

**Investigating the Effects of Property Rights
Formalisation on Property Market in Informal
Settlements:
The Case of Dar es Salaam City, Tanzania**

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Investigating the Effects of Property Rights Formalisation on Property Market in Informal Settlements: The Case of Dar es Salaam City, Tanzania

By

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*Dedicated to my husband Wanjohi
And
Our children Eric, Idah and Joy*

Abstract

According to UN Habitat (2006) an estimated one billion people are living in informal settlements, and this population is projected to reach 1.4 billion by 2020 globally. Access to land by this large population and particularly those from developing countries is an uphill task owing to laws governing land distribution that tend to be bureaucratic, and tagging in their tow costs that only few can afford. In a bid to house themselves those of lesser means circumvent formal rules enforced by the legal actors in acquisition of property, and in the process create an informal property market. This market adequately caters for the needs of the participants (informal settlement dwellers) who believe they have rights over the properties they have acquired. Many projects geared towards formalising these perceived property rights are based on imported ideologies and partly implemented with visions of channelling the informally held properties into the formal property market.

This study investigates the effects of property rights formalisation (through issuance of residential licence) on property market in the informal settlements using Dar es Salaam City, Tanzania as case study. A settlement that has been formalised is compared with another that is not. Deducing and observation of the effects were achieved by comparing data collected from ground surveys as well as making use of spatial and non-spatial secondary data from both formal and informal land management institutions.

The effects of property rights formalisation on the process of land transfer were investigated through attributes of urban property market namely, transaction procedure and costs, property prices/value and land tenure security perceptions in Dar es Salaam. The study has established that property registration and issuance of residential license has limited capacity to change the behaviour of actors in this market in informal settlements. The informality in land transaction whose genesis was partly the former land laws that had declared all land ‘valueless and non-marketable’ and failed to recognise sale of vacant land, is firmly embedded in the informal settlements such that it will take more than issuance of residential license to change the way of buying and selling properties.

From the analysis, the study concludes that in order to encourage people to transact formally the government needs to consider working closely or incorporating local grass root administration in its land management policies. An approach that builds on the existing informal land management systems rather than adopting systems modelled on imported ideologies is recommended.

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Acronyms

CIUP	Community Infrastructure Upgrading Programme
COO	Certificate of Occupancy
GRO	Granted Right of Occupancy
DAWASCO	Dar es Salaam Water and Sanitation Company
HH	Household
MLHHS	Ministry of Lands Housing and Human Settlement
NBS	National Bureau of statistics
PRF	Property Rights Formalisation
RL	Residential License
UN	United Nations
UNCHS	United Nations Commission for Human Settlement
URT	United Republic of Tanzania
TANESCO	Tanzania Electricity Supply Company
Tshs	Tanzania Shillings
HH	Household

1. Research Background and Objectives

1.1. Introduction

This chapter discusses background of the research and part of it is reflected in the global debate regarding the positive and negative effects of property rights formalisation on urban land market, which sets a precedent to the objectives and the research questions that will guide the study. Prior research and knowledge gap is identified leading to research issue. Some working definitions used in this study are provided, and an outline of the thesis structure made. Summary of what has been covered in this initial stage wraps up the chapter.

1.1.1. Urbanization and access to land in developing countries

Due to rapid urbanization in developing countries the official land delivery channels have been unable to avail developable land at a rate commensurate with the population growth. As a result most people turn to informal channels which do deliver land but at compromised tenure security. Unlike in the rural areas where transactions in land are made easy by the fact that under customary norms, land owners are well known because of the mechanisms of tenure systems therein which in most cases is only one, the urban areas are faced with complex nature of transactions due to existence of different tenure systems and rights attached to each.

UNCHS (1996) estimates that up to about 80% of urban growth in developing countries is informal. In Dar es Salaam about 80 % of the urban population lives in informal settlements (Sheuya, 2004; Kombe, 2005). This proportion of urban population lives on land that it does not have formal rights but in spite of this, majority consider themselves to be “owner” and by extension to have rights over the land they occupy (Lanjouw and Levy, 2002). The mode of acquiring land/properties in these areas is informal by the virtue of their being informal, unregistered and hence lacks legal documents. Governments in these countries have realised that these informal settlements are part of urban set-up and their removal has long ceased to be a solution because they end up relocating to another site altogether. The stark reality is they cannot be wished away and Abbott (2000) reckons they are social and economic entities in their own right with a social and economic capital base that should be supported and encouraged to grow. This realisation and particularly the fact that they can collect revenue from the said settlements has led many governments to seek ways of formalising property rights particularly through registration, but Lanjouw and Levy (2002) argue that even in countries characterized by a high degree of formalisation, ownership rights can be created and enforced by other means. Payne (2000) reckons that the prescription and financial support by international aid agencies was the genesis of these registration projects in many developing countries, and different views about this approach reveal the positive and negative effects of property rights formalisation.

1.1.2. Property rights formalisation and urban property market: The big debate

Property rights formalization through registration as a way of strengthening formal property market is a view shared by many researchers and writers alike. For instance Zevenbergen (2000) acknowledges

that land registration is very important in securing rights and facilitating the land market. He further underscores the fact that a well tailored system of cadastral surveying and mapping (physical aspect) influences the level at which land rights are secured and property market is facilitated. Commenting on property market in Post-Apartheid South Africa Berg (2000) concludes that once secure ownership is available to all, the property market will become equitable with everybody sharing the benefit thereof. According to Kironde (2000), a well functioning property market should have ease of entry and ease of performing transaction, and is dependent on secure tenure arrangements among other factors. Payne (1997) echoes the same sentiments when he says that among the main policy instruments that affect supply of land include; property rights, and land titling and registration. Migot –Adhola *et al* (1991) argue that the basis of tenure insecurity lies in the absence of registration of land rights, and de Soto (2000) emphasizes that in order to realize dead capital in poor people’s land/property, registration of land rights is important. Mooya and Cloete (2005) add that well-defined and secure property rights stimulate demand for resources, encourage investment, promote markets and have positive effects on asset values. To reinforce this Dowall and Leaf (1990) say that the form of tenure under which land is held or owned has a significant impact on its market value and options for access by the urban poor. For example, in Jakarta, it was found that residential plots with clear title sold for a 45 percent premium over comparable plots without clear title, and in Manila the risk of eviction is considered to lower the value of housing units by 25 percent, whilst in Davao it was found that land values increased by 58 percent after titling (Dowall and Leaf, 1990).

These writers and other contemporary literature appear to be advocating that once land has recognized property rights it will enter the formal land market. However, others have different opinions on the effects of property rights formalization. For instance Payne (1999) observed that property rights formalisation causes displacement of original beneficiaries, a view shared by Durand-Lasserve (2005) who describes titling programmes in informal urban areas as ‘market driven displacements.’ These sentiments are also echoed by Varley (2002), when he reckons that formalization would facilitate the penetration of commercial interests into regularized settlements, displacing in its wake the original residents as a result of ‘down raiding’ by higher income groups. In his research on land markets in African urban areas while taking Dar es Salaam as study area, Kironde (2000) concluded that recognition and encouraging of informal land markets by government and not regularization, will help land buyers to operate in a more certain market, and this will minimize dubious deals as well as disputes.

1.1.3. Property rights formalisation in Tanzania

African countries have initiated land reforms to address the issue of land rights in informal settlements. They are experimenting with innovative legal, administrative and technical tools to formalise land rights (Christensen, 2004; Nordin, 2004). Tanzania is one of the countries making a debut in issues of property rights formalisation through **The Land Property Registration Project** as mandated in the Land Act No. 4 of 1999 (Kyessi and Kyessi, 2006). Section 23, sub-section (1) of the said Act provides for issuing of “residential license” which is a certificate bestowing a derivative right to occupy land in specified (non-hazardous land, land reserved for public utilities and surveyed land, urban or peri-urban) areas for a period of time for which it has been granted. Sub-section (3b) states that the term shall not be less than six months and not exceeding two years, but subject to renewal for a similar term (URT, 1999). This project is a partial strategy of empowering residents in the informal settlements economically through streamlining the informal land into the formal land market, among

other objectives.

For a country that did not statutorily have a property market until 1995 when a new National Land Policy was enacted, and where land/properties in the informal settlements in Dar es Salaam and other urban areas were not registered prior to 2004 when the Land Registration Project was started, it is interesting to investigate how land property registration and issuance of Residential License will affect the property market in the informal settlements in Tanzania.

1.2. Prior research and knowledge gap

Kombe (1994, 1995, 1996, 1998, 2000 and 2005), in his studies on Land Management in Tanzania, discusses the issues facing formal land management. However, in all these cases he did not address the issue of formalizing land property rights and the effects on land transactions in informal settlements.

Kironde (1998, 2000, and 2002) discusses access to land by the urban poor, and the urban property market in the African context. He has looked at urban land management in general and delves deeper into policies in place and how they have failed to address informal settlements in Tanzania. As well he does not address the issue of how property rights formalisation affects land transactions in the informal settlements.

Institute for Liberty and Democracy (2004), “Under the Formalization Program for Tanzania”, focuses discussion on formalization of property and business, the phases for implementation of the program which includes diagnosis study, reform design, implementation, capital formation and good governance. However conspicuously absent from the objectives and discussion of the program is the role of property rights formalisation and its impact on land transactions in informal settlements.

In a report on “Creation of Comprehensive Urban Land Property Register for Economic Empowerment of Residents in Informal Settlements in Dar es Salaam” by URT (2005), under the Ministry of Lands, Housing and Human Settlements (MLHHS), reasons that led to the establishment of the project are given, steps to be followed in the process outlined, total number of properties to be registered together with expected benefits are projected. Nevertheless the report does not outline or give a projected plan on how informal land will be streamlined into the formal land market.

Several Bsc students at the University College of Lands and Architectural Studies (UCLAS), University of Dar es Salaam have carried out various researches on the effects of residential license in the informal settlements. For example Tumpale (2006) investigated the effects of residential license on poverty reduction, and Mrema (2006) investigated identification of properties for regularisation in the informal settlements to mention just a few, but none has investigated the effect of land property rights registration on land transactions.

1.2.1. Research justification

From the above cited cases and various others read but not included, it is clear that researches on property market undertaken Tanzania in the past did not take into consideration property rights registration and holding of a derivative right to land as one of the aspects to investigate while analyzing other factors affecting land market. It may be argued perhaps its because the project had not

began, but those doing their studies currently after implementation of the registration of land properties in the informal settlements in Dar es Salaam have not done it either. When Kironde and Kombe made inference during discussions that it does not affect property market without empirical prove, or not saying anything at all about it by the others has aroused curiosity big enough to warrant finding out how negligible is the magnitude to the extent of being disregarded in research, and particularly now that it is expected to streamline informal land into the formal land market.

1.3. Research issue

From the study background and prior researches done in Tanzania, it is apparent that; **there is no empirical evidence of how Property rights formalization affect land property market in informal settlements.** Various writers indirectly recommend registration of land rights as one of the ways of introducing the informal land into the formal land market, and improving in its wake economic value as well, this remains to be proved empirically. As developing countries embrace land registration projects in informal settlements, the central question remains in whose interest is registration of Property rights, the state or the holder of the informal land right? If the land values go up will the poor access land anymore, and if they cannot because this was the reason in the first place that made them buy informally where do they get it from? If some of the objectives of The Land Property Registration Project in Tanzania under the Land Act 1999 are anything to go by, are there any indications that land is being streamlined into the formal market upon formalisation?

It is against this background that the research will seek to investigate the effects of property rights formalization on property market in the informal settlements in Dar es Salaam City. In the investigation the following objectives and research questions will guide the study.

1.4. Research objectives and questions

The aim of this research is to study the process of acquiring land in informal settlements by the low and middle income groups in a bid to meet their shelter needs, and investigate how property rights formalization affects this process. This will be through a case study of Dar es salaam City where property rights are being formalised through registration and issuance of residential licenses. The objectives of the study and the questions to be answered by the research are:

1. To describe the process of property rights transfer in the informal settlements
 - How are property rights transferred in the informal settlements in Dar es Salaam?
 - What are the factors influencing the way property rights are being transferred?
 - Where is the registration of these transfers done?
2. To investigate the effects of property rights formalisation on property market in informal settlements.
 - What are the effects of PRF on place of transfer?
 - What are the effects of PRF on Place of registration?
 - How is the perception of tenure security affected by PRF?
 - How is the perception of property prices/values affected by PRF?

1.5. Scope and significance of the study

The study seeks to provide insight to the causes of informality in property transactions in informal settlements. Through investigation of the effects of property rights formalisation on this market, the study will be seeking evidence as to whether registration and issuance of residential licenses will change the way people buy and sell landed properties in the informal settlements. The findings of the case study are hoped to give foresight whether it is worthwhile to replicate this formalisation in other Towns in Tanzania, or elsewhere in developing countries facing similar problems of informal settlement growth, and which have similar tenure systems.

1.6. Working definitions

In this study the following will be defined as:

Property refers to land, or land and buildings.

Property rights are recognized interests in land or property vested in an individual or a group, and can apply separately to land or both land and development.

Property rights formalisation (PRF) in this study refers to land property registration and issuance of residential licenses to occupants of informal settlements in Dar es Salaam city

Land tenure refers to the way in which rights in land are held or a set of relationships, among people concerning the use of land and its product.

Property market refers to the exchange of rights in land or land and buildings for money in a willing buyer, willing seller situation

Formal property market refers to system whereby transactions in property are conducted according to the formal rules, and for which certificates of occupancy or residential license are eventually issued as proof of right of occupancy and use.

Informal property market refers to a system where transactions in property are conducted outside the formal rules laid down by the state guiding how this should be done. The attestation of the transactions takes various forms, from mere issue of a receipt for the money that has changed hands signed by both parties to hand written documents witnessed by friends, neighbours and a local grass root leader. There may be records in regard to the transactions, but they are not recognized officially under stipulated laws

Price represents the amount that a particular purchaser agrees to pay and a particular seller agrees to accept under the circumstances surrounding a particular property transaction.

Property transaction in this study refers to selling and buying of landed property.

Informal settlement in this study refers to all those areas inhabited by urban dwellers whose mode of subdivision, acquisition and use are not in tandem with the existing legal stipulations.

Register in this study refers to any book or records maintained regarding property ownership details in any place where the transfer of informally held rights is done.

Residential license refers to a document issued to a holder of derivative right to occupy land in specified non-hazardous land, land reserved for public utilities and surveyed land, urban or peri-urban, granted under Land Act No.4 of 1999 for a period of not less than six months, and not exceeding two years but subject to renewal for a similar term.

1.7. Thesis structure

Chapter 1 has set the background context of the study topic, identified the knowledge gap left by the

studies carried out in Tanzania, justified the research, developed the research issue, objectives and the research questions. Working definitions of some key terms used in this study are given, the thesis structure is outlined, and summary of the whole chapter is made.

Chapter 2 gives an introduction into the discussion of theoretical concepts through explanation of property rights. This is followed by an overview of land tenure types and the attendant land rights thereof, and a link of security of tenure to the types of property market that exist in urban areas is briefly made. A critical review of the literature on property rights formalisation and the effects on property market in urban areas is given as a prelude to discussing some theoretical concepts that emerge in the process. This eventually leads to identification of variables to be investigated in the study and a conceptual framework is drawn.

Chapter 3 describes the background to the study area, starting with the location of Tanzania, followed by site location and historical background of Dar es Salaam. A general overview of urbanization and evolution of informal settlements is given, followed by expounding on tenure types existing in Dar es Salaam in respect to the de jure and de facto situation. Evolution of property market in Tanzania is explained and brief outline of land transfer processes, both formal and informal given. An in-depth explanation into the Land Property Registration Project is made detailing its genesis, objectives and its implementation.

Chapter 4 describes the research methodology and tools adopted in the study, and details of the rationale of research approach adopted. The selection criteria for the study areas and properties to be investigated are explained, and data verification criteria are given. Methods of data processing are described, followed by discussion of the limitations of data collection methods adopted in the research.

Chapter 5 deals with the analysis of the data and discussion of the findings of the study with regard to effects of Property Rights Formalization on property transactions. Cross case analysis is done with a view to making comparison of the two focus study areas.

Chapter 6 consists of the conclusions and recommendations of the research. The chapter provides a synthesis of the results obtained in chapter 5. Conclusions with respect to the research objectives and in the light of the findings of the research are drawn. Finally possible areas that require further research are recommended.

1.8. Summary

This chapter presented the research issue and justification for the study, and has outlined the research objectives and questions. This study aims at investigating the effects of property rights formalisation on land transactions in the informal settlements in Dar es Salaam City by comparing a settlement where property rights have been formalised under Property rights Registration Project to another where the project is yet to be implemented. This will be in an attempt to understand whether people in the said settlements will change their mode of buying and selling land after being issued with residential licenses. The investigation will be based on various theoretical concepts that intimate that once property rights are formalised they will effect the transformation of informal property market to

the formal one, and that property prices will increase

2. Property Rights Formalisation and Urban Property Market: Conceptual framework

2.1. Introduction

In this chapter an overview of urbanisation and growth of informal settlements in developing countries is given as a pace setter for discussion on tenure systems existing there, which ultimately lead to the need for PRF. Different approaches to PRF are discussed with a view to determine what are the pro-poor approaches and under what conditions do they work. Urban property market concepts are discussed in order to derive issues to be investigated in this study, and a conceptual framework is drawn

2.2. Urbanisation and growth of informal settlements

Three main phenomena have greatly affected access to land and shelter by the low and middle income earners in urban areas particularly in developing countries. These include increasing urbanisation of the developing world, increasing poverty in the urban areas, and the great emphasis laid on property rights in development agenda. Currently in most developing cities in Asia, Latin America, Sub-Sahara Africa and Arab states between 25% and 70% of urban population is living in informal settlements, and it is projected to rise beyond 80% by 2025 (Durrand-Lasserve and Royston, 2002). Most governments are not able to keep pace with this high demand for planned land for housing, and hence proliferation of informal settlements is set to continue unabated.

Approximately 500 million people in developing countries live in abject poverty, and about 25% of these are to be found in urban areas (Jones, 2003). This big population of the poor cannot afford to access land in planned areas. The prescriptions of Hernando de Soto, World bank and UN-Habitat who are the proponents for PRF in developing countries, have led to many land titling projects in the last two decades. These programmes have proved to be expensive, slow and do not always produce the expected results (Payne, 2002).

The failure of the formal sector to meet the demand for land and housing in urban areas owing to the above reasons has resulted in big deficits of the same, and in an endeavour to house themselves the low and middle income earners are looking for the land or housing elsewhere. The informal sector has promptly responded to this demand and is providing the much sought properties by the urban poor. This study seeks to investigate this market that is supplying properties in the informal settlements and thus enabling the poor to access land and how it is affected by PRF.

2.3. Access to land by the poor: The Milleneum Development Goals

The worsening state of access to shelter and security of tenure results in severe overcrowding and homelessness among other problems peculiar to informal settlements. The global rise of urban poverty and insecure occupancy status takes place in a context of accelerated globalisation and structural

adjustment policies combining massive government disengagement from urban housing sector, and attempts to integrate informal market - including land and housing, into the formal market economy, particularly through large scale land ownership registration and titling programs (Durand-Lasserve, 2006).

As a result of these policies and lack of poverty alleviation policies, increased inequalities in the distribution of wealth and resources at all levels has led to majority of low and medium-income earners to rely on informal property markets for access to land and shelter. This has led to the growth of informal settlements which are deficient of basic services like water, roads and sanitation facilities. Durand-Lasserve and Royston, (2002) report that empirical results indicate the map of informal settlements coincides with that of urban poverty. According to UN Habitat (2006) projections, about 1.4 billion people will be living in urban areas by the year 2020. This is the challenge that the UN member states have to contend with and thus the formulation of Millennium Development Goals (MDGs) and Targets to deal with poverty. MDG 7 Target 11 in particular is geared towards improving the lives of at least 100 million slum dwellers by the year 2020.

According to World Bank, most poor people in developing countries rely on land as the primary means for generating livelihood, investing, accumulating wealth and transferring it between generations. Providing poor people with access to land and improving their ability to make effective use of the land they occupy is central to reducing poverty. Nevertheless this does not come through overcomplicated and rigid land delivery procedures spelt by statutory law that tend to exclude the poor from cheap access to property (Durand-Lasserve, 2004).

2.4. Land tenure and approaches to property right formalisation

2.4.1. Land tenure

FIG (1995) defines land tenure as the relationship between people and land that is embodied in land rights and restrictions. Payne (2001) defines land tenure as the mode by which land is held or owned, or the set of relationships among people concerning land or its product. Rakodi (2002) defines tenure in common law terms as a collection of rights, each of which is a relationship between people and organizations as to land. These definitions emphasize the man to man, and man to land relationships that underscore the rights or interest that people or group of people derive from land. This research will consider land tenure to be the social contract by which an individual or a group of people holds rights in land

2.4.2. Secure land tenure

Secure land tenure refers to an assurance that an occupant of particular piece of land will continue to occupy the land and reap benefits from the resources of the land without the threat or risk of involuntary removal, and that he can only be evicted by means of a known and agreed legal procedure which must be objective, equally applicable, contestable and independent. However this is a very ideal situation that does not occur in reality because even where people hold absolute rights to land, governments impose conditions on any land use so as to uphold sustainable development and sound environmental conditions (Molen and Osterberg, 1999). As argued out by Roth and others, even where the government has issued titles to land through registration, it can still invoke its right of

eminent domain (Roth, *et al* 1994). Contrary to the perception that security of land tenure and orderly use of land can only be guaranteed by statutory legislations, even where there are no government controls, social values and norms often inhibit what one can do with his land (Chome, 2002). In practice, tenure security can never be absolute, to a large extent it is what people perceive it to be, and land tenure reforms through registration can only enhance but never achieve total security. Therefore secure land tenure is the perception measured against the indicators of robustness (breadth of rights), duration of time during which a given right is legally valid, and assurance of the same (Place *et al*, 1994; Abdulai, 2006).

While tenure security is a matter of degree and perception by a right holder, property rights have indeterminate term and residual character (Abdulai, 2006). The rights held by an individual can thus be said to be informal or formal depending on the system that created those rights. In this study various forms of property rights and their contribution towards meeting the Habitat Agenda of providing “adequate shelter for all” and Millennium Development Goal 7 Target 11 of creating "Cities without Slums" in an endeavor to improve the lives of at least 100 million slum dwellers by the year 2020 will be looked into.

2.4.3. Land tenure types and property rights attached

Within each society two sets of laws exist to ensure its orderly running and the peaceful behaviour of its members, and they include statutory law and customary law. Under statutory law, all rules and regulations are written down and codified, whereas under customary law there is no written record but it is assumed that the code is well known by all members of society concerned. There is also common law which evolves from customary laws through precedents set in court judgements, and new cases can be judged on their basis (Dale and McLaughlin, 1999). This classification omits anything else that is not embodied in statutory law or customary norms and values of the people, but there also exists informal rules as indicated in Figure 2.2 which guide people in informal settlements in the way they live and deal with one another.

Tenure Type	Perceived degree of security								
Registered Freehold	■	■	■	■	■	■	■	■	■
Leases	■	■	■	■	■	■	■	■	■
Group tenure	■	■	■	■	■	■	■	■	■
Adverse possession	■	■	■	■	■	■	■	■	■
Anti-evictions	■	■	■	■	■	■	■	■	■
Occupancy	■	■	■	■	■	■	■	■	■
Customary	■	■	■	■	■	■	■	■	■
Perceived tenure approaches: -Political statements -Services without legal tenure	■	■	■	■	■	■	■	■	■

Figure 2.1: Tenure types and degree of security

(Source: Modified from (UN-HABITAT. In: Sessions ITC Lustrum Conference, 2006)

Rights in land describe what may done with the property, and provide institutional foundation for addressing questions regarding ownership, use, disposal, encumbrances, renewal of the same if they are not absolute, and how the rights of owners and those of third parties may be protected. This is

most explicit where ownership proof is in form of legal document such as a title which can be issued under title or deed registration. There are also different terms depending on the type of tenure system the right is held; ranging from freehold which is absolute except in case of overriding interests to Temporary Occupation licenses. Figure 2.1 shows various types of tenure and the perceived degree of security attached to each.

From the above it is apparently clear that freehold and leasehold tenures are perceived to be the most secure, but only so due to the fact that they are registered under some statutory law. It is quite understandable when rights bestowed through political proclamations are listed as insecure because mostly they hold as long as the politician is in office but after that there is no guarantee of such remaining in force. However, it defeats logic when customary tenure is lower in the ladder than mere occupancy when it is bestowed through acceptable social norms of the community holding the same. From another perspective, when one has lived in a settlement for more than thirty years like in the case of informal settlements in Dar es Salaam, it is not clear to the settler how a two years lease term granted by the government as a way formalising the said informally held rights is any superior than what he has always held (Field work, 2006- see analysis in chapter 5). Though it is renewable, it may become more of a burden than a reprieve to the holder, and thus fail to meet the desired effect.

