

URBAN EXPANSION AND THE EMERGING LAND MARKETS IN NAMIBIA'S COMMUNAL AREAS

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About this paper

- Urban expansion and the emerging land market in Namibia's communal areas and rural areas.
- Based on data drawn from fieldwork conducted in 2016 and follow up fieldwork in 2017 & 2018, and ongoing work.
- The 2017, 2018 & ongoing work --- hotspots identified in 2016.
- Conducted in all the region in Namibia with communal land.
- Aim of the original study in 2016 – was an inquiry to determine
 - Extent, nature, different actors and, how it functions.
 - Interviews with customary authorities, landholders, observations, officials from the regional offices of the Ministry of Land Reform.

Setting the scene

Two land regimes in Namibia

- **Freehold land system**
- **Communal land system**
 - Vested in the state
 - Administered by traditional authorities and under customary tenure systems
 - Rights statutorily recognised and secured through the Communal Land Reform Act, 2002 – by the Communal Land Boards.
 - *Customary land rights, rights of leasehold and occupational land rights*

Setting the scene

- Trading of land/rights is *prohibited* as per the Communal Land Reform Act, 2002.

Reasons for prohibiting land sales...

- **Avoids exposure** of landholders to **risks**
- Prevents the erosion of the *basic social safety net function* that communal land provides
- Naïve landholders may trade land in ways that would *leave them poorer and destitute.*
- Land markets would lead commodification of whereby access is dependent **on buying power.**

Setting the scene

Despite the legal prohibition...

- Land in communal areas is *traded (through selling and leasing)*
 -“sales of land are taking place to the top of the roof, the demand is very high”....
- The existence of the land market is clear, but there *was lack of information on its nature and extent:*
 - What kinds of land is sold/bought frequently?
 - Where do most sales take place?
 - Motivations (for both buyers and sellers)
 - Who are the buyers, who are the sellers?
 - Roles of TAs
 - Procedures during transactions
 - Even-handedness for buyers and sellers

Important questions at hand

1. Is this trading of land rights or *this practice just transfer of rights?*

- Land rights are allocated and can be transferred following procedures set by CLRA.
- Field: is not transfers of land rights by trading of land rights whereby sellers lose/dispose of their rights over the land (use, management, exclusion rights) and the buyers gains those rights.

2. What is being paid for: *land rights or improvements on the land?*

- Compensation Policy – compensation on the improvements on the land
- **HOWEVER**, it is clear that most transactions are simple exchanges of money for land rights, not compensations for improvements.
- Field research has shown that former land rightsholders/sellers even remove improvements on the land such as fencing materials.

**Context within which the land markets are
taking place**

The changing value of land in communal areas

- Wave of diverse developments and land (e.g.) uses for commercial use, housing/residential development
- moved from landscape of mere –homesteads, crop fields, commons for grazing (and for production for subsistence)*



The changing values of land in communal areas

- wave of peri-urban areas and developments
- urban expansion



Changing values in communal areas

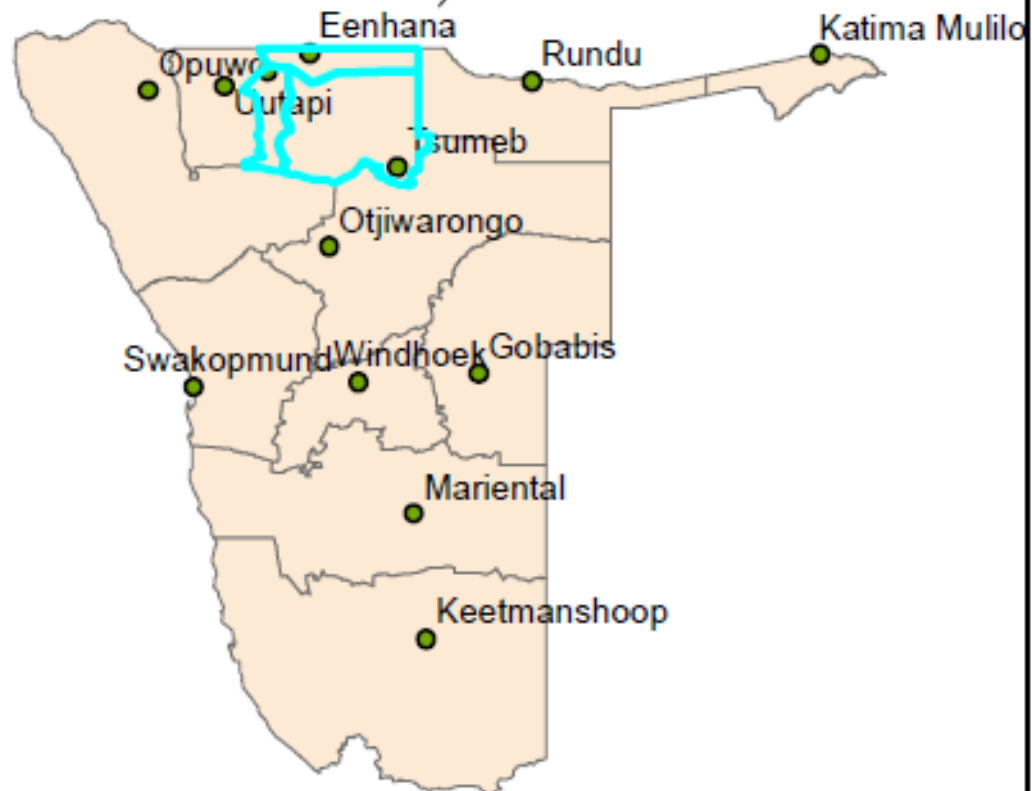
- **Diverse uses of land, urban expansion and mushrooming of peri-urban areas and commercial centres:**
 - Created **new sources and more lucrative incomes** for Traditional Authorities.
 - **Enticed existing landholders** to maximize on the opportunities that lie in these new dynamics.
 - Making money by **subdividing former cropland** into plots for sale.
- Increased commodification of land and access to land.**

