Chapter 3. Colonia Residents in Texas Colonias: Homesteaders in a Poorly Functioning Land Market

Background Data on Colonia Resident Populations

The Case Study Colonias

Our case studies for the colonia residents survey comprised 14 colonias spanning eight Texas counties along the border from El Paso to Brownsville, as well as two colonias close to Austin—the latter chosen deliberately in order to begin to extend our understanding of Sub Standard Subdivisions (SSRSs) beyond simply that of the border region (see discussion in Chapter 1). In total some 261 surveys were completed (see Table 2.6 for breakdown of surveys completed per colonia). The case study colonias vary in size from just under 100 lots in Palm Lake Estates to 1447 lots in Rio Bravo, 1452 in Sparks, and 1603 in Cameron Park, all three of which are very large and well known settlements in Texas. (See Table 1.4 for the distribution of case study colonias by county and details of the total number of lots, as well as the section titled "Descriptions of Case Study Colonias" in Chapter 1, that offers a thumbnail sketch of each colonia subdivision.)

Colonia Profiles in Previous Studies

Colonias have been increasingly gaining attention from academics and policy makers over the past ten years. Indeed, our analysis of the socio-economic profiles of colonia residents and the nature of settlement formation and land market development were informed by several important earlier studies.[21]

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[21] These include: C.S. Davies and R. Holz "Settlement Evolution of the 'Colonias' along the US-Mexico Border", *Habitat* International 16, 4, 119-42. Office of the Attorney General,"Socio-economic characteristics of colonia areas", 1993; and 1996, *Forgotten Americans: Life in Texas Colonias*. m mne *Texas Governor's Office Border Report*, 1993, Office of the Governor. Rogers, G. O et al. 1993 "Cinco Colonia Areas: Baseline Conditions in the Lower Rio Grande Valley", CfHU, Texas A & M. University. Many of these studies contain data for specific settlements. For example, the Texas A&M study entitled "Baseline Conditions in Webb, Cameron, and El Paso Counties" covers living conditions in five Texas colonias:(Cameron Park; Lopezville; Lull; Progresso; Ranchito; and also explores two additional colonias (Montana Vista; El Cenizo) in greater depth. The LBJ *Colonia Housing* and *Infrastructure,* Three part study focuses upon infrastructure, particularly the provision of water and wastewater services through the office of the TWDB. It also contains detailed case studies for two settlements—El Cenizo and Rio Bravo. The Ward 1999 volume (*Colonias and Public Policy in Texas and Mexico*) analyzes and compares colonia housing production and public policy responses in 17 settlements across the border in three pairs of cities: Ciudad Júarez and El Paso; the two Laredos; Matamoros—Brownsville.

Specifically, so far as their socio-economic state data are concerned we knew that approximately 40 percent of border county populations are Hispanic and Spanish speaking, and that the large majority of colonia residents are Mexican or Mexican-American. We expected to find that many of the households heads (i.e. the older household members) were born in Mexico, even if their children are Mexican American citizens. The earlier stereotyped view that colonia populations were illegal migrants (i.e. undocumented) had been dispelled by the Attorney General's study that showed that very few colonia residents are illegal. But the Mexican origins of many and the low-income status of almost all residents meant that education levels were uniformly low and adult illiteracy rates were high.

Above all, we knew that colonias form part of a very low waged economy in which border county populations earned around one-half the median per capita incomes of Texas and the nation as a whole. In 1990 median incomes for the border were \$7,697 compared with \$12,904 for all of Texas and \$14,420 for the US. Although they are household rather than per-capita incomes, the recently published preliminary Census 2000 data gives Texas a median household income of \$37,320 compared with a US median of \$39,657. Hispanic households nationally earn considerable less (\$30,375 cf. \$40,816 for all households). [22] Texas has 15.6 percent of its population living in poverty compared with 12.6 percent nationally. Much of this Texas poverty is concentrated in the border region. Assuming that incomes are approximately the same in proportion to the Texas-wide average in 2000 as they were in 1990, we may safely assume that border average incomes are just under \$20,000, and that most colonia household incomes are somewhere between half and three fifths of that (\$10-\$12,000). While poor, these populations form part of the "working poor", and although unemployment levels are significantly higher in the border areas than elsewhere in Texas (14 percent for males cf. 6 percent statewide),[23] colonias are not generally settlements with high ongoing unemployment levels. Temporary unemployment may feature, especially during the winter months when some migrant workers are without regular employment, but generally speaking at least one member of the household is in full time employment. The problem, from their point of view, is that it is very low paid. Most had low-paid service sector jobs in nearby cities; relatively few are agricultural workers. Although poor, it is important to recognize that wage rates are several times higher than those earned by

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[22] U.S Census Bureau. http://census.gov/hhes/income/income99/99tableg.html See also http://census.gov/hhes/poverty/poverty99/pvstate.html

[23] Ward, 1999, op cit. p:21

colonia residents on the Mexican side of the border, making feasible the legal access to land purchase as well as housing improvements over time.

Nor did we anticipate that these would be "dangerous" communities (with the exception, perhaps, of the occasional unchained or unseen dog!). Earlier studies suggested that these are essentially working-class settlements where work and self-improvement ethics prevailed, and where internal norms of social control through neighboring, day-to-day surveillance and knowing each other's business, would act to reduce social pathologies such as crime, drug abuse, etc. Indeed, one recent study had shown that levels of drug and alcohol abuse were much lower in colonias than in nearby towns[24]. These findings are quite consistent with other research about this type of suburban or small town mentality and behavior patterns.

On the settlement process, too, earlier work by the PI had shown how colonias were developed, mostly by legal sales through Contract for Deed, and how lots were subsequently occupied by trailers, manufactured homes or through self-build. Given that the primary concern of Texas authorities has always been the lack or adequate infrastructure and the health hazards that colonias may pose, we also knew that services would be either lacking or poorly developed.[25] We had also been led to expect relatively weak levels of community organization and poorly articulated relations with local and supra-local authorities. In a social sense, at least, these were settlements more than "communities".

However, although we already knew a considerable amount about colonias and their populations, we did not have adequate information about many aspects of the settlement process that were central to an adequate understanding of our research question which related to land market performance, lot occupancy and non-occupancy. We needed much more specific baseline information for a variety of areas about which we knew next to nothing: namely the migration trajectories of colonia residents (their previous place and tenure of residence), and their decision making process in choosing colonia residence over other options. We also need to gather information about the costs of land purchase and the ownership status of individual homesteaders. Nor did we have any good information about the housing improvement process and costs associated with the choice of dwelling options (trailers or manufactured homes or self-help) housing. Finally, we

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[24] Lynn Wallisch. 1996. *Survey of Substance use on the Texas and Mexico Border and in Colonias*, Texas Commission on Alcohol and Drug Abuse.

[25] Ward, 1999. op. cit. Wilson, R. edited. *Public Policy and Community: Activism and Governance in Texas*, Austin: UT-Press.

had no idea what colonia residents themselves felt about absentee owners: were vacant lots seen as a problem or an advantage? It was these lacunae, together with the need to compare hard data for residents and absentee owners for the same settlements that prompted us to develop the following analysis about actual colonia homesteaders.

Demographics and SES Information in the Case Study Settlements

Much of the data described below are included in Tables to Chapter 4 since it was our intention always to make direct comparison between actual colonia populations and the absentee owner universe in which we were particular interested.

Ethnicity and Years Living in the U.S.

As noted above, colonias have traditionally been thought of as places inhabited mainly by individuals of Mexican descent—albeit second or third generations in many cases. In our study this was the case in some 93 percent of respondents; of whom 67 percent are Mexican-born, and 27 percent are Mexican-American. The remainder comprises 5 percent Anglo, and 2 percent "other", (which includes African-American, Native American, and other [non-Mexican] Hispanics—Table 4.2).

However, while over two thirds of respondents were born in Mexico, this does not mean that most colonia residents are also Mexican, since many are children born to Mexican nationals living in the U.S. Thus, although the majority of the heads of household whom we interviewed were currently Mexican-born, this is likely to decline in the future as more and more first and second generation Mexican Americans enter the colonia housing market.

Of those born in Mexico somewhat less than half (42 percent) have lived in the US for more than 20 years; most (58 percent) having arrived since 1980. Of the latter, 22 percent reported that they had lived here for less than 10 years, with 36 percent resident between 11 and 20 years. For these Mexican-born individuals the (trimmed) average period of residence is in the U.S. is 18.3 years. Thus few Mexican-born residents now living in colonias are recent arrivals, but rather are long-established migrants, many of whom would have been eligible to qualify for citizenship through the Simpson/Rodino amnesty which required proof of residence since 1980.[26]

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[26] This amnesty legislation was passed by the US Congress in 1986 and allowed undocumented Mexicans living in the country since 1980 to apply for legal residence (and ultimately citizenship). Aleinikoff, T. Alexander, David A. Martin and Hiroshi Motomura. 1998. *Immigration and Nationality Laws of the United States: Selected Statutes, Regulations and Forms.* St. Paul, MN: West Group.

Although our survey confirms that most colonia residents are of Mexican descent, this proportion declines as one moves away from the border. While we only have two colonias to use in comparison (those outside of Austin), the proportion of Anglo and other ethnicities rises in these cases to between one third and one-quarter, and appears to be much higher in colonias further north.[27] These data suggest that our earlier suggestion (Chapter 1) that we may expect colonias and SSRSs outside of the border region to differ markedly to those in the border—at least in terms of their ethnic composition.

Household Size and Proximity to Family

The average household size in the case study settlements is 4.5 people (modal group = 5). Anglo households are much smaller (2.9 members) than for Mexican-American (4.4) and Mexican-born (4.8) households. For the most part, overall colonia population densities are a function of average household size on the one hand, and the size of the lot or dwelling on the other. But also important is the propensity to share a lot with other families, a feature that is increasingly common in Mexico as access to the land market tightens for low income families and as rising costs oblige owner families to share costs with others in order to survive. But this feature of intra-lot sharing is not common in Texas, notwithstanding the relatively large lot size that would make internal subdivision highly feasible. In part this is because Texas legislation prohibits lot subdivision and multiple lot occupancy except between blood relatives. However, while sharing lots with kin related households is permitted, relatively few do so (only 12 percent of households interviewed). Of these, almost two-thirds declared that they were related to the family with whom they shared the lot, but in these cases it was not usual for them to be co-owners of the lot. The policy issues of possibly allowing for a modest internal lot subdivision in Texas colonias, together with that of providing security to these non-owner stakeholders, is taken up in Chapter 5.

While few families actually share their lots with kin, nearly half (49 percent) report having family living elsewhere in the colonia. This is especially the case in the border region, where informal information flows and contacts with developers are important in search behavior and knowledge of lot availability in particular colonias. (In non-border colonias 76 percent had no kin living in the same settlement.)

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[27] A proportion that almost certainly increases as one moves northwards through Texas. Using Hispanic surnames as a surrogate for likely Mexican or Mexican American ethnicity, the tax record data of owners in Willow Springs (Coryell County) suggested that only six percent of owners are non Hispanic. In the Copperas Cove area of the County where some 12 colonias are listed in the TWDB database, our daytime observations suggested that somewhere around 70 percent of residents were Anglo, with the next minority being African American—in this case probably associated with the Fort Hood military base.

Employment Statistics

Within our survey almost 70 percent of households stated that they had at least one member working full time, and a further third of these households have at least two individuals working. Less than 10 percent of households had a worker who is unemployed and actively looking for work. Almost one-quarter (23 percent) of the sample report having part time workers, and in most of these cases it was just one person who was employed part time. These findings support our earlier assertion that colonias are home to the working poor, as opposed to the negative stereotype that they house a large number of unemployed or government subsidy-dependent individuals. It is important to underscore that the large majority of colonia households have at least one member employed full time, and many have more than one wageearner. In addition, most work locally, with only 11 percent of households in our study reporting the existence of migrant workers within their families. We expect this percentage to be somewhat greater in agricultural areas of the Lower Rio Grande valley (Cameron, Hidalgo and Starr counties), and lower in what are fundamentally industrial or urban areas such as Webb, El Paso and Travis counties.

Income Levels

Colonias are home to the working poor. Indeed, our data reveal that almost half (46 percent) of survey respondents have a total household income of less than $1000 per month, while a further 29 percent receive between $1000 and $1600 monthly (see later Table 4.5). Therefore, over three-quarters of colonia households surveyed are sustained less than $1600 per month, which amounts to under $20,000 per year. While this is 3-4 times the average income of households on the other side of the Mexican border, it comprises the low-income bracket in the U.S. and is some $10,000 less than the Hispanic median household income for the United States according to the latest census data. It is consistent with other data for average incomes in border counties generally, and in colonias specifically. Moreover, these low incomes sustain an average colonia household size of 4.5 people.

Only 11 percent of participants reported drawing an income of over $2500 per month, and of these, most (55 percent) fall within what may be regarded as a modest income level category of $30,000 and $40,000 annually. Only 2.4 percent of all households interviewed reported earning higher than $40,000 per year.

It is also noteworthy that there appears to be relatively little difference in average income levels between border and non-border colonias, though we had not expected this to be the case. Border colonias have 15 percent of households earning less than $600 per month while only 10 percent take home more than $2500 monthly. In non-border case study colonias the level of extreme poverty is a tad lower (9 percent), while only 15 percent draw more than $2500 per month. Although suggestive of some level of difference with slightly higher incomes in non-border counties, our data underscore the fact that colonias offer a in important housing option for the working poor throughout the state.

Analysis of Housing Trajectories of Colonia Residents: How They Came to Live in Colonias

In contrast with studies about Mexico, within the US literature there are relatively few studies that seek to track people's intra-urban moves between housing sub-systems. Surprisingly, perhaps, in the US there is a dearth of analyses about people's migration about the country. Why families move within cities, and within the nation at large are questions that were addressed much more in the past than they are today.[28] Although there is strong interest and a large literature that analyzes international immigration, not least that pertaining to undocumented migrants from Mexico, it is understandable that relatively few studies describe or seek to trace their movement through the national territory—from the border to the interior; between cities, or within cities. To do so would be both methodologically difficult, and might expose undocumented individuals to residential searches that could be prejudicial and lead to their deportation.[29] In our case, too, in neither survey did we ask any questions about citizen or migratory status now or in the past. But we were interested in knowing more about where people had been living prior to buying into the colonia; the type of former dwelling, and its tenure. For current residents we wanted to know how many colonia homesteaders had lived in rental accommodation in nearby cities before moving out to peri-urban settlements as owners. Also, whether they moved immediately after purchase or delayed their arrivals, and the reasons for their behavior.

Earlier studies in Mexico and elsewhere had shown that typical intra-urban migratory itineraries of low-income migrants arriving in cities from the countryside was either to move in with kinsmen or into cheap rental accommodation, and only later, once settled n a job and often married with young children, would begin to look to own a property and consolidate their dwellings through self-help to the city periphery.[30] In El Paso County,

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[28] See for example Peter Rossi's 1954. *Why families move.*

[29] See A. Portes and B. Bach, 1984. *Latin Journey: Migrants from the Cuba and Mexico in the US* for an excellent analysis of such migrant trajectories and for a methodological discussion about how to maximize the trace on such individuals.

[30] A. Gilbert and P. Ward, 1982, "Residential Movement among te Urban Poor: The Constraints on Housing Choice in Latin American Cities." Transactions of the Institute of Britsih Geographers, New Series, 7, 129-149.

Kathy Staudt's work offers a rare glimpse into migration trajectories for peripheral colonias. Although the spatial categories are unnuanced, her data show that, as in Mexico, nearby colonias are important jump-off points for new colonia formation (32 percent of residents in her study), while a further 41 percent came from the city itself or from an formerly annexed area (Yselta). Thirteen percent came from out of state, and only 14 percent directly from Mexico itself.[31] As we hypothesized, few colonia residents (at least few owners) were likely to be undocumented, since the high visibility of colonia life would leave them exposed and easy prey to being picked up by the INS patrols that circulate regularly throughout the settlements. Thus we did not expect to find many coming directly from Mexico.

Previous Residence—Where Colonia Residents Live Before Moving to the Colonias

Specifically our questions sought to elicit the following information: Geographically speaking, were they living before they bought their current lots? What was the tenure of their previous homes? What types of homes were they and how large were they (number of bedrooms, etc.)? Later these data will be compared to their current living situations in order to explore whether movement to the colonia represents a form of socio-economic mobility as well as geographical mobility.

Location of Previous Residence

Before moving to their current home in a colonia subdivision, the majority (69 percent) of respondents had lived nearby, either in an adjacent city or in the same subdivision as their current home. The remaining survey participants said they had moved to the colonia from Mexico (11 percent), from other parts of Texas (9 percent), from another state in the U.S. (7 percent), or "other" (4 percent). Inevitably, it seems likely that border colonias will have a higher percentage of in-movers from Mexico than do non-border colonias. Also, interviewing in El Paso is likely to lead to a slightly higher percentage of "other state" responses due to its proximity to New Mexico. The point is that our data confirm that most colonia residents come from an immediate residence that is nearby: colonias are overwhelmingly local responses to housing shortages.