In many cities particularly in the developing nations, majority of urban low and medium income earners live in informal settlements where their rights to land are not clear owing to the mode of acquiring the said property, hence the need to understand the legality or illegality of rights held and who determines this when the law itself is not explicit.

2.4.4. Property rights existing in urban areas of developing countries

The consensus of many writers (Payne, 1999: Dale and McLaughlin, 1999: Abdulai, 2006) is that property rights held by an individual dictates the relationship between him and the property which can be land or land and improvements thereon. However the issue to deal with is who grants these rights and under what terms particularly in the informal settlements.

In the urban areas there may exist different types of property rights bestowed by different systems as illustrated in Figure 2.2. Normally property right type 2 is found in the furthest peri-urban areas where customary lands are being engulfed into the urban boundaries, whereas property right type 3 is found in informal settlements and peri-urban areas closer to the city centre. Property right type 1 is found in planned areas and can also be found informal areas where individuals take the initiative to apply for formal tenure. The problem arises when formalisation programmes overemphasize one regime without due consideration to the others. Mostly the right bestowed through statutory law is considered superior than the other two. The donor funded projects of the nineties concentrated on titling programmes that favoured the conversion of the other two rights to the first one, but the success rate became dismal until donor agencies like World Bank changed strategy and opted for incremental forms of formalisation as explained in section 2.5.2.

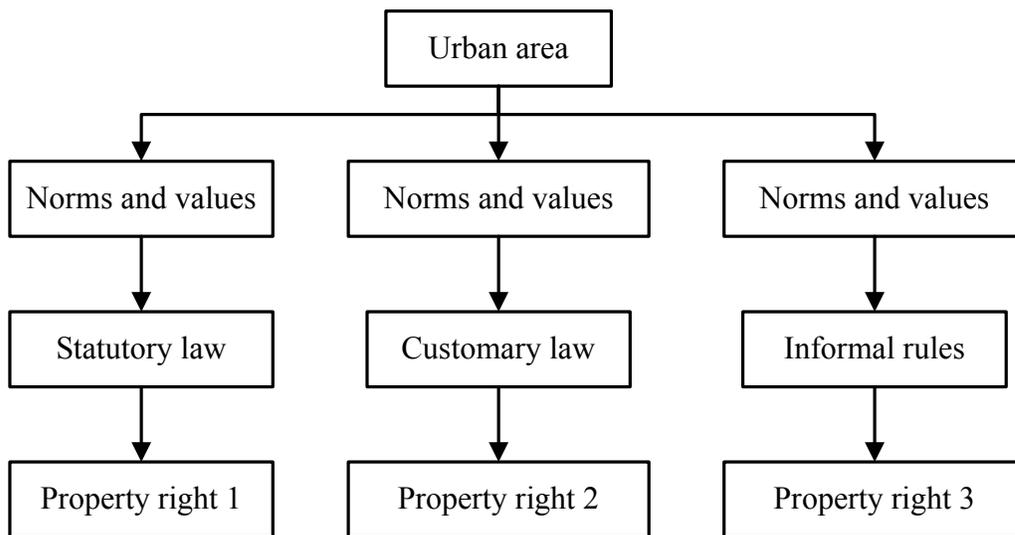


Figure 2.2: Types of property rights existing in urban areas.

(Source: Molen and Lemmen, 2004)

2.4.5. The need for property rights formalisation

From the view of the proponents, PRF is necessary as an incentive to social self empowerment through use of the resources held. For instance the central message in de Soto's *Mystery of Capital* is that the poor in developing countries possess immense resources, but they hold them in defective forms. Since the rights to these possessions are not adequately documented, these assets cannot readily be turned into capital, cannot be traded outside the narrow circles where people know and trust each other, and cannot be used as collateral for a loan (de Soto, 2000). de Soto calls these resources 'dead capital' to emphasize the point that they cannot be deployed to create wealth. He argues that ill defined and enforced property rights result in high transaction costs, thereby impeding the development of impersonal exchange systems necessary for the creation of surplus value, and thus advocates the formalisation of property ownership in the informal settlements, and the simplification of the formal procedures for granting formal property so as to realize the 'dead capital'.

From the authorities point of view PRF is a necessary tool to improve shelter provision and also a channel through which they can expand their capital base via taxation. This view is brought forth by Durand-Lasserve (2006) when he reckons that lack of security of tenure hinders most attempts to improve shelter conditions for the urban poor, undermines long term planning, and distorts prices for land and services. He further argues it has a direct impact on access to basic urban services and on investment at settlement level, and reinforces poverty and social exclusion. Commenting on the government's point of view, he reiterates that insecure tenure has a negative impact on the rate of tax recovery. Without proper identification of urban services beneficiaries, cost recovery for services and infrastructures provided is made difficult or impossible.

The point of view of the people living in informal settlements is however hardly given a priority. They are never consulted on what they want but prescriptions are made by others (central and local authorities) who do not live or represent the voice of the informal settlements dwellers.

2.4.6. Approaches to property rights formalisation

There are two broad approaches to formalisation namely conventional and operational.

Conventional or top-down approach through titling programmes is considered too complicated, too accurate, too slow, too expensive, and too much in favour of the middle and elite classes. This is achieved through top-down land policy formulations that give legal framework addressing issues related to registration or recording of rights and interests in land as a way of defining different land rights held (Molen, 2006). Larsson 1991 in (Zevenbergen, 2006: 2) outlines four steps of property registration in perceived increasing order of security bestowed by each.

1. Oral agreements-evidenced by witnesses
2. Private conveyancing-evidenced by a deed but no registration
3. Deeds registration-evidenced by deed registration but no guarantee
4. Title registration-evidenced by title registration which carries a guarantee.

The institutional approach to formalisation is normally viewed as registration and jumps to step number 4 which is explained as a black box in Figure 2.3.

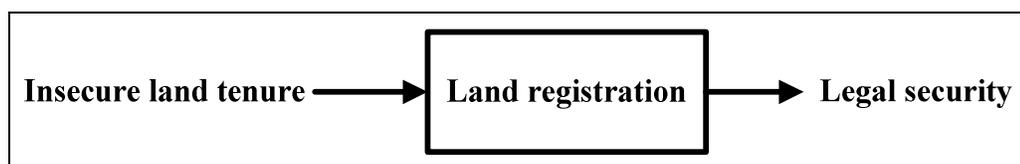


Figure 2.3: Institutional approach to formalisation.

(Source: Zevenbergen, 2000)

Land registration is the process of recording information about land parcels for the purpose of clarity in land ownership (Farvacque and McAuslan 1992). An efficient land registration system leads to certainty about ownership; reduces the cost of and delays in property transfer, and help in controlling and monitoring of land markets (Kironde, 1997; Rakodi, 2002). Rakodi further argues that the bottom line in land rights transfer is that transactions are documented in writing and that a witness is required to attest that a transaction has taken place between the parties. The ideal land registration process consists of four basic stages as shown below, but mostly has failed to keep pace with urban growth due to its slowness and complexity. Constantly, questions are raised on the efficiency of the formal registration process in enabling easy access to land, particularly by the urban poor and thus its impact on poverty eradication (Kironde, 1997; Rakodi, 2002). As well where land belongs to the state and the people only hold use rights like in Tanzania, the rigours and costs of registration in order to formalise property rights raise the issue of whether this is really necessary.

Operational or Incremental upgrading approach is also referred to as bottom-up approach, and as indicated in Figure 2.4 has three stages.

Approach to property rights formalisation	Level of security			
Titling				
Legalisation				
Formalisation				

Figure 2.4: Three stages of property rights formalisation

Formalisation: This combines protective administrative measures against forced evictions, provision of basic services and starter titles that can be upgraded if required (ward et al, 2004). This is aimed at

preserving the cohesion of the beneficiaries and protects them against market evictions during and after the upgrading process (Durrand-Lasserve, 2006).

Legalisation: This refers to the process of providing legal backing to the informal tenure systems in informal settlements. This can be achieved through the maintenance of records of rights at the community or municipal level, and this process may require legislative and administrative adjustments.

Titling: This refers to formal adjudication, cadastral survey and registration of individual or group rights in the legal land register and issuance of certificate of title as shown in Figure 2-5.

Stage	Activity	Attributes of the activity
I	Adjudication	Authoritative examination of rights in land parcels; who owns what Ascertaining and reaching consensus on land boundaries
II	Demarcation	Actual boundary markings on the ground; depends on level of survey required e.g. general or fixed survey
III	Surveying	Recording the position of boundaries after locating them on the ground
IV	Documenting	Compiling all evidence into different registers e.g. ownership and cadastral registers

Figure 2.5: Process of land surveying for titling purposes

(Source: Lupala, 2002)

2.5. Property rights formalisation in developing countries

2.5.1. Registration and Titling: the case of Peru

The other path expressed de Soto's vision regarding property rights formalisation through titling and registration (de Soto, 1989). He claims that due to inefficient bureaucratic land administration system in Peru it took 3 years and 7 months to register property, and this did not guarantee greater access to urban services. He proposed the need for faster and simpler process of formalisation because he argued that land titles obtained would increase the value of both the land and property, and consequently allow further consolidation (Kagawa and Turkstra, 2002). In response to this massive land titling programme through COFOPRI was implemented in Peru and issued about 1.5 million titles between 1996 and 2004. This is one of the few titling programmes that can claim to have increased property market efficiency and equity. However this was made possible by the provision of large-scale loans from the World Bank and the existence of vast tracts of Government land in the desert area adjacent to urban areas, a combination that is not common to find in most countries. As well, many of these settlements had titles that were not formally registered and therefore all they did was to register them, and others were already registered by the local authorities. A study carried out in Peru (Kagawa, 2000) found out that even with full government support and the advantage of unlimited free land for development, only a small proportion of poor households with titles were able to obtain full services or formal credit. This form of formalization has been termed as expensive, slow and questions are raised as to its viability when dealing with vast informal settlements like those found in South East Asia and Sub-Sahara Africa

2.5.2. Innovative approaches to land property right formalisation

In the last decade, the most common perception in approaching tenure issues in cities of developing

countries has been that titling is the best, if not the only way to ensure security of tenure. However, this has achieved limited results; for when large scale titling programmes in informal settlements have been implemented, the result in most cases is increased pressure from the formal property market and an increase in the cost of services, both of which lead to market eviction (Durrand-Lasserve, 2006). These unintended consequences suggest the need to adopt an approach that will lessen market pressures and limit market evictions. In support of innovative approaches to tenure and property rights formalisation de Soto points out that to be legitimate, a right does not have to be defined by formal law, but instead if supported by law it is enough to be upheld as a right (de Soto, 2000). The following are cases of innovative approaches to tenure and property rights formalisation that have enjoyed such social legitimacy; they have worked and provided the basis for pro-poor urban development in some developing countries.

2.5.3. Temporary land rental in Bangkok, Thailand

Bangkok like any other city in a developing country has its share of problems related to urbanisation. According to government records there are 910 informal settlements, with 208,699 households and 1,167,082 people in Bangkok (Mohit, 2002). This state of affairs resulted from economic growth of 1980s and early 1990s which led to spiralling land prices, making it difficult for some sections of low-income groups to find affordable land and housing in the city centre. Different tenure arrangements providing different levels of security enable this big population to access land and housing. Two types of informal settlements exist in Bangkok; Land-rental slums and squatter settlements. In the land-rental slums, the poor negotiate with land owners to settle on their land at a nominal rent, whereas in squatter settlements which are only a small percentage, the people squat on public land along canals and railway lines.

Under the land-rental system the poor are able to live for short to medium period in the inner city areas of Bangkok that would otherwise be too expensive for them. Although many arrangements are informal, the system is recognized and local authorities are willing to provide services according to the rental period and on expiry of the rental period the tenants are given enough notice to negotiate a similar arrangement with another landowner. Through such a process, Durrand-Lasserve (2006) observes that the urban poor are able to move ahead of the tide of urban expansion without in any way detracting from the efficiency of the formal land market.

2.5.4. Certificates of Rights (COR) in Botswana

Certificate of Rights tenure system in Botswana was introduced in the 1974 to facilitate the provision of affordable housing to first-time, low-income urban dwellers as an alternative to squatting. It provides the holders with the right to use and develop land while retaining state ownership. This is viewed by the government as an interim stage which enables the poor to gain a foothold in the property market before moving on to a higher title with acceptable credentials in the credit market (Yahya, 2002). Before the implementation of COR, the new immigrants from the rural areas to the urban centres are issued with temporary occupation permits that are later used during formalization of informal settlements. Certificates can be upgraded to Fixed Period State Grants on payment of survey and registration fees (Durrand-Lasserve, 2006).

The efficiency of COR as an intermediate tenure arrangement is in the perceived security it bestows

on the holder because it is a grant in perpetuity which entitles the holder to use land for the approved purpose without any hindrance. As well, when the conditions like payment of service charge in consideration for services provide upon grant of the right are met, the holder is guaranteed of tenure security through a grant deed issued by the municipal or town council. The other attribute of COR is that it is allocated with minimum services free of charge except for the payment of monthly service levy of P12 (Yahya, 2002), and a materials loan at subsidized interest rates based on ones income and repayable in 15 years, to put up a modest house. This makes access to land and housing affordable for the low income earners in Botswana. The plots are provided with basic services which are normally lacking in informal settlements.

2.5.5. Intermediate land tenure forms in Bogota, Colombia

There are two extreme land tenures in Colombian cities. The formal tenure where one buys land or house and gets a deed to prove ownership, and informal possession without any title particularly in the illegal squatter settlements. However there are intermediate tenure systems whereby even without titles people have property rights that allow them to improve their housing and urban environment. There are four intermediate land tenure forms related to individuals and one related to communal group land trust. The individual land tenure forms include: Tenancy by private agreement document and physical possession, declaration of possession, transactions to buy and sell rights for future use, and urban legalization. As well there is alternative to illegal settlements known as 'intermediate tenancy through a communal group' (Aristizabal and Gomez, 2002).

In these intermediate tenure forms freehold titles are not an initial requirement, of great priority is facilitating low-income housing production without going through the rigours of title registration programmes. They provide de facto security that enables the dwellers to invest in housing without fear of eviction.

2.6. Urban property market and Access to land by low income earners

2.6.1. Formal and Informal Supply of Urban Land

The formal rules for land supply are provided by the legislative framework that guides on tenure, transactions, registration, land-use planning and development control, public land acquisition and land taxation (Rakodi, 2002). To access land through the legal property market system is often time consuming and cumbersome, particularly where it can only be allocated by government agencies. Formal land acquisition process which portrays the structures and agents involved, and the steps in the process are illustrative of the bureaucracy that give rise to significant transaction costs in terms of delays, fees, opportunity costs of time, and bribes which constrain supply and drive up prices beyond the reach of the majority urban dwellers (Healey, 1992; Rakodi 1996). These are the factors that force those of lesser means to seek alternative ways of acquiring land for housing, giving rise to informal land market.

Informal property market refers to a market system operating outside the formal public or state mechanisms of land delivery, registration, and control and planning regulations (Kombe and Kreibich, 1998; Kironde, 1996). This type of property market is prevalent in the informal settlements and in unsurveyed peri-urban areas. Transactions in this type of property market are characterized by the

following:

- They are private agreements between seller and buyer.
- They bypass local and central government authorities thus evading taxes.
- They ignore urban development processes particularly planning regulations.
- Land being sold in most cases is not surveyed and neither are boundaries clearly defined.
- Transactions are not officially registered.
- The secrecy in the dealings makes it difficult to ascertain sale prices in any one locality.

2.6.2. The role of informal sector in bridging urban land supply deficit

It has been noted that the property market and its associated legal foundation is an instrument of land management policy with far reaching economic impact, but nevertheless a blunt one if the attendant laws and regulations are too cumbersome to facilitate change at the pace that is necessary (Dale and McLaughlin, 1999). This is one of the factors that discourage those of lesser means from following the formal procedures and opt for informal ones in accessing land.

‘Parallel markets’ is a term that has been used to indicate that there are different market realities in urban development processes (Kagawa and Turkstra, 2002). If the formal institutions have been overwhelmed by the rapid urbanisation and cannot provide affordable housing to those who are of meagre means, then the other option is to let parallel markets to operate in order to reduce the housing deficit. Habitat II conference in Istanbul promoted “shelter for all” agenda. Part of the strategy of meeting this agenda was to be through reduction of legal and bureaucratic hindrances, and promotion of efficient and accessible land markets (UNCHS, 1996). The task of meeting this agenda is enormous considering that land policies by some governments on the other hand seek to streamline informal land into formal land markets, which as earlier pointed out are bedevilled by bureaucratic and costly procedures. Informal land markets on the other hand facilitate access to land by the urban poor (Payne, 1997), and the question is whether once this land is streamlined into the formal property market it will continue being accessible to them.

This uncertainty is evidenced where government interference and resultant consequences is hitherto presented in peri-urban areas that are declared planning areas, turning legal owners under customary land tenure and holding “deemed rights of occupancy” into illegal land owners under statutory law on the ground that they have no “Granted Rights of Occupancy” a prerequisite for legal ownership in all planned areas (Mundeme, 2002). When these areas become planned, all the attendant formal development procedures must be followed and thus people of meagre resources are not able to access the said land.

To avoid such most land holders at the peri-urban areas subdivide and sell it outside the legal stipulations creating in the wake, land with no defined boundaries, not registered, lacking legal documents of ownership, and no certain legal tenure. But this notwithstanding, people continue to buy and sell because the social norms or silence on the part of the state machinery gives leeway to declare ownership and assume some sense of tenure security, (Payne, 1997; Lemmen et al, 2006).

2.6.3. Features of urban property market

“Urban land markets exert a major impact upon the ability of lower-income groups to obtain access

to adequate shelter and services. When they do not function well, the poor suffer more than anybody else,” observes Payne (1997: vii). A well functioning property market should have ease of entry and ease of performing transactions. The ease depends on a number of factors some of which include adequate land information, secure tenure arrangements, and an appropriate transferring, registration and recording mechanism (Kironde, 2002). Zevenbergen (2000) reckons that a system of land registration is a very important step in securing land rights and facilitating the land market. Others who have expressed similar sentiments include Rakodi (1994), Payne (1997) and Durand-Lasserve (2003) who adds another factor of efficiency; which they say is dependent on the existence of accurate, updated, transparent, and accessible land-related information systems, and efficient and simple land registration procedures.

Governing the above requires regulating institutions that would ensure a stable and transparent framework within which transactions can take place, provide easy access to the market for all participants, and keep the costs of transaction low. Thus it is essential for property market to operate on a legal basis so that all dealings are safe and secure, (ECE, 2005). Nevertheless this is a very ideal situation that operates in developed countries, but hardly practicable in developing countries where the issue is not how legal the procedure of land acquisition is, but how cheap and fast can one afford shelter at the minimum cost of transaction.

A general feature of urban property markets in many developing countries is that they operate almost totally outside the realm of public authorities and are mostly characterized by paucity of information e.g. on the volume of transactions, the amount of land changing hands and the general pattern of distribution of the transactions in the city or land prices at which they are sold owing to governing legislative frameworks that are more often counter productive (Kironde and Rugaiganisa, 2002). This sentiment is shared by (Farvacque and McAuslan, 1992; Dowall and Clarke, 1991).

2.7. Urban property market: A conceptual framework

2.7.1. Property rights concept

The property rights concept is applicable to all forms of property whether real or personal. Personal property refers to tangible things like cars, clothes, furniture etc as well as intangible things like copyrights. On the other hand, real property refers to land and the developments thereon. Thus ownership of land is about ownership of land rights exercisable over it by the owner. Though property rights as a concept is applicable to all forms of property, this study focuses on rights to landed property.

Eggertsson (1990) identifies three aspects of property rights. First there are use rights which determine what an individual can legitimately do on his property. Second there is the right to earn an income from an asset and to engage in contracts with others for this purpose. Third, there is the right to alienate or sell ownership rights over an asset to others. These aspects are recognizable and operate clearly where the right in consideration is clear and bestowed through some customary norms or legal statutes. However, where none of these two is not in operation for instance in the informal settlements, promotion of unregulated property markets results.

Landed property is the main if not the only asset held by the poor and their ability to claim and sell it is a critical element in social and economic advancement (Alston *et al* 1999). Research in urban settlements of Ecuador, Hungary, the Philippines and Zambia for instance show that housing is by far the most important productive asset held by the urban poor (Moser, 1998). Recognized property rights assist in attracting buyers, thus supporting wider markets, and they allow owners to focus scarce resources on productive activities rather than on defending their claims (Alston *et al* 1999). Deininger and Chamorro (2004) list increased transferability of land as one of the benefits of secure property rights and argue that it encourages development of wider markets. However, the main issue is, how are these property rights held by the poor made more secure, and what are the results?

Property titling is considered an effective form of government intervention for targeting the poor and encouraging economic growth in urban areas (Field, 2003), a sentiment shared by Lanjouw and Levy (2002); and Deininger and Chamorro (2004). These authors concur that property titling is seen as the main instrument for increasing security of tenure and stimulating land markets. Ward (2003) on his part lists the positive outcomes associated with full property title regularisation as that; it brings people into the market from which they can benefit by free sale at full market price, raises land values and incorporates residents into the property-owning class. All these are expected to have the effect of reducing poverty, but in reality this is not always the case as explained under the concept of transaction costs in the next section. As well Mooya and Cloete (2005) reckon that results of empirical research addressing the effects of formal property rights are mixed. They assert that the assumptions made that formal land markets are more efficient and productive is yet to be proven. Citing (Doebale, 1994, 52) they conclude that the current state of research does not allow prediction of whether a more formalised property market is likely to benefit or harm the poor. This is attributed to the conception of land as a security and welfare support rather than a tradable asset, and therefore for social reasons people will not participate in the market even if they are granted formal property rights unless there is a need that cannot be met through other means.

2.7.2. Transaction cost concept

Eggertsson (1990) defines transaction costs as the costs that arise when individuals exchange ownership rights to economic assets and enforce their exclusive rights. This is close to Demsetz (1988) definition where transaction costs are referred to as the cost of exchanging ownership titles and to Barzel (1989) who sees them as costs associated with the transfer, capture and protection of rights. North on his part says that they consist of the costs of measuring the valuable attributes of what is being exchanged and those of protecting the rights held, policing and enforcing agreements (North,1990).

A distinguishing feature of property market from other markets is the relative high transaction costs (Clapp *et al* 1995), and they have been listed as some of the causes of markets failure or make them dysfunctional. Many studies done for instance (Antwi and Adams 2003; de Soto 2000) have revealed that acquiring property through the formal system may be too costly for the poor because use of lawyers, and other professionals who come at a cost are prerequisites to transaction. As well, costs resulting from bureaucratic procedures if excessive tend to drive people to the informal sector. Therefore informality may be viewed as an optimal response to the complications and costly formal legal procedure (de Soto, 2000; Pamuk, 2000).There are several types of transaction costs in property

market, but Eggertsson (1990) condenses these into three categories; search and information costs, bargaining and decision costs, and supervision and enforcement costs. However in this study the interest is in those costs arising from various activities related to the exchange of property rights between individuals.

As explained in the two preceding sections, well defined and secure property rights play an important role in creating incentives and increasing demand for urban land. On the other hand high transaction costs in the formal land sector may cause land markets to fail or not function properly. These two require a careful consideration in any formalisation programme in order to achieve the desired effect of fostering exchange in the land market, and enhancing social and economic welfare of the urban poor. Thus establishing the link between urban land markets and poverty alleviation in these programmes would be one step in the right direction as far as MDG 7 Target II and Habitat agenda of 'adequate shelter for all' is concerned.

