic worlds. The main challenge faced by the residents of Nompumelelo is lack of jobs, poor education and poverty. On the other hand; the opportunities for the residents in Beacon Bay are evidently aligned with success, better backgrounds and affording better lives. The reality in South African history is that many blacks have faced countless limitations of improving their lives, and these restrictions still manifest in the lives of many black South Africans up to the current period.

Map 3: State land on Buffalo City Municipality

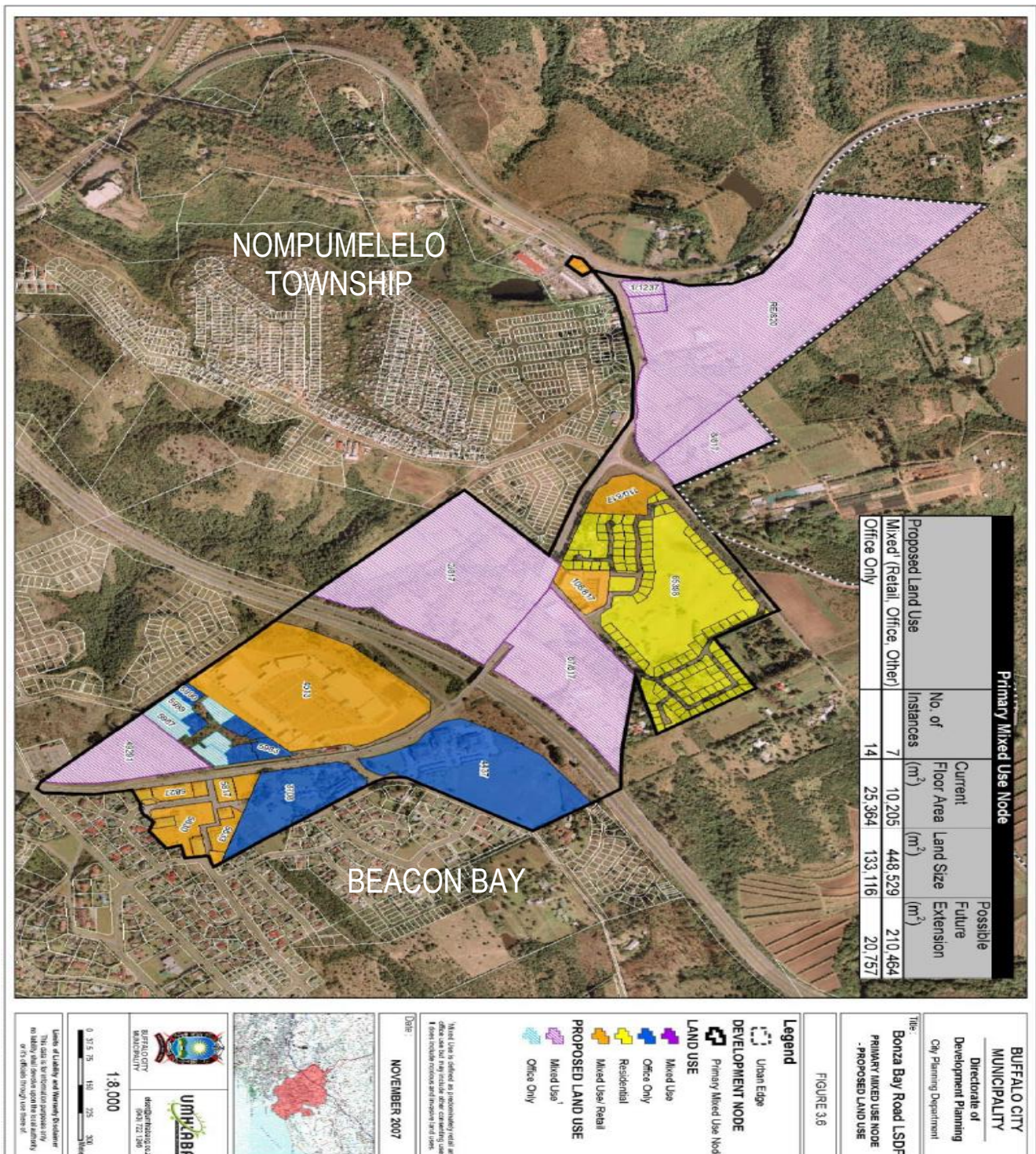


Source: BCMM IDP, 2016

According to map 3 on page 98 the state owns more land outside the city of East London. The municipality also own a share of land indicated on the map above in yellow.

