



A CONTRIBUTION TO THE LAND MARKET ANALYSIS IN MOZAMBIQUE

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Summary: This article has the objective to contribute with some theoretical and empiric elements, for the analysis of the land market in urban areas of Mozambique. Thus showing some theoretical models that attempt to explain the land market mechanism and the factors behind land pricing. Secondly, the article also presents the land market in some western and mozambican cities, whereby some Maputo examples are considered.

I. Theoretical Models ¹.

The land market first classic school theories are based fundamentally on the urban land value. According to Marshal, 1980, urban land begins to have primordial interest with the neo-classics. After Hurd, 1903 theory that states that urban land value decreases proportionally with the city size and distance to its center, therefore, the idea of transports importance, competition and exploitation emerged progressively.

Great land market models were developed in the last years: Wingo (1962), Alonso (1964) and R. Mayer (1965) models.

Giving emphasis to transports, the *Wingos model* establishes on one hand " the relationship between the time traveled and transport costs, and on the other, the land market value"

Being so, the land market value is higher in the city center than in more distant areas. When the city size increases, the land market value and the population density increase. According

to the author's assumption, transports improvement (tariff unification) would reduce inequalities.

In *Alonsos model*, more importance is given to the individual's financial capacity. It assumes that the family budget is broken down into transport, accommodation and other consumables expenses. Assuming that consumable expenses are constant and more of the income is allocated to transport, the part remaining for the plot to build a house will be reduced.

According to *Alonso*, transports improvement would favor periphery expansion, consequently a price rise in the periphery areas while reducing the land market pressure in the center. On another view, favoring city center accessibility, transport progress can give rise to new activities; increase competition and consequently a rise in land market prices. *Mayers models*, supports itself on the decreasing land marked pressure in the center to the periphery and in inverse progression of the time lost in traveling from the periphery to the center (jobs concentration). The periphery land price is equivalent to farming soil added equipment and feasibility costs, of an amount that corresponds to an anticipation over the value achieved by urban land and a rare rent when there is little land for building. According to this model, the amount of equipped land, improvement of urban transport speed as well as the creation of secondary centers would reduce the rents and the land value as a whole.

From the theoretical models presented, it could generally be concluded that: the medium value are established by a growing gradient, concentric areas without clear limitation nor regular layouts; the concentric areas are distorted mainly at transport level where "isochoric curves are also of "iso-price" and "iso-rent"", the changes in communication networks as well as the coming into sight secondary centers act on the land value. Lastly, the land market is influenced by the multi-central phenomenon.

2. The Land Price Formation²

It is indisputable that land use is related to social class differences and its prices. The price formation mechanisms depend on "time subsystem that express evolution phenomenon

results and history compensation chain, and the space-function subsystem that means by double relations dependency.

The land price is influenced by macroeconomic factors and other more subtle and localized factors. In a simple theoretic schematization, intervene centrality, spatial age and accessibility and the relationship between periphery and transports.

In countries with a free economy, “ the land prices should reflect the land market law, which means, balance between supply and demand” a balance with a spatial and time aspect.

In an urbanized space with “homogeneous” natural conditions, the central part is privileged, it has maximum accessibility, long time occupation and complete equipment, because the demand is higher than the supply; the land value is maximum and that is where high peak land values are found. The further away from the center, demand pressure reduces and the prices are lower. Urban activities are distributed according to its paying capacity and the surface needs.

The time factor modifies general conditions; “As times go by and city built areas increases, the spatial conditions change”. Therefore, time and space determines simultaneously “ outline the land value and variations parallel to urban evolution”. The economic and social effects (transports) can locally modify the general outline.

"In determining prices, not only the closeness to the center and the circulation axis to it, has an influence, but also the place and equipment quality”. Or still " the urban land value is reinforced not only by the interior urban space, but by the constructions quality”. For that, If the localization values general theory from center to the periphery, according to decreasing halo, modified by the passing of the communication axis can be considered valid” other detailed factors should be considered locally.

3. Empiric Aspects

Some studies done in western cities showed that the land pricing base is related to intervening agents such as: land owners, direct land buyers, and indirect “those who buy infrastructures” or the final beneficiaries and the promoting middlemen.

The owner sells the land either for money to resettle or to change activity and live on ones income. The promoter buys the land, equip and build to increase profits and resells. The land value increases. The process creates competition between groups because each one wants to maximize their profits.

The buyer at the same time behaves as an engine-has needs- as breaks- wants to minimize land market expenditures. In a favorable environment, the prices rise and urbanization increases, and when the economy deteriorates, the demand lowers and the market stagnates.

Some aspects of the land market in Mozambique

According to the Republic of Mozambique Constitution, Land belongs to the State. Therefore, according to the law, it is not allowed to sell, rent, mortgaging, pawning and conceding land.

Empiric studies on market land done focus more on per urban or rural areas. In these areas, land access occurs either by spontaneous occupation or by official attribution (Municipalities or registration offices)

At the moment there is no law that regulates urban land in Mozambique. However, several institutions are involved in administering land conflict resolution in urban areas.

Administrative structures at quarters level (secretary) intervene in land concessions, inherited property, house building and occupation, land attribution, issues regarding land usurpation and population resettlement. At Municipality level, the Urbanization and Construction

Directorate has the responsibility to layout and give land occupation title deeds. In urban areas, regardless of municipality structures impediment, private land transfer, land purchase and renting as well as inheritance are the major ways to acquire urban land.

Thus, urban land conflicts generally arise between administrative institutions and “owners” local population and between these and the formal right of users. In the first case, administrative institutions complain to the “owners” for selling the land without their permission while the “owners” accuse administrative institutions for attributing land to third parties without consulting them. In the second case, the “owners” try to obstruct the right of users to invest in a land that they expect to get back in the future.

Surveys done by the Eduardo Mondlane University Geography course students, showed that land value only varies according to supply and demand, and that the location factor has an influence. Some “owners” said to have regretted giving land to relatives for free, when they could now get a lot of money with its selling. “ Because there are many people wanting to buy”

The majority of the “owners” belong to low-income families; they sell land plots acquired either through inheritance or attribution by the Municipality, without added value investment to the land, to a buyer who needs it.

Land pricing is influenced mainly by habitation needs. In the last years, the demand for construction land increased considerably. The peripheral quarters were invaded by inhabitants, of high or low income, who come out from the “cement city” to build houses, “country houses” in the periphery. This citizen’s exodus increase land plots demand hence for the rise in the plots price. In this instance, agricultural land and ecological changes effects have not been evaluated.

In the urban land plots acquisition process, all structures including the “plots owners” intervene. If the Municipality can do land occupation legally, the selling price is made by the “owner” (in million meticaïs) behind other administrative structures; a practice that is

justified by the “owners” urgent need of money although they recognize that they have no legal rights to sell the land.

In this context, the urban land market assumes indefinite characteristics due to lack of a urban land development and management policy on one hand, by living in a centralized property way with market economy practices on the other hand. The land market is governed by non-structured norms whereby each intervenient tries to take advantages. It is urgent to establish land use mechanisms and good urban land management, according to well-formulated society interests.

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