

Study on Luanda Urban Land Markets - acquiring land for housing construction

First Stakeholder's Round Table Meeting

Presented by:

**World Bank &
Development Workshop Angola**

Luanda – 28 January 2011

Objective of Research

- This program aims at providing much needed information base on the way people gain access to urban land for autoconstrucao through formal and informal land markets
- The project makes a contribution to the development of urban policy and land use management practice in urban and peri-urban areas of Angola.
- To assess the factors and agents that make informal urban land markets work in Luanda.



Problems

- Angola has been experiencing extremely high and concentrated forms of rapid urbanization in the past decades, due to general socio-economic and development trends as well as the long civil war.
- Luanda is growing very fast in predominantly informal settlements around the previous old urban center.
- Three quarters of the population living in informal peri-urban areas with weak rights to land occupation.



Opportunities

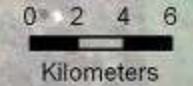
- The Angolan Government has adopted an ambitious policy of promoting the building one million homes country-wide before 2012 and aims to eliminate much of the *musseque* settlements in the process.
- In the process the Government intends to facilitate 685 thousand families to build their own houses under a program of Autoconstrucao diregida.
- Under the 2004 land legislation the Government reaffirmed its authority as the primary manager of land and the State as the original owner of all land resources.



PROVINCE OF LUANDA

Land Reserved for Housing

Mussequ Capari



- Patrice Lumumba
- Ilha do Cabo
- Rangel
- Marçal
- Operario
- Terra Nova
- Ingombota
- Maculusso
- Kinanga
- Maianga
- Neves Bendinha
- Prenda
- Havemos de Voltar
- Cassequel
- Samba
- Rocha Pinto

Sambizanga Antenas
Sambizanga, Bairro Operario, Boavista

Cazenga Antenas

Nova Urbanização Cacuaco

Kikuxi, Sapu e Benfica

Bitá Sapu

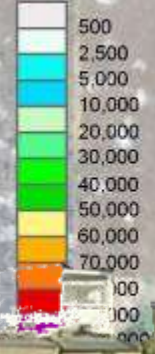
Luanda Norte

Nova Cidade de Luanda

LEGEND

- Reserve - Decree 64/07
- Reserve - Decree 87/08
- Comuna Boundaries

DENSITY



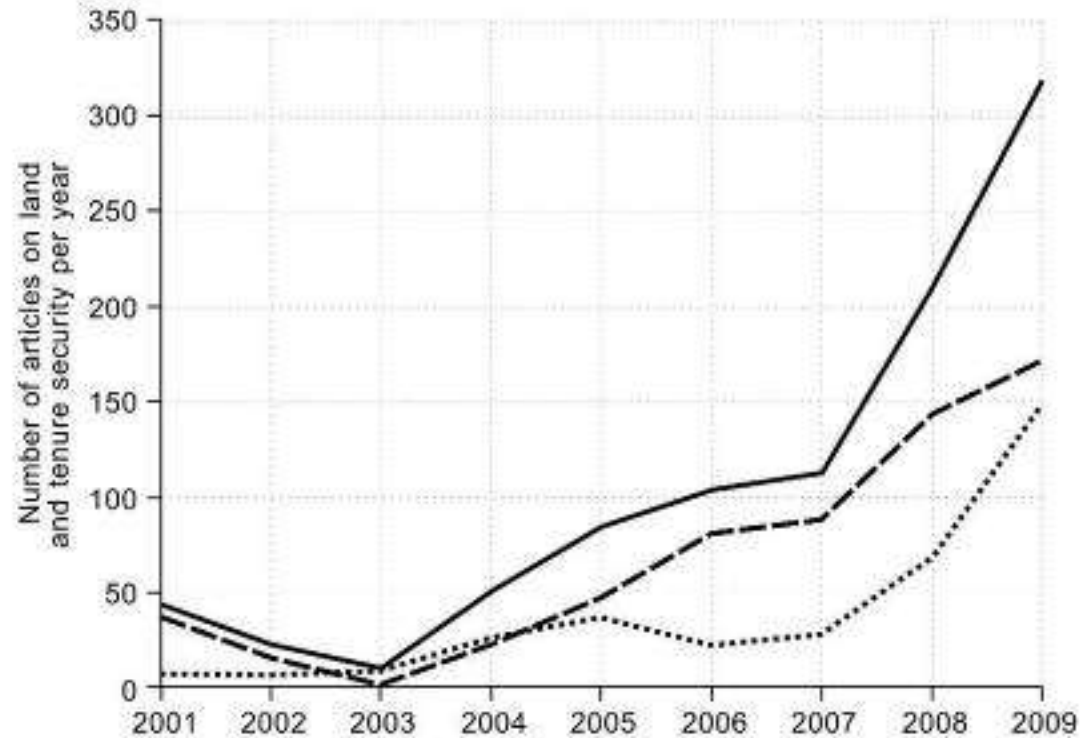
Challenge

- A major constraint to Government urban plans remains the weak administration of land resources and correspondingly weak tenure rights of most urban residents.
- Despite the Government's assertion to control land, there exists a thriving real-estate market for both formal (titled) and informally occupied land.
- To better understand the dynamics governing urban land markets as a key factor in the urbanization process



Media & Public Awareness of Land Issue

DW's CEDOC monitoring of the media has demonstrated that land issues and rights have been clearly placed in the public domain over the last decade.



—	Total number of articles	44	23	10	50	84	104	112	209	319
- - -	Independent media	37	16	2	23	48	81	87	143	171
.....	State press services	7	7	8	27	36	23	25	66	148

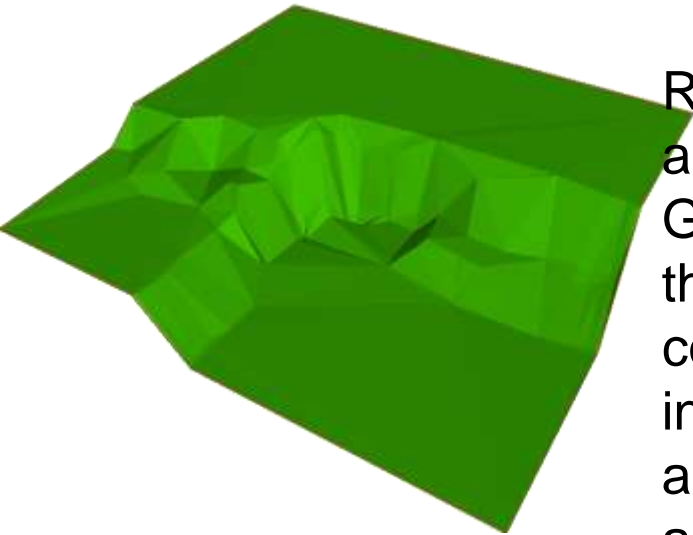


Research Methodology

- The methodological approach focused on combining new information and the systematisation of existing data from previous studies.
- Literature review
- Key informant interviews & workshops with government, private sector and civil society actors involved in land, real-estate and service provision sectors.
- Survey based on household questionnaires in four zones pre-selected to represent significant typologies of settlements in Luanda.
- Participatory diagnostic using focus groups with local administration and civil society representatives.



Geographic Information Systems (GIS)



Remote sensing applications are GIS tools used by the project to collect urban information using arial photographs and satellite imagery.

Participatory mapping



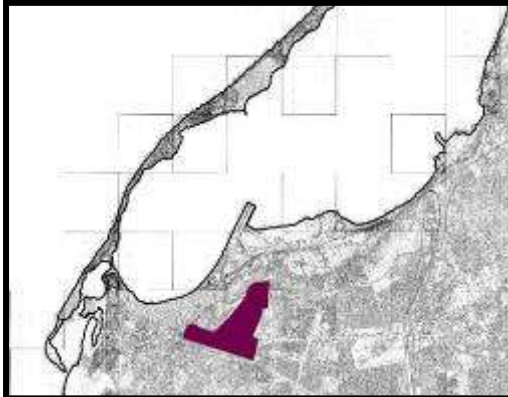
Luanda Settlement Typologies

TOPOLGIAS		CATEGORIAS	POPULAÇÃO	% do total da população
A	Old Urban Centre	Mais de 35 anos	165 693	3%
B	New Suburbs	Nova, Pós Guerra	163 721	3%
C	Bairro Popular	Mais de 35 anos	83 290	1%
D	Social Housing	Nova, Pós Guerra	118 380	2%
E	Self Help Building	Nova, Pós Guerra	396 736	7%
F	Musseques in Transition	Pós Independência	622 950	11%
G	Organised Musseques	Mais de 35 anos	477 956	8%
H	Old Musseques	Mais de 35 anos	2 312 701	40%
I	Peripheral Musseques	Pós Independência	1 237 028	21%
J	Rural Settlements		241 787	4%
K	Industrial Zones		2 957	0,05%
	Total		5 823 200	100%

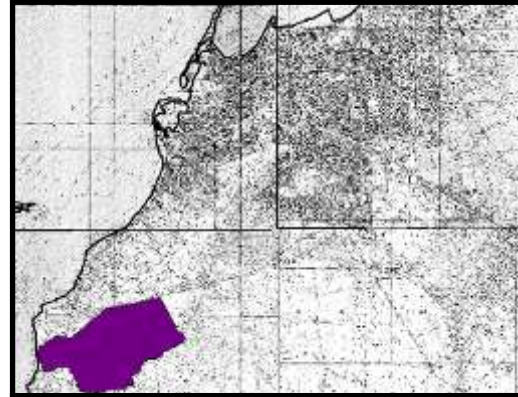


Luanda Settlement Typologies

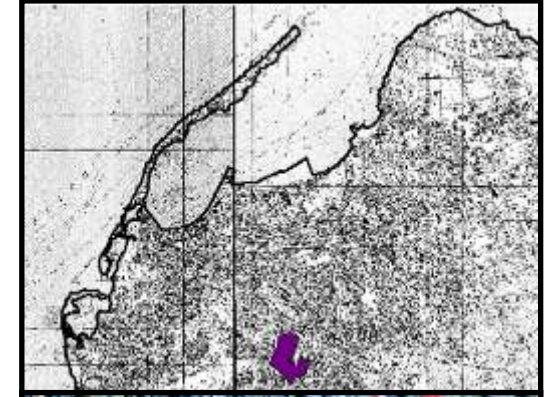
Old Urban Centre



New Suburbs



'Bairro Popular'