6.7 Unequal land distribution amongst the rich and poor in Beacon Bay

Map 4: Layout and land use plan of Nompumelelo and Beacon Bay



Source: BBR SDF 2008

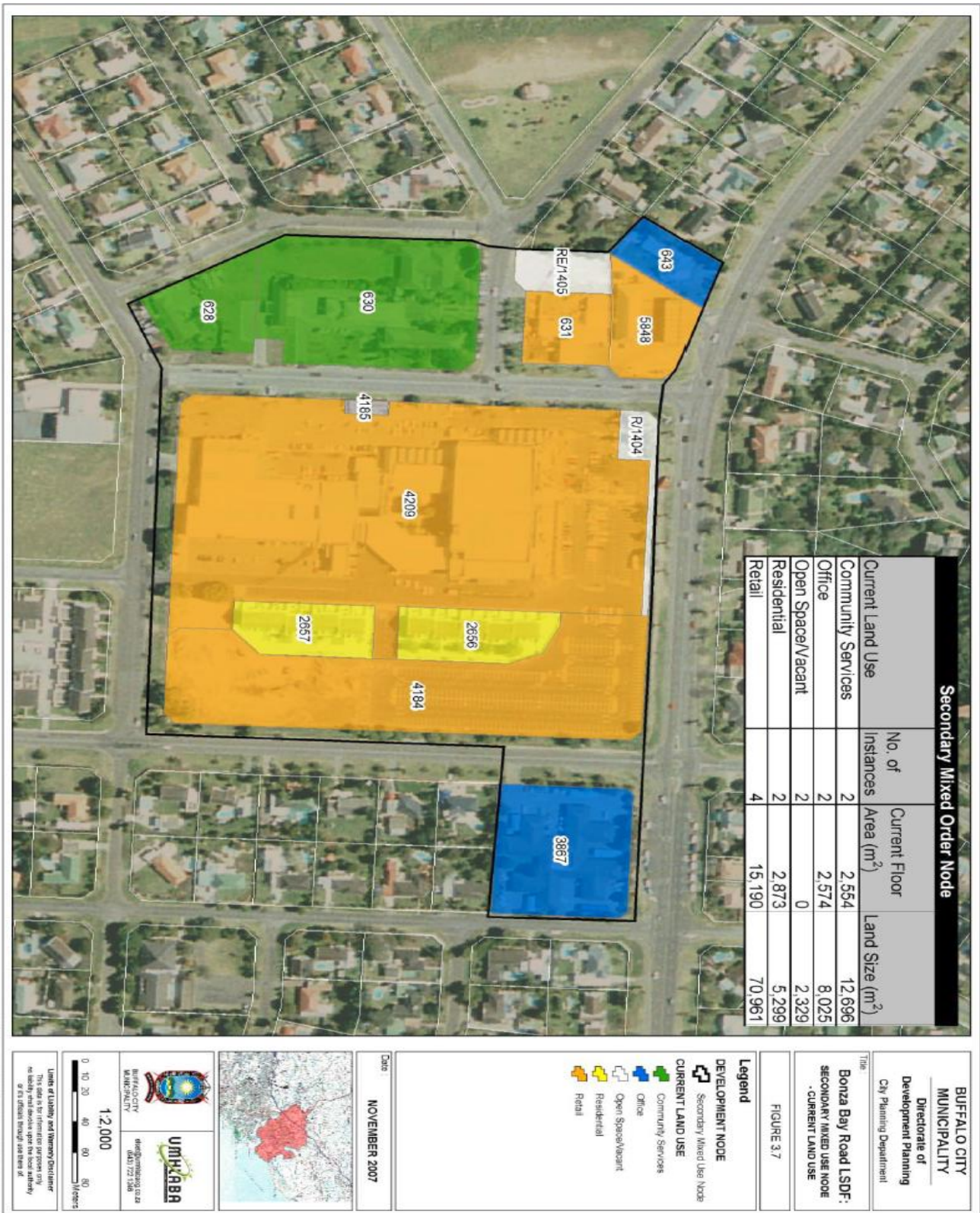
Figure 23 :Nompumelelo Township and Figure 24 :Beacon Bay showing differences in layout and unit size



Source: BBR SDF 2008

Privatisation of land has led to inequalities in land distribution in Beacon Bay and Nompumelelo. *Map 4, figure 23 and 24* shows differences in land distribution between the two areas being studied. There are wide differences in plot or erf sizes in the two areas; a unit size in Nompumelelo is 180 m² while in Beacon Bay is 550 m². In map 3 on page 98, the spatial development frameworks depict future developments and the types of developments proposed for the area surrounding Nompumelelo Township and Beacon Bay. As shown in the SDF, there is no evidence of spatially integrating different income groups for better access to existing infrastructural services in the area moreover, there is no strategy of incorporating the Gap housing markets into the developments, nor is there any attempt to develop more low cost housing. The approved future developments in the local SDF shows the concentration of development towards a mixed use, which consumes a massive land mass of addition 210 464 m² besides the existing massive land mass of 4448 529 m².

Map 4: Land Use plan for Beacon Bay in 2008



Source: Bonza Bay Road Local Spatial Development Framework (2008:26)

The second largest land use in the proposed land use plan is the retail development in Beacon Bay. From 2008 to date, land budget and land uses has increased considerable with some developments still under construction such as the Beacon Crossing activities. The third largest development in the proposed land use plan is land reserved for office only. As development shifts towards the new areas demarcated as new growth point for the development of the city, a multidimensional decentralization is taking place in the city since there are other existing major nodes in the city such as Vincent and the Hemmingway. However, there are a number of minor nodes including Gunubie, Amalinda, Mdantsane, and Retail Park in Beacon Bay.

6.8 Land acquisition processes in Beacon Bay and Nompumelelo.

Beacon Bay is a high-income suburb and has houses of high value. Land and housing acquisition procedures in the area compel many residents to seek financial assistance from financing institutions. The residents of Beacon Bay that participated in the study are either financed by institutions, have paid up their loans and are owners or are trustees renting out their properties. The acquisition procedure focuses more on the financial status of applicants for residents for security purposes. In Nompumelelo residents indicated that a full resident of Nompumelelo is a person that is granted a low cost housing in the township, either by the municipality or by buying a house. Residents of Beacon Bay and Nompumelelo get title deeds after following all procedures of housing acquisition while the informal settlement residents buy or build their shacks without applications and title deeds

6.9 The Limitations of high income land markets on the low income.

The property values of markets are the major limitation for the poor to land access. In the case of Beacon Bay and Nompumelelo, the poor are distraction to the developments as a result in 2015; some units of the formal low cost housing, which are part of Nompumelelo, were damaged in the developments because private investors see Beacon Bay as an area of economic prospects. This incident signifies the poor value of low cost housing in comparison to pro-rich developments by private land markets in the area. Other effects of high-income land markets to low-income include relocation of the poor to other areas such as Duncan village. The relocation is forced by the proposed spatial planning concept for high density in the Buffalo City Metropolitan Municipality. The poor residents in the informal settlement if relocated will be far from their jobs.