Areas with most concentration

- In peri-urban areas (adjacent to proclaimed towns): Katima Mulilo, Ongwediva, Helao Nafidi, Eenhana, Omuthiya, Otjinene, Okakarara, Opuwo
- Inside and adjacent to peri-urban and commercial centres likely to be proclaimed local authority areas (Ongha, Omakange)
- Along major arterial roads: Omuthiya – Ondangwa; Ondangwa- Oshakati; Ondangwa – Helao Nafidi; Onhuno – Eenhana

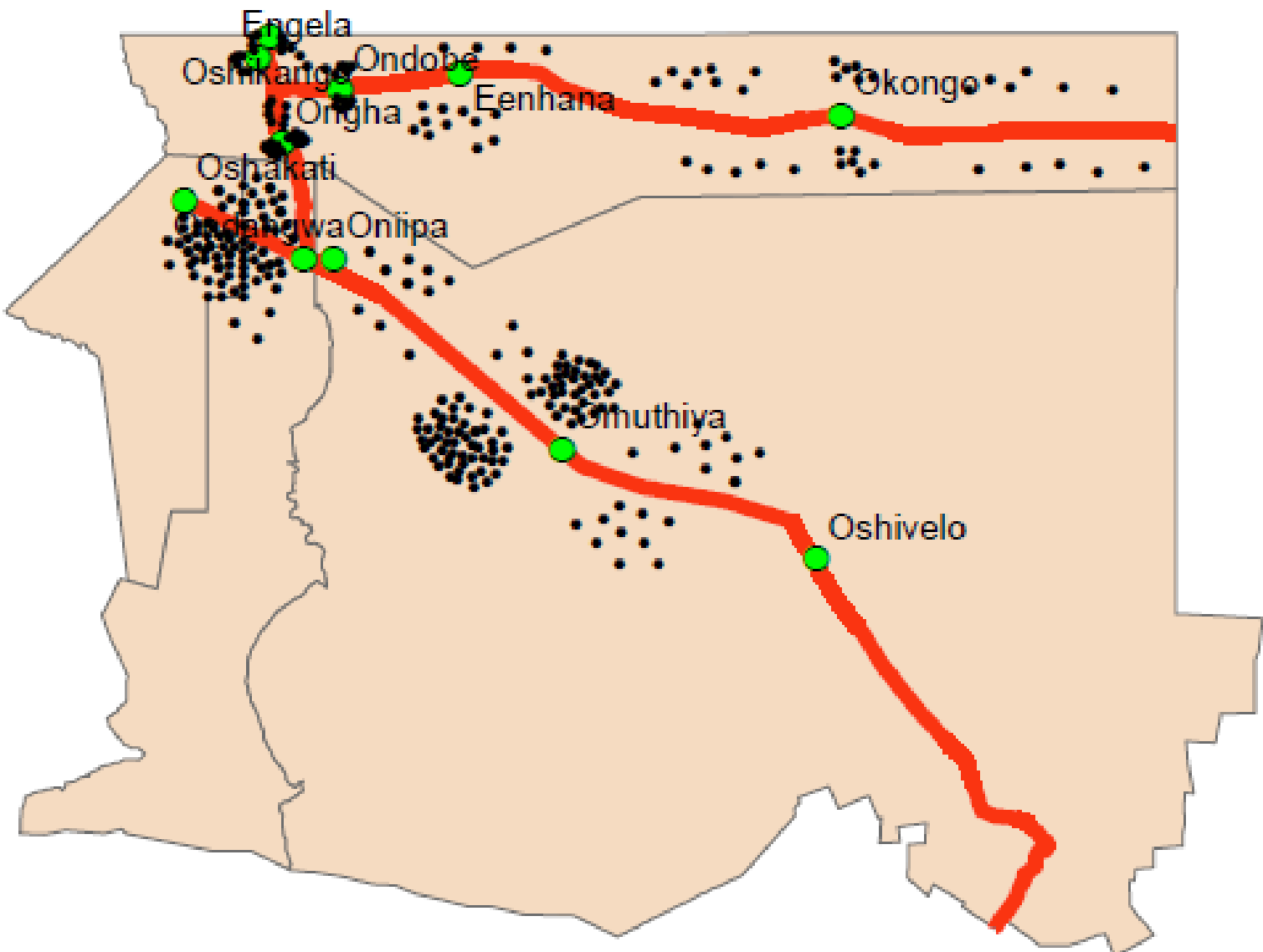
Beside resulting from urban expansion and peri-urban areas:

