The Informal American City

Beyond Taco Trucks and Day Labor

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The Reproduction of Informality in Low-Income Self-Help Housing Communities

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In this chapter I explore one key area of informality in the United States today: the production and consumption of housing among low-income groups. My focus is on the extensive self-help housing efforts in so-called colonias of the U.S.-Mexico border region and in other similar, but less widely recognized, informal homestead subdivisions (IfHSs) that may be found in the rural hinterland of many U.S. cities. All embrace important elements of informality and are rational responses to the aspirations of home ownership among low- and very low-income populations. The chapter has two main goals: first, to describe that rationality and demonstrate how informality is articulated through the production of housing in these settlements. Second, I wish to explore how, once entrained, informality may recast and reproduce itself as a response to evolving household dynamics and life course changes; housing and land market (under)performance; cross-generational property transfers; and the unintended consequences of well- (and not-so-well-) intentioned public policies. Far from being a temporary or aberrational construction, informality is both highly rational and dynamic. It is, therefore, important to fully understand this rationality and design sensitive policies that help, rather than hinder, people's creativity and sweat equity embedded in self-help and self-managed housing provision.

Colonias and Informal Homestead Subdivisions

There is relatively little systematic research concerning how low-income urban populations in the United States adopt informal mechanisms to gain access to residential land and participate in the American Dream of home ownership. An exception since 1990 has been the growing public policy concern with and scholarly analysis of so-called colonias in Texas and other border states (Davies and Holz 1992; Donelson and Holguin

2002; Larson 1995, 2002; Mukhija and Monkonnen 2006; Ward 1999, 2003). Almost always this has been construed primarily as a rural and border housing phenomenon. In fact, however, the majority of these colonias do not house rural populations, even though their actual locations are often in the rural outskirts of cities, from which low-income (largely Latino) workers commute to low-paid food-processing, construction, or service-sector jobs in urban areas.

Nor are colonias and informally produced housing exclusively a border phenomenon, although many are indeed concentrated outside of U.S.-Mexico border cities, where they comprise some of the worst housing conditions. Colonias and similar types of IfHSs are widespread in the periphery of many cities (Ward and Peters 2007). Today, these informal subdivisions have been identified in places as diverse as Austin, Dallas/Fort Worth, Houston, and Lubbock in Texas; Albuquerque and Santa Fe in New Mexico; Tucson and Phoenix in Arizona; in so-called "gateway" cities such as Charlotte and Greensboro in North Carolina; and in Dalton and Atlanta in Georgia. And while these communities in the interior of the United States do not show the extreme poverty levels and impoverished housing conditions often associated with classic border colonias, they follow the same logic and rationale.

Not everyone who is low-income aspires to home ownership: rental trailer parks, mobile home subdivisions, low-cost apartments, and residential sharing remain important options for many households. However, for those who wish to build an asset through property ownership, colonias and IfHSs are often the only viable option, given low household incomes, the irregularity of workers' earnings, and their subsequent ineligibility for formal finance (mortgage) assistance.

Two-thirds of households in the United States are classified as homeowners, but poorer people are less likely to own their homes. Indeed, of the 12.5 million households living below the poverty line, 65 percent are renters.[1] Thus, the creation of new opportunities for home ownership among the poor can be an important vehicle to reduce this inequality. And for many low-income households, "manufactured" (trailer) housing offers an important lower-cost alternative to home ownership, whether in trailer parks, mobile home communities, or in subdivisions described below (Ward 2003).[2]

The Rise of Colonias and Informal Homestead Subdivisions

Few people have a clear notion of what constitutes a colonia, let alone comprehend the large numbers of low-income households that reside in them. In Texas alone by the early 1990s, an estimated 400,000 people

lived in some 1,600 or more colonias (Ward 1999), and densification and infill during the past 15 years have substantially added to the numbers, even while federal and state policies have successfully prevented the creation of new colonias.[3] In New Mexico and Arizona, the numbers are lower than in Texas but are nevertheless substantial: in Arizona, the 1990 census indicated that approximately 162,000 people lived in 77 so-called "*colonia* designated areas," while in New Mexico 70,000 lived in 141 settlements.

Three main types of colonias and IfHSs are identified in this chapter, all of which embrace different degrees of informality in their development (financing, production, and construction) as well as in their consumption and use.

