

# The use of the blockchain in registering and recording property ownership

April 02, 2020



Centre for Affordable  
Housing Finance  
in Africa



**Cities Alliance**  
Cities Without Slums



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**ctiEs** SUPPORT  
PROGRAMME

# About Us

71point4 is a Cape Town-based strategic research consultancy specialising in data-driven research. Our work focuses on bringing best available evidence into the decision making processes of policy makers and executives. We focus on sectors that have the potential to transform lives and enable consumers to get ahead, including housing, housing finance, banking and digital payments, SME lending, youth employment and health

We take the extra step to help our clients' strategically incorporate the insights into their organisations and set an agenda for future data gathering and monitoring of interventions.



We work across a wide array of data types and sources from 'big data' including administrative and transactional data sets to small, thick data from in-depth interviews and focus groups.

Using a combination of research techniques and analytical tools, we bring all the findings together to answer our client's questions and deliver the most useful insights.



# OUR SERVICES

We are not bound to one research approach but rather start each project by focusing on the underlying question. From there, we determine how best to answer it.



## QUALITATIVE RESEARCH

- » Focus groups
- » In-depth interviews
- » Mystery shopping



## SURVEY DATA ANALYSIS & DESIGN

- » Existing survey data analysis
- » Primary research survey design & implementation (face-to-face, mobile, online)



## BIG DATA ANALYTICS

- » Credit bureau data
- » Deeds and other asset registry data
- » Transactional and other internal datasets



## DATA AGENDA SETTING

# OUR CLIENTS

We work across sectors with clients in both the public and private sectors



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



**THE WORLD BANK**  
IBRD • IDA | WORLD BANK GROUP



The Transaction Support Centre is a **pilot, action-research initiative** in Khayelitsha, created by 71point4 and CAHF.

The TSC provides free, hands-on assistance and advice for individuals looking to **regularize ownership** through **AFFORDABLE & ACCESSIBLE** processes.

At the same time, the TSC documents the progress of transfers, to highlight potential policy, legislative and administrative issues for attention.