2.7.3. Property values concept

This concept relies on price system as a means of ensuring the efficiency of market operations. The interaction between the processes of demand and supply dictates the prices of land/properties. The concept maintains that through land pricing system, economic efficiency will result (Kombe, 1995). However successful estate agents always claim that the secret of high property values is 'location, location, location'. In principal the value of any piece of land may be attributed to its fertility or location. Development activities such as provision of services, transport routes and other amenities may also enhance land values. Location is particularly an important determinant of residential land value. Besides location and forces of demand and supply, another factor that affects property values or prices is property rights. Well-defined and secure property rights stimulate demand for resources, encourage investment, promote markets and have positive effects on asset values, as pointed out by Mooya and Cloete (2005), and Dowall and Leaf (1990). If this assertion is anything to go by, then it means

2.7.4. Property values concept

A lot of literature has tried to link formal property rights to efficient property market but empirical evidence is scanty if not lacking all together. This research based on the following concepts: Security of land tenure as it relates to property rights, procedure and transaction costs, and property values/prices will seek to find whether this link really exists:

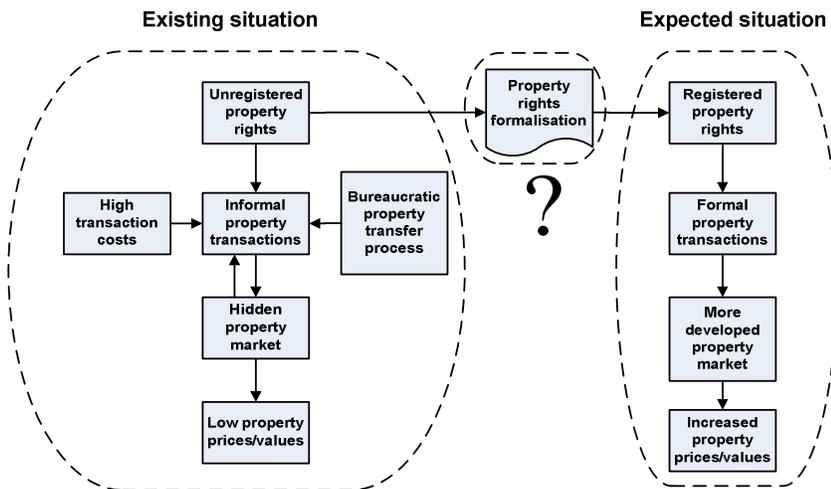


Figure 2.6: Property rights formalisation concept

2.7.5. Variables to be investigated

The variables that have identified through literature review include; property transfer procedure and costs, property rights held, and property prices/values. Both the formal and informal property transfer procedures and attendant costs will be investigated in relation to their effects on the property market in informal settlements. Views on perception about property rights held and property prices will be collected in order to gauge whether the PRF has affected them in any way.

2.7.6. Measuring the effect of property rights formalisation

To determine the effects of PRF requires a scientific approach by which the impact of identified variables will be measured. The method mostly used in this kind of study is direct household social survey where identified respondents are interviewed and where variables are observable, observations are made and recorded. The advantage of this method is that qualitative data obtained particularly on the perceptions is verified through interview of other key informants (longitudinal surveys). On the other hand there are various disadvantages of this method. First, time required to collect the information and verify the same is a lot especially when time allocated for field work is short. Secondly, when the study area is informal settlement where much of the developments are illegal, the respondents are wary of any stranger asking probing questions and hence may be unwilling to be interviewed, and very sensitive personal matters like income are never a welcome subject as pointed out by de Souza and Zetter (2000). The motive of the questions asked is always suspect even after explanation of the aims of the study. The questions are carefully weighed before answers are given, meaning it is difficult to gauge the objectivity and rule out bias in them.

Aerial photographs are a useful tool for collecting information on illegal developments which respondents may not be willing to divulge. For example detecting the sequential development of land over time, aerial photographs provide more information than that collected through household questionnaires. However aerial photographs only show the physical changes, and even then only when the resolution is high enough to allow detection of even minor changes like room extensions. They are not useful where the main focus of the study is perception or people's attitude towards a certain development in their environment or circumstance. Therefore a study like this requires a combination of both methods of measurements whereby the perceptions are investigated through household survey

and some changes in the developments are captured through aerial photographs.

2.8. Summary

In this chapter a review of literature on urbanisation and access to land by the urban poor has revealed that it is the failure of the formal property supply systems to meet the demand of those of lesser means that force them to seek alternative ways of acquiring shelter at prices they can afford. The literature on property rights indicate that rights acquired informally are viewed by proponents of formalisation projects as defective and hence need to be formalised as way of improving property markets in informal settlements. Various approaches to PRF discussed highlight what would produce expected results and what may not indicating what the hindrances are. A review on some urban property market concepts bring forth the issues to be investigated in this study culminating in the drawing of a conceptual framework.

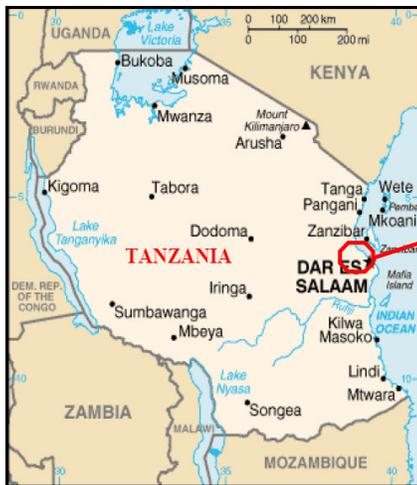
3. Access to Land and Property Rights Registration in Dar es Salaam

3.1. Introduction

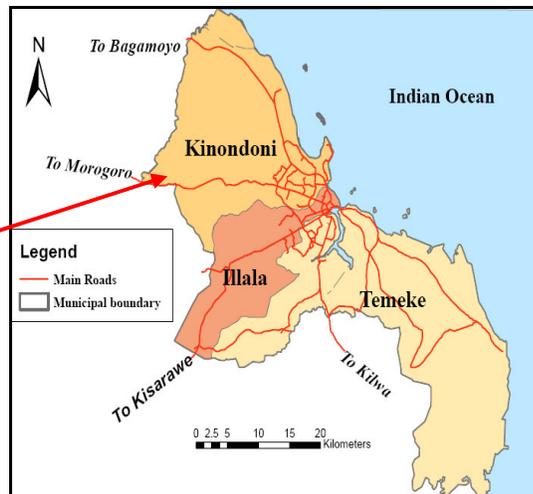
This chapter gives a general overview to Dar es Salaam city, which is the study area in this research. The different land tenure systems existing in the city are discussed, and linked to the evolution of informal settlements. The role of both formal and informal sectors in the supply of land in the city is discussed as a highlight to the factors that led to the current status of settlement. This is linked to the need for property rights formalisation and eventually the implementation of the property registration project.

3.2. Background to Dar es Salaam

The United Republic of Tanzania lies between Longitude 29 and 41 degrees east, and Latitude 1 and 12 degrees south on the Eastern coast of the African continent. It is bordered by Kenya and Uganda to the North, Rwanda, Burundi, and Democratic Republic of Congo to the west, Zambia, Malawi and Mozambique to the South. The country covers a total of 945,000 Square Kilometres and a total population of 33 million people (NBS, 2002)



Map 3.1: Location of Dar es Salaam
Source:<http://www.graphicsmap.com>
accessed on 20.11.2006



Map 3.2: Dar es Salaam Municipalities

Dar Es Salaam city is situated along the Indian Ocean coast on the Eastern side of Tanzania. The city-region lies between 6° 34' and 7° 10' South of the Equator, and stretches for 100 Kilometres along the coast from the mouth of River Mpiji in the north to River Mbezi in the south, and includes 8 offshore islands. It has a total area of 1387 Square Kilometres, accommodating an estimated population of about 2,809,000 people (NBS, 2005).

It is still the *de facto* seat of Government of the United Republic of Tanzania (URT), despite the declaration of the inland town of Dodoma as the country's capital since 1973. It is the country's chief commercial, economic, industrial, educational, transportation and cultural centre, as well as the country's chief port. It is connected by a network of roads, railways and waterways not only to the rest of the country, but also to neighbouring countries; Kenya, Uganda, Rwanda, Burundi, DRC, Zambia and Malawi.

3.2.1. Administrative set-up of Dar es Salaam

Administratively, and in terms of local government set-up, Dar es Salaam is divided into three municipalities; Kinondoni, Ilala and Temeke, and overseen by an overall City Council. The city is further subdivided into 73 wards, 222 sub-wards (mitaa¹), 40 villages and 87 hamlets (Kironde, 2005)

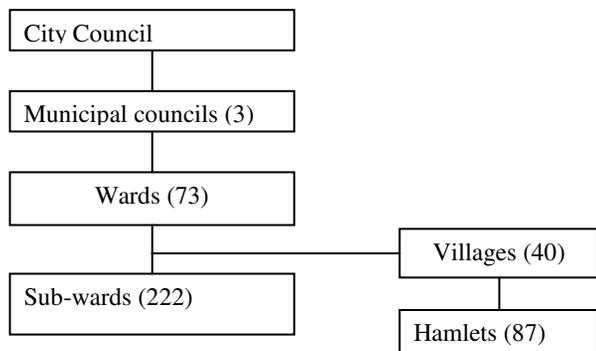


Figure 3.1: Administrative set-up of Dar es Salaam City.
Source: (Kironde, 2005)

Dar es Salaam also has an administrative set up representing the central government which includes Regional Commissioner and three District Commissioners. These government officials and those from sector ministries such as Lands and Human Settlement, as well as those from local authorities down to grass root leaders all have a fundamental impact on land delivery process in the city. The grass root local administrators in particular are crucial in the land delivery process in informal settlements.

3.2.2. Population growth and urbanisation of Dar es Salaam

Urban-urban migration, natural increase and removal of movement restrictions to urban areas after independence have been major contributing factors to rapid urban growth in Tanzania (URT 2000). The Population in Dar es Salaam city in particular has grown from 272,821 in 1967, to nearly 2,500,000 people in 2002 as shown in Table 3.1.

Table 3.1: Population growth in Dar es Salaam, 1967-2002

Year	Population
1967	272,821
1978	843,090
1988	1,360,850
2002	2,497,940

(Source: Population and Housing Census, 2002)

¹ Mitaa. Plural of Mtaa-subward

This rapid growth coupled with deficit in housing or shortfall in provision of planned land for development and poverty has led to mushrooming of informal settlements as indicated in Map-3.3

3.3. Land tenure systems

Legally there are two types of land tenure in Tanzania; customary and statutory. However in between these two there are quasi-customary and informal tenure systems. Customary land tenure is most prevalent in the rural areas; statutory tenure is most common in planned urban areas whereas the other intermediate ones are found in the informal settlements. In order to understand how property rights formalisation (official registration) in informal settlements came to be, it is necessary to have an overview of the land tenure systems that exist in Dar es Salaam.

3.3.1. Statutory land tenure

Under statutory tenure rights to occupy land are granted under The Land Act, 1999 No.4 of 1999. They fall into three categories; a Granted Right of Occupancy, occupancy under Letter of Offer and derivative right of occupancy under 'Residential License'.

Granted right of occupancy: The government through the Land Act grants renewable "rights of occupancy" for a period up to but not exceeding 99 years at a premium and revisable annual ground rent to the citizens of land that has been surveyed in general or reserved land . To be valid, this right has to be registered under the Land Registration Ordinance Chapter 334. 'Granted right of occupancy' came into effect after the abolition of freehold tenure in 1963 because the government then felt the holder of the right had too much power including the right of misuse. Hence in the name of safeguarding the land against misuse and holding it in trust for all citizens, the government became the custodian of all land at the height of socialism.

Occupancy under Letter of Offer: After a person has applied for land allocation and receives a letter of offer, upon acceptance of the offer the applicant can register the duly signed and sealed letter of offer under Registration of documents Ordinance Chapter 117, and becomes a valid document that creates notice of impending ownership. This is done while the applicant awaits survey and further registration under Land registration Ordinance Chapter 334. Registration of letter of offer gives the holder same security of tenure as one holding a certificate of occupancy (Land Act 1999 No.4 of 1999, 29(4))

Derivative right: Due to rapid urbanisation and deficient land management systems, not everybody is able to acquire land through the official means. Most people acquire land through occupation or buying and holding it outside the legal stipulations particularly in the informal settlements. Under the Land Act, the government confers a derivative right 'residential license' to occupy land in non-hazardous land, land reserved for public utilities and surveyed land , urban or peri-urban area for the period of time for which it has been granted. The residential license is currently being issued for a renewable term of two years. It is registered under Registration of Documents Ordinance Chapter 117.

3.3.2. Customary, quasi-customary and informal land tenures

Besides the statutory tenure other categories of tenure are identifiable; Customary, quasi customary and informal land tenures (Lupala, 2002; Kombe, 1995)

Customary tenure: Indigenous land rights in Tanzania were in existence even before the colonial rule and administration came into place, and it was a system which had no formal document, but based on mere traditional acceptance. Generally, the overriding principle in almost all tribes was that the land belonged to the tiller and was inalienable, or could only be transferred after very wide consultation with, and consensus of, clan members. This is what is referred to as “deemed right of occupancy” and is acquired by the virtue of being a member of certain community. This is common in the villages in peri-urban areas of the city centre (Kironde, 2005)

Quasi-customary tenure: Customary tenure is slowly being replaced with individualized use rights after the apparent failure of socialism. This is giving way to quasi-customary tenure where land is alienable. The influence of the clan is diminished, and local administrators and leaders, elderly indigenous inhabitants, and adjoining landowners play a leading role in the transactions under this form of tenure. Consultation is less wide compared to the case of customary tenure, and the right to sell lies mainly with the individual land right holder. This is the most common form of tenure in the peri-urban informal settlements in Dar es Salaam (Kombe, 1995).

Informal tenure: In this form of tenure transaction in land does not follow the requirements of customary norms at all. The consent of the larger family (clan) or the elderly indigenous inhabitants is not a prerequisite to a sale. It could be between any land seeker and anyone who purports to own the land. ‘Informal land management system’ has devised informal ways of protecting the rights of the purchaser via a process of authenticating ownership, transfer and sale of urban land in the informal settlements (Kombe, 1995). How this process is executed, and how it is affected by property rights formalisation is the focus of this study.

3.3.3. Tenure security in informal settlements

About 80% of Dar es Salaam population lives in informal settlements (Kombe, 1997). In these areas land tenure is mainly informal, with traces of customary or quasi customary tenure (Kironde, 2005). Lupala concurs with this, and adds that most people in peri-urban zones and by extension informal settlements derive their tenure security from actual development and recognition through informal arrangements in local neighbourhoods (Lupala, 2002). A view reinforced by Kombe (1997) who observed that only a few landowners hold titles or land transfer documents in informal settlements. Thus the security of tenure for the majority (80%) of land holders in informal settlements hinges on social recognition. Figure 3.2 shows the tenure types in Tanzania and the levels of perceived tenure security attached to each.

Tenure type	Property right attached	Level of perceived security					
Customary	Deemed right of occupancy	■	■	■	■	■	■
Statutory	Granted right of occupancy	■	■	■	■	■	■
	Occupancy under letter of offer	■	■	■	■	■	■
	Occupancy under RL	■	■	■	■	■	■
Quasi-customary	By purchase	■	■	■	■	■	■
Informal	By purchase	■	■	■	■	■	■
	By occupation	■	■	■	■	■	■

Figure 3.2: Tenure types and tenure security levels

(Source: Kyessi, 2002)

Proliferation of informal settlements is therefore a result of Government decision to tolerate the phenomenon for political expediency, but on the other failed to evolve appropriate policies to cooperate with the occupiers of informal settlements. The Government ended up ignoring these areas with an ulterior believe in eventual removal, which was overtaken by anti-eviction policies, or regularization on its own terms which is what is happening now. The result of this state of affairs is wide spread growth of informal settlements in Dar es Salaam as shown in the map below

3.4.2. Role of formal sector in urban land supply

Until 1974, urban land could be obtained formally from the government, either by direct allocation or by way of premium tendering. Either way, the government publicized that it had land to dispose of and was inviting interested parties to apply. In 1974, the system of premium tendering was discontinued. Today, land is administratively allocated: application is made to the district land officer who submits all applications to an allocation committee which makes the final decision. In view of the numerous conflicts over land allocation powers, the Ministry of Lands issued a directive in 1988 whereby urban councils were empowered to allocate only high density residential plots (and even then, to the exclusion of “projects” plots such as the externally financed sites and services plots). Industrial, commercial, institutional and medium and low density residential land is allocated either by the Ministry of Lands, or by regional authorities (Kironde, 1995). The 1988 directive required that land available for allocation should be publicly advertised and that the allocation of available land should be made by authorized committees, after applications had been made to land officers.

If an individual’s quest for land is successful, the applicant is issued with a letter of offer outlining the conditions (including land rent, various fees, building covenants, allowable uses, timescale for development, etc.) under which land is being allocated. If these are found acceptable, the applicant must meet the preliminary conditions (such as paying land rent) and then becomes the legal possessor of the title to land. Long-term rights of occupancy are granted for periods of 33, 66 or 99 years, while short term rights are for five years or less (Kironde, 1995). Typical costs to be met on land allocation include fees for the certificate of occupancy, registration fees, survey fees, deed plan fees, stamp duty, land rent covering one year in advance.

The inefficiency in official land allocation has led to acute shortage of planned, surveyed and serviced plots for housing in almost all urban areas of Tanzania. While the annual registered demand for planned land is 150,000 plots, the supply has been an average of 8000 surveyed plots annually from 1991-2001, indicating a shortfall of about 95%. In Dar es Salaam the situation is worse when the supply of planned land is compared to demand. Between 1990 and 2001, the Dar es Salaam City Council received a total of 243,473 applications for planned plots; only 8209 plots were surveyed and allocated. The annual demand over period based on registered applications is over 20,000 plots, while the annual supply has been under 700, leaving nearly 97% of the recorded demand unfulfilled(Tanzania, 2001). The question is where does this big proportion of urban population get land or housing? To cope with the deficiency, people have been turning to the informal sector which has led to proliferation of informal settlements. Although most occupation is considered informal, landholders in the informal settlements are not precluded from obtaining individual land title. In cases where individuals have made arrangements for cadastral surveying of their plots under standards laid

down by the Ministry of Lands and Human Settlements, they have been granted a 33-year leasehold titles or occupancy rights (World Bank, 2002). However only a very small number have managed to officially survey and get leasehold titles in the informal settlements as evidenced in the study findings.

3.4.3. The role of informal sector in bridging urban land supply deficit

Getting access to formal land involves long bureaucratic procedures and costs which low-income earners find difficult to afford. Besides allocation by public authorities, land can be obtained informally by way of occupation without permit, allocation by local leaders or land owners, inheritance, and purchase. More often, land is obtained by way of purchase from recognized owners in informal areas, who sub-divide and sell it as plots. Since 70% of urban dwellers in Tanzania live in such informal areas, it can be implied that this is the largest single strategy of obtaining land (Kironde, 1995; Lupala, 2002).

Given the various modes of registering property sales in informal settlement (see analysis in chapter 5); it is difficult to estimate the supply of informal land over the years. However considering the rapid development of informal settlements, it may be safe to assume that much of the unmet demand submitted to the formal sector gets accommodated in the informal sector which is estimated to supply about 18,000-19,000 plots in Dar es Salaam annually (Kironde, 2005)

3.5. Evolution of property market in Tanzania

Tanzania did not have a formal property market until 1995 when a new land policy was enacted, and this was influenced by the type of land tenure that was in existence in the country then. Land holding before the advent of colonialism was based on customary land tenure practices that took different forms in different areas (Karamaga, 1999). Upon colonization, the colonial government vested all the land in Tanganyika territory under the trusteeship of the state. After independence the new government inherited the colonial laws, and thus land continued to be state property where sale of vacant land could not be sanctioned. The rights in land were limited to unexhausted improvements only (Kironde, 1996). Access to land was through official acquisition where land was allocated by the state and not sold. In land allocation the principle of first come first served is supposed to be observed, but the procedure is bureaucratic and riddled with corruption such that people often opt to buy land even if it is through informal channels (Kombe, 2002). As well, population increase in the urban areas has also created very high demand for land to levels the state allocation process cannot meet.

Therefore the unmet land demand is the major force underpinning of the flourishing of informal land market. Since about 80% of the urban population can only rely on the informal land delivery channels to supply land for their housing, it is important that the informal rights bestowed by such channels are recognized and subsequently legitimized in order to introduce this big proportion as legitimate players into the formal land market, and by extension into the urban economy (Kombe, 1994).

The introduction of 1995 land policy that recognized the value of bare land and revolutionized property market as is evident in the remark that “buying and selling of land was unheard of or taboo in the 1960s, while now it is a common place knowledge and practice” (Karamaga, 1999)

3.6. National Land policy

There was a need for a comprehensive land policy since 1961 to govern use, tenure and administration of land, and in particular address issues like rapid urbanization, property market and transactions, and the value of land among other things. The National Land Policy of 1995 is among the many policies and pieces of legislation enacted in Tanzania, which relate to and affect informal settlements as well as dealing with the said issues. The main objective of the policy was to promote and ensure a secure land tenure system, to encourage the optimal use of land resources, and to facilitate broad-based social and economic development without upsetting or endangering the ecological balance of the environment. Among other reasons, this was necessitated by the extent to which the informal settlements had grown.

The National Land policy recognizes the dual system of land tenure made up of customary and statutory rights of occupancy both of which are equal in law. It also makes provision for the registration of these rights (MLHHS, 1997:10), and declares that residents in informal settlements shall have their rights recorded with the relevant land allocating authority and that record will be subject to registration. Concerning the plight of informal settlements, the land policy states that the government shall designate special areas for low income housing with simplified building regulations and affordable level of services. It further declares that existing informal areas shall not be cleared but instead be upgraded and provided with requisite services, except where such settlements are in hazardous areas.

Regarding disposition of land, the policy states that no disposition of land acquired under statutory rights of occupancy (other than under customary tenure) will be permitted within the first three years of acquisition. On land values the land policy recognizes that the long held notion that land has no value has been a hindrance in development. Consequently, it ascribes value to land and declares it marketable. Thus land has evolved from being a non-marketable item to a marketable one, which means that lack of active formal property market can no longer be attributed to the past policies, but instead other factors come into focus.

3.7. Need for property rights formalisation in Dar es Salaam

As people seek ways of overcoming the shelter problem, the government has also been taking initiatives since independence to address the same issue. Some of the initiatives include:

- Slum and squatter clearance programme, and establishment of National Housing Corporation of the 1960s.
- Sites and service schemes, and squatter upgrading programme for the period 1972-1990. Plots with minimum services were provided, as well as upgrading informal settlements through provision of services.
- Establishment of the Tanzania Housing Bank in 1973 which was providing mortgage facilities for construction and house improvement. This was closed in 1995 and since then there has been a big gap in mortgage facility in Tanzania especially for low and medium income earners.
- Sustainable cities programme of 1992, which introduced a new approach to urban management (Environmental Planning Management) under which Hannanasif settlement in Dar es Salaam was regularized.

- Community Infrastructure Upgrading Programme (CIUP) in 2001, whose aim was to improve services in informal areas in Dar es Salaam through community participation.
- Survey and servicing of 20,000 plots in Dar es Salaam in 2002. This was aimed at reducing the growth of informal settlements. Under this programme about 33,000 plots have been surveyed within a period of three years.

All these initiatives did not curb the growth of informal settlements because the demand continued to outstrip the supply.

Although people in informal settlements hold land, they do not have authentic legal documents like the Certificate of Right of Occupancy which are demanded by financial lending institutions as collateral for money borrowed among other requirements. The government realized the need to enable these people through recognition of the rights they hold and issuing a legal document that could allow them to participate in economic activities, and therefore empower them economically as one way of fighting poverty. In an endeavour to do this the president of Tanzania invited Hernando de Soto in 2003 to share about his experience in Peru on transformation of informal real properties and their supply into the formal sector. Out of the visit and based on Land Act No. 4 of 1999, Property rights Registration Project in Dar es Salaam was initiated in 2004.

3.7.1. Property rights registration project in Dar es Salaam

On the basis of the shared experiences with de Soto, and in line with implementation of National Land Policy (1995) and Human Settlements Policy (2000) which together recognize the importance of informal settlements in provision of shelter in urban areas to low and middle income residents, Ministry of Lands, Housing and Human Settlement (MLHHS) initiated an action plan to transform informal investment systems considered to be dead capital into the formal system as poverty reduction strategy through Property rights Registration project (Kyessi and Kyessi, 2006). The project is thus based on the premise that enhancing security of tenure by issuing residential licenses will enable land holders to access credit from lending institutions and as well motivate them to improve their housing (Kyessi and Kyessi, 2006), and consequently improve their values and fetch more through sales. The issue arising here is who will be able to access this land once the value goes up.

The main objective of the project was to create a Comprehensive Land Property Register (LIS) that could be used as information system in land management in the informal settlements, and provide legal status to informal properties by issuance of residential license which could be used in accessing credit (Kifanga, 2006). The residential license is for a term of two years which is renewable for a similar term. The second step of the regularization process will be the design of infrastructure and other community services that will be done by the stakeholders/residents with some technical assistance provided by experts. The project was to cover all informal settlements in the city with about 400,000 properties in two phases within a period of 2 years starting from 2004-2006, but by September 2006 phase one was not complete.

Expected achievements of the project,

- A properly established land register will enable the government to collect land rent and the local authorities to collect property tax and other fees/charges. For the utility agents (DAWASCO, TANESCO etc.) the register will facilitate easy identification and location of beneficiaries of the

services they provide, help in collecting bills and thereby improve service delivery.

- The use of comprehensive database system (GIS) will improve land administration, development control and infrastructure provision to informal dwellers.
- Restriction imposed on issuing residential licenses to developments in hazardous areas will enhance development control through discouraging further subdivision and infill, and eventually encourage people to move out to safe areas.
- The informal dwellers are expected use the residential licenses to access credit from financial lending institutions; this might have an impact to poverty reduction.