1. *Classic border colonias* are located mostly in the border region, almost always beyond the city limits, buried in the rural hinterland, and contain almost exclusively very low-income Mexican-American or Mexican-born populations. Dwelling types are mixed, comprising self-built homes on a slab or hybrid arrangements often showing considerable innovation, as a trailer unit melds with a self-help extension, or a false second roof is added above the structure to provide shade and protection from the elements (figures 3.1 and 3.2).

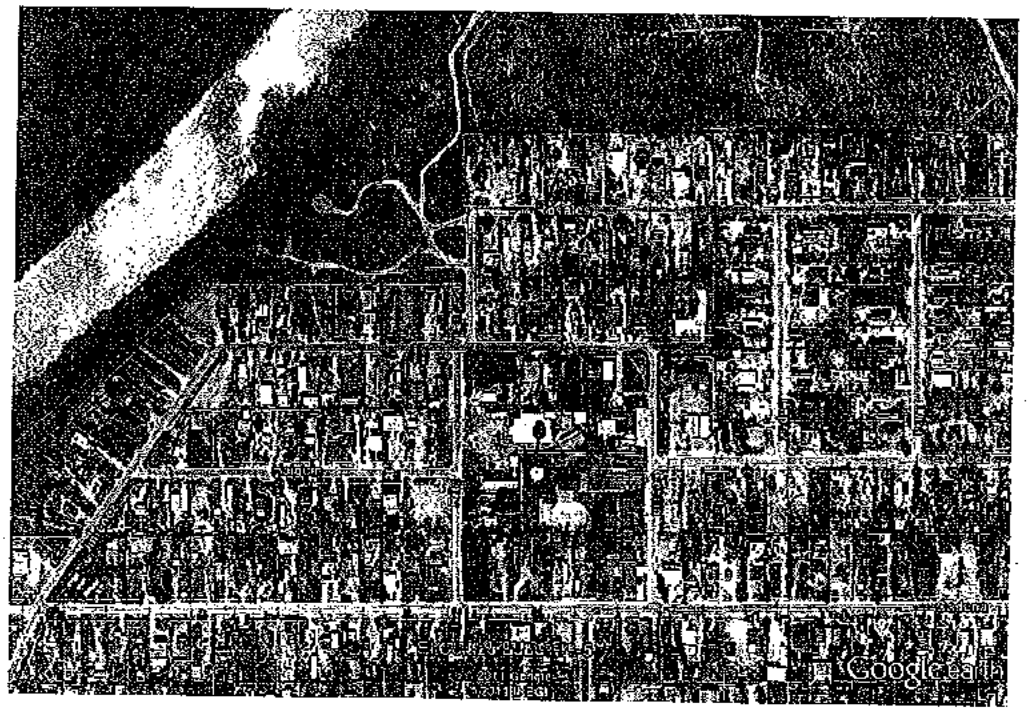

Figure 3.1
Section of El Cenizo alongside the Rio Bravo in Webb County (20 miles south of Laredo). Source: Google Earth™.

