Chapter 13.

Urban Regeneration and Housing Rehabilitation in Latin America's Innerburbs

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In this chapter we wish to offer some concluding thoughts and provide an overview of some of the common findings and the new insights that have emerged from the ten cities and eight countries analyzed in this volume. The specific details and policy challenges that arose are discussed in each chapter and are not repeated here except to offer occasional examples and redirects to particular cases where appropriate. From the outset, our research into the social and architectonic processes of the low-income consolidated settlements in the innerburbs was motivated by our vision of a new generation of housing policies that would embrace housing and community rehabilitation (rehab) and that might sit comfortably alongside the better known policies of regularization and upgrading in the recently formed self-built informal settlements. We hope that we have made that case successfully, both in the general tranche of policy lines and approaches described in Chapter 2, as well as in specific suggestions that might usefully be considered in each city. In this final chapter we also wish to discuss, albeit briefly, some of the dilemmas and conflicts that may arise if public policy begins to refocus its attention upon redevelopment and rehabilitation of the existing housing stock and urban settlements, especially when these now occupy good locations attractive to other income groups and alternative land uses. Past experience tells us this can lead to large-scale displacement and/or "gentrification."

NEW ISSUES AND THEMES ARISING FROM OUR RESEARCH

The primary goal that we set ourselves in developing this comparative research project was to explore the socio-economic nature and housing dynamics of low-income settlements that were formed during the first wave of self-built housing associated with the rapid urbanization of Latin American cities, mostly from the 1960s onwards.[1] In so

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[1] In Mexico City and Guadalajara, some early suburban irregular settlement date to the 1950s, while two of the smaller *villas* in Buenos Aires (Inta and Villa Tranquila) began in 1948.

doing we hoped to be able to focus attention upon what we described as a new generation of housing policies that would give consideration to those areas that have already gone through a substantial "consolidation" process and which, because they had been successfully upgraded and integrated into the city fabric, no longer seemed to hold the attention of policy makers, except insofar as these areas were hot spots associated with crime, drugs and insecurity. Our starting point was the idea that in many such neighborhoods, after more than 20 years of continued residence, rising densities and intensive daily use merited a fresh look at housing policy predicated upon rehab and refurbishment, which would go beyond the conventional wisdoms of the "regularization" of property titles and provision of infrastructure that are the prevailing policies for informal settlements established more recently at the city periphery.

Accounting for National and Settlement Differences

Our comparative perspective and common methodology has allowed us to identify a number of shared experiences, social processes and policy challenges that we will summarize below. As expected, it also presented us with significant differences both between countries and cities, as well as between different types of low-income consolidated settlements. Most notable, here, were the differences between the crescive and irregular settlement patterns of *favelas* and *villas* found in Brazil and Argentina, compared with the wider universe of more regularly laid-out blocks and street settlement patterns of *loteamientos* and *loteos populares* in these and other countries. This meant that in those cities where *favelas* and *villa*-type housing were present it was necessary, as a preliminary step, to disaggregate our analysis accordingly, since both the social processes and policy challenges were likely to be very different in those settlement types.

Similarly, in Guatemala City, we found one of each type: the settlement of El Esfuerzo (also known La Limonada) located close to the city center, and the much larger colonia of La Florida located much further out (see Chapter 6). However, in all of these cases while the settlements were quite different in physical structure, they almost always presented similar social characteristics: those of long term residential occupancy by the owner households; ongoing poverty; densification and accommodation of adult children and

other family members in the dwelling unit or on the lot; rotation or churn of household membership as adult children exited, and sometimes later returned. Physically, too, these self-built homes were rarely finished out, but were under constant improvement or structural adaptation designed to accommodate the life-course changes that we have observed throughout our case studies, as well as undertaking the normal refurbishment required to replace or upgrade wiring, maintain washing and toilet facilities and ensure at least a minimal level of privacy for family members.

Notwithstanding these commonalities it is important to begin this overview by documenting some of the overarching structural background variables that are most important in shaping the differences observed between the Latin American Housing Network (LAHN) cities. Perhaps the most important and most obvious structural variables are: the relative poverty levels in each country (in the metropolitan areas in particular); wage inequality; differential and declining opportunities for employment in the formal sector (and especially the better remunerated jobs targeting the working classes); as well as the scale, dynamics, and earning capacities of employment for the many embedded permanently in the informal sector. Taken together with urban growth rates and internal and intra-city migration patterns, this constellation of structural factors is a key determinant that shapes the demand for housing and the nature of supply mechanisms at costs that people can afford.

