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Informal real estate markets Exploring the Controversies in the Literature

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ABSTRACT

Are “informal real estate markets” really markets? Alternatively, are “informal property rights” tradable? A few years ago, just the mention of these concepts in a title would render it a misnomer.

Goal and objectives:

The aim of this paper is to explore the controversies in literature around the use of the concept “informal real estate markets”. The term “informal” comes with different connotations in literature; and for many years it denoted “illegality”. Thus, the use of “informal” as a prefix on real estate markets would be absurd or a misnomer in neo-classical economics whose definition of market transactions relied on fully titled private property rights. By implication, an informal real estate market trades in informal property rights.

Methodology:

This paper was based on a qualitative meta-analysis approach. It thus reviewed literature on key terms related to the theme of the study, namely; informal land market, vernacular land markets, informal real estate markets, informal property markets and informal property rights.

Results:

This paper shows that the use of the concept “informal real estate market” and by extension “informal property rights”, is now finding acceptance in scholarly literature. One of the underpinning reasons is the “new” understanding of “rules” as institutions and the re-definition of “markets” within institutional economics. This has resulted in the redefinition of key concepts in support of the operation and study of informal real estate markets. The paper is based largely on in-depth literature review, observations and original thought. The paper argues that the functioning of informal real estate markets is consistent with the theory on institutions.

Keywords:

Informal, institution, property rights, real estate markets

1. INTRODUCTION

“Informal real estate markets” and “informal property rights” were misnomers in real estate economics literature for many years. The reason is simple, the definition of “property rights”, as fully private and registered does not include informal rights, and yet institutional economics recognizes the existence of both formal and informal institutions. This paper reviews literature on “informal real estate markets” in order to explore controversies and the frontier of research in this area.

A number of studies have shown that the term “informal” was for many years equated to “illegal” (WEIGO, n.d.; Packard, 2022; Routh, 2022); it took Douglass North, Ronald Coase, Ellinor Ostrom and others to show that even “formalized” systems rely on informal institutions embedded in society to function. In other words, not all rules are codified in legal documents and government policies. While the study of embedded rules is the domain of social theory (Williamson, 2000; Dimaggio, 1994) the study of institutions is argued to be the domain of Northian institutional economics.

This paper thus argues that “informal real estate markets” and the traded “informal property rights” are institutions and perform the same role as formal one. This assertion is based on a detailed analysis of empirical and theoretical literature. Thus, the paper is divided into six sections; this introduction, methodology, literature review (theoretical and empirical), findings and conclusion.

2. METHODOLOGY

This paper was based on a qualitative meta-analysis approach. It thus reviewed literature on key terms related to the theme of the study, namely; informal land market, vernacular land markets, informal real estate markets, informal property markets and informal property rights. A Google Scholar search revealed growing literature on these concepts, although nuanced analysis revealed fewer hits. For instance, a Google Scholar search done on 18 February 2023 yielded the following hits: “Informal property rights” (2,130); “Informal land markets” (1,700); “informal property markets” (109); “informal real estate markets” (255); and “vernacular land markets” (452).

A more narrowly defined search of the term “informal real estate markets” for a period of 10 years, 2012 to 2022, yielded 206 results. A search on the related term, “informal property rights”, yielded 1020 results over the same period. The implication of these results is that the concepts are finding credence in scholarly literature. The paper is based largely on in-depth literature review, observations and original thought.

3. UNDERPINNING THEORETICAL DEBATE

Williamson (2000) highlights a number of underpinning theories for this debate situated in: Social theory (Banfield, 1958; Huntington, 1996, Nee, 1998; Granovetter, 1985; DiMaggio, 1994); economics of property rights and positive political theory (Roseberg and Birdzell, 1986; Coase, 1960, 1992; North, 1994; Olson, 1996; North and Weingast, 1989; Alchian, 1961; Demsetz, 1967); transaction cost economics (Commons, 1932; Coase, 1937; Macneil, 1974; Williamson, 2000; Holmstrom and Milgrom, 1991); and neoclassical economics and agency theory (Smith, 1776; Bishop, 1995). This paper confines itself to social theory and theories on institutions arguing that neo-classical economics has in many instances failed to recognize the existence of informal real estate markets.