6.10 The Department of Rural Development and Land Reform

The Department of Rural Development and Land Affairs has confirmed that there was distribution of land in accordance to the land distribution in urban areas in some cities and towns but the programme has been unsuccessful in some cities including East London. It was learnt that the major reasons for the failure of the programme in the Buffalo City Metropolitan Municipality is that most developed and undeveloped land is privately owned. The deeds registry approves land ownership of private holders and gives them land rights when they buy property and register it. The deeds office operates under the common law under the constitution of South Africa and by the legislative framework procedurally in the process of selling land. The main role of the deeds registry is conveyance of titles and in cases where there are new housing developments when the construction of houses is complete; title deeds are ready to be handed to rightful owners.

It was discovered that the amount paid to change title deeds on low-income houses when the property is sold was only R30 at the deeds registry. However, the fee paid on private lands was more expensive than land for social housing; this was because if property agents were involved they took 6-7% of the selling price. This clearly explains why properties handled by property agents turned to be ridiculously expensive. The Department of Rural Development and Land Affairs also confirmed that few cases involving reinstating of urban lands belonging to blacks in the Eastern Cape and within the Buffalo City Metro Municipality were successful achieved. It was observed that the few land parcels that were given back to blacks in accordance with the land redistributions programmes did not contain 10% of the municipal developable lands.

6.11 The Social Housing distribution processes

It was observed that the Department of Social Housing is criticized for delays in delivery and distribution of social housing. However, the Deeds registry office retorted that within five days after any housing development is completed, they do present land titles to the municipality. The delays in this regards are due to the processes involved in approval of a draft which often takes a period within 5 years, however if the draft is not approved, it lapses after 5 years and if it is in the interests of the municipality to prioritise the same application the mayor puts a reapplication.

However, the main challenge in the case of Nompumelelo is difficulties involved for the municipality to acquire private lands for the residence of Nompumelelo. Another observation was that private landowners in this battle of land acquisition overpower the bureaucratic procedures in Buffalo City Metro Municipality. Thus, the egocentric interest of owners of major lands in Beacon Bay continuously challenges institutional capacity of municipal planners and the Department of Human Settlements in their bid to provide more low cost housing in the township of Nompumelelo.

It was further observed that population growth aggravates the challenge of housing backlogs. Nompumelelo as a black township in an urban area has challenges synonymous to any township in South Africa, this challenge being intense migration to this better location in the city for job opportunities. The continuous increase in the population of Nompumelelo makes acquisition of land a highly contestable issue, and accentuates the insufficiency of urban land especially for the poor.

The Department of Human Settlements has confirmed that its developments plans are captured in the 5 year municipal IDPs. Many developments have been approved within the IDP 5-year plan which requires the municipality to initiate a reapplication processes. Certainly, Nompumelelo has seemingly not been one of the prioritised areas within the greater Buffalo City Metro. All housing applications require the necessary procedures to fulfil requirements, for instance in new developments of social housing, there first application is township establishment.