The broader polity is crucial for a number of reasons. It determines the opportunities for democratic engagement and participation in housing production (especially self-build) and may take a repressive stance that inhibits and dampens informality. Santiago is probably the outlier here, in so far as the Pinochet regime's dramatic eviction and removal programs of the *campamentos* (squatter settlements) and their relocation to outlying municipalities created the most segregated residential city in the Americas. Other military and authoritarian regimes were less systematically repressive, ranging from *laissez faire* (Brazil and Mexico), to clientelism and support (Lima under Presidents Odría and Velasco), to benign neglect and disinterest (Montevideo).

In the same vein, and equally important, has been governmental willingness to adapt and respond to emerging conventional wisdoms from multilateral institutions such as the World Bank, UNDP, UN-HABITAT, especially after the first UN-HABITAT meeting in Vancouver in 1976. Brazil, Mexico and Argentina (latterly) moved away from *laissez faire* to more interventionist and supportive policy approaches that embraced self-build and informal means of land capture and development. These included such provisions as offering legal titles to de facto owners who had bought land informally or squatted; installing basic infrastructure and services; and providing building materials and technical assistance.

In different contexts, and at different times, such interventions and supports came with strings attached – political clientelism, vote buying, street demonstrations on behalf of the government – although it is important to recognize that explicit or implicit ties have declined over the past 15 years as governance practices have become more democratic and less partisan. Other countries appear to have moved little, however. Governmental structures and governance in Montevideo, Uruguay have barely begun to embrace decentralization and to date show little willingness or concern to intervene systematically in order to upgrade housing on the south-western side of the city where most of the informal settlements are located. Additionally, in Montevideo title regularization remains largely an anathema. In Buenos Aires, title regularization of the inner city *villas* is also eschewed, but here it is largely due to the technical complications of being able to identify lot and dwelling boundaries, and not so much a blanket unwillingness to consider giving formal titles to de facto owners.

Since the late 1990s, and especially from 2000 onwards, many governments have promoted the development of large-scale social housing estates at the urban periphery and beyond where land is cheapest. These mass housing estates target working class and lower middle-income families, and in quantitative terms have come to offer a serious alternative to informal land occupations and self-building. However, the costs, dislocation from work, poor access to city facilities and services, inadequate public transportation, relative isolation, and other diseconomies all suggest that these

experiments may become a "planning disaster" of the future (Hall, 1980). The February 2013 speech and apparent policy reversal in Mexico by President Peña Nieto in the second month of office, may be a precursor of similar sweeping policy changes that will be adopted elsewhere in Latin America. His administration is advocating a "back-to-the-city" focus, with policies to regenerate the existing housing stock – points to which we will return to below.

Another key determinant of the variation observed between cities is the extent to which there has been a genuine decentralization and strengthening of the technical capacity of regional and local governments. Tim Campbell (2003) described the quickening trend of resource and governmental decentralization across the region as a "quiet revolution," informed in part by the promotion of the new urban development policies espoused by the UNDP and the World Bank. But as is often the case, the actual take-up and impact of such policies in improving governance varies greatly (Wilson et al. 2008; Ward 2005). The recasting of local government structures, their technical capacities, their ability to raise taxes and become more sustainable, and governmental willingness to engage with civil society are all processes that will shape the types of housing policies that are adopted and the responsiveness of local officials and politicians to *barrio* and informal settlement needs and challenges. It is the larger, better-resourced nations that have significantly improved their local municipal and citywide capacity and engagement with informal settlements: examples are Brazil, Mexico, Chile and Argentina. Peru, although it has a decentralization law in place, still struggles to ratchet up its sub-national and local governance capacities. Guatemala City and Santo Domingo have limited resources and capacity to respond systematically to informal settlements and are therefore much more likely to act in a partial ad hoc manner.

One conditioning variable that we did not consider at the outset was the legal and social practice governing property inheritance and succession. Some countries in our study have testamentary traditions of wills (Mexico, Guatemala, and the Dominican Republic), while others adopt forced heirship to assign shares of the deceased's estate (Argentina), and some employ combinations of the two, although the willed segment permitted is often

only a modest fraction (one-fourth or one-fifth, as in the cases of Chile and Colombia). The "inheritance" variable will increase in salience as policy makers become aware of the extent and importance of the dollar value of self-built housing assets among low-income owners, as well as the ongoing importance of the "use value" of this housing stock as it is handed from one generation to another. Our study shows that both the home's asset value, and the frequent transfer of family home for use by second and third generation households, are fast emerging features of housing within these settlements.

However, the fact is that even in those countries that have a testamentary culture very few low-income homeowners have wills, such that forced heirship under intestacy is the de facto outcome (Grajeda and Ward, 2012). So does this make the inheritance conditioning variable moot? Not so, we believe, because forced heirship and intestacy make for more complicated and lengthy resolution, with the result that formal legal titles held in the parents' name(s) become "clouded." Years of successful policy title regularization are on the cusp of being thrown into reversal as those who inherit the property under the social code governing inheritance find that they cannot easily change the title to their own names. This is important since clouded titles lower the house value on the market, impede property sales, severely limit access to formal loans, and act as a disincentive to investment and housing remodeling and rehab.