Starting from a Neo-Classical Economics perspective, a property market is simply the interaction of supply and demand in which an “invisible hand” (Smith, 1776) operates to transform the individual’s pursuit of gain into the general utility of society (Bishop, 1995). The emphasis of this definition is on how these forces determine the price and quantity exchanged in order to achieve efficient allocation of resources and welfare gains for the society (Nell, 1980). Because of this emphasis on price determination and exchange, the debate in real estate economics literature has then centered on what right is really sold in this market. For instance, recent debates on “possession”, “economic rights” and “legal rights” have exemplified the illusive nature of property rights because in the neoclassical eyes, private rights were seen as the solutions to the problem of the “tragedy of the commons” (Hardin, 1968).

From the resource allocation debate, privatized rights were argued to create incentives for the utility-maximizing individual, which eventually leads to the need to exchange those rights. Holders of these rights are assumed to be free from social constraints. Henry (1999) sequences this from rational resource allocation to neoclassical property rights; this included self-ownership and private ownership which leads to an exchange economy – a capitalist economy. In order to explain changes in a number of parameters, neoclassical economics then developed a theoretical market structure based on a number of assumptions such as perfect competition, zero transaction costs, firms selling identical products, entry and exit in the market being free, products traded being homogeneous, etc. Yet the internal operations of this market largely remained a “black box”. For the property market, this meant the recognition of only two tradable estates, freehold and leasehold interests.

From an institutional economics perspective, the “invisible” operations of the market are no longer a “black box” but argued to be facilitated by visible actions of the same individuals. When the market is seen as exogenous, then society simply becomes the takers and not the creators of this market. However, when the market is seen as endogenous to society, then society become the maker and actor in this market. When defined as “institutions”, it becomes clearer that while the theory on self-seeking interest individuals holds, the invisibility of market operations is diminished with the realization that the same society creates rules on which markets depend while at the same time being enabled by those same rules. Hence, institutions are defined as “rules” and work to enable or constrain human action regardless of whether such actions lead to efficient allocation of resources or welfare gain. For instance, what efficiency in resource allocation or welfare gain do illegal drug markets perform? But who would deny the existence of such markets and the rules underpinning their operations? Goldberg (1974) thus argued the self-interest is pursued by individuals within the rules and also by changing the same rules to their benefit; thus rules become both endogenous and exogenous. Hence, institutional economics is concerned with how institutions influence behavior and also how institutions change with time (North, 1986). Williamson (2000) thus proposed the analysis of institutions as four levels, as shown in Table 1 below; these include: embeddedness, institutional environment, governance and resource allocation and employment.

Williamson (2000) further argued that although property rights may exist at Level 2 (which could conclude customary land rights), it is the contracting and enforcement part (Level 3) which makes formal systems work; thus Williamson (2000) defined “property” as the “rule of the game” and “contract” as the “play of the game”. Interestingly, Williamson (2000) spoke of Level zero or the

evolutionary level, which is argued to be the domain of evolutionary psychologists and cognitive scientists. Douglas North had also earlier regressed to this same “level zero” in his writing on the relationship between mind and institutions (Denzau and North, 1994). The sobering thought of this line of inquiry is that to better understand informal institutions, such as norms, culture and customs, the starting point is not even social theory but the “minds” of individuals who make up that society (which of course is outside the reach of this paper).

