

Urban Land Markets

Review of data on how the poor access, hold and trade land

Additional Analysis

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Date: 29 June 2008

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1. Introduction

Urban LandMark was established in 2006 with funding from the UK Department for International Development to investigate how to make urban land markets in South Africa work better for the poor. Between November 2006 and May 2007, Urban LandMark commissioned a research project to investigate how the poor access, hold and trade land in different types of settlements in three metropolitan areas in South Africa, namely Cape Town, Ekurheleni and eThekweni.

The research started from the premise that land is held, and that transactions take place, outside of the officially recognised system of land management and property ownership. However, little is known about how these alternative arrangements work, and whether or not they work for the poor. The aim was to make these alternative markets visible, so as to inform a view of urban land markets that is complete and enables pro-poor intervention.

The research was documented in the following reports:

- A synthesis report which sets out the overall findings of the research
- A research summary booklet
- A report on the review of relevant legislation
- A report on the literature review
- A report on the research method and survey design

All of these reports are available on the Urban LandMark website [www.urbanlandmark.org.za].

The methodology by which the research was undertaken comprised of the following:

- A literature review
- A legal and regulatory framework review
- Nine interviews with individuals who speak on behalf of the market
- A social survey of households located in three settlements in the three metropolitan areas [i.e. a total of nine settlements]. The social survey included:
 - 75 qualitative interviews [8 per area]
 - 640 quantitative interviews [70 per area]
- Analysis, conclusions and recommendations

Details on each of the above components are set out in Annexure A attached. Table 1 below outlines the settlements that formed part of the survey by Metropolitan area.

Table 1: Areas that formed part of the survey by Metropolitan area

Area type	Cape Town	Durban	Ekurhuleni
Informal settlement	Nkanini	Blackburn Village	Somalia Park
RDP Housing Project	Delft	Old Dunbar [Cato Manor]	Kingsway
Unique aspect	Mannenbergh [Council rented stock]	Sobonakona Makhanya Tribal [tribal land]	Wattville [Backyard Shacks]

In February 2008 Urban LandMark appointed Ros Gordon to review the qualitative and quantitative data to determine if it could be **analysed more deeply** than reflected in the report to increase understanding of the issues, particularly in respect of the way in which the **poor transact, trade and develop land and the costs** thereof. Urban LandMark has a particular interest in the economic side of the informal market in respect of:

- How much people pay when transacting
- How the money changes hands
- How the transaction process works
- How risks are addressed

It was agreed that the work would be undertaken in two Phases:

- **Phase 1 : Documentation review:** This phase comprises the following activities:
 - Familiarisation with existing documentation
 - An interview with the social research service provider who undertook the research [Progressus]
 - Review of the synthesis report
 - Recommendations
- **Phase 2: Additional analysis:** This phase comprises the following activities:
 - A meeting with Urban LandMark to agree on the additional analysis to be undertaken [if required]
 - Additional data processing [if required]
 - Data analysis and development of a report

The Phase 1 analysis was completed in April 2008 and recommended that additional analysis of the data be undertaken within the following categories:

- By settlement type i.e. RDP Housing, Informal Settlement, Public Sector Rental Stock, Backyard Rental and Tribal Tenure
- Within each settlement type the data should be disaggregated into:

- Respondents who bought
- Respondents who were allocated the unit [i.e. got it for free]
- Respondents who are renting
- Respondents who accessed the property themselves and occupy it without the owner's permission

The additional data analysis was undertaken during April 2008. This report comprises a review of this analysis to identify key findings. The statistical validity of these findings is at an accuracy of 95% within a range of 11%.

This report covers the following:

- Overview :
 - Type and extent of transactions
 - Settlement type and tenure
- Ways in which the poor transact, hold and develop land in metropolitan areas:
 - RDP Housing
 - Informal Settlements
 - Other settlements
- Conclusions

2. Overview

2.1. Type and extent of transactions

Table 2 below shows the different ways in which the respondents interviewed accessed land in the three metropolitan areas surveyed. As shown in the table, just over one third of respondents accessed their land through receiving an allocation from Government, one quarter [26%] purchased their land, 16% occupied their land and 15% are renting.

Table 2: Area by way of accessing land¹

	RDP		Informal Settlement		Backyards		Tribal		Council Stock		Total	
	No	%	No	%	No	%	No	%	No	%	No	%
Allocated by Municipality	168	77	25	12					34	47	227	35
Bought	13	6	66	31			64	91	24	33	167	26
Occupied	7	3	89	42			2	3	2	3	100	16
Renting	15	7	6	3	70	100	1	1	7	9	99	15
Inherited	8	4	12	6			1	1	4	5	25	4
Looking after it	6	3	9	4					2	3	17	3
Other	1	0	4	2			3	4			8	1
Total	218	100	211	100	70	100	71	100	73	100	643	100

A **transaction** is defined as a business deal which involves buying and selling. For the purposes of this analysis, renting is also considered to be a transaction in that money is paid for the right to occupy a property. Given this definition, as set out in Table 1 above it can be concluded that, of the respondents interviewed, 41% undertook a transaction in the land market i.e. the 26% who bought and the 15% who are renting.

The majority of these transactions occurred in informal settlement areas as follows:

- Of those who are renting, the majority [71%] are found in backyard rental stock.
- Of those who bought, 40% are found in informal settlements and 38% in tribal stock.

¹ This data is not weighted, but is used to show the extent of the sample in the different settlement and tenure types.

