

**PGWC: DEPARTMENT OF LOCAL  
GOVERNMENT & HOUSING  
HUMAN SETTLEMENT STRATEGY  
SEMINAR**

**DAY 1 -**

**COMMISSION:**

**PROPERTY MARKETS AND  
THE USAGE OF STATE LAND**

**Input for 28 March 2006**

# **CONFIRMATION OF WHAT WE HAVE TO ACHIEVE TODAY**

- **HOW DO WE UNDERSTAND / AGREE ON THE KEY STRATEGIC THRUSTS**
- **POSSIBLE AREAS OF COLLABORATION**
- **WHAT ARE THE CONDITIONS OF PARTNERSHIPS?**
- **WHO ARE THE POSSIBLE PARTNERS?**

# How do we understand / agree on the key strategic thrusts?

## Planning & Development Framework to Enable More Equitable Land & Property Markets

- Use planning development control/facilitation instruments innovatively
- Develop pro-poor mechanisms for value capture
- “Carrot” and / or “stick” approaches

## Financial Models and targeted infrastructural Investment

- Financial services charter implementation
- Implementation of in-principle contribution agreements
- New financing models for low cost housing
- Strategic and incremental targeting of infrastructure investment
- Housing subsidy and micro finance (e.g. backyard dwellers)

## **Land Market Management and use of State Land and other resources for spatial restructuring for the benefit of the poor**

- Review existing public land institutional arrangements for acquisition, assembly and transfer
- Gain revenue via land taxation or through capturing revenue methods
- Land banking and land settlement management
- Right of 1<sup>st</sup> refusal prior to state land disposal
- Use public land and other state resources as strategic lever for restructuring

## **Land and Property Market Research and Monitoring**

- Develop research & monitoring system to understand property markets
- Collaborate with tertiary institutions and other stake holders in research and policy

# SUGGESTED GAPS

- Working of land market for poor - broader approach to be inclusive of all sub markets
- Mobility within RDP market - management and control mechanisms

# WHAT ARE OUR POSSIBLE AREAS OF COLLABORATION?

## Funding

- Subsidy with additional funding collaboration (formal institutions and private)
- Review of instruments

## Land availability

- Land availability / release partnerships

## Policy & procedures (management, monitoring and control)

- Local government policing and enforcement of development criteria and standards

## General

- Co-operative agreements
- At provincial and local government level

# SPECIFIC ACTIONS

- Land audit (public and private - under utilized and vacant strategic from a spatial and integration point of view)
- Study to differentiate between type of engagements to determine collaboration required (instruments and the programme)
- Develop TOR / mandate for land release and associated development
- Physical and social infrastructure development
- Review of housing institutional mandates
- Review of use of instruments - i.e. land cost included in subsidy, land sharing, land swops, etc.
- Explore equity share model between state and private ownership
- Explore policy related densification models - incentive linked
- Process of land to stand takes to long - pilots in 2 local authorities - bring learning into WC, also integrated law reform project
- Pool research / information available and implement monitoring tool / mechanism on ongoing basis - knowledge management centre
- CONSUMER EDUCATION

# WHAT ARE THE CONDITIONS FOR PARTICIPATION?

## Banking sector

- Private sector - financial viability
- Housing institution to play market leader approach - banking sector will follow once area has proofed itself
- Contained in Memorandum of Understanding signed with National Housing
- Social compact conditions - signed off

## Land availability

- Intersite (parastatal) - can only participate if mandate is changed

## Policy & procedures

- Accessibility to information / batabases - create partnerships for sharing



# WHO ARE OUR POSSIBLE PARTNERS?

## Funding

- International funding - community based development

## Land

- City / local government
- Intersite / parastatals - land availability / release / development

## Policy and procedures

- Urban land markets for the poor study
- Finmark trust - studies and research

## General

- National dept of Housing
- Integrated approach to partnerships between developers, banks and land owners
- Estate agents - traditional low income housing areas