Luanda Settlement Typologies

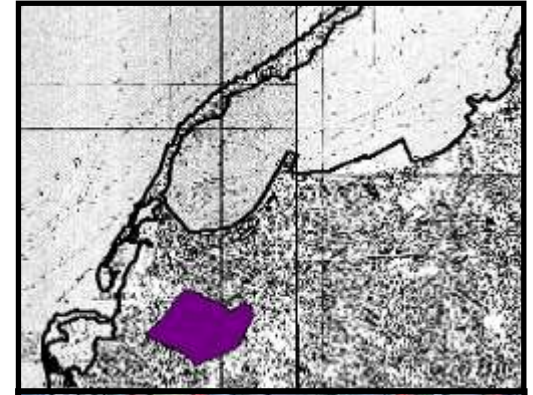
Social Housing



Self-Help Housing

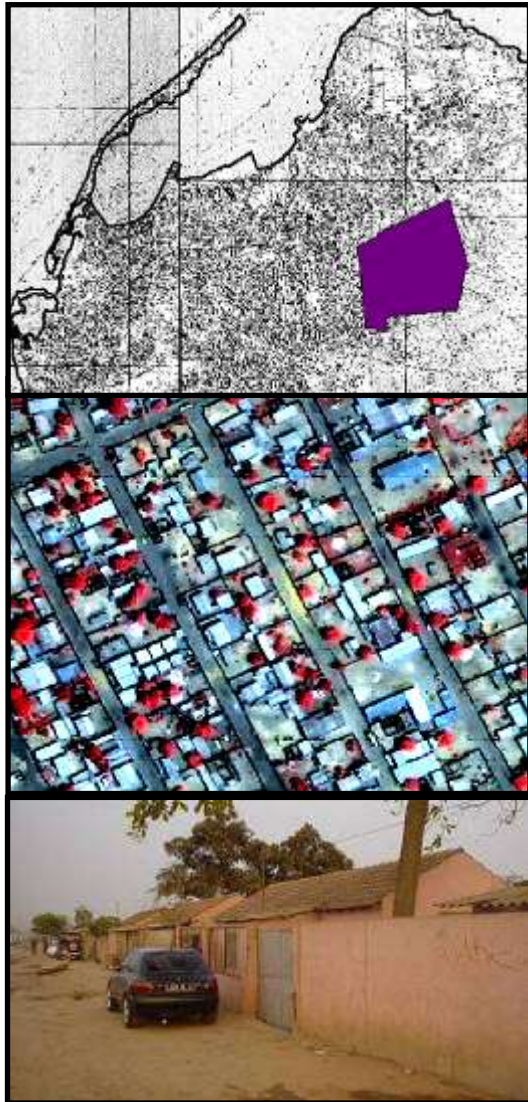


Transitional Musseques

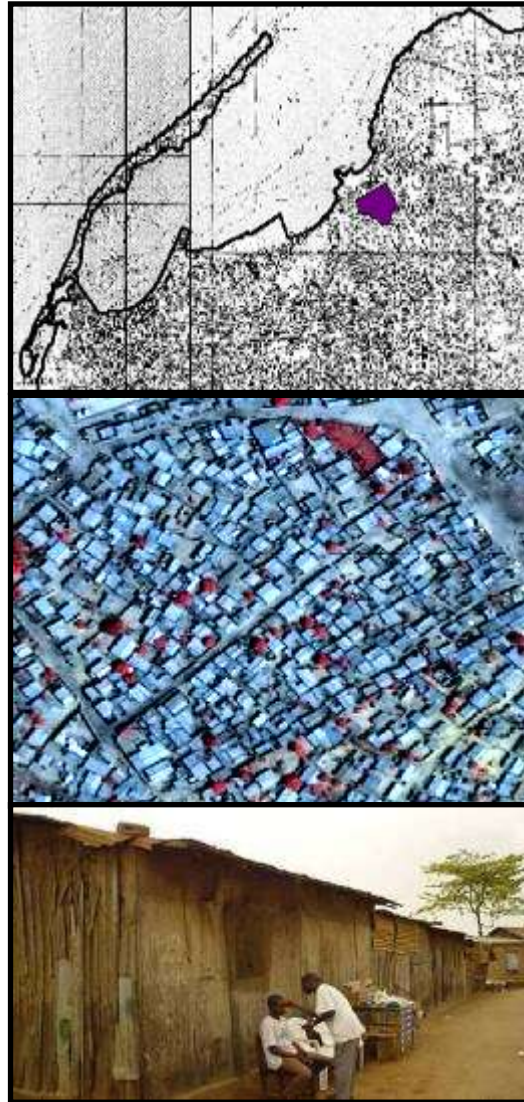


Luanda Settlement Typologies

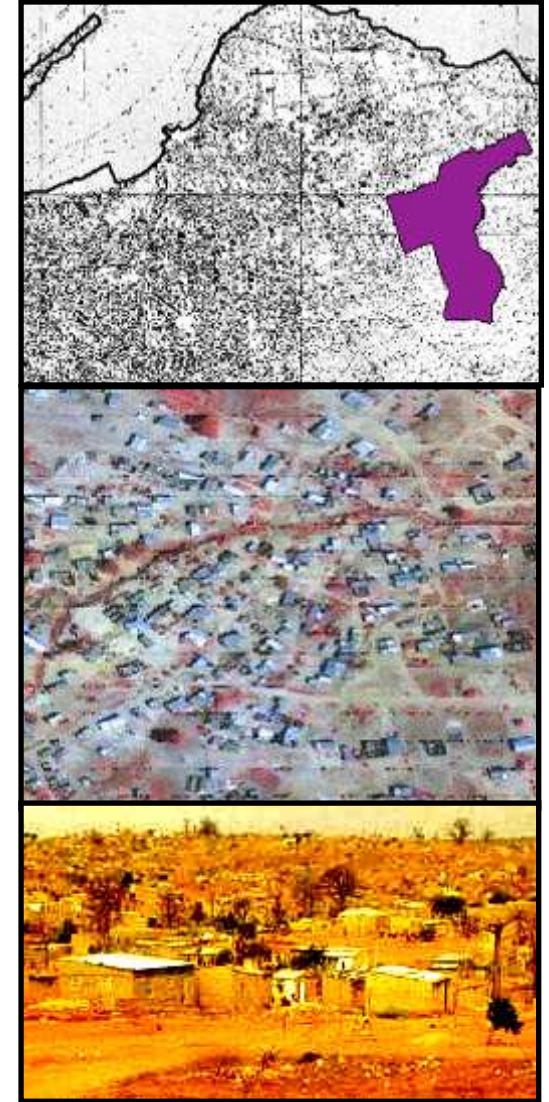
Organized Musseques



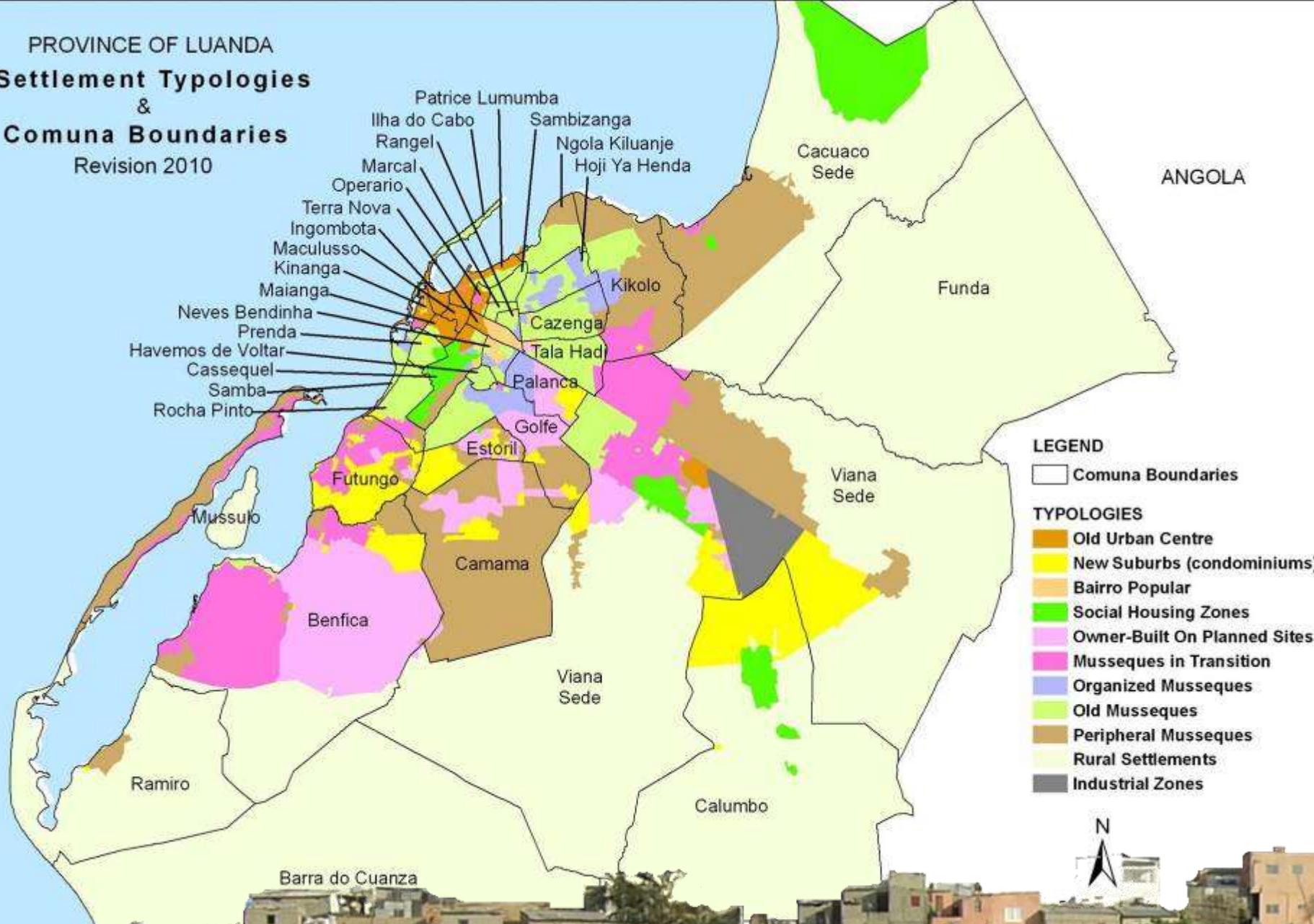
Old Musseques



Peripheral Musseques



PROVINCE OF LUANDA
Settlement Typologies
 &
Comuna Boundaries
 Revision 2010



ANGOLA

- LEGEND**
- Comuna Boundaries
- TYOLOGIES**
- Old Urban Centre
 - New Suburbs (condominiums)
 - Bairro Popular
 - Social Housing Zones
 - Owner-Built On Planned Sites
 - Musseques in Transition
 - Organized Musseques
 - Old Musseques
 - Peripheral Musseques
 - Rural Settlements
 - Industrial Zones



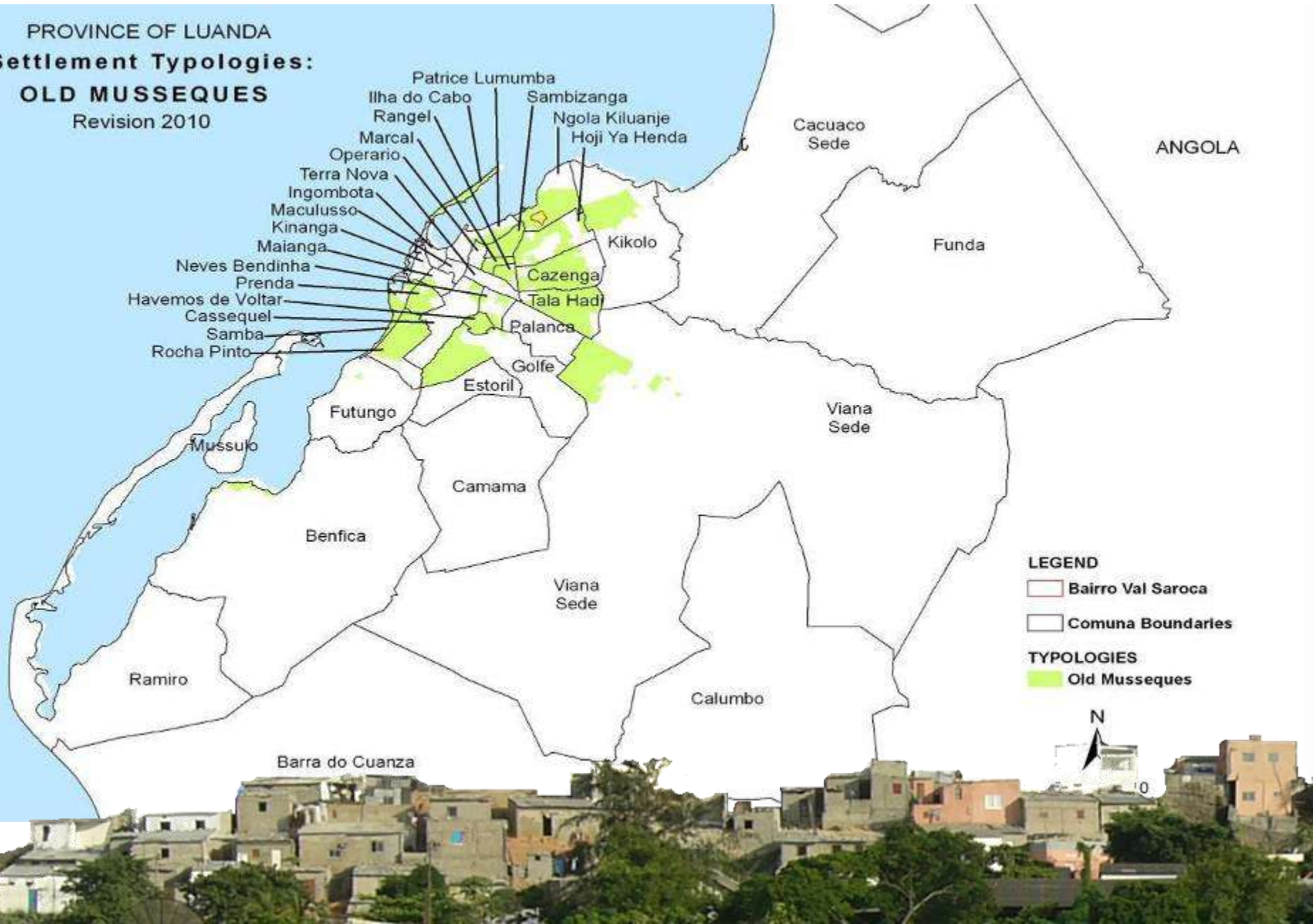
Study Areas

Typology	% of total population per typology	Bairro	Number of Roof tops	Houses Included in Sample
Old Musseques	40%	Val Saroco	3,403	Every 34 th house
Transitional Musseques	11%	Bairro Operario	1.199	Every 10 th house
Peripheral Musseques	21%	Bairo Paraiso	17,728	Every 177 th house
Social Housing	2%	Panguila	3,621	Every 36 th house
Total	74%			100 houses in each bairro