2.2. Settlement types and land transactions

Settlement types are reflective of a housing delivery methodology and each offers particular and distinct ways in which a respondent can access land. Accordingly, as indicated in Table 1 above:

- **RDP housing** is developed by Government and allocated to beneficiaries. The majority of respondents [77%] in the RDP housing settlements surveyed therefore were allocated their property by the Municipality. Only a small number of transactions are occurring in this type of settlement [7% of respondents were renting and 6% had bought]. This could be due to a restriction on the sale of RDP housing for a five year period that is still in force in the three settlements surveyed. It could also be due to a reluctance on the part of households to sell the property as a result of the difficulties in accessing such a property and the scarcity of products in this price range.²
- **Informal settlements** are generally developed incrementally through the occupation of land by households. Accordingly, the majority of respondents [42%] in the three informal settlement areas surveyed accessed their land through occupation. However, just over one third [31%] bought their property, showing that transactions are occurring in this type of settlement.
- **Backyard rental** comprises housing stock for rental on an existing property. The stock includes both formal and informal dwellings. Accordingly, all of the respondents living in backyards are renting the property and all are transacting in the land market.
- **Tribal stock** comprises housing on land owned by a Traditional Authority³. While historically land rights in tribal areas were based on customary tenure whereby the land was owned by the chief and households were given occupation rights, this appears to be changing and a mix of different rights are occurring including ownership. This is evidenced through the survey in that the majority of respondents [91%] indicated that they bought the land.
- **Council stock** is formal housing units built by Government as rental accommodation. More recently a programme has been undertaken to transfer ownership of such stock to the occupants. This is evidenced through the survey in that 47% of respondents in this stock indicated that they accessed the land through allocation by the Municipality and 33% indicated that they bought the property.

The remainder of this report focuses on each of the above settlement types and seeks to understand how respondents accessed the land, how much it cost, how the money changed hands, how the transaction process works and how risks were addressed. The analysis is based predominantly on the quantitative data. An analysis of the qualitative data is shown in Annexure B attached and the findings are reflected in boxes where relevant.

² Anecdotal.

³ Communal land tenure areas, DFIDSA, November 2003.

In undertaking this analysis, the dominant way in which land was accessed in each settlement type [as detailed above] is outlined. In addition, given that the focus of the analysis is to understand how respondents are transacting in the land market i.e. buying land or renting, where the data allows this category is analysed as a separate transaction type. In the case of RDP housing the findings are indicative only, as the size of the sample in respect of bought and rented properties is too small to be statistically valid.

3. Ways in which the poor transact, hold and develop land in metropolitan areas

3.1. RDP Settlements

Table 3 below sets out the survey findings in respect of respondents living in RDP settlements. Two categories of respondents are analysed, those who were allocated a house [which is the dominant way in which land is accessed in this type of settlement] and those who bought their house. It is noted that the sample size of those who bought is extremely small, and related figures are therefore not statistically valid. The findings in respect of this category are therefore indicative only.

Table 3: RPD Settlements⁴

Category	Dimension	Allocated	Bought	Rental
No of respondents		168	13 – INDICATIVE ONLY	15 – INDICATIVE ONLY
Household Profile	Mean age of h/h ⁵	42	40	34
	% of h/h who are female	68	59	40
	Main education of h/h	48% incomplete 33% primary	34% Incomplete 47% secondary complete and university	33% Primary 33% Incomplete 33% Secondary
	Main hh ⁶ type	39% nuclear 34% single parent	63% nuclear	47% couple
	Main source of hh money	58% salary/wages 25% state grants	62% salary/wages 21% entrepreneur	80% salary/wages
	Monthly income [% of hh]	<R799 –38% R800 to R2499 – 55% > R2500 –4% No answer – 3%	<R799 –49% R800 to R2499 – 21% > R2500 – 13% No answer – 17%	<R799 –40% R800 to R2499 – 60% > R2500 – 0% No answer – 0%
	Mean duration of stay	9	4	3

⁴ The data reflected in this table is weighted as is all data shown in the remainder of the report.

⁵ h/h – Household head.

⁶ hh – Household.

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Category	Dimension	Allocated	Bought	Rental
No of respondents		168	13 – INDICATIVE ONLY	15 – INDICATIVE ONLY
How much people paid when transacting	Money spent to find the place	33% R0 35% R1- R100	23% > R1000 19% R201-R250	33% R0 26% 1-R100
	Money spent to check trustworthiness	75% R0	76% R0	80% R0
	Amount paid for the property	89% R0	71% R10000 to R20000 18% >R50000	47% R0 26% R100-R200 20% R400
	Money spent in strengthening rights ⁷	42% R0	34% R0 30% R900 – R1000	67% R0 33% R1-R100
How the transaction process worked	From whom did you hear about this place where you stay	51% Municipal Official/Councilor	65% Friend or family member	80% Friend or family member
	After hearing about the area – main way in which the respondent found the place	57% Allocated to me 19% Councilor helped me	36% Shared accommodation with a friend/family 30% Friend introduced me	34% Shared accommodation with a friend/family 27% Went door to door 27% Friend introduced
	Average time spent in physically finding the place	71% One week	57% One week 32% One month	67% One week 20% Three weeks
	Amt of time from hearing about the place to getting it	55% More than 12 months	47% One month	-
	Time spend in checking trustworthiness of the other person	81% One week	79% One week	69% One week
	Amount of time it took to check trustworthiness	54% One month	74% One month or less	-
	Days it took to get an agreement	57% One month or less	96% One month or less	-
	Whether anything went wrong during the negotiations	92% No	93% No	80% No
	Time spent to negotiate an agreement	77% One week	59% One month or less 32% Two months	85% One week
How risks were addressed	Have you ever had title?	98% No	100% No	100% No
	Do you feel your situation has improved or worsened?	52% Improved	83% Improved	53% Improved
	If someone disagrees about whether the respondent owns the place who will be asked for help?	74% Councilor/ Municipality	42% Police 19% NGO's 17% Community members	67% The previous owner

Based on the data outlined in Table 2 above, the following can be concluded:

⁷ Strengthening rights was taken to be building materials, going to meetings, planning, painting plastering etc.

▪ **Household profile :**

- The households surveyed that were allocated RDP housing have very low incomes, with just over one third [38%] earning below R800 and over half earning [55%] between R800 and R2499. Most of these households are either nuclear [48%] or single parent households [34%]. The majority are dependent on formal income in the form of salary or wages [58%], although a quarter are dependent on state grants. The average age of the household head is 42 and levels of education are low, with most having either primary [33%] or incomplete schooling [48%]. Many [68%] are female.
- Surprisingly, the households surveyed that bought a unit do not have higher incomes than those that were allocated. Just under one half [49%] earn below R800 and 21% earn between R800 and R2500. However, 13% do earn above R2500. Most are nuclear [63%] and are dependent on formal income [62%] or have their own enterprises [21%]. Household heads appear to have higher levels of education [47% have completed secondary school or have attended university].
- The households surveyed that are renting have slightly higher incomes than those we were allocated or who bought. Under one half [40%] earn below R800 and 60% earn between R800 and R2500. Most are couples [47%] and are dependent on formal income [80%]. Household heads appear to have higher levels of education [33% have completed secondary school and 33% primary].