3.8. Summary

This chapter has given a general overview of Dar es Salaam city. The failure of the formal sector to meet the land demand in the city is the main cause of informal settlement proliferation. The properties in these informal settlements have for all the time been held informally, and in an endeavour to formalise them the government of the United Republic of Tanzania initiated a registration project in 2004 to put them in a comprehensive register. This project had objectives to realize and expected achievements as well.

4. Research methodology and tools

4.1. Introduction

This chapter describes how the research was conducted, and tools for collecting and analysing data in order to achieve the research objectives are discussed. Statistical method used in the data analysis and testing of variable associations is also explained.

4.2. Research process

The research framework comprises three phases:

- Pre-field work phase that entails literature study on the area of interest, theoretical background to assist in conceptualising the research study and thus derive variables to be investigated.
- Fieldwork phase where data on the identified variables is collected.
- Post-field work phase where analysis of data collected is done and conclusions drawn from the findings, and recommendations based on the same made.

4.2.1. Pre-field work phase

This phase comprises of literature review whose main aim is to equip the researcher with existing knowledge of the study topic. This is achieved through reading scientific publications which include; text books, journal publications, papers presented in professional meetings, and internet sources of reliable institutions/organisations on researches carried out on the respective topic.

4.2.2. Field work phase

This is the data collection phase. This is achieved through household questionnaires and interview of local professionals, those in the academia, officials in the relevant public offices and local leaders. The discussions with key informants are geared towards exploring the local knowledge of the study topic. The information collected through discussions with this group of people is used for verification of some of the data collected especially through household questionnaires.

4.2.3. Post-field work phase

In this phase data entry and its exploration is done. As well analysis is carried out in relation to the research objectives and questions which lead to conclusion of the study.

4.2.4. Rationale for choosing case study approach

Case study approach is based on the assumption that the case being studied is typical of cases of a certain type such that through intensive analysis, generalisation may be made that will be applicable to other cases of the same type (Kumar, 2005). The property rights formalisation project in Dar is being used as pilot case to be replicated in other urban areas in Tanzania. Therefore it follows that the findings of this research can be applied in other areas where the Government of The United Republic of Tanzania is intending to replicate the project. Secondly, holding of informal land rights is not

peculiar to people living in Dar es Salaam only. It is almost a global phenomenon, but is most rampant in informal settlements in developing countries. Therefore a detailed study of Dar es Salaam situation could serve as basis for generalisation in other developing countries.

4.3. Research design

To investigate the effects of property rights formalisation on property market a multiple case study approach has been adopted. The approach will help to compare a settlement where property rights have been formalised with another where formalisation has not taken place. This falls in the category of ‘before and after’ design, whose advantage is that it can measure change in a phenomenon by comparing variables before and after or with and without the intervention (Kumar 2005). The research design matrix in **Error! Reference source not found.** shows research questions, the data required to answer them, and how that data is collected.

Table 4.1: Research design matrix

No	Research question	Data/information collected	Data collection method
1	How are property rights transferred in informal settlements?	Steps and time taken, and costs of buying land/property formally and informally	Literature review on access to land in informal settlements, key informant interviews and household survey.
2	What are the factors influencing the way property rights are being transferred	Reasons for the mode of property rights transfer adopted	Household survey
3	Where is the registration of these transfers done?	Places of registration of both formal and informal property rights	Household survey, secondary data collection from land registries and sub ward offices
4	What are the effects of PRF on place of transfer of property rights?	The places where registrations are done after PRF implementation	Household survey.
5	What are the effects of PRF on place of registration of property rights?	The places where transfers are done after PRF implementation	Household survey.
6	How is the perception of tenure security property affected by PRF?	People’s perception about tenure security after PRF implementation.	Household survey.
7	How is the perception of property price/values affected by PRF?	People’s perception about property prices after PRF implementation.	Household survey

4.3.1. Study area selection criteria

Property rights registration project began in Kinondoni Municipality. A point system of 0 and 1 is adopted to determine from among the first three settlements in the Municipality that had began issuing licenses by October, 2005 is to be selected for investigation. See Table 4-2 for criteria adopted.

Table 4.2: Selection criteria for study area 1

No.	Criteria	Points to be scored
1	Settlement is informal	1 or 0
2	Settlement is in phase one of the land registration project	1 or 0
3	Settlement should be the first to be issued with RL	1 or 0
4	Settlement is along the highway	1 or 0
5	Settlement should be covered by the aerial photo available.	1 or 0

The point on settlement being the first to be issued with residential license is important because if there are any effects of the property rights formalisation they should be evident here. The highway is also another important factor since it would influence the number of transactions. The first three settlements where licence issuance began according to the list below are considered for weighting.

Table 4.3: Criteria scores for study area 1

No	Settlement	Criterion1	Criterion2	Criterion3	Criterion4	Criterion5	Total score
1	Manzese	1	1	1	1	1	5
2	Tandale	1	1	0	0	1	3
3	Mburahati	1	1	0	0	1	3

The land property registration project at the initiation stage was divided into Phase one and two. Phase one comprised of the inner city, and phase two the Peri-urban area. In phase one the project started in Manzese, and as of now all the settlements within the inner city are covered, whereas phase two is yet to begin. From the weighting criteria Manzese scores 5 points and takes the first position.

For comparison, a settlement where property rights are yet to be formalised had to be selected, and since all settlements within the inner city had been formalised, another settlement in phase two, had to be selected. Equally the number is big and therefore a weighting criterion is adopted. The criteria in Table 4.4 were adopted.

Table 4.4: Selection of settlements to be entered into the scoring criteria

Settlement	Distance from Manzese (< 10 KM)	Along highway	In phase 2 of land property registration project	Informal settlement	Covered by aerial photo available
Kimara	4KM	v	v	v	v
Goba	11Km	x	v	v	v
Kunduchi	15KM	v	v	v	x
Mbezi	16Km	v	v	v	x
Kibamba	17Km	v	v	v	x
Buju	21Km	v	v	v	x
Mbweni	24M	x	v	v	x

From Table 4.4, the first three in terms of distance are picked for point comparison and as well a point system of 0 and 1 is adopted as shown in Table 4.5.

Table 4.5: Selection criteria for study area 2

No.	Criteria	Points to be scored
1	Settlement should be less than 10 Km from Manzese	1 or 0
2	Settlement is along the highway	1 or 0
3	In phase 2 of land property registration project	1 or 0
4	Settlement is informal	1 or 0
5	Settlement should be covered by the aerial photo available.	1 or 0

Table 4.6: Criteria scores for study area 2

No	Settlement	Criterion1	Criterion2	Criterion3	Criterion4	Criterion5	Total score
1	Kimara	1	1	1	1	1	5
2	Goba	0	0	1	1	1	3
3	Kunduchi	0	1	1	1	0	3

Kimara settlement scores 5 points, and thus becomes the study area to compare with Manzese.

4.4. Focus study areas

The wards covered under the project, and those yet to be covered are as shown in Map 4-1. The study areas selected from each phase are as follows:

4.4.1. Manzese ward

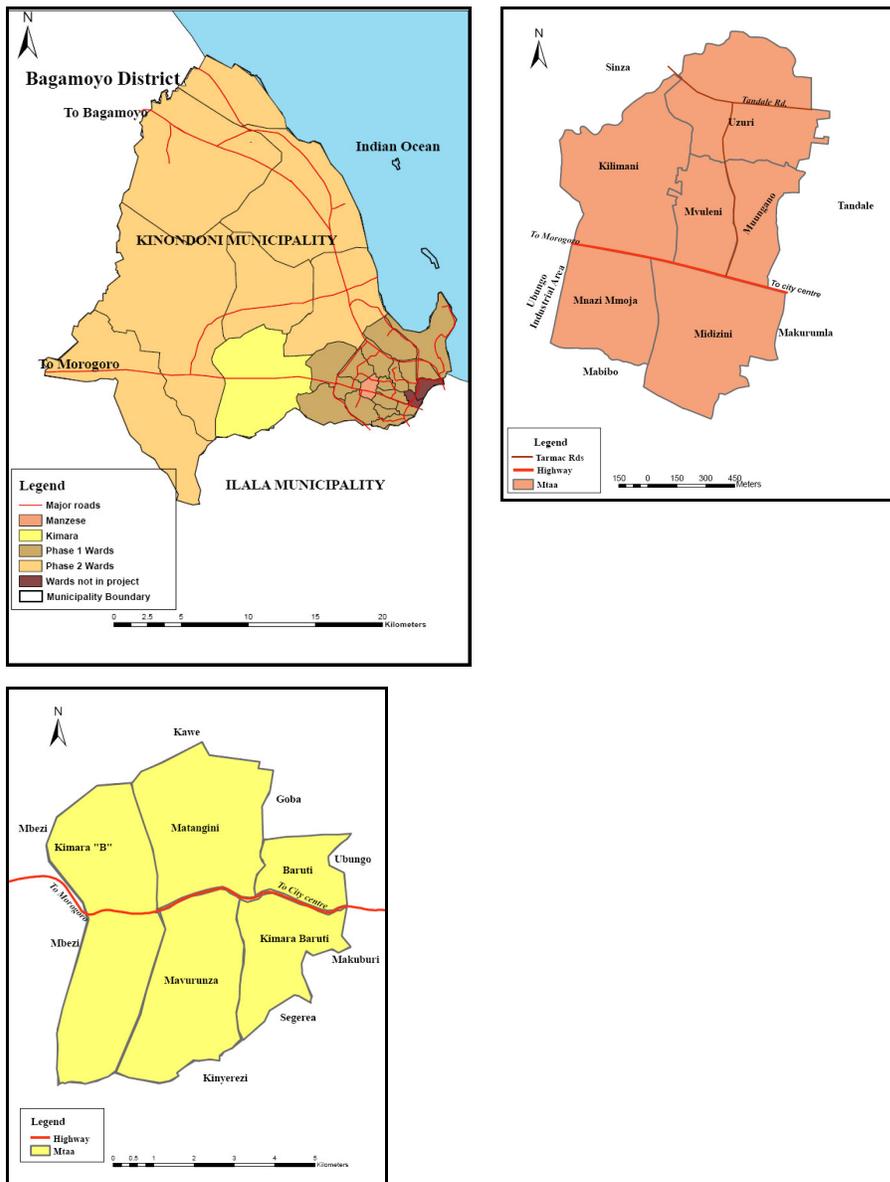
Manzese ward is situated about 6-8 Kilometres to the west of Dar es Salaam city along Dar es Salaam-Morogoro Road. It straddles Morogoro Road and is divided by the same into two; upper and lower Manzese. It covers an area of 179 hectares, with current population estimated to be about 66,866 people (NBS, 2002). The ward has six administrative sub-wards namely Kilimani, Muungano, Mvuleni, Uzuri, Mnazimoja and Midizini. It is bordered to the West by Ubungo industrial area, to the South by Mabibo and Mburahati wards, to the East by Tandale and Ndugumbi wards and to the North by Sinza ward.

In 1940s Manzese was a rural settlement outside Dar es Salaam city boundaries. By 1957 part of it had been included within the boundaries, but after independence in 1961, reverted back to a de facto customary tenure despite being government land because it appeared there was nobody to look after it (Kironde, 1994). In mid 1960s Manzese became fully integrated into the city when the city boundary was moved outwards. When Ubungo was planned for industrial purposes, Manzese started developing very fast with land being subdivided and developed outside government control. In 1974 the population of Manzese was 93,000 people and has considerably risen to the current population. (To insert map of Manzese ward)

4.4.2. Kimara ward

Kimara ward is situated about 12 Kilometres to the West of city centre, along Dar es Salaam-Morogoro Road. It is one of the twenty seven administrative wards in Kinondoni Municipality, and became an administrative ward in 1999 (KWDP-Kimara Ward Development Plan 2006-2008). The ward covers about 4250 hectares and it is bordered by Ubungo and Kawe to the East, Mbezi to the North West, Goba to the North, Makuburi to the South, and Ilala Municipality to the South West.

The population of Kimara increased from 45 households in early 1960's when it was under ownership of the Tanganyika Parkers Limited (TPL) to about 5, 830 people in 1998 (Lupala, 2002), 66,288 in 2002 and currently estimated to be 77, 428 (KWDP, 2006). Administratively, Kimara is divide into five sub-wards namely Kimara Matangini, Kimara "B", Kimara Baruti, Baruti and Mavurunza.



Map 4.1: Wards in the PRF project within Kinondoni Municipality

4.4.3. Identification of properties to be investigated

A total of 49 properties sold between 2004 and 2006 were identified in Manzese, and 35 properties were investigated, whereas a total of 40 plots sold in the same period were identified in Kimara, out of which 28 were investigated. The law courts did not allow scrutiny of their records, therefore no properties were identified through court records. Below is a process diagram showing how properties to be investigated were selected.

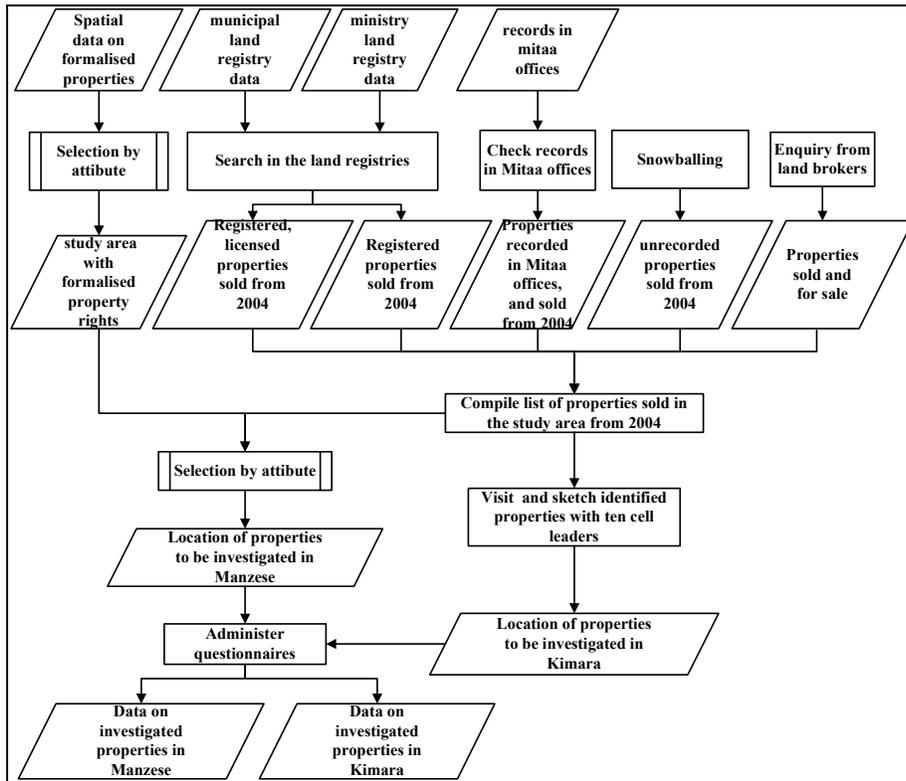


Figure 4.1: The process of identifying properties to be investigated

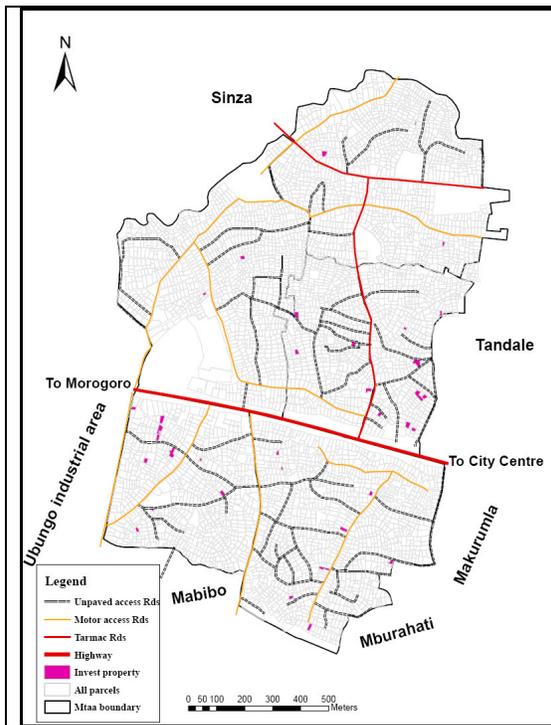


Figure 4.2: Spatial distribution of properties investigated in Manzese.



Figure 4.3: Spatial distribution of properties investigated in Kimara

4.4.4. Variable selection criteria

The variables under investigation in this study were derived from literature reviewed in chapter two

and discussions with key informants during field work. The resources available and time factor could only allow for a limited number of variables to be investigated. The choice depended on the availability of secondary data concerning the variable, and the ease of collecting the same on the ground within time allocated for fieldwork (four weeks). The variables identified are presented in Table 4.8

Table 4.7: Variables to be investigated and their attributes

	Variable	Attributes
1	Land price/value	-Amount (Tshs) -Date of sale -people's perception of property price
3	Procedure and transaction cost	-Duration -Amount paid (Tshs)
4	Property rights	-Type of property right held -Term of the property right -Other perceived rights -People's perception about security of the right held

4.5. Unit of analysis

The unit of analysis can be an individual, a program, an institution or a concept (Lupala, 2002). It is used by the researcher to study and disseminate the findings of what he/she sets out to do. In this study the unit of analysis is the concept of property rights formalisation carried out in two spatial units (wards), one where property rights have been formalised and another where they are yet to be formalised.

4.6. Research tools

The type of research tool used is dependent on the purpose of the study and the resources available (Kumar, 2005). The tools used in this study include:

4.6.1. Household interviews

Household interviews were conducted in the identified sold properties where the owners were available and agreed to be interviewed. The survey covered the whole of Manzese ward because the identified sold properties were few (49) and scattered all over the settlement, and thus the need for sampling did not arise. The target was to investigate at least a minimum of number 50 properties which was not achieved because the period of 2 years covered under the study is very short. In Kimara ward household survey was carried out in only two Mitaa (sub-wards) that is Baruti and Kimara Baruti because they are the ones that were covered by the image available.

The household survey tried to capture details of property owner which are not included in the Land registration project database like where he lived before buying the property and the year of moving there, and the employment status. The other details captured included property price, year of purchase and building use. On property transaction information, details of transfer place, and procedure and costs incurred were collected. Information on tenure security and the effects of residential license was derived from making enquiry on people's perception regarding the same by asking them whether they feel more secure now that they have residential license as compared to when they did not have it in Manzese ward. In Kimara the same was derived by asking them whether they look forward to getting residential license.

Observation of the kind of developments in both wards and enquiry made on what right one held was used to gauge the level of security they had, and this was used to derive whether this security was based on the license or other Government interventions like anti-eviction proclamations.

4.6.2. Discussions with local experts and Government officials

Table 4.8 and 4.9 show the local leaders, experts and government officials with whom discussions were held and information gathered respectively.

4.6.3. Physical observations and photograph documentation

Map reading and sketching Additional information on unmapped subdivisions and consolidation of plots were obtained through observation and captured with a digital camera when moving around the settlements.

4.6.4. Sketching and mapping

Prior to the field data collection, maps and images of the study area were studied and major land marks like highways and other secondary access roads and hazardous areas identified, because these are major factors that influence land prices and values. Sketching using hard copies of the image to assist in mapping buildings in Kimara where cadastral data was lacking was another method used for data capture.

4.7. Data processing and analysis

The raw data collected was requires processing before analysis. The following preliminary preparations were done before analysis.

4.7.1. Data validity and reliability checks

To avoid making subjective judgements Sheuya (2004) enumerates three methods of doing validity checks: The use of multiple sources of evidence, establishing a chain of evidence, and giving the key informants a chance to go through the draft report. In this study, multiple sources of evidence were used to do the checks, for instance on land prices local leaders and land brokers were interviewed, on procedures and transaction costs, MLHHS and local authorities officials were interviewed, on the general property market situation and land values, the professionals in land matters were interviewed.

4.7.2. Data acquisition

To be able to analyze the effect of PRF on property market in informal settlements in Dar es Salaam, information on property rights held, perception about the tenure security of those rights and property price, the mode of transfer of the same rights, and the cost of transferring them in the focus study areas was needed.

Data in Manzese was obtained from the following places: Spatial and non-spatial data from the department of surveying and mapping on properties issued with RL, and from household survey. In Kimara data was collected through household surveys only. This settlement is in phase two of land PRF project and is yet to be adjudicated and mapped. In order to indicate the investigated properties, a quick bird image was used and marks made in the field as shown in Map 4-3. Information generated

was used to create a database for the same.

4.7.3. Data processing, display and analysis

The data collected using questionnaires from households was recorded in paper format and put into digital format for analysis using Statistical Package for social Sciences (SPSS), and Ms Access.

Statistical analysis was used in the comparison of the two settlements in order to investigate the effects of property rights formalisation on land transfer process. Spatial analysis for land price perception and other factors influencing it are done using ArcGis software. Remotely sensed data is used in on-screen digitising of properties investigated and access roads in Kimara.

4.8. Measuring and interpreting the effects of PRF

4.8.1. Justification for method of measurement and data interpretation

Sampling procedure: Purposive sampling was adopted in this study. Random sampling was not possible because the study was targeting property buyers only and since the period under study was short (2 years) the sales were not many. From the selection of properties to be investigated, a total of 49 were identified in Manzese but only 35 were investigated because the other 14 either the owners do not live in the area or the tenants would not divulge any information concerning them. In Kimara a total of 40 properties were identified but only 28 were investigated because the other 12 were vacant plots and the owners resided elsewhere. The 14 and 12 could not be classified as missing values because they were not part of the sample from the beginning.

Scientifically if the investigated properties were randomly selected they would have been representative of the population for the specified period because in Manzese they represented 71% and Kimara 70% of the identified properties. However the sampling was not random and the cases were very few owing to the short period covered between the commencement of the PRF project and the time of the study such that drawing conclusions purely based on the representation of the population by the investigated properties would be misleading. This can be confirmed in the crosstabulations whereby the relations that were expected to give evidence of the effects of PRF on property market, the expected cell counts of the categorical variables under comparison was less than 5. According to Field (2005), in 2x2 tables, which are used in the analysis of the effects in this study, all expected counts should be more than 5. He adds that if the expected counts are less than 5 the solution would be to collect more data to boost the proportion falling into each category. This is not a possible option in this study because there is no reason to believe that the approach of identifying the properties to be investigated was not exhaustive. Secondly the period covered (2 years) was short for many sales to have taken place, so a repeat of data collection may not yield much in terms of numbers.

The foregoing reasons reveal how limited statistical analysis can be relied on in this study to test the effects of PRF on property market, but some inference can be made based on percentages in the cross tabulations whereby strengths of associations can be used as basis of assuming associations between the variables under consideration. These effects can also be further substantiated with physical observation and spatial analysis as well.

Before embarking on fieldwork, several variables to be investigated had been established through literature review, but these had to be corroborated and validated through discussions with key informants. In the investigation of the effects household interviews and field observations were employed. The variables that were selected for investigation include: property rights held, property rights transfer process (including the procedure and costs) and property price/value and tenure security perceptions. In order to establish whether there are any effects of property rights formalisation on these variables some statistical measures must be employed in the analysis.

To quantify the strength and nature of relationships between two variables in cross tabulation, measures of association must be computed. A measure of association is a number whose magnitude tells how strongly two variables are related (Norusis, 2000), and generally range in absolute value from 0 to 1. The larger the absolute value of the measure, the stronger the relationship between the two variables. There are different measures of association depending on the scale of measurement whether ordinal or nominal. In this study the data collected was qualitative and could only be classified into categories. The variables are on a nominal scale whereby the interest is more in whether a relationship exists or not as opposed to strength that is measured under ordinal scale (Norusis, 2000; Field, 2005).

Two types of measures of association that would be applicable in this case include those based on chi-square statistics and those based on Proportional Reduction in Error (PRE). The weakness of using chi-square based measures is that unless modified by such measures as Phi coefficient, the Coefficient of Contingency and Cramer's V they cannot be used to compare tables with different sample sizes and dimensions, and they do not give clear interpretation particularly where tables have many columns (Norusis, 2000). Therefore since the two settlements surveyed do not have same sample size and in some cases the tables have different dimensions, chi-square based measure would not be appropriate and thus the PRE measures are adopted.

4.8.2. Proportional Reduction in Error (PRE) measures of association

PRE measures normally look at how much better one can predict the values of dependent variable when the values of an independent variable are known (Norusis, 2000). In this study the independent variable which is the property rights held is used as a basis to predict whether there are relationships with other dependent variables. It was established from literature that various forms of land rights exist in the informal settlements of Dar es Salaam, however it was not known whether the way these rights are held has any association with where the respondents conduct their transfers and registrations, as well as the perception about tenure security and property prices. It is known that there are costs involved in a property transfer and registration, but the association between costs and where one did his property transfer needs to be established statistically.