Table 1: Levels of analysis in the economics of institutions (Source: Adapted from Williamson, 2000)

Level of Analysis	Phenomena	Method of Analysis
0. Mind	Link between mind and institutions: “mental models”.	Evolutionary psychology and cognitive science
1. Embeddedness	Informal institutions, customs, traditions, norms, religion	Social theory
2. Institutional Environment	Formal rules: polity, judiciary, constitutions, law, property	Economics of property rights, positive political theory
3. Governance	Play of the game: private ordering – aligning governance structures with transactions	Transaction cost economics
4. Resource Allocation and Employment	Prices and quantities; incentive alignment	Neoclassical economics

From a neo-classical economics perspective, property rights should be well defined, secured and titled. Hence, the earlier definitions of property rights within institutional economics also tried to stick close to this understanding (Barzel, 1989; Eggertsson, 1990; North, 1991; Acemoglu, et al., 2001). For instance, Barzel (1989) defined property rights as rights or powers to consume, obtain income, and alienate those assets. Thus, rights were then distinguished between rights to use, rights to income, and rights to transfer (Barzel, 1989; Eggertsson, 1990). However, a reference to Williamson’s (2000) framework above showed that this analysis is at very high level (Level 4), recognizing that rules can be embedded at Level 1 and examined within Social theory. Informal or vernacular (Chimhowu and Woodhouse, 2005, 2006, 2010) markets can be argued to exist at Level 1 and 2, hence justifying their examination. In fact, some studies define markets in more generic terms as a “system of society-wide coordination of human activities not by central command but by mutual interaction in the form of a transaction” (Lindblom, 2001, p. 4).

A number of studies (cf. Baltrusis, 2004; Mooya and Cloete, 2007; Nkuruniziza, 2007; Mooya, 2009; Siame, 2010; Munshifwa, 2015; Obeng-Odoom, 2015; Birch et al. 2016; Chattaraj, 2016; Perlman, 2016; Munshifwa and Mooya, 2016; Munshifwa, et al., 2018; Opoko et al., 2020; Bouwmeester and Hartmann, 2021) provide evidence on the existence of informal real estate markets. Reality and growth in institutional economics literature has contributed to the acceptance of this once forbidden concept, “informal real estate markets”. Informal land rights and markets can thus be situated within Williamson’s (2000) continuum framework for analysis.

A synthesis of this theoretical review provides a framework for analyzing literature to show that the emergence and operation of “informal real estate markets” is consistent with theory:

- a. Markets are institutions, and like rules, they enable individual actions and also constrain unwanted actions.
- b. Markets, as institutions, can be both formal and informal; this includes informal real estate markets.
- c. Institutions, rules within the market can influence behavior and also can be changed over times, thus they can be both exogenous and endogenous.
- d. Markets are simply a system of coordinating human activities.
- e. Markets facilitate pricing and exchange of rights.
- f. Informal real estate markets trade in informal property rights.

4. EMPIRICAL REVIEW IN SUPPORT OF “INFORMAL REAL ESTATE MARKET”

A number of empirical studies are clear in terms of the theoretical prism used. For instance, Bouwmeester and Hartmann (2021) adapted Ostrom’s rules and the property rights theory to study informal settlements in Nairobi. Bubbs (2013) investigated “evolution of property rights institutions” in Ghana and Cote d’Ivoire from a new institutional economics perspective; similar to Mooya and Cloete (2007) and Munshifwa and Mooya (2016). It is also clear that most of the studies on “informal real estate markets” are not explicit on the theoretical viewpoint. Thus, Colin and Woodhouse (2010) argued that most empirical studies take an “evolutionary” view of land markets; which they further argue are underpinned by the “theory of induced innovation” (citing Hayami and Ruttan, 1985).

A number of studies attest to the existence of “informal real estate markets” in most African cities. For instance, Portes et al. (1989) ascribed the growth of informal housing and livelihoods to the informal economy which is defined as all activities not regulated by the institutions of society in a legal and social environment. Informal settlements, an outcome of informal institutions, thus emerge and grow without conforming to land use regulations; sometimes said to be existing in “legal limbo” (Birch et al., 2016). Birch (et al., 2016) also noted the interdependence between formal and informal real estate markets. In a not so strange symbiotic way, formal and informal markets often work side by side in a number of African real estate markets (Obeng-Odoom, 2015;Munshifwa et al., 2018). As shown in Table 2 below, literature review also revealed that scholars are more comfortable referring to “informal property rights” and “informal land markets” than “informal real estate market” or “informal real estate transactions”. In a similar sense, Chimhowu and Woodhouse (2005) instead used “vernacular land markets” to denote emerging trend of trading in customary land. It is also clear that many of these concepts are mentioned in the body of papers and less in titles.