▪ **How much people pay when transacting:**

Those households that were allocated a property either spent nothing or very little to find and acquire the property [35% said they spent less than R100 to find the place].

In comparison, it would appear that those households that purchased a unit did spend money in this regard. In respect of finding the property this was generally below R1000 and in respect of the price of the property 71% paid between R10,000 to R20,000 for the property. While this amount is small in comparison to the properties' value [it is estimated that RDP houses cost R50,000 to R60,000 to build], the amount is high when compared to household income.

Households that are renting also spent money, but less than those that bought. In

A review of the qualitative data shows that, for those households that were allocated a house, the process followed by most respondents is fairly consistent and comprises the following:

- Most respondents were living in an informal settlement.
- Some got information from a family member that Government was undertaking a registration process. Many interacted with a Councilor.
- They then registered for a house and, over time, were then called to say that they had been allocated a house.
- Generally, they had no idea of or choice in the area to which they were allocated.

In the words of respondent EK99 *'If you want a house stay in the informal settlement first and from the shacks you will definitely get a house'*. Or in the words of KC2 *'I was moved to this place by the Councilor together with the Housing Department. I was living in a shack. I used my ID and children's birth certificates. I did not know anything about the place I was going to'*.

respect of finding the property, most did not spend any money, but just under one third spent below R100. In respect of the price of the property, 46% paid between R200 to R400 for the property.

▪ **How the transaction process worked:**

The process followed by those respondents who were allocated a property was very different from those who purchased a property.

Those respondents who were allocated a property worked through a government-driven process i.e. they heard about the property from a Municipal Official or Councillor [51%] and the way in which they found the place was either that it was allocated to them by the Municipality [57%] or a Councillor helped them to access it [19%].

In comparison, those respondents who purchased a property appear to have heard about it through their social network [65%] i.e. from family or friends, and found the place either by sharing accommodation with a friend or family member in the area [36%] or through being introduced by a friend [30%].

Respondents who rented a property appear to have followed a similar process to those who bought. Most [80%] heard about it from a friend or family member and found the place either by sharing with a friend or family [34%] or through being introduced by a friend [27%]. A further 27% found the place by going door to door.

Of the 25 respondents living in RDP houses who were interviewed as part of the qualitative study, only one purchased the property. The process used was to take a bond and register the property. One respondent indicated *'I was on the waiting list for about 7 years. Eventually I got tired of waiting and I tried everything to get my own place. So someone recommended us to someone who was selling houses in Delft. The person was an estate agent and I read about it in the community newspaper'*. The respondent was aware of the risk of purchasing a property: *'There was a risk in buying the house because people were not allowed to sell the council's property and there was a law that states that you are supposed to live in the house for about 5 to 8 years before you sell it.'*

Other respondents were also aware of the restriction on selling the property. In the words of EK1, *'We were told we could only sell after living here for 8 years, people therefore have problems when they buy a house as ownership cannot change.'*

What is noted is that the allocation process took much longer than the process of purchasing or renting i.e. most [55%] respondents who were allocated a property took more than a year from the time of hearing about the property to getting it. In comparison most respondents [47%] who purchased took a month. Most respondents who rented [67%] took one week to find the place.

For respondents who were allocated and who purchased, what is notable is that most [over 90%] indicated that nothing went wrong during the transaction process. This is less so in the case of those who rented, where 80% said nothing went wrong.

▪ **How risks were addressed:**

By far the majority of respondents did not receive the title of the property. A small percentage [2%] who were allocated a property may have. Nevertheless, most feel that their situation has improved, although this is higher for those respondents who purchased [83%] than those who were allocated their property [52%] or who are renting [53%].

A number of respondents feel that their ownership is secured by the fact that there are records at the Council of their title to the property and that there is common knowledge in the community that the house is theirs.

In the words of KC2 'I have a letter that the house is mine, but everyone in the community knows. It is also in the computer at the Municipality'.

The process by which a respondent accesses the property impacts on who they would turn to for help should there be a disagreement on the ownership of the property. The majority [74%] of those who were allocated the property would turn to a Councillor or the Municipality, while those respondents who purchased would turn to the police [42%], an NGO [19%] or community members [17%]. The majority of those who are renting would turn to the previous owner [67%].

3.2. Informal Settlements

Table 4 below sets out survey findings in respect of respondents living in informal settlements. Two categories of respondents were analysed: those who occupied their property [which is the dominant way in which land is accessed in this type of settlement] and those who bought their house.

Table 4: Informal Settlements

Category	Dimension	Occupied	Bought
No of respondents		89	66
Household Profile	Mean age of h/h ⁸	35	37
	% of h/h who are female	56	67
	Main education of h/h	55% Incomplete 24% Secondary completed	43% Incomplete 24% Primary 20% None
	Main hh ⁹ type	22% Nuclear 22% Single parent	29% Nuclear 20% Single parent
	Main source of hh money	57% Salary/wages 22% State grants	64% Salary/wages

⁸ h/h – Household head.

⁹ hh – Household.

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Category	Dimension	Occupied	Bought
No of respondents		89	66
	% of hh with monthly income <R2500	86	95
	Mean duration of stay	3	5
How much people paid when transacting	Money spent to find the place	47% R0	R36% R0 38% R1-R100
	Money spent to check trustworthiness	87% R0	83% R0
	Amount paid for the property	97% R0	53% R1-R100 20% R1000 – R5000
	Money spent n strengthening rights	55% R0	45% R0
How the transaction process worked	From whom did you hear about this place where you stay	51% Friend or family member	80% Friend or family member
	After hearing about the area – main way in which the respondent found the place	77% Occupied it	26% Committee helped 31% Shared accommodation with family/friend 21% Friend introduced me
	Average time spent in physically finding the place	89% One week	63% One week
	Amt of time from hearing about the place to getting it	80% One month	72% One month
	Time spend in checking trustworthiness of the other person	77% One week	79% One week
	Amount of time it took to check trustworthiness	85% One month or less	73% One month or less
	Days it took to get an agreement	87% One month or less	81% One month or less
	Whether anything went wrong during the negotiations	96% No	99% No
	Time spent to negotiate an agreement	86% One week	84% One week
How risks were addressed	Have you ever had title?	98% No	96% No
	Do you feel your situation has improved or worsened?	34% Improved 34% Stayed the same 28% Worsened	84% Improved
	If someone disagrees about whether the respondent owns the place who will be asked for help?	38% Previous owner	61% Previous owner

Based on the data outlined in Table 3 above, the following can be concluded:

▪ **Household profile :**

Households that occupy a property in an informal settlement share a very similar profile to those households that were allocated RDP properties. The households surveyed that occupy a unit in an informal settlement have low incomes with the majority [86%] earning below R2500 per month. Most of these households are either nuclear [22%] or single parent households [22%]. The majority

are dependent on formal income in the form of a salary or wages [58%], with 22% being dependent on state grants.