Lambda is a commonly used PRE measure that helps to predict the association between dependent and independent variables in a table and the largest value that a lambda can be is 1 and lowest is 0. Lambda value of 1 indicates that an association exists whereas a value of 0 indicates no association. The advantage of using PRE measures is that they have a clear interpretation, and can be used to compare tables with different sample sizes and dimensions. Also association of variables can be measured interchangeably (any of them can be interpreted as dependent variable) if need be.

4.9. Limitations of field data collection methods

Carrying out the household Questionnaires was difficult. Some people were not available during the day, but even those who were at home hesitated answering the questions. Where questionnaires were left for overnight filling, they were rarely filled and therefore one had to visit the same home more than once.

Spatial and non-spatial data for Manzese ward was in the custody of project surveyor in the department of surveying and mapping in the ministry, whereas the other records regarding transfers of properties with residential licenses were to be found in the municipal land registry. These are two different offices in different parts of the city, and so one had to keep on moving between them wasting a lot of time in the process.

Lack of cadastral maps for Kimara made it very difficult to identify and map the parcels investigated. The image available was also covering only a part of the ward limiting the study to two sub-wards only

4.10. Summary

This chapter has outlined the methodology adopted in this study. The procedure for measurement and interpretation of the effects of PRF on property market has been explained as a prelude to the data analysis and discussion of findings in the next chapter.

5. Land Transfer Process and Effects of Property Rights Formalisation

5.1. Introduction

The Investigation of the land transfer process facilitates a better understanding of the interactions among the people, activities involved, key actors, duration of the activities and the mechanisms that define and enhance property rights in the informal settlement. In this chapter the findings on how land is transferred in the informal settlements and the types of property rights registration are discussed first. People's perception about tenure security and property prices is discussed with results from Manzese and Kimara settlements.

5.2. Property rights transfer process

Both formal and informal methods of property rights transfer exist in the informal settlements. The only difference is the number of people acquiring these rights through each method

5.2.1. Formal transfer process

There are two forms of formal transfer namely; transfer of property with Certificate of Occupancy and that with Residential License.

Transfer of property with Certificate of Occupancy: Formal transfer requires compliance with provisions of the Land Act No. 4 of 1999 and the Land Registration Ordinance (Cap 334) of 1954. Transfer of a property which has been planned and surveyed goes through 3 stages; entering into a sales agreement, approval by the District Land Officer and approval and registration by registrar of titles as shown in Table 5-2. The process takes 19 steps, a minimum of 380 days and costs approximately 1,700,000 Tanzania Shillings as shown in Table 5-1. Where the property is neither planned nor surveyed it takes longer and costs more.

Transfer of property with Residential License: This is a one stage process and goes through seven steps, takes approximately 60 days and costs about 100,000 Tanzania shillings as shown in Table 5-3 and Table 5.1.respectively. Registration is done at the municipal land registry by the authorized officer.

Table 5.1: Time and costs of property transfer and related procedures

	Procedure	Stages	Steps	Duration (Days)	Approximate total costs (Tshs)
1	Property transfer (COO)	3	19	380	1,700,000
2	Property transfer (RL)	1	7	60	100,000
3	Land Allocation	9	47	2626	1,000,000
4	Planning Consent	4	13	192	700,000
5	Land Survey	3	22	84	1,00,000

(Source: MLHHS and Kinondoni Municipal registries, 2006)

Table 5.2: Process of transferring property with COO

STEP	PROCESS
	Stage 1- Entering into a sales agreement (Cap117)
1	On-site verification
2	Official search-application
3	Official search-certified copies
4	Sales agreement
	Stage 2- Approval by the District Land Officer (Land Act No.4 of 1999)
5	Notification of sale to authorized officer in the District Land Department
6	Valuation report
7	Payment of Stamp Duty and Capital Gains Income Tax
8	Rent payment
9	Compliance notice from land administration section
10	Approval of transfer by the land officer in the district
11	Approval of transfer by the authorized officer in the district
	Stage 3- Approval and registration by registrar of titles (Cap334)
12	Application for approval and registration by registrar of titles in the head office
13	Entry in Presentation Book
14	Distribution of the Document
15	Assessment of the Document
16	The Registrar assesses fulfilment of legal requirements
17	Registration
18	Issuance of an official copy of the registered transaction
19	Delivery of a Copy of the Registered Document

(Source: Fieldwork 2006)

Table 5.3: Process of transferring property with RL

STEP	PROCESS
	Duration: 6 weeks; approximate costs: Tshs. 100000
1	Application for official search
2	Sales agreement drawn by an advocate
3	Application and notification of disposition
4	Preparation of transfer deeds
5	Submission of sales agreement and transfer deeds to the authorized officer for approval
6	Payment of stamp duty at 1% of declared sale price and other outstanding taxes
7	Registration and issuing of residential license

(Source: Fieldwork 2006)

5.2.2. Informal transfer process

Five stages of informal land transfer were observed in the study areas. The land seeker tells his friends of his intentions to buy property and they may direct him to a seller or together contact a land broker who takes them to visit various properties at a cost. Once a property is identified, it is followed by negotiations and if a deal is struck there follows verification of property ownership details and boundaries with the local grass root leaders and immediate neighbours. Boundary identification is done manually because there are no cadastral maps of the area. This is followed by transfer, payment

and handing over of site. If the property is developed the buyer takes possession, and if vacant he can begin developing immediately if funds are available, or later when he gets funds.

The involvement of the local grass root leaders makes the process quasi-formal though termed informal, because the final document whether typed on the municipality letter headed paper or handwritten must bear the official stamp of the Mtaa office as shown in Figure 5.8. Those transactions that are done elsewhere and lack the official stamp are the ones that can be referred to as informal, but must as well be witnessed by neighbours who can be called upon in courts of law to give evidence in case of dispute (Kombe, 1994). The informal way of verifying boundaries and inclusion of the same in the sale agreement as shown in the extract (Figure 5.1) below is quite similar to the formal survey indicated in Figure 2.5 under formal registration of property rights in chapter two. Precision and paper maps to accompany the various forms of registers shown in section 5.3.2 are possibly the only basic evidence lacking in the informal process.

“Shamba na nyumba vipo eneo la Bucha, Mtaa wa Baruti, Kata ya Kimara , Dar es Salaam. Ambapo Shamba linapakana na wafuatao:-

- 1. Mashariki mita 22 za mpaka na Ndugu Batuli Juma*
- 2. Magharibi mita 17.5 za mpaka na Ndugu Anna Rajabu*
- 3. Kaskasini mita 32 za mpaka na Ndugu Mengi Rajabu*
- 4. Kusini mita 32 za mpaka na Ndugu Baji”*

Directly translated from Kiswahili this extract means:

“Parcel and house are situated within Bucha area in Baruti Sub-ward, Kimara Ward, Dar es Salaam. The parcel borders the following:

- 1. 22 metres due east bordering Batuli Juma*
- 2. 17.5 Metres due west bordering Anna Rajabu*
- 3. 32 metres due north bordering Mengi Rajabu*
- 4. 32 metres due south bordering Baji”*

Figure 5.1: Informal process of boundary identification

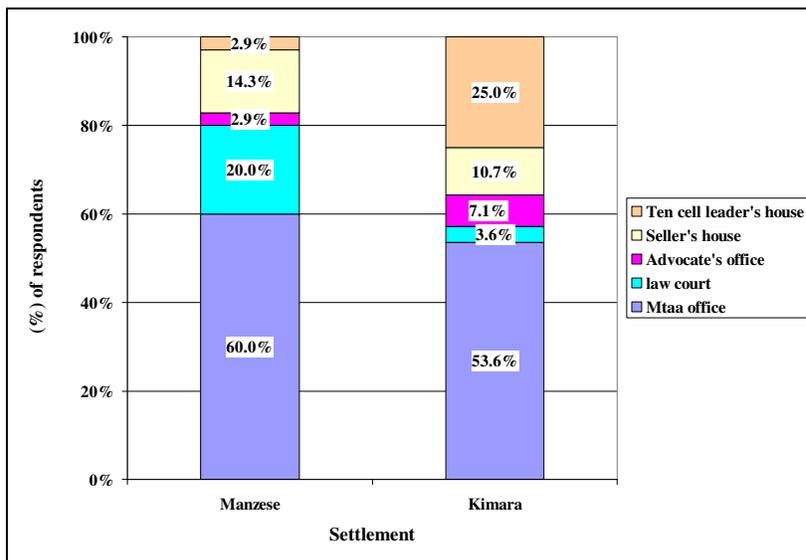


Figure 5.2: Place of property transfer

5.3. Types of property right registration

There are various forms of registration in the informal settlements depending on the property rights held. They fall in two broad categories of formal and informal registration.

5.3.1. Formal land registration

Formal registration is guided by legal stipulations found in Land Act No. 4 of 1999 and Land Registration Ordinance Cap. 334. Those holding GRO with Certificate of Occupancy are required by the law to do their registration in the land registry in the Ministry of Lands and Human Settlement, and out of the 35 properties investigated in Manzese only one sale was registered there.

For the respective property right to be registered parcel survey is a prerequisite, and as indicated in table 5-1 it takes 22 steps, 84 days and approximately 1,000,000 Tanzania Shillings. This is one of the reasons most of the buyers (48.6% in Manzese and 78.6% in Kimara) in the informal settlements have not registered their rights as shown **Figure 5.11**. Out of the investigated properties only one parcel was surveyed in Manzese and none in Kimara. Registration and cadastral data for planned areas is computerized and its search is easier as shown in Figures 5-3 and 5-4, but in the informal settlements the property data is in various paper formats as shown in Figures 5-7 to 5-10. In spite of land information being computerized, the transfer and registration processes are still long and costly.



Figure 5.3: Computerized search of land register
(Source: MLHHS – 2006)



Figure 5.4: Computerized search of cadastral register
(Source: MLHHS – 2006)

Those holding GRO with RL are required to do their registration in the respective municipal land registry. For spatial location of the plot one can now check in the Mtaa office because the leader keeps a copy of the adjudication map created under the PRF project. However, to establish the other details a search has to be done in the Municipal land registry, where they have a register and paper files as seen in Figures 5.5 and 5.6. Only 1 out of 35 investigated properties was registered in the municipal land registry. The municipalities are in the process of computerizing their land information, but similarly this may not be the solution so long as the lengthy procedures and the attendant costs are not reviewed with the aim of reducing them.



Figure 5.5: Manual search of land register in the Municipal land registry
(Source: Fieldwork 2006)



Figure 5.6: Paper files at the Municipal land registry
(source: Fieldwork 2006)

It has been observed that only 2 (6%) of the respondents in Manzese had formally registered their property rights, and none in Kimara. It is evident from both settlements that most buyers opt for quasi-formal type of registration represented by 80.0% and 64.3% in Manzese and Kimara respectively as shown in Table 5-4. Kimara posts 35.6% of informal registration compared to 14.3% in Manzese, a fact that can be attributed to costs. Most buyers in Kimara who can be classified as those seeking for shelter, feel that even the costs of doing transfers in the Mtaa office are high and can be settled after the issue of acquiring property is settled, a fact that has been proved under section 5.4.2.

Table 5.4: Types of property right registration

Type of registration	Manzese		Kimara	
	Count	Percent of respondents	Count	Percent of respondents
Formal	2	5.7%	-	-
Quasi-formal	28	80.0%	18	64.3%
Informal	5	14.3%	10	35.6%
Total	35	100.0%	28	100.0%

5.3.2. Informal land registration

Any form of registration done outside the legal stipulations is considered to be informal. There are four places where informal registrations take place in the study areas. These include registration in; the Mtaa office, law courts, ten cell leader’s house and the seller’s house. These types of registration can further be classified into quasi-formal and informal registrations. Under quasi-formal registration buyers get sale agreements that are witnessed and stamped by the relevant person overseeing the transfer as shown in Figures 5-8 and 5-9, whereas under informal registrations the sale agreements lack official stamp like the one in Figure 5-10. Whatever type of sale agreement is presented for stamping or witnessing by the Mtaa leader must be witnessed by neighbours, friends or relatives first who append their signatures or thumbprints on it. The Mtaa leader signs, stamps it and a copy is left in his office as the owner keeps the original agreement. This document is admissible in court in the event of a dispute.

The exercise books have been replaced by the register in Figure 5-7 provided during the adjudication of the properties under PRF project in Manzese. Mtaa leaders also keep files with copies of sale agreements like the one in Figure 5.8. Instead of exercise books or registers, the Mtaa leaders in Kimara maintain only files with sale agreements as ownership records. Unlike Manzese houses in Kimara do not have numbers and are identified by areas e.g. “Parcel and house are situated within

Bucha area in Baruti Sub-ward, Kimara Ward as indicated in the extract under section 5.2.2.

HALMASHAURI YA MANISPAA YA KINONDONI
OFISI YA MTAALI
SIRIKALI YA MTAHA BARUTI
DAR ES SALAAM

KUMU: NASUBU/12

HATI YA MAKABIDHIANO

Mimi Mwanzi Mhala wa Sanduku la Posta 8081 Mbari, Dar es Salaam alikuwa na akili zangu zinazotambua kuhimiza shughuli za kwanza Ndogo Degratani Cuman Jaga wa Sanduku la Posta 8081 Kijijimani, Dar es Salaam kwa mitaligi Mhala Kama na Mtaji wa Mtaa wa (1,000,000) tamba 20/12/2004. Shughuli za nyuma zote zote la Bucha, Mtaa wa Baruti, Kati ya Kimara, Dar es Salaam ambapo shughuli zinapitika na vataliano.

1. Mhala Mita 22 za mpaka na Mhala Baruti Juma
2. Mhala Mita 17.5 za mpaka na Ndogo Aona Ripata
3. Kaulimani Mita 32 za mpaka na Ndogo Mungu Rajabu
4. Kaulimani Mita 32 za mpaka na Ndogo, Mungu

SINA:

1. Mwanzi Mhala Mita 22
2. Mwanzi Mhala Mita 17.5
3. Mwanzi Mhala Mita 32
4. Mwanzi Mhala Mita 32

UTATHIBISHO: E.M. Mwanzi
Mwanzi Mhala Mita Baruti
Ni s.a.a.

Figure 5.7: Property register in Mtaa office, Manzese.
(Source: Fieldwork 2006)

Figure 5.8: Copies of sale agreements from Mtaa office
(Source: Fieldwork 2006)

Registration in the Mtaa office is important for all residents of informal settlements because to be known as a member of a certain neighbourhood one has to appear in the records of that particular area. This is necessary since besides the sale agreement, and in the absence of formal registration of the property, the Mtaa leader and the neighbours are the only witnesses to property right held by a dweller of informal settlement. Socially the people in a neighbourhood support one another in times of need like during bereavement. The grass root leaders are the ones who organise and coordinate these functions and thus one has to be known in order to get assistance during such times.

The lengthy procedure and costs of formal transfer forces many (34.3% with RL) to register informally as they look for money to initiate formal registration. On formal registration one is required to pay ground rent annually besides property. This is an additional financial burden they would wish to avoid as long as it is conveniently possible.

Those who transact in the law courts sign sale agreement before the magistrate after the seller proves his property rights by producing whatever evidence he has, which is normally the sale agreement from previous transaction and a letter from the sub-ward leader confirming ownership. The magistrate then signs, puts an official stamp, and a copy of the sale agreement is left in the court registry. Therefore there exists a register of properties sold through the court. This sale agreement is evidence of the right of occupancy acquired through purchase, and is admissible in any higher court for arbitration in case of a dispute. Each pays 10% of the sale price or 10,000 Tanzania Shillings as fees, whichever is higher. There is no evidence of sales from the records in the court registry because access to them was denied, but a photograph of sale agreement from there is in Figure 5-9. Those who claimed to have done their transfers in the advocate’s office were not willing to have their sale agreements photographed.

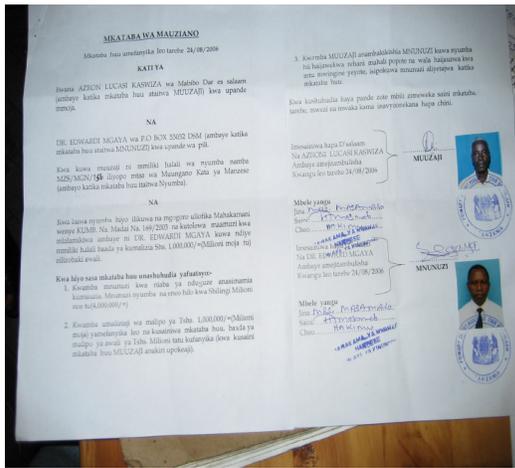


Figure 5.9: Sale agreement from law court
(Source: Fieldwork 2006)

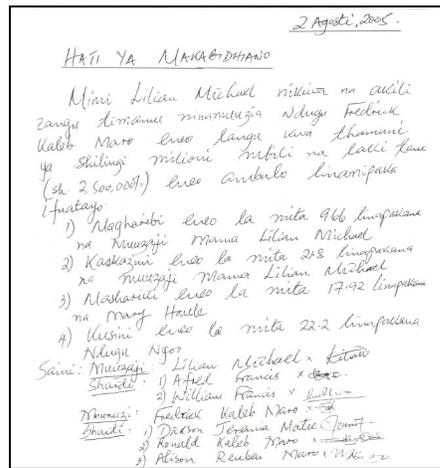


Figure 5.10: Sale agreement of an informal transfer of property rights
(Source: Fieldwork 2006)

From Figure 5-2, 20% and 3.6% of the respondents in Manzese and Kimara respectively did their transfer and registrations in the law courts.

The ten cell leader being the lowest in the rank of grass root administration witness transfers, but since he/she does not keep records, the sale agreement eventually has to be taken to the Mtaa office for change of records. The Mtaa leader trusts those under him and has no problem registering transfers done in the cell leaders' house, if the transacting parties choose to do it there. Being in charge of only ten houses and the fact that he has to be involved in boundary demarcations, the leader is even in a better position to know the extent and who owns what plot within his/her cell. Normally like any other witness, the ten cell leader is paid 5,000 Tanzania Shillings. Sometimes due to lack of money to pay in the Mtaa office the transacting parties agree to do the transfer in the seller's house each with his/her witnesses and the ten cell leader as the local office representative. The sale agreement is the evidence of change of ownership and can be recorded at the Mtaa office when money is available. In such cases the witnesses except the Ten Cell leader are not paid. The evidence of such a sale is an agreement without any official stamp as shown in Figure 5-10.

In both settlements the highest numbers of transaction are registered in the Mtaa offices, 60% in Manzese and 53.6% in Kimara as shown in Figure 5.2 (place of transfer is same as place of registration). Legally, in Manzese 6% of the registrations were formal while 94% were informal, whereas in Kimara the registrations were 100% informal as shown in Figure 5.11. This implies that despite PRF people are still transferring and registering their property rights informally. The relationships between PRF and property market are analysed in the next section.

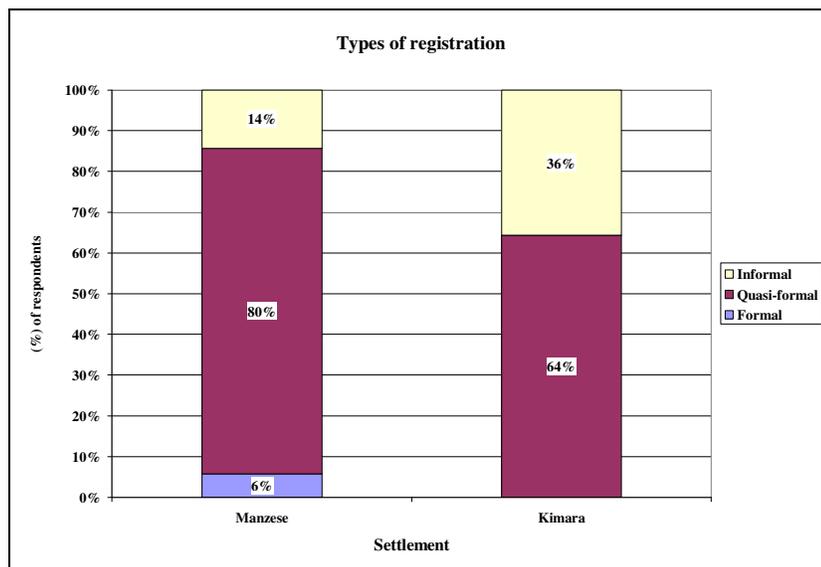


Figure 5.11: Types property right registration

5.4. The effects of property rights formalisation on property market

5.4.1. Effect of PRF on the transfer place

Officially all transfers should be done in an advocate’s office before application is made for registration. The household survey reveals that only 1 (3%) person out of 35 and 2 (7%) out of 28 of the respondents transferred their rights in an advocate’s office in Manzese and Kimara respectively in the period under study. The rest either did their transfers in the Mtaa office, law courts, Ten cell leader’s house or even in the seller’s house as shown in Figure 5.2.

Significant to this study are the reasons posited as influencing where one did the transfer, but it is also important to find out whether there is a relationship between the rights held and where the transfer is done. The analysis of directional measures of association in Manzese settlement as shown in Table 5.5 indicate there exists an association between the variables though a weak one as indicated by lambda value of 0.071 meaning it is not possible to easily predict one variable from the other using this statistic. Nevertheless using percentages of transfer places and reasons behind the choices it is possible to deduce the effects. In Manzese 28.6% of the respondents holding GRO with RL did their transfers in the Mtaa office against none in the advocate’s office as depicted in Appendix E.4. In Kimara where PRF has not taken place the survey reveals that 53.6% of the respondents did their transfers in the Mtaa office and 7.1 % did their transfers in an advocate’s office as shown in Appendix E.3.

Table 5.5: Association: Transfer place vs. property right held in Manzese

			Value
Nominal by Nominal	Lambda	Symmetric	.071
		Transfer place- Dependent	.071
		Property right held -Dependent	.071

From the forgoing and also based on the arguments in section 4.10.1 in chapter 4, it is not possible to

make conclusions based on measures of association. However, deductions and conclusion can be made that most of the property buyers in Manzese are still transferring their properties in the Mtaa office and other places just like those in Kimara and not in the advocate's office as expected after implementation of PRF based on cross tabulation results. The reasons for their choices and the link to PRF are discussed in section 5.4.3.

5.4.2. Effect of PRF on registration

Officially, those holding a GRO with COO upon transfer are required to register with the registrar of titles in the MLHHS, while those holding GRO with RL are supposed to register with the registrar of documents in the municipal land registry as shown in Table 5.2&3 transfer of property with COO and RL respectively. The respondents who registered their transfers in these two places have a formal type of registration while those who did their transfers in the Mtaa office, law court or advocates and did not register in the relevant land registries are considered to be holding quasi-formal type of registration. Those who did their transfers in the ten cell leader's or in the seller's house hold an informal type of registration.

Table 5.6 shows a lambda value of 0.095 indicating a weak association between type of property right registration and the property right held. The household survey reveals that only 1 out of the 13 buyers with RL had registered the transfer officially and the rest had quasi-formal type of registration. The respondent holding GRO with COO registered the transfer in the land registry in MLHHS. This cannot be associated with PRF because even before the project began people could apply for GRO and on meeting the official requirements a lease would be would be granted.

Table 5.6: Association: Type of registration vs. property right held in Manzese

			Value
Nominal by Nominal	Lambda	Symmetric	.095
		Type of property right registration-Dependent	.143
		Property right held- Dependent	.071

80% and 14.3% of the buyers in Manzese had quasi-formal and informal type of registration respectively, whereas in Kimara 64.3% and 35.7% had the same types of registration respectively as shown in Table 5.7 and 5.8. With PRF having taken place in Manzese, the expectation was more transfers to be registered in the municipal land registry than in the Mtaa office and the law courts. Thus it can be deduced that issuing of RL seems to have had very little effect for the period under study (2004-2006) in regard to where people registered their transfers as evidenced by the percentage of respondents holding RL and yet have not registered their transfers as officially required.

Table 5.7: Type of registration vs. property right held in Manzese

Type of property right registration		Right to land held				Total
		GRO COO	with RL	GRO with By purchase		
Formal	Count	1	1	0	2	
	% of Total	2.9%	2.9%	.0%	5.7%	
Quasi-formal	Count	0	12	16	28	
	% of Total	.0%	34.3%	45.7%	80.0%	
Informal	Count	0	0	5	5	
	% of Total	.0%	.0%	14.3%	14.3%	
Total	Count	1	13	21	35	
	% of Total	2.9%	37.1%	60.0%	100.0%	

Table 5.8: Type of registration vs. property right held in Kimara

Type of property Right registration		Property right	
		By purchase	Total
Quasi-formal	Count	18	18
	% of Total	64.3%	64.3%
informal	Count	10	10
	% of Total	35.7%	35.7%
Total	Count	28	28
	% of Total	100.0%	100.0%

5.4.3. Factors influencing place of transfer and registration of property rights.

It is evident that the respondents did their transfers and registrations in various places. The reasons for this are equally varied but the most cited reason (48.7% in Manzese and 78.6% in Kimara) for the choices made in both settlements is lengthy procedure and transaction costs as shown in Figure 5.12 and Appendices E.3 and E.4 for Manzese, and E.5 and E.6 for Kimara. This is followed by trust in the grass root local administration as indicated by 25.7% and 10.7% in Manzese and Kimara respectively in the same appendices.