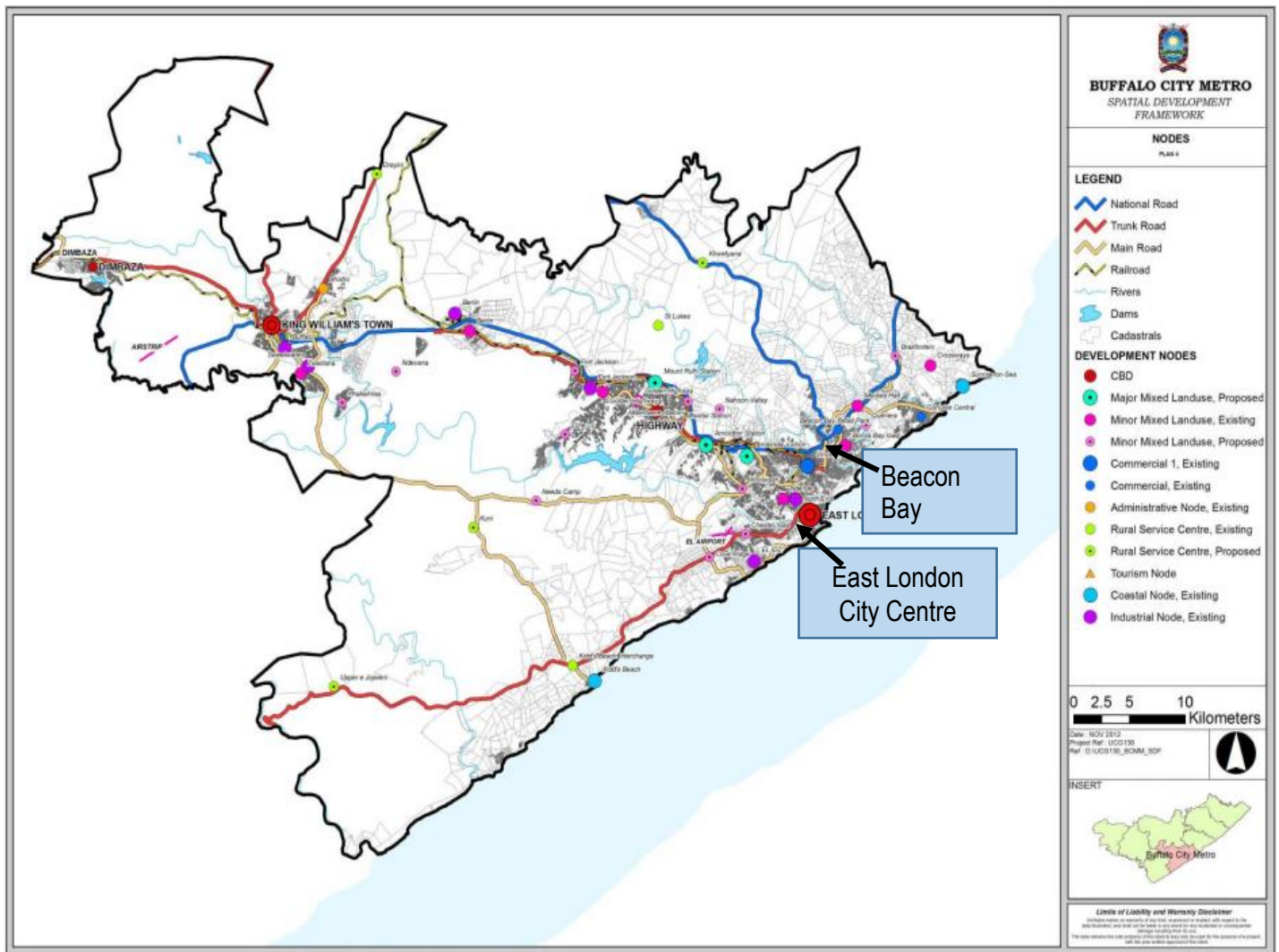
6.12 Buffalo City Metro Municipality

Regarding the integration of income groups and land uses, the Buffalo City Metro has indicated that nothing has been included in the Integrated Development Plan since the land privately owned. In lieu, there are no clear objectives to promote the integration given that land is not available for that purpose. As a way forward, the SDF in Beacon Bay is rather designed to manage better commercial growth in the greater municipality. The municipality has agreed to provide more engineering, social, and recreational services for Beacon Bay however; there is acute shortage of these infrastructure services in Nompumelelo settlement. It was ascertained that the challenge faced by the municipality is bureaucratic oriented since the residents have the ability to pay for the services. The municipality also explained that there are no specific plans to relocate the residents

of Nompumelelo even though there are genuine environmental concerns regarding the steep slope gradient where many informal settlements are located. Another observation was that future developments are focused in the area of Beacon Bay as shown in the *figure 26*. A critical assessment of these future development points out that there are not in any way meant to directly intervention to face-lifting development in the impoverished Nompumelelo Township.

Map 6 on page 106 is an extract of the BCMM SDF showing economic centers and industrial hubs in East London. As discussed, Beacon Bay has an existing commercial node and minor mixed-use node where commercial, office and a heavy motor industry is continuously growing in the BCMM. The major developments taking place in Beacon Bay are responsible of the high land values of in the area. In the urban economy of East London, Beacon Bay serves as a center of production and distribution which creates employment and more land development (Chapin FS, 1972:107).

Map 5 : Industrial and commercial existing nodes in Beacon Bay



Source: BCMM IDP, 2016:66

6.13 Summary of research findings.

In summary, this research has found inequalities in Nompumelelo and Beacon Bay in many aspects including land size, housing land, socio-economic status, in service delivery and concentration and levels of development. In all aspects, Beacon Bay is exceptionally developed physically and economically while Nompumelelo is a dusty low-income township with numerous socio-economic challenges. The residents from both areas live different lifestyles, others have plenty and while others are impoverished even though the areas are nearly two kilometres apart. The adjacent residential areas have visible disparities due to the land history and poor implementation of spatial planning and integration strategies. From the planning perspective and racial orientation of the areas, further developments taking place in the area strengthen existing inequalities of

apartheid planning. The Buffalo City Metro Municipality is failing to deliver services equally to people in a people centred approach. Private ownership of land and higher rates are directing developments and service provision by the municipality for the benefit of the higher classes. Future projections based on these findings suggest a better future to the families in Beacon Bay than those in Nompumelelo.

CHAPTER SEVEN

CONCLUSIONS AND RECOMMENDATIONS.

7.1 Introduction

In this research, discussions on impacts of high-income land markets on the low-income groups have been unpacked in reference to other countries and the South African policy framework on land and housing. The Natives Land Act 27 of 1913 laid a foundation to many impediments of apartheid planning. For East London it is the spatial pattern of the Verwoeden ideal city that modelled the segregationist planning in the 1800s (Nel, 1990:7), this made East London a white city after frontier wars, before the enactment of the numerous land regulations of South Africa. The dynamics in the economy of South Africa have shaped the nature of resource distribution including land, such dynamics are attributed in this research by theories such as Neo-liberalism, modernism and the Marxist theory. Furthermore, segregationist land policies and apartheid planning systems adopted have caused failures in modifying current planning models. The pronounced influence of urban land markets is also acknowledged in areas where land is vested in private owners by unpacking the role urban land markets in planning. The findings of this research indicate that the impacts of high-income exclusivity has resulted to the displacement of the poor in the city.

In understanding urban housing land markets in Beacon Bay and the Buffalo City, there is an exclusivity clause in their operation, which is the high-income ranks. Markets have all kinds of supplies necessary to provide housing and since housing for the high incomes is not provided by the state, these institutions are sustainable. Housing provisions from urban land markets in the study were found to be convenient such as accessibility, high security levels and their desirable locations and quality services ensured. This research has also discovered the relatedness of social housing institutions to urban land markets, the difference being the levelled income groups and government subsidies for the former. Although some SHIs in East London are non-profit organizations (OHHA Annual Report, 2012:5), the rental payments are impossible for the said targeted low-income groups where legible primary applicants for residents earn incomes between R3 425 to R5 094 (Siphungu and Nleya, 2016:21).

Rent expenses in SHIs attracts middle high-income groups, these are young professionals disqualified in land markets due to finances. The rental fees are suitable for income groups classified as the gap market earning between R3501- R9000 per month (Siphungu and Nleya2016:4). The low income citizens in Buffalo City earn between R1-4 800, this group comprised more than 12 000 residents in 2013 and 25 000 households were without disposable income (BCMM Draft IDP 2016:45) while the average household income in Buffalo City in 2013 exceeded R78 436. The average incomes in the city presume affordability amongst many people in the city.