Other key variables that shape the dynamics of these consolidated settlements are more local in nature. The modal lot size adopted in informal settlements varies between cities and usually ranges between 120-200m^2, sometimes larger, sometimes considerably smaller. This will shape the feasibility of building additional dwellings in the same lot, of subdividing the lot, and the possibilities for building upward to second or third floors. In Mexico where 150-200m^2 lots are commonplace, owners both build upwards and spread out across the lot. Similarly, in the *loteos populares* of Buenos Aires and Montevideo and in the colonia of La Florida in Guatemala it is less usual to build upwards and more common to develop second dwellings elsewhere on the lot. In Lima, dwelling extension and subdivision is increasingly vertical (second and third floors). There are other variables that shape the way people make extensions to their dwellings: in Santo

Domingo, relative poverty and the fact that most homes have roofs made of zinc sheeting makes second floor construction unlikely. In Santiago, Chile, where homes usually have wooden rather than concrete roofs, homes can only extend to a second floor or loft space at best.

Similarly, lot size shapes the ease with which home improvements and extensions may be made. A very small lot space inhibits the organizational capacity to temporarily rotate living space while tear-downs or refurbishment takes place, especially since the self-build process invariably takes place gradually. Large lots allow for greater flexibility in this respect. We see the constraints of small lot size at their most acute in the case of El Esfuerzo in Guatemala City and in the *villas* of Buenos Aires.

The nature and dynamics of local land markets are another conditioning factor. Where the opportunity to acquire new housing and land for self-building is very constrained, adult children and their families are more likely to double-up and live with parents or move into rental accommodations. This is very much the feature observed in Mexico City and Bogotá. If new land is available and affordable nearby, then adult children are less likely to remain with their parents or rent and instead they will decant and start self-building – as we observed in Monterrey (Chapter 4), where FOMERREY promoted access to low-cost land quite near the two survey settlements that we studied. Generally speaking, however, land markets have "tightened" in the past two decades as governments have come to exercise greater planning and land use controls over new informal developments.

The different conditioning variables outlined above underscore the reasons why we deliberately sought to allow the "voice" of each city to come to the forefront, and why we encouraged authors to draw selectively upon the policy lines offered in Chapter 2 for identifying and prioritizing the housing and community rehab needs in each city.

Research Findings and New Insights Gained from the LAHN Study

In Chapter 1 we outlined a number of propositions that we proposed to explore in our study. Indeed, we deliberately framed them as propositions rather than hypotheses, since we knew from the outset that the breadth and scope of our research project and the variations in housing market behavior that we anticipated would not allow us to statistically interrogate and address a set of formal hypotheses. Moreover, our selection of settlements was purposive, and even though households sampled for interviews were selected randomly, ours was never intended to provide a statistically representative sample that could be used to generalize to the wider population of low-income consolidated settlements.

In the following discussion we do not propose to work systematically through those propositions, but instead to group them under several broad headings that will allow us to highlight the emerging general trends; identify some of the major differences and counterfactuals observed between cities; as well as occasionally mention findings that ran in the opposite direction to our initial propositions. These latter counterintuitive or surprising results emerged most frequently from the qualitative "interesting case studies" (see the methodology in Chapter 1) and gave us pause, obliging us to think carefully about the directions our findings were leading.

Household Mobility Patterns and Household Arrangements

As we anticipated, one of the most important findings was the close intersection between the evolution of the household(s) and the physical trajectory of house building and extensions as part of the self-build process. Through our intensive case study methodology we were able to trace how changes in the family life course and household expansion triggered, or were adapted to, the home building process and the allocation of space. Although always economically constrained, self-building provides the flexibility for adjustments to be made. We depicted this process in Figure 1.1 in Chapter 1. A series of life history vignettes linked family expansion and new household formation to room adjustments – especially good examples of which are included in Chapter 11 on Buenos Aires. Just as family expansion and household organization are dynamic social processes,

so it appears that home building, home improvement, and housing rehabilitation track that dynamic. Owning a home in a consolidated settlement truly is a work in progress, and this adds further credence to our argument that researchers and policy makers alike need to take a serious look at these processes and explore how policy can be adapted in order to arrest deterioration, facilitate rehab, and ensure an efficient reuse of the housing stock both over time and trans-generationally.

Across all cities our data show that pioneer owners who established themselves in irregular settlements show high levels of stability, considerable longevity and permanence of residence on the lot. For most, it appears, that "a home is forever" (Gilbert 2000; Ward 2012) and that there is minimal "churn" or rotation in and out of the settlement among owners – at least once they have successfully established a firm foothold on the lot and begun the process of consolidation.[2] Thus we find that many household heads (owners) have lived in the settlements for 20, 25, or 30 years or more – basically since the early days of the settlement's formation. Widespread exceptions to protracted residence prove to be the rule: these being households that have been evicted from other settlements and relocated (as in many family cases in *villas* of Buenos Aires), or those that return to the settlement after an eviction. Other exceptions are those who bought-out an original owner, but even here we find that many came to the settlement fairly early on, and were themselves long-term residents.