Tenure, Type, and Size of Previous Residence

Nearly two-thirds (60 percent) of colonia residents were renters at their previous place of residence, while an additional 13 percent were living with parents, in-laws, or other

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[31] K. Staudt, 1998, *Fee Trade? Informal Economies at the US-Mexico Border* Temple University Press. p. 99 Map 4.

relatives. Only one quarter owned their previous home. These data, along with responses to later-discussed questions related to reasons for buying their lots, illustrate that the desire to become homeowners played an important role in the decisions of many respondents to purchase a lot in a colonia subdivision.

For many of these respondents (68 percent), they claimed to have lived in a "regular home" prior to moving to their current location. Although this may be the case, we suspect that our category "a regular home" was insufficiently specific to elicit meaningful disaggregation of what that meant in terms of actual dwelling type, especially in light of the high percentage of individuals who stated they were renting previously. Seventeen percent of respondents lived in apartments, while 12 percent lived in trailers.

Of these previous residences, the average number of bedrooms was 2.4, with a median value of 2 bedrooms. This compares with a considerably larger number of bedrooms in the current homes (mean 2.8 and median 3), suggesting that colonia residents' previous dwelling was significantly smaller that the one in which they live today. This step-up to home ownership, with more space and larger dwelling unit, is a common feature in intra-urban migration behavior, and for many residents is an important perceived advantage of colonia homesteading.

Buying a Lot and Occupying it as Home

Most colonia residents (80 percent) in our study had bought into the colonia during the previous twenty years. Indeed, nearly half (47 percent) had purchased their colonia lots as recently as the past decade (i.e. during the 1990s). Thus, less than 20 percent had bought a lot prior to 1980. This indicates that there has been and continues to be considerable "movement" in the market place—rather more than we had previously anticipated given that many of these settlements had been platted and sold since the 1970s and in some cases from before.

An analysis of lot purchase by county suggests that certain counties appear to have a longer period of operations than do others (although this in part will be shaped by the colonias elected for study). *Prima facie* it appears that Cameron, Val Verde, and non-border (Bastrop, Travis/Williamson) counties have more long-term colonia residents and purchasers than the overall average (with 32, 25 and 25 percent having purchased before 1980, respectively). Conversely, Starr, Webb, and El Paso counties have higher percentages of colonia residents who bought their lots recently (79 percent, 51 percent, and 55 percent having bought lots during the 1990s, respectively). In part this is a reflection of the actual settlements surveyed, but it also suggests that certain counties have a more active land market than do others, either because the settlements themselves are newer (supply of lots), or because the demand side is somewhat stronger. Starr, Webb and El Paso all have relatively active urban land markets.

We were somewhat surprised at the substantial evidence of an active lot sales and turnover during the 1990s, not least because an important goal of HB 1001 was to place a "freeze" on lot sales (especially by developers) at least until the colonia had been fully approved (which meant platted and provided with services). Post 1995 activity may be indicative of lot sales by developers continuing despite HB1001, Alternatively these sales may be buy-outs of existing home owners who are permitted to sell their lots providing that they may be deemed to have lived on the lot previously.[32] Our data (not displayed here) do show that the proportion buying out earlier owners has risen significantly (from 37 percent pre-1980 to 58 percent during the 1990s), and that the proportion buying from a developer/realtor dropped from 64 percent to 39 percent during the same timeframe. Again, this offers *prima facie* evidence of important shifts in the colonia land sales market in recent years, and not just different sales tactics of developers (although that is also possible).

A majority of colonia residents (55 percent) moved onto their newly-bought lots almost immediately (i.e. within three months' of purchase). Of those who did not, over half did so within one year of purchase. The remainder—approximately one quarter overall—delayed for more than a year before moving to the colonia, with the (trimmed) average time lapse of 4.75 years between purchase and occupancy for those who delayed a year or more (median equal to 3 years). The longest lapse was 20 years—a former absentee owner who finally saw the light!

We were interested to know more about those who deferred entry beyond three months. When asked to elaborate about their reasons for delaying actual occupancy most (51 percent) replied that they simply needed time to prepare their lots and to build their houses before moving in. Another 17 percent said that due to their poor economic situation they needed time to save money in order to then be able to build a house and move to the colonia. Only 7 percent cite the lack of services and inhospitable nature of colonia life as their primary reason, although a further 21 percent gave a myriad of other responses such as being too far from work, wanting to complete payments on the lot before occupancy, having children in school or choosing to live close to family elsewhere, etc. Only 4 percent of colonia residents reported not having occupied immediately because they had purchased as an investment for themselves or their children rather than as a place in which they intended to live. We will observe interesting

[32] The law provides for this, but we suspect that it is widely ignored or abused—by sleeping out on the lot for a few days only, for example.

differences later when we compare these reasons with those offered by absentee lot owners. But it does suggest that inclement colonia conditions are not a major obstacle to colonia occupancy for the large majority.

When asked what finally persuaded them to occupy their lots, many residents (41 percent) responded that they had finally saved sufficient money to build a home on their lot, while the next largest category (31 percent) stated that they occupied once they had finished clearing the land, preparing the lot, or building the house. Thus, those who delay, do so for reasons related their temporary inability to afford to buy a dwelling to place on their land. But, in contrast to absentee owners discussed in the following chapter, most colonia residents buy in order to occupy and live on their lots as soon as reasonably possible.

Lots Sales in Texas Colonias: From Whom, and How Much?

Search Behavior and Knowledge about Sales

Most participants (61 percent) indicated that they first learned about the opportunity to buy a lot in their colonia by word of mouth through family and friends: specifically, 36 percent neighbors or friends, and 25 percent from relatives. This is quite usual for low-income land purchase in both Mexico and Texas where there are good reasons why developers are not keen to make their presence known to the local authorities.[33] Nevertheless, some (12 percent) learn about lot sales through the newspapers—either stories or occasionally from advertisements. Other mechanisms are local street advertisements or billboards in the colonia itself, or by chance visits.

Nearly one-half (49 percent) of respondents bought their lot from a previous owner (what is commonly known as a "*traspaso*"); while a similar number (47 percent) bought either directly from the developer or from a realtor. As we had anticipated, the relative mix of vendors has changed over time, with developers being prominent at the outset and *traspasos* increasing in number once settlements became more built through and bought-out.

How did they Purchase?

When asked about their current contracts, nearly two-thirds (63 percent) of all respondents stated that they had bought their land through Contract for Deed which is the principal mechanism of land purchase used through Texas colonias—at least until 1995

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[33] Ward, 1999, op cit.

when SB 336 provided for greater regulation and protection of developer-promoted lot sales, at least in the border region. Both before (and especially) after that date, Warranty Deeds became more common, such that 14 percent claimed to have this form of title; with a further 6 percent having some other type of contract. Seventeen percent of respondents were not sure what type of contract they currently have. Obviously there are a variety of types of contracts, but over four-fifths almost in Despite this variety of responses, 82 percent of survey participants say that of these are reportedly registered at the appropriate County Court office.[34]

Most residents (78 percent) professed never to have missed a monthly payment during the purchase process. This figure further supports our assertion that these individuals are conscientious, hard-working people who, though poor, have dignity, a strong sense of responsibility, and a desire to be homeowners. Of those who reported that they had fallen behind in their payments, most indicated that they never had a problem as a result. While their interest owed continued to climb, few if any were ever threatened with eviction or with other actions due to breach of contract. This is particular true for developer lot sales since the demand for lots from would-be residents was not sufficiently active to make repossession and finding another purchaser an attractive proposition. This, despite the very attractive conditions for developers to repossess the lot and improvements without redress to the resident under Contract for Deed arrangements in place up until 1995.

Land Market Performance and Real Land Price Trends in Texas Colonias

Tracking land and housing price trends in real terms (i.e. discounting the effect of overall inflation) is never an easy task. The challenge in making an overall assessment from survey data, is to discount and/or disaggregate the multivariate nature of dwelling and land prices: location, improvement value of buildings; size and aspect of lot, and other externalities such as neighbor's lots, etc.[35] This is especially the case when one is dealing with relatively small numbers of readings—as is the case in this analysis. Nevertheless we were interested in examining the real unitary cost of land in Texas colonias, both among current residents as well as for absentee lot owners. In the latter case the problem was not so acute given that we were dealing with vacant lots with little or no improvement value. Although this would also be true for most colonia residents, there was the danger that some of the reported costs of lot purchase might also include a

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[34] See Ward and Carew, 2001, op.cit. for full details of the changing type of contracts that are used for colonia purchase in Texas, and for details about the relative completeness of the public record in each case.

[35] See the various chapters in G. Jones and P. Ward, 1994. *Methodology for Land and Housing Market Analysis.* UCL Press, London and Lincoln Institute for Land Policy, Cambridge, Mass.

dwelling structure on the same lot, thereby distorting upwards the apparent land price. We were able to minimize for this effect in three ways: First, by exercising caution in interpreting cases or trends where the lot was purchased more recently and/or through a *traspaso*. Second, by focusing upon the trimmed-mean of reported costs (this average excludes the high and low extreme values from the data distribution thereby removing "expensive" lots with dwellings on them, as well as give-away or grossly undervalued lot sales influenced by non-market conditions (sales to close relatives, for example). Third, we were able to compare our average lot prices with those of the local taxation appraisal office. With these caveats in mind, we are reasonably confident that we have been able to both assess the real costs of land in Texas colonias, as well as to track the changing nature of land prices over time.

A Note on Method

Data were collected for the self-declared lot size as well as for the cost of the lot at the year of purchase. Wherever possible, data were collected from the tax appraisal record for the same lot—size and land value. All lot values—tax record and self-declared values—were deflated to 1984 values using the consumer price index. Then, our first analysis was to compare these two data records for any major and systematic discrepancies between them. In both the colonia and the absentee owners surveys there was a reasonably close correspondence between the tax record and the interview data (comparing as we did the median lot size and trimmed mean land costs). In the colonias survey the tax and interviews median size as 12,500 and 12,000 square feet respectively; while the trimmed mean lot price per square foot was 73¢ versus 66¢ respectively—very modest differences in each case. For the absentee owners' survey, the median lot size differences were 12,500 (tax) and 13,250 square feet, while the real average costs of land were almost identical ($6041 versus $6079). Thus, we were confident in using the declared data from our interviews for the purposes of the following analysis. It was obvious that people's memories about costs were remarkably accurate, as was their knowledge of their lot size. Indeed, we sometimes found discrepancies with the tax data for lot size, either because it was not always easy to match interviewee lots with tax appraisal data since we deliberately did not ask for people's names; or because the values and sizes given us by respondents were occasionally for two adjacent lots (i.e. double sized), and this was not reflected in the appraisal database.

Lot Size

Data were first analyzed globally in nominal (unadjusted) process and then in real cost terms. But in order to get an accurate fix, we needed to express the real cost in unitary prices—the real cost per square foot. Table 3.1 shows that the median lot size is 12,000 square feet and a trimmed mean of 15,482 square feet, but indicates that there is also widespread variation between colonias, and sometimes within colonias too—the first quartile size within the overall dataset being 7,245 and the upper (third) quartile being 21,780 square feet. Our earlier fieldwork had suggested that the model lot size would be around 12,000 square feet (around one-quarter acre lots), but we also knew that many would be much larger (twice and four times the size).

Analyzed by county and by colonias, one observes substantial variations in average lots sizes. Our data show that the Lower Valley counties typically contain colonias with smaller lot sizes—a median of 6,500-7000 sq. feet; whereas Val Verde, El Paso and Travis/Bastrop come in around twice that size. Webb is an outlier with a median lot size of 43,500 square feet, but this is something of a special case since it comprises two settlements with extra-large lot sizes (Pueblo Nuevo and Tanquecitos/Los Altos). Indeed, individual colonias in all counties vary in their modal lot sizes, but generally speaking the abovementioned conformity of colonia size by county holds up. This conformity reflects the dynamics of land production for colonia housing by developers in different parts of Texas. In our view it demonstrates a socially-fixed process (rather than a market-fixed one) that is shaped by the speculative and rent seeking behaviors of developers in different contexts. However, the market also intervenes, and the higher value of agricultural value of land in the Lower Valley inevitably makes for different land development practices. In contrast, Webb, Val Verde and (especially) El Paso colonias developed more often than not on semi-arid scrubland.

Lot Costs and Land Market Dysfunction in Texas Colonias

For comparison purpose it is essential to express process in unit (square foot) terms, but is also important, first, to look at average *lot* prices. In short, we are interested in knowing what it would usually cost to buy a lot in a colonia? Most developers are adept at setting the price close to what they figure people can reasonably afford to pay and which will make for reasonably rapid lot sales. While the data do show some evidence of price elasticity related to size (i.e. smaller lots cost relatively more in unitary terms and vice versa), it seems that it is what developers think people can afford to pay locally that sets the sale price, rather than larger lots costing significantly more. Some very large lots (in Pueblo Nuevo for example) sold at prices that were on a par with colonias with smaller lot sizes; while colonias with small lot sizes such as Hoehn Drive, Palm Lake and Sparks were relatively much more expensive (Table 3.1).

Table 3.1. Land Costs in the Survey Counties and Settlements in 1984 Real Dollar Prices

	Total 'N' of cases *	Lot Size (square feet)		Average Cost of Lot in 1984 US$		Real square foot values (1984)	
		TM	Median	TM	Median	TM	Median
Overall Survey Data	**178**	**15,482**	**12,000**	**$8,098**	**$6,218**	**66cents**	**49cents**
Counties:							
1. Cameron	35	8,685	7,200	$6,950	$4,591	89¢	51¢
2. Hidalgo	41	8,337	7,200	$7,709	$6,711	95¢	94¢
3. Starr	17	10,546	6,500	$5,175	$4,948	62¢	53¢
4. Webb	43	39,282	32,670	$8,237	$7,102	32¢	22¢
5. Val Verde	26	13,363	12,500	$3,274	$3,280	28¢	25¢
6. El Paso	35	15,296	13,069	$12,149	$11,836	1.11	1.10
7. Travis / Bastrop	29	17,232	12,750	$13,651	$7,772	93¢	54¢
Settlements: (= county #)	**Total 'N' of cases ***	**Lot Size (square feet)**		**Average Cost of Lot in 1984 US$**		**Real square foot values (1984)**	
		TM	Median	TM	Median	TM	Median
Northridge (7)	11	24,308	17,690	$15,579**	$5,495	64¢	34¢
Stony Point (7)	18	12,016	10,500	$11,255	$8,648	1.05	77¢
Rio Bravo (4)	18	10,082	9,300	$8,784	$8,986	76¢	67¢
Pueblo Nuevo (4)	13	52,272	43,560	$5,946	$5,369	11¢	12¢
Tanq./Altos (4)	12	59,290	43,560	$9,773	$9,573	22¢	23¢
Sparks (6)	19	9,438	7,700	$8,828	$7,011	1.6*	1.4*
Deerfield Pk.(6)	16	19,331	13,795	$16,294	$15,173	84¢	76¢
Mike's (3)	17	*10,546	6,500	$5,175	$4,948	62¢	53¢
Cienegas T. (5)	26	13,363	12,500	$3,724	$3,280	28¢	25¢
Mesa (2)	13	*8,771	7,200	$4,657	$4,296	46¢*	33¢*
Palm Lake (2)	14	*8,663	7,650	$8,310	$5,527	1.06*	92¢*
Hoehn Drive (2)	14	*7,850	6,800	$9,891	$8,383	1.31*	1.15*
Cameron Park (1)	19	7,733	7,200	$7,763	$5,979	1.08	81¢
Arroyo C. (1)	16	9,373	7,200	$6,074	$3,645	62¢	38¢

Notes to Table:

Multiply by 1.64 to express these values in 1999 dollar prices.

TM = Trimmed Mean (average)

* = Excluding "missing values". A single asterisk against any reading in the Table indicates less than 10 cases were included in that calculation.

** = The discrepancy between trimmed mean and median in Northridge almost certainly reflects the larger number of readings that are *traspasos* (buy-outs from a third party which include dwelling structures in many cases). The median value is a better reflection of actual bare land costs in this case. The same is true for Stony Point, although to a lesser extent.