The average age of the household head is slightly younger than those in RDP properties [35]. Levels of education are slightly higher with most having incomplete schooling [55%], although just under a quarter [24%] have completed secondary school. Many [56%] are female.

Interestingly, those households that have bought a unit in these settlements appear to have lower incomes [95% earn below R2500], are largely female-headed [67%] and many have salaries and wages as a main source of income [64%]. Other characteristics are similar to those respondents who occupied their units.

▪ **How much people pay when transacting :**

The majority of households that occupied a unit did not spend any money in this regard. In comparison, those that purchased a unit did spend money as follows:

- While 36% did not spend any money in finding the place, 38% spent between R1 and R100.
- None of the respondents spent money on checking trustworthiness.
- 53% paid between R1 and R100 for the property and 20% between R1000 and R5000.

It is noted that while the quality of these units is generally of a lower standard than RDP units, they are significantly cheaper to purchase and are therefore cost effective.

▪ **How the transaction process worked:**

The process followed by respondents in informal settlements is similar for both those who occupied and those who purchased. This is also similar to those respondents who purchased an RDP Unit as follows:

- Respondents heard about the place through social networks. Of the respondents, 51% of those who occupied and 80% of those who bought said it was through family and friends.
- Of those who bought, 26% indicated that a Committee helped them, which could mean that there may be some community control system over who is allowed access to units in the settlement.
- The time taken to find the place, negotiate a settlement and move into it is relatively quick. Most spent one week in finding the property [89% of those who occupied and 63% of those

Respondents living in informal settlements interviewed as part of the qualitative study tell a very similar story of how they occupied their site in an informal settlement:

- Someone in their social network told them there were sites available.
- They went to the place and talked to a committee or leader.
- A number paid the committee or leader and were issued a receipt. The amounts paid varied and included R24, R30 and R50
- The site was marked and they then erected their shack.

A number indicated that their decision to live in an informal settlement was financial. In the words of ES1 *'I saw Somalia as a place where I can live without expenses every month. I also saw that it could be affordable. When you are renting you need to be employed.'*

who bought]. The amount of time taken from hearing about the place and moving in was one month for most [80% of those who occupied and 72% of those who bought].

As in the case of RDP settlement, most respondents [over 96%] indicated that nothing went wrong.

▪ **How risks were addressed:**

By far the majority of respondents did not receive the title of the property. A small percentage [2% and 4%] indicated that they may have. Most of those respondents who bought [84%] felt that their situation has improved. Less felt this way among those who occupied [34%].

Most respondents would turn to the previous owner if someone were to disagree about whether or not they own the place, although this is higher in respect of those who bought [61%] than those who occupied [38%].

Most respondents in the qualitative survey received a receipt from a Committee or leader and feel this gives them some security. However, there is a good sense among the respondents of the fact that their circumstances are informal. In the words of ES1, *'There is nothing you can do for the place in the squatter camp to be in your name. I mean lawfully, you cannot stand up on your own'*.

3.3. Other settlement types

Table 5 below sets out survey findings in respect of respondents living in the other settlement types surveyed, namely backyard rental, tribal and council stock. The following categories were analysed in respect of each of these settlement types:

- **Backyard rental** – rental [as this is the only way in which land is accessed in this type of settlement].
- **Tribal** - bought [as this is the dominant way in which land is accessed in this type of settlement].
- **Council** – allocated and bought [as these are the two dominant ways in which most respondents accessed their property in this type of settlement].

Table 5: Other settlement types

Category	Dimension	Backyard rental	Tribal bought	Council allocated	Council bought
No of respondents		70	64	34	24
Household Profile	Mean age of h/h ¹⁰	34	50	56	59
	% of h/h who are female	34	64	77	77
	Main education of h/h	42% Incomplete 37% Secondary completed	23% Incomplete 39% Primary	38% Incomplete 44% Primary	46% Incomplete 42% Primary

¹⁰ h/h – Household head.

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Category	Dimension	Backyard rental	Tribal bought	Council allocated	Council bought
No of respondents		70	64	34	24
	Main hh ¹¹ type	27% Nuclear 34% 1 person	72% Nuclear/ living together	35% Nuclear 32% Single parent	38% Nuclear 38% Single parent
	Main source of hh money	84% Salary/ wages	55% Salary/ wages 33% State grants	38% Salary/wages 47% State grants	29% Salary/wages 58% State grants
	% of hh with monthly income <R2500	80	60	68	82
	Mean duration of stay	4	8	23	24
How much people paid when transacting	Money spent to find the place	30% R0 38% R51-R100	20% R0 21% R1- R100 32% R450-R1000	50% R0	67% R0
	Money spent to check trustworthiness	84% R0	75% R0	69% R0	83% R0
	Amount paid for the property	62% R200-400	55% R1000- R5000 20% more than R10,000	25% R1000- R5000 25% R5000- R10000	49% R0 19% R1000 to R5000 25% more than R10,000
	Money spent n strengthening rights	67% R0	63% R0 38% R1 – R100	82% R0	79% R0
How the transaction process worked	From whom did you hear about this place where you stay	72% Friend or family member	59% Friend or family member	70% Municipal Official/Councilor	58% Municipal Official/Councilor
	After hearing about the area – main way in which the respondent found the place	36% Went door to door 29% Friend introduced me	36% Shared accommodation with friend/family	59% Place allocated to me	58% Place allocated to me
	Average time spent in physically finding the place	63% One week 16% Four weeks	46% One week 18 % Four weeks	79% One week	86% One week
	Amt of time from hearing about the place to getting it	87% One month	27% One month 13% 12 months	28% One month 31% More than 3 years	27% One month 23% More than 3 years
	Time spend in checking trustworthiness of the other person	78% One week	67% One week	82% One week	65% One week
	Amount of time it took to check trustworthiness	83% One month or less	71% One month or less	69% One month or less	70% One month or less
	Days it took to get an agreement	94% One month or less	55% One month or less 11 One year	79% One month or less	30% One month or less 22% 13-24 months
	Whether anything went wrong during the negotiations	96% No	100% No	100% No	100% No

¹¹ hh – Household.