However, it should not be inferred that there is minimum mobility in consolidated settlements. Quite the opposite, among non-owners and grown-up children there is high mobility as children exit for work, leave to get married or set up on their own, etc. Even some owners show certain levels of mobility, moving between different properties that they partially own or rent during the life course, without selling the original house. Similarly, when things do not work out at their new home or household arrangement, many owners return temporarily or even permanently. Some adult children recognize that

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[2] In earlier work thirty years ago one did observe some lot sales in these same settlements, but this was largely due the high social costs of living in flimsy shacks, without services, under the threat of eviction where the future status of the settlement was unclear (Ward 1976 Gilbert and Ward 1985).

they will probably never be able to afford a house of their own and see the eventual inheritance of the parental home as the only realistic and secure option - giving the home a trans-generational "life" and significance. Our detailed case studies and family histories alerted us to the importance of this high level and frequency of population mobility among family members, even while emphasizing *immobility* among owners (Ward 2012). The point here is that, once established, there is minimal turnover of the home asset/property, which stays in the hands of the founding family, even though household members may come and go and may also include one or other of the original pioneer owners. In our intensive case studies we found that it was not unusual for the latter to circulate or exit because of intra-family disagreements, separation and divorce, or even for long term visits to their *pueblo* of origin. However, in our surveys we did not systematically explore this "counterfactual" and further research is required to track the nature of mobility (or immobility) among irregular settlement owners.

Although we did not systematically trace the destination neighborhood of those household members who exited the family home, it became pretty clear from our discussions and interviews that in many cases they stayed close by– either to rent in the same *barrio* or to live with in-laws (in the case of daughters in particular). If not within the same colonia, many appear to take up residence in a neighboring one or in the same sector of the city. Those that moved further afield, even to another country, often did so for work related reasons. In El Esfuerzo, Guatemala City, the congested nature of the colonia, the very small lots and homes, and the proximity to the city center meant that while few owners would leave, it was difficult to accommodate extended family members either in the same dwelling or nearby. Therefore, working through social networks, there was a strong flow into one particular area – Villa Nueva – in the periphery, where today one observes a significant concentration of people from El Esfuerzo who settled there to start their own households and self-build trajectories.

It is often asserted that second-generation colonia residents who have been raised in the *barrio* are reluctant to repeat their parents' experiences of moving to the (now) distant periphery and engaging in self-building (Ward, 2012) and instead opt to rent nearby.

However, Jiménez and her Guadalajara colleagues conducted several focus groups including one with third-generation adolescents that suggest interesting gender differences about aspirations for ownership versus renting. Non-owner young women stated that they would follow their husband's wishes, but that they would also like to have a lot of their own and self-build like their parents/grandparents. Young men, on the other hand, seemed less enthusiastic about repeating that experience and would prefer either to move to one of the mass social housing estates or to rent in a colonia nearby because that is where their family and friends live.

Men were less interested in homeownership and valued the location even if it meant they had to rent. Such gender differences probably relate to the relative importance accorded by women to the home space and to family security anchored in the home; whereas menfolk are more concerned with location and access to work, and the innerburbs work best for them. These views may change as people get married, of course. However, given that we did not explicitly explore such gendered aspirations elsewhere, this finding should remain tentative and again merits further research. Nevertheless it does alert us to possible gender variations about home ownership aspirations and about rehab and remodeling priorities. With respect to the latter, among owner households, womenfolk were often the key decision makers when it came to construction priorities and they are especially likely to privilege kitchen and bathroom space refurbishment.

Notwithstanding these observations about second and third generation mobility, turning to our propositions about family and life cycle household arrangements, data from across these chapters suggest that where space allows (and it usually does), a substantial minority of adult children of the original owners will opt to remain in the family home or in a separate dwelling unit in the lot – forming a "compound" household or family structure. Despite the common adage, *"Entre parientes y el sol; entre más lejos mejor"* (relatives are like the sun: you do not want to be too close) long term or permanent residence with parents, even with one's own family and children, is commonplace. It also makes good sense: it is cheaper; there are social network advantages of child support and care (grandparents often take a primary role here); and one maintains one's visibility

and presence as a stakeholder in housing decisions and in possible downstream inheritance and ownership.