Table 2: Literature on “informal real estate markets”, “informal property rights” and related terms

No	Themes in Paper Titles	Author(s)	Google Scholar Results
1	Informal property rights	Lanjouw and Levy, 2002; Ellickson, 2006; Henrysson and Joireman, 2007; Atzenhoffer, 2010; Kimbrough, 2016; Munshifwa and Mooya, 2016; Zhang and He, 2020; Panman, 2021; Honig, 2022; Lin and Lin, 2023	2,130
2	Informal land markets	Kombe, 1994; Thirkell, 1996; Magni, 201; Abramo, 2007; Marx, 2009; Posel and Marx, 2011; Koczberski et al., 2012; Kihato and Royston, 2013; Sanyal, 2014;	1700

		Koczberski et al., 2017; Yunda and Sletto, 2017; Goytia, 2019; Mabakeng, 2020.	
3	Informal land transactions	Antwi and Adams, 2003; Chandrasiri, 2010; Okeahialam and Ogbuefi, 2017; Okeahialam and Osuji, 2019; Tellman et al., 2021; Raoul, 2022; Derso and Gebremichael, 2023.	627
4	Vernacular land markets	Chimhowu and Woodhouse, 2005; Chimhowu. and Woodhouse, 2006; Takane, 2009; Chimhowu, and Woodhouse, 2010; Daniel. and Ifejika Speranza, 2020.	452
5	Informal real estate markets	Baltrusis, 2004; Haddad and Bardon, 2007; Acolin et al., 2014; Birch et al., 2016; Chattaraj, 2016; Perlman, 2016; Martinez, 2017; Smith, 2018; Munshifwa et al., 2018; Opoko et al., 2018; Opoko et al., 2020; Bouwmeester and Hartmann, 2021; Amaral, 2021.	268
6	Informal property markets	Munshifwa and Mooya, 2013	109
7	Informal <i>urban</i> property markets	Mooya. and Cloete, 2007; Wanjohi, 2007.	87
8	Informal real estate transactions	Acolin et al., 2014; Perlman, 2016; Raoul, 2022	63

This paper argues that a number of studies shy away from using terms such as “informal urban property markets” or “informal real estate markets” because of the connotation this brings, and yet they are comfortable to use this within the body of the paper. Alternatively, scholars are comfortable using the terms “informal land markets” in order to avoid getting into conflict with neo-classical theory which would not recognize these as constituting “property” or ‘markets” but simply as illegal transactions. Early studies on “informal land markets”, such as Kombe (1994), simply talk about market forces and the evolution of informal land markets as a process in the absence of government control.

Lanjouw and Levy (2002) was one of the earlier studies to specifically write about these informal markets from the perspective of the theory on institutions. It is worth noting that literature on “informal settlements” is abundant and updated; however the recognition of informal markets, particularly as institutions, being responsible for the built environment outcomes is relatively new. In this newer understanding, markets are institutions, and like rules, they enable individual actions and also constrain unwanted actions. Bouwmeester and Hartmann (2021) also concluded that informal real estate markets are institutions which work in a similar way as formal real estate markets. This study focused on understanding the rules which underpin the functioning of informal real estate markets in a slum in Nairobi.

This review concludes that “informal real estate markets” are the reality in most African cities, hence the growing literature as a research subject. Although unregulated by the State, these markets are organized around socially-embedded rules or mimicking formal rules in an adaptive process (Munshifwa, 2019). Backed by this theoretical and empirical evidence, Munshifwa (2015, p. 40, 45) defined “informal real estate markets” as “*institutions which emerge as an organisational structure to coordinate and structure the disparate individual and household actions in order to attain a common*

outcome” while “informal property rights” are “user rights on land whose legitimacy is obtainable within society though not necessarily within formal laws”.