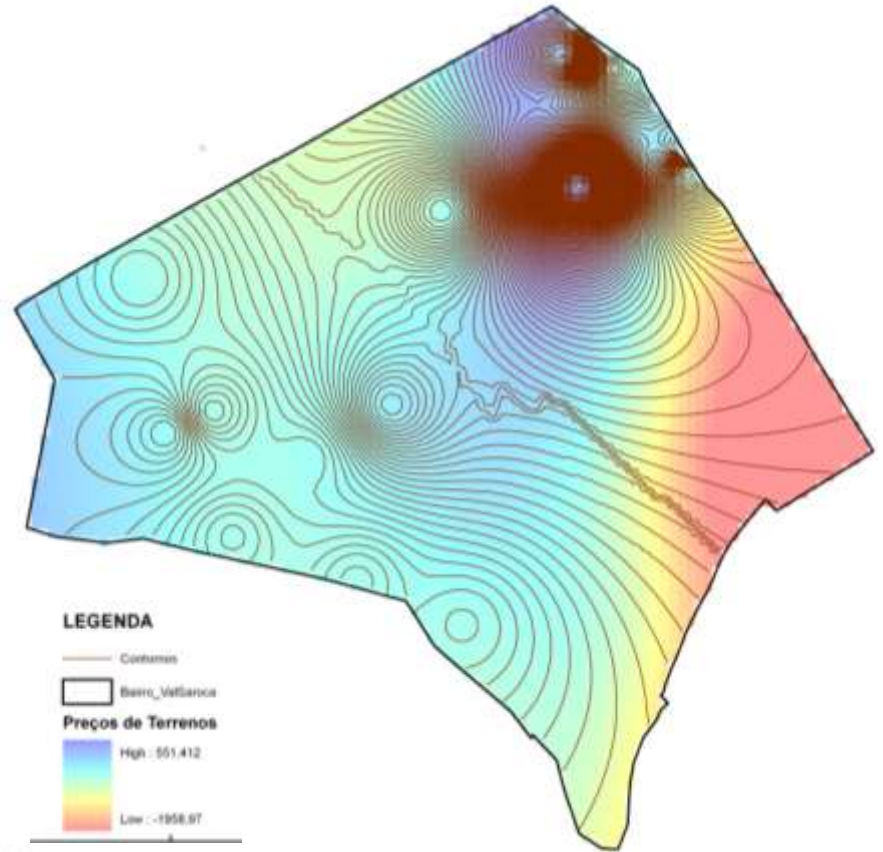


Old Musseque – Vala Saroco

PROVINCE OF LUANDA
Settlement Typologies:
OLD MUSSEQUES
Revision 2010



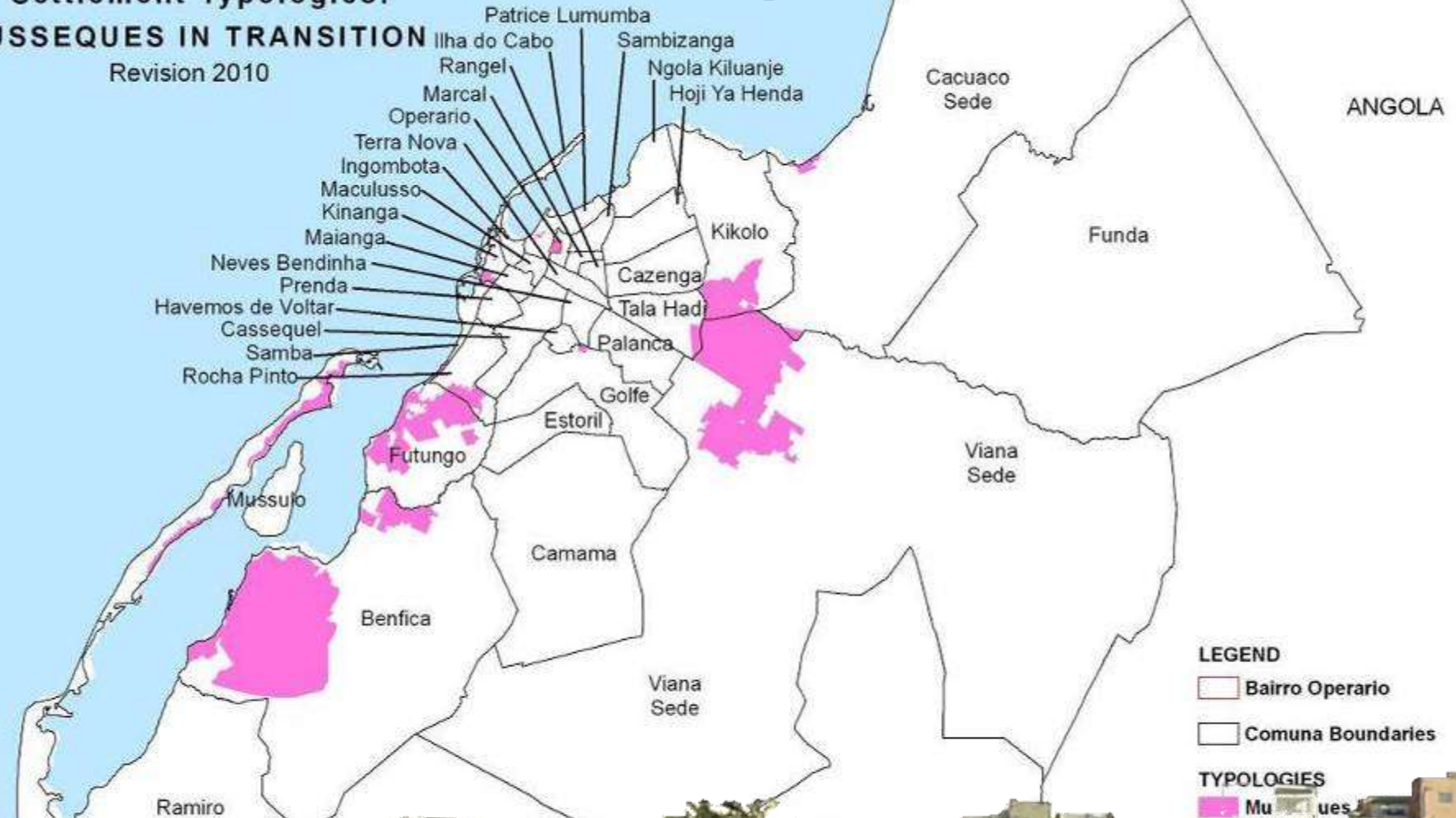
Old Musseque – Vala Saroco



Musseques in Transition

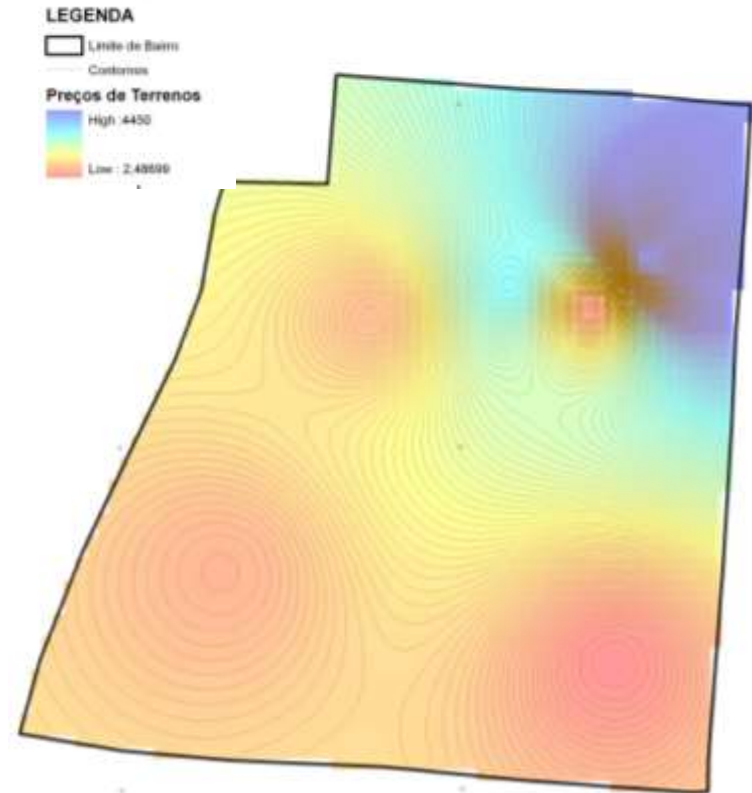
Bairro Operario

PROVINCE OF LUANDA
Settlement Typologies:
MUSSEQUES IN TRANSITION
Revision 2010



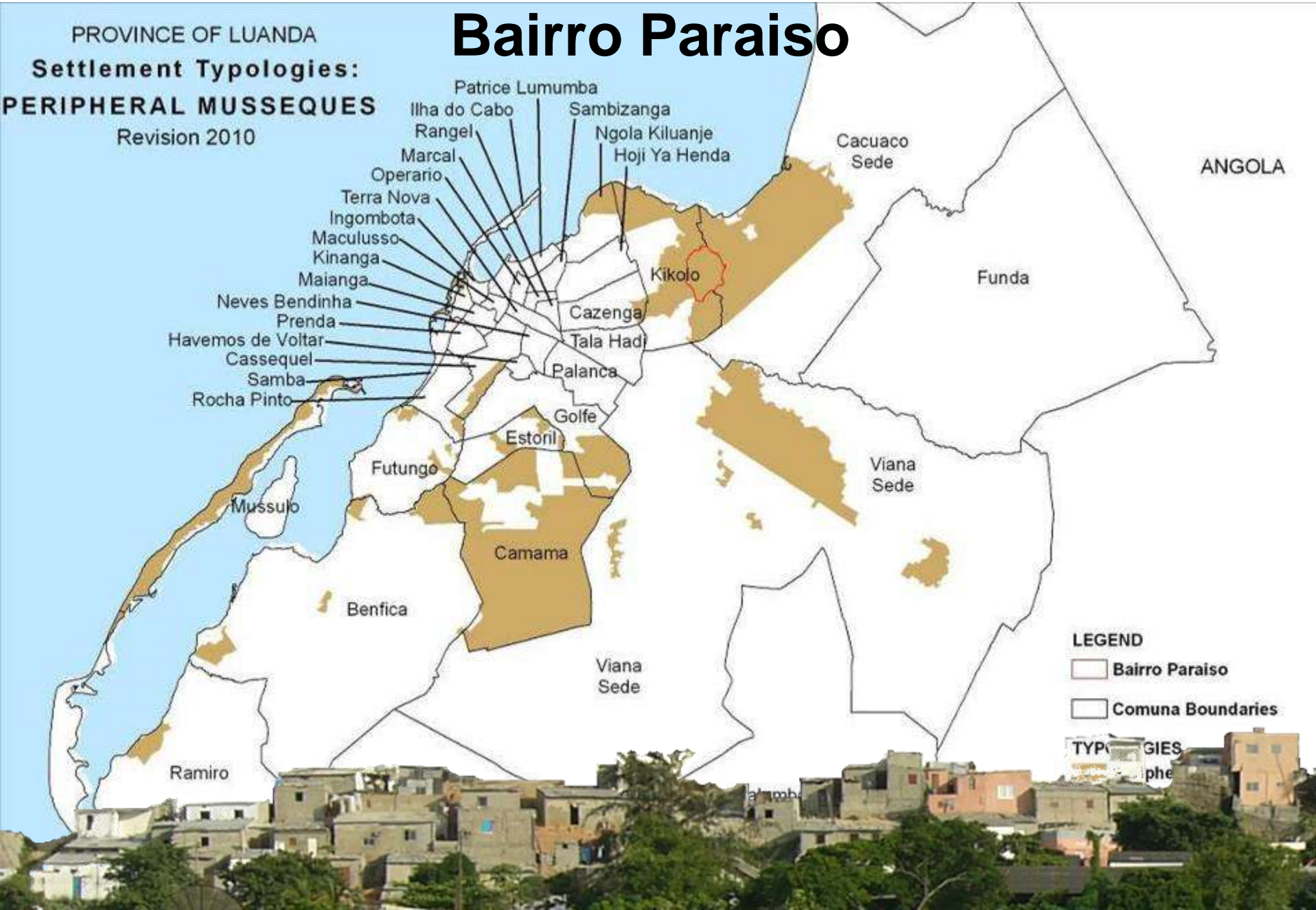
Musseque in Transition

Bairro Operario



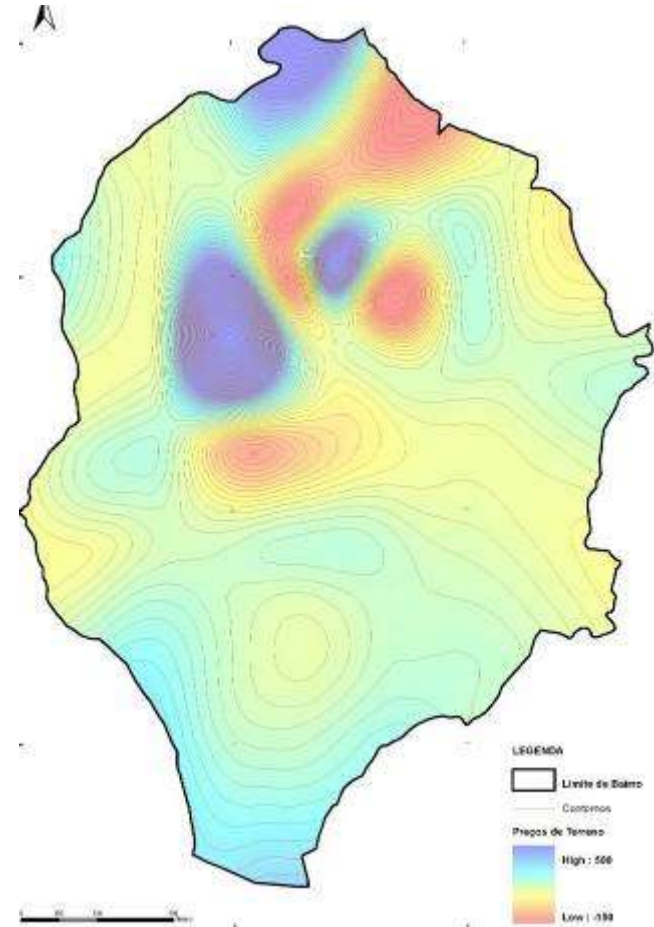
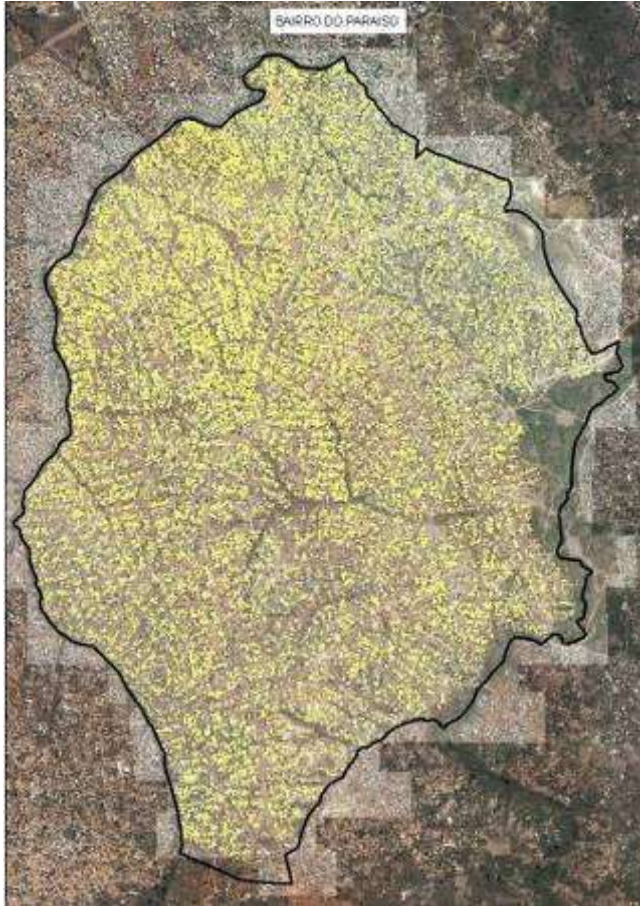
Peripheral Musseque

Bairro Paraiso



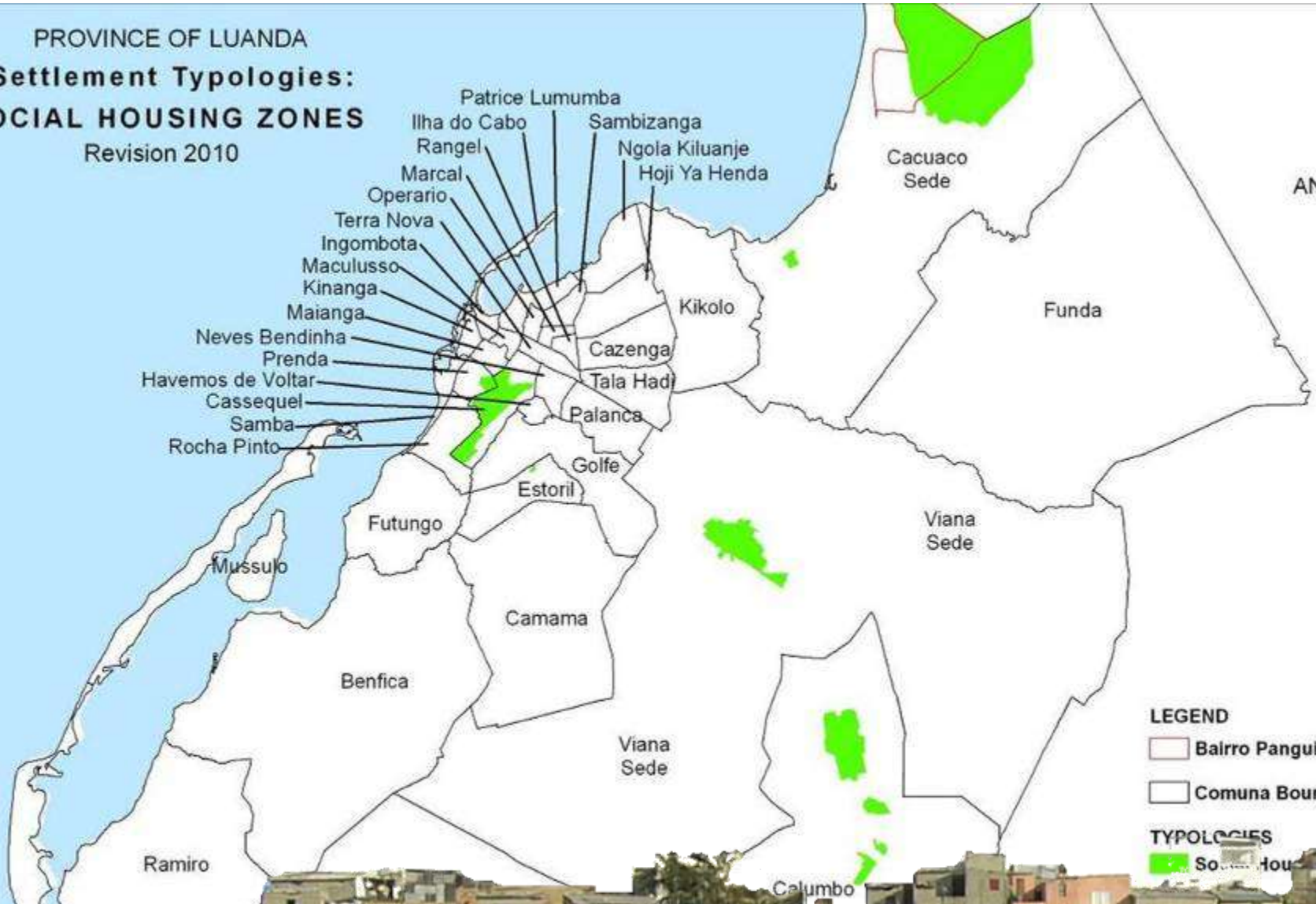
Peripheral Musseques

Bairro Paraiso



Social Housing - Panguila

PROVINCE OF LUANDA
Settlement Typologies:
SOCIAL HOUSING ZONES
Revision 2010



ANGOLA

LEGEND

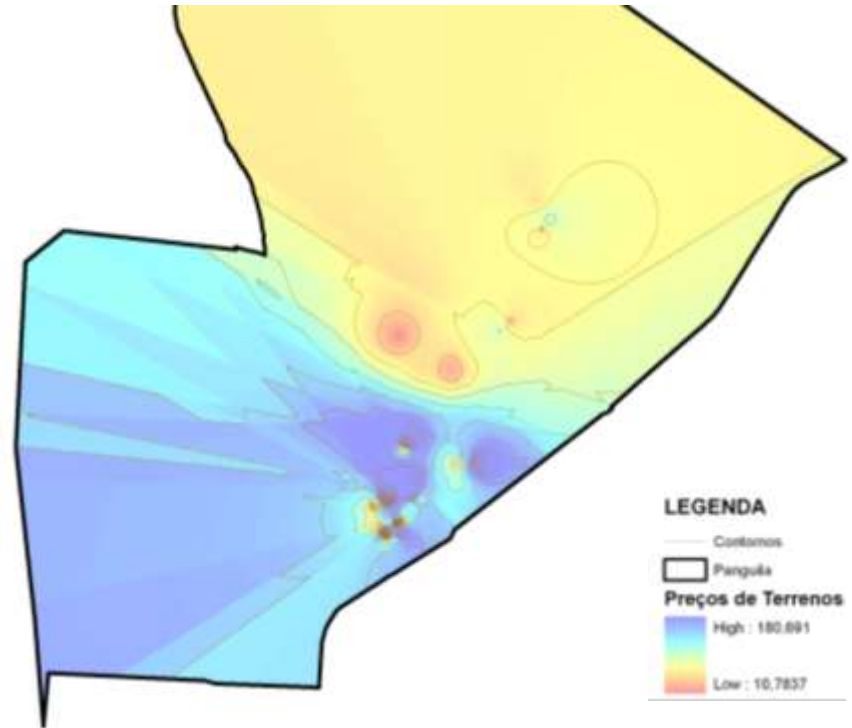
- Bairro Panguila
- Comuna Boundaries

TYPOLOGIES

- Social Housing



Social Housing - Panguila



Research Questions

1. Where buyers come from;