As all the chapters show, multiple lot or home sharing is a common feature, but is especially likely in the largest metropolitan areas where access to land and housing is most acute (Mexico City, Bogotá [Ward 2012], and the *loteos* of Buenos Aires). It is here that the number of households on each lot/dwelling is highest, as is the average total number of people living in the residential compound. Where lots are small, levels of overcrowding are often high and our data show that is it is likely to be highest in the additional dwellings, given that these are extensions or are smaller (later-constructed) units that commonly house one of the grown-up children with spouse and family.

While the average number of lot residents varies and fluctuates during the life course, our survey data and (especially) the intensive case studies that matched family and dwelling expansion appear to show a bell curve arrangement: growing from the small nuclear family unit; to a larger nuclear or extended household arrangement as new children are added and as other kinsmen (nephews and nieces) also come to live as *allegados* (sharers living close-up with kin); leading to an apogee when one or two of those adult children start their own families and continue to live in situ alongside their adolescent siblings. Only later does the density profile gradually decline as older children (and their families) exit, and as the owners themselves get older and pass away.

This finding was rather unexpected since in 2007 our earlier surveys in Mexico City and Bogotá (Ward 2012) suggested that even after some adult children had left the family nest, the overall density and number of persons in residence continued to grow, largely due to permanent residence of one or more adult children and their own family and expansion spanning three generations. In the case of Bogotá it was also an outcome of the continued presence of renter households. But while this rising density was confirmed in those two cities, elsewhere we observed a decline more indicative of a bell shaped curve across the life course of the original owners. Thus, downsizing of the original family household unit does seem to be a common feature after 25 or more years, at which time

bedrooms are often converted to other uses. That said, it is not uncommon for an adult child to return to the home, especially an unmarried daughter who has separated from her spouse/partner and returns to the parents' home, now with her own young children. Often that same daughter becomes the primary care giver to the parents as they get older.

Those who move away from the parents' lot and who successfully set up their own households are more likely to be better-off children whose education has provided them with some socio-economic mobility, allowing them to purchase or to rent an apartment. It is also common for married female children to live with in-laws, at least for a period of time. Upwardly mobile or not, others leave to seek and assert their independence (for whatever reason – estrangement; lifestyle, greater freedom to exercise their sexual preference, etc.).

Although it is too early to tell from our research, we anticipate that ultimately the third-generation adults (i.e. the grandchildren) are likely to find it even harder to become owners than their parents (the second generation) and as mentioned above, there appear to be gender-based preferences about where to live and about tenure. Access to ownership is becoming more difficult because of the tightening labor market and continuing macro-economic structural difficulty that fails to translate improved educational attainment into leveraging a well-remunerated job. Moreover, while we expect that a large proportion of these parental homes will be passed onto the children, whether singly or more likely in shared "ownership" arrangements, and thereby satisfy or at least accommodate the use-value needs of the second generation, this becomes less likely for the third generation, no matter how much fertility rates continue to dwindle to replacement level. At best, those grandchildren may get to rent or have the use of a room in their grandparents' house, but they are unlikely to see these properties as their route to becoming homeowners. This emphasizes the need for a growth and broadening of the range of rental and apartment opportunities along the lines discussed in the previous chapter, where several recent studies describe the emergence and development of both rooming houses and modest apartment rentals – points to which we return below.

Finally, we may need to question some of our assumptions about what, exactly, owners want or aspire to in their old age. The literature traditionally suggests that for most the reason for invasion or illegal land purchase at the outset was to "have a place to live and raise a family," to live *tranquilo* (without hassle), as well as to create some sort of patrimony or inheritance for their children. Indeed, most owners have achieved all of these things, albeit at considerable social cost and hardship. In retrospect, too, most appear to be proud of that achievement and express high levels of positive sentiment for the home they have built and general satisfaction with life in the colonia. But maybe we, as researchers, are conspiring in that belief and we are not seeing the underlying tensions, almost a level of grief, that sometimes underpins that sentiment. At the end of their lives some elderly widows or widowers are tired and yearn to return to what they imagine is the relative tranquility of their original rural or provincial homeland. Perhaps we should not view aging owners and their achievements through such "rose tinted" spectacles or, at very least, we should further research the issues of sentiment, the "meanings" of home, and residential preferences later in life.

Issues of Inheritance and Ownership

Our appreciation about the importance of cross-generational housing transfers as a result of the inheritance process only emerged when we were well into the research project. For many policy makers it remains largely off their radar screens – at least for the low-income housing stock considered here. Mention has already been made of the varying regimes that determine inheritance and, within that process, how forced heirship and intestacy are most likely to result in multiple and equal inheritance shares falling to adult children, minus all the accumulated fees and taxes. That may not be an issue for middle and upper income sectors or for those siblings from low-income consolidated settlements who have successfully established themselves as owners, and who may be willing to waive (cede) their share to their more needy siblings.