5. FINDINGS

Because of the theoretical background discussed earlier, most sub-Saharan African countries are fixated on certificates of titles as the only document conveying full, tradable rights on land; and yet evidence from the literature shows emergence of property markets even in informal settlements and on customary land. Ignoring the reality does not mean it does not exist, it simply means we have chosen to ignore it. Three examples show that lesser rights than those envisaged within neo-classical economics are actually responsible for the current built environment outcomes in most African countries. This paper gives examples of the 30-year occupancy licence and the emerging traditional (customary) land holding certificate (TLHC) in Zambia and the 99-year memorandum of agreement of lease in Botswana.

5.1 Zambia’s 30 Year Occupancy Licence

The Zambian law has long provided for the issuance of a 30-year occupancy licence in designed improvement areas. For instance, under the repealed Housing (Statutory and Improvement Areas) Act of 1974, the law provided for designation of any informal settlement as an “improvement areas”, whereupon occupancy licences (OLs) could then be issued. This provision has been retained in Section 30 of the current Urban and Regional Planning Act of 2015. An analysis of this licence shows that it does not convey full, titled property rights like the conventional Certificate of Title and yet it provides sufficient security of tenure to enable settlements to consolidate and grow in an adaptive process (Munshifwa, 2019). Analyzed from an institutional economics perspective, these licences provide rules (institutions) on which to use the land for occupancy for a limited period; but the unintended consequence has actually been emergence of “informal real estate markets”. The pervasiveness of markets is such that they will emerge whether supported legally or not.

A scrutiny of the clauses of the OLs makes it clear that the spirit of this document has been overtaken by the reality on the ground. It is further clear that the OLs were meant for temporal residence and that at the end of the stay, the occupant was to clear the site and give it back to the municipality (or council or local authority). The reality is that informal settlements have become permanent features of Zambian cities.

The “Terms of Occupancy” as provided for in the Housing (Statutory and Improvement Areas) Act of 1974 stipulated in Clause 1 that:

During the term of the licence ... the occupant shall ... pay the Council... such fee as shall be declared by the Council (with the approval of the Minister responsible for housing) with respect to the following components:

- a. A charge for water supplied to the Improvement Areas.*
- b. A charge for sewerage service, if any, supplied to the Improvement Areas*
- c. A charge in lieu of rates based on the value of the average or normal dwelling and outbuildings within the Improvement Area.*

Clause 1 shows that payment was mainly for the services provided by the Council once an area was declared as an “improvement area”. This process of declaring an area as an improvement area meant that the settlement had been recognized as part of the city and as such the local authority now became responsible for the provision of services; and yet Clauses 2 and 3 reveals the temporary nature of the residence. For instance, Clause 3 stipulates the covenants of occupancy as follows:

- a. *To make the payments in accordance with the forgoing provisions and with the licence whether the same be demanded or not.*
- b. *Where the building is a dwelling, and its outbuildings, to occupy the premises as a residence for himself and his immediate family only, and to use his best endeavors to expel any persons or person poaching or trespassing on the premises; and in particular not to take in any lodger or other occupant without the consent of the Council; which shall cause annoyance, inconvenience or disturbance to any adjoining occupant.*
- c. *Not to use the premises for any purposes other than the permitted use and not to do any damage to the premises or any part thereof; and to observe and perform all statutory requirements and give prompt and sufficient effect to all orders, direction, notices and requests of any competent authority; and in particular not to do.*

The terms of occupancy prohibited the holder from taking in a “lodger ... without the consent of the Council” (clause 3b). Clause 3(f) prohibits “sub-licencing” or “assigning” except by express approval of the Council. Clause 3(h), the *ku-de-gra*, then stipulates that the licensee should within three months of the expiry of the licence “*remove all buildings, fixtures or other works constructed on the land before or after the date hereof, and leave the site clean and tidy to the reasonable satisfaction of the Council*”. An immediate question that arises is: where were the occupants expected to go? The reality on the ground is that improvements areas have become permanent settlements of Zambian cities functioning like any other part of the city. Statistics show that 70% of urbanites actually live in informal settlements in Zambia where real estate transactions are a daily reality (Munshifwa et al., 2018).