7.2 Summary of research findings.

There is no noticeable political influence and representation of low-income residents to obtaining residential land in Beacon Bay. The municipality is under the ruling party, the ANC. The party has been governing in the BCMM since 1994. The ANC has not publicized disagreements in the developments; all concept plans regarding improvements are reinforced and approved as indispensable in the restructuring initiatives for spatial expansions and economic growth. In the locality SDFs of Beacon Bay and Nompumelelo, growth is focused on the former as a secondary commercial node, industrial and business hub while there are no signs of extension in the latter. Instead, Nompumelelo Township is identified as one of the problem areas together with Mzomhle, which need to be addressed without necessarily extending the solutions to mass-based housing. According to the SDF extending Nompumelelo will distort the desired restructuring elements of spatial pattern for the Central West focus (BCMM SDF Review, 2013:6).

The urban concepts plans found in the BCMM SDF, demonstrated housing densification in other areas such as the Duncan Village Redevelopment Initiative (DVRI) and Mdantsane Urban Renewal Programme (MURP), which include a mix of land uses creating a compact city model with augmented restructuring elements (BCMM SDF Review, 2013:58). Densification is pursued in integration zones creating inter-related settlement patterns where strong connections between peri-urban and rural settlements exist. Beacon Bay is not selected under the densification and integration zones but the area continues to be developed as a major commercial node (BCMM SDF 2013, 91). The municipality is concerned about sprawl and proposes to increase densities close to existing transport facilities and plans to increase intense land use intensities in existing

urban areas. Nompumelelo is an existing settlement but extension and densification in the restructuring is confined to Duncan Village and the Mdantsane Model (BCMM SDF Review, 2013:88). Other densification zones are areas within 1 kilometer buffer of the N2, R364, R72, BRT routes, activity streets and corridors with existing resources and infrastructure (BCMM SDF, 2013:96). The focus of integration in the identified integration zones suggests that residents in many other informal settlements may be relocated into these areas in future; this may also be done to eradicate informal settlements.

The obstruction to the consolidation of all informal settlements to deliver housing for the poor in BCMM will be double fold. The first challenge as discussed in this research is the availability of land. Municipal land in BCMM is limited to parastatal or institutional land, therefore land to be acquired for execution of proposed densification developments is developed land within the designated densification zones as indicated above. The second challenge in the BCMM is the ever growing population. Duncan Village, the densest informal settlement within the city was home to between 80 000- 100 000 inhabitants, 11 500 free standing shacks, 3 500 back yard shacks and 15 000 informal dwellings in 2006 (BCMM, DVRI, 2006:30), with only 600 formal settlements. After ten years these figures have escalated. Injecting more households to the developments increases the budget and municipal difficulties to deliver housing needs.

According to town planners in the BCMM there are no delays concerning reviews or reconsiderations of land allocations for the poor including residents of the informal settlement near Nompumelelo Township. The municipality has also accentuated that there are no plans of integrating low and high-income groups in Beacon Bay. The existing land use plans are proceeding with an extension of the central west industrial, commercial, business and office parks (BCMM IDP Review, 2013:62). The land in Beacon Bay is owned by individuals residing and in business and speculating on proposed developments who put applications of rezoning, subdivision and removal of restricting conditions on their pieces of land (Provincial Gazette, 2014:1) as opportunities grow. This has made Beacon Bay one of the most targeted property investments areas in East London, which further decreases land allocation chances to the poor. The municipality has been unsuccessful in efforts of buying land in Beacon that could have been acquired to build other housing typologies. The overriding challenge in acquiring land and ensuring

integrated development is the fact that land is vested in various owners. The high-income suburb situated in East London is expected to be a beacon of more economic growth and business hub with a variety of nodes that will make property costlier in the area and surroundings (BCMM SDF Review, 2013:62).

7.2.1 Lack of Institutional capacity in land acquisition.

It is within the municipal capacity to provide infrastructure and other developmental initiatives such as infrastructure, local economic development (LED) and social institutions. All development depends on the availability of land. The BCMM finds difficulties in developing the city because of restrictions to land access. Land is a prerequisite for a successful urban development programme of which is a battle within the municipality. The land acquisition mechanisms in BCMM are buying from private sector at market prices, getting land transfers from local government and expropriation which the municipality has failed to do over 18 years (BCMM SDF, 2013:126). Many post-apartheid municipalities one of them the EThekweni Municipality, also a metro municipality faced the same difficulty of land acquisition. EThekweni however, managed to follow land use planning principles such as rezoning which simultaneously increased or decreased rates and land values to influence owners to sell their land. In other cases, the municipality has made agreements with private landowners for shared economic developments for the infrastructure and other growth prospects in the city. The Public-Private Partnership (PPP) between EThekweni municipality and Tongaat Hulett, this mix use and mixed income development is well located and works to achieve accelerated housing delivery and property markets (Case Study, Cornubia, 2014:2).

East London is a developed city both in private and municipal land, therefore undeveloped land is very limited. BCMM did not prioritize transfers of land to the state for the benefit of the people. Land ownership in East London continues to widen the gap between the rich and poor and further dislocates the poor in the city encouraging establishment of more informal settlements. Land acquisition for settlement planning has been denied to blacks in specific areas in East London's history, for example the areas of Amalinda and North End in the 1950's (Nel, 1990:8). This history is retained if the planning continues to be controlled by private land ownership.

7.2.2 Lack of integration strategies and separate planning.

Beacon Bay is a suburban area in the BCMM characterized by high-class modern houses and affluent residents who enjoy separate lives within their neighbourhood (Buku, 2014:139). The community is very separate even to the neighbouring township, Nompumelelo. The planning has been intentionally designed exclusively for the rich. The main drivers of development in Beacon Bay are private investors and landowners. The BCMM has endorsed existing plans by further developing the area as a separate node to achieve decentralization strategy. However, the municipality has failed to implement integration strategies in the area of Beacon Bay in terms of income groups. Speculators have developed a mixed housing typology such as high-income residential complexes and attached modern housing and detached single apartments, there are also bigger freestanding family homes.