The overall median and trimmed mean land costs for Texas colonias are measured in 1984 constant dollars are: $6218 (*$10,200*) and $8,098 (*$13,*280). (Bracket values show 1999 dollar equivalents, and are remarkably close to what our and other independent market assessments had previously identified as the going rate today.) In many colonias we visited the asking price in 1999 for an average colonia lot was around $12-$13.5K.[36] However, if one looks across counties and colonias the real 1984 lot values do vary markedly. The 'trimmed' average real (1984) cost of a lot ran from a low $3,724 in Val Verde County to between $5K and $7.7K in Starr, Cameron and Hidalgo, to $8.2K in Webb, to highs of $12K an $13.6K in El Paso and Travis/Bastrop respectively. These county values are, of course, heavily shaped by the particular settlements analyzed within them. El Paso, for example, is distorted upwards by lot prices ($16.3K) in Deerfield Park (a better off working class/lower middle-income colonia), and Sparks (around $8.8K) better reflects the process in that city. But El Paso, notwithstanding its desert and inhospitable environment, is known for relatively high land values driven upwards in part by the strong demand from Cd. Júarez across the border).[37]

In order to better make comparisons, therefore, we need to look at unitary lot values—the price per square foot in real terms. As mentioned above, combining all of our survey readings the average cost of land in colonias comes out at 66 cents per square foot in 1984 values ($1.08 in 1999 terms). Comparing across counties and colonias (Table 3.1) we can observe that trimmed mean costs vary from a low of 28 cents and 32 cents per square foot in Val Verde and Webb respectively, to 62 cents in Starr County, to close to dollar elsewhere. El Paso, for the reasons described above, comes out highest in unitary terms.

Looking at the average trimmed values per square foot by colonia, one also gains insights into the important price setting role that developers exercise in targeting supply and demand. Webb County is a case in point. Here Cecil McDonald, the developer, set the unitary costs in Rio Bravo at a relatively high level of 76 cents per square foot, but set the lot size at around 9,000 square feet in order to make it affordable to low-income residents (mostly Mexican born) at just under $9K ($14.5K in 1999 values). On the other hand, another development promoted by him—Pueblo Nuevo—targeted more at Mexican American families with the possibility of using the land either for residence or for

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[36] Carew, 2000, The Viability of Low-Cost Infrastructure Technology for Affordable Housing Sub-divisions in the Texas Border Region. M.Sc. Thesis, Community and Regional Planning, UT-Austin.

[37] William Siembieda, 1995. " Mexican Suburbs American Style : Reforming Border Spatial Theory" paper presented at the Housing Production and Infrastructure in te Colonias of Texa and Mexco Conference, Mexican Cnter of ILAS, UT-Austin, May.

summer picnic mini-ranches, went for around $6K, and being large 1-2 acre sites, went for a much lower unitary price (10.5 cents a square foot). Strangely, this development appears to have been grossly under-priced, since adjacent settlements of Tanquecitos/Los Altos with similar sized lots to Pueblo Nuevo sold at almost twice the price. The point here, is that there seems to be little direct relationship price elasticity between total size and overall cost.[38]

In a similar vein, we analyzed whether the vendor's background shaped bid prices and apparent costs (data not shown here). It appears that they may, since while total lot prices were very similar between lots bought from a developer/ realtor or from a third party (*traspaso*), in unit terms the professional developers appeared to be much more adept at fixing their sale price (71 cents a square foot versus 59 cents for private third party sales)—notwithstanding the apparent aberration in the case of Pueblo Nuevo mentioned above. It might be, of course, that these apparent in lack anomalies relate to the periodization of development: i.e. that more recently promoted developments with a greater probability of services being introduced swiftly and systematically than in the past will cost more. Alternatively, a counter trend could be that state intervention to inhibit colonia developments and sales have depressed the market, driving down prices. So, how far have lot prices actually changed over time?

When we plotted the real cost of lots and real unitary prices over time 1969-1999 (not shown here), we find that the profile is remarkably flat with little change during the three decades. Correlation coefficients for each variable against year of purchase were 0.076 (barely positive) for lots, and -0.025 for unit lot prices over time (suggesting a very slight negative trend). Although this absence of any appreciable rise in land values over time was not a surprise to us since we had encountered similar counterintuitive findings elsewhere,[39] the data are highly suggestive that the Texas colonia land market is not functioning smoothly, but is somehow being artificially depressed—probably by institutional interventions. Certainly, the major push to install services mores systematically since the mid 1990s does not appear to be valorizing colonia land markets significantly.

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[38] See also Ward and Carew, 2000, *Habitat International,* op cit.

[39] Ward, Jones and Jimenez, ""The Measurement of Land Price Changes and Affordability." In Jones, G. and Ward, P. (eds.) *Methodology for Land and Housing Market Analysis*, London: University College London Press. (with G. Jones and E. Jiménez), pp. 214-35. See also 'Snapshot'" Analysis and the Impact of Public Policy on Land Valorization." In Jones, G. and Ward, P. (eds.) *Methodology for Land and Housing Market Analysis,* London: University College London Press. pp. 214-35. (with G. Jones and E. Jiménez)

Analyzing the same data broken down for three time periods: pre-1980; the 1980s and the 1990s, we found that the curve is flat overall, the trimmed average prices appear to have started around $7.7K per lot and 73 cents per square foot) in the first period. During the 1980s it dipped a little (to $7K and 61 cents sq. ft.), after which it rose again during the 1990s (to just over $9K and 64 cents sq. ft.). The point is that this is hardly suggestive of a dynamic land market in which the continuing demand for residence is driving up prices. While this may be good news today for those wishing to continue to buy into colonias, it is not a particularly positive outcome for those low-income households who are investing hard economic resources as well as their sweat equity into colonia and homesteading development. Arguably, they at least should expect to accrue some benefits from their mutual aid and self-help efforts. Nor is good news for absentee lot owners who are unlikely to put their lots on the market if they are unable to mobilize significant earnings on their investment—points to which we will return in the following chapters.

Finally, we were interested in finding out if colonia lot owners and residents had a good sense of the market value of their lots. While the "use" value accorded a property often embodies subjective and extra-market assessments (sentimental values such as having raised one's kids in that home, for example), we wanted to know if people were interested and aware of what their properties were worth, and if so, how accurate was their assessment. Just over 60 percent of respondents felt able to make such as assessment either for a lot similar to their own in the same colonia or for the approximate worth of their home (including the land value) or both. This enabled us to make two points of comparison. First, to compare self-appraisals with those used by tax assessors to levy property taxes and, occasionally, to compare with the bid prices of lots that were up for sale. Second, we could compare the self-appraised value of the lot against the known actual cost of the lot expressed in 1999 terms. This would enable us to gain an impression about whether land purchase appears to have been a good investment so far as colonia owner occupiers are concerned.

Table 3.2: Comparisons of Real Lost Costs against Contemporary Assessments of Lot Values by Residents and by Tax Appraisers

	Total 'N' of cases *	Average Value in 1999 US$		Real square foot values (1999)	
		TM	Median	TM	Median
Survey Data on Lot Purchases	**178**	**$13,286**	**$10,197**	**$1.07**	**80 cents**
Cameron	35	$11,398	$7,529	$1.45	.84
Hidalgo	41	$12,643	$11,006	$1.56	$1.54
Starr	17	$8,487	$8,115	$1.02	.87

	Total 'N' of cases *	Average Value in 1999 US$		Real square foot values (1999)	
		TM	Median	TM	Median
Webb	43	$13,509	$11,647	.53	.37
Val Verde	26	$5369	$5,379	.46	.41
El Paso	35	$19,924	$19,411	$1.80	$1.80
Travis/Bastrop	29	$22,388	$12,664	$1.53	.89
Self-Assessed Lot Values	**135**	**$11,821**	**$11,000**	**$1.07**	**.97**
Cameron	23	$9,571	$10,000	$1.10	$1.02
Hidalgo	21	$11,437	$9,800	$1.62	$1.50
Starr	10	$4,619	$5,000	.74	.80
Webb	25	$16,217	$15,000	.87	.53
Val Verde	19	$8,250	$8,000	.74	.74
El Paso	24	$17,727	$18,000	$1.58	$1.70
Travis/Bastrop	13	$10,545	$12,000	.77	.28
Self-Assessed Value—Home	**113**	**$37,818**	**$32,000**		
Cameron	22	$38,500	$33,500		
Hidalgo	22	$25,583	$24,500		
Starr	9	$25,167	$24,500		
Webb	12	$41,100	$36,000		
Val Verde	11	$34,944	$35,000		
El Paso	19	$39,912	$27,000		
Travis/Bastrop	18	$60,469	$55,000		
Tax Appraisal Values 98-99 (Lot)	**140**	**$6,313**	**$6,000**	**73¢**	**44¢**
Cameron	27	$6,420	$6,000		
Hidalgo	42	$9,327	$6,469		
Starr	13	$4,286	$4,500		
Webb	18	$6,656	$6,750		
Val Verde	24	$2040	$1,900		
El Paso	6	$11,675	$11,710		
Travis/Bastrop	10	$11,404	$11,000		

TM = Trimmed Mean (average)

The data are illuminating in several respects. The first feature to emerge is that there is a close resemblance between the real land costs inflated to 1999 values and the actual perceived value of the lots themselves on today's market (Table 3.2 for a county breakdown). If anything, the self-assessed values are a tad lower, and this may reflect the owners downward assessment where s/he was influenced by the tax appraisal record upon which property taxes are paid. And which appeared to be appraised at about half the actual market value. But in our view, the stated land values corresponded quite closely with lot prices in each colonia at that time. Only in Starr and Val Verde counties did apparent and self-assessed values jibe heavily with each other (in each case in different directions).[40] That being the case, our data underscore our earlier point that land values have not risen over the years, and for those who bought many years ago, there has been little or no return on their investment.

It appears that residents' overall appraisal of their dwelling values is not wide of the mark either. Respondents were invited to give an overall appraisal of what they thought there home (and lot) would fetch on the open market today. The (trimmed) average is around $38,000 with a slightly lower median value ($32,000). Not surprisingly these vary between counties (Table 3.2), with Starr and Hidalgo colonia properties appearing to be much lower. But in light of the improvements that almost everyone makes to their lots—through self-build, purchase of trailer and manufactured homes, etc., these assessed values are about right. New trailers start around $20,000, while manufactured homes cost considerably more (round double that and upwards), so a regular home and land costs combined would quickly get up over the $30,000 mark. The (high) figures for Austin colonia neighborhoods are not out of line with real local home values in these settlements, especially Northridge Acres, which is experiencing rapid city-encroachment and sharply rising land and property values.

A second striking feature about the data shown in Table 3.1 are the discrepancies between appraised and the self-assessed values, with the former being a half or a third lower than the apparent market values today (in Val Verde they are around one quarter of the actual values.) To repeat, we do not feel these self-assessed values are inflated, but reflect the going rate. Only in Starr and Travis/Bastrop counties do lot appraisal rates come close to the apparent real values. This systematic undervaluing also appears to be significant in appraisal rates of the home, but this is to be expected, given the more subjective "use" (sentimental) values applied to dwellings by owners than would be the case for more objective appraisers. Appraisers appear to weigh their estimates on the conservative side, and given the poor families in these settlements, any lower appraisals—deliberate or not—will perforce lower the actual taxes levied.

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[40] In both cases the records are for a single settlement and in each case the difference between self-assessed and actual value are explicable. In Mike's (Starr) the regularization of lot titles has underscored the low apparent lot values; while in Cienegas Terrace, the very low price of land originally has allowed for considerable valorization. Only here, therefore, have land prices appreciated significantly in real terms.

Residents' Motivations for Lot Purchase and Occupancy in a Colonia

In order to establish a deeper understanding of who colonia residents are, this study seeks to explore people's motivations for purchasing a lot in the first place, as well about their disposition towards colonia life in general. These data will provide a useful benchmark for our subsequent comparisons between residents owners and their absentee lot owner counterparts.

We asked residents "What were your main reasons and proposed purpose for buying a lot in this colonia subdivision?" Given that respondents could offer more than one reason, the total number of responses often exceeds the actual number of participants in the survey.

Fulfilling their housing needs is the most common motive for having bought a lot, with 55 percent of all responses citing the need for a home, either in the short or long term (nearly 90 percent of these responses indicated long term). This total of 189 'mentions' actually came from 73 percent of all colonia residents participating in the study, and was by far the most common response (Table 3.3). Another 14 percent of responses (48) gave as their main motivation for purchase either as an investment for themselves (5 percent) or as a safeguard and inheritance for one's children (9 percent). Other reasons for purchase given by residents are "it was a good deal and opportunity" (8 percent), "to own my own property/home" (5 percent), and a myriad of other motivations (19 percent). Given the plethora of other responses we have included these additional reasons in a Sidebar (3.1), which shows the multifaceted nature of people's reasons for opting to live in a colonia.

Table 3.3: Reasons and Proposed Purposes Given by Colonia Residents for Buying a Lot in Their Colonia

Reason/Proposed Purpose	# of Responses	% of Total Responses
As a home in the short term	20	5.8%
As a home in the long term	169	49.1%
As an investment	17	4.9%
To provide an inheritance for my children	31	9.0%
It was a good deal and opportunity	26	7.6%
To own my own property/home	17	4.9%
Other	64	18.6%
Total	**344***	**100.0%**

* Total # of responses may exceed the total number of respondents to the colonia residents survey (261) because participants were instructed on certain questions to indicate more than one response where appropriate.

We also enquired why they opted for a colonia housing alternative rather than another housing option such as renting, housing association, or condominium in a nearby city. Not surprisingly, the most frequent response to this question had to do with affordability of colonia housing, which was the given reason for 43 percent of all responses and was a motivation for half of all participants in the survey (Table 3.4). Twenty-eight percent of responses relate to the fact that colonia subdivisions offer more space (12 percent) and a more rural/non-urban atmosphere (16 percent) than do other housing options available to low-income families. Six percent of responses stated that a colonia-type subdivision was an easy buy since it didn't involve papers, closing costs, and other formalities associated with homeownership. Living close to kin was also another minority consideration (5 percent).

Interestingly, only 1 percent of colonia residents purchased a colonia lot anticipating a good return on their investment, which supports other data suggesting that residents tend to buy into colonias in order to meet their housing needs and not as a long term investment for themselves or for their children. This is just as well in the light of our earlier data about sluggish valorization of the land market. Among the many other reasons (17 percent) offered for deliberately choosing a colonia are those able to live and create a homestead without too many restrictions. Several relating to the liberty and freedom to be (6) people mentioned that there was no other option, while several other received the land as a gift or as an inheritance.

In conclusion it is obvious that most colonia residents have deliberately and strategically opted for homesteading as the only viable way to break into housing ownership. But they are also quick to identify the other virtues of colonia life—the relative freedom the space, the rural lifestyle, and they make relatively little of the high social costs that also accompany it. These include the lack of services, the distance from work and from other so-called urban satisfiers. But generally speaking they are content and right to be proud of their achievements.

Table 3.4: Reasons Given by Colonia Residents for Choosing to Live in a Colonia Subdivision Over Other Housing Options

Reason	# of Responses	% of Total Responses
Affordability	128	42.7%
It was easy to buy—no papers, closing costs, etc.	18	6.0%
More space	36	12.0%
Rural atmosphere/away from city	47	15.7%
To be close to family	16	5.3%
Good anticipated return on my investment	3	1.0%

Reason	# of Responses	% of Total Responses
Other	52	17.3%
Total	**300***	**100.0%**

*Total # of responses may exceed the total number of respondents to the colonia residents survey (261) because participants were instructed on certain questions to indicate more than one response where appropriate.

Housing and Self-Build Conditions in Colonias

So much for colonia resident land market search behavior. We turn now to analyze in greater depth the housing development process whereby they seek to improve both the dwelling and urban environment in which they live.

Self Build or Self-Managed Housing?

As to be expected few colonia residents (23 percent) remain in touch with the previous owners of their lots, and of those who are, almost all stay in touch because they're still making purchase payments. Others who are in contact with the previous owner do so because they are friends, family, neighbors, or work colleagues, or because s/he is the developer and they are seeking improvement in services or the possibility of buying another lot.

Our survey data suggest that 64 percent of current colonia residents interviewed were deemed to be living in a "consolidated" home, by which we mean a substantial home which could comprise a self-built dwelling or a more usually was what we call a self-managed home where prefabricated or moveable housing structures have been shipped to the site. These may comprise a manufactured home, and sometimes, less obviously a trailer-type manufactured home (sometimes it was difficult to tell the difference—see some of the Photos in Appendix 2.2). Sixteen percent of households live in what are unequivocally trailers, while 3 percent lived in campers or shacks (see Photo 3.1). Twenty percent (41 cases) live in housing arrangements that are a combination of these housing options. Of these, a consolidated dwelling often forms the principal structure (39 percent of 'mentions'), often in combination with trailers (29 percent of 'mentions') or with shack-like structures (24 percent). It is likely that out survey has over-estimated the consolidated homes category, and had we performed a lot-by-lot count and description of the housing as part of the windshield survey, we would probably have a more accurate breakdown. But these data confirm the reality that most homes in colonias are not dilapidated structures, but are relatively new and well kept homes that offer a mix of housing types to meet a variety of needs and budgets (see Photo 3.2).