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Category	Dimension	Backyard rental	Tribal bought	Council allocated	Council bought
No of respondents		70	64	34	24
	<i>Time spent to negotiate an agreement</i>	89% One week	58% One week 20% Four weeks	88% One week	82% One week
How risks were addressed	<i>Have you ever had title?</i>	94% No	100% No	100% No	100% No
	<i>Do you feel your situation has improved or worsened?</i>	63% Improved 33% Worsened	44% Improved 36% Stayed the same	67% Improved 21% Stayed the same	51% Improved 28% Stayed the same
	<i>If someone disagrees about whether the respondent owns the place who will be asked for help?</i>	40% Landlord	27% Committee 23% Councilor	78% Municipality/ Councilor	46% Municipality/ Councilor 17% Lawyers

Based on the data outlined in Table 4 above, the following can be concluded:

▪ Household profile :

Households surveyed that occupy a property in a backyard rental settlement have very similar profiles to those households in RDP and informal settlements. Such households have low incomes with the majority [80%] earning below R2500 per month. Most of these households are either nuclear [27%] or a single person living alone [34%]. The majority are dependent on formal income in the form of a salary or wages [84%].

The average age of the household head is 34. Levels of education are relatively low with most having incomplete schooling [42%], although 37% have completed secondary school. Just over one third [34%] are female.

In comparison, the households surveyed living in tribal settlements and council stock [allocated and bought] show a very different profile. The household heads are older [over 50 years] and mostly female [64% in respect of tribal and 77% in respect of council stock]. Education levels are poor, with most having incomplete schooling or only primary schooling. In tribal settlements, households are predominantly nuclear [72%] while in council stock there is a mix between nuclear and single parent households.

Half of the respondents living in tribal settlements rely on formal salaries or wages [55%], while one third depend on state grants. This is the opposite in respect of those respondents living in council stock, where more than half dependent on state grants.

Respondents in tribal settlements and council [allocated] stock appear to have higher incomes with only 60% and 68% respectively earning below R2500.

Respondents living in council stock have been living in their property for an extensive period of time [23 to 24 years].

▪ **How much people pay when transacting :**

The majority of households living in these different settlements paid monies when acquiring their properties.

In respect of backyard rental, this is a relatively small amount, for example, 38% spent between R51 and R100 to find the property and 62% paid between R200 to R400 for the property. These units, while generally small and of poor quality, are nevertheless extremely affordable.

The qualitative survey indicates that most respondents who rent pay a monthly rental, which they pay regularly. In addition, they are required to undertake chores including cleaning the yard, toilet etc. In comparison, most respondents occupying council housing are required to pay rent but do not appear to do so, with no recourse.

Tribal [bought] is more expensive but not as expensive as RPD Units. 32% of respondents paid between R450 and R1000 to find the property and the price paid by 55% of respondents was between R1000 and R5000, with 20% paying more than R10,000.

Council stock is priced similarly to tribal stock and there appears to be no significant difference between those who were allocated a unit and those who bought. Generally, no monies were paid to find the property. In respect of those respondents who were allocated a property, 25% paid between R1000 and R5000 and a further 25% paid between R5000 and R10,000. Of those respondents who bought their property, 19% paid between R1000 and R5000 and 25% more than R10,000.

- **How the transaction process worked:** Respondents who accessed property in backyard rental and tribal settlements used their social networks in a similar way to those who bought RDP properties and those in informal settlements, i.e. most used friends and family to hear about the place. In backyard rental, over one third found the place through going door to door and one third were introduced by a friend. In respect of tribal settlements, most respondents [36%] shared accommodation with a friend or family member in the area.

Respondents living in rental accommodation interviewed as part of the qualitative study tell a very similar story of how they secured their accommodation:

- They either went door to door looking for a place or a friend or family member told them about it.
- They then negotiated a deal with the landlord and moved into the room.

All seem to understand their responsibilities i.e. to pay the rental timeously and respect the property and landlord. Relationships appear to be good between tenants and landlord who appear to be sympathetic in times of trouble. In the words of EW1 *'As long as you give the landlord his money on time it is fine. If you have problems about paying him you have to tell him in advance otherwise he doesn't chase you asking for money'*

In both backyard rental and tribal settlements, finding the place took between one and four weeks and about one month from hearing about the place to getting it, although 12% of respondents in tribal settlements took one year to get it.

Respondents living in council stock went through a different process that was government-driven, i.e. most heard about the place through a Municipal Official or Councillor and the property was allocated to them. For most, the time from hearing about the place to getting it was extensive, in excess of three years.

Across all settlement types, all respondents indicated that nothing went wrong during the negotiations.

Respondents interviewed as part of the qualitative survey in tribal stock also tell a similar story of how the transaction process works:

- A friend or relative usually identifies the property.
- The property is bought from an owner. Money is paid to the owner but no transfer of title occurs.
- A representative of the Chief then comes to inspect and demarcate the property. The representative needs to be paid both in money and in kind [food and liquor]. The representative will sometimes provide a permission to occupy although some respondents talk of a title deed.
- The house is then built or occupied.

Security of tenure seems secure for some but tenuous for others. In the words of KA06; *it's easy to scam you because the owner after selling you a place can just go to the king and pay money and you be asked to leave. It happens a lot around here'*

▪ **How risks were addressed:**

By far the majority of respondents did not receive the title of the property. Most [60%] felt that their situation had improved, although this was less so for those respondents in tribal settlements.

Respondents in backyard rental would turn to the landlord if someone were to disagree with their ownership, while respondents in tribal settlements would turn to a committee and respondents in council stock would mostly turn to the Municipality and Councillor.