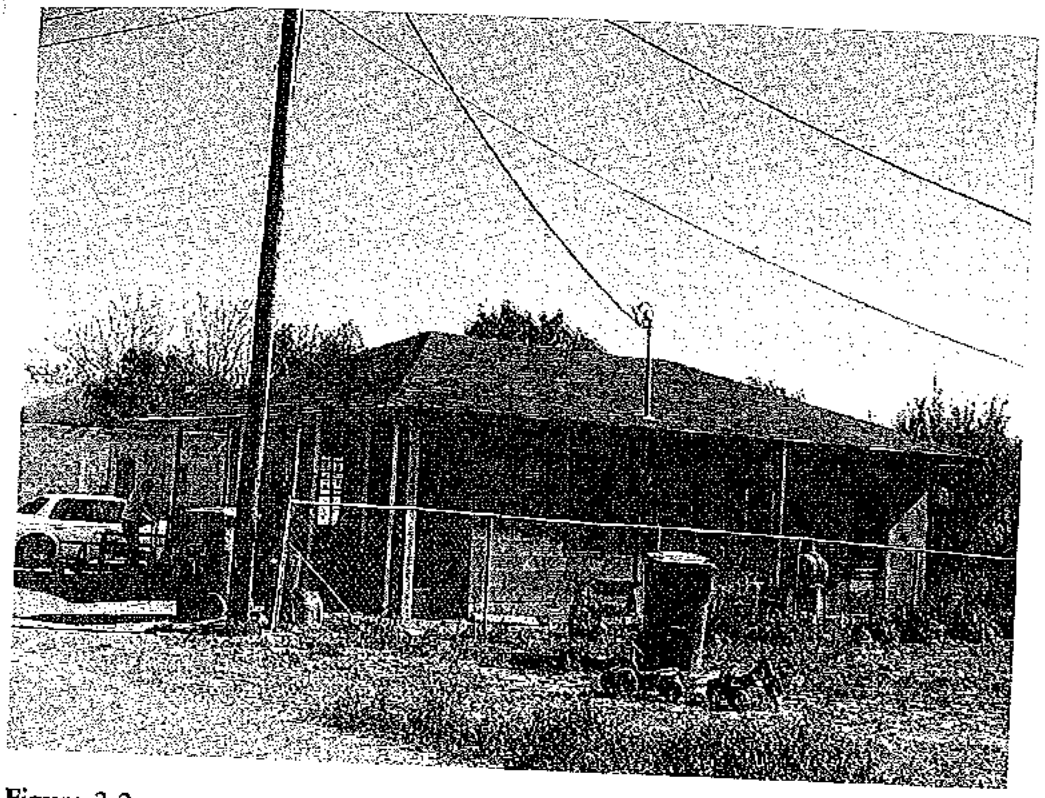

Figure 3.2
Typical self-building in Starr County. (Note original house at rear serving as a temporary dwelling.) Photo credit: Peter Ward.

2. *New (post-1995) border colonia subdivisions* are identified in some Texas border counties such as Hidalgo and El Paso, and appear as large subdivisions with basic infrastructure developed under model subdivision rules required by the state since 1995 (figure 3.3). Given that they have basic infrastructure from the outset, the state does not define these subdivisions as colonias, although they share many of the worst housing characteristics traditionally associated with colonias (figure 3.4). The paradox is that they are the product of legislation intended to prohibit informal settlement and colonias, but which has led to new forms of informality.
3. *Non-border periurban informal subdivisions* are very similar to colonias, but are rarely perceived as such. Non-border informal subdivisions can be readily observed from the air, several miles outside of major cities. Compared to the other two types, a higher proportion of homes are manufactured, although one also finds a mix of trailers, self-built homes, and hybrid arrangements (figure 3.5).

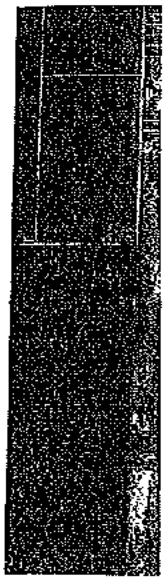

Figure 3.3
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Figure 3.4
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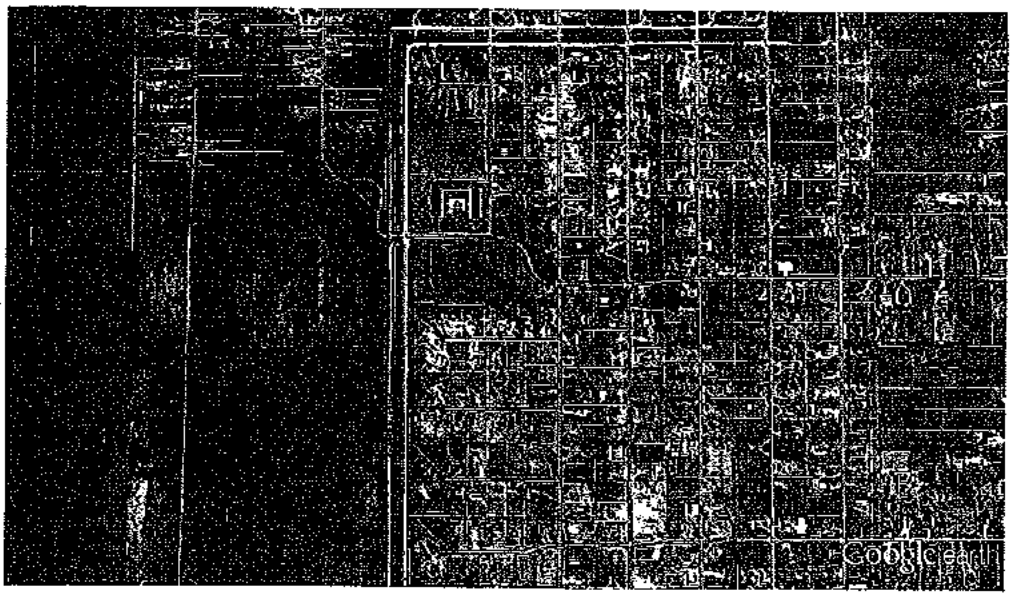

Figure 3.3
New subdivision developed with full infrastructure. Pueblo de las Palmas, Hidalgo County. Source: Google Earth™.