Photo 3.1. Vacant lots (foreground) and counter clockwise: Self-build consolidated and campers; and lone new trailer (rear left), Sparks, El Paso.

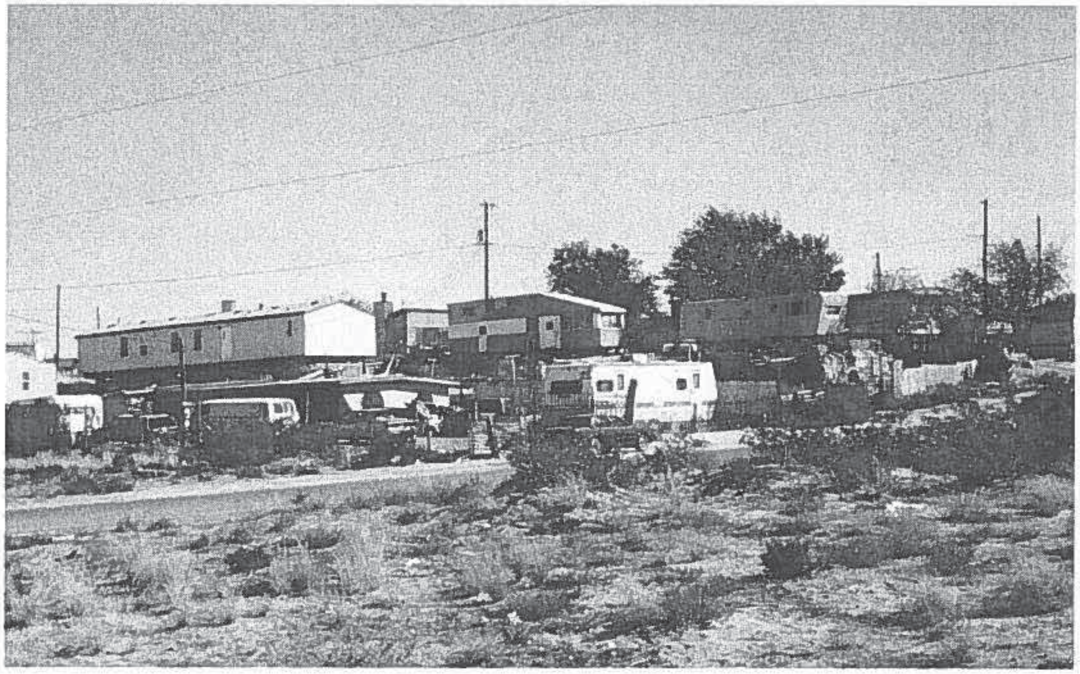

Photo 3.2. Mixed home-style development, El Cenizo, Webb County.

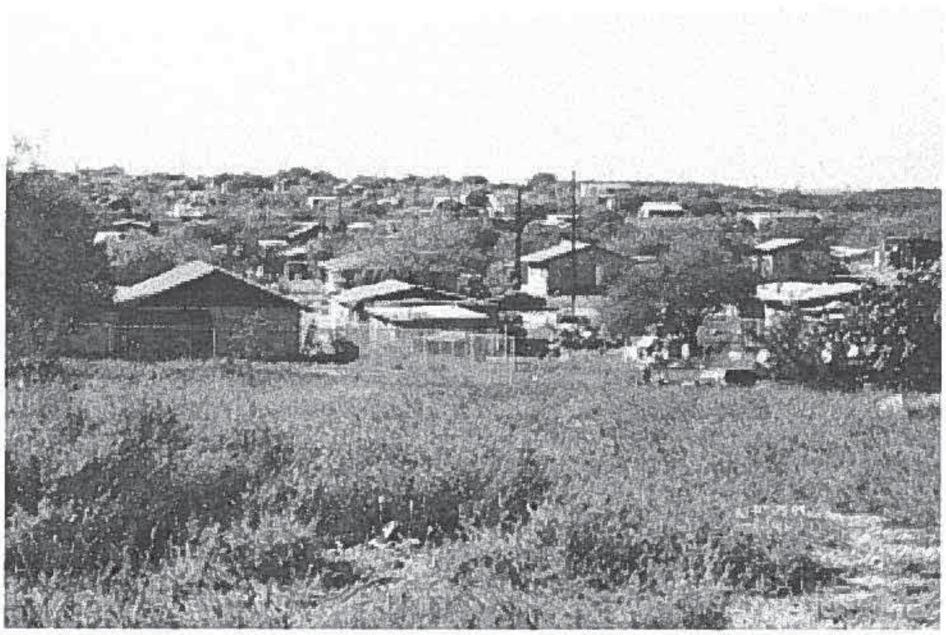

Photo 3.3. Trailers foreground, manufactured home and consolidated custom home (rear), Hillside Terrace, Hays County.

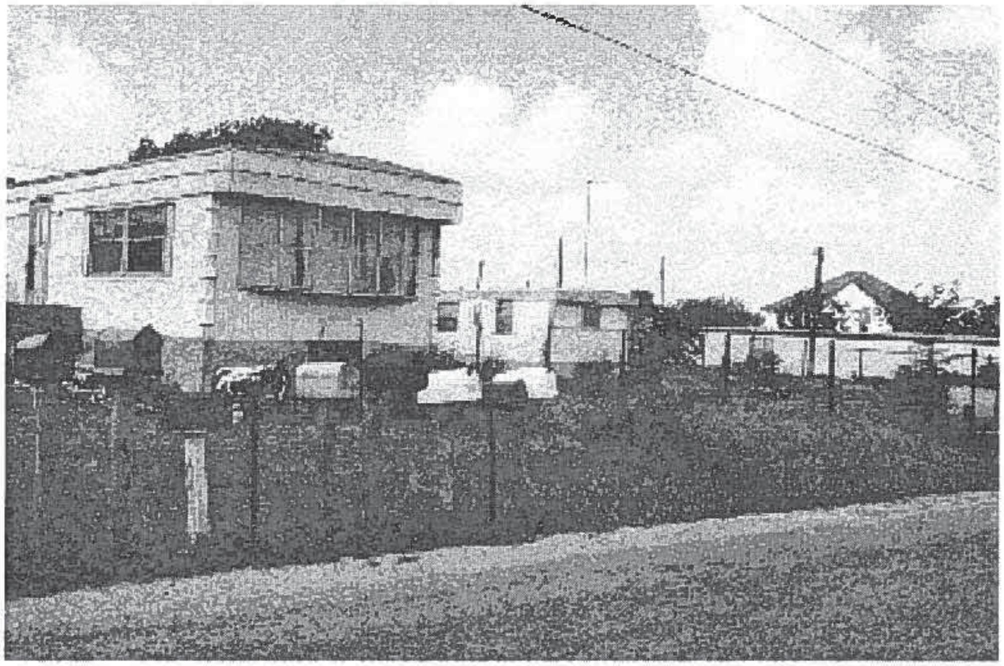

Photo 3.4. Custom home and adjacent (pink single-storey) manufactured home, Hillside Terrace

It also became apparent that processes similar to the 'upgrading' (self-improvement) of housing that one sees in Mexico where the normal method of house building comprises self-help, so also is there is an improvement dynamic at work in Texas. But it is substantially different in nature. In Texas most people 'self-manage' rather than self-build their dwellings. As we saw earlier, often they will delay occupying the site until they have been able acquire a dwelling that they can place on site. Until then, most are reluctant to live in cramped conditions, without services, far from the city. However, another option is to live in a temporary dwelling meanwhile and to upgrade later—swapping a dilapidated trailer for a new one, or for a manufactured home, that may be extended later. Others live in trailers while they self-build or oversee the construction of a consolidated home. An important advantage of colonias is that there is invariably ample space in which to develop these multi-housing arrangements. As in many of the 20 percent of combination-cases mentioned above, it is common to see several 'stages' of dwelling development in a single lot: with the older trailer type lodging or even campers being used as spillover bedrooms or as 'dens'.

The upshot is that most colonia residents live in larger homes than they did prior to moving to their current lot. The average number of bedrooms in the current residence is 2.8 (median 3), which compares with 2.4 (median 2) at their previous residence. Thus, current homes tend to be larger than previous homes. This may not indicate a lower level of overcrowding, however, considering that overall household size is likely to have increased over the years along with size of residence.

Costs Associated with Mobile and Manufactured Homes

To better understand two prevalent sources of colonia housing, mobile homes and manufactured homes, research was conducted at three different manufacturer/vendors outside of Austin during February 2000. For new trailers/mobile homes, prices begin at \$19,000 for a single-wide 14' x 68' unit. The price of the home usually includes transport to owner's site (within 100 miles) and occasionally includes bonuses such as full hook-up to sewer/septic tank and vinyl skirting, depending on the dealer. Some dealers will roll these and other site improvements into the mortgage if desired. Monthly payments run around \$300, with at least a 5 percent downpayment depending on the purchaser's credit history. However, one mobile home manufacturer/vendor claimed that a client would never be turned down for bad credit, and might even be offered free entertainment centers complete with 25" televisions and VCRs with the purchase of a new unit. The best APR rate we found was 8.5 percent, again dependent on credit worthiness and the amount of money originally put down (the larger the downpayment, the better the rate). Costs for double-wide mobile homes and manufactured homes ranged from nearly \$40,000 to \$100,000. Similar financing and expanded site improvement packages (including deck, landscaping, and sidewalks) are available for the larger homes as well. Mortgages usually range from 7 to 30 years with a lien generally only on the housing, which can be repossessed like a car in case of default.

Lot-Sharing and Lot Densities

Our data suggest that, at least on the surface, there is little or no lotsharing in Texas colonias. Eighty-six percent of respondents stated that there was only one home on their property, and of the few who have more than one home on the property, the majority (60 percent) share with kin. Most of these family members who are sharing the lot do not have ownership of their section (59 percent), although the remainder—a significant minority—do own part of the lot. However, not all extra dwellings are shared with kinsmen. Nineteen percent who admitted to having more than one dwelling on the lot said that it was empty or currently not in use. We have no way of knowing whether this is true, but we note the fact that sub-letting or sharing with families who are not close kin relations is illegal under current colonia sub-division codes which stipulate single family residence, with sharing only permitted between close blood-kin. Some 8 percent freely admitted to renting the other dwelling on their lot. An additional 13 percent gave other explanations for the use of these additional dwellings—on loan to family, a store/shop, etc. There appears to be no significant difference in sharing levels between border and non-border colonias, and 86 and 79 percent of participants claiming single-family residences, respectively.

To recap, 86 percent of respondents indicate that there is only one home on their property, while 12 percent have two homes and 3 percent have three homes on the same lot. Thus, in our study of colonia residents there are a total of 275 households on 235 lots (a sharing ratio of 1.17 families per lot). Taking the trimmed mean for lot size as 15.482 square feet (a third of an acre approximately) and an average household size of 4.53 members, this sharing ratio gives an average lot density of 5.3 persons per lot. This is equivalent to 2920.03 square feet of lot space per person, or 14.9 persons per occupied acre. By Mexican standards this represents a very low population density since colonia densities of around 100 people per acre are the norm.[41] Of course, Mexico is not necessarily an appropriate comparator given the different water and wastewater regulations and arrangements that municipalities operate in that country, but it does underscore the point made in the introduction to this Report, namely that Texas colonias have extremely low population densities.

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[41] In Mexico the modal lot size in colonias is 200 square meters or 1800 square feet. Assuming a similar average household size (of 4.5) and no lot sharing (both are conservative assumptions), this would amount to 108.9 persons per acre. In short, densities in Mexico are 6 times as high as for ¼ acre lots.

Texas Colonias: *Freedom to Build?* [42]

One of the important issues relating to colonia housing development relates to the extent to which legislation, local ordinances, or even local institutional practices may inhibit improvement. Thus some of our questions related to the awareness of legal restrictions on colonia development while others inquired more generally about factors, be they personal, financial, legal, or otherwise, prohibiting respondents from making improvements on their property. In essence, are there any clear reasons why colonia residents may be obliged to delay in making improvements to their lots or homes?

Legal Restrictions

Despite increasing legislation restricting the development and proliferation of colonias on a statewide level, together with rising publicity about their plight, most individuals (72 percent) professed at not being aware of legal restrictions upon their self-help housing activities. Perhaps this is a case of ignorance being a good excuse. However, over one quarter (28 percent) were aware, and were able to muster a lengthy list of legal and other constraints. Seventeen percent of respondents know that it is prohibited to sub-divide one's lot, while a similar percentage knew that special codes apply on dwelling constructions (Table 3.5). Respondents also are aware that it is prohibited to have more than one home on a lot (12 percent), that special codes apply to septic systems (6 percent), that certain types of animals are not permitted (5 percent), and that there are requirements relating to the distance a home is set back from the street (5 percent).[43] An additional 11 percent of individuals are aware of the existence of legal restrictions, but were not able to identify them specifically. Just over one quarter (26 percent) of respondents mentioned a number of "other" restrictions, which can be seen in Sidebar 3.2.

Table 3.5: Legal Restrictions Identified by Colonia Residents Regarding Lot Building and Consolidation

Restrictions	# of Responses	% of Total Responses
Prohibited to sub-divide lot	14	17.4%
Special codes apply on dwelling constructions	14	17.4%
Prohibited to have more than one home on lot	10	12.4%

[42] This is the title to a major self-help advocacy text by John Turner and Bob Fichter, published in 1972.

[43] In fact although they may not be fully cognizant of the legal codes on set-backs, in fact everyone follows the normal practice in Texas and place their dwellings well back from the road and from boundary lines.

Restrictions	# of Responses	% of Total Responses
Not able to specify and specific restrictions	9	11.0%
Septic system restrictions/codes	5	6.2%
No animals	4	4.9%
Set back requirements	4	4.9%
Other	21	25.9 %
Total	**81**	**100.0%**

Other Constraints

Apart from identifying legal restrictions on the development of their lots, participants were also asked what, if any, are the main factors preventing them from making improvements to their lots and homes. Interviewers were instructed not to prompt respondents and to list all inhibiting factors mentioned. The number one reason given for not being able to make improvements on one's home is lack of financial resources, at 46 percent of all 'mentions'. This is not at all surprising given our understanding of the difficult financial situations of most colonia residents. Most other responses consisted of either "not know of any real factors" (32 percent) or a range of other answers (the remaining 22 percent of 'mentions'), such as the lack of services, legal restrictions, high taxes, and the lack of time.

Sidebar 3.2: Additional Legal Restrictions Identified by Colonia Residents Regarding Lot Building and Consolidation

- *Can't sell lot openly (3)*
- *Can't use for businesses (3)*
- *Must have basic services to be approved (2)*
- *Minimum street widths (2)*
- *Need permit to build (2)*
- *Restrictions exist but are not enforced (2)*
- *Limits on water usage (in Northridge Acres) (2)*
- *No junk cars*
- *Noise*
- *No drainage*
- *Old trailers not allowed*
- *New trailers difficult to bring into neighborhood*
- *Only one light meter per lot*

Thus we see that, although legal restrictions so appear to inhibit some colonia residents from improving their lots, the most important constraint appears to be lack of resources to make desired improvements. Most residents appear to be unaware of the state's attempts at curbing colonia development.

Views and Priorities Concerning Service Provision

Because a major defining characteristic of colonias is the relative lack of services available to the community, a section of our survey sought to explore this issue. One question asked respondents to grade a number of services on a scale of one to five in order to indicate the importance of each to colonia life (Question # 28 on the

Questionnaire). Of the services listed on the survey (community center; water; street lighting; street paving; electricity; schools; wastewater/drainage; gas service; bus service; shops; and other), it quickly became apparent that most residents considered all to be of equally high importance, and few offered to differentiate between them. While reflecting genuine attributed importance for all of these services, the way in which the question was framed did not elicit an effective ranking or prioritization of importance. One can observe a slight level of differentiation to suggest that water, street paving, wastewater/drainage, electricity, street lighting, and "other" are key services urgently needed in colonia-type communities.

Perhaps more interesting than the ranking of services was the responses received to "other" services that we had not named on the questionnaire. They underscored that so far as residents are concerned there are several services that they consider especially important. Of these, the most important need is security, and 31 percent of responses in the "other" category relate to police protection, sheriff presence, or improved "*vigilancia*"—the Spanish for security (see Table 3.6). Other key services mentioned are community recreation facilities (18 percent), health services (9 percent), fire departments (7 percent), traffic regulations (4 percent), and garbage collection (4 percent). We were impressed that so many residents were able to go beyond the standard services—the need for which they pretty much took for granted—and to articulate a wider range of priority services that were also of primary concern to them and to their community's development. Naturally, the call for a Mcdonald's fast food outlet is probably way out in left field (Sidebar 3.3), but most of the others are not unreasonable.

Table 3.6: Other Services and Needs Identified by Colonia Residents Regarding Typical Colonia Development

Service/Need	# of Responses	% of Total Responses
Police	43	31.4%
Parks and recreation facilities	25	18.3%
Health clinic/hospital	12	8.8%
Fire department	10	7.3%
Traffic signs/speed limits	6	4.4%
Garbage collection	6	4.4%
Other	35	25.5%
Total	**137**	**100.0%**

Vacant Lots, Absentee Owners and Free-ridership. An Issue for Residents?

Given that the primary focus of this study is upon absentee lot ownership and low densities in Texas colonias, we wanted to take the opportunity of analyzing the levels of awareness and the perceptions of residents about so called *lotes baldios*. Do they know that these lots are often owned by individuals and not by the developer? Why do they think these absentee lot owners choose not to occupy their lots? And do they view this excess of vacant lots as an advantage or disadvantage for themselves and for the colonia?

Awareness and Perceptions of Vacant Lots

An overwhelming 92 percent of colonia residents interviewed are well aware of the relatively high number of vacant lots in their neighborhoods. Moreover, most knew that of these lots are, for the most part, privately owned (as opposed to developer-owned), and they often voiced quite strong opinions both about the reasons why they thought people don't occupy, as well as about the effects that the existence of vacant lots have upon their communities.

Sidebar 3.3: Additional Services and Needs Identified by Colonia Residents Regarding Typical Colonia Development

- *Telephones (5)*
- *"Servicio de limpieza" (3)*
- *Mailbox for each house (3)*
- *Pest/animal control/dog catcher (3)*
- *Fire hydrants (2)*
- *Ambulance (2)*
- *Gas station (2)*
- *Cable (2)*
- *Churches (2)*
- *Child care (2)*
- *Pharmacy*
- *School bus stop route*
- *Library*
- *Inspectors*
- *Sidewalks*
- *Street lights*
- *High school*
- *McDonald's*
- *Jobs*

As a follow-up question to those 225 respondents who were aware of the significant number of vacant and unoccupied lots in their colonia, we asked why they thought that some families had not occupied their lots. Just over one-fifth (21) suggested that these people had bought their lots as an investment or as a form of land speculation.

A further one-fifth (19 percent) attributed absenteeism to the lack of services available in the colonia, while another 15 percent believed families hadn't occupied due to a lack of financial resources required in order to consolidate a home on the property (Table 3.7). In addition, 12 percent noted that the lots were at one time occupied, but that the owners were forced to leave due to work opportunities elsewhere, often itself tied to a comment about the realities facing migrant workers. Relatively few stated that they had no idea, while another fifth offered other explanations for absentee lot ownership (see Sidebar

3.4). Of these, a common perception was that these people are too lazy to work to improve the community, or that they already have nicer homes elsewhere.

In the following chapter we will have an opportunity to gauge the accuracy of these perceptions when we ask absentee owners themselves about their reasons for non-occupancy.

Table 3.7: Reasons Offered by Colonia Residents for Non-Occupancy by Absentee Lot Owners

Reason	# of Responses	% of Total Responses
They bought as an investment or to speculate	57	21.2%
Inadequate services here	51	19.0%
Poor financial situation/lack of money	39	14.5%
They moved elsewhere for work/migrant workers	31	11.5%
Have no idea	32	11.9%
Other	59	21.9%
Total	**269***	**100.0%**

*Total # of responses may exceed the total number of respondents to the colonia residents survey (261) because participants were instructed on certain questions to indicate more than one response where appropriate.

Attitudes toward Vacant Lots

The overarching hypothesis of this study is that vacant lots and absentee lot ownership is problematic, at least insofar as it reflects obstacles in the smooth operation of the land market, and in that it is an inefficient use of land especially in light of the needs and willingness of many colonia residents to spend their own "sweat" equity and resources in upgrading the settlements and dwelling environment. To this extent, non-occupant owners who contribute little or nothing to the settlement's development could be accused of "free-riding" the efforts of the actual residents. But we also knew, that some households might see the incomplete settlement occupation as an advantage—lowering possible overcrowding, leaving open spaces, and maintaining the "rural" atmosphere over an urban one. So, did they consider the phenomenon of vacant lots to be an advantage or a disadvantage for the rest of the residents living in the neighborhood?

Overwhelmingly, low lot occupancy rates are seen much more as a disadvantage than as an advantage. Only 24 percent of participants saw it is an advantage, while 57 percent called it the other way—a clear disadvantage. Most of the remainder (19 percent) saw both advantages and disadvantages.

The minority view –that low lot occupancy rates are an advantage—stated that it provided for more space and less crowding (53 percent of 'mentions'). Other perceived attributes were that it led to fewer problems with neighbors, more privacy, etc. But overall relatively few participants could see much that was positive about vacant lots in their communities.

Sidebar 3.4: Additional Reasons Offered by Colonia Residents for Non-Occupancy by Absentee Lot Owners

- *They're lazy, don't want to work to improve community (11)*
- *Better home in city/elsewhere (7)*
- *Floods/poor drainage (4)*
- *Colonia is ugly/bad reputation/they don't like the colonia (4)*
- *Isolation and lack of public transport (3)*
- *Problems with previous owner/developer (2)*
- *Have a job elsewhere (2)*

- *Buy lot as place to keep animals*
- *Don't want to build*
- *Have children and need to be near schools*
- *Owners die*
- *Not owned by individuals—lots belong to county*
- *Lots not yet sold by developer*
- *Too crowded*
- *Mosquitoes*
- *They come but then they leave*
- *To avoid taxes*
- *They were duped into buying by the developer*
- *The county doesn't force/demand that they live on lot*
- *People are indecisive*
- *Bought for retirement*
- *Bought as place to gather for picnics/vacation*
- *Services too expensive*
- *Lots too small*
- *Legislative freeze on selling*
- *Problems with property*
- *Land issues*
- *Haven't built home yet*
- *Still making payments on lot*
- *Gangs*
- *"Selling fraud"*
- *"Gente ambiciosa"*

Photo 3.5. Abandoned trailer and unkempt lot, Hillside Terrace

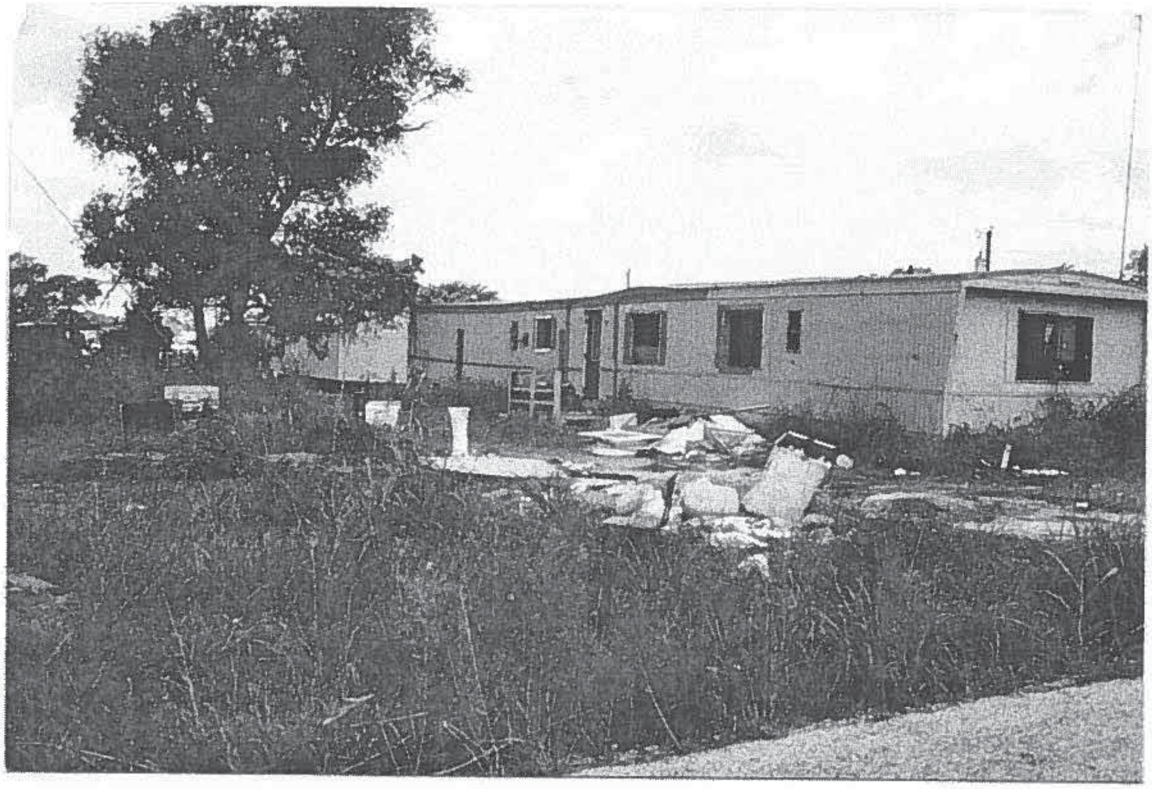
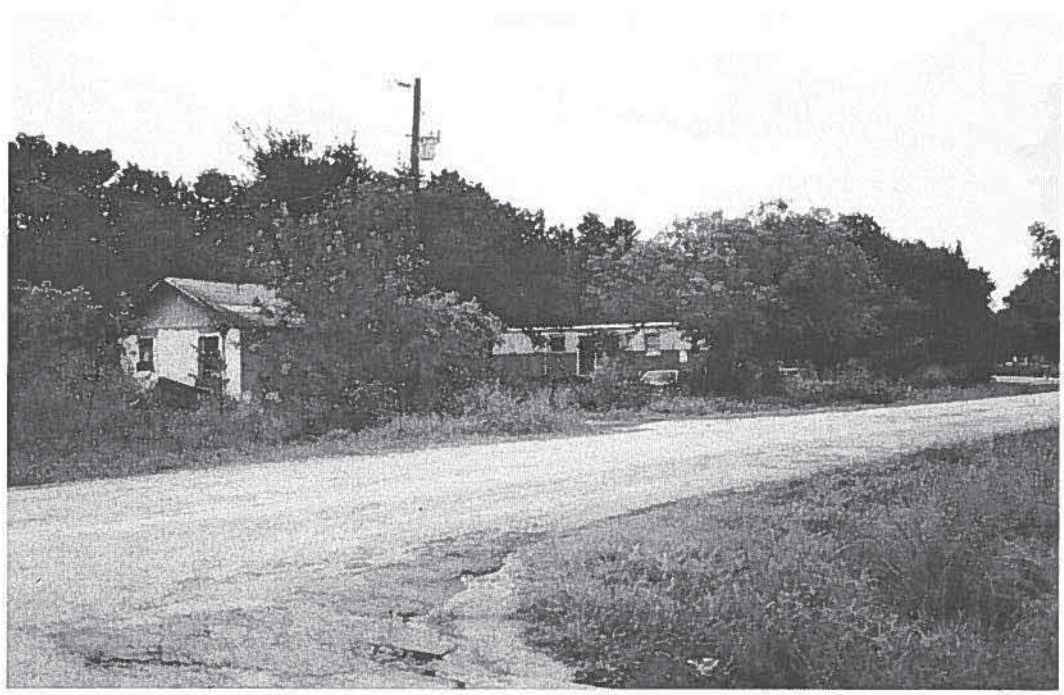


Photo 3.6. Abandoned home and overgrown lot (left), Stony Point (Bastrop)



On the other hand, well over half of respondents see the existence of such of incomplete lot occupancy in negative terms. Most asserted that vacant and unoccupied lots are uncared for, often overgrown with weeds and brush (Table 3.8). Many commented that absentee owners have abandoned these lots and should be obliged to assume their responsibility to the community by at least ensuring the general upkeep of their properties.

Sidebar 3.5: Additional Reasons Offered by Colonia Residents as to Why Vacant Lots in the Community are a Disadvantage

- *Free riding our efforts (6)*
- *Overgrown/weedy (3)*
- *Illegal immigrants/bad people hide in overgrowth (3)*
- *Prevents residents from feeling integrated into the city*
- *Mosquitoes*
- *Taxes too high*
- *Wind made worse by empty lots*
- *Alone/lonely*
- *"Streets"*

From this general complaint come a series of more specific explanations as to why these lots are a disadvantage to those do reside in the colonia. In many cases virtually abandoned, they are often used as dumps for garbage or other junk and this came up in 35 percent of 'mentions' (see Photo 3.5).

In another vein, some residents expressed the view that these vacant spaces promote crime, drugs, gangs, vandalism, or are in some other way dangerous (9 percent of mentions). A further 6 percent identified the problem that these overgrown lots are home to snakes, insects, homeless dogs, and other wild animals (Photo 3.6).

Low occupancy was also widely perceived negatively for a gamut of other reasons: the lower overall social cohesion, the weakening of the community's ability to press for services, the creation of a sense of apathy, and a reduction of "neighborliness" (Table 3.8). Some said they thought it lowered overall property values, while others bemoaned the fact that absentee lot owners effectively locked-out prospective colonia residents from being able to purchase empty lots in the community. Yet overall, few directly or indirectly mentioned "free-riding" on residents' backs as an issue (Sidebar 3.5), suggesting that this is not a major concern for most.

Table 3.8: Reasons Offered by Colonia Residents as to Why Vacant Lots in the Community are a Disadvantage

Reason	# of Responses	% of Total Responses
Unsightliness; used as dumps for garbage, junk, etc.	89	34.8%
Weakens community's ability to press for services	36	14.1%
Difficult to get things organized/ encourages apathy	19	7.4%
Dangerous due to crime/drugs/ gangs/lack of security	24	9.4%
Reduces sense of "neighborliness"	24	9.4%
Lowers housing values	17	6.6%
Attracts animals	16	6.3%
Prevents perspective colonia residents from moving in	10	3.9%
Other	21	8.2%
Total	**256**	**100.0%**

Conclusion

This chapter has provided a detailed benchmark about colonia residents in Texas, and has demonstrated that most are hardworking low- and very-low-income families usually in gainful employment in nearby cities. While most residents are Mexican origin, their actual; backgrounds are varied, and a growing number are second or third generation Mexican American citizens. However, this proportion declines as one moves away from the border, and as other ethnicities take on greater relative importance.

For almost all of this population, lot purchase and residence in a colonia represents the only realistic mechanism of entering the American Dream of achieving home ownership. Their incomes are just too low or too insecure to afford them access to homesteading through the private and public housing markets. Despite the real hardships that life in a colonia entails—distance from urban facilities, the lack of adequate services, the hardships of living in poor or substandard dwellings (at least for a time), and the need to spend large amounts of personal time in home and lot improvements, etc.—most residents are generally satisfied with their gains and efforts. For most of them, colonia life offers distinct advantages of space, freedom and financial flexibility that they did not enjoy in their former residence—which wasoften rented. And while not strongly resentful of absentee lot owners, some of whom they know through kin and friendship networks and/or see upon their occasional visits to the colonia (see Chapter 4), most residents are not happy with the widespread existence of vacant lots which they believe depress property values generally. Generally speaking these lots are open scrub, often unfenced, and frequently are used as a dumping ground for trash or abandoned cars. In short, they are the very least unsightly; and at worst, they are perceived as hazardous and dangerous.

We are unable to say whether or not the existence of vacant lots in colonias actually depresses land and property valorization, basically because we did not seek to measure it. But we did measure—and have demonstrated—that lot values have not increased significantly over the past three decades. Instead they have remained surprisingly flat, in real terms. We will return to these points in the following chapters, but it does suggest that colonia homesteaders, while accessing the American Dream, are not sharing in it to anything like the same extent as most other income sectors who buy property and for whom their investment yields much higher and predictable returns. For the authors of this study and for most colonia residents, at least, it would be nice to think that the self-build and self-managed alternatives that we have analyzed here might in future generate considerably better rates of return on the hard-won resources and sweat equity that residents have invested in their own, and in their children's housing futures.

Chapter 4. Absentee Lot Owners: Who Are They; Where Are They, and What Do They Want?

In this chapter we will discuss the characteristics, needs and aspirations of the difficult-to-capture population and the center of this study: the absentee lot owners. This is the group of colonia lot owners who, for one reason or another, have chosen not to make a home in the settlement in which they purchased land, often many years ago. As we pointed out in Chpater 1, the first the relative "invisibility" of this no-see'em population, and the very real methodological difficulties in tracking them to their current addresses, makes for an almost total lack of information about who and where they are, and what they want from their land purchase in the medium and long term.[44] By being difficult to capture in survey analysis, absentees have long been overlooked. Yet as we have already seen absentee lot ownership is a widespread phenomenon, often comprising between 15-30 percent of all lots in any given colonia, and the proportion is sometimes considerably higher. Their absence substantially weakens the social capital that colonias aspire to generate. In our view, knowing more about this population is fundamental to providing workable policy alternatives that might assist in making colonia land markets function more smoothly, and to encourage more rational population densities. We are encouraged to think that the data generated in this study from tax record analysis, mail surveys and actual person-to-person interviews via telephone with absentee lot owners offers intriguing insights into the propensity and rationale that lie behind this non-occupancy.