Poor integration of income groups is subliminally upholding the ontology of the inherited apartheid city in a democratic government (Siphungu and Nleya 2016:6). The separateness of Beacon Bay is also associated with racial connotation maintain segregation of neighbourhoods. Some residents of Beacon Bay do not approve of having some low-income settlements in close proximity to their homes. The separation of race and class is strong in many parts of BCMM and it is supported by the maintained apartheid planning system. Part of the causes of drawbacks in the planning system can be attributed to the models for Land Use Management administered by different legislations such as: Land Use Planning Ordinance 15/85, Development Facilitation Act 67/95, Less Formal Township Establishment Act 113/91 and Black Communities Development Act 4/84 (BCMM SDF, 2013:139).

The social housing in the greater BCMM is also recognized in this research as another point of exclusion for the poor that invade available land. Although SHIs are said to serve to meet the housing needs of the poor, rental fees requisite demonstrate exclusion of low-incomes. The exclusion of the poor in all housing markets structurally increases housing backlog and growth of informality in the city. This research has also made a diagnosis that social housing certainly works for the middle incomes of the gap market not the poor as the OHHA stipulates.

Poor intergovernmental relations.

Although there are hierarchies of government administering board of sovereign authorities that rule the state, there are still failures in service delivery. There are three spheres of governance which are national, provincial and local government. The intergovernmental relations are tied by fundamental objectives of meeting and delivering basic needs to the people. Land acquisition and housing development requires multi-sector cooperation and requires different government roles to execute. The municipality is the primary sector of government of a people's approach. Therefore, the municipalities are equipped with other state organs to achieve improved acceleration of service delivery and development. The Organised Local Government Act 52 of 1997 is a function of different entities that includes the Municipalities, LED, Community Work Programmes (CWP), Municipal Infrastructure Grants (MIG), South African Local Government Association (SALGA), Municipal Infrastructure Support Agency (MISA) and Department of Cooperative Governance and Traditional Affairs (COGTA).

Truly the municipality has a role of acquiring and availing land and buildings for use and also holds the right to dispose land. However, the National Department of Human Settlements has a role of working with the municipality in identifying housing needs and delivering them through various policies approved by the department such as Integrated Residential Development Programmes (IRDP), Upgrading of Informal Settlements, Social Housing Programmes and many others. Within the precinct of Nompumelelo, there is no integration, upgrading of informal settlements and there is no social housing provided for the poor. The provision of municipal infrastructure in settlement planning is a mandate and is fulfilled with settlement development, but in Nompumelelo there is poor bulk infrastructure services such as storm water pipes and drainage systems, proper installation of water and electricity in each site. Stakeholders such as MISA responds in development to these services. Further than that, when a municipality is multi-sectored, good governance evaluations are easily executed but in BCMM compliance monitoring is under capacitated therefore compliance and corruption evaluations are not all identified and monitored (BCMM IDP Draft 2016-20121:06). To achieve any project municipality's work on budgets, the budgets in the BCMM have been overturned by corruption where funds, equipment, bribery and decisions were delayed in order to pursue personal interests in the municipality (Singh and Twalo, 2014:945).

7.2.3 Invasion of Environmental sensitive area.

Nompumelelo Township is situated close to a 100-year flood line, which is an environmental sensitive area that is a tributary of the Nahoon Estuary. The residents of the informal settlement in Nompumelelo have extended their shacks along the flood line and are exposed to water borne diseases because there are streams on the flood line. During rainy seasons, it is difficult for residents to walk around and out as the physical slope gradient is steep in the area. As a case in many informal settlements, there is poor service provision including water and sanitation, which results to human faeces in the banks of the river. There is also litter all over, the impacts of the litter affect the quality of water in the estuary and impacts on marine organisms, living and non-living. This research has found impacts of invasion of environmental sensitive areas on the environment and the people who settle in it. The danger is harmful to nature and humans that is why there planning systems leaves metropolitan open space system (MOSS) to compliment other land uses and act as a carbon filter.

7.3 Recommendations

The main research question that this study set out to establish and thereafter provide recommendations for is; how the town planning system can be used efficiently to allocate land for low-income housing in Beacon Bay. The recommendations relate to both policy and practice. Below are some possible recommendations deriving from the findings of the study.

7.3.1 Forward Planning

The recommendations guided by research findings are that, settlement-planning requirements and forward planning models should be practiced when undertaking developments. My conclusion is drawn from the observations of the poor levels of infrastructure in Nompumelelo and its isolated location from other areas including Beacon bay. There are no community halls, enough schools, clinics and recreational facilities in Nompumelelo. The location of Nompumelelo began to be realized as controversial and ‘problematic’ area after many years of its development. Thorough forward planning would avoid the risks of having low-income settlements adjacent to land suitable for prospective growth. The implications of this risk in Nompumelelo is lack of land; land for expansion, invasion of environmental sensitive areas, development of social services and recreational services.

7.4.2 Institutional Capacity

Government provides suitable legislature and specifies the powers of each level of governance in the constitution. These statutes provide guidance and are a resilient principles in which different institutions from national, provincial and municipal government should intervene in land issues. This research has found that the institutional capacity of Buffalo City Metropolitan Municipality is overlooked in land appropriation processes. It is within the municipality's power to maintain its plans in development corridors and measures of persuading landholders such as applying rezoning in order for landholders to give in. The Buffalo city municipality has Local Economic Development plans guided by the National Development Plan aimed for employment creation and economic growth. These macro-economic policies cannot be abandoned in metro municipality with huge population threshold such as Buffalo City Municipality.

7.4.3 Policy implementation and monitoring.

Policy implementation in view of the BNG and In-Situ Upgrading of informal Settlements is necessary even though it may require relocation of the informal settlements. The informal settlement near Nompumelelo has not benefited from policies that improve service delivery and life in other informal settlements in East London. Much focus in this regard has been given to Duncan village and Mdantsane. If the municipality leaves certain informal settlements it implies the implementation of such policies is questionable because the conditions are the same. Since the construction of housing for low-income groups takes time due to various issues discussed in this research, it is vital for policies such as BNG and In-Situ Upgrading of informal settlements to be executed as stipulated in policy frameworks.

7.5 Chapter Summary

In summary, this chapter discussed proposed recommendations and conclusions to the housing and land challenge in Nompumelelo in order to improve housing delivery strategies. The basis of the land and housing challenge in Nompumelelo is not distinct from the rest of South Africa, the limitation to land and housing access was created the land by history of land in East London. The history of land has also resulted to divisions in

economic classes as observed in Beacon Bay and Nompumelelo Township. The conclusions of this research are made based on findings, which the most crucial is the shortage of land. Further than that, based on investigating the reasons land and housing delivery is slow in South Africa, insufficient and privatisation of land are a challenge to the municipality. The findings include lack of municipal capacity to acquire privatised land; the poor capability of BCMM to acquire land is invasion of environmentally sensitive areas by the poor. Poor integration in the town planning is also another factor to invasion of vacant land by the poor because if they were located included in the planning of Beacon Bay, they would not invade sensitive areas. Since housing delivery strategies such as social housing are not able to benefit the low-income groups, this research recommends that existing policies proposed to meet housing needs or improvements to the poor be well implemented and monitored.

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APPENDICES: QUESTIONNAIRES AND INTERVIEW GUIDES

Appendix 1

Questionnaire 1.

Respondents: High-income residents of Beacon Bay

1. Age Please tick (✓)

18- 25	26- 35	36- 45	56- 55	56- 65	66- 75	76- 85	85 +

2. Gender Please tick (✓)

Female	Male

3. Race Please tick (✓)

1. White	2. Black	3. Coloured	4. Indian	5. Other

4. Marital Status Please tick (✓)

Single	
Married	
Separated	
Divorced	

5. Economic Status Please tick (✓)

Permanently Employed		
Casually Employed		
Unemployed		
Student	1	2
	3	5
	6	7+
Owner		

5. Number of children Please tick (✓)

6. Level of education/ qualification

	Level of education	Tick (✓)
1	Primary	
2	Less than matric (secondary without matric)	
3	High-school certificate / matric	
4	Diploma	
5	Degree	
6	Post-graduate degree	
7	None / no schooling	

7. Are you originally from this area? If not specify Please tick (✓)

Yes	
No	

8. How many years of residence in the area? Please tick (✓)

0-1	2-3	4- 5	5- 6	7- 8	8- 10	10-12	13-15	16+

9. What is the value of your property or land in Beacon Bay? Please tick (✓)

R250 000- R500 000	R500 000- R750 000	R750 000- R1000 0000	R1000 000- R2000 000	R2000 000- R5000 000	R6000 000+

10. What is the value of your property or land in Beacon Bay? Please tick (✓)

R250 000- R500 000	R500 000- R750 000	R750 000- R1000 0000	R1000 000- R2000 000	R2000 000- R5000 000	R6000 000+

11. Municipal service fees Please tick (✓)

R500- R1000	R1100- R2000	R2000+

12. Form of housing finance Please tick (✓)

Mortgage loan (bond)	Self	Personal Contract with land lord	Fully Paid

13. What is the required documentation for housing finance application? **Please tick (✓)**

Proof of income (pays lip)	Proof of employment	Nationality	Other

14. Form of ownership. **Please tick (✓)**

Owner	
Tenant	
Other	

15. How long did the processing of the land right application take? **Please tick (✓)**

1-6 Months	7-12 Months	13-24 Months	25-36 Months	36+

16. Did you have any other options of accessing land and housing outside the private housing market? **Please tick (✓)**

Yes	
No	

17. Would you like to see integration of income groups in housing developments in Beacon Bay? **Please tick (✓)**

Yes	
No	

18. Do you think urban land markets are ideal for providing housing for the high-income groups?
Please tick (✓)

Yes	
No	

19. Would you like state intervention in the delivery of housing for high-income groups? Why? **Please tick (✓)**

20. Would you recommend that the government of South Africa privatizes all types of houses in suitable values for all income groups?

21. Would you like state intervention in the delivery of housing for high-income groups? Why? **Please tick (✓)**

Yes	
No	

Appendix 2

Questionnaire 2

Respondents: Mompumelelo and Informal Settlement near Nompomelelo, residents, East London.

1. Age Please tick (✓)

18- 25	26- 35	36- 45	56- 55	56- 65	66- 75	76- 85	85 +

2. Gender Please tick (✓)

Female	Male

3. Marital Status Please tick (✓)

Single	
Married	
Separated	
Divorced	

4. Economic Status Please tick (✓)

Permanently Employed	
Casually Employed	
Unemployed	
Student	
Pensioner	
Other	

5. Number of children

Please tick (✓)

0	1	2	3	5	6	7+
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6. Level of education/ qualification

	Level of education	Tick (✓)
1	Primary	
2	Less than matric (secondary without matric)	
3	High-school certificate / matric	
4	Diploma	
5	Degree	
6	Post-graduate degree	
7	None / no schooling	

7. Are you originally from this area? If not specify Please tick (✓)

Yes	
No	

8. How many years of residence in the area? Please tick (✓)

0-1	2-3	4- 5	5- 6	7- 8	8- 10	10-12	13-15	16+

9. Form of land right. Please tick (✓)

Owner	
Tenant	
Other	

10. What are the levels of safety in the area? Please tick (✓)

High (safe)	
Moderate	
Poor (not safe)	

Yes	
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No	
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11. Are there any cases of danger to life in the area?
Support your answer

12. Who is in-charge of instilling safety in the area? **Please tick (✓)**

Police	
Community forum	

13. In your opinion, what are the causes of crime in the community? **Please tick (✓)**

Poverty	
Substance abuse	
Alcohol abuse	
Unemployment	
Other	

14. Do you think the criminal offenses in the area are highly criminal cases?
Specify the criminal cases reported in the area

15. Are there recreational facilities in the area? **Please tick (✓)**

Yes	
No	

16. What kind of recreational facilities do you have?

17. Are the recreational facilities useful in community building? **Please tick (✓)**

Not Useful	
Useful	
Limited due to	

18. The area is on a steep slope; does this affect you during the rainy seasons or in events of floods? Specify how it affects you?

19. Does the municipality provide the community with emergency risk management service in occurrence of damages from disastrous weather conditions?

20. What are the other health hazards you suffer in the area because of the location?

21. Do you have access to infrastructure services in the area? **Please tick (✓)**

Roads	Sanitation	Running Water	Electricity	Storm water services
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22. Have you ever applied for the social housing?

23. What was the response for your application?

24. How long will it take you to get your house through the Department of Human Settlement?

25. What is the advantage and disadvantage of depending on the social housing for land tiles?

26. If you do not get land through the distribution of social housing by Department of Social Human Settlements, what are your other options?

27. Have you considered private land distribution options in Beacon Bay?

28. In light of the land redistribution development program of 1994 and many amendments to it, what is your opinion about issuing of land for a market value in the democratic South Africa?

29. What do you think about the land markets in Beacon Bay?

30. Have you consulted a bank for a housing bond before, if yes what was the response?

Appendix 3

Interview Guide 1– Department of Human Settlements, East London

Mr Mpendu – (Housing Admin and Facilitator)

1. Who is eligible to apply for low-cost housing in South Africa?

2. Which income groups qualify for social housing in South Africa?

3. How is rural- urban migration of previously disadvantaged poor black South Africans controlled by the Department of Human Settlements in terms of avoiding land invasion and ensuring benefits of the poor from land distribution and housing in East London?

4. The poor solely depend on the Department of Human Settlements for provisions of land and housing, how long is their waiting period for delivery of their houses?

5. What are the processes and conditions of obtaining titles to land through social housing?

6. What processes are there to follow to acquire land titles and how long are they?

7. What are the main legislative requirements for acquiring private land from South African land markets?

8. What are main legal documents required to apply for land and low-cost housing?

9. What documentation is required for social housing applications?

10. Were all-social and bulk infrastructure services planned and provided before or during the development of Nompumelelo Township?

11. Does the Department of Human Settlements and The Buffalo City Metro Municipality consider expanding Nompumelelo in order to achieve a population threshold that allows more development especially for social services?

12. Is the Department of Human Settlements also involved in land acquisition for the development of low-cost and social housing applications?

13. What strategies does the department implement in order to ensure delivery of essential services in planning of low income areas like Nompumelelo?

14. What policies are there in place to bridge gaps between the poor and rich in terms of land distribution?

15. How does privatization of land affect development of housing in East London and within the Buffalo City Metro Municipality?

Appendix 4

Interview Guide 2 - Buffalo City Metro Municipality

Respondent: Town Planner at Buffalo City Metro Municipality

1. According to the IDP of Buffalo City Metro Municipality, what are the long-term goals of integration of income groups Beacon Bay?

2. Does the present land distribution consist of integration of various income groups in Beacon Bay?

3. Are there people professional town planners or surveyors from the municipality or relevant departments responsible for subdividing private land in Beacon Bay?

4. Is there conformity to standard norms of subdivision of private land in Beacon Bay? Give reasons for answer.

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5. Is the area of Beacon Bay linked to the neighbouring areas in terms of social services?

6. Are the engineering services offered in Beacon Bay same as the ones in Nompumelelo?

Do the residents of Beacon Bay pay more for engineering services?

7. The physical features of location of the informal settlement near Beacon Bay such as slope gradient, vegetation around it and the soil type make this area an undevelopable land. Are there plans of relocating the residents drafted in your future plans for the greater area of Beacon Bay?

8. The socio-economic challenges that residents of Nompumelelo face suppose for more development of social services and recreational activities, however the population threshold of the area do not qualify such developments in the area. What is the plan of action proposed by town planners to provide the area with innovative transformation plans especially for the youth? How will the proposed development strategies be brought if there is no integration of the area to other areas? (drug abuse, crime, unemployment)

- 9.** Has the municipality and Department of Human Settlements considered expanding the area of Nompumelelo in order to have a population that allows development of certain services?

- 10.** What is the total area of land covered by Nompemelelo Township?

- 11.** What is the total land area for consumed by Beacon Bay high-income groups?

Appendix 5

Interview Guide 3- Department of Rural Development and Land Affairs Respondent: Deeds Registrar (King Williams Town)

1. Is the department of Rural Development and Land Reform involved in the distribution of land in urban areas?

2. The poor previously disadvantaged black South Africans have migrated to urban areas in search of job opportunities, how do they benefit from distribution of land?

3. The poor depend on the Department of Human Settlements for provisions of land and housing, how long does it take them to have titles to this land and property?

4. What are the processes and conditions of obtaining title to land through the social housing schemes?

5. What are the processes of acquiring title to private land and how long does it take?

6. What are the main legislative requirements for acquiring private land from South African land markets?

7. What are the main legal documents requirements for application of land title from obtaining land titles in social housing projects?

8. How long does it take to change the land title deeds to another holder when property is sold to another holder?

9. How much does it cost to apply for a change of title deeds?