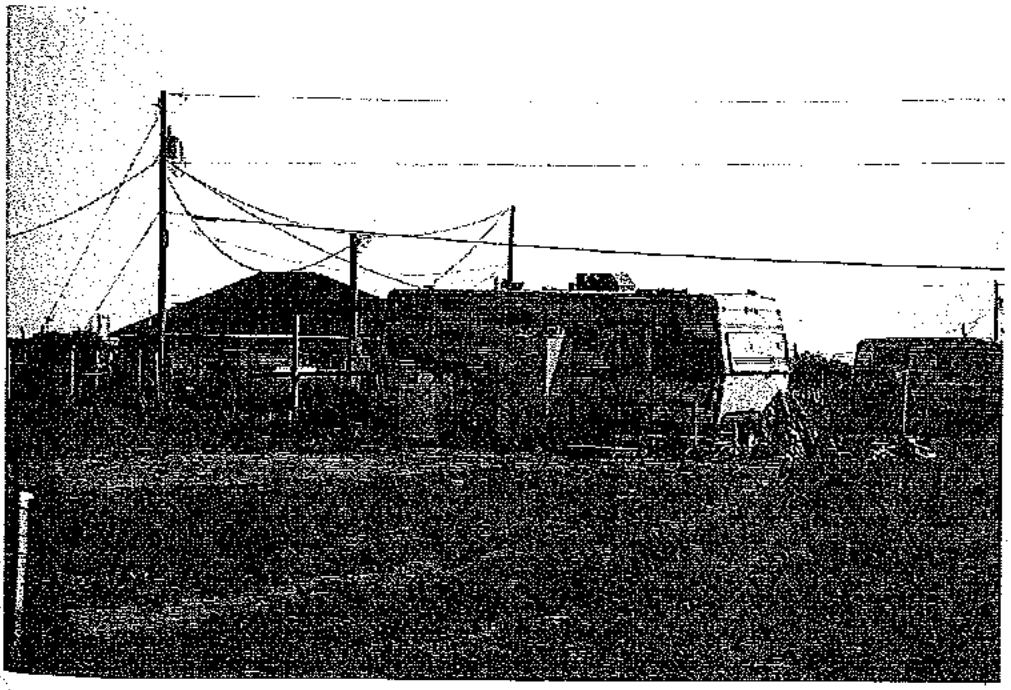

Figure 3.4
New colonia housing in a settlement developed under "model subdivision rules": the shape of informality to come? Note the camper home that can be removed (as can the washer and refrigerator). Photo credit: Noah Durst.

Figure 3.5
Typical trailer homes in new colonias and subdivisions. Photo credit: Peter Ward.

The Dimensions and Reproduction of Informality

Informality is embodied along various dimensions in the production of colonias and informal homestead subdivisions.[4] I discuss these drawing upon two studies: a 2002 survey of ten colonias outside Rio Grande City in Starr County, Texas, on the Mexican border, and a follow-up study done ten years later (Durst and Ward 2013).[5] The second study analyzed the prevalence of informal contracts for deed as a principal form of land conveyance and route to title provision, and assessed the ways in which informality remains a significant feature in colonia home sales. In this case some 1,200 households were surveyed in 65 colonias and subdivisions across eight counties (six on the border and two in central Texas), making this one of the most extensive surveys of its type ever undertaken (Ward, Way, and Wood 2012).

The essential backdrop to informality in housing and its reproduction are the low and very low incomes of these households. In border colonias, household incomes of less than a $1,000 a month are commonplace, and few households earn more than $20,000 year. Household incomes in non-border colonias and IfHSs are typically $15,000–25,000 a year. Most households have at least one worker, and the most common forms

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of employment span a wide range of low-paid service, agricultural, and haulage jobs, sometimes supplemented by part-time work. After 20–30 years of residence, an increasing proportion of colonia residents comprise "vestige" households of elderly couples living off modest pensions and Social Security.