Localizing the Absentee Lot Owner: Where Are They?

Analysis of Property Tax Records

The most comprehensive method of tracking down absentees from the colonias in our study proved to be property tax records. An analysis of this public information source indicated that the vast majority of absentees, 77 percent, are listed as living at a local address—which we defined as within 30 miles of the colonia in which they held a lot. This location is most usually the neighboring city. Beyond this group, 13 percent currently live in another state, while the remaining 10 percent of our sample live in another city within the state of Texas. Hardly anyone lives outside of the United States (although some may in fact do so, but leave a US forwarding addresses for tax record purposes.) Thus, although absentees are out of sight, in most cases they have not physically wandered very far away.

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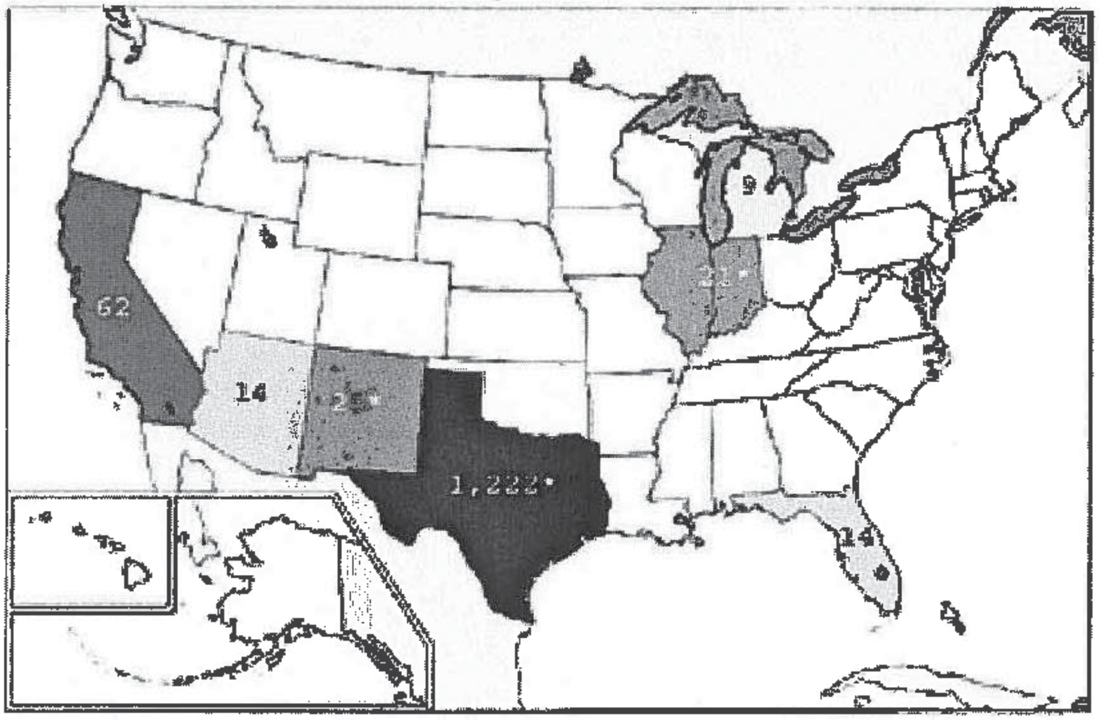
[44] Indeed, one of the first ever insights about this population came from the pilot study to this analysis. See Ward and Carew, 2000. op cit.

Figure 4.1: The Dispersion of Absentee Lot Owners in the United States as Identified by Property Tax Records (Actual Numbers) for the Surveyed Colonias



*

For Texas and New Mexico (El Paso), count indicates both local and statewide absentee population for all colonias included in the study. The count for Illinois and Indiana is combined as the vast majority of absentees located there pertain to the Chicago area.

Fronting Addresses

As we described in Chapter 1, a major pitfall in using tax records is that many of the addresses are so called "bad-addresses". As we described in Chapter 2, some 8 percent of mailed-out surveys came back to us marked addressee unknown, and we may be reasonably certain that the actual number that never made it to their correct address would have been more than double that number. Indeed, in our discussions with appraisers and assessors in Webb County and elsewhere, we were reliably informed that the rule of thumb for colonia areas was that 25 percent of tax addresses would be "bad", and one experienced informant told us that it was sometimes between 40 and 50 percent.

While not strictly speaking "bad" addresses, we quickly identified that a minority of absentee lot owners do not actually live at the given address, but use it as a front for their correspondence. In short, it is a *poste restante* address (usually that of a kinsman) used by absentees who have moved on to another location or who are migrant workers, or even living outside of the country. Indeed, in trying to find people to survey, our phone tracking method allowed us to guage how many were fronting addresses. The majority (82 percent) indicated that the address or the telephone number where we contacted them was indeed their correct and current address. As for the remainder, where we were told the address was not their permanent place of residence, typically it was an address of close relatives with whom they were regularly in touch.

Thus while there are inherent problems with correctly identifying the precise place of residence, these data are likely to provide some pointers about where absentee owners live today. However, it seems inevitable that there will be some bias towards local and nearby addresses both because of the practice of giving local fronting addresses, as well as the greater ease of keeping up the local address listing database than for distant parts of the country.

Absentee Lot Owners Uncovered

The following table is a detailed analysis derived from absentee lot owners' property tax records. Relevant locality information for absentees, including cities in Texas and all other represented states, is broken down by each colonia included in the study.

Table 4.1: Current Residences of Absentee Lot Owners as Identified by Property Tax Records

COLONIA	LOCAL	TEXAS	OTHER STATE	OTHER COUNTRY
Pueblo Nuevo	87% 115 Laredo	7% 1 Austin 1 Bulverde 1 Corpus Christi 1 Houston 1 Lubbock 1 Orange Grove 4 San Antonio 3 Zapata	6% 2 CA 1 MD 3 MI 1 OH 1 WY	0
Tanquecitos	74% 25 Laredo	6% 1 Dallas 1 Irving 1 Orchard 3 San Antonio	9% 1 CA 2 IN	0
Los Altos	80% 11 Laredo 1 Mirando City	20% 1 Houston 1 Lufkin 1 Palestine	0	0

COLONIA	LOCAL	TEXAS	OTHER STATE	OTHER COUNTRY
Larga Vista	88% 7 Laredo	13% 1 Odem	0	0
Northridge Acres	80% 7 Austin 3 Round Rock 1 Georgetown 1 Pflugerville	13% 1 Florence 1 Marble Falls	7% 1 WI	0
Stony Point	45% 8 Austin 1 Kyle	55% 1 Dallas 3 Del Valle 1 Victoria 1 Houston 1 San Antonio 1 Kings Island 1 Temple 1 Mabank 1 Mission	0	0
Rio Bravo	78% 9 Rio Bravo 132 Laredo	13% 2 Alice 1 Baytown 4 Dallas 1 Fort Worth 1 Garland 1 Grand Prarie 8 Houston 1 Humble	7% 1 CA 5 IL 4 MI 1 TN 2 WY	2% 3 Nuevo Laredo
Rio Brave (continued)		1 Kerrvile 2 San Antonio 1 Waxahachine 1 Zapata		
Sparks	80% 396 El Paso 1 Anthony 3 Canutillo 3 Clint 2 Fabens 2 San Elizario 1 Tornillo	3% 1 Angleton 1 Balch Springs 1 Corpus Christie 1 Dallas 1 Fort Worth 1 Friona 1 Gruver 1 Houston 1 Irving 1 Kingsville 1 Knox City 1 Lubbock 1 Midland 1 New Braunfels	16% 1 AL 10 AZ 32 CA 6 CO 3 FL 1 KS 1 LA 1 MD 1 MO 1 NE 24 NM 2 NV 1 UT	1% 4 Ciudad Juarez 1 Juarez Jimenez

COLONIA	LOCAL	TEXAS	OTHER STATE	OTHER COUNTRY
Deerfield 1 and 2	70% 37 El Paso	4% 1 Dallas 1 The Colony	25% 2 AZ 7 CA 1 CO 2 IL 1 NM	2% 1 Ciudad Juarez
Cienegas Terrace	70% 97 Del Rio 1 Comstock	20% 1 Austin 5 Dallas 1 Eagle Pass 5 Fort Worth 4 Houston 1 Johnson City 1 Ozona 3 San Angelo 3 San Antonio 1 Sinton 1 Teague 1 Vernon	9% 2 AZ 3 CA 1 CO 2 IA 2 IL 1 KS 1 MN 1 WY	1% 1 Ciudad Acuña
Mesa	92% 1 Edcouch 1 Edinburg 4 Mercedes 1 Progresso 4 Weslaco	8% 1 Houston	0	0
Palm Lake Estates	79% 2 Edinburg 4 McAllen 12 Mission 1 Pharr	8% 1 Houston 1 Jacinto City	8% 1 IL 1 MI	4% 1 Tamaulipas
Hoehn	77% 4 Edinburg 2 McAllen 3 Mission 1 San Juan	15% 1 Clute 1 Houston	8% 1 NC	0
Cameron Park	73% 95 Brownsville 1 Harlingen 2 Los Fresnos 1 Olmito 1 San Benito	12% 1 Baytown 1 Dixon 9 Houston 1 Katy 1 Pasadena 3 San Antonio	15% 6 CA 7 FL 1 HI 3 IL 2 IN 1 MI 1 OH	0

COLONIA	LOCAL	TEXAS	OTHER STATE	OTHER COUNTRY
Arroyo Colorado	73% 8 Brownsville 10 Harlingen 1 La Feria 35 San Benito 1 Donna 1 Mercedes	13% 1 Baytown 1 Falfurrias 1 Galveston 1 Harker Heights 4 Houston 1 Kerrvile 1 Rio Hondo	14% 5 CA 1 CO 3 FL 2 IL	0
Valle Escondido	83% 9 Brownsville 1 Los Fresnos	0	17% 1 CA 1 IN	0
Vista del Este	72% 21 El Paso	3% 1 Houston	24% 4 CA 1 FL 1 IL 1 NE	0
TOTALS TOTAL LOTS* = TOTAL NUMBER OF VACANT LOTS LESS THOSE ADDRESSES WHICH ARE INSTITUIONAL, DUPLICATE, OR INCOMPLETE.	**LOCAL** n=1090 77.2%	**TEXAS** n=132 9.3%	**OTHER STATE** n=179 12.7%	**OTHER COUNTRY** n=11 .8%

What these extensive data demonstrate quite clearly is that the overwhelming importance of nearby cities in all of the selected colonias. Usually between 70 and 80 percent of absentee owners were deemed "local", and sometimes it was considerably higher. Only Stony Point just outside of Austin was sharply out of line with only 45 percent local, with the majority living elsewhere in Texas (Table 4.1). Among non-local addresses, two features are worthy of note. First, the considerable spread across a large number of cities in Texas, even for a single colonia. Second, and not surprising, is the importance of the big metroplex areas of Dallas/Fort Worth, Houston and San Antonio. Of the in-state Texas addresses, Houston with 26 percent is easily the most significant city, followed by Dallas/Fort Worth at 15 percent and San Antonio with 12 percent of the sample.

Looking at states outside Texas, Figure 4.1 shows quite clearly that out-of-state absentee owners are really quite concentrated in the states in which they live. The minimum cut off for display on the map was 10 readings, but in fact there was a clear dominance of just 5 five or six states. California leads the way by far (35 percent of the out-of-state), with significant populations living in Arizona and New Mexico (in part the latter derives from the proximity of El Paso to the state line although adjacent cities in New Mexico were counted in Table 4.1 as being "local"). In the south, Florida is also important with 8 percent (n=14). And, as anticipated, the Chicago area (Indiana and Illinois) is an important place of residence with 12 percent (out-of state). At one time developers even placed ads in Chicago newspapers offering lots for sale in the border region.[45]

Our Survey Respondent Universe

While the tax record database gave us a big picture of where absentee owners live, we were subsequently able to compare that distribution with those who responded to our survey. This was important, not because it would give us an accurate portrayal of where the absentee owners lived per se, but rather because it would allow us to gauge if our sample respondent universe appeared to be biased—to local and to Texas respondents, for example. Of the 173 absentee lot owners we were able to interview across 17 different colonias, and spanning eight Texas counties, we were able to elicit current place of residence for almost all of them (165). Of these, 64 percent claimed to currently be living locally, although at the time they had purchased 75 percent had lived nearby, suggesting subsequent out or away migration after purchase. An additional 15 percent reside elsewhere in Texas, while 21 percent live in another state. Of the total 17 states represented in the population dispersal, California was the leader as the residence for 24 percent with Illinois and New Mexico each claiming 12 percent. Two percent of our sample lives outside of the US. In short, these data are not dramatically out-of-line to our broader dataset. There is a suggestion that a slightly higher propensity of non-locals took up a pen to respond to our survey, although we cannot be sure; nor can we be confident about any bias that might lie behind their slightly higher response rate.

A Note About Interviewing and Survey Bias

Given the predominant nature of a mail trace survey we always knew that there would be some systematic bias in the population from whom we were likely to get a response. Specifically, we expected that those most likely to respond would be older more established lot owners, perhaps in some cases also retired. It seemed likely that anyone who was undocumented would not respond (although there were no questions in the survey related to residential status). Inevitably, much higher response rates were expected from the better educated (who could read and write), which might mean that they would be biased towards non-Mexican nationals and could also have spin off effects by being somewhat better off, etc. In short, that our survey would draw insufficiently from among the poorer, less educated, Mexican born universe, many of who would also be more

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[45] Ward, *Colonias and Public Policy....* Op.cit.

transient and living in distant cities. It seems logical that this poorer group will be more highly represented in the "bad" address tax register listings from which our sample was drawn.

Thus, the possibility that there might be systematic bias between respondent and non-respondent absentee owners was always a concern to us. However, we were able to establish a check on the extent to which this bias was likely to be significant. As we described in Chapter 2, some 40 respondents were phone interviews where we had tracked them to a 'phone number. Thus, the motivation threshold of what it takes to reply to a mail survey did not exist. Although not everyone agreed to phone interviews, most did. The opportunity to compare several key variable for mail versus phone respondents would allow us to get a "fix" upon the level of bias that might have come from our larger (121) mail respondent universe.

Interestingly few significant differences appeared when we ran the comparison for income, ethnicity, years living in the US, current housing conditions, the year of lot purchase, or the real cost price of land per square foot.[46] There is a slight hint that telephone interviewees were less likely to be in the highest income bracket (24 percent compared with 31 percent mail respondents), but the proportion of households earning less than $1000 per month (i.e. at the bottom end) were very similar: 32 percent (phone) compared with 28 percent (mail). The proportion of Mexican born and Mexican-Americans were almost identical. The only real differences emerged on lot size where 'phone interviewees appeared to own much larger lots (trimmed mean of 29,025 sq. feet cf. 17,330). But this is readily explained by the fact that a much higher proportion of phone surveys were targeted at certain colonias (where we had received a low mail response rate). Thus no phone interviews were required in Cienegas Terrace, but we did cover Webb County colonias rather more heavily that other counties. Almost half of the phone interviews were conducted in Webb County alone, and three-fifths of these were in Los Altos/Tanquecitos and Pueblo Nuevo—both colonias with very large modal lot sizes, as we have seen in earlier chapters.

Overall, therefore, we are confident that the instrument used—mail survey or phone interview—did not distort the direction of our findings. More importantly, it gives us some confidence that those who replied to the mail interview were not different from the broader target universe of absentee owners. However, the earlier caveat still stands: namely that the "bad" addresses population may be a substantially different one from those absentee owners whom we successfully located.

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[46] Given the similarities described below, these data and comparisons are not displayed here. The important point to recognize is that a comparison was undertaken to ascertain possible bias.

Absentee Lot Owners: Who are They; What do They Want?

We now come to the core of our analysis. Having identified the whereabouts of absentee owners, we can now look at their socio-economic profiles, search behaviors, current living conditions, motives for purchase and non-occupancy, costs of land acquisition, etc. Wherever possible, too, we can compare the absentee owners universe with the actual residents' population examined in the previous chapter.