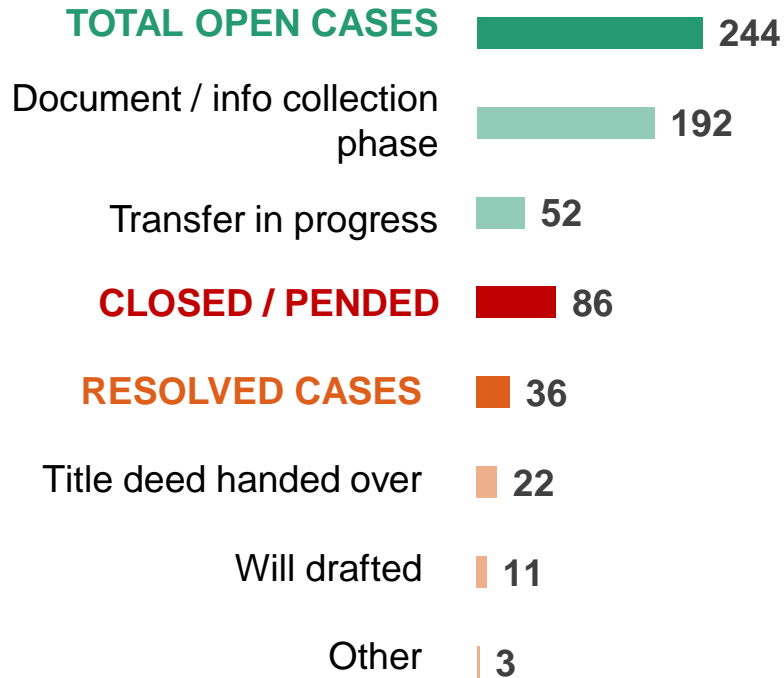


**BUY & SELL PROPERTY - THE RIGHT WAY**

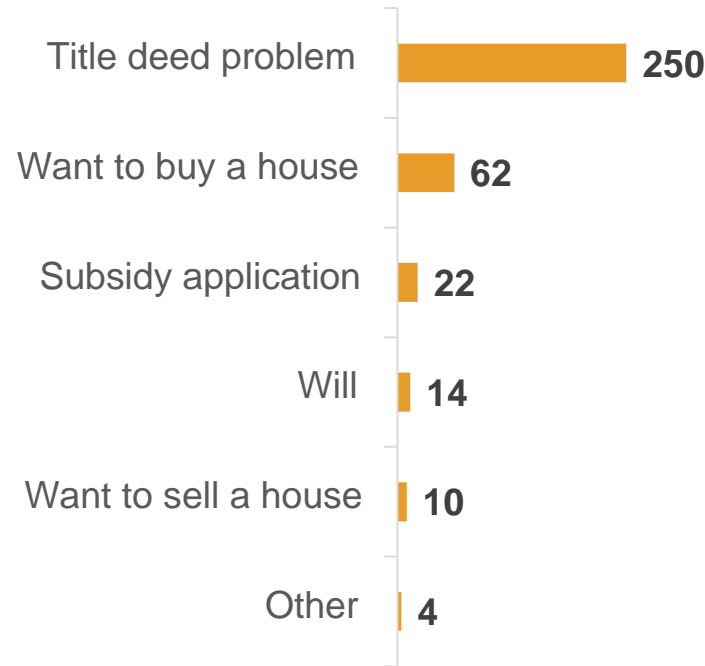
# Transaction Support Centre case load as at 4 February 2020 – Walk in clients

## CASE STATUS

(Total cases submitted to date: 366\*)

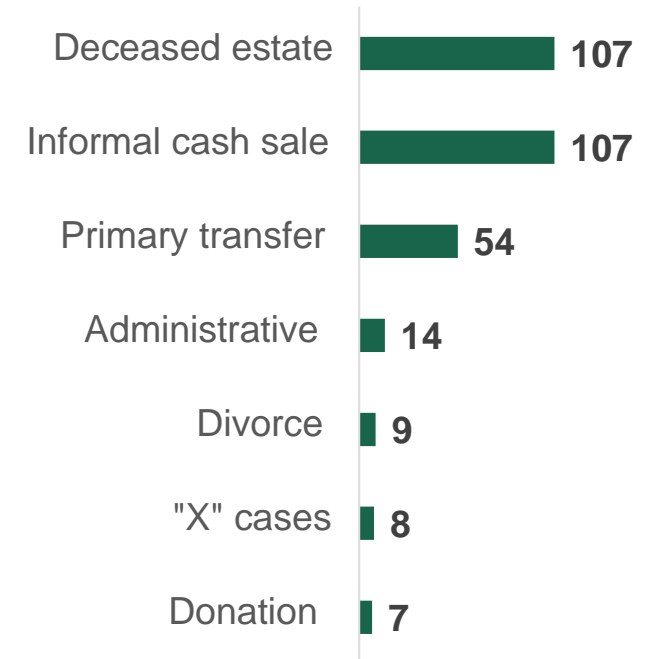


## TYPES OF CASES



## TYPES OF TITLE DEED PROBLEMS

(multiple response)



Updated as of 4 February 2020

Note: \*Cases closed to date: 53 (primarily cases where we could not assist clients) and cases pended (on hold): 33



We need to create a **single, shared and trusted** record of who owns what houses in the area. That record should be impossible to tamper with, open to everyone to inspect, and should be easy to maintain on an on-going basis when people sell, or when someone inherits

### POPULATE A REGISTER

- Verify the identity of the 'owner' or entities who have a claim on the property
- Identify and specify the unique land / housing asset
- Validate the property claim
- Store data securely on a (permissioned?) distributed and transparent ledger

What data must be collected?

Who must provide data?

How is the data verified or endorsed?

How are disputes adjudicated or discrepancies resolved?

What platforms will be used to store and secure the data?

Who will be able to inspect the register?

Which professionals or processes are authorised to validate data or processes?

### MANAGE THE REGISTER

- Manage the processes of adding to, amending and drawing data from the register
- Transfer a property
  - Sale
  - Estate transfer
  - Divorce
  - Marriage
  - Death
  - Repossession
- Register a lien
- Subdivide or amend property boundary
- Other?