Two principal mechanisms of informality make colonia and IfHS housing affordable to these populations: the low cost of land purchase and mechanisms of seller financing, and the opportunity to reduce the costs of housing construction. These informal options offer the only means for these low-income households to enter the housing market, albeit at considerable social costs: the hardship of living in relative isolation, with high transportation costs, poor housing conditions, and neighborhoods lacking adequate infrastructure and access to social services.

Land Sales and Titles in Informal Subdivisions

In these developments, the primary way housing is made affordable is through the informality of the land acquisition process. Developers acquire tracts of (usually) poor-quality agricultural land at low cost and plat it into lots ranging from a third of an acre to an acre. The plat is recorded in the county courthouse, but there are no requirements to provide services and infrastructure. Thus, developers can immediately start selling lots to buyers with the promise of future services, or with clear notification that the purchaser must make arrangements for service provision, septic tank installation, etc. Not surprisingly, with few or no services, many people wait several years before occupying their lots. But the process is affordable: unserviced lots in the past have sold for as little as $8,000 (in current prices), with $100 down payment and monthly payments of $120–200 over several years (Ward 1999). The interest rate is likely to be 15–18 percent, so the eventual cost is significantly higher than the sale price.

Traditionally the most common form of purchase was through a contract for deed (CfD)—an informal method of seller financing sometimes called "a poor man's mortgage." These contracts are an agreement between the vendor and the purchaser to defer any delivery of title deed until the debt is paid in full, at which point the deed is handed over, and the buyer becomes the de jure owner. However, the contracts are often problematic: they are written in English for people who primarily speak Spanish, and do not always show the interest rate or final cost. More importantly, there are default clauses that permit the developer to rescind the contract without any compensation if more than three consecutive

payments are missed. Sometimes there is no written contract—simply an oral agreement and receipts given for each payment. One study found that two developers sold lots through a mixture of informal means: CfDs and receipts, and lots allocated by "metes and bounds," so that residents had to guess where their lots began and ended, invariably incorrectly. These two developers sometimes sold the same lot several times over. Ultimately it became necessary for the state to step in to sequestrate the land developments, "regularize" lot ownership, and provide clean titles to the occupants or claimants (Ward et al. 2004; Ward 2012).

Because of the purchasers' vulnerability and the egregious exploitation by some developers, legislation after 1995 (in border areas)[6] and 2001 (elsewhere in Texas) required that these CfDs be recorded in the county clerk's office. This requirement has reduced the use of recorded CfDs in preference for more formal and secure property sales such as warranty deeds, which give some protection to the purchasers and can only be rescinded through formal foreclosure. A recent University of Texas study on behalf of the state's Department of Housing and Community Affairs contains data for over 15,500 recorded CfDs in ten counties of Texas. Figure 3.6 shows how the number of CfDs increased from around 620 in 1995 to over 1,200 in 2000 as new CfDs were recorded along with the backlog of unrecorded ones. Thereafter, the number declined to around 500 each year, but this latter figure indicates that CfDs continue

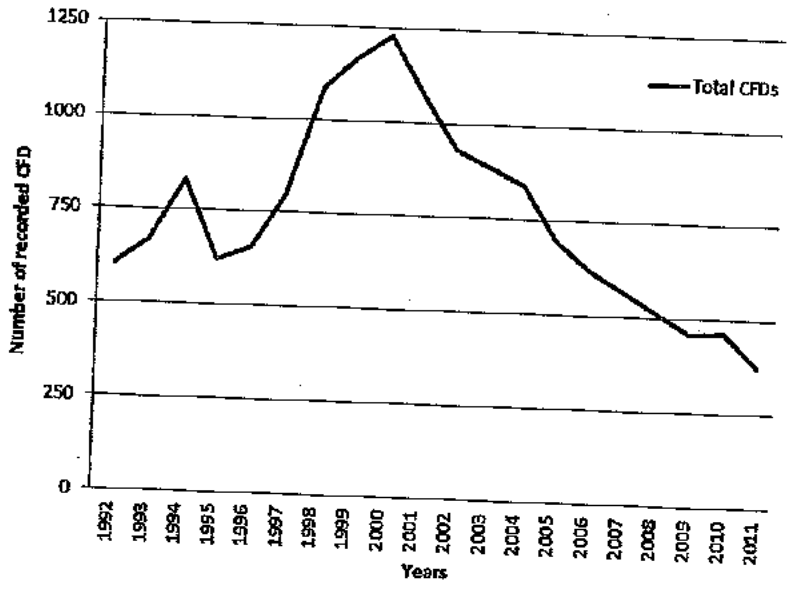


Figure 3.6
Trend in use of recorded contracts for deed across eight counties, 1989–2011.

to be important, especially in colonias and low-income subdivisions (Ward, Way, and Wood 2012).