The costs in terms of time and money attributed to formal transfer and registration force people to seek cheaper alternative places to do the same. Interview with the respondent holding GRO with COO revealed that besides the official charges he was asked for extra money, about 150, 000 Tanzania Shillings by the officers and he felt obliged to pay because as he put it:

“Kama ningekataa kushirikiana nao hawangenisaidia siku nyingine nikirudi afisini mwao” meaning *“If I did not cooperate they would not assist if I went to their offices another time”*

Besides the costs of transfer and registration, PRF has added land rent to be paid annually. People in the settlement expressed concern over increased payments during focus group discussions carried out by Anura (2006²) saying that they were not commensurate with service provision upon for they still continued to buy water, no sewer connection and the access roads are in poor condition. However the period from implementation to the time of study is too short to have expected these factors to change

². Mora Mudalige, A.. P. Research on impact of secure land tenure on income generating activities in urban informal settlements : A case of

drastically.

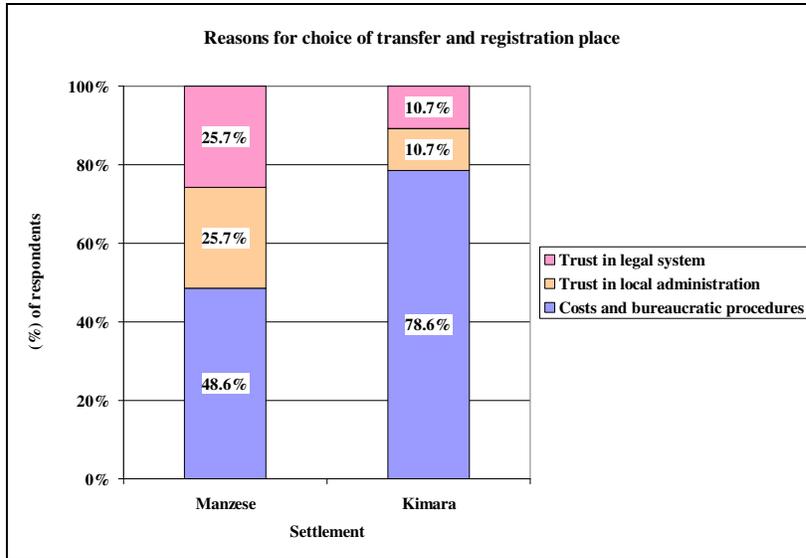


Figure 5.12: Reasons for doing transfer and registration in different places

5.5. The effects of PRF on tenure security/insecurity perception

According to Kironde (2000), a well functioning property market should have ease of entry and ease of performing transaction, and is dependent on secure tenure arrangements among other factors. The buyers’ perceptions about tenure security or insecurity were sought as well as the reasons behind them. This was in an endeavour to find the factors contributing to the perceived tenure security or insecurity. It was also important to find out whether people had changed their perception regarding tenure security since the inception of PRF.

There is directional association between property right held and tenure security perception as indicated by lambda value of 0.125 in Table 5.9. Lambda value 0.000 against the perception people have regarding their property rights indicate that it is not dependent on the said rights but other factors such as being known by the grassroots local administrators and neighbours as the owner of the property. 94.3% and 100% of the respondents said they felt secure about the property rights they held in Manzese and Kimara respectively as shown in Figure 5.13. Though the people in Kimara can only claim their property rights through purchase, they are secure enough to invest in big beautiful houses like those in figures 5.14 and 5.15 captured on camera during fieldwork.

PRF has introduced some uncertainty regarding tenure security as indicated by 2 of the respondents representing 5.7% of the total number who said they were not sure in Manzese. The two respondents held GRO with RL, and when asked to clarify the uncertainty they said they were not sure whether the licenses would be renewed after two years as shown in Figure 5.16 and Appendix E.8.

Table 5.9: Association: Tenure security/insecurity vs. property right held in Manzese

			Value
Nominal by Nominal	Lambda	Symmetric	.125
		Tenure security/insecurity Perception regarding property right held- Dependent	.000
		Property right held- Dependent	.143

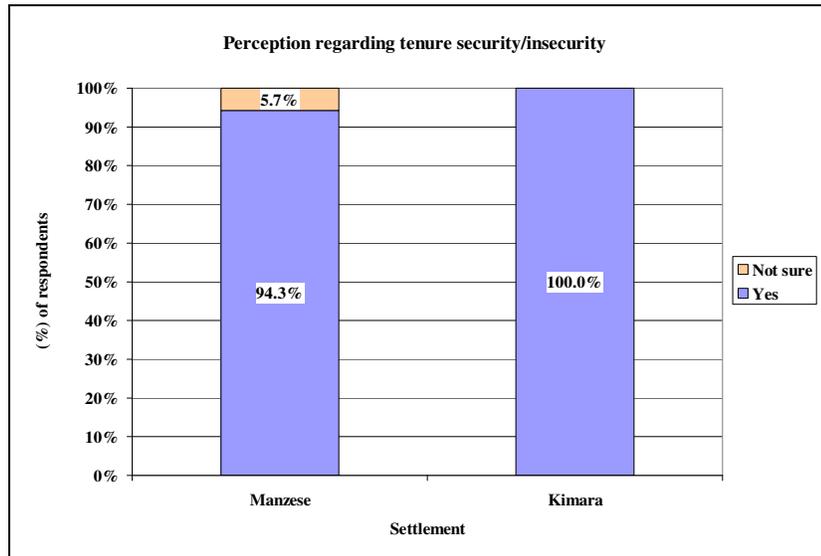


Figure 5.13: Perception on tenure security/insecurity



Figure 5.14: House under construction in Kimara



Figure 5.15: Complete house in Kimara

5.5.1. Factors influencing tenure security/insecurity perception

Enquiries as to the reasons behind this secure feeling when they were not formally recognized as right holders, 34.3% in Manzese attributed it to being known by the grassroot local administrators and 25.1% said their neighbours knew them as indicated in Figure 5-15 and Appendix E-7. About 57.1% and 32.1 % gave the same answer respectively in Kimara as shown in Appendix E-8. Holding a government document of ownership was the same as holding any other document of ownership represented by 17.1% in Manzese, whereas in Kimara it was a lesser factor for only 10.7% of the respondents attributed their perception to holding a sale agreement.

The Government of the Republic of Tanzania had ascribed in the past to anti-eviction approach of dealing with informal settlements. Silence on its part as the settlements continued to proliferate

coupled with being known by the local administration and neighbours, led people to assume the rights they perceive to hold (Kironde, 1994). In view of the perceived tenure security people continue to buy and sell their properties easily through the mechanisms facilitated by the trust in the grass root local administration.

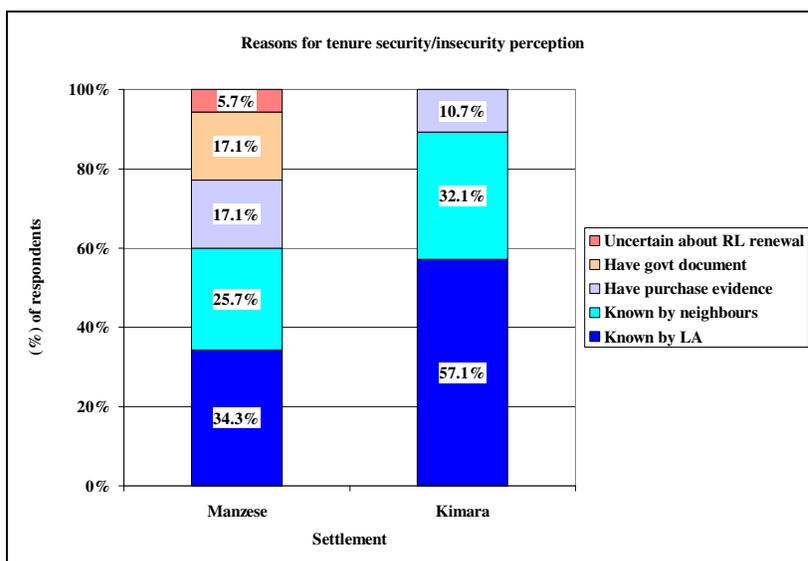


Figure 5.16: Reasons for tenure security/insecurity perception

5.6. The effects of PRF on property sale price perception

When enquiry was made as to how much they would sell their properties as at the date of the survey, all the respondents in both Manzese and Kimara said more than the buying price in spite of some having bought them a few months earlier. The point of departure from just more than the buying price emerged when asked to clarify how much more. There are those who said much more and others said slightly more as shown in Figure 5.17, but the reasons are the most varied as indicated in appendix E.9.

Though there seems to be no association between property sale price perception and the property right held as indicated by lambda value 0.000 in Manzese shown in Table 5.10, this does not rule out any association completely nor the effect of PRF. Lambda value 0.237 between reasons for the sale price perception and property right held indicate an association, a fact reinforced by 3 (8.6) of the respondents holding GRO with RL associating their perception to the same. The rest associated their perceptions to other factors as indicated in Figure 5.18 and Appendix E.9 and E.10. In Kimara none of the respondents associated the sale price perception to the property right held as shown in appendix E.11

Table 5.10: Association: property sale price perception vs. property right in Manzese

			Value
Nominal by Nominal	Lambda	Symmetric	.000
		Property sale price perception-Dependent	.000
		Property right held-Dependent	.000

Table 5.11: Association: Reasons for property sale price perception vs. property right in Manzese

			Value
Nominal by Nominal	Lambda	Symmetric	.237
		Property right held- Dependent	.429
		Reasons for property sale price perception- Dependent	.125



Figure 5.17: Property sale price perception

5.6.1. Factors influencing property sale price perception

The response that people would sell their properties more than the purchase price has little to do with PRF. The results in Appendix E.10, E.11 and Figure 5.18, indicate high demand for properties is the main reason in both Manzese (31.4%) and Kimara (32.1%) for their perception. If this demand was a result of cause-effect of PRF the responses in Manzese would have been higher than what was observed. Only 1 (2.9%) out of 13 respondents with RL related his perception to high property demand.

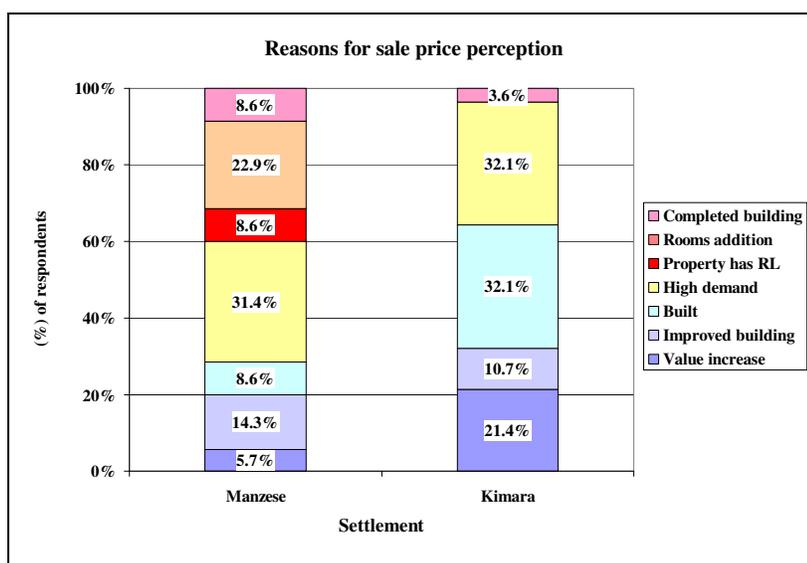


Figure 5.18: Reasons for property sale price perception

Another factor influencing price perception is improvement to the land as indicated by addition of rooms in Manzese (22.9%) and putting up of new buildings in Kimara (32.1%) as shown in Figure 5.18. Owing to densification in Manzese there is little space to put up new buildings unless the old ones are pulled down and this is why addition of rooms is more common. More vacant land as shown in Map 5.3 is found in Kimara and this is the reason there is more construction of new building than addition of rooms. The survey also revealed that Manzese is a good place to invest in low cost rental housing as shown in Table 5.14. 48.6% of the respondents gave this view and to corroborate it 45.7% of the buildings there are fully rental premises as shown in Figure 5.19. In Kimara 85.7% of the buyers are those truly looking for shelter as indicated by owner-occupation building use compared to 37.1% in Manzese. 50% in Kimara chose the settlement because the land is cheap.

Table 5.12: Association: Building use vs. Reason for choice in Manzese

			Value
Nominal by Nominal	Lambda	Symmetric	.135
		Building use-Dependent	.105
		Reason for choice to buy property in settlement-Dependent	.167

Table 5.13: Association: Building use vs. Reason for choice in Kimara

			Value
Nominal by Nominal	Lambda	Symmetric	.167
		Building use-Dependent	.250
		Reason for choice to buy property in settlement-Dependent	.143

Table 5.14: Reason for choosing to buy property in Manzese

Reasons	Count	(%) of respondents
Near city centre	1	2.9
No government control over development	2	5.7
I own business in this area	1	2.9
Lived here all my life	14	40.0
Good place to invest in rental housing	17	48.6
Total	35	100.0

Table 5.15: Reason for choosing to buy property in Kimara

Reasons	Count	(%) of respondents
Availability of cheap land	14	50.0
Near Morogoro road-access to public transport	6	21.4
No government control over developments	3	10.7
Not applicable	5	17.9
Total	28	100.0

NB: Not applicable represents properties where the respondent was an adult relative of the property owner. They were not in a position to answer the question on reason for choosing to buy property in the settlement.

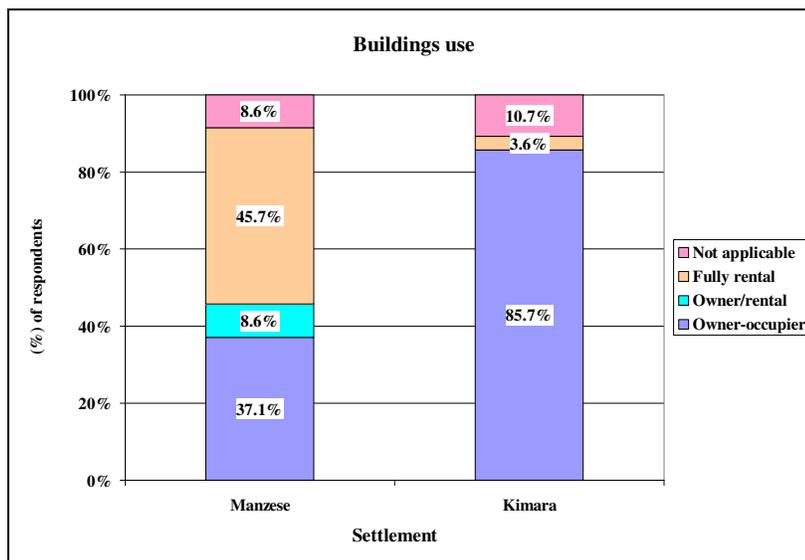


Figure 5.19: Building uses in the study areas

NB: Not applicable represents buildings under construction.

As observed during the survey and shown in Map 5.1 and 5.2, accessibility and plot size have influence on price perception but in different ways. The ‘much more’ price perception tends to be closer to the highway than ‘slightly more’ that tend to be spread further away but still mostly along the motorable access roads in Manzese. In Kimara the opposite is observed as ‘much more’ tend to be spread further away from the highway more than the ‘slightly more’. In both cases besides accessibility other factors like plot sizes and availability of divisible land come into focus.

In Manzese none of the investigated plots met the minimum subdivision size requirement of 800 square metres. However, from Map 5.3 showing the plots meeting the requirement in the whole settlement it is evident that they tend to cluster along the main access roads. 8.7% of the respondents holding plots bigger than 400 square metres returned ‘much more’ perception compared to 5.8% with plots the same size who returned ‘slightly more’ perception. This may be considered a minor difference, but when the ‘much more’ perception coincides with the location of the big plots along the main access roads, it lends credibility to the conclusion that price perception is also influenced by size of the plots. The coincidence of this clustering with the ‘much more’ property price perception indicates some link which is confirmed by strong lambda value of 0.846 and 0.500 when perception is dependent on plot size as shown in Tables 5.16 and 5.17 in Manzese and Kimara respectively.

Table 5.16: Association: property sale price perception vs. plot size in Manzese

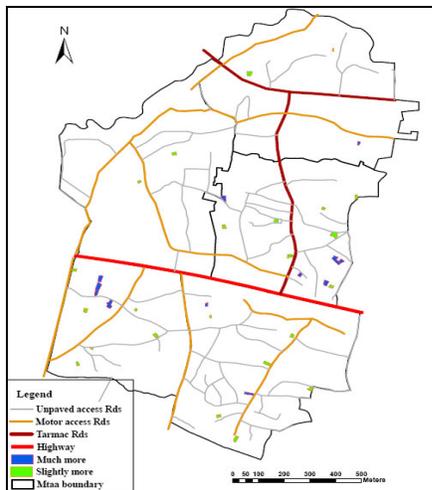
		Value
Nominal by Nominal	Lambda	Symmetric
		Property sale price perception- Dependent
		Approximate plot size -Dependent
		.261
		.846
		.030

Table 5.17: Association: property sale price perception vs. plot size in Kimara

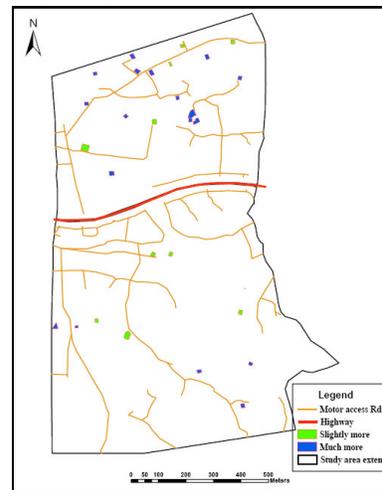
		Value
Nominal by Nominal	Lambda	Symmetric
		Property sale price perception- Dependent
		Approximate plot size-Dependent
		.176
		.500
		.042

The observed distribution in Kimara could be attributed to the fact further away from the highway is where big plots are available for subdivision. Close to the highway is where the settlement began, the level of densification currently is higher and the plots are smaller as shown on Map 5.4. It is also evident from Map 5.5 that most of the ‘much more’ properties are located in areas where there is slightly more open ground.

The coincidence of much more price perception with high land value zones which are related to the highway as shown in Map: 5.6 and Table 5.18 for Manzese show influence of accessibility. In Kimara it is the opposite because land availability is further away from the highway. Thus plot size and availability seem to be having more influence on price perception in Kimara.

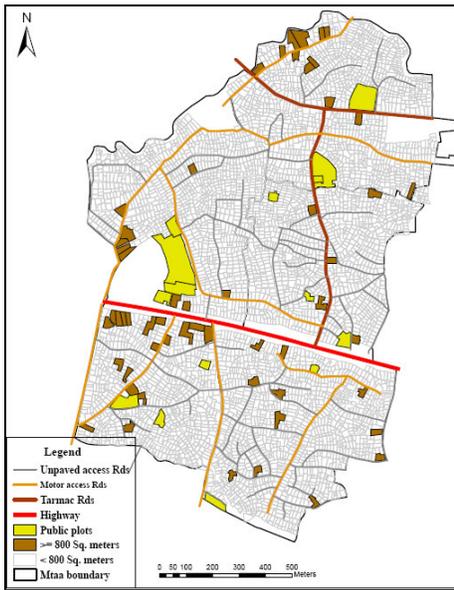


Map 5.1: Spatial distribution of price perception in Manzese in relation to accessibility



Map 5.2: Spatial distribution of price perception in Kimara in relation to accessibility

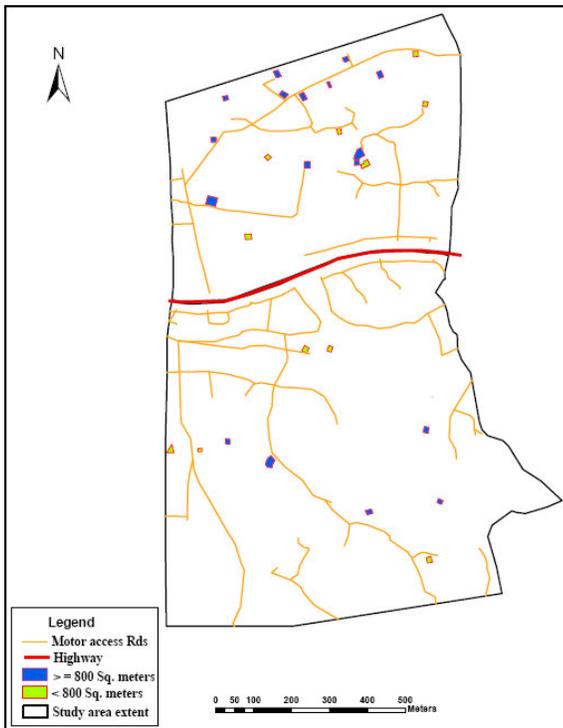
The pattern of plots with 800 square metres and more in Manzese tending to cluster along the highway and other tarmac roads is too consistent to assume it just happened, and as observed during streetscape survey these plots hold big commercial buildings like the ones in Figures 5.20 and 5.21. The observations made by the researcher and others by Mudalige (2007), lead to the deduction that these big plots could be a result of merging. This observation is reinforced by Figures 5.21 and 5.22 which show three plots along Morogoro road belonging to an hotelier who is putting up a guest house (storeyed building) and intends to put up a restaurant and parking space for the guests in the other plots. Originally he owned KND/MZS/MNG1/4 where the big building is and has bought the other two neighbouring plots (KND/MZS/MNG1/2 & 3). Plots big enough to accommodate big investments are not available owing to the stage of densification in Manzese; therefore the option is to buy out neighbours and merge the plots later.



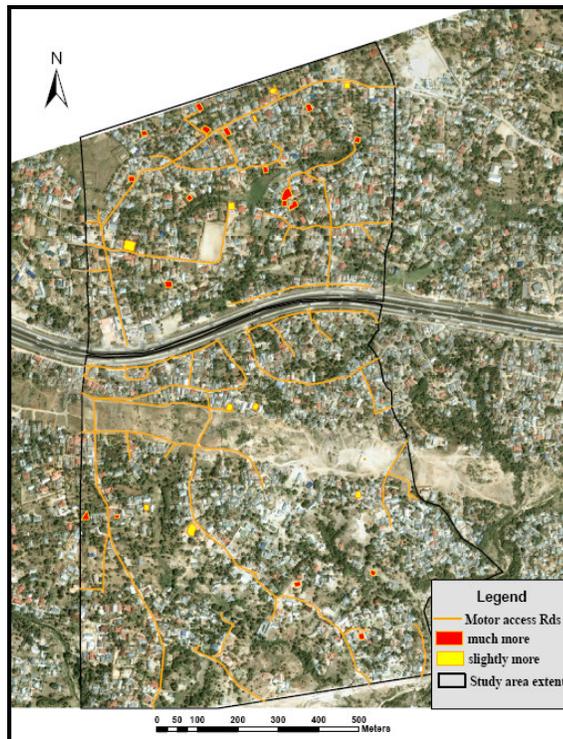
Map 5.3: Plots \geq to 800 square metres in Manzese.