2. How property is transferred including what forms of documentation are used, what weight each category of document carries, as well as who attests to the validity of such documents;
3. How real estate disputes are resolved in the absence of regularisation and by whom;
4. Estimated annual volume of properties (residential, commercial and other) that are transacted either by sale or new rental and further distinguished between the formal and informal markets;



Research Questions & Findings

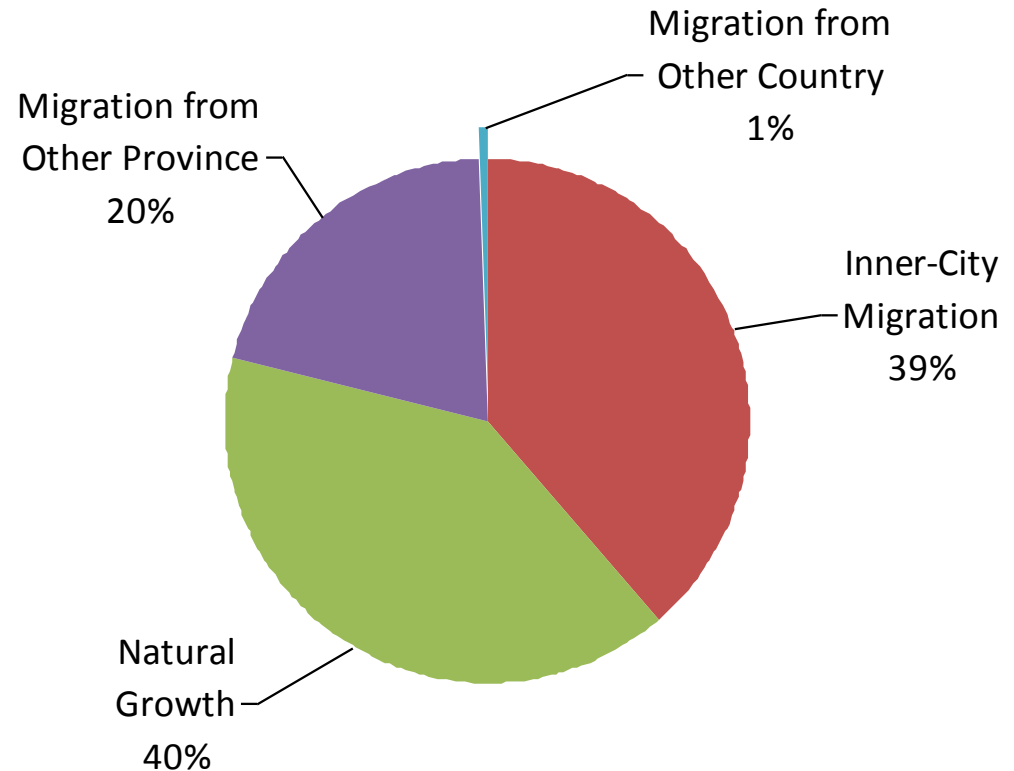
5. Median sale and rental prices and how these have changed over the last decade;
6. The role of formal or informal real estate brokers, “agents,” or intermediaries;
7. How rental and ownership opportunities are advertised;
8. How property values are determined;
9. How transactions are financed, if at all;
10. Characterization of the role of government agencies, private entities and community groups in the processes noted above.