## Makhaza West

Number of properties: 246



# USE CASE: NO PRIMARY TRANSFER

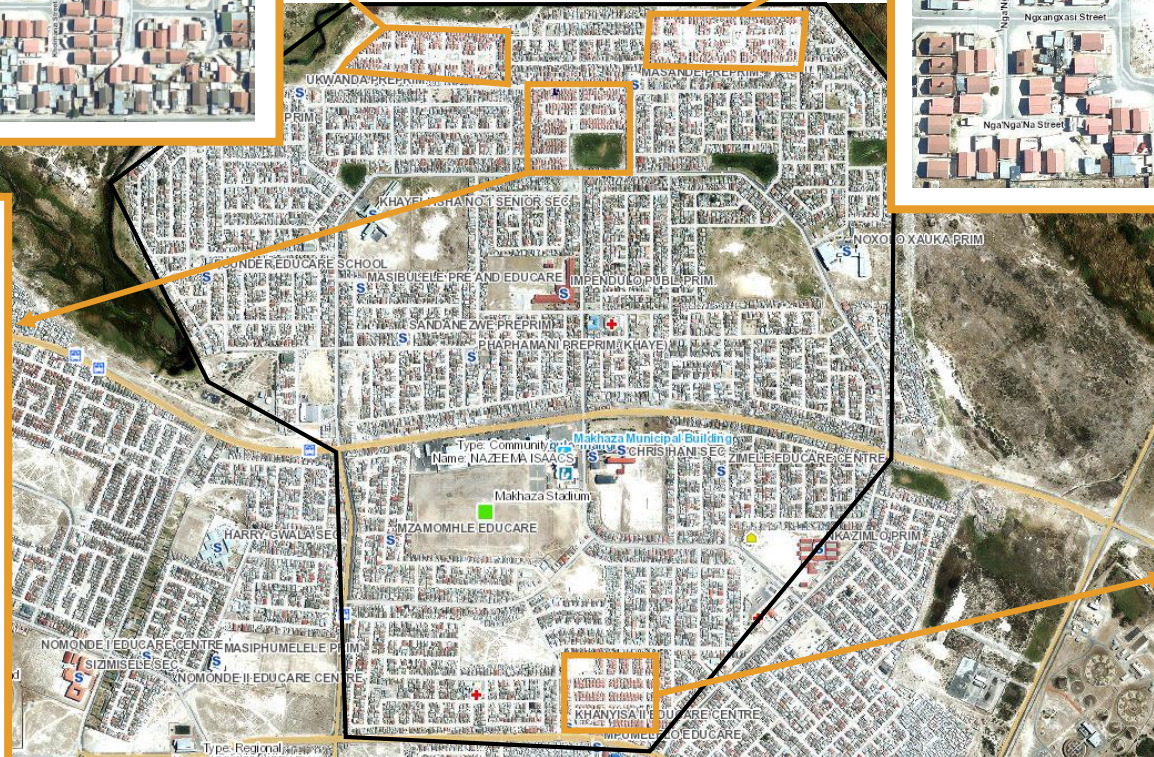
## Makhaza East

Number of properties: 269



## Makhaza Central

Number of properties: 265



## Makhaza Zone 14

Number of properties: 299



**PILOT SITE: UMRHABULO  
TRIANGLE, MAKHAZA,  
KHAYELITSHA**

*Total number of properties in four  
sites: 1 079*



Ideally we would like to create '**bankable**', **administratively visible** records that can integrate into City processes, and eventually be integrated into the deeds registry

### WHOSE PROBLEMS CAN WE TRY TO SOLVE?

#### HOUSEHOLDS

- No proof of ownership
- No proof of address



- Dead Capital
- No ability to leverage asset
  - Value of the asset remains low
  - No ability to engage with the City

#### CITY

- Data not centrally managed or integrated into the PVC\*
- Limited ability to maintain and update data over time



- Limited ability to bill and collect for services delivered
- Lower property price growth keeps properties off the rates base
- Material risk of data quality degenerating over time making it even more difficult to regularise

#### FINANCIAL SECTOR

- No visibility on property ownership



- No ability to provide mortgage finance
- Limited ability to participate in local economies

*"Land and property are among the most readily available resources to capitalize on, yet clear land boundaries and entitlement are costly to implement and susceptible to corruption on a grand scale." - Stanford Graduate School of Business*



The first step is to collect, verify and bring data into the system, and then to create an accessible and widely adopted process to maintain that data over time

*“Simply put, blockchain does not resolve the primary challenge of land administration faced in many emerging economies— how to bring citizens and properties into the formal system. Blockchain will not help to identify who has what right and to where. It will not resolve property rights disputes as properties are brought into the formal system. Most importantly it won’t resolve the tedious and time consuming process of collecting, verifying and bringing data into the system in the first instance”*

– Blockchain and Property in 2018: At the End of the Beginning, J. Michael Graglia and Christopher Mellon



# Seso Global

Properties You Can Buy, Properties You Can Trust.

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# Seso Global is a **Digital Property Registry**

We are a transactions platform that enables simplified property transactions.

Seso utilises the blockchain to ensure the database is secure and trustworthy. We allow users to contract all parties in the real estate industry.