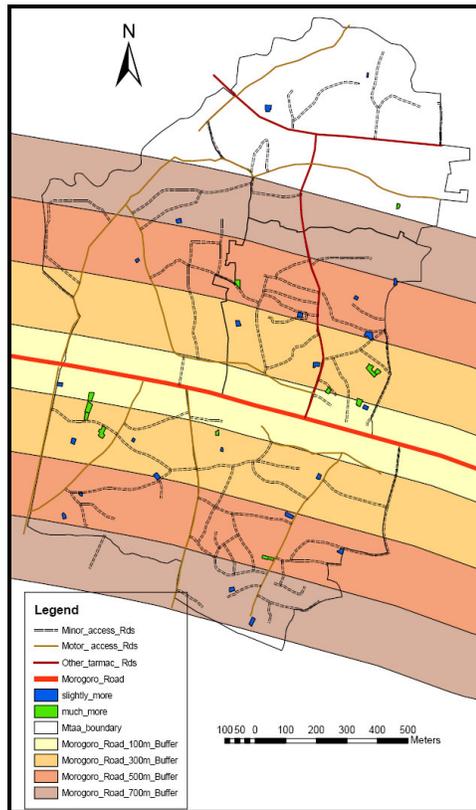
Figure 5.20: Big buildings along Morogoro Rd



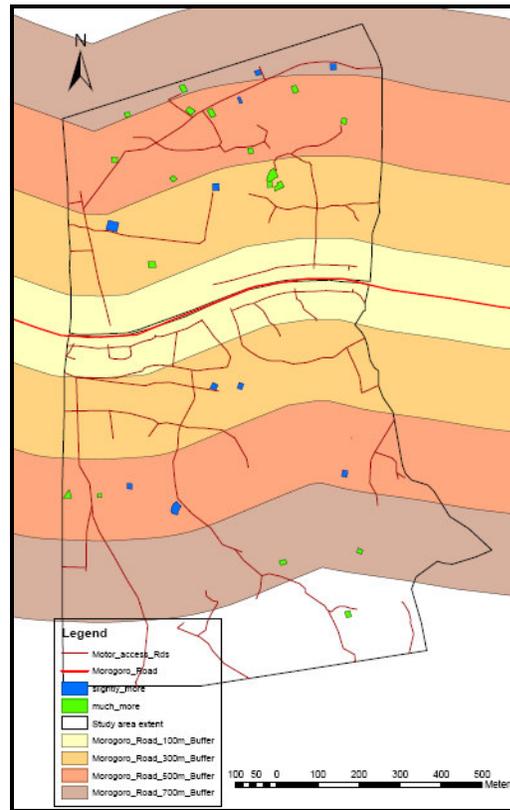
Map 5.4: Spatial distribution of price perception in Kimara in relation to minimum plot size



Map 5.5: Spatial distribution of price perception in Kimara in relation to land availability



Map 5.6: Location of price perception within land value zones in Manzese



Map 5.7: Location of price perception within land value zones in Kimara

Table 5.18: Land value zones in Manzese

ZONE	LAND VALUES P.S.M (Tshs)	DISTANCE FROM HIGHWAY
A	25,000-30,000	Within 100 Metres
B	20,000-25,000	Between 100 Metres and 300 Metres
C	15,000-20,000	Between 300 Metres and 500 Metres
D	10,000-15,000	Between 500 Metres and 700 Metres
E	5,000-10,000	Beyond 700 Metres

(Source: Fieldwork, 2006)

Table 5.19: Land value zones in Kimara

ZONE	LAND VALUES P.S.M (Tshs)	DISTANCE FROM HIGHWAY
A	15,000-20,000	Within 100 Metres
B	10,000-15,000	Between 100 Metres and 300 Metres
C	5,000-10,000	Between 300 Metres and 500 Metres
D	2,500-5,000	Between 500 Metres and 700 Metres
E	5,000-1,000	Beyond 700 Metres

(Source: Fieldwork, 2006)

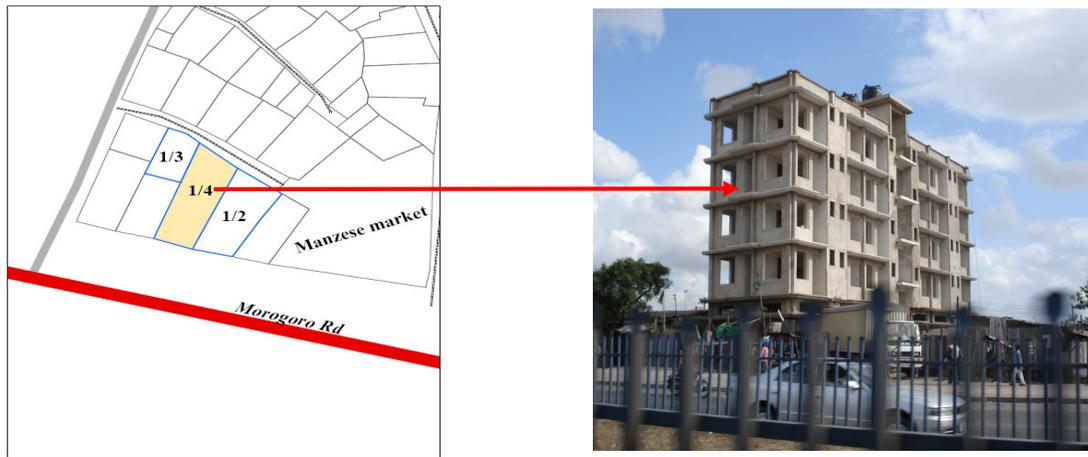


Figure 5.21: Parcel map extract of KND/MZS/MNG1/2, 3 & 4.

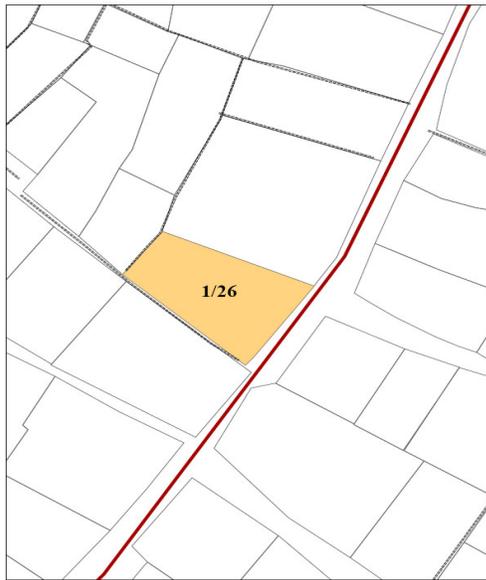
NB: These properties were bought between 2004 and 2006 but the owner was not available for interview because he lives in Mbezi (a planned settlement) where he operates another hotel business. The information was given by the Mtaa leader Mungano who witnessed the sale.

5.7. The effects of PRF on access to land

There seems to be no direct effects of PRF on access to land currently since people are still buying and selling properties as before, but there are other indirect effects for instance those related to requirements for subdivision.

5.7.1. Minimum plot size and unmapped subdivisions

The minimum plot size in urban areas is supposed to be 400 square metres (MLHHS, 2006). Therefore, for any subdivision to be approved the original plot should be at least 800 square metres. Map 5.3 shows a total of 70 plots in Manzese that meet the minimum requirement, out of which only 55 are privately owned and the remaining 15 are public plots. There are 5393 plots in the settlement, thus 55 plots translate to 0.01% of the total. Now that PRF has taken place the formal development rules will have to apply. These observations lead to the deduction that since 99.9% of the plots in Manzese do not meet the minimum subdivision requirement, if people wish to subdivide and sell part of their plots they would be forced to do it informally because they would never get any approval. Figure 5.23 is an example of such where the front (shop) belongs to the original owner and the vacant rear portion (part with pawpaw tree and fenced with GCI sheets) belongs to the buyer. The plot is still one instead of two on the map. None of the owners was available for interview. The information was given by the Ten cell leader in Mnazi Mmoja under whose cell the property falls.



Front- shop



Rear- vacant

Figure 5.22: Parcel map extract of KND/MZS/MNM1/26

5.8. Conditions conducive for informal urban property market operation

One major observation from the study areas is that there are two main conditions that are conducive to the operations of the informal land market. These include incentives to the actors in terms of financial implications and time taken to access land, and trust in the process. Figure 5.24 illustrates this.

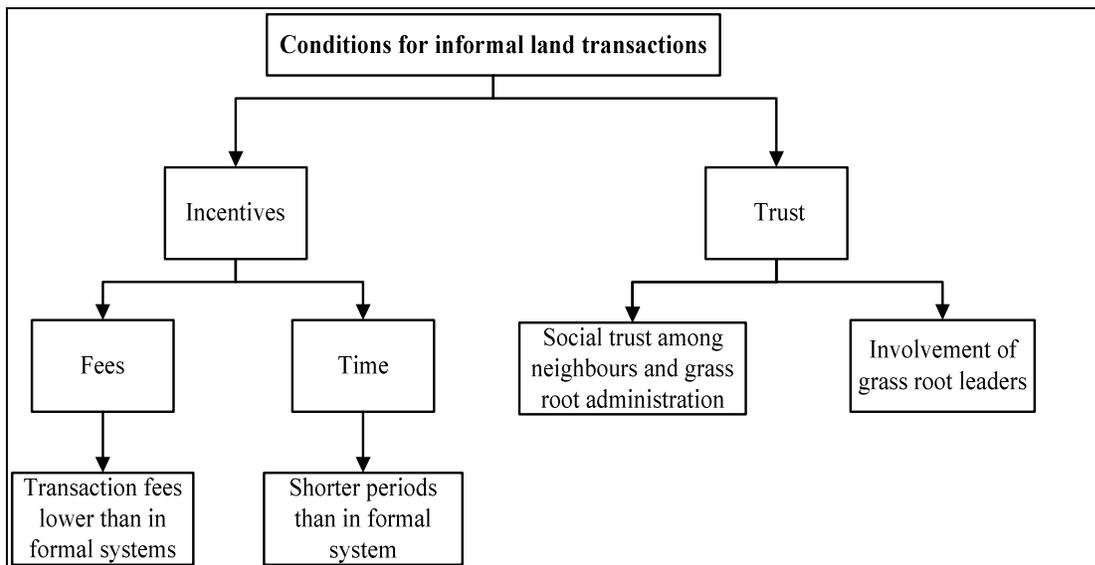


Figure 5.23: Conditions conducive for informal urban property market (Source: Fieldwork 2006)

Incentives: Informal land markets do not just happen, but rather they are a response to the public management deficits as opposed to the effectiveness of the local grass root administration. The time taken to transact is effectively shorter and the fees paid much lower. In the study areas almost all respondents said they took one day to transfer the property wherever they did it besides the search for the property, a fact that was echoed by the sub-ward leaders interviewed. Depending on the property sale price, the land broker gets 10% and the Mtaa chairman collects 10% or a maximum of 10,000 Tanzania Shillings per transaction. The witnesses are normally paid 5,000 Tanzania shillings each, a

cost shared among the transacting parties.

Trust: Property is confidentially transacted through social trust mechanisms that have been laid down by the community living in a particular neighbourhood. The trust largely depends on the social relations among neighbours and the involvement of the local grass root leaders (ten cell and Mtaa leader)

5.9. General findings on effects of PRF on property market in the informal settlements

Investigation into the effects of PRF property market in informal settlements has been done based on procedure of transfer and registration of property rights, transaction procedure and costs, and perception on land tenure security and property price/values in Dar es Salaam. The study has established the following:

- Bureaucratic procedures that are too costly in terms of time and money discourage people from transacting formally.
- The social trust people have in the informal land management systems has fostered the thriving of informal land market.
- Property registration and issuance of residential license has not yet had any impact on the way land rights are transferred in informal settlements.
- Issuance of RL has brought some uncertainty into the informal settlements because of the short term, and condition of renewing every two years.

5.10. Summary

Formal and informal processes of transferring, and registrations in the informal settlements have been described in this chapter. The effects of PRF on property market analysed and discussed, and other factors influencing the operations of the property market looked into. The study has established that bureaucratic procedures that cost a lot greatly influence the way people transact their properties in the informal settlements, and tenure issues are not central in the informal property market.

6. Conclusions and Recommendations

6.1. Introduction

This study has established some of the effects of property rights formalisation on property market in the informal settlements. This has been accomplished through a case study of Dar es Salaam City in Tanzania. The case study areas included Manzese, a ward where property rights have been formalised and Kimara ward where they have not. This chapter consists of three sections: the first section draws general conclusions based on literature and some findings of the study, second part draws specific conclusions based on the study findings, and the third part consists of the recommendations made on areas of further study based on gaps identified in the course of carrying out this research

6.2. Conclusions

The results of the study have led to drawing of various conclusions, and on which recommendations for further research are based.

6.3. Property rights formalisation: Achieving MDGs and Habitat Agenda

The key message in de Soto's *Mystery of Capital* is that the poor in developing countries who are the informal settlements dwellers in most cases hold immense resources, but in defective form. The reasons for this view are that the rights to these resources are not adequately documented, cannot be traded outside the narrow circles where people know and trust one another and cannot be used as collateral for a loan. He calls them 'dead capital' and advocates their formalization to make them live capital (de Soto, 2000). From the tenets of customary tenure land as a social good can only be passed on through generations and not sold. However, from the economists view land is the carrier of capital and an economic good that can be traded freely in the market place and particularly so if it has full legal title (de Soto, 2000; McLaughlin and de Soto, 1994). The effect of property rights formalization as advocated by de Soto is to transform property from being a social good to an economic factor of production. When this transformation takes place the achievement of the MDGs and the Habitat agenda are threatened because instead of empowering the poor to access shelter, it is the business moguls who will slowly penetrate the property market in informal settlements as found out by Mudalige (2007) while researching on tenure regularization on income generating activities in Manzese, Dar es Salaam.

Analysis of property price perception gave an indicative pointer to increased property prices upon formalisation. When the rights are formalised people tend to commercialize the properties and thus the likelihood of prices being beyond the reach of the low income earners is real. They do not have economic power to compete with the business moguls who are investing in big commercial buildings along the main access roads. Therefore achievement of MDGs and Habitat Agenda of improving the lives of informal settlement dwellers through shelter provision may take longer to realize than the set

date of 2020.

6.3.1. Process of property rights transfer in informal settlements

Property rights transfer in the informal settlements is done under the umbrella of two systems; formal mechanisms as stipulated by the existing laws, and informal mechanisms comprising of social customs and or attitudes concerning the legitimacy and recognition of the same (Taylor, 1988). The study results reveal that both systems are at work in the informal settlements of Dar es Salaam. However, it has emerged that most people continue to transfer their rights informally in spite of formalisation. Though there is law governing how these rights should be transferred formally, people are slow in embracing it as the grass root local administration continues to be relied upon because of the trust and the ease with which they execute the transfers in both Manzese and Kimara. The informal transfer generally takes one day in contrast to formal which takes between 180 and 380 days. The documents issued as evidence of property rights ownership in the informal transfers, though not accepted by formal credit institutions, are recognized in courts of law in case of dispute. A study carried out in Manzese by Namala (2007³) has proved that most people do not like using their properties as collateral for fear of losing them in the event they are unable to repay the loans.

Contrary to the notion forwarded by Rakodi (2002) that formal property title registration reduces information asymmetry about land ownership and transaction costs, it has been observed that the informal registration systems have up-to-date information regarding ownership. The records maintained by the grass root local administrators are reliable such that they are even relied upon by the judicial system of the country. The only disadvantage is that in event of the records being destroyed it would require a lot of time to reconstruct them from the ground but it is not impossible to do so for neighbours and ten cell leaders know the people well. The transaction procedure and costs are much lower in the informal system making it more popular with those involved in informal property transfers.

Various forms of registration that have been identified in this study include; formal, quasi-formal and informal. Holders of COO do their registration in the Ministry of Lands, Housing and Human Settlement and those with RL do theirs in the Municipal land registries. These are classified as formal registrations. Sale agreements from the Mtaa offices, courts, and advocates' offices bearing official stamp as evidence of purchase and by extension holding of a use right are in the category of quasi-formal registration. Informal registration comprises sale agreements witnessed by neighbours or ten cell leaders but lack any official stamp.

6.3.2. Effects of PRF on property market in informal settlements

PRF is a pointer to the fact that the government of the republic of Tanzania has officially recognized the existence of informal settlements, and the fact that RL issued can be upgraded to a certificate of occupancy has attracted those who have money as investors in rental housing or other business premises. These investors are buying out neighbours to create room for expansion of their businesses, thus causing down raiding because the prices offered are high particularly along the main access roads. The property buyers investing in big businesses are seeking formal registration of their property

³. Namala, W. M. Research on flexible tenure forms and access to credit

rights and putting up big and better buildings particularly along the main accesses like Morogoro and Sinza Roads.

Formalisation of property rights has introduced costs in property transfer. Upon registration and issuance of RL it is imperative that to officially change ownership one must register the transfer in the Municipal land registry and the procedure in Appendix D.3 has to be followed. This has introduced costs in the transfer, and besides this there is annual ground rent and fees for renewal of the license.(by the time of research the fees for renewal had not been set)

One of the objectives of the formalisation project was to control the growth of informal settlements (MLHHS, 2004). To abide with the developments control one has to follow the official process of getting planning consent, surveying and acquiring building permits. Table 5.11 shows the duration taken to through all these processes and the costs. This implies that development is delayed by the same period, or at worst some areas may never meet the required standards. The resultant effect is formal development impasse or continued informal developments as indicated in the informal subdivision of plots that do not meet the minimum size requirement.

In most cases people hesitantly embrace new ideas and more often take a ‘wait and see’ stand. Meanwhile things continue as they were before, or the change is very slow such that it is hardly noticeable. This is what is happening in the informal settlements of Dar es Salaam. According to the records from the project database 1743 RLs out of 5393 (approximately 32%) had been collected by September 2006. While conducting research on state versus community led regularization Midheme (2007⁴) found out that people were being threatened with hefty fines for non-collection of the RLs. This state of affairs lead to the conclusion that the effects of PRF on property market may not be very pronounced as to be easily identified

PRF in the informal settlements through registration and issuance of residential licenses as evidenced by results the study results does not seem to have greatly changed the way people are transferring their property rights in informal settlements in Dar es Salaam. The results from household survey in the two settlements give an indication that people still prefer to do their transfers in the Mtaa leader’s office. However taking into consideration the short duration between the inception of the project and the time of study (2 years) it would be misleading to be forthrightly conclude that there are no effects. A repeat of the investigation several years from now may reveal a different scenario.

6.3.3. Gains for the formal sector from the informal land administration systems

Many people still believe that only by holding legal title to their land can property owners become true players in the market place as extolled by de Soto and his adherents (de Soto, 2000; McLaughlin and de Soto, 1994). However as proved in this study and reinforced by theoretical logic propagated by Gilbert (2002) and Varley (2002) such an assertion is overdrawn because people holding informal property rights in Dar es Salaam are actively participating in the robust informal property market.

- Therefore if the government wishes to benefit from this ‘hidden’ market it should work out

⁴. Midheme, E.P.O. Research on State vs. community-led land tenure regularization in Tanzania: The case of Dar es Salaam city

modalities of reducing the bureaucratic procedures that are too costly in terms of time and money in order to encourage people to transact openly.

- If the government aspires to streamline informally held properties into the formal one, it should recognize, strengthen and incorporate in its land management policies the informal land management systems represented by the local grass root administration which thrives on social trust.

6.4. Recommendations on methodology and areas for further research

This study has employed a qualitative approach and almost all the data collected to aid in the investigation of the effects of property rights formalisation on urban property market was categorical. Most of it is was collected through household survey because it is not on record anywhere. This approach has the disadvantage of unreliability of the information given. Most of the time the respondents give answers that do not reflect the true situation as found out when the researcher was validating the information on property prices with the land brokers, Mitaa leaders and other professionals in the property sector. Questions on personal details particularly those related to income, and costs incurred during transactions were handled with suspicion and hardly were the correct amounts given. Therefore getting the true situation from the few respondents interviewed was very difficult, which in turn made interpretation and mapping of effects equally difficult.

A different approach to this type of study may yield better results, and therefore a quantitative approach is recommended. Coverage of bigger area may yield more sales and thus resolve the problem of low counts that made some of the statistical test unfavourable in testing the effects. The study should have covered all the wards in phase 1 and phase 2 and this brings into focus the time set for data collection. One month was not enough to cover the vast informal areas in Dar es Salaam, and therefore more time for data collection is recommended.

The current study has simply tried to interpret effects of PRF on urban property market from the exploration of the data through frequencies and PRE method of measuring associations instead of modelling the same. This shows the limitations of using statistical methods to analyse categorical data and particularly when the values are nominal.

Use of aerial photographs is useful for collecting information on illegal developments which respondents may not be willing to divulge, but they only show the physical changes, and only when the resolution is high enough to allow detection of even minor changes like room extensions. The resolution of aerial photographs used in this study was very low making it difficult to clearly show the developments that existed before the current ones in selected properties in section 5.4.4 in chapter five.

Informal property market is very dynamic owing to the fact the population it serves though termed poor is very diverse economically, and since there is no systematic record keeping a lot of information like the volume of transactions, amount of money involved, and general trends of property transactions and price distribution remain with the people. These aspects have not been adequately investigated in this study, because it requires a longer coverage (probably 5-10 years) period than the two years span that was covered, more resources and more field work time to do a detailed study

covering more variables that could lead to a better understanding of the cause-effect relationship of property rights formalization and growth of urban property market are recommended.

It would be a great contribution to land administration if a broader approach that would enable comparison of property market in informal settlements from different parts of the world is adopted. In comparing and contrasting these markets a more global outlook could emerge that may help in determining how best their operations can be incorporated into the global agendas and goals targeting the poor and thus aid in poverty alleviation.

The informal systems operating in the informal settlements in Dar es Salaam are functioning well to serve the needs of those using them. Therefore it is the government that would benefit if it designed ways of working with the informal sector rather than trying to formalize the informality because the success rate may not be worth the time and the resources pumped into these formalization projects. This presents another area of study: Comparing the operations of the official land administration systems with those in the informal settlements with a vision of designing ways of making the latter contribute towards the operations of the former without necessarily trying to force these systems to formality.

The effects of PRF on property market have not noticeably emerged in the period covered (2004-2006). Therefore it is hoped that those who have same interest as the researcher in this field will take up the study after a few more years in order to prove or disapprove the influence of time factor into the observations made.

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Appendices

Appendix A: Questionnaires

A.1: HH questionnaire

HOUSEHOLD QUESTIONNAIRE

Questionnaire No.....

Interviewer's name:-	
Date of interview:	Time:
Municipality :	Ward:
Sub-ward (Mtaa):	Street Name:
Building/House No:	Parcel Id:

Property ownership and price details

1. Are you the owner of this property? Yes No
(If yes go to no. 3, if no go to no. 2)
2. How are you related to the property owner? Spouse Others (Adult)
3. What do you do for a living?
4. In which settlement did you reside before buying this property?
5. In which year did you buy this property?
6. What was the purchase price?
7. Was the land developed or vacant at the time of buying?
 Built Half-built Vacant
8. If bought developed, when was the building/buildings constructed?
9. What is the physical condition of the building? (*observation by the interviewer*)
 Good fair poor
10. What is the building use?
11. What is the approximate size of the plot in square metres? (*to be completed by interviewer*).....
12. What is the approximate size of the building in square metres? (*to be completed by interviewer*).....
13. Do you own other properties in this settlement?
 Yes No

Property transaction procedure and costs, and actors involved

14. How did you get to know about this property?
 Land broker Mtaa chairperson Cell leader Friend relatives
15. Where was the transfer done?
 Mtaa office Law court Advocates office Sellers' house Ten cell leader's house
16. Where was registration/recording of the transfer done?
17. Why did you choose to do your transfer and registration/recording wherever you did it?
18. What did you get upon transfer to show that the property belongs to you?
19. How long did it take you to process the transfer?
20. Did you incur any costs during transaction? Yes No (*if 'Yes' proceed to No.21, if 'No' proceed to 22*)
21. How much were the costs incurred?

Effect of residential license and peoples' perception about property rights formalisation.

22. What type of right to land do you hold?
 Granted right of occupancy (leasehold) Derivative right (Residential license) By purchase By virtue of occupation
23. What is the term of the interest to land that you hold?
 33 years 66 years 99 years 2 years No term
24. Do you feel secure about the property right you hold? Yes No Not sure
25. What are your reasons for the above answer?
26. Why did you choose to buy property in this settlement?
27. Now that properties in this Mtaa have been registered and residential licenses issued in respect to some, would you buy a property without a residential license? Yes No
28. What are your reasons for the above answer?
29. How much would you sell your property today?
 Much more than buying price
 Slightly more than buying price
 Same as buying price
30. Why would you sell at the above price?

For those without residential license

31. Are you aware of the Project where the Government is issuing residents of unplanned settlements with Residential Licenses to the land they have been occupying?
 Yes No
(If 'Yes' proceed to No. 32, if 'No' explain about 'the project' then proceed to No. 32)
32. Why don't you have a residential license?
33. If the answer is "formalisation has not taken place in this Mtaa"; do you look forward to being issued with a residential license? *(For any other answer to No.33 end the interview)*
 Yes No Indifferent
34. If the answer is "No or Indifferent"; what are the reasons?

THANK YOU FOR YOUR TIME AND CO OPERATION

A.2: Checklist for discussion with Mtaa leader

1. Do you oversee property sales?
2. Is it a requirement that they transfer their properties in your office or is it by choice?
3. Can they transact in their homes without involving you?
4. What are the steps taken to complete a property transfer?
5. How long does it take to process one transfer?
6. Do you keep records of property sales transacted through your office?
7. In case of dispute can these records be used in arbitration?
8. If they can be used in arbitration, to what level are these records admissible?
9. If transfers are done in your office, are there any payments made during the transactions?
10. How much properties are selling for in the settlement?

Question to be asked leader in formalized settlement

11. Are the residents transferring their properties through your office since registration of their properties and being issued with residential license?
12. Has the number doing so decreased or it is as before?

A.3: Checklist for discussion with Land broker

1. What is the price range of properties in this area?
2. What factors influence prices asked and paid for properties in this settlement?
3. What percentage of the sale price is your commission?
4. Who pays your commission?
5. Are there payments made to other witnesses, and who pays?
6. Are there any payments made at the Mtaa office when people go for transfer there?

A.4: Checklist for discussion with Land officer Kinondoni Municipality

1. What is the process of property transfer?
2. How long and how much does it cost to transfer of a property with RL
3. Has your office registered a marked increase of land transfer applications since issuance of residential licenses started in Manzese?

A.5: Checklist for discussion with Land officer at MLHHS head office

1. What is the process of property transfer?
2. How long and how much does it cost to transfer of a property with COO
3. Has your office registered a marked increase of land transfer applications since 2004 for properties in Manzese?

A.6: Checklist for discussion with Land Registrar Kinondoni Municipality

1. What is your role in 'The Land Property Registration project'?
2. What is the process of registration of a property with RL?
3. How long and how much does it cost to register a transfer of a property with a RL?
4. Has your office registered a marked increase in applications for transfer registration since issuance of residential licenses started in Manzese?

A.7: Checklist for discussion with Registrar of Titles MLHHS

1. Are there people in informal settlements holding GRO with COO?
2. What are the lease terms given in the informal settlements?
3. What is the process of property transfer?
4. How long and how much does it cost to register a transfer of a property with GRO with COO
5. Has your office registered a marked increase of land transfers since 2004 from Manzese Settlement?

A.8: Checklist for discussion with Municipal Valuer in Kinondoni office

1. What factors do you consider when doing valuation for sale stamp duty purposes in informal settlements?
2. What are the land value zones in Manzese and Kimara settlements, and what do you relate them to?

A.9: Checklist for discussion with valuer in private practice

1. Do you get clients from informal settlements seeking your professional services?
2. What factors do you consider when doing valuation for property sale purposes in the informal settlements?

Appendix B: Evidence of property rights held

B.1: Certificate of Occupancy

Land Form No.20



THE UNITED REPUBLIC OF TANZANIA
 MINISTRY OF LANDS AND HUMAN SETTLEMENTS DEVELOPMENT

The Land Act No.4 of 1999
 (Under Section 27)

LETTER OF OFFER OF RIGHT OF OCCUPANCY

Telegrams: 'VIWANJA'
 Telephone: +255 (0) 22 2121241-9

Ref. No. LD2121982
 L.O. NO. 264242

VENERANDA ANTHONY SACHORE AND HILARY OPTAT SHEE as Joint Occupiers,
 P.O.BOX 183 TEL 0784 851772,
 DAR ES SALAAM

Sir/Gentlemen/Madam,

PLOT NO.218 BLOCK 9 BUYUNI IN ILALA MUNICIPALITY CONTAINING 1020 SQ.M AS SHOWN IN REG. SURVEY PLAN NO. 36273

Your application for a Long Term Right of Occupancy (later in this letter called "the Right") over this plot has been approved. The terms and conditions of the Right are as follows:-

- (i) (f) Term: Sixty six (66) years from 1st July, 2003.
- (ii) Rent: Tshs 6,100.00 per year, which is revisable.
- (iii) User: The land shall be used for RESIDENTIAL purposes only. Use Group(s) and Use Class(es) "A (a) and (c)", as defined in the Town and Country Planning (Use classes) Regulations, 1960 as amended in 1993. Only one main building/ dwelling house together with the usual and necessary outbuildings shall be built. Commercial use shall not include the sale of vehicle fuels.
- (iv) (a) Building to be in permanent materials.
- (b) Building plans to be submitted to the ILALA Municipal Council within six months from the commencement of the Right.
- (c) Building construction to begin within six months after approval of the plans.
- (d) Buildings to be completed within Thirty-Six months from the commencement of the Right.
- (v) Further, you must pay fees, charges etc. and refund any contribution in lieu of rates which may be paid by the government.
- (vi) You shall be responsible for the protection of all Beacons on the land throughout the term of the Right. Missing Beacons will have to be re-established at any time at your expenses as assessed by the Director of Surveys and Mapping.

2. The following information is required by me:-

- (a) Your full name(s) in block letters. Requests to have the Certificate of Occupancy issued in the name of a person or persons other than the offeree shall not be entertained.
- (b) Name of spouse (s).
- (c) Your full residential address, giving the house number, name of street and your post office box number telephone, fax (if any) and your business address.
- (d) Whether you wish to hold the Right individually or as joint occupiers or as occupiers in common. If it is occupancy in common, indicate the share to be taken by each of you.

3. The amount payable on acceptance of the offer is Tshs: -

Penalty (%)	0.00
Premium	1,031,196.00
Fees for Certificate of Occupancy	3,000.00
Registration fees	1,224.00
Survey fees	40,580.00
Deed plans fees	6,000.00
Stamp Duty on certificate & duplicate	1,000.00
Land Rent from 1st July, 2003 to 30th June, 2004	7,000.00
TOTAL FEES:	1,090,000.00

ERV No. 1,082,000.00/27563263
 PAYMENT DATE 30/11/2006

4. The amount shown above should be paid to the Commissioner for Lands or authorized officer. The original exchequer receipts so obtained should then be sent to me with the information requested above.

5. This offer shall remain open for a period of thirty days from the date of its receipt by you. Unless payments are made and receipts are returned to me within Thirty (30) days this offer shall lapse.

Yours faithfully,
 AUTHORISED OFFICER
 Copy to: The ILALA Municipal Land Officer/Commissioner for Lands.

 ACCEPTANCE

Wc, VENERANDA ANTHONY SACHORE AND HILARY OPTAT SHEE hereby accept the offer of right of occupancy on the terms and conditions contained HEREIN, this.....day of.....
 20.....

Signatures: 1....., 2.....

PHOTOGRAPH

PHOTOGRAPH

B.2: Residential License

LAND Form NO.74

HALMASHAURI YA MANISPAA YA KINONDONI
SHERIA YA ARDHI YA 1999,
(NA 4 YA 1999)

LESENI YA MAKAZI NA. KND000001
(Chini ya fungu la 23&779)

Ardhi Na.	KND/MZS/KMN/536
Kata	MANZESE
Mtaa	KILIMANI
Makisio ya ukubwa wa Ardhi ni	340 m ²

Halmashauri ya MANISPAA YA KINONDONI kwa leseni hii inatoa KIBALI CHA MAKAZI kwa: **BIBI WEMBO SHABANI MARIJANI**
juu ya ardhi kama inavyofafanuliwa kwenye leseni hii kwa ma sharti yafuatayo:

- Muda wa leseni ni miezi/mwaka miaka mivili (2) kuanzia tarehe 9 mwezi Mei mwaka 2005 hadi tarehe 8 mwezi Mei mwaka 2007
- Kodi ya Ardhi ya shilingi 2,720.00 italipwa kila mwaka, chini ya kifungu cha 23(3) (c). Kiwango hiki kinaweza kubadilishwa na Kamishna wa Ardhi kwa mujibu wa Sheria.
- Matumizi ni Makazi na shughuli nyingine zozote ambazo zinacandana na makazi na hazitaathiri majirani kinazingira.
- Ujenzi wowote juu ya ardhi hii au umegaji wa ardhi lazima upate kibali cha Manispaa kupitia Kamati ya Mtaa ambayo ndiyo itasimamia kwa karibu utekelezaji wa masharti haya na maendeleo ya ardhi ya eneo hili.
- Mmiliki/wamiliki wataheshimu na kuhifadhi haki za njia zilizopo.
- Muda wa leseni hii unaweza kuongezwa.

Imetolewa lico tarehe 9 mwezi Mei mwaka 2005 na Halmashauri ya MANISPAA YA KINONDONI.

Laini/Mwajina

Jina kamili	
Sahili.....	
Cheo.....	
Tarehe.....	
Mmiliki/Wamiliki	Sahili au Dole gumba
Jina/Majina	
(1) Bibi WEMBO SHABANI MARIJANI	
(2).....	
3).....	

DIWAJILWA TAREHE SAA

MUHURI

Kuongeza Muda (Renewal) hadi tarehe:

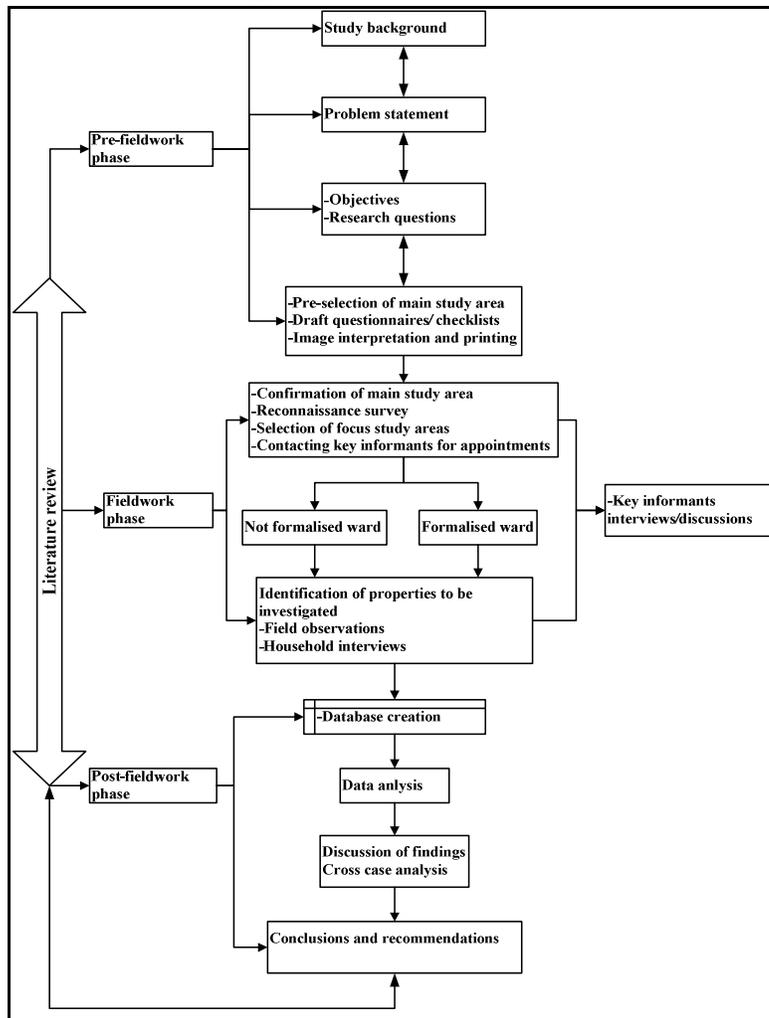
-
-
-

B.3: Sale agreements

<p>HALMASHAURI YA MANISPAA YA KINONDONI OFISI YA MWENYAKATI SEPEKALI YA MTAA BARUTI S.L.P. 00006 DAR ES SALAAM.</p> <p>KIDIME: NASM/R/K/12</p> <p>HATI YA MAKABIDHIANO</p> <p>Mimi Mageni Mahula wa Sanduku la Posta 8081 Mbezi, Dar es Salaam nikwa na akili zangu tunama mwanamuzaji Ndugu Fredrick Kaleb Muro livo kangu kwa thamani ya Shilingi milioni mbili na laki kane (Sh. 2,000,000/-) livo ambako linaampaka ifuatayo:</p> <ol style="list-style-type: none"> 1. Mashariki Mita 22 za mpaka na Ndugu Batuli Juma. 2. Magharibi Mita 17.5 za mpaka na Ndugu Anna Rajabu 3. Kaskazini Mita 32 za mpaka na Ndugu Mengi Rajabu 4. Kusini Mita 32 za mpaka na Ndugu, Mbuji <p>SAINI</p> <ol style="list-style-type: none"> 1. Mwanuzaji Ndugu Mageni Mahula _____ 2. Mwanuzaji Ndugu Deogratias C. Seja _____ 3. MASHAHIDI <ol style="list-style-type: none"> 3.1 Ndugu Edwin Mwangi Babazi wa Shina _____ 3.2 Ndugu Sabina Seja _____ 3.3 Ndugu Janeth Shirani _____ 3.4 Ndugu Christina Moshia _____ <p>UTHIBITISHO: E.M. Mstenga Mwenyaka S/Mtaa Baruti Ni Sawa</p> 	<p style="text-align: right;">2 Agosti, 2005.</p> <p><u>HATI YA MAKABIDHIANO</u></p> <p>Mimi Lilian Michael nikwa na akili zangu kwanini mwanamuzaji Ndugu Fredrick Kaleb Muro livo kangu kwa thamani ya Shilingi milioni mbili na laki kane (Sh. 2,000,000/-) livo ambako linaampaka ifuatayo:</p> <ol style="list-style-type: none"> 1) Magharibi livo la mita 966 kimpakana na Mwanuzaji Mama Lilian Michael 2) Kaskazini livo la mita 218 kimpakana na Mwanuzaji Mama Lilian Michael 3) Mashariki livo la mita 1742 kimpakana na Mary Hauke 4) Kusini livo la mita 222 kimpakana na Ndugu Ngos <p>Saini: Mwanuzaji: Lilian Michael x Kitoni Shauri: 1) Alfred Francis x Kitoni 2) William Francis x Kitoni</p> <p>Mwanuzaji: Fredrick Kaleb Muro x Kitoni Shauri: 1) Jackson Josephina Matic Kitoni 2) Ronald Kaleb Muro x Kitoni 3) Alison Reuben Muro x Kitoni</p>
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Appendix C: Process diagrams

C.1: Research methodology



Appendix D: Tables

D.1: Local leaders and land brokers interviewed

Organisation/office	Name and position of informant	Main focus of discussion
Mtaa office	Mtaa leader, Muungano, Manzese ward	The role of the Mtaa leader in the property transfer process in the formalised settlement
	Mtaa leader Baruti, Kimara ward	The role of the Mtaa leader in the property transfer process in the settlement yet to be formalised
Land broker	Land broker Manzese ward	Property price ranges in Manzese
	Land broker Kimara ward	property price ranges in Kimara

D.2: Local experts and government officials interviewed

Organisation/office	Name/position of informant	Main focus of discussion
UCLAS	Prof. Kombe	Informal property market in Tanzania
	Prof. Kironde	Urban property market and property rights formalisation in Tanzania
MLHHS	Project co coordinator PRF project.	Objectives of the Land property registration project and progress
	Officer in charge of land property registration project data base	Spatial and non-spatial data collected in the settlements covered under Phase 1 of land registration project
	Assistant land registrar	Process of land registration in Tanzania
	Assistant General surveyor	Land surveying process in Tanzania
	Officer in charge of data management in land registry	Identification of registered sales in the study areas
Kinondoni Municipality	Land officer at head office	Property rights transfer approvals
	Assistant land registrar in – charge of municipal land registry	Registration of property rights of properties with RL
	Municipal land officer	Land allocation process and transfer approvals in the municipality.
Private valuation firm	Municipal property valuer	Land value schedules and factors considered when doing valuations in the study areas.
	Private Valuer	Factors considered when doing valuations in the study areas

Appendix E : Cross tabulation

E.1: Transfer place vs. reasons for choice in Manzese

Reasons for choosing the respective transfer place		Transfer place					Total
		Mtaa office	Law court	Advocate's office	Seller's house	Ten cell leader's house	
Costs and bureaucratic procedures	Count	12	0	0	5	1	18
	% of Total	34.3%	.0%	.0%	14.2%	2.9%	51.4%
Trust in local administration	Count	9	0	0	0	0	9
	% of Total	25.7%	.0%	.0%	.0%	3%	25.7%
Trust in legal system	Count	0	7	1	0	0	8
	% of Total	.0 %	20.0%	2.9%	.0%	.0%	22.9%
Total	Count	21	7	1	5	1	35
	% of Total	60%	20%	2.9%	14.2%	2.9%	100%

E.2: Transfer place vs. reasons for choice in Kimara

Reasons for choosing the respective transfer place	Transfer place						
	Mtaa office	law court	Advocate's office	Seller's house	Ten cell leader's house	Total	
Costs and bureaucratic procedure	Count	14	0	0	3	5	22
	% of Total	50.0%	.0%	.0%	10.7%	17.9%	78.6%
Trust in local administration	Count	1	0	0	0	2	3
	% of Total	3.6%	.0%	.0%	.0%	7.1%	10.7%
Trust in legal systems	Count	0	1	2	0	0	3
	% of Total	.0%	3.6%	7.1%	.0%	.0%	10.7%
Total	Count	15	1	2	3	7	28
	% of Total	53.6%	3.6%	7.1%	10.7%	25.0%	100.0%

E.3: Transfer place vs. property right held in Kimara

Transfer place Total		Property right held	
		By purchase	Total
Mtaa office	Count	15	15
	% of Total	53.6%	53.6%
law court	Count	1	1
	% of Total	3.6%	3.6%
Advocate's office	Count	2	2
	% of Total	7.1%	7.1%
Seller's house	Count	3	3
	% of Total	10.7%	10.7%
Ten cell leader's house	Count	7	7
	% of Total	25.0%	25.0%
Total	Count	28	28
	% of Total	100.0%	100.0%

E.4: Transfer place vs. property right held in Manzese

Transfer place		Property right held			
		GRO with COO	GRO with RL	By purchase	Total
Mtaa office	Count	0	10	11	21
	% of Total	.0%	28.6%	31.4%	60.0%
law court	Count	0	2	5	7
	% of Total	.0%	5.7%	14.3%	20.0%
Advocate's office	Count	1	0	0	1
	% of Total	2.9%	.0%	.0%	2.9%
Seller's house	Count	0	1	4	5
	% of Total	.0%	2.9%	11.4%	14.3%
Ten cell leader's house	Count	0	0	1	1
	% of Total	.0%	.0%	2.9%	2.9%
Total	Count	1	13	21	35
	% of Total	2.9%	37.1%	60.0%	100.0%

E.3: Transfer place vs. reasons in Manzese

Reasons for choosing the respective transfer place			Transfer place					Total
			Mtaa office	Law court	Advocate's office	Seller's house	Ten cell leader's house	
Costs & bureaucratic procedures	Count		12	0	0	5	1	18
	% of Total		34.3%	.0%	.0%	14.3%	2.9%	51.5%
Trust in grassroots LA	Count		9	0	0	0	0	9
	% of Total		25.7%	.0%	.0%	.0%	.0%	25.7%
Trust in legal system	Count		0	7	1	0	0	8
	% of Total		.0%	20.0%	2.9%	.0%	.0%	22.9%
Total	Count		21	7	1	5	1	35
	% of Total		60.0%	20.0%	2.9%	14.3%	2.9%	100.0%

E.4: Type of registration vs. reasons in Manzese

Reasons for choosing the respective type of registration		Type of property right registration				Total
		Formal	Quasi-formal	Informal		
Costs & bureaucratic procedures	Count		0	12	5	17
	% of Total		.0%	34.3%	14.3%	48.6%
Trust in grassroots LA	Count		0	9	0	9
	% of Total		.0%	25.7%	.0%	25.7%
Trust in legal system	Count		2	7	0	9
	% of Total		5.7%	20.0%	.0%	25.7%
Total	Count		2	28	5	35
	% of Total		5.7%	80.0%	14.3%	100.0%

E.5: Transfer place vs. reasons in Kimara

Reasons for choosing the respective transfer place			Transfer place					Total
			Mtaa office	law court	Advocate's office	Seller's house	Ten cell leader's house	
Costs & bureaucratic procedure	Count		14	0	0	3	5	22
	% of Total		50.0%	.0%	.0%	10.7%	17.9%	78.6%
Trust in grassroots LA	Count		1	0	0	0	2	3
	% of Total		3.6%	.0%	.0%	.0%	7.1%	10.7%
Trust in legal systems	Count		0	1	2	0	0	3
	% of Total		.0%	3.6%	7.1%	.0%	.0%	10.7%
Total	Count		15	1	2	3	7	28
	% of Total		53.6%	3.6%	7.1%	10.7%	25.0%	100.0%

E.6 Type of registration vs. reasons in for Kimara

Reasons for choosing the respective Place of registration		Type of property right registration		
		Quasi-formal	informal	Total
Costs & bureaucratic procedure	Count	14	8	22
	% of Total	50.0%	28.6%	78.6%
Trust in grassroot LA	Count	1	2	3
	% of Total	3.6%	7.1%	10.7%
Trust in legal systems	Count	3	0	3
	% of Total	10.7%	.0%	10.7%
Total	Count	18	10	28
	% of Total	64.3%	35.7%	100.0%

E-7: Tenure security/insecurity vs. reasons in Manzese

Tenure security/insecurity perception		Reasons influencing the perception					Total
		Known by LA	Known by Neighbours	Have purchase evidence	Have govt document	Uncertain about RL renewal	
Yes	Count	12	9	6	6	0	33
	% of Total	34.3%	25.7%	17.1%	17.1%	.0%	94.2%
Not sure	Count	0	0	0	0	2	2
	% of Total	.0%	.0%	.0%	.0%	5.7%	5.7%
Total	Count	12	9	6	6	2	35
	% of Total	34.3%	25.7%	17.1%	17.1%	5.7%	100.0%

E-8: Tenure security/insecurity vs. reasons in Kimara

Tenure security/insecurity perception		Reasons for feeling secure/insecure			Total
		Known by LA	Known by neighbours	Have purchase evidence	
Yes	Count	16	9	3	28
	% of Total	57.1%	32.1%	10.7%	100.0%
Total	Count	16	9	3	28
	% of Total	57.1%	32.1%	10.7%	100.0%

E-9: Property sale price perception vs. reasons in Manzese

Reasons influencing the perception		Property sale price perception		Total
		Much more than buying price	Slightly more than buying price	
Value increases with time	Count	1	1	2
	% of Total	2.9%	2.9%	5.7%
Improved existing building	Count	3	2	5
	% of Total	8.6%	5.7%	14.3%
Put up a building	Count	0	3	3
	% of Total	.0%	8.6%	8.6%
High properties demand	Count	5	6	11
	% of Total	14.3%	17.1%	31.4%
Property has RL	Count	2	1	3
	% of Total	5.7%	2.9%	8.6%
Added more rooms	Count	1	7	8
	% of Total	2.9%	20.0%	22.9%
Completed the building	Count	1	2	3
	% of Total	2.9%	5.7%	8.6%
Total	Count	13	22	35
	% of Total	37.1%	62.9%	100.0%

E-10: Reasons for sale price perception vs. property right in Manzese

Reasons influencing the perception		Property right held			Total
		GRO with COO	GRO with RL	By purchase	
Value increase	Count	0	1	1	2
	% of Total	.0%	2.9%	2.9%	5.7%
Improved building	Count	0	3	2	5
	% of Total	.0%	8.6%	5.7%	14.3%
Built	Count	1	2	0	3
	% of Total	2.9%	5.7%	.0%	8.6%
High demand	Count	0	1	10	11
	% of Total	.0%	2.9%	28.6%	31.4%
Property has RL	Count	0	3	0	3
	% of Total	.0%	8.6%	.0%	8.6%
Rooms addition	Count	0	2	6	8
	% of Total	.0%	5.7%	17.1%	22.9%
Completed building	Count	0	1	2	3
	% of Total	.0%	2.9%	5.7%	8.6%
Total	Count	1	13	21	35
	% of Total	2.9%	37.1%	60.0%	100.0%

Appendix E-11: Reasons for sale price perception vs. Property right in Kimara

Reasons influencing the perception		Property right held	
		By purchase	Total
Value increase	Count	6	6
	% of Total	21.4%	21.4%
Improved building	Count	3	3
	% of Total	10.7%	10.7%
Built	Count	9	9
	% of Total	32.1%	32.1%
High demand	Count	9	9
	% of Total	32.1%	32.1%
Completed building	Count	1	1
	% of Total	3.6%	3.6%
Total	Count	28	28
	% of Total	100.0%	100.0%

Appendix E-12: Building use vs. Property right held in Manzese

Building use		Property right held			
		GRO with COO	GRO with RL	By purchase	Total
Owner-occupier	Count	0	7	6	13
	% of Total	.0%	20.0%	17.1%	37.1%
Owner/rental	Count	0	2	1	3
	% of Total	.0%	5.7%	2.9%	8.6%
Fully rental	Count	0	3	13	16
	% of Total	.0%	8.6%	37.1%	45.7%
Not applicable	Count	1	1	1	3
	% of Total	2.9%	2.9%	2.9%	8.6%
Total	Count	1	13	21	35
	% of Total	2.9%	37.1%	60.0%	100.0%

Appendix E-13: Building use vs. Property right in Kimara

Building use		Property right held	
		By purchase	Total
Owner-occupier	Count	24	24
	% of Total	85.7%	85.7%
Fully rental	Count	1	1
	% of Total	3.6%	3.6%
Not applicable	Count	3	3
	% of Total	10.7%	10.7%
Total	Count	28	28
	% of Total	100.0%	100.0%