1. Where do buyers come from?

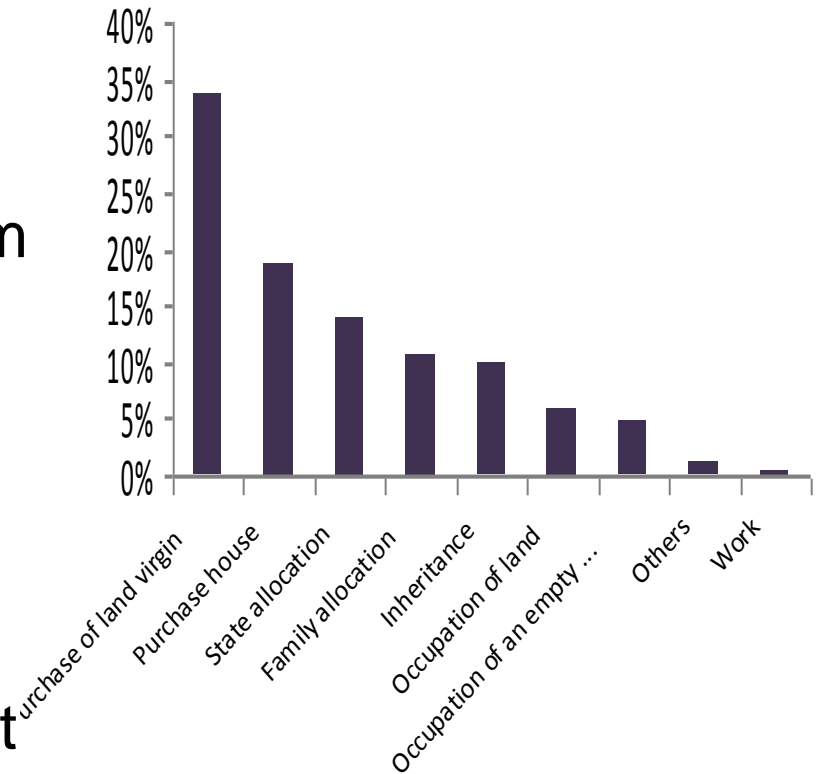
Most growth (80%) is accounted for by inner-city migration and natural population growth (40% and 39% respectively). Migration from other provinces constitutes 20% of the source of growth.

Source of Growth 2010



2a. How property is transferred?

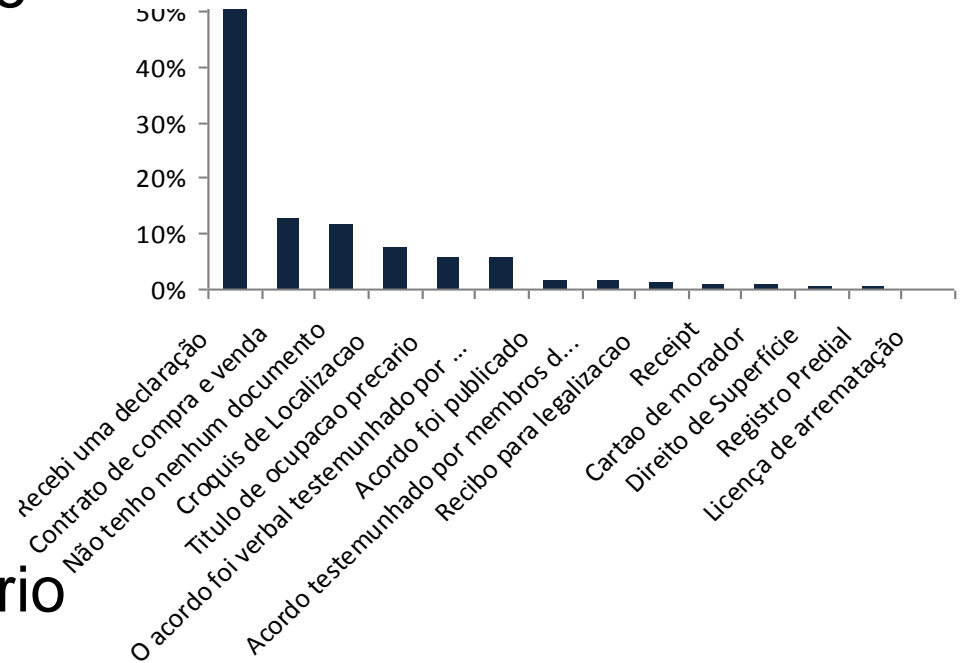
- Vacant land purchase is the most significant form of property transfer, at 34%
- The second most significant form is house purchase at 18.8%
- Cedencia do estado at 14.1% only occurs in Panguila (Habitacao Social)
- The dominance of sale as a transfer mechanism is significant as, at 53% indicating that a financial market exists.



2b. What is the evidence of tenure?

The evidence people have to back up their claims. The following forms of documentation are used:

- Declaration
- Contract of sale
- Croquis de Localizaco
- Titulo de ocupacao precario
- Direito de Superficie
- Registor Predial
- Licenca arrematacao

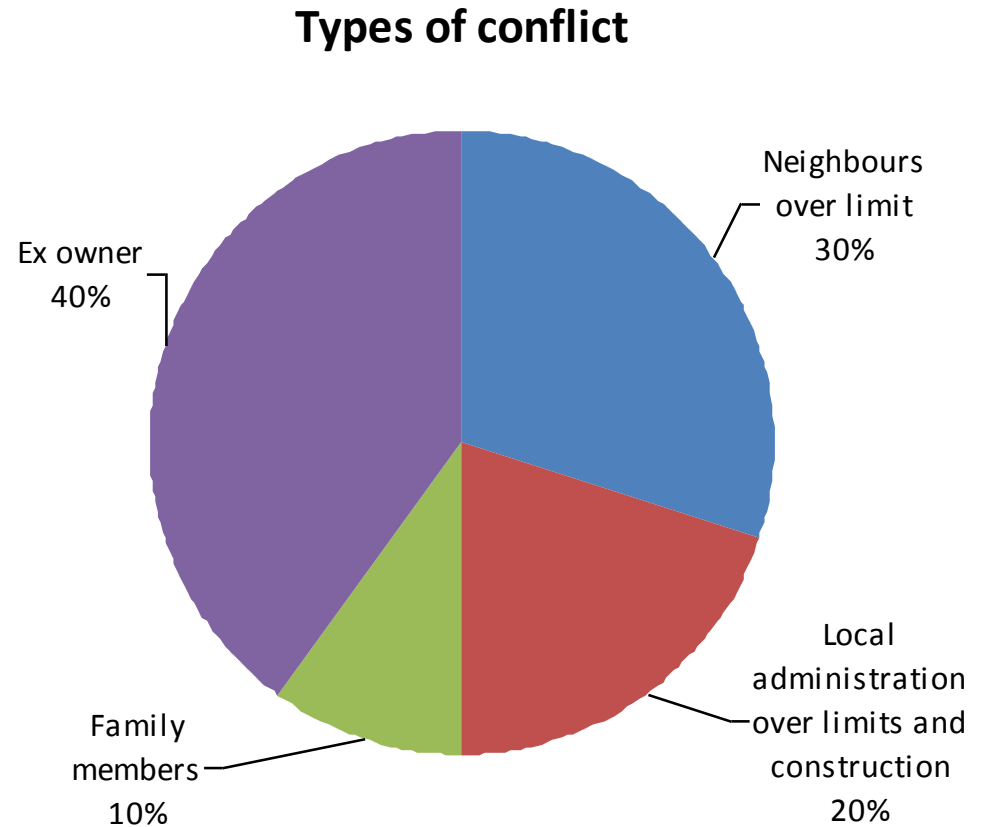


Only 8% of the total sample is in possession of any official form of legal evidence of tenure.



3a. What are the types of property disputes?

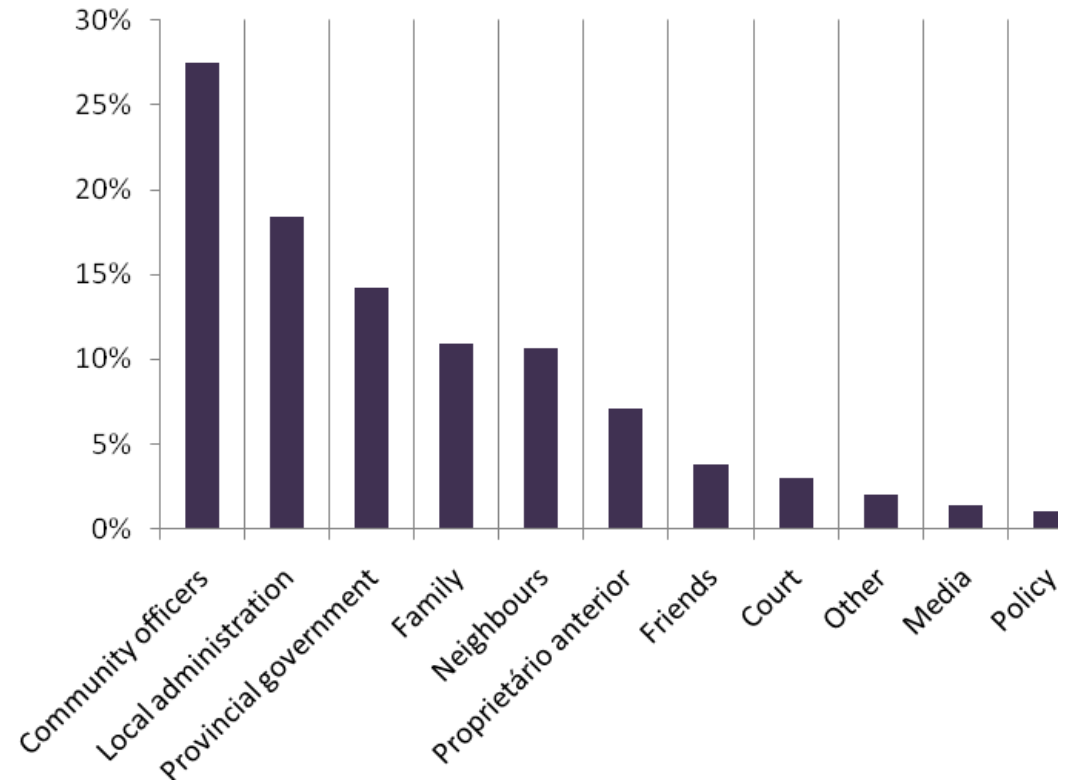
The incidence of conflict was very low, and is very similar to DW's 2003 study where conflict tended to relate to disputes over boundaries.



3b. How are property disputes are resolved?