Moreover, we find that irrespective of the regime governing inheritance (by will or shares under forced heirship), as many as half of the owners have made alternative informal arrangements, for instance that the property will fall to one or two of the children, often

on the basis of very subjective criteria (oldest male child; youngest daughter; unmarried, disabled children; etc.). We suspect that in the final analysis de facto inheritance will fall to those persons already living on the lot or in the parental home, "possession being nine-tenths of the law" in the English adage. In this case it is informal law, but this de facto possession is also likely to be a cause of conflicts with other siblings and legal beneficiaries who live off site. There is only limited awareness that such informal arrangements have no legal standing if challenged under intestacy or forced heirship laws.

In light of our findings about the considerable asset (exchange) values of these homes today, and the likelihood that most homes will continue to play an important use value role, at least for some siblings and their families, the question hinges on whether or not those informal agreements will hold, especially if they require magnanimity and good faith decision-making between siblings. We suspect that, in many cases, it will not. Some children who have no need or call upon the future use of their parents' home are likely to be reluctant to waive away their inheritance rights (and the windfall potential asset share) when the parents die, but will instead expect to be bought-out by siblings, or may use their share to extract some sort of rent – perhaps by sub-letting a room or section of the house. If this practice gains traction, then it may fuel the creation of more rental opportunities, but on the downside, such rooms or spaces are not likely to be high quality or adequately maintained – unless sensitive public policies are able to provide appropriate incentives. As we observed in Lima and Bogotá, some owners deliberately seek to organize each floor as a single unit that can be given to an adult child and his or her family, wherever possible ensuring separate access to that unit.

Our intensive and detailed case studies offered ample evidence of inheritance claims from beneficiaries (many of which were spurious); widespread ignorance of the law; and tensions about whose claim held most sway and would likely prevail. Elsewhere we have discussed at length several of these issues and public policy approaches, albeit mostly for Mexico (Grajeda and Ward 2012; Ward and Jiménez 2011), and those findings are not repeated here. Most chapters in this volume comment upon this issue within their own particular context. Notwithstanding national and local policy programs of lot title

"regularization" that have achieved high levels of title coverage within (formerly) irregular settlements in many countries, we anticipate that unresolved property inheritance and problems of succession among beneficiaries who inherit will inevitably lead to the unraveling of clean titles and to a widespread reversal, back to informality and "clouded" property titles over time (Ward 2009; Jiménez, et al. 2012).[3]

Land Use Change and Housing Market Performance

Older consolidated self-built settlements show relatively little land-use change over time, at least not as far as significant shifts from residential to non-residential uses. As densities rise in these neighborhoods and as infrastructure is installed by local authorities, this generally does not change the residential nature of the community. Nor does so called "gentrification" (buy-outs and lot clearance for new housing by better-off households) appear to be widespread. Such new building is often visible and attracts public attention, but as a proportion of lots gentrified properties make up only a small number and are most likely to occur in certain well-located settlements and/or high amenity locations that have emerged as especially attractive to middle- and upper-income groups or commercial developers.

Two examples will suffice. The first is in Mexico City alongside the southern ring road close to upper-income residential districts and malls where realtors have bought out lots or smaller half blocks adjacent to the highway and turned these over to commercial establishments. Other developers have bought out a single lot or merged two adjacent lots in the interior of the settlement and built apartments. The second example is in the high amenity north-western hillsides of earlier (first) suburb developments in the Chapinero district of Bogotá; adjacent to a forest and with a panoramic view of the city. Here developers have begun to buy out lot owners across a whole settlement in order to build high-rise apartments for upper-income groups. Two *barrios* quite close to the one we studied (Juan XXIII), Luis Alberto Vega y Bosque Calderon, have disappeared entirely, and in another, Los Olivos, owners are being offered around $25,000 for their properties

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[3] Insights from our LAHN research have begun to inform our research in equivalent low income areas in Texas where very similar outcomes from intestacy are beginning to emerge (Ward, Way and Wood, 2012; Ward 2014)

to sell up and move. Faced with local resistance, intermediaries are now working on behalf of the developers to negotiate with individual homeowners, and are especially targeting the elderly to press them to sell, as well as trying to split the community through divide and rule tactics.

Commercial "gentrification" or buyouts in order to create office buildings, small stores or cafés are found more frequently, but these are mostly on corner lots or along the main street. As noted above, and in the various chapters of this volume, the large majority (over 90%) of lots in consolidated low-income settlements remains residential, and continues to be held by the original families.

Apart from these occasional, albeit dramatic, buyouts the housing market is inefficient and offers relatively few opportunities for home sales. The median value of properties varies markedly between cities in our study: around US $6,000 in Uruguay and the villas of Buenos Aires; US $20,000-40,000 in the majority of cities; US $50,000 in Guadalajara and US $100,000 in Mexico City. At face value this suggests that the market is working reasonably well. However, on the demand side the low incomes of those who would like to purchase and the lack of formal financing (except in Chile), makes it very difficult to buy or for owners to sell even if they wished to do so. Only better-off "gentrifiers" or prospective commercial property owners can afford or have the necessary financing to leverage a buy-out. While "for sale" signs are quite common, our occasional follow-up calls to those phone numbers revealed that the properties had been on the market for a long time and that there was considerable scope for negotiation (had we been interested in making an offer).