# Problem

- Paper systems are slow and inefficient.
- Low customer satisfaction, high operating costs.

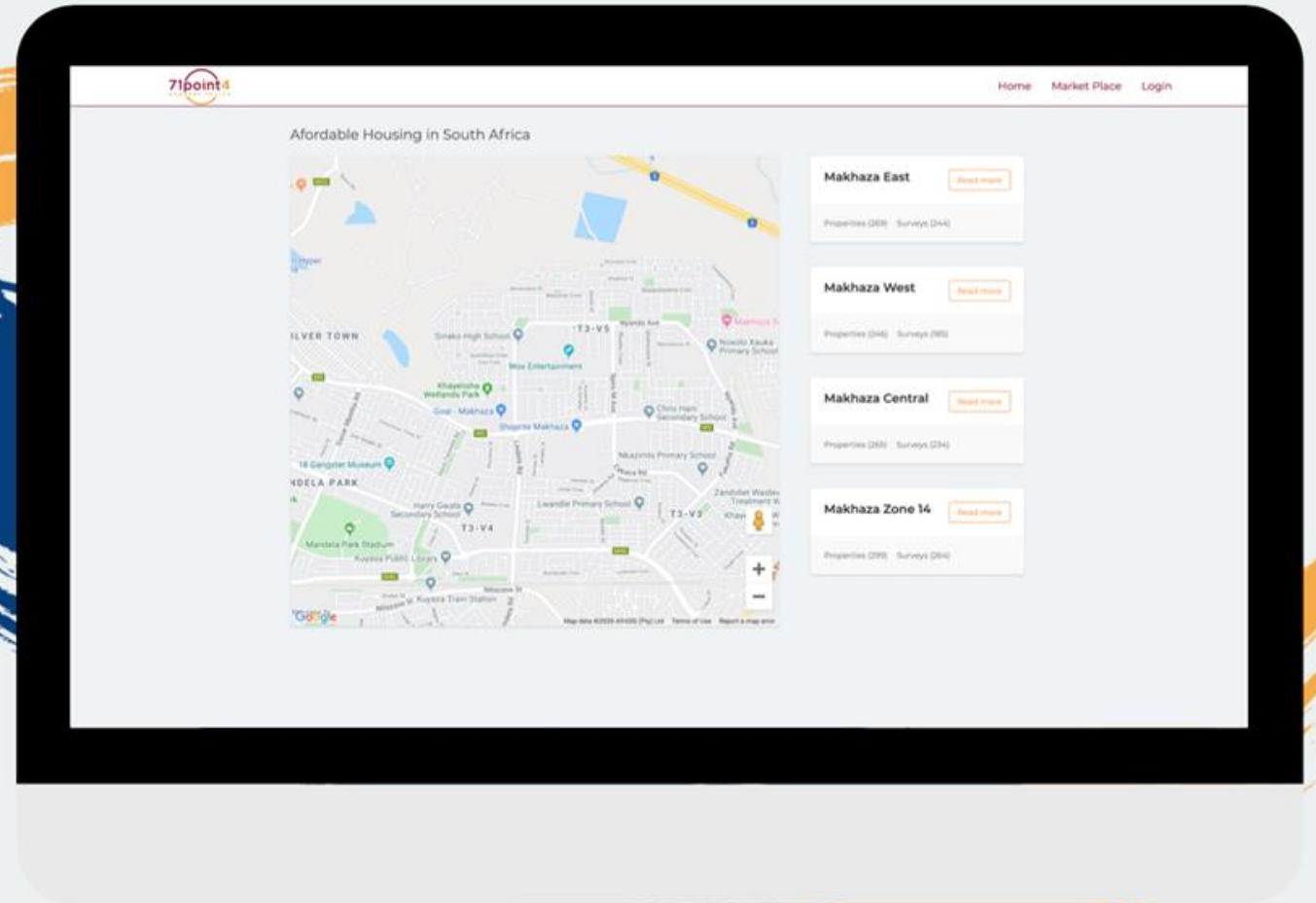
**Citizens will pay for a seamless transaction experience**