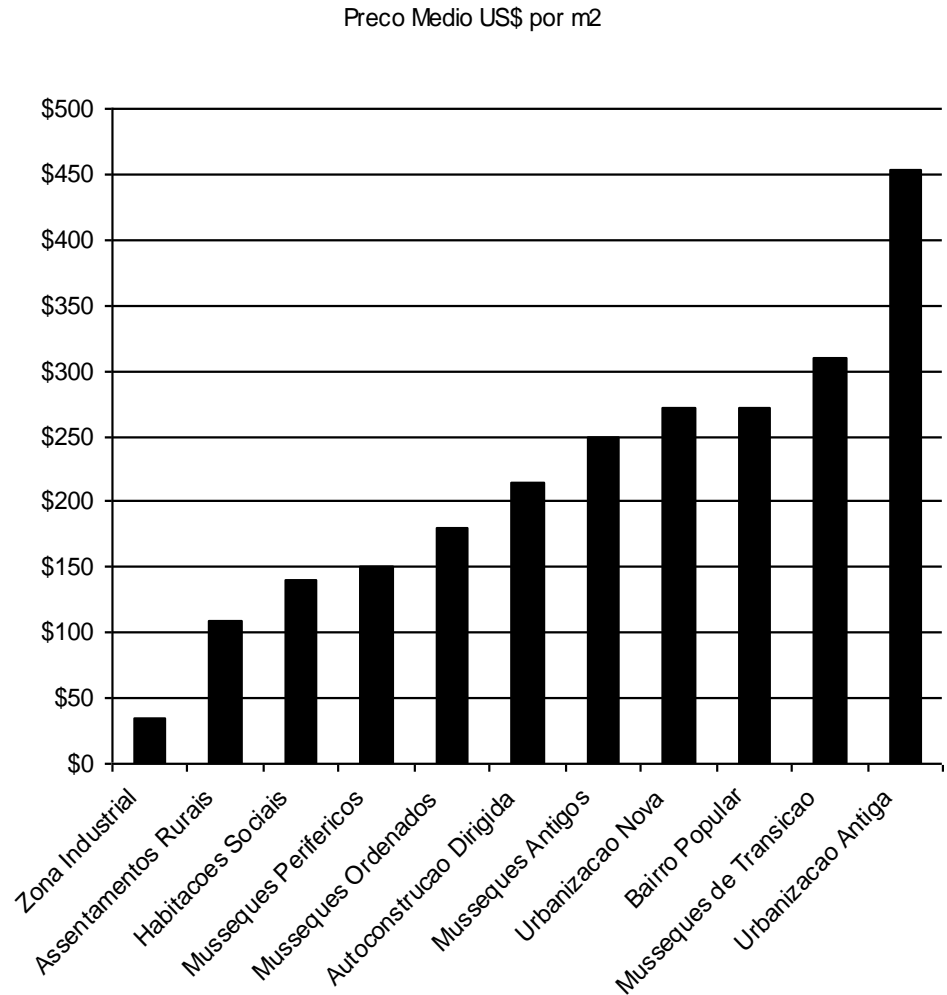
The low incidence of disputes indicates the social legitimacy of local level property transfers, even if the documents do not have full legal status. In case of conflict the first recourse is to residents' committees and local administrations.

Validity questioned, who to turn to in the first instant?



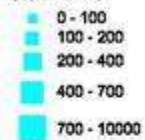
5. What are the median sale prices?

- The majority of respondent indicated that they paid for their property (space/place at 61%. In Paraiso (Musseque Periferico), a very significant majority of respondents (96%) indicated that they paid for their property
- This supports the finding that land purchase is the dominant form of supply in this neighbourhood.

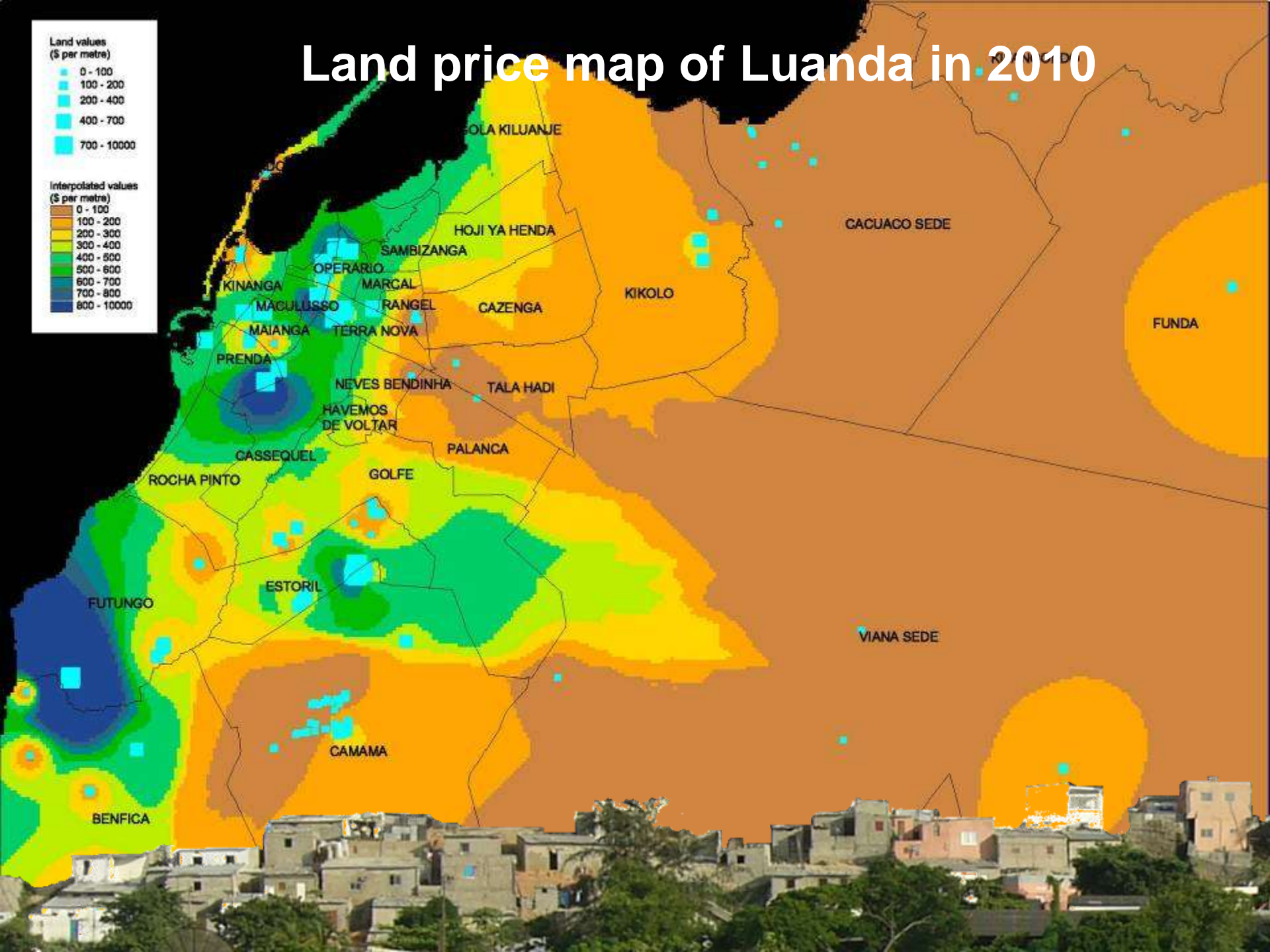
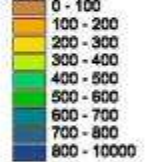


Land price map of Luanda in 2010

Land values
(\$ per metre)



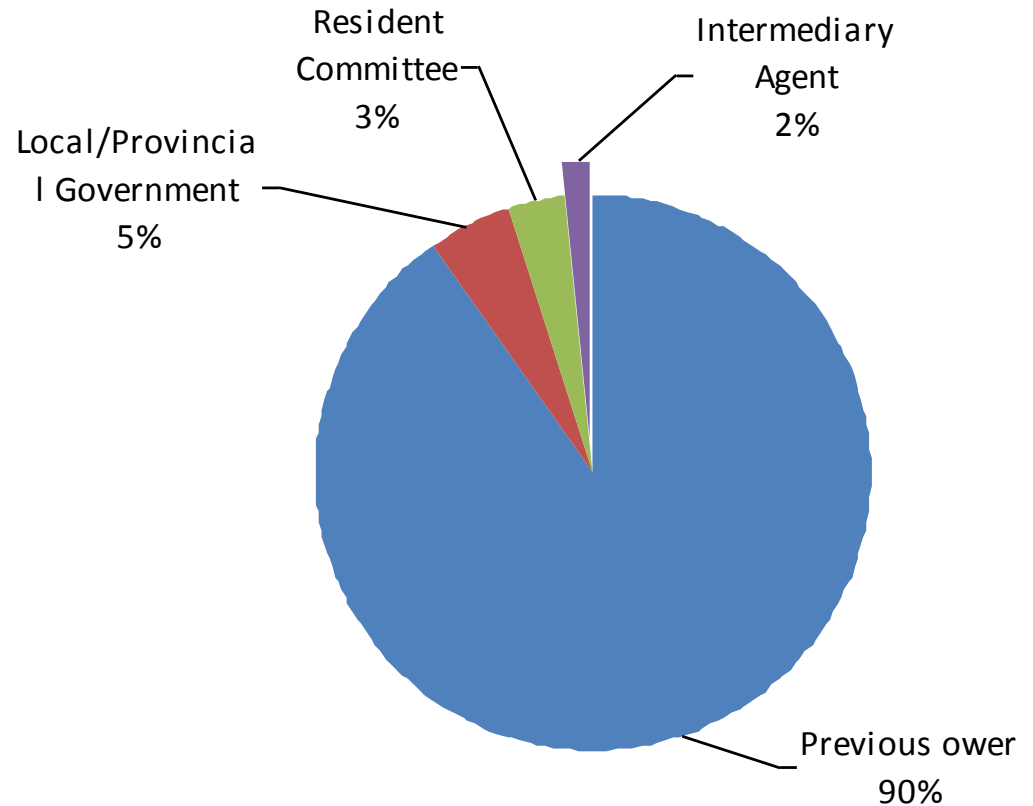
Interpotated values
(\$ per metre)



6. The role of real estate brokers

- In the four areas studied, realestate agents payed and intermediary role in only 2% of the cases.
- Government administration and residents committees were involved in 8% of cases.
- Most transations took place directly with the previous owner.

To whom was the payment made



8. How are property values are determined?

The main factors that influence the value of urban land are :

- Location in relation to employment opportunities
- Demand due to population pressure and density
- Presence of infrastructure and basic services
- Legal status of the land, proof of ownership & title
- Distance to social services (schools & health facilities)
- Road access & distance to public transport
- Level of environmental and public health risk
- Security, risks of violence & crime levels



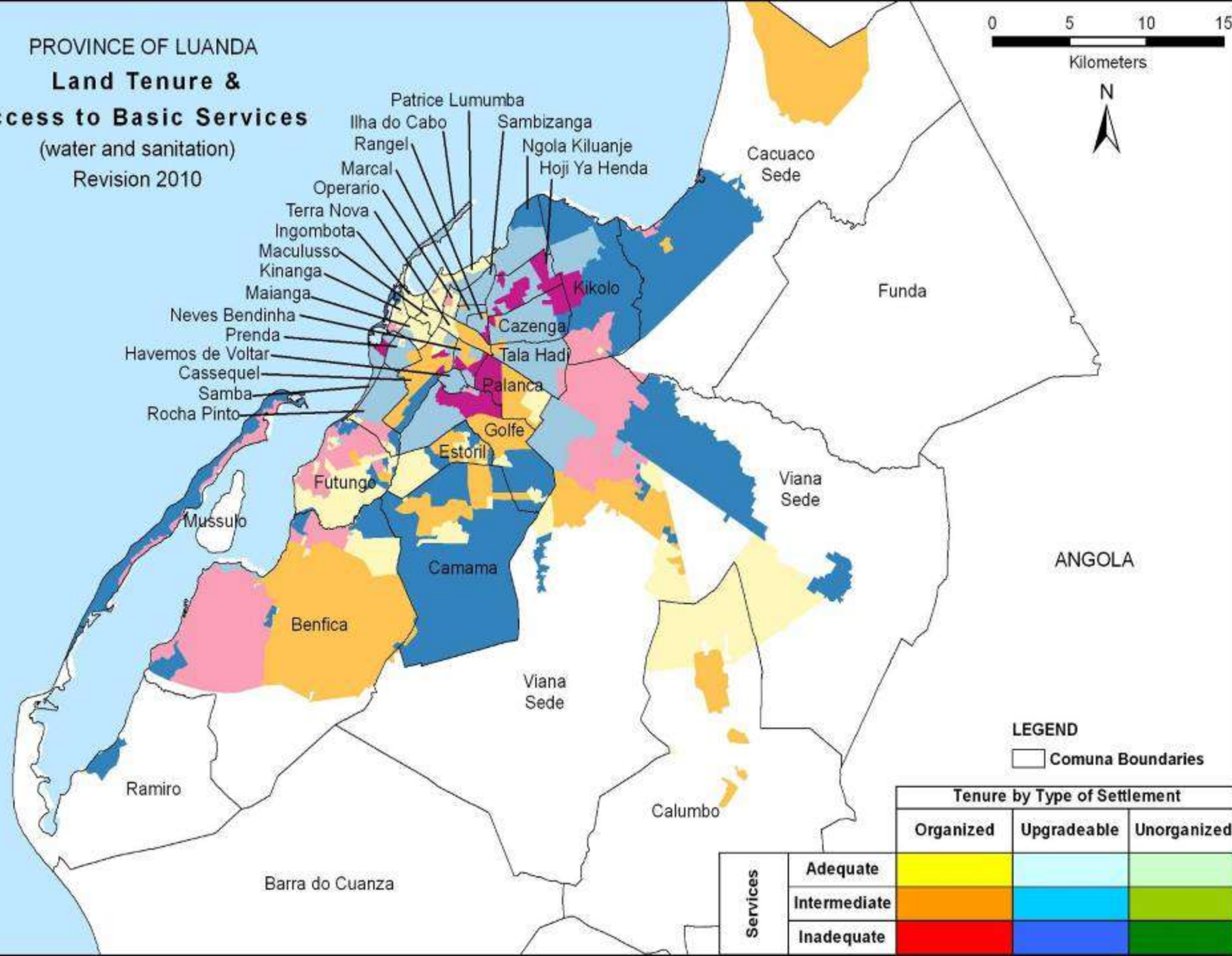
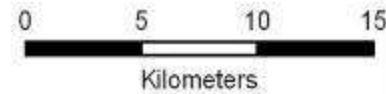
PROVINCE OF LUANDA