- Farming areas (Mangetti West, Otjozondjupa, Omaheke, Kavango East and West)
- Along the main rivers (Kavango River--- for tourism establishments).



Legend

- Regional government centres



Character of the land markets: types of land being sold/bought/and/or leased, sizes, purposes...

- Small-holdings
 - Small properties customarily used for crop and residence, now subdivided into small plots for commercial or industrial purposes, or for housing.
- Family land
 - Small holdings used as family homes sold
 - When older parents stop farming or they die



Ministry of Land Reform
Tsumeb Office
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May 2016



Values, prices, fees

- **No common formula** for setting prices, but factors that influence prices:
 - Size of the land (less than 500 square metres may cost N\$ 15,000 the same size may cost N\$ 35, 000 later or with another seller) depending on the demand in that area.
 - Recent prices (villages adjacent to Omuthiya Town):
2000m² of land: **N\$ 30,000 (2000 USD)**
 - With the increasing demand prices increase

Nature of transactions

- Sales are negotiated **privately between the seller and the buyer.** The transfers of rights are seldom sanctioned by TAs let alone Communal Land Boards.
- **Under the carpet;**
- Transactions are sometimes disguised
- Traditional authorities sometimes sanction sales to validate the rights of buyers **later, say after investment of on the land** and they may mediate when disputes arise.
- Security of tenure becomes important for the buyers and hence at some point require legitimation of their rights from socio-political authority

Actors: sellers and buyers

- **Traditional authorities**

- Different levels of TAs are involved
- Lessors and sellers

- **Parastatals**

- E.g. as buyers for land – electricity transformer.

- **Ordinary residents/landholders themselves/speculators**

- Selling land because of changed priorities and needs.
 - No longer need farmland because returns from agriculture are discouraging or non-farming activities are adequate
 - Change in circumstances (**death**)
 - **Few distress sales**
 - **Take advantage of forthcoming urban expansion**
 - **Urban dwellers who cannot afford land and housing in urban areas.**

Resulting overlapping jurisdictions

- Access to communal land is no longer in the confinement of TAs (alone) as mandated by the Communal Land Reform, 2002
- People can acquire land directly from existing landholders who assert they can do whatever they want with their land
- Tensions develop because substantial sums of money can be at stake and TAs have no access to it.
- *5 ha of land – **sell off 3 ha** -- subdivided into plots of 2000 = 15 plots * NAD 30,000 = N\$ 450,000 (30,000 USD)*

Resulting overlapping jurisdictions

Interesting are the terms of payment

- Been argued that land sales reflect sellers short term financial distress.
- Research reveal most sellers spread payments over a period of time on medium term (6 months to a year) depending on size of the land and prices.
- Reflect that these land sales are used to bring about a monthly constant source of income (signed in a contract between seller and buyer).
- 5 plots on your land --- at 2500 per month = NAD 12,500 per month.

Conclusions

- Markets for land rights are active in communal areas and driven by different forces.
- Most active in the peri-urban areas --- areas adjacent to towns.
- Hotspots (common in some regions in other no markets)
- Plots sold mostly for residential properties/housing
- Urban expansion has a direct implication in the emergence of land markets.
- Emerging land markets have resulted in overlapping jurisdiction of access to land.

Prohibition by law --- but needs urgent policy direction.

- As they have direct implications on spatial planning and environmental conditions --- structuring of residential properties, ablution facilities and many others.
- Find solution to the land market is rather complex as a lot is at stake --- the solution must be that recognise the presence of the markets but also that which does not result on landlessness and destitution. Willing to learn from other countries and the innovative approaches that can better handle the situation.

Thank you for your kind attention