In addition, unrecorded CfDs remain commonplace. The aforementioned study estimated that, of the 46,300 colonia owners holding deeds today in six border counties, some 5,400 (12 percent) had unrecorded CfDs, and around 20 percent of current holders of full property deeds had acquired their lots through unrecorded CfDs (Ward, Way, and Wood 2012). In short, informality in the form of CfDs (recorded and unrecorded) remains a major feature of self-financed housing in both border and non-border regions.

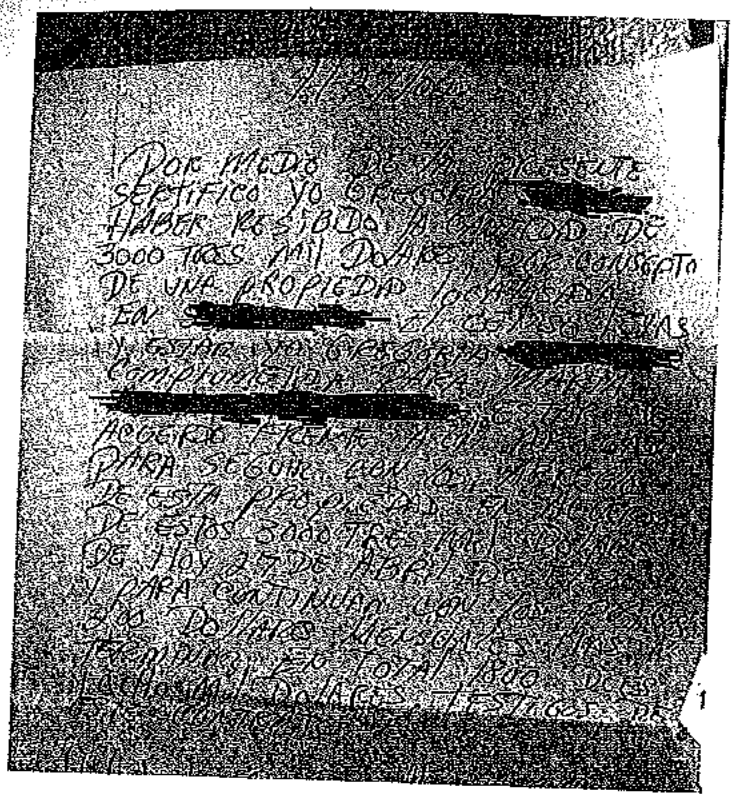
As a response to the 1995 border legislation that prohibited further unserviced colonia development, developers have shifted their portfolios into newer subdivisions that also target the poor, and which mostly eschew CfDs in favor of warranty deeds with vendor's lien and other deeds that skirt the need for conventional foreclosure procedures. Elsewhere, however, owners in the older colonias who need or wish to sell their properties invariably find that they must use seller financing and CfDs, many of which go unrecorded and are highly informal (see figure 3.7).

Financing

Informality of financing is the key that unlocks the process of property sales in colonias. Because most colonia households are very low-income, they are rarely able to secure formal financing via mortgages or bank loans and acquire property through a deed or deed of trust. Thus, any sale must be seller-financed, usually at high interest rates of 15–18 percent, and with provisions that allow the lot to be repossessed if the buyer defaults. Low-income households often use the same method to buy their manufactured home, sometimes starting with a low-cost unit that may already have gone through one or several repossessions. These financing mechanisms add to the vulnerability of residents trying to survive, let alone thrive, in their home ownership endeavors.

Housing Conditions, Housing Choices, and "Consolidation"

The lack of services such as water and power, while lowering the initial price of the land, creates major costs associated with informality. Water has to be hauled in, and drinking water must be purchased. Septic tank systems cost $1,200–2,000 to install and require periodic pumping at a cost of around $120 every 12–18 months. Garbage collection costs $30 per month for a weekly formal collection, or a little less with informal



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With this letter I Gregoria ***(redacted to ensure confidentiality) certify that I have received the total of 3000 three thousand dollars as part of a purchase of a property located at ***(address redacted) in El Ceniso (sic) Texas and being Gregoria *** (name redacted) swear before a lawyer that Maria ** * (name redacted) is in agreement to continue with the sale of this property and payment of these 3000 three thousand dollars, dated today April 27, 2002, and that she will continue to pay 200 dollars monthly until she completes the total of 1800 eighteen thousand dollars . Witness of this contract is:

Names, addresses, and phone numbers of the two parties (redacted) follow.