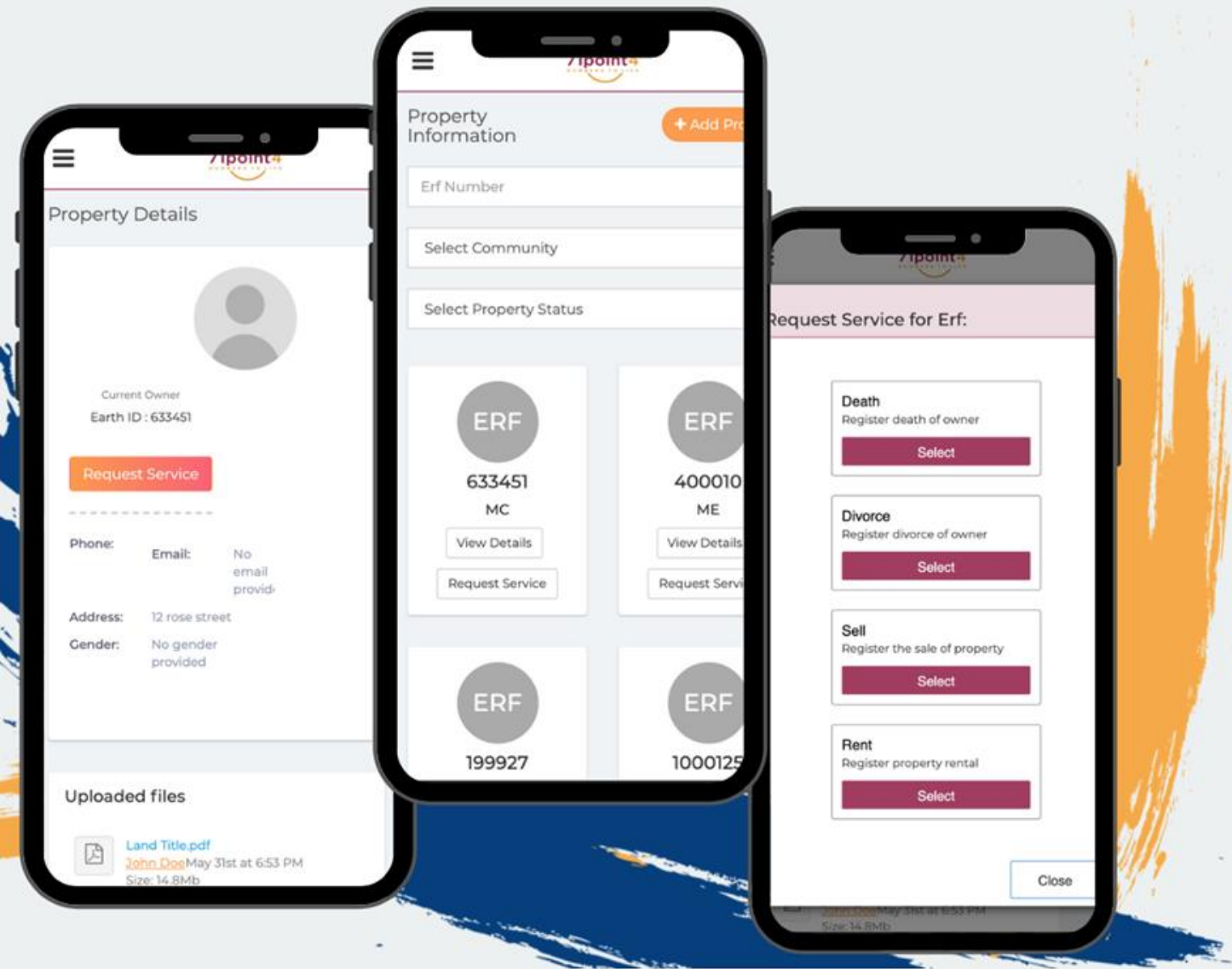




# The Seso Solution

- A digital property registry
- User friendly transactions platform
- Revenue generating
- Blockchain secured database





# The Seso Features

## Transaction Services

Citizens can make secure registry and other property-related transactions on the app.

## Document Management

Upload required documents and keep track of property documents sent to the state registry.

## Due Diligence Management

We work with trusted partners to ensure the validity of property documents provided.





# Benefits:

- Increase transaction volume
- Grow revenues
- Increased citizen satisfaction
- Decrease wait time for a transaction

# ***SESO: The Blockchain – Use Case and Application***



**i) Ensure Property Documents Integrity**

**ii) Recording Property Sale Transactions**

**iii) Recording Service Request on Property Transactions**



**THANK YOU**

*ILLANA MELZER*

[ILLANA@71POINT4.COM](mailto:ILLANA@71POINT4.COM)

*DANIEL BLOCH*

[DBLOCH@SESO.GLOBAL](mailto:DBLOCH@SESO.GLOBAL)