LAND TRANSACTION IN PERI URBAN AREAS OF KIGALI CITY
A case study of Ndera sector (Gasabo District)

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Key definitions

- **Land**
  - Land does not simply mean something physical but as a **bundle of rights**
  - **Land rights** consist of a package of rights that owners of land possess on that land

- **Land transaction**
  - Sometimes called real estate transaction or real property transaction
  - **Real estate transaction**: process by which **rights on property** is transferred between two or more parties in case of conveyance seller(s) and buyer(s)
  - Land transaction is a function of land administration
Peri urban areas

- Are in process of transition; hence they cannot be precisely defined spatially as they change over time

- Ndera sector is administratively inside formal boundaries of Kigali city but;

- considered as peri urban area as it still in process of urbanization
Research problem and objectives

- Greatest importance of land is undisputable
- This result into competition to land followed by land transaction
- One of the most phenomena occurring in peri urban areas is the change in land ownership
  - Excessive movement of people in search of cheap land located near the city.
  - Informal land delivery systems
The analysis on developable land opportunities showed that 65% of land in Gasabo District is developable; and ranked Ndera sector to have high potential growth with 60.8% of potential land. This implies Ndera sector to be an accommodator of relocated people from Kigali city and private investments followed by land sales.
Objective of the research

- To analyze challenges and opportunities for land transaction in Ndera peri urban.

How?

- Discuss policies, rules and regulations that governing land transactions in Ndera sector
- Identify actors involved in land transaction in Ndera sector and how they operate
- Investigate challenges and opportunities for land transaction in Ndera sector
- Formulate recommendations for land transaction improvement
Units of analysis
Findings - Types of land transaction

- Transfer of full ownership
- Subdivision
- Mortgage
Land transaction procedures and requirements

- **Procedures**
  - Negotiation between seller and buyer
  - Seller and buyer prepare purchase contract
  - Purchase contract is signed by village committee
  - Purchase contract is then signed by Executive secretary at cell level
  - Executive secretary send buyer and seller at sector level for land rights transfer

- **Requirements for selling land**
  - Seller must have final or provisional land title
  - Seller’s land must be nowhere as a collateral
  - There must be acceptance by family members
Requirements for transferring land

- Four copies of ID (seller, buyer, witness and spouse)
- Four copies of purchase contract
- Attestation of civil status for seller and buyer
- Fulfill form of contract of land rights transfer
- Paying 54 500 Frs. on Gasabo district account (BPR, BK)
- Mutation fee, notary fee and local taxes
Requirements for mortgaging land

- Loan contract
- Land title
- Real property valuation report
- Notary fee (Bank slip)

- Land to be mortgaged shouldn’t be anywhere mortgaged and this must be certified by notary
Beside seller and buyer;

☑ **Gasabo Land Bureau**: are the public notary for land matters (i.e. **DLO** is authorized to prepare records for certificate of registration and title issuance)

☑ **Commissionaires**: in Ndera sector there is a big number of commissionaires who operate as unofficial brokers.

➢ **Commissionaires** maintain a wide social network of which their pick up potential buyers and sellers
Key actors in land transaction (Continued)

- **Notaries:** There is not a notary office in charge of land issues at sector level.
- **District notary** who combines two sectors (Ndera and Rusororo) intervene during land rights transfer at sector level and work there one day per week (Tuesday).
- **Banks:** Payment of requested fee (mutation fee, notary fee and local taxes).
- **Witness:** Witnesses are necessary from both parties.
Key actors in land transaction (Continued)

- Local administrative entities;
  - At cell level, they certify that no matter if land parcel in question is bought or sold.
  - At sector level, agronomist who assumes also responsibilities of land manager collect documents of applicant for land right transfer to be notified and sent to district to update parcel information.
Challenges for land transaction

- Insufficient transparency in land transaction
  - Insufficient information on land transaction process
  - Centralized decisions governing land transaction
  - Additional costs
  - Long procedures
  - Insufficiency of human resources
Residents awareness on rules, regulations, requirements and procedures with regard to selling or buying land
The way respondents receive information

- Media: 58%
- Meeting: 17%
- Self search: 6%
- Training: 19%
Local participation in decision governing land transaction

- Sometime: 11.54%
- Not at all: 88.46%
- Most of time: 0.00%
- Every time: 0.00%
Respondents' views on time spent for transferring land rights:

- More than two months: 7.69%
- One month: 48.08%
- One week: 17.31%
- Two months: 26.92%
- Total: 100.00%
Respondent views on time spent for getting bank loan

- More than two months: 7.69%
- One month: 48.08%
- One week: 17.31%
- Two months: 26.92%

Total

[Bar chart showing the distribution of time spent getting a bank loan.]
Opportunities for land transaction

- Outputs and outcomes of national land related policies;
  - Land policies (NLP, OLL)
  - Cadastral information and land registration (availability of final titles)
  - Increasing number of human resources
  - Increase of land development in the area
  - Moderate taxes
Proposed model for improving land transaction

1. Participatory planning
2. Land policies
   - Rules, regulations, procedures, requirements, make land productive, land use plan.
3. Trainings
4. Land committees at village and cell level, local authorities
5. Meetings
6. Local population
7. Buyers and sellers
8. Transfer of full ownership
9. Subdivision
10. Mortgage
11. Negotiation, purchase contract
   - Village committee
   - Executive secretary at cell level
     - Land registry
   - Sector land manager
     - Land parcel database and GPS
     - Notify, update cadastre, new land title, confirmation letter
12. Survey by land manager
13. Land owner
   - Legal ownership
   - Conditions, legal documents
14. Owner
   - Loan
Benefits of good governance in land transaction

- **Economic growth**: security of land tenure, regulated transaction costs and taxes
- **Pro-poor support**: rule of law is equal to all and has protected rights
- **Protection of state assets**: legitimate use of state land for social and economic concessions
- **Overall more effective and efficient public administration of land**: formal market and reliable system, more revenue sharing for public services
- **Conflict prevention and resolution**: equity, justice, and social stability
Recommendations

- The concept of transparency in land transaction emphasizes that all information of rules, regulations, decisions, procedures and movement of object “Parcel” should be visible, predictable and understandable for all parties.

  - THIS brings transparency in land transaction from **good governance perspective**

- Information management is integral to all three components of land administration which share common information requirements (LIS)
Recommendations

- **Government**
  - Use participatory approach of planning
  - Decentralize and strengthen LIS at sector level
  - Mobilize funds for sensitizing local population about the existing policies, rules, regulations, requirements and procedures with regard to land transaction process as well as importance of a well functioning formal land transaction
  - Mobilization should be done through **public opinion polling** by private companies through PPPs

- **Local population**
  - Follow existing national rules and regulations governing land transaction.