Although the Urban and Regional Planning Act of 2015, which repealed the Housing (Statutory and Improvement) Act of 1974, has imported the idea of the occupancy licence in the new law the deficiencies of the old have not been clarified. For instance, in section 30(8), the Act is clear that the holder of the occupancy licence “may apply to the Registrar for the issuance of the certificate of title”, making an OL an upgradable document. Therefore in such a situation, is this consistent with the other provisions in the licence? Munshifwa (2015) shows that despite this clause having been there from 1974, few local authorities have actually upgraded these licences. For instance, only 30 certificates of title were issued in Ipusukilo Kitwe during the 2011 election campaigns (Munshifwa, 2015).

It is clear from the scrutiny of the OLs that the rights given under this document were temporal and could not be transferred or sold and yet as seen in the literature informal real estate markets are active in these informal settlements. Proponents of these licences therefore argue that countries like Zambia with serious challenges of informality should incorporate these documents as part of an integrated land administration system (World Bank, 2022). These documents can then be upgradable to full title at an appropriate time as opposed to wishing that they did not exist and simply

embark on an wholesome land titling exercise. Evidence across Africa show that such massive land titling exercises have either failed, due to a number of challenges, or not yielded the envisaged results. Currently, Zambia is undertaking a national land titling programme through Medici Land Governance which has already faced numerous challenges (Tembo et al., 2018; Sagashya and Tembo, 2022).

5.2 Traditional (Customary) Land Holding Certificate in Zambia

Recent studies (cf. Kumwenda et al., 2018; Green and Norberg, 2018; Mushinge et al., 2020; Umar and Nyanga, 2022) show the emergence of some form of documentation in customary areas in most parts of Zambia. These are crafted either as traditional or customary land holding certificates or simply as permits issued by traditional authorities. One prominent feature cited in classical literature is that customary rights are not documented; however current studies show innovative ways of documenting these rights. In the strictest sense, these documents are “illegal” since they are not backed by law and yet the Land Act of 1995 recognises “customary land tenure”. In this recognition, it empowers traditional authorities to administer “their” land in the best way they think. The result has been the emergence of what Chimhowu and Woodhouse (2005, 2006, 2010) would term “vernacular land markets”. These markets are supported by norms, customs, culture mixed with adapted formal rules within the traditional certificates. For instance, Green and Norberg (2018) reported of traditional certificates in Petauke District in Eastern Province, Jain et al. (2016) also reports on these certificates in Western Province while Kumwenda et al. (2018) and Mushinge et al. (2020) report on similar one in Chamuka chieftdom in Central Province. These studies also attest to the strengthening of customary land rights after the issuance of these titles and the emergence of land markets.

Global literature has also reported on similar traditional certificates in other parts of the world, such as across Africa (Bruce and Knox, 2009), Ethiopia (Deininger et al., 2011), and China (Min et al., 2017) to mention a few. The underlying message is that each society has a way of organizing itself and traditionally these were enshrined in unwritten customary rules (informal institutions). Many of these societies have noted the importance of documenting their rules, but not necessarily in some Western form. The emergence and growth of informal or vernacular real estate markets across Africa can thus be attributed to this “new” African customary land tenure (Chimhowu, 2019).