Land Tenure &

Access to Basic Services

(water and sanitation)

Revision 2010



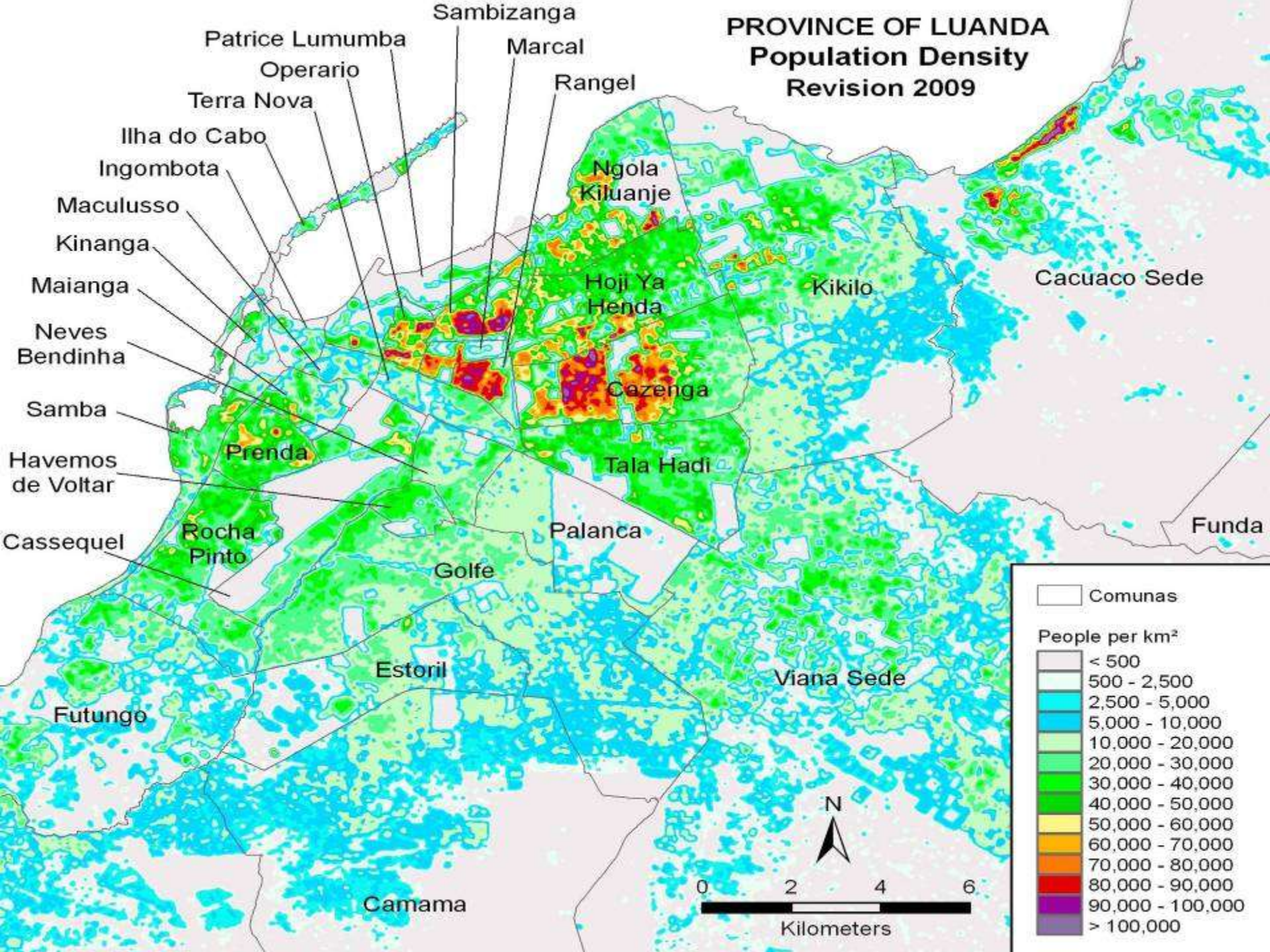
LEGEND
 □ Comuna Boundaries

		Tenure by Type of Settlement		
		Organized	Upgradeable	Unorganized
Services	Adequate			
	Intermediate			
	Inadequate			

PROVINCE OF LUANDA

Population Density

Revision 2009



- Patrice Lumumba
- Operario
- Terra Nova
- Ilha do Cabo
- Ingombota
- Maculusso
- Kinanga
- Maianga
- Neves Bendinha
- Samba
- Havemos de Voltar
- Cassequel
- Rocha Pinto

- Sambizanga
- Marcal
- Rangel

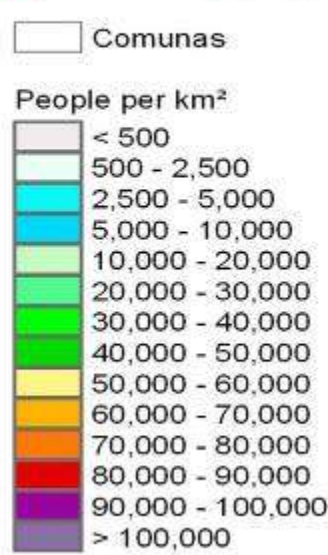
- Ngola Kiluanje
- Hoji Ya Henda
- Cazenga
- Tala Hadi
- Palanca
- Golfe
- Estoril
- Camama

Kikilo

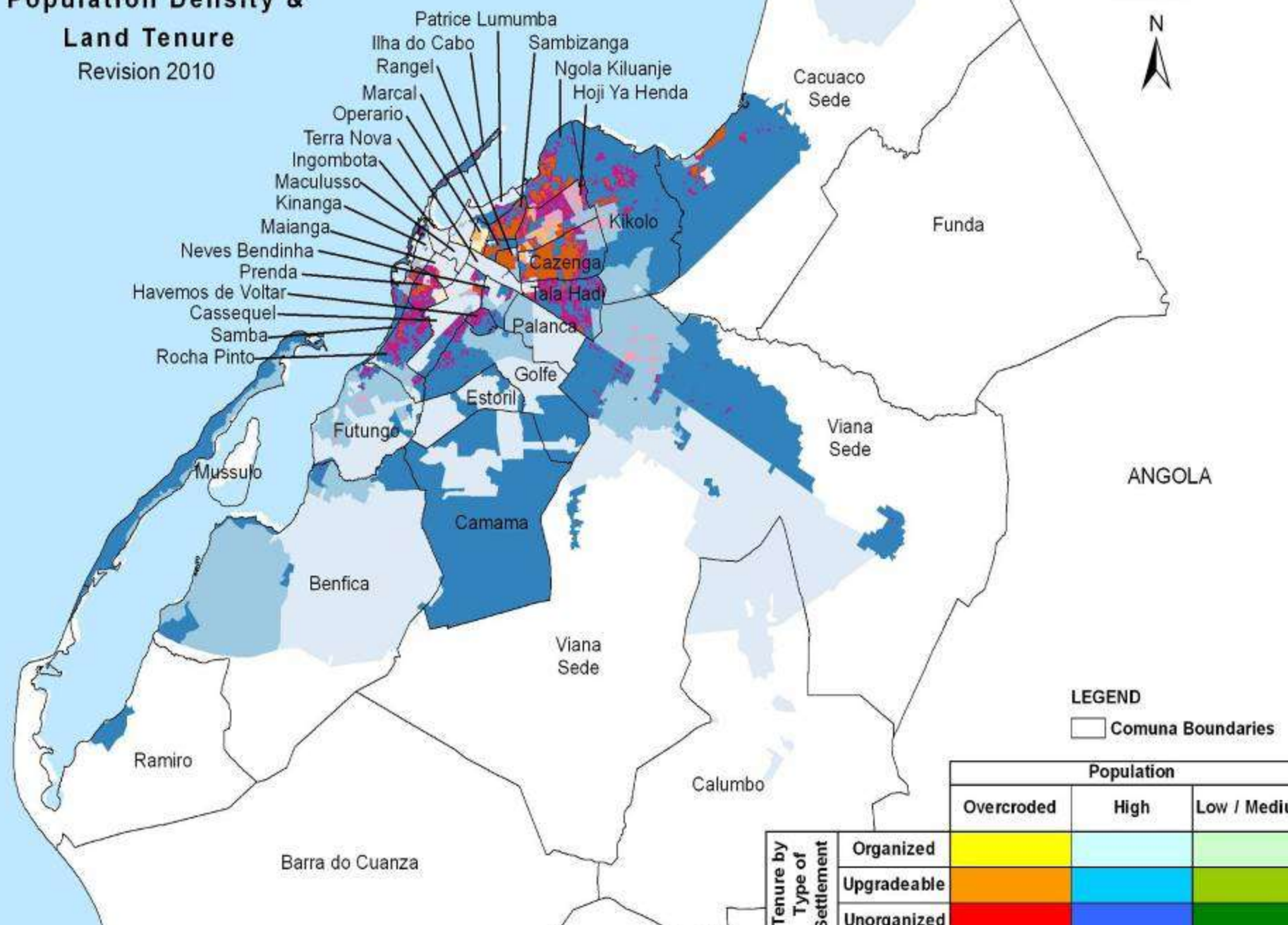
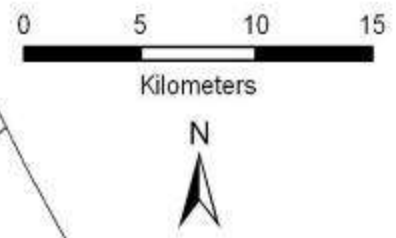
Cacuaco Sede

Funda

Viana Sede



PROVINCE OF LUANDA
**Population Density &
 Land Tenure**
 Revision 2010



LEGEND
 □ Comuna Boundaries

		Population		
		Overcrowded	High	Low / Medium
Tenure by Type of Settlement	Organized	Yellow	Light Cyan	Light Green
	Upgradeable	Orange	Blue	Green
	Unorganized	Red	Dark Blue	Dark Green