Figure 3.7
Handwritten contract—unrecorded contract for deed. Photo credit: Peter Ward.

entrepreneurs. Others carry and dump their garbage, while a few also burn their trash.

Electric companies run service through most settlements, and users pay both standing charges as well as metered consumption. Where two or more households share a lot, the electricity will often run through a single meter, and households must make informal arrangements with each other to pay the bill. Those without electricity use gasoline lamps and propane tanks for cooking and heating—a more expensive option. Social and other health services are rarely provided locally and require

a trip into the city, usually by private transport from a family member or a neighbor. The only residents well served by formal transportation are schoolchildren, who are served by school district buses.

In Latin America, the classic process of self-build housing after land capture is to start with a shack or provision structure and gradually build out the dwelling over a number of years, adding a room as family needs demand and as resources permit. This process is called "consolidation" (Ward 1982). Housing consolidation in colonias and IfHSs in the United States is rather different. Self-building is commonplace in border areas (figure 3.2) and can cover a spectrum of informal arrangements, including the construction of a complete home on a slab or on cinder block pylons; extensions to an existing home or trailer; internal fitting out of modular homes; self-made decoration, as well as garden work and decking. Away from the border, manufactured homes are more widely used and offer fewer opportunities for self-help, at least within the primary housing unit (figure 3.5). But everywhere the housing process is predominantly self-managed and therefore largely informal, and often shows a trend toward home "consolidation," albeit in different ways.

While the process is different, both in Latin America and in Texas one observes an improvement in housing conditions (through self-help) in the substitution and/or addition of housing units over time. A common trajectory is that of a homeowner starting residence in a camper or in a low-priced manufactured home, and later substituting a newer single- (15 by 60 feet) or double-wide unit, sometimes keeping the older structures as overflow sleeping space, storage, etc. Traditional self-build housing construction and extensions are more typical along the border, but in all areas it is common to find hybrid arrangements where self-built sections are added to the primary unit. The relatively large lot sizes also allow for shared lots and for multiple units.

Even in Starr County, one of the poorest in Texas and the nation, colonia households have made significant improvements since 2000, largely through informal self-build. In a 2011 survey, three-quarters of households across ten colonias had made significant improvement to their homes during the previous ten years, investing an average of almost $9,500 during that period (Durst and Ward 2013). Very rarely were these improvements paid through formal sources of credit financing (20 percent), although a further 23 percent of the households did receive microfinancing support from the nonprofit organization associated with the title-cleaning program in Rio Grande City. Most people used savings

and/or annual tax rebates, the latter being an especially important source of home improvement financing—a sort of informal savings fund.

Self-help provides a sweat equity approach to home acquisition and asset creation. In 2011 in the Starr County colonias, the estimated average property value was just under $51,000, up from $36,750 ten years earlier—a 38 percent increase. For most households, this is a significant potential asset, but its use value is most important since few wish to sell or use their properties as collateral on a loan, contrary to what Hernando De Soto (2000) and his adherents have argued. Most (84 percent) considered this to be too high a risk, although just under one-half said that they might do so in the future. But for those wishing or needing to sell, the lack of financing makes it difficult to find a buyer. Effective sale prices are depressed, lots go unsold, and further reversions to informality abound. Some abandon their properties by walking away; others rent out their lots and erstwhile homes; and others lend or sell to kin using oral contracts or unrecorded CfDs.

Informal Household Structure Arrangements, Household Extension, and Inheritance

The opportunity for household extension is another important and often underappreciated advantage afforded by colonia and IfHS residence. As children grow up and need separate or more sleeping space, additional rooms can be built or they can move to a separate trailer or camper to sleep. Household extension can be vertical, i.e., adult children living with parents and grandparents; or horizontal, where siblings and in-laws share property, or accommodate friends or *paisanos* from their region of origin in Mexico. Such social capital is widely understood and lauded in Latin America and elsewhere, but such exchanges and social support are also important in Texas. Increasingly, as owners age or need to look after their own aged parents, large lots offer a relatively safe housing environment in which to accommodate an elderly or frail parent—probably the only option given the prohibitively high costs of formal residential and nursing care for the elderly (Ward 2007).