On the other hand, the rental market is working reasonably well, renting appears to be increasing, and it is usually promoted informally and advertised by word of mouth (see Chapter 12). Indeed, for those owners who cannot or will not sell, deciding to rent their property instead is one option, and one that we expect to increase in the future. Thus neither the supply nor demand side of the homeownership market is working well, and new public policies are urgently needed in order to improve its functioning.

Alongside renting out rooms, residential space can offer other commercial opportunities. A significant minority of cases were found where owner households use one or more rooms for a range of economic activities such as tailoring and dress making, food preparation for sale, small wood or ironworking workshops, small stores, even setting up on the sidewalk to resell clothing and other household goods. In Bogotá we once observed the renting out of a washing machine that was moved on a dolly from house to house.

Physical Upgrading and Lot Rehabilitation Needs

The two introductory chapters, along with each individual city chapter, devote considerable attention to the issue of housing and lot rehabilitation, and renovation needs at the community and street (meso) levels. Our surveys reveal that a large proportion of dwellings and lots continue to experience major construction and physical rehabilitation needs. Homeowners, especially, prioritize construction issues: cracks, flooding, leaking roofs – which are palpable; more than other less visible dimensions of the home such as poor dwelling design or the need to replace or retrofit wiring and water pipes, toilet facilities, etc. Staircases and access to upper floors pose particular problems, both in self-built design and construction (leading to "dead" or unusable spaces) and in retrofitting a staircase where it may require breaking through an existing concrete ceiling or encroaching upon public (sidewalk) space as in many of the exterior spiral or other staircases described in some city chapters. Gradual self-building and room add-ons often make for inadequate ventilation and an absence of natural lighting, both of which can only be improved through remodeling.

Due to their age and often declining incomes, most owners face severe constraints on their capacity to make major on-lot housing refurbishments. With the exception of the homeowners in Chile, relatively few of the people with whom we spoke view the local or state authorities as a likely source of improvements at the home level, and expect to have to continue to depend upon their own efforts. To the limited extent that overseas remittances are a feature (only in Mexico City, Santo Domingo and Lima), somewhat to

our surprise we found that remittances are rarely used for home construction, extension or housing rehab. We find that middle-income homeowners and those adult children experiencing upward socio-economic mobility are most likely and best capable of achieving significant rehabilitation. For them, housing rehabilitation entails substantial remodeling and sometimes a tear down and rebuild. Garaging a private vehicle off street is an increasing priority and is usually achieved by converting a patio or front room.

Senior policy makers generally have low awareness about the ongoing housing needs of consolidated low-income settlements and under prioritize or poorly understand the dimensions of settlement rehabilitation. This became apparent in our key informant interviews when policy makers often expressed interest in our research and policy directions, but could not understand why our priorities were not targeting upgrading and infrastructure provision in the periphery. To the extent that they focused upon consolidated informal settlements at all, their concerns were primarily about insecurity, drug gangs and crime. Conversely, local government and NGO actors have higher sensitivity to social problems and to the need for poverty alleviation programs for vulnerable populations in such areas, but they are also largely unaware of housing rehabilitation needs and opportunities.

PROSPECTS FOR THE THREE "RS": REJUVENATION, RECYCLING, AND REHABILITATION

The work reported on in this book has placed on the map the extent and nature of consolidated (originally) informal settlements in the first ring or phase of post 1960s suburban city expansion. Having recognized their existence, we have been able to describe their problems and demonstrate their potential as part of the existing housing stock. We argue that it is in these innerburbs that government policy can either help or hinder the future role and prospects of existing housing development. In fact, we see an opportunity for policy makers to achieve good results at relatively low cost.

The new generation of policies that we advocate intends to redirect attention back to the existing housing stock in what we have described as the older first suburbs of the 1960s

and 1970s. Oftentimes it appeared that we were swimming against the tide of conventional policy wisdom, whether these received ideas were focused on upgrading and regularization of recent irregular settlement at the periphery or on the mass housing construction projects on low-cost land at or beyond the periphery. Thus we welcome the recent attention and redirection back to the city center and existing housing stock that has appeared among policy makers and within multi-lateral organizations such as the Inter-American Development Bank (IDB), especially where the focus is upon rental housing and densification. From the Latin American Housing Network's perspective, this promises to offer a fortuitous intersection between new and emerging policy interests and the research about owner occupancy that we have conducted and presented here.

That said, however, there are important caveats. In an extensively researched 2012 collaboration edited by César Bouillon at the IDB entitled *Room for Development: Housing Markets in Latin America and the Caribbean*, Bouillon and his colleagues examine how housing markets work inequitably and ineffectively, and fail to produce affordable housing. One of their principal arguments is the need to expand the availability of, and access to, rental accommodation. Another is to use the existing land and housing stock more efficiently, especially in the now well-located first ring suburbs, which – in many developers' eyes – are ripe for redevelopment. The caveat is the potential problem that more "efficient" land use – high rise, rental development projects, densification, etc. – may not lead to more "equitable" land use.

In the same vein, refocusing urban development along the lines of a "Back to the City" mantra, especially where it is driven by the private sector without public sector oversight, forethought and planning, invites the likelihood of population displacement and gentrification in what have become prime city locations in the innerburbs. Moreover, given our argument that the housing market in consolidated low-income areas in the innerburbs is often working inefficiently, and that housing costs and the lack of financing make selling one's property difficult, then an obvious policy or neoliberal response would be that of making it more efficient, through urban regeneration and buy-outs. Settlements, or blocks within settlements, could be bought-out and developers could then

oversee infrastructure upgrading and the construction of much more profitable high-rise apartments – along the lines of those examples mentioned earlier. Ironically, it might be argued that the greatest protection that some informal settlements have against external redevelopment is their lack of title, such that recent policy adoption and efforts to provide clean titles in places like Buenos Aires may, paradoxically, make those populations more vulnerable to displacement.

Although it still offers only a tentative lesson, one positive example of renovation without displacement comes from Santiago, Chile (see Chapter 9) and builds upon an established *Mejoramiento de Barrios* program, as well as on the "*Quiero a mi Barrio*" initiative of President Bachelet. Over the years urban renovation has been underpinned by state funding to offer housing subsidies, which most recently have included subsidies to support social integration and residential mixing, exemptions on property taxes provided to low-income owners, and legislation that encourages densification. Several of these initiatives are likely to create considerable pressures of urban transformation and will require policy approaches that reject principles of homogeneity, social segregation and ghettoization, arguing instead for more integrated neighborhoods. The challenge here, however, is to achieve this without displacement and gentrification, and, as in the Chapinero case mentioned above, the new policy approaches will almost certainly be associated with a rise in new forms of popular resistance around issues of land access, environmental inequality, and other grievances (Sabatini and Wormald, 2004; Sabatini et al. 2010).

Approaches taking social integration factors into account will lead towards policy lines that emphasize places and spaces, rather than people and groups, and would include policies to reduce segregation and encourage remodeling and the *in situ* rehab of housing. Several of the instruments and proposals that are being considered in Santiago are especially interesting. They include promotion of the rental housing market and renting opportunities within the existing innerburb housing stock, with encouragement to owners to open up rental opportunities on their lots through home remodeling (Sabatini et al., 2013; Camargo and Jiménez, this volume). Indeed, the Inter-American Development

Bank (IDB/BID) is already actively exploring these approaches (Bouillon, 2012; Sabatini et al., 2013). As mentioned in the Santiago chapter, the exemptions accorded on property taxes to low-income owners in that city may need to be reviewed if local governments are to have any realistic chance of improving their levels of fiscal sustainability. Also, in Chile and elsewhere, some densification and the creation of opportunities for middle-income housing development are probably inevitable and, from a social mixing point of view, are desirable. Yet the key will be to understand how these policy processes can be managed in a way that will avoid mass displacement and the destruction of social and community networks.

As we have argued in this volume, the new generation of policies and activities at the macro, meso and micro level offer pragmatic approaches to the use and re-use of the existing housing stock. While we have emphasized the physical dimensions of housing and community rehab and the continuing importance of self-help by the households and residents themselves, new and sensitive policy approaches are urgently required in order to provide incentives and capacity to undertake the revitalization of the innerburbs. From policy makers and scholars alike, creative thinking is required in order to generate new financing mechanisms as well as appropriate legal and regulatory frameworks that will continue to encourage self-help and the safe retrofitting of homes.

The first UN-HABITAT meeting in 1976, set a new policy direction that recognized self-help and informal settlement processes and encouraged tenure and infrastructure regularization and upgrading. UN-HABITAT II (1996) took a broader human rights approach, emphasizing "Rights to the City". Today, in 2014, we are on the cusp of UN-HABITAT III (2016) and we hope that the Latin American Housing Network's research findings and the various policy lines that we have offered here will form an important part of an ongoing conversation that will look towards how the huge investments made by governments in successful upgrading established communities from the 1960s onwards, together with prodigious self-building efforts of the poor themselves, have created the existing and extensive low-income housing stock in cities. That stock already exists and will not go away. It should be conceived as an intrinsic resource capable of

being rejuvenated, recycled and rehabilitated to good effect, both for existing residents and for generations to come.

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