Map of environmental health risk

10 0 10 Kilometers

Slope

Between 3 and 10 degrees

Greater than 10 degrees

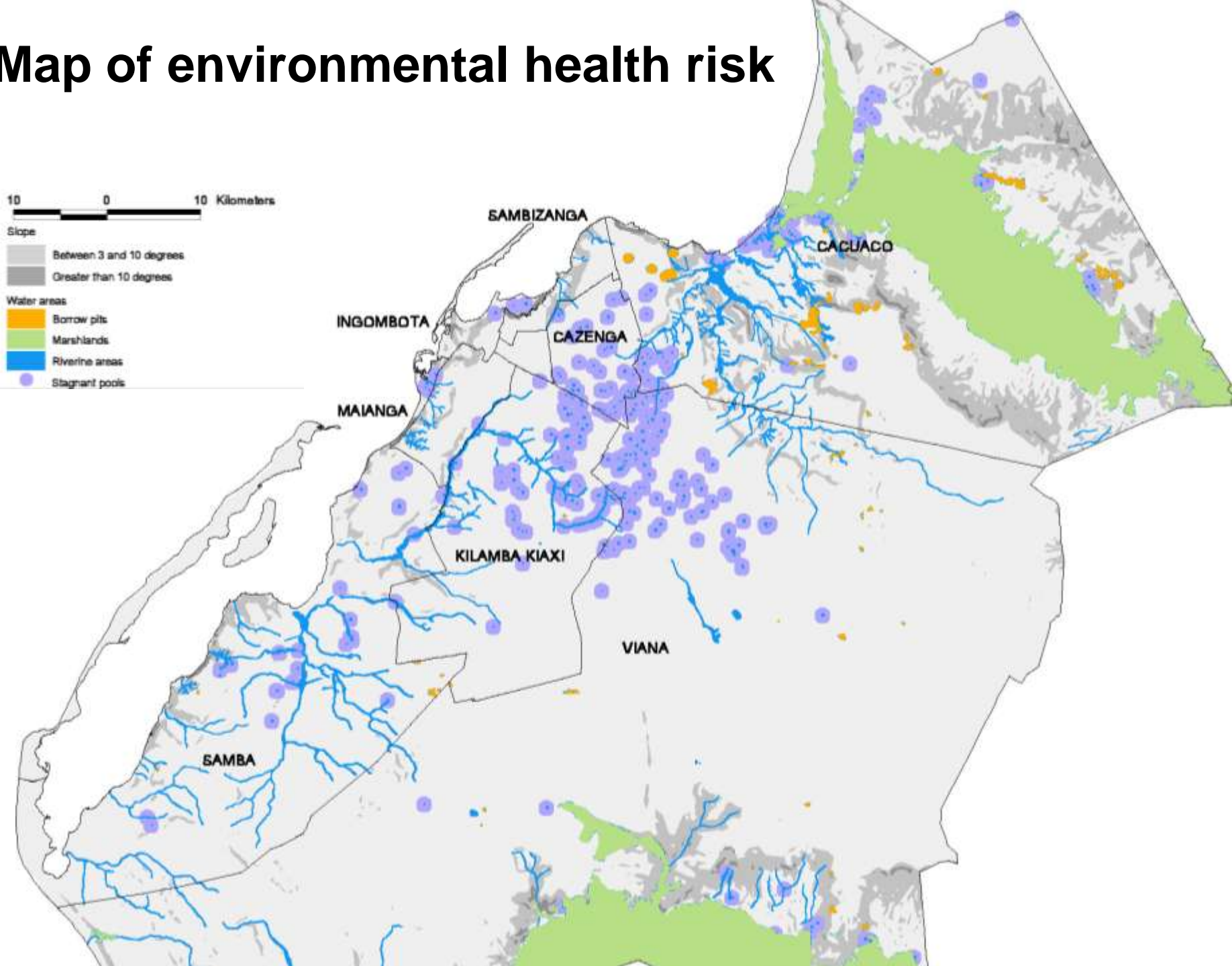
Water areas

Borrow pits

Marshlands

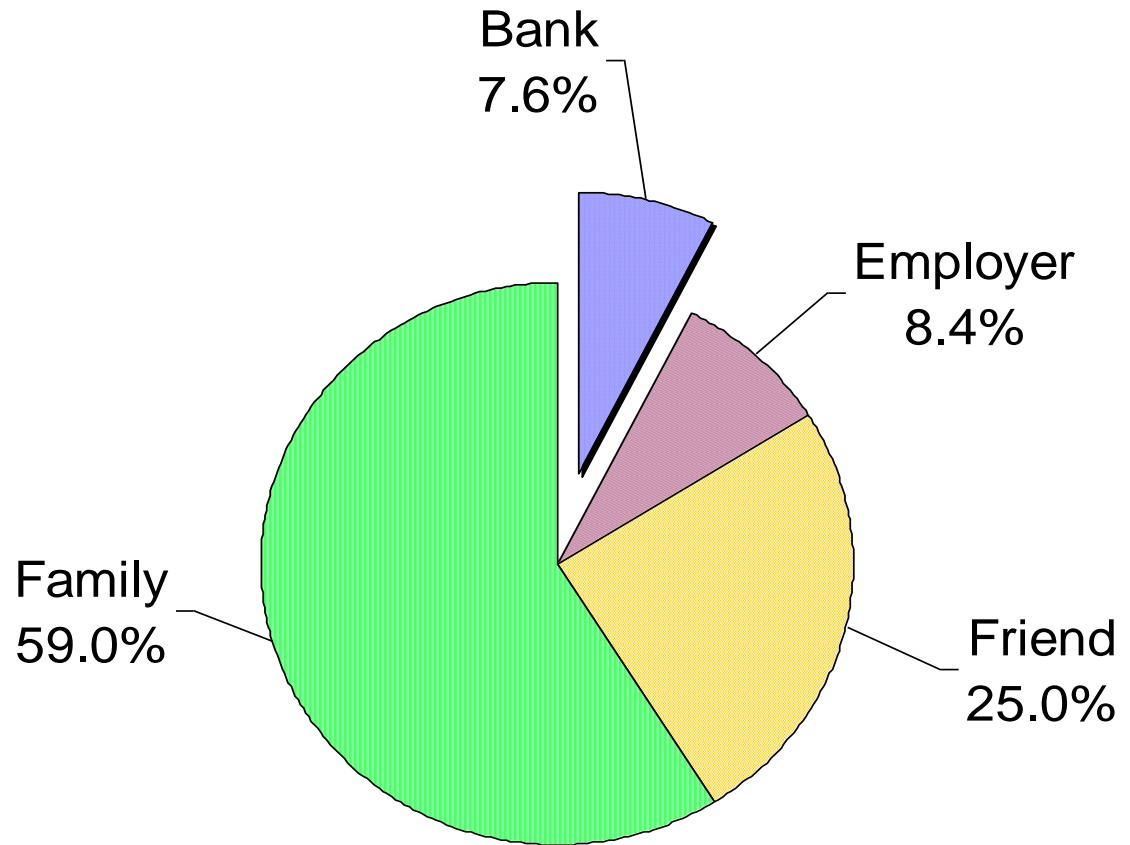
Riverine areas

Stagnant pools



9. How are transactions financed?

The formal banking sector has shown reluctance to enter the housing and domestic property finance market. The majority of funding for housing is borrowed from the extended family (62%) and from friends (27%).



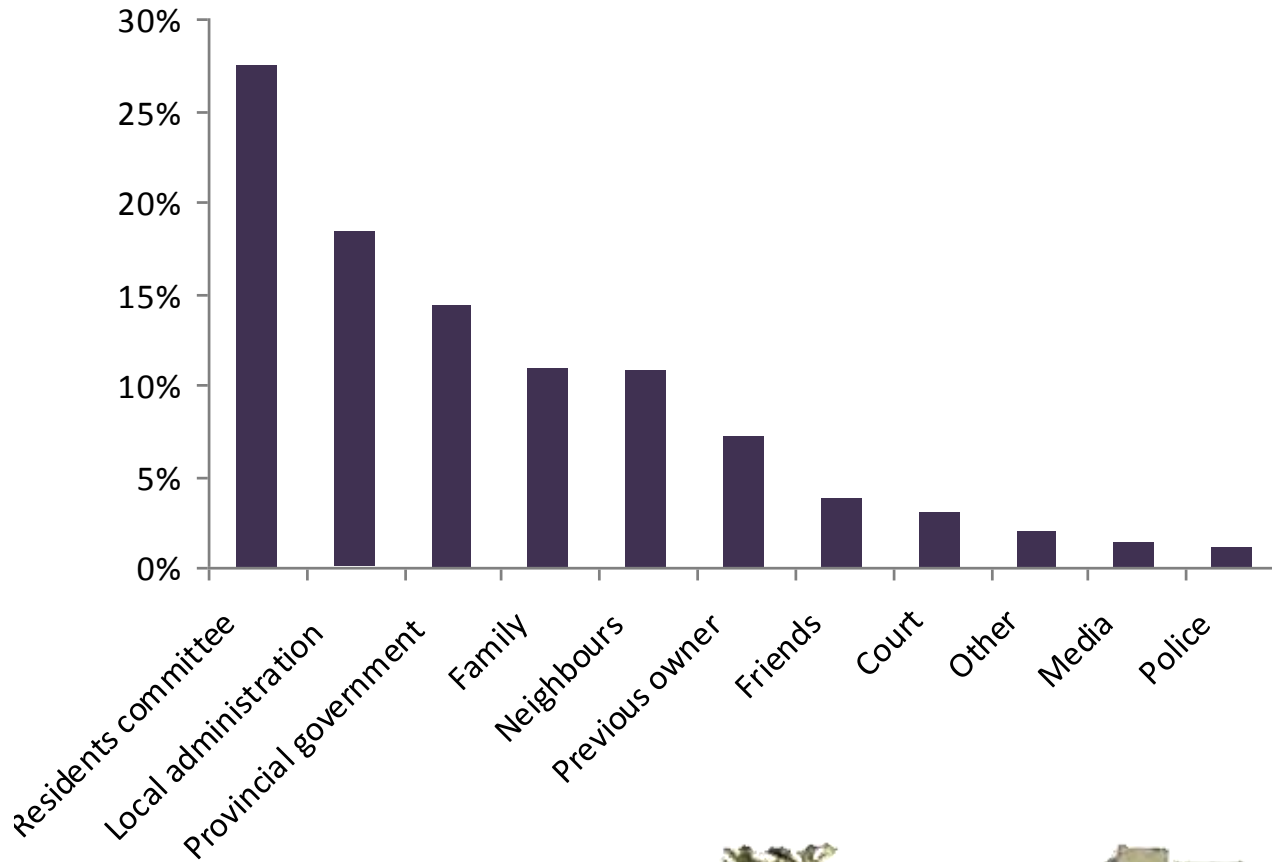
Lack of housing and land financing

Some of the reasons that banks offered to justify their reluctance to offer housing loans were the following:

- The lack of clear land legislation that would allow property to be used as guarantee
- The long loan periods the bank needs to wait to recoup their investments
- The lack of a Government policy on subsidising housing credit
- Lack of land title documents by most clients
- Lack of a client culture of repayment of debts



10. What is the role of government agencies, private entities and community groups?



Conclusions

- There is a significant informal land market in Luanda. At least 61% of transactions involve financial sales.
- Transactions have documented evidence that buyers use to back up their claims (60%) and are not truly informal.
- Land transactions are perceived as secure by an overwhelming majority of buyers (85%).
- Enjoying a strong local legitimacy due to this perception as well as the widely-used documented evidence.
- Most land transactions are precarious or uncertain as only 8% of transfers can be backed up by legally defensible documents to secure their owner's tenure
- Risk of losing considerable asset value due to demolitions and relocations



Recommendations

1. Promote more functional land markets

- By providing better access to information
- Open access to property records,
- Public access to information on development projects.
- Financial compensation for expropriation accommodated in the letter of the law

2. Incremental tenure

- Recognition of basic occupation rights
- Intermediate forms of tenure
- Surface use rights
- Up to and including transferable land titles



Recommendations

3. Institutional strengthening

- Implement housing policy (2006) concerning the need to clarify the roles and responsibilities of central and local government
- Publish regulations on public consultation and participatory planning
- Equip municipal administrations with capability to implement peri-urban land regularisation and cadastres

4. Strengthen women's land rights

- Our research demonstrates the high proportion of women headed households (over 40%).
- Land legislation should be compatible with the “family code”.



Open Questions?

One of the critical issues that emerges from this findings is that most home owners in Luanda (61%) have declarations or contracts of sale documents as proof of their land ownership. A full 85% of urban house owners feel they have secure tenure.

Question 1.

Should legal regulations be developed to give legal status to the witnessed declaration and the formal contract of sale?

Question 2?

Question 3?



An aerial photograph of a densely packed urban area. The majority of the image is a grayscale, high-contrast view of a street grid, where individual buildings and narrow alleys are visible as a complex pattern of light and dark shapes. In the lower portion of the image, there is a cluster of more colorful buildings, including some with orange and yellow facades, interspersed with green trees. The word "Obrigado" is overlaid in the center of the image in a bright yellow, sans-serif font.

Obrigado