Our Latin American housing studies have alerted us to the importance of considering what will happen to these homes as the original buyers age and eventually die (Grajeda and Ward 2012; Ward et al. 2012). In Texas, as in Mexico, our data show that less than 10 percent of colonia homeowners have a will, which means that inheritance and succession will take place either through an informal arrangement or under intestacy law. The latter is a formal process that usually provides equal shares to the spouse's

children and descendants. But informality is also common when it comes to inheritance: owners make verbal agreements with some of their children, or wish to favor one particular child, and so on. If challenged by other legitimate claimants *post mortem*, such informal agreements will not stand up, which means that until the matter is resolved it will be impossible for titles to be reset in the name of the inheritor. Without a will to determine inheritance and succession, problems with "clouded" titles appear to be a certain outcome of informality in the future.

Public Policy Responses to Informality

As this chapter has amply demonstrated, housing informality is alive and well in the United States, and is invariably a rational response to structural conditions of poverty, low incomes, and the inability of the formal market to respond adequately to a need for affordable housing. Such informal responses are often innovative adaptations and workarounds to market dynamics and government policies, especially where the latter are obstructive rather than facilitative. Outlawing or criminalizing self-help housing is rarely successful, and experience shows that making a practice illegal often leads to a raft of unanticipated consequences that reduce housing access and self-help endeavors. But this is not a call for laissez-faire: public policy interventions are required to minimize exposure to risks and hazards in the home and the environment; to protect would-be homeowners from nefarious practices and from the excesses of predatory lending; to prime the market so that owners may take advantage of their sweat equity and sell their properties for the full value; to encourage clean titles and minimize "clouding" of titles through improper property transactions and conflicts over inheritance; and to respond to aging populations and new constituencies living in new or old colonias.

Policies to Promote Clean Titles

Without formal financing support, seller financing is likely to remain the order of the day. But seller financing promotes informality, and many deals and transactions still go unrecorded. Policies should seek to ensure full recording of CfDs and facilitate the preparation of contracts by making available a no-cost standard template in Spanish and English that can substitute for handwritten notes for sales; confirmation of completion of contracted payments; affidavits of inheritance; and waiver of claims. These forms should carry clear instructions about witness requirements, notarization (if necessary), and filing—at minimal cost

(with the cost made transparent), or at no cost. Similarly, mediation services should be encouraged to advise on the use of these documents and intervene with conflict resolution, if necessary. These policies recognize informality and the inevitability of seller financing, and seek to work within the realms of informality, not exclusively outside it.

In anticipation of a new generation of title conflicts born of intestacy, homeowners should be encouraged to make a will assigning their property to a specific named beneficiary. In the past decade, Mexico City had considerable success in promoting wills through campaigns that helped the owners draw up wills at low or no cost, as well as minimize the costs associated with probate (Ward et al. 2011). The key issue is to recognize that often those who inherit a share of their parents' home also reside on that lot, and wish to continue doing so. Thus, if probate requires significant payments to be made (taxes, legal fees, etc.), or if other beneficiaries need to be paid a share in settlement, these payments cannot easily be made through liquidation of the deceased's property.

Policies to Improve Market Functioning

Banks and mortgage companies are unlikely to provide buyer financing to low- and very low-income households in colonias and IfHSs. The relatively few property owners who wish or need to sell their homes will continue to find potential buyers hard to come by. Some will abandon their lots, which will remain vacant. If the owners have stopped paying the property taxes, the lots are effectively locked out of the market, either because the owners cannot be traced or because the lots await repossession or confiscation by the tax assessor. In a study of multiple colonias, approximately 22 percent of lots were vacant, and although the nonoccupancy rate had dropped by around 8 percent between 2000 and 2010, it still remained high (Rojas 2012). Appropriate policies should focus on how to identify the current owners of vacant lots, and should create mechanisms and institutions that will bundle these lots into an institution's portfolio. In this way, they may eventually be brought back onto the market, either for prospective home buyers or for neighborhood services, utilities, green areas, and so on.

When owners are unwilling or unable to sell, another alternative is to hand over the lot or home to kin as a concession, or to rent it out. Our study for the Texas Department of Housing and Community Affairs found that approximately 22 percent of colonia residents were nonowners, and of these 79 percent were renters, