

Chapter 1: Introductory Overview

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1.1 INTRODUCTION

The present book project was developed by real estate and project management professionals practising in Zimbabwe and Botswana to document experiences around value creation, service delivery, development and real estate management in Africa. It has been created during the time the world order has been altered by the COVID-19 pandemic. Times have changed and the real estate and project management industry too is required to alter its approach and, in some cases, services paving way for sustainable strategies that ensure that some results are obtained while factoring input and effort.

The book is centred on value creation, service delivery, human factor (HF) and development and management of real property in Africa. Value creation is any process that creates outputs that are more valuable above the utilised inputs. The process is based on efficiency and productivity. Service delivery can be defined as any contact with the public during which customers, citizens, residents or enterprises, seek or provide data, handle their affairs, or fulfil their duties in an effective, predictable, reliable and customer-friendly manner. The subject of property development and management is concerned with building and maintaining a property portfolio that generates income or helps to achieve organisational sustainability and/or facilitate

employment creation. The HF is “the spectrum of personality characteristics and other dimensions of human performance that enable social, economic and political institutions to function and remain functional over time” (Adjibolosoo, 1993). The HF concept is, therefore, about the impact of personality characteristics on a person’s performance, effectiveness as well as efficiency towards tackling a certain task, hence it is concerned with the quality of people (Mararike, 2014). This book project is centred on the defined discourses in the wake of the COVID-19 pandemic.

The HF Approach was propounded by Senyo Adjibolosoo, a Ghanaian scholar who is also a founder and Director of the International Institute for Human Factor Development (IIHFD) (Mararike, 2014). From the socio-economic development perspective, as pointed out by Adjibolosoo (2000), a lot of relief programmes in the form of food aid, clothing, pharmaceutical drugs and evacuation aid from hazardous risk areas, are being done in Third World nations in a bid to improve living standards. However, these activities do not seem to achieve substantial outcomes in terms of the desired sustained economic growth and human-centred development. He further suggested that the reason for failing to improve social and economic conditions by both governments and non-governmental organisations (NGOs) is their inability to recognise the significance of appropriate HF activities and how to develop them. That failure in fact is fuelling over-dependence on assistance by various

societies during the occurrence of hazardous risk events in the long run and leaving them as victims. Therefore, this means that there is need to develop the creative potential of people so that they rely on their own efforts and take the initiative in cases where need arise (Chivaura and Mararike, 1998). Most importantly, the people may become independent, fully responsible and accountable for their successes when they encounter difficult issues (Adjibolosoo, 1995; 1998; 2000; Chivaura and Mararike, 1998).

In a bid to eradicate over-dependence and develop the creative potential of people, there are certain universal principles, including personal responsibility, accountability, integrity, commitment, selflessness and liberty, that society need to dwell much on (Adjibolosoo, 2000). These doctrines can be attained only if the HF approach is adopted since it is the only avenue of success for any organisation or society (Mararike, 2014). As far as risk management is concerned, making the HF the focal point may inculcate knowledge and skills in people (potential victims) so that they can save themselves in cases of hazardous events like fire and floods (Chivaura and Mararike, 1998; Beijerse, 1999; Adjibolosoo 2004).

1.2 BOOK SUMMARY

During the COVID-19 pandemic, a majority of countries have been directing their resources towards efforts of fighting and combating the spread of the virus. This has seen little resources

being directed towards resuscitating economic activities, although governments have been initiating efforts to attract investments. The second chapter in this book, titled “The interplay of globalisation, foreign direct investment, and real estate investment in sub-Saharan and North Africa”, seeks to discuss movement of foreign direct investment (FDI) and direct investment (DI) in Africa in general to pave way for intimate deliberations around investments in the continent. This chapter argues how the effectiveness of real estate asset management is at stake if the terrain of media and technological utilisation, understanding of global financial markets and how race and ethnicity determine real estate markets are not fully captured and understood. Through sharing and adoption of knowledge created in successful cities around the world, Sub-Saharan Africa and North Africa stand at an advantage. In the same vein, they must be careful in the domestication of the strategies ensuring that they are amenable to absorbing shocks created both by internal and external forces including financial crises. Understanding Appadurai’s (1996) clustering of globalisation is the first step into creating resilient and sustainable real estate markets in Africa.

While governments in Botswana and Zimbabwe have utilised their reserves in combatting the spread of the novel COVID-19 virus, they are expected to be more aggressive in their revenue collection methods. Botswana has already increased its value added tax (VAT) from 12% to 14%. Revenue generation

strategies have become a very topical issue for governments at this juncture. Chapter 3, "Service delivery and the local government taxation systems in Africa: Practice, scope and options", discusses taxation systems. It seeks to systematically discuss service delivery and local government tax systems with a view to assessing practices in African countries and scout whether there is scope for improvement amid the existence of any array of emerging options, including taxing the informal sector, participatory budgeting and capitalising on land value capture. The chapter draws lessons from other regions, particularly Asia and Latin America, where these options have been applied and have yielded immense success. It comes in the context of paucity of literature in the African region to demonstrate ways to improve service delivery (including road infrastructure development and maintenance, water supply and augmentation, housing and shelter provision and the development physical markets) through innovative means that harness financial resources through negotiations and developing efficient and equitable constitution systems. The chapter is based on a desktop study that used literature review, document review and thematic content analysis. In urban areas, generally, the demographic dividend ought to be the riding factor by local government in making sure that citizens and residents contribute to the development of their areas. Participatory budgeting brings ownership and satisfaction to the raising, management and accountability of financial resources harnessed by local governments. Africa, however, faces several

challenges that create unnecessary hiccups to implement some of the processes that work well elsewhere. Among the noted handicaps are corruption, financial mismanagement, residents and protestation by residents, co-optation and interference by the central government in local government affairs, and general apathy of citizens to participate in matters that affect them.

Chapter 4 is titled “Implementation of the management triad by real estate investment firms in Zimbabwe”. The chapter examines and discusses the challenges and prospects in implementing the management triad in Africa. It provides a motley review of professional roles and responsibilities of management triad for the regions under consideration, taking a lesson from other African countries. The overall aim is to obtain an intimate appreciation of professional roles, responsibilities and interests of the management triad when working with investor organisation. Overall, missing in literature is an understanding of the link and dynamics thereto between real estate investment firms and portfolio management, asset management and the property manager’s responsibilities for the investment firms to achieve their financial goals. To provide a vivid picture of the story, a case study of Zimbabwe is engaged. The study engaged interview and cases approaches to collect data and review experiences. Evidence emanating from the study shows real estate investment firms are indeed aiming at safeguarding their investments, maximising capital gains and increased returns. However, they do not have a cordial way of

making use of the management triad to help achieve their objectives. Under results, three major private players listed on Zimbabwe Stock Exchange and the largest pension fund were thoroughly investigated and results noted. It is concluded that the effectiveness of real estate investment firms is at stake if the current approach of managing assets is continuously used. Through sharing and adoption of knowledge created in successful global institutions, local real estate investment firms are bound to benefit from adopting best international practices in use of management triad.

Chapter 5 draws practical lessons from Harare to discuss another form of efficiency in revenue collection by local or central governments. The chapter is titled “Inner-city bus termini as potential revenue-generating sources for the city of Harare”. This chapter discusses bus termini as potential ‘gold mines’ for local authorities in Zimbabwe. It seeks to advance the argument that sizeable revenue is leaking because of the ineffectiveness of local authorities in administering activities carried on at bus termini. The major gap in literature that this chapter seeks to fill relates to potential earnings that are being pocketed by rank marshals and touts. Bus termini in the Harare central business district (CBD) in recent times, have not been on the city’s revenue-generating assets portfolio. In recent times. It has been getting its revenues from advertising and building in the form of rates and rent, yet bus termini exhibit an unexplored revenue base. The chapter can, therefore, be used

as a tool that informs the urban manager (Harare City Council, HCC) about revenue that is not being harnessed. It can also be the reference point to strategy-making in the city council when making decisions on expenditure on redevelopment of transport communication infrastructure. To understand the realities on the ground, interviews with urban managers were carried out and observations were noted at bus termini. These instruments then represented data collections tools. Results showed that, indeed, revenue is leaking. This was proved mainly by existence of touts and rank marshals and touts estimated to be at least 1 250 in the Harare CBD alone, collecting revenue from bus operators. This could be attributed to inefficient systems implemented by urban managers at bus termini as observed. It is, therefore, recommended that the HHC should now start redeveloping and constructing new bus termini and billing bus operators each time they use the bus termini. The council should also now regulate the number of bus operators in the city.

Chapter 6 was motivated the COVID-19 pandemic as property owners struggled to collect rentals accrued by business operators. The chapter is titled "Rental accruals during COVID-19: Prop-tech solutions for effective and sustainable property management". COVID-19 has crippled many small to medium business operators. As a result, companies are struggling to honour their rental obligations. Business has been tough for most players. Governments also used most of its resources to

combat the spread of the virus. While governments have various sources of income, small business operators have struggled to get back on their feet. Many have downscaled, and others have even shut down shops. For those bold enough to continue operating, various coping mechanisms were adopted to see the business through. Unfortunately, some unscrupulous elements in the business community have chosen to defraud property owners their rental arrears and move from building to building, avoiding accrued rental arrears in Botswana. This chapter proffers a technology solution motivating real estate property management professionals in Botswana to develop a platform that monitors database of tenants. The proposed solution can also be used to track the changes in the interest of property consumers. It has been motivated because of the anomaly observed when tenants skip from property to property evading paying rentals accrued during the COVID-19 lockdown period.

Chapter 7 takes a particular interest on housing provision in Botswana. The chapter is titled “Low-income housing solutions: Reviewing effectiveness of government’s initiatives to provide decent housing. A case study of Botswana”. This chapter reviews the effectiveness of government’s initiatives to address low-income housing solutions in Botswana. The chapter will first unearth efforts that the government has adopted or enacted and reviews them to determine their effectiveness. Assessing effectiveness helps the government to note change and

eventually recommend more action aiming at reaching sustainable solutions to provide decent housing for low-income earners. While noticeable efforts have been made in Botswana, for example, activities by the Botswana Housing Corporation (BHC) and the recent Transfer Duty (Amendment) Act (Act No. 24 of 2019), a major missing aspect in literature which this chapter is seeking to plug is the effectiveness of the policies in making low-income housing available for low-income earners in Botswana. To understand the realities on the ground, the study employed a mixed approach technique for data collection. An online questionnaire was completed through Google sheets by aspiring homeowners, while secondary data collection methods, through review of published data by organisations that report on housing, for example, the Centre for Affordable Housing Finance in Africa (CAHF) and Vantage Properties Property Markets reports. Results indicated that many initiatives by the Botswana government were misdirected. Low-income earners do not benefit from the available schemes offered by the BHC, therefore, initiatives are failing to benefit the people they are designed for. It was, therefore, recommended that government should actively facilitate and promote programmes, for example, ROSCAs and Internal Saving and Lending Schemes (ISLES), that are initiated by low-income earners themselves since they are the biggest benefactors of initiatives.

While Chapter 7 discusses housing provision in Botswana, Chapter 8 is concerned with the experiences postured in

Zimbabwe. Chapter 8 is titled “Home ownership challenges in Zimbabwe: Experiences of households, banks and local authorities”. Since home ownership is the keystone of wealth and social security, a society’s success is measured by its ability to provide housing to its poorest members. This study analyses the extent to which Zimbabweans are adequately housed using existing funding and housing finance facilities. The primary objective of the study was to explore the extent to which the urban poor are facilitated in acquiring adequate housing by the Government of Zimbabwe. The research design used was triangulation. The research instruments used were questionnaires and key interview guides. Key findings of the research revealed that the Government of Zimbabwe does not assist its citizens in ensuring adequate housing and that more than 90% of first-time homeowners use developer and savings to acquire land or housing. The research also discovered that 70% of the population could only afford to purchase vacant land and not complete structures. The study recommends use of community-based self-help mechanisms by home-seekers and for the authorities to update policies on the housing value chain to improve on housing delivery.

Chapter 9 is titled “Implications of the human factor approach pertaining to fire safety management in public leaning institutions: Case of the University of Zimbabwe” and aims at assessing the level of inclusion of the HF approach in fire safety management (FSM) system at the University of Zimbabwe

(UZ). The HF approach is the basis of substantial achievement in terms of human-centred development and evasion from hazardous risk events in any society. Likewise, in any property type (commercial, residential, industrial or institutional), the efficacy and efficiency of FSM is determined by the level of incorporation of the HF competences which include readiness, preparedness, ability, awareness and capacity to deal with fire issues without any probing. The occurrence of fire incidents in public learning institutions is exceptional, but in case of its emergency, it results in catastrophic destructions of both occupants and valuables. Regardless of the existence of modern and advanced fire safety equipment in public learning institutions, fire hazards are recorded and continue to be a potential hazard mainly because of the failure to adopt the HF approach by the responsible team to ensure that the occupants have the technical expertise on how to operate the equipment. In a bid to achieve the aim of the study, the triangulation research approach was utilised through integration of primary and secondary (documentary review) research methods. To obtain primary data, 50 questionnaires were administered to both students and staff, interviews were conducted with the fire safety department and department heads, as well as observation by the researcher. The outcomes of the study reflected that the level of the HF concept inclusion in FSM at the UZ is at the infancy stage. Thus, to ensure that the institutional building occupants are free from fire risk, the study suggests

the FSM team provide skills through training and educating building occupants in the use of fire safety equipment.

Chapter 10 is the conclusion on the book.

1.3 CHAPTER CONCLUSION

The Introduction has presented the chapter outlay highlighting key issues that each chapter discusses. Chapter 1 introduced the book, Chapter 2 gave the interplay between globalisation and how African countries can fit in in terms of real estate investment and value creation. Chapter 3 systematically discussed service delivery and local government tax systems with a view to assess the practices in Africa. Chapter 4 takes a look at how the management triad is used by real estate companies in Zimbabwe. In Chapter 5 the book investigated challenges of rental accruals due to the COVID-19 pandemic in Botswana. Chapter 7 concerns effectiveness of government's initiatives to address low-income housing solutions in Botswana. In Chapter 8, the book analyses the extent to which Zimbabweans are adequately housed, using existing funding and housing finance facilities. In Chapter 9, the inclusion of the HF in FSM is assessed with reference to the University of Zimbabwe.