The Demographics of Absentee Lot Owner

Ethnicity and Years Living in the US

The first thing to note is that the proportions of ethnicities displayed in our sample of absentee lot owners is markedly different from that of actual colonia residents. While the frequency of Anglo and African American households who hold land in colonias increases for those settlements further away from the border, the vast majority of the absentee population still describe themselves as being of Mexican descent (86 percent, See Table 4.2). There is also a higher proportion of Anglo population in the absentee sample (10 percent), which is double that of colonia residents. But the most striking difference is in the much lower number of Mexican born: just under one-half compared with over two-thirds for their colonia resident counterparts. Thus, the data suggest that absentee populations, while overwhelming Hispanic, are drawn more from Mexican-American backgrounds than are colonia residents. Moreover, they also contain a larger number of Anglo lot owners. This may suggest that, for whatever reason, Mexican born are more likely to actively use the residential land production process that colonias offer for homesteading. This may stem from cultural or more likely from experiential reasons, since many Mexican born will have lived as children or visited kin who live in self-build *colonias populares* in Mexico. Clearly, to the extent that this is the case, the difference is likely to decline for the next generation of Mexican-American children being raised in today's colonias, and who will form the homesteaders of tomorrow.

Both the Mexican-born resident and absentee populations have spent a considerable amount of time in the US. However, the data show that Mexican born absentee owners have lived in the US for considerable longer than is the case for their colonia resident counterparts—10 years more on average (Table 4.2). This also suggests that there are important differences between the two populations in rationale for buying lots in the first place, as well as in search behaviors, points to which we will return later.

Table 4.2: Ethnicities and Years Spent in US of Absentee Lot Owners Compared with Current Colonia Residents

Demographic Characteristics	Absentee Lot Owners	Colonia Residents
Ethnicity: Anglo	9.5% (16)	5% (13)
▪ *Mexican born*	49.4% (83)	68% (166)
▪ *Mexican/American*	36.3% (61)	27% (66)
▪ *Years in US (Mexicans)*	29.25 yrs.	18.29yrs.
▪ *Household Size (trimmed average)*	3.8	4.5

Household Size

Absentee owners tend to have smaller households (Table 4.2). In part, of course, this reflects the ethnicity distribution described above, since as we saw in the previous chapter, Mexican American households have 0.4 members less than their Mexican born counterparts, with Anglos having 2.1 members less. Therefore, the higher proportion of Anglos and Mexican Americans in the absentee sample may at least in part be explained by ethnicity. However, we also suspect that these households head are older, and that their households are more likely to have been depleted as children leave home. However, we did not gather age data from either sample, so this must remain speculative.

Employment and Income

The employment question in the survey did not specifically request information about retired folks. If, as seems possible, absentee owners are older, then our failure to enquire about age may not indicate sufficiently for those who are retirees. However, income information (including social security and pensions) on all households was requested, but it seems possible than many of the 9 percent in the lowest income category (Table 4.3) were retired.

Out of the total working universe of 296 workers who belong to absentee households (including those looking for work), 68 percent work full time (identical to colonia residents). Of the 123 absentee households who claimed at least 1 fulltime worker in the household, almost half had 2 or more economically active workers (higher than the one-third colonia residents). A further 22 percent of absentee lot holders had family members working part-time, which was almost identical to that found for colonia residents, as was the level of unemployment (10 percent).

Thus the profiles are similar with the important exception of a larger number of full time workers among absentee owners. Only 21 absentee households reported having members looking for employment. Absentee family members who are currently unemployed total 10 percent of the sample. Very few of those who were able to respond to either the mail or phone survey were migrant workers. Households containing at least one migrant worker made up less than 5 percent of the sample (half the number in the actual colonias). This is also suggestive of a somewhat different worker population, but it is also an outcome of the survey bias noted earlier in this chapter, which would seriously underreport migrant workers as absentee owners.

These employment data translate into important relative different in poverty levels observed between the two populations (Table 4.3). The income data shows that while both groups are mired in poverty, the absentee owners are considerably better off economically than their colonia resident counterparts. This is especially true at the higher income categories. At the bottom end of the income spectrum, 29 percent of absentee households fall into the lowest two categories on the survey (households earning below $1000 per month), which is 17 percent less than residents. A further 29 percent of absentee households earn between $1000 and $1600 per month —identical to resident households. Thus, 58 percent of absentee lot owners report earning under $20,000 per year. This is very low income for the United States and even the state of Texas as a whole, but it demonstrates that, among the poor, absentee owners are somewhat better off than are colonia residents.

This disparity between the two populations is even more pronounced among those earning over $1600 a month: 42 percent of absentees compared with less than a quarter of the residents making that much. Even more pronounced, however, is the fact that 31 percent of absentee households make over $30,000 per year—almost three times as many as resident households. Over 56 percent of absentee households in this over $30K category brought in over $40,000 per year and almost one half of them made over $50,000 per year. In part, of course, this reflects the higher number of full-time workers, but there seems little doubt from our surveys that absentee lot owners are a significantly advantaged population compared with colonia residents. Nevertheless, notwithstanding the 15 percent or so with total incomes over $50K, the fact remains that most are also unequivocally poor, but not quite as dramatically so as are their colonia resident counterparts.

Table 4.3: Household Income for Absentee Lot Owners Compared with Current Colonia Residents

Total Household Income	Absentee Owners	Colonia Residents
< $600 per month	9% (13)	14% (36)
600-1000	20% (29)	32% (79)
1001-1600	29% (43)	29% (73)
1601-2500	12% (17)	14% (34)
>2500	31% (45)	11% (26)

Housing Histories and Scenarios

As we described at the beginning of this chapter, a modest number of absentee lot owners appear to have moved away from the locality in which they originally bought a lot. At the time of lot purchase, more than three-quarters had lived locally: whereas only 64 percent of respondents today were deemed to be local. It would appear that a small but significant group bought into the colonia, and then moved elsewhere probably in search of work, and have finally settled in a more distant location. There is little apparent difference between absentee owners and colonia residents for place of residence at the time of purchase (Table 4.4). The only sharp difference appears to be that a proportion of colonia residents actually bought while they were still resident in Mexico (11 percent). The latter is interesting in and of itself, but the data also reinforce our aforementioned findings of higher Mexican American ethnicity and longer residence in the US among absentee owners. Nor does it appear that most of them were recent arrivals to the city, let alone recent immigrants from Mexico. Only 20 percent had been living in the same city for less than three years prior to purchasing the lot. The vast majority had lived there from "several years" to "most of their lives" before buying a lot.

Table 4.4: Place of Residence at Time of Colonia Lot Purchase for Absentee Lot Owners Compared with Current Colonia Residents

Place of Residence	Absentee Lot Owners	Colonia Residents
Adjacent/Nearby City	75.5% (120)	69.4% (177)
Elsewhere in Texas	8.2% (13)	9.4% (24)
Another State in the U.S.	9.4% (15)	6.6% (17)
México	1.3% (2)	11.0% (28)
Other	5.7% (9)	3.5% (9)
Total	**100.0% (159)**	**100.0% (255)**

Controlling further for whether the absentees are Mexican-born or Mexican-American, 56 percent of the latter had lived in the area of the colonia "most of their lives" when they purchased the lot, compared with only 22 percent of Mexican-born individuals. However, the majority of Mexican-born absentees had lived in the area for a significant amount of time, "several years" (55 per cent) and only 22 percent of Mexican-born purchasers were recent arrivals when they bought their lots. This suggests that while ethnic background and residential history intervene, few people bought lots soon after their arrival in the nearby city. Most absentee lot owners were well settled when they embarked upon their search for a lot—as were actual colonia residents as we observed in the previous chapter. Neither for residents nor for absentee lot holders is purchase of a lot an early option exercised by recently arrived migrants.

Thus the scenario alluded to by the data is not one of buy-and-run for absentees. Mexican-born individuals enter into a region heavily populated by Mexican-Americans, live there awhile, and then purchase a colonia lot. Although this residential history is similar to the patterns generated by the colonia resident sample, we are nevertheless dealing with a distinct population. Absentees do not occupy their lots. And the data are consistent with a population searching for investments and long-term goals. They look elsewhere for their housing solutions, and use colonias as a back-up housing possibility or as an investment.

Analyzing Housing Trajectories and Current Living Conditions of Absentee Owners

Most people appear to have come to their current town of residence many years ago—sometime during the late 1970s. Although as previously mentioned there may be a bias due to the nature of a mail survey and those who were able to respond to it, the data suggest that most absentees are relatively sedentary in their lifestyles. In fact, our analysis suggests a an average of almost 17 years for the amount of time that folks have spent in their current residence. This may result from a conflation of the two questions seeking to detail the frequency of change of residence: "When did you move to your current city?" and "How long ago did you move to your current home?" But in any case, the population we are dealing with is not one that has experienced recent uprooting and a move far away.

Table 4.5: The Living Habits of Absentee Lot Owners Compared with Current Colonia Residents

Housing Conditions	Absentee Lot Owners	Colonia Residents
Current tenure:		
Own	81% (128)	ALL[47]
Rent	8% (13)	
Previous home tenure:		
Own	NA	25% (58)
Rent	NA	60% (138)
Share (kin)	NA	13% (29)
Average # of bedrooms now	3.033	2.816

Attitude to Present Housing

Over 80 percent of our sample turned out to be homeowners; less than 8 percent were renting; and approximately 9 percent live in the home of kin or with friends (Table 4.5). This contrasts sharply with colonia residents, only 25 percent of whom were owners of the home they occupied before moving to the colonia, while 60 percent were renting. This suggests that absentee lot owner eschewed home ownership in a colonia in favor of homesteading elsewhere. The normal transition and trajectory of renter-owner, city-colonia that we described in the previous chapter for colonia residents, does not appear to apply here. Moreover, given that so may are already owners, there seems little likelihood that they will opt for colonia residence as home in the future. Almost 90 percent described their residence as a "regular" home, as opposed to an apartment (5 percent) or a trailer/mobile home (3 percent), but not too much should be read into these categories. Measured in terms of number of bedrooms, these residences are also slightly larger than the residences of their colonia resident counterparts (Table 4.5).

Central to discovering the intentions and likely trajectories of absentee lot owners were their perceptions and views about their current residence. Most (80 percent) saw their current home as permanent, affirming the stability and sedentary nature of the population. Almost half of those who viewed their home as permanent stated, quite simply, that they

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[47] The survey was targeted only at owners. Renting is prohibited, but there is a modest level of sharing lots/homes with kin. Fourteen percent of lot owners interviewed had kin sharing on their lot, 41 percent of whom had some co-ownership rights to the lot.

were "happy" living where they were. An additional one-quarter cited good neighborhoods, schools and secure employment; while a small number (9 percent) felt that they were too old and/or settled to move. Overall, therefore, the data suggest that this is a relatively sedentary group, comfortable with their current housing scenario. Certainly is hardly seems to be a population that is primed for entry into colonia life and into self-help housing alternatives.

Absentee Owners: Ongoing Links to the Colonia

So, if they are not waiting on the sidelines of colonia entry, what do they want, and what is the nature of their past and current relationship to the colonia in which they own a lot? Despite their apparent disinterest in moving to live in the lot in the short term, most absentee lot owners do, in fact, visit their lots, and some do so quite regularly. Almost 90 percent of all absentee lot owners claimed to visit their lots; and of these one-quarter did so more than once a month; 50 percent at least once every 2-6 months, while the remainder (one-quarter) make the trip once a year.

The reasons for visiting the lots varied. Most, (57 percent) do so in order to check on the lot, and many who have friends and relatives in the colonias combine those visits with calls to see them. Only a relatively small minority return regularly in order to perform maintenance such as weeding, cutting back the brush and picking up garbage on their property.

Few (16 percent) of absentee owners claimed to still be in touch with the developer of the colonia in which they purchased a lot—usually in order to make payments or to express concerns over services (usually the lack thereof).

Unpackaging Absentee Ownership: What Do They Want?

By now our curiosity was firmly aroused. What was the underlying motive for people to buy lots in colonias that they subsequently didn't occupy? Was it serendipity and the different life chances and job trajectories of low income populations that had, somehow, led the absentee owners onto other residential paths? Or was it something more substantive, related to their original strategies and motives for lot purchase?

The data clearly indicate the latter. Relatively few bought with the intention of permanent occupation. In fact, in more than three-quarters of instances absentee owners picked responses that did not include any intentions to move onto their lot. Of course, in the majority of cases a lot of time has passed since the time of purchase, such that there is the possibility that some absentees are rationalizing ex-post their non-occupancy. However, even among the 24 percent who indicated that had originally planned to live on their lot at the time of purchase, almost all saw it as a long-term strategy as opposed to a short-term housing solution.

Table. 4.6: Reasons and Proposed Purposes Given by Absentee Lot Owners for Buying a Lot in Their Colonia

Reason/Proposed Purpose	# of Responses	% of Total Responses
As a home in the short term	7	3.0%
As a home in the long term	49	20.7%
As an investment	60	25.3%
To provide an inheritance for my children	57	24.0%
It was a good deal and opportunity	39	16.5%
To rent out or use for work	8	3.4%
Vacation/winter/retirement home	5	2.1
Other	12	5.0%
Total	***237**	**100.0%**

*Total # of responses may exceed the total number of respondents to the mail/phone survey (173) because participants were instructed on certain questions to indicate more than one response where appropriate.

A very small percentage of absentees (2 percent) indicated that they purchased either as a vacation or winter home. One quarter said that they had bought their lot as an investment, while a further 25 percent bought their lot in order to provide an inheritance for their children (Table 4.6). An interesting insight into the purchasing strategies of absentee owners was that over 16 percent of all first and second given responses was that they purchased because they saw the lot as a good deal or opportunity that they didn't want to pass up. Like the attraction of a "blue light" special at K-Mart, most often absentees cited the low cost of the lots as their primary reason for opting for a colonia lot over other housing investment options (Table 4.7). The affordability, ease of purchase and anticipated investment returns were important factors in people buying into colonias in the first place. In conclusion, the majority of respondents bought their lot as some form of financial vehicle, and rarely as a homestead.

Table 4.7: Reasons Given by Absentee Lot Owners for Choosing to Purchase in a Colonia Subdivision over Other Housing Options

Reason	# of Responses	% of Total Responses
Affordability	71	31.6%
It was easy to buy—no papers, closing costs, etc.	17	7.6%
More space	20	8.9%
Rural atmosphere/away from city	46	20.4%
Good anticipated return on my investment	45	20.0%
Other	24	10.7%
Total	***225**	**99.0%**

*Total # of responses may exceed the total number of respondents to the mail/phone survey (173) because participants were instructed on certain questions to indicate more than one response where appropriate. Adds up to 99 percent since once person said he did not know.

The Reasons Behind Non-occupancy

When asked if they had plans to move onto their lot in the future, the response yielded a somewhat split decision. Fifty-seven percent claimed that they would never occupy their lot, while the remainder said that they planned to occupy their lot at some point in the future.

Looking across all absentee owners, a number of reasons were given for not occupying their lots (Table 4.8). Most are understandable: they bought as an investment and/or for their children's future use rather than a home for themselves; the colonia's isolation (from work, etc.). Less than one quarter cited the lack of services as the primary disincentive, which suggests a fundamental flaw in the "build-it and they will come" thinking of many public officials today.

In order to get a better understanding about non-occupancy from what we may term the hard-core absentee lot owners—i.e. those who claimed they had no intention of ever moving onto their lot—we disaggregated them within the sample, and elicited further reasons for not wanting to relocate to the colonia. The reasoning was varied, but basically, these absentee owners have no desire to move to the colonia largely because they've already established a home elsewhere, or because the lot was an investment strategy. In their case only 10 percent indicated that an inhospitable environment or lack of services precluded a move, while a further 10 percent are actively trying to sell their lot. It appears that resources are of lesser importance to this sub-group of absentee owners, and only one respondent claimed that he would not move into the colonia as he could not afford to do so.

Table 4.8: The Reasoning Behind Absentee Lot Owners' Reluctance to Occupy Their Lots

Reasons for Non Occupancy	Absentee Lot Owners
Distance/Location	9.7% (23)
Lack of Services	22.5% (53)
An Investment	23.7% (56)
For Children	11% (26)
Moved Elsewhere	9.3% (22)
Lack of Capital	2.9% (7)
3 Other Reason	11.4% (27)

We enquired of those he felt that they might move in the future to indicate when they might do so, and what would prompt the move. Hardly anyone had active plans to relocate, and less than one-quarter predicted that they would be moving in the next three years. The remaining 73 percent indicated that any relocation to the colonia would take place in the distant future. When those with vague plans for moving were disaggregated and asked to list the factors that would most influence or hasten their decision to move to the colonia, the responses are different from those that had been furnished by current residents to explain their reasons for delaying their move. Here one-third of the responses stressed the need for some key services to be installed before they would move, and specified water, sewage and street paving as crucial over that of social infrastructure such as schools or community centers. To our surprise (and confusion), an astonishing 45 percent of mentions stated that secure title to the land was a prerequisite to moving, a factor that in reality appears to have rarely caused colonia residents to balk at moving to their lots. Almost all had long completed paying for their lots and had title deeds. It may be that notwithstanding having the titles in hand, this sub-group perceives tenure insecurity in broader terms, and retains doubts about the future viability and public policy response towards colonias. This possibility merits further research.