4. Conclusions

On the basis of the analysis undertaken, it can be concluded that poor households in metropolitan areas are accessing and trading in land and that land markets do operate in poorer parts of the three metropolitan areas surveyed. Over one third of the households interviewed were allocated a property by Government. Just under half [41%], however, have accessed a property as a result of either purchasing [26%] or renting [15%] a property.

Informal areas including, for example, informal settlements, backyard rental stock and tribal rental offer more opportunities for trading than do more formal settlements [RDP and council stock]. These informal areas play a critical role for the poor as they offer access to city amenities at no cost or at an extremely reduced cost. Furthermore, where households themselves undertake the transaction [either buying or renting] the process is quicker and more efficient than where the property is allocated through a government process.

The basis by which the poor access land will vary depending on the settlement type:

- In RDP housing and council stock, Government will dominate the process. Poor households will interact with a Councillor or Government Official.
- In informal areas [informal settlements and backyard rental], social relations are dominant and poor households access information and opportunities via friends and family.

In either circumstance, the choice that poor households are able to exercise over where they live is extremely limited. In respect of RDP housing and council stock, poor households will be allocated to an area by a Government decision. In the case of informal areas, it is where an opportunity presents itself. Choosing where to live so that one can access work does not appear to be an option for the households interviewed. This often undermines their ability to maximise livelihoods.

Financial logic is evident. In RDP and council stock, the house is secured free of charge and its value does appear to be recognised by respondents. Respondents in informal settlements often make the choice to live in a shack as it is the most affordable option available to them.

While it is acknowledged that the survey was biased to those households who were successful in accessing a property, all respondents regardless of the basis by which they accessed their property indicated that nothing went wrong during the transaction process. This implies that the processes that are being applied are working effectively. Such processes include a reliance on social networks when property is accessed through connections with family and friends.

While poor households are accessing properties, the value realised appears to be limited. In general it appears that:

- Backyard rental is accessed through a payment of between R200 and R400.
- Cheaper properties in informal settlements are priced at between R1 and R100, but more expensive ones are priced at between R1000 and R5000.
- Cheaper properties in tribal settlements are priced at between R1000 and R5000, with more expensive ones being above R10,000.
- Council stock is priced similarly to tribal stock, with cheaper properties being between R1000 and R5000, more expensive ones being between R5000 and R10,000, and some being in excess of R10,000.
- RDP housing appears to be the most expensive, between R10,000 and R20,000 [indicative figures only].

Given the above prices, it is evident that the amounts being paid are affordable for poor households but that the value particularly in respect of RDP housing is significantly less than what they are worth.

Households who purchased their property through their own means seem to appreciate it more than those who received it through an allocation [such households see an improvement to their circumstances]. The reason could be that a conscious choice was made by the household.

Annexure A: Research Methodology¹²

The research methodology comprised the following:

- A **literature review** which focused on collating and analysing current knowledge on informal market dynamics and the management of urban land systems in South Africa and other developing countries.
- A **legal and regulatory framework review** which focused on determining what the effects of the regulatory system are on the ability of the urban poor to access, trade and hold land.
- A **series of interviews with individuals who speak on behalf of the market**. Ten interviews were conducted including:
 - Five interviews with selected people from the private sector including an estate agent, landowner, property developer, municipal planner and conveyancer's association.
 - Four interviews with individuals having a national outlook or perspective on urban land markets including the Director in Land Affairs, Director in Housing, Deeds Office and Surveyor General.
- A **social survey** which comprised interviews with households living in three settlements types in the three metropolitan areas selected namely Cape Town, eThekweni and Ekurhuleni. The settlement types selected included:
 - Informal settlements [3 - one in each Metropolitan area].
 - RDP housing projects [3 – one in each Metropolitan area].
 - A range of different settlements types which included backyard shacks [1], an area under tribal authority [1] and an area of local council housing [1].

Table 6: Areas included in the survey

Area type	Cape Town	Durban	Ekurhuleni
Informal settlement	Nkanini	Blackburn Village	Somalia Park
RDP Housing Project	Delft	Old Dunbar [Cato Manor]	Kingsway
Unique aspect	Mannenberga [Council rented stock]	Sobonakona Makhanya Tribal [tribal land]	Wattville [Backyard Shacks]

The survey consisted of:

- A **qualitative survey** using a 'life-history' methodology supplemented with semi-structured interviews with municipal officials, national government officials and key informants in each of

¹² This section from Colin Marx, Isandla Institute, May 2007.

the metropolitan areas. The survey sought to answer the following broad research question: How do mainly poor people transact and hold land in Cape Town, eThekweni and Ekurhuleni? The qualitative survey comprised a total of 75 interviews or approximately 8 interviews per area. The survey was not intended to be a representative sample.

- **A quantitative survey** comprising interviews with households undertaken in each of the 9 areas. The quantitative survey comprised a total of 630 interviews comprising approximately 70 interviews per area. This survey was a representative survey with a sample accuracy of 95% within a range of 11,2% in each settlement.
- An analysis was undertaken of the findings, and conclusions and recommendations were developed.

The rationale behind the methodology applied in respect of the social survey included the following:

- The study focused on metropolitan areas as it was felt that these areas tend to have better data and greater staff capacity to engage with the issues. It was also felt that it was politically important to focus on these areas. The three areas were chosen for the following reasons:
 - Ekurhuleni has a wide range of land uses and anecdotal evidence suggests the presence of a significant number of foreign nationals.
 - eThekweni has an active informal settlement housing programme and has developed innovative ways of providing poor people with access to land in the central city.
 - Cape Town has pursued a more basic needs development approach than the other metropolitan areas.
- The method used for selecting the case study sites within the metropolitan areas was to identify the 'core' areas of predominant land mechanisms. The method for selecting the case study sites was informed by the following factors:
 - The requirement to balance the ability to produce a level of generalisations and comparability across the metropolitan areas while still accommodating the uniqueness of each.
 - A typology of settlement types offered the clearest way to distinguish between different types of land markets.
 - Sample areas were chosen that had a size of between 1500 to 3000 units.