5.3 Botswana’s 99 year Memorandum of Agreement of Lease (Common Law Leases)

Before its independence in 1966, Botswana had categorized its land in three groups; tribal reserves, freehold and crown land (Ngongola, 1996). At that time, tribal reserves belonged to the eight major Tswana tribes. Since 1968, Botswana has had separate laws for the administration of state and tribal land. Tribal land is administered under the Tribal Land Act of 1968 (amended in 1993) under two different certificates, that is, Customary Land Grant and Common Law Leases (Kalabamu, 2000). These certificates are upgradable, after cadastral surveying, to Fixed Period State Grants of 99 years on residential land and 50 years on commercial and industrial, and registered with the Deeds Registry Office (Adams et al., 2009). These rights are secure, inheritable and tradable.

Since 1970, Land Boards have been the main organizational structures responsible for the administration of tribal land in Botswana. The country has 12 main land Boards and 39 subordinate land Boards (Molomo, 2008). The Land Boards perform all the duties previously done by the Chiefs

on land which include allocation, planning, registration and adjudication. Kalabamu (2021) though points to intentions of government, in its Land Policy approved in 2019, to replace Land Boards with some Land Authority.

From the above discussion, it is clear that while Botswana maintains conventional tenure forms such as freeholds (for historical grants), the country has crafted its own way of documenting tribal land, from customary land grants (allocated under customary law) through common law leases and up to Fixed Period State Grants. Despite some restrictions or conditions on the transfer of tribal land, these grants support active real estate markets in Botswana's villages. Alternatively, they can be said to support "vernacular" land markets (Chimhowu and Woodhouse, 2010). There is evidence that undeveloped plots are regularly advertised by estate agents (Adams et al., 2009). Hence, Seidler (2010, p. 10) argues that current institutions in Botswana are underpinned by traditional "Tswana rules". Furthermore, Seidler (2010, p. 11) argues that "pre-colonial Tswana had elaborated rules on institutions of property rights". Botswana's case supports the argument that rights on land do not need to be titled in the Western countries' type to support an active real estate market and contribute to economic development. It further supports the argument that legitimacy of any land tenure system is in the citizens of that country and not in any imported instrument. Hence, property rights are nothing more than relationships amongst people on how to use their land. The point is that formal institutions are often underpinned by cultural norms (or informal institutions), creating a continuum from informal to formal and vice versa. Linking the exact impact of institutions to development outcomes at each point in the continuum becomes a matter to research.

6. CONCLUSION

It is clear that African tenure is changing into what Chimhowu (2019) calls "new African customary tenure". This though is not to say it is changing into one common form, thus understanding the exact form in each specific location is an important research agenda. Different forms of documentation have appeared in the last two decades with a common goal of setting clear rules on the use of land. It is clear that property rights are about human relations and how they choose to use their land. This process has increased tenure security, supported the emergence of real estate markets which contribute to economic development. Thus, the use of concepts such as "informal real estate markets" and "informal property rights" in scholarly literature is not misplaced but supported both by theory and in reality.

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9. THE AUTHORS' CONTRIBUTIONS

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Zhang, M. and He, S., 2020. Informal property rights as relational and functional: Unravelling the relational contract in China's informal housing market. *International Journal of Urban and Regional Research*, 44(6), pp.967-988.

11. ADDITIONAL READING

In order to better appreciate the findings of our paper, we recommend additional reading of the following:

Opoko, A.P., Oluwatayo, A.A., Amole, B.A.Y.O. and Adeyemi, E.A., 2018. Role of actors in informal settlements real estate market. *Journal of Social Research and Policy*, 9(1), pp.55-68.

Opoko, A.P., Oluwatayo, A.A., Amole, B. and Adeyemi, E., 2020. How different actors shape the real estate market for informal settlements in Lagos. *Environment and Urbanization*, 32(2), pp.371-388.

12. KEY TERMS AND DEFINITIONS

Property Rights: refers to rights or powers to consume, obtain income, and alienate those assets (Barzel, 1989).

Informal real estate markets: refers to institutions which emerge as an organizational structure to coordinate and structure the disparate individual and household actions in order to attain a common outcome (Munshifwa, 2015).

Informal property rights: refers to user rights on land whose legitimacy is obtainable within society though not necessarily within formal laws (Munshifwa, 2015).