The Process of Land Acquisition and Land Market Performance

The colonias that were included in our study yielded a broad range of purchase dates by both absentee owners as well as colonia residents. However, unlike many of the colonia residents who bought in the late 1980s early 1990s (modal year = 1990), most absentees lot owners had bought their lots considerably earlier, mostly in the 1980s with the 1984 being the modal year. These lots have never been occupied. The data illustrates a scene in which the population of absentees purchased earlier and generally paid a lower price than their colonia resident counterparts (discussed further below).

Table 4.9: Period in which Absentee Lot Owners Purchased Land in the Colonia Compared with Current Colonia Residents

Lot Purchase Date	Absentee Lot Owners	Colonia Residents
When bought?		
Pre 1980	35% (52)	20% (51)
1981—1990	39% (58)	33% (857)
1991-1999	27% (40)	47% (120)

Methods of Purchase

Contract for deed, the mechanism by which the majority of colonia lots have been sold to date appears to be less prevalent among absentee owners, about one-half of whom stated that they had acquired their lot in this way (cf. 63 percent of colonia residents). However, it may be that respondents who completed the mail questionnaire opted to identify the final contract form that they acquired (i.e. a warranty deed) rather than the originating contract. One should probably not read too much into this apparent difference.

An interesting similarity between absentees and residents is the way in which they found out about the opportunity to buy in a colonia. For both groups *se corrio la voz* (word got around), and most people heard informally from family or friends. A similar proportion as residents learned of the opportunity through more formalized means of information exchange such as newspaper advertising (13 percent).

Table 4.10: A Comparison of Average Lot Size and Real Prices at 1999 Values between Absentee Lot Owners and Current Colonia Residents

Price and Size of Colonia Lot	Absentee Lot Owners	Colonia Residents
Average Cost of Lot, in $[48]	9,498	13,281
Size of Lot, in sq. ft.[49]	18,622	15,482

[48] Trimmed Mean value.

[49] Trimmed Mean value. Median is 13,250. Lots in many colonias vary between 1/8, 1/4 and 1/2 acre sizes (5,445; 10,890 and 21780 square feet)

Cost per sq. foot, in ¢ (US)[50]	79¢	$1.09

Land Market Performance

If, as appears to be the case, one of the most important motives for lot purchase was a long-term investment, then our data offer the opportunity to analyze the relative return that absentee owners may expect to receive on their investment. In Chapter 3 we observed that although residents have enjoyed some use value from their homestead, the valorization (exchange value) of their investments measured in real contemporary values was rather limited.

As in the case of residents, we asked absentee lot owners a series of questions about their lots: when it was purchased, the lot size, the costs and manner of payments, etc. This provides for direct comparison with actual residents, although we did not ask absentees to speculate about their perceived value of their lots on the open market place since their lesser familiarity with the colonia meant that they were less likely to have comparator information. The method used was similar to that described in Chapter 3 (see "A Note on Method), namely that the lot purchase prices were calculated in real 1984 dollars, as well as in unitary—per square foot—terms, again in 1984 dollars. (Multiply these values by 1.64 to express n 1999 values/costs.) One major difference between these and the data analyzed earlier is that these values are unequivocally vacant lots, and we can be confident that in this case none of the readings may also include dwellings or improvements (as may have been the case n some of the *traspasos* during the 1990s.

Table 4.11. The Costs of Lots Acquired by Absentee Lot Owners in the Survey Counties and Settlements—1984 Real Dollar Prices

	Total 'N' of cases*	**Lot Size (square feet)**		**Average Cost of Lot in 1984 US$**		**Real square foot values (1984)**	
		™	Median	™	Median	™	Median
Overall Survey Data	**149**	**18,622**	**13,250**	**$6,079**	**$5,595**	**48cents**	**35cents**
Counties:							
1. Cameron	22	9,133	7,350	$4,558	$5,330	89¢	51¢
2. Hidalgo	11	9,247*	6,850*	$5,552	$5,350	73¢	70¢
3. Starr	ND	ND	ND	ND	ND	ND	ND

[50] Trimmed Mean value.

4. Webb	43	30,500	19,958	$8,452	$8,181	43¢	25¢
5. Val Verde	18	14,250	12,500	$4,561	$3,977	34¢	32¢
6. El Paso	34	17,054	14,000	$6,748	$6,411	63¢	41¢
7. Travis / Bastrop	5	ND	ND	$5,026*	$4,914*	09¢*	09¢*
Settlements: (= county #)	**Total 'N' of cases ***	**Lot Size (square feet)**		**Average Cost of Lot in 1984 US$**		**Real square foot values (1984)**	
		TM	Median	TM	Median	TM	Median
Northridge (7)	ND	ND	ND	ND	ND	ND	ND
Stony Point (7)	ND	ND	ND	ND	ND	ND	ND
Rio Bravo (4)	6	9,951	10,413	$9,098	$8,820	1.01	1.02
Pueblo Nuevo (4)	16	46,274	43,560	$4,822	$5,026	13¢	11¢
Tanq./Altos (4)	16	24,783	21,780	$9,670	$9,057	50¢	37¢
Sparks (6)	11	10,937	10,890	$3,885	$3,744	43¢	35¢
Deerfield Pk.(6)	8	30,802	32,670	$10,819	$9,116	46¢	31¢
Mike's (3)	ND	ND	ND	ND	ND	ND	ND
Vista del Este (6)	6	7,900	7,500	$10,243	$10,078	1.31	1.23
Cienegas T. (5)	18	14,250	12,500	$4,561	$3,977	34¢	32¢
Mesa (2)	ND	ND	ND	ND	ND	ND	ND
Palm Lake (2)	ND	ND	ND	ND	ND	ND	ND
Hoehn Drive (2)	ND	ND	ND	$7,759	$8,630	ND	ND
Cameron Park (1)	7	7,000	7,000	$4,742	$3,362	73¢	39¢
Arroyo C. (1)	10	9,322	7,200	$4,186	$3,846	41¢	39¢

Notes to Table:

Multiply by 1.64 to express these values in 1999 dollar prices.

TM = Trimmed Mean (average)

* = Excluding "missing values". A single asterisk against any reading in the Table indicates less than 5 cases were included in that calculation. For land price data

ND = No data or insufficient data for calculation.

The Price of Lots Held by Absentee Owners

As we can in Table 4.11 the overall cost of lots for absentee owners was just over $6,000 (trimmed average) which is some $2K less than that recorded for residents, although the median is much closer ($5.6K cf. $6.2K [see Table 3.1]). Expressed in unitary terms, the real values for land are 48 cents per square foot (trimmed mean) and 35 cents (median), suggesting that the prices paid by absentees are lower than those paid by current residents. However, this difference is probably more a factor of the period in which the two respective groups bought their lots. A much larger number of absentee owners bought in the earlier periods of the pre-1980s (35 percent cf. 20 percent for residents) and the 1980s (39 percent cf. 33 percent) than did their resident counterparts, almost twice as many of whom had purchased in the 1990s (47 percent cf. 27 percent for absentees). Lots purchased during the earlier phase tended to be cheaper in real terms than those purchased later: pre-1980 registered a trimmed average price of $4,235 while, those acquired between 1981 and 1990 sold at average $6,807, and at $7,251 from 1991 onwards. Thus, overall we do not think that the costs price data were much different for absentee owners and residents per se, but instead, the difference observed reflect more the period of lot purchases for each group. Expressed in 1999 terms, the average lot prices would be $9,970 (trimmed mean), and $9,176 (median), which are not out of line with the going rate that we observed in the field.[51]

Disaggregating the data by county, we found that lot size and cost data corresponded reasonably closely with those analyzed earlier for residents (cf. Tables 3.1 and 4.11). Briefly, average lot sizes were smaller in the Lower River valley Counties than in upstream counties of Webb, Val Verde and El Paso. If anything, lot sizes were found to be slightly larger in the case of absentee owners—at least until the 1990s, while prices in unitary terms were a little lower (Table 4.12). Webb County is an exception: here absentee lot sizes reported were smaller on average (although still large by comparison with other counties—see Table 4.11), and unitary prices were somewhat higher as a result. Generally, though, the price of land for absentee purchasers was lower than that of actual residents (see Table 4.12).

Table 4.12: Lotsize and Real Lot Costs (1984 $) Purchased at Different Time Periods: Absentee Owners and Current Residents Compared

Variable and Period in which Purchased	Absentee Lot Owners		Colonia Residents	
	TM	Median	TM	Median
Lotsize: pre 1980	20,024	14,000	17,037	12,000
1981-1990	20,730	14,374	12,522	10,250
1991-1999	14,951	12,500	18,373	12,712

[51] Taking the trimmed average of 48 cents per square foot and expressing this in 1999 terms for a median sized lot of 13,250 square feet would give a price of round $10.5K which is quite close to the going rate—see Carew, 2000, op cit.

Variable and Period in which Purchased	Absentee Lot Owners		Colonia Residents	
	™	Median	™	Median
$ Real Cost: pre 1980	$4,235	$3,748	$7,694	$5,412
1981-1990	$6,807	$7,408	$7,037	$5,350
1991-1999	$7,251	$7,085	$9,182	$7,102
Cost sq. ft: pre 1980	31¢	25¢	73¢	51¢
1981-1990	55¢	44¢	62¢	48¢
1991-1999	60¢	42¢	64¢	54¢

Looking across colonias, there were several settlements in which we had insufficient data to make any meaningful analysis (marked with ND in Table 4.11), and one settlement (Vista del Este) where we had not conducted resident interviews, thereby making comparison impossible. With these caveats in mind, the two datasets (Tables 3.1 and 4.11) run in the same broad costs directions as before: with the exception of the El Paso colonias which are much lower (both Sparks and Deerfield) and Cameron County (Cameron Park and Arroyo Colorado) where absentees paid considerable less in real terms than did residents. Tentatively, we explain these differences in terms of the modest valorization impact that state intervention to improve colonias may have had in these two counties. It may also relate to more astute price setting by vendors in recent years and the volume of transactions that have occurred in those particular locations and which skew the price upwards somewhat.

Overall, Hidalgo (95 cents) and El Paso ($1.1) are the most expensive counties in unitary terms, with Cameron and Webb in the 40-50 cents per square foot bracket; and Val Verde at 34 cents. Some developments were targeted at the better off working class market (Deerfield and Vista del Este in El Paso).

Changing Land Values Over Time and the Effectiveness of Investment

The aforementioned data are indicative of some real increase in land costs and values over time. This contrasts with the actual resident data analyzed in Chapter 3, where we found that land price profiles were remarkably "flat" over time; indeed, they appear to have dipped somewhat in the 1980s (see also Table 4.12). In the case of the absentee owners we can see that prices rose quite sharply in the 1980s, but leveled off thereafter. The correlation coefficient for costs over time: of a lot (+.29), and per square foot (+.186) both show a tendency to increase through the three decades, but the relationship is not a strong one statistically.

Table 4.12 above suggests that in real terms, those absentee owners who bought prior to 1980 paid much less than those who came later—about half as much in some cases. For them it seems likely that the decision to buy early has resulted in a modest return. Assuming that an individual bought a lot of, say, 15,000 square feet at a constant price for the period of 31¢, at today's rates would mean an effective purchase price of $7,626. Comparing that amount with what contemporary residents self-assessed lots ($16,050) in their locality and or with tax appraisals ($10,950) for a similar sized piece of land (see Table 3.2), then that individual would have earned an approximate 110 percent or 44 percent increase on his investment over the twenty or more years respectively (see Table 4.13). But this only a 5.5 percent or 2.2 percent increase per annum over that period. Those who bought in 1980s (1.33 per cent per annum assuming 14 yrs) and 1990s (2.35 percent increase per annum over 4 years) would not have fared so well. Indeed, against appraised tax values they will have lost money.

Table 4.13. Rates of Return on Lot Investments Using Different Comparators and Time Frames

Period in which Lot Purchased at price constant price per square foot	1999 Equivalent Cost of 15,000 square foot Lot	Total Percent Return on Investment Assuming 1999 value of $16,050	Total Percent Return on Investment Assuming 1999 value of $10,950 (Tax Appraisers)*
Pre 1980—31¢	$7,626	111% (5.5 pa)	44% (2.2 pa).
1981-1990—55¢	$13,500	18.6% (1.33 pa)	-19% (-1.3 pa)
1991-1999	$14,670	9.4% (2.35 pa)	-25% (-6.4 pa)

* Not too much should be made of this figure and trend, since colonia land tax appraisal are much lower actual market values (see Chapter 3).

Thus the important point is that these rates of investment return are relatively low or derisory, certainly if measured against other forms of formal investment (CDs, blue-chip stocks, etc.), let alone against the rise in land values in other sectors of the real estate market over the years. However, it must be recognized that although they do not offer even a modest rate of return, buying into a colonia is one of the few (if only) opportunities for investment among the poor—given the relative ease of purchase, the low monthly rates, the non-existent closing costs, etc. Nevertheless, there seems little doubt that for absentee owners and for actual residents the sluggishness of the colonia land market, and the lack of direct valorization of property values through mutual aid, self-help, and state-sponsored upgrading, in effect penalizes the poor and locks them out of benefits that many other social classes derive from property ownership. It is especially punitive to actual residents who struggle long and hard to improve their colonia and housing situation, and who gain only the use value of their lots. But even for absentee owners who have contributed little or nothing to colonia improvements, the lack of any substantial return on their investment is problematic, not least because it may make them walk away from their lot holdings and tax obligations, or because they will continue to wait in the hope that land values will eventually rise. Both scenarios mean that the high rates of absentee lot ownership and vacant lots that we have recorded in this study are likely to persist. New interventions are required to improve the operation of the market place on the one hand, and, on the other, to free up access to those lots that are "frozen" by the owners having walked away.

Conclusion: Absentee Lot Owners—Homesteaders Waiting in the Wings or Permanent Off Stagers?

The data in this chapter are very revealing. Knowing little previously about this no-see'em population, our survey—despite the possible biases that we discussed at the outset—have enabled us to generate quite a good profile about who they and where they are, and what they want. Briefly, we have found that the majority—usually over 70 percent—may be considered local in that they live nearby. While slightly more than half are Mexican born and most have lived for many ears in the US, this is considerably less than is the case for colonia residents who also tend to have lived in the US not quite so long. We suspect that absentee owners are somewhat older, although we cannot be sure. While poor, they are significantly less poor than their resident counterparts.

But it is in their residential histories and their motives for purchasing a lot in the first place that the most important insights arise. For the most part absentee lot owners are not waiting in the wings for conditions to improve that will persuade them to occupy their lots. Most of them are already homeowners, are well settled, and expressed little interest in occupying their lots, not even in the medium to long term. Although the originally have bought the lot to live on, ex-post rationalizations and experiences no longer bring that to mind. Whether true from the outset, most owners today state that they see the lot as an investment or as an inheritance for their children. For their part, they have little motive to occupy, regardless of whether and how the colonia may develop. Certainly, building services such that "they will come" is largely an irrelevance. While it seems certain that a significant number of original purchasers have in effect abandoned their stake and are no longer traceable to their property tax return addresses and have gone into default on their tax payments, this is not the case for those who we were able poll in our survey. Most of these maintain a link with their lots and visit quite regularly. Some are already looking to sell-out. For this latter group, as well as those who might be very willing to sell if they could find buyers at a reasonable price, the frustration is with the fact that land prices and values have barely risen at all in real terms. Although alternative outlets for investment would always have been remote for these low-income householders, buying land has not served them particularly well. Like their colonia resident counterparts, they have not shared in the overall inflation in property values—not even vicariously at a distance.

Whether they should benefit from land speculation having been relative "free riders" and not investing their sweat equity in home and colonia improvement is a moot point, of course. Some would wish not, while others—ourselves included—would not grudge them some modest windfall gains from land development. It seems rather perverse to argue that the poor should not enjoy some of the benefits, even if they have participated relatively little. More important, perhaps, is to find ways which will make the land market operate more smoothly, opening up the supply of lots into the market place, enhancing land rents and property values, encouraging sales and a more efficient social use of land. In this way absentee lot owners might be persuaded to sell, giving opportunities to low income households and would-be homesteaders. That they recover their investment and perhaps make a little profit should probably not be a major concern, unless, of course, this were allowed to extend to occasional developers who still hold extensive property in the colonia. It would only be a concern if the market was to heat up too much, and prices became unaffordable to the very poor. But that seems unlikely, and would only apply if middle-income groups began to "raid" downwards into colonia land markets. How to "unlock" this dysfunctional land market is the challenge that we address in the final chapter. At least we can now begin to do so on the basis of hard information and a more informed understanding of resident lot owners as well as their more invisible absentee counterparts.