Annexure B: Analysis of qualitative data

RDP Houses

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
EK1			<i>Got information from her brother – took forms to the Municipal office. Kept checking. First attempt for a house failed but second was successful</i>	<i>Has a title deed from the Municipality The community know the respondent</i>	<i>If the respondent sold the house she would use a lawyer. We were told we could only sell after living here for 8 years, people therefore have problems when they bought houses, as the ownership did not change.</i>
EK2			<i>Was relocated from an informal settlement – did not choose the area. Registered with the Municipality using the shake number and ID. Was given a registration number and continually checked status. She was called to collect a key</i>	<i>Has a title deed.</i>	
EK3			<i>Was living in a shack and a Councilor told them to put their name down on a list and name called. No choice moved because respondent was</i>	<i>Had a title deed. Has also checked on computer records at the Municipality that the house is hers.</i>	

REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
			<i>given a house. Would not have been able to do this without the councilor</i>		
<i>EK4</i>			<i>Was living in a shack – was told to register. Did so with ID documents and was then allocated a house. Did not choose to live in this place but moved due to being allocated a house. Only people with children were allocated a house.</i>		
<i>EK99</i>			<i>Was living in a shack was told to register – was then allocated a house. Knew nothing of the area before moving there</i>		<i>If you want a house to the offices and stay in the informal settlements first and from the shacks you will definitely get a house, you can come from the townships and say you want to stay here all of a sudden unless of course you have money to buy this houses, after all there are people who are selling these houses. And if you buy this house you're limiting</i>

REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
					<i>the opportunities of the poor who are staying in the shacks, who can't even afford to buy any houses. These houses are built for the poor who won't afford to buy houses for themselves but people who can afford also rush to buy the same houses. So people who are buying these houses should stop it, they must go to Sandton because they have lots of money . These houses are for the poor people from the shacks to better their lives.</i>
KC2			<i>I was moved to this place by the councilor together with the housing department. I was living in a shack. I used by ID and children's birth certificates. I did not know anything about the place I was going to.</i>	<i>Has a letter that the house is hers – but everyone in the community knows. It is in the computer at the Municipality</i>	<i>Yes the life in a house is better than in a shack. You inhale fresh air here in the house, in a shack you stay in a stoep and when it is hot you sweat, but in the house it is cool because you can</i>

**REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS**

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
					<i>open the windows.</i>
<i>CDOH</i>	<i>The valuation of houses is increasing, previously you could even get a house for R100000, but now you can't.</i>	<i>Got a bond through a financial institution.</i>	<i>We took a bond and Delft was the only place we could afford to buy a house. I was on the waiting list for about 7 years. Eventually I got tired of waiting and I tried everything to get my own place, so someone recommended us to someone who was selling houses in Delft. The person was an estate agent and I read about it in the community newspaper.</i>	<i>We got a bond and the property was registered I also jointed one of the community organizations. There was a risk in buying the house because people were not allowed to sell the council's property and there was a law that stated that you are supposed to live in the house for about 5 or 8 years before you sell it. Everyone knows I own this house the bank, my family, my friends and other people</i>	

Informal settlements

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
<i>ES1</i>			<i>One gentleman told me about space that was available in an informal settlement, where he said they were still</i>	<i>I had all the hope that the place will be mine forever because everything was done according to the law. I</i>	<i>I saw Somalia as a place where I can live without expenses every month. I also saw that, to me it</i>

REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
			taking in new settlers. He said I had to firstly bring corrugated metal sheets and build a shack before they could allocate a stand for me. So I came here, talked to the man. He asked me if I had brought metal sheets and I told him I had left them behind. He told me to bring the metal sheets and point a place and pegged it for me. Then I had to put up my shack,	was so happy that I was now settled. A rumour has it that the owner of this place wants it and wants no one on it. So we are waiting for feedback from those who know, the leaders of the committee, we would like to see what would happen from here. There is nothing you can do for the place in the squatter camp to be in your name, you can't do that. I mean lawfully, you cannot stand up on your own, where would you start? So far now we cannot register this place to be ours.	could be an affordable place to live. I saw that I would not be paying money that I would be paying if I were renting. When you are renting you need to be employed.
ES2			A friend of mine told me there is a place where I can stay – I went there to look and I got it. There was a lady who registered me. I don't who she was but she was not a street committee. I think she was just working and helping people who were	I have the twelve rand receipt and the street committee know that this is my place.	

REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
			<i>looking for a place to stay. I paid twelve rand to register, it was cheap by then. I also paid twelve rand for water to the street committee. I did not know anything about this place.</i>		
ES3	<i>We paid R50 for a stand and place for our shack. We gave it to the people in charge of the community.</i>		<i>We were renting but could not afford the rent. My husband heard they were cutting stands so he decided to cut out a stand for us to place our shack. When we first came to this place we were a few people maybe eight people. We were afraid but day by day people were entering, so the place looked like a location. We got permission from the people who control the community. They said to live here we had to bring a shack.</i>	<i>We were given a receipt to provide that we can live here. We also have a sticker from the Housing department The government has not taken any action, maybe one day they will give us houses.</i>	<i>We stay here because we realized that we would never be able to pay rent.</i>
ES4	<i>We paid the person who found this place R50 and he gave us a receipt. .</i>		<i>A friend told us about this place. We found people staying here and we stayed. There was no other place we heard of. We connected with the</i>		

REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
			<i>people that knew what happens here and the one who found this place and we came with our belongings and made a shack.</i>		
ES5	<i>I paid R30 to a committee and they gave me a place. They also gave me a receipt.</i>		<i>My sister and I heard there were shacks being built. When I got here and started asking around about a committee because in different places there are usually people in the forefront or in charge. When I asked around people told me that there was a committee. So I went to talk to them. Then they gave this site.</i>	<i>If I'm not mistaken, it says in the 1994 constitution that if a person lives in a place for about more than I think 3 months – they can't be forced to move. Because if you have stayed there for a while it is considered to be yours. I have got a receipt from the committee.</i>	<i>I wanted my own place as I did not want to rent anymore because it's hard when you're not working.</i>
ES6			<i>I could say that I was forced because my place where I was renting was not good anymore and I had to find another place. This was another woman's shack and then she sold it to me. I know here from the church. I was told to go to the committee to meet with them and introduce as a</i>	<i>I have no proof.</i>	

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
			<i>person who is staying here. I follow their instructions and to meetings so we are informed of what is happening in this place. I bought the site and the shack.</i>		

Backyard shacks

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
<i>EW1</i>	<i>I pay the landlord every month R250. I also take turns to clean the toilet.</i>	<i>The money is paid in cash to the landlord</i>	<i>I went door to door looking for a place and this room was empty and I asked the landlord and he said I could rent it. I paid a deposit of R300 to secure the room and now pay a monthly rental.</i>	<i>Pay the landlord on time. No receipt or agreement in writing. Having the key is considered similar to a receipt.</i>	<i>'As long as you give the landlord his money on time it is fine. If you have problems about paying him you have to tell him in advance otherwise he doesn't chase you asking for money'</i>
<i>EW2</i>	<i>The rent is R250 and includes electricity and water We have to sweep the yard and wash the toilets. We take turns with the other tenants.</i>	<i>The money is paid in cash to the landlord.</i>	<i>We went door to door looking for a place. The landlord took pity on us because it was raining and gave us a room in the house. Then later we moved into one of the</i>	<i>No receipt or agreement in writing. The key shows that the place is mine.</i>	

REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
			<i>rooms in the back.</i>		
EW4	<i>I pay R150 rental.</i>	<i>The money is paid in cash to the landlord</i>	<i>My sister found the place for me because she is staying next door. The landlord then gave me permission to stay.</i>		<i>'I regret that maybe if I stayed in the squatter camp I would have been owning a house now' 'I came to this place because it gave me access to water, toilets and electricity'</i>
EW5	<i>I pay rental. I also clean the toilets and yard.</i>		<i>My brother who was staying here told me about the place. I then spoke to the Landlord</i>	<i>Be responsible and respect the landlord and be up to date in rental payments.</i>	
EW6	<i>I pay rental of R250. I also clean the yard, wash, take out the trash and general maintenance work.</i>		<i>My brother once lived here so he suggested I come and stay. The landlord then gave me permission to live here.</i>	<i>'The landlord and I have an understanding, which is a good relationship we take any problem that arises, if I am sick she helps me'</i>	<i>'I came here because I was in a shack the roof was leaking and I had to move to a much better place than this one.' 'My room is secure and safe, the floor and walls are plastered, the room was cheap, there are also no tsotsi's'</i>
EW7			<i>A friend that I worked with showed me this place. He knew the landlord and introduced me. I then agreed with the landlord.</i>	<i>You have to remember that the place is not yours so you must take care of it.</i>	

Tribal tenure

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
KA01	<i>To buy a place here you go to the Chief and pay R60 and a case of cool during, a case of beer and a bottle of brandy. We do not pay rental we pay for water and electricity on pre-paid meters</i>		<i>We found out we could come and live here form a family member. We were situated here by Mr XX. We have problems now as the chief does not want to give us title. He does not want us to have the PTO even though we build this house.</i>	<i>Not having the PTO means that we do not have the right to stay here.</i>	<i>'People do buy houses but they buy the walls and not the plot'</i>
KA2	<i>I paid R800 in installments to the owner and R605 to the Chief. The money to the Chief is paid once to the Induna.</i>	<i>I paid the money in cash to the Pastor. His mother was the witness. I paid the money to the Chief to the Induna.</i>	<i>I stayed with my cousin at first. She obtained agreement for me to buy the place from the Pastor who owned it. I paid a deposit and then I moved in and paid the rest in installments. I was never given a receipt. I then built the house. I also then had to pay the Chief. The Induna also comes and checks the size of the place and how much you paid the owner. The Induna also gives you papers to say you own the place.</i>	<i>The Chief owns the land but you can still the house. You do not get title deeds.</i>	

**REVIEW OF DATA ON HOW THE POOR ACCESS, HOLD AND TRADE LAND :
ADDITIONAL ANALYSIS**

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
KA3	<i>I had to pay the Induna R600.</i>		<i>I came here because my Relatives are here. The place belongs to my nephew. He said I can build on it because he bought it. My nephew gave me the place free of charge. I still had to go to the Induna to have the place checked. I then built the house. My sister and brothers helped me.</i>	<i>The Induna gives you proof that the place is yours. He gives title deeds.</i>	
KA04	<i>I have to pay R600 to the Chiefs who will pass it on to the King. I also need to buy meat and alcohol. Normally a case of beer and whisky.</i>		<i>I got this place through my sister. I did not have to pay for the place, except money to the King. I am not able to pay the money so I cannot get title. When I pay the King I will get title. He will also demarcate the land properly for me. I have however built my house.</i>		
KA05	<i>I paid R1450 for the house.</i>	<i>At first I paid R1000 that I borrowed from my employer. I then paid R450 afterwards. I paid the money over in front of the Committee. I was given a receipt</i>	<i>A friend told me about this house. I asked the local committee for a house. A women who owned a house wanted to sell and they said I could buy it from her.</i>	<i>I asked for a receipt</i>	
KA06	<i>I had to pay the Chief</i>	<i>You set a day when the</i>	<i>My mother in law spoke</i>	<i>The owner could come</i>	<i>'Its easy to scam you</i>

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
	R280	<i>Chief comes to see the property and you pay the money and buy beer, brandy and meat. The chief then announces that he is giving you the place.</i>	<i>to the owner who sold me the house. I then had to pay the Chief. I did not pay for the house because my relative gave it to me. You are supposed to buy the house for R2000. I then built the house.</i>	<i>and chase you out. You need to have a male in the place to stop that.</i>	<i>because the owner after selling you a place, can just go to the king and pay money and you be asked to leave. It happens a lot around here'</i>

Council stock

Respondent	How much people pay when transacting	How the money changes hands	How the transaction process works	How risks are addressed	Other interesting facts
CM2	<i>I am supposed to pay R300 but I do not pay because this is a bad place.</i>		<i>I put my name on the waiting list. They phoned me after 11 years and told me that this place was empty so I moved in. I went in and signed the papers. I am supposed to pay rent but I do not pay.</i>		
CM3	<i>I pay no rental</i>		<i>I had to wait 5 years for this house. I went to the Rent Office and put my name down. Then they phoned me and I got this place.</i>		
CM5	<i>I pay no rental</i>		<i>My wife was on the waiting list and we were allocated this house.</i>		
CM6	<i>I pay no rental</i>		<i>The house was my mothers and we inherited it.</i>		
CM08			<i>My mother in law was staying in here. Then we moved in and she moved out. I had to pay electricity and water arrears and then went to the Municipality and took the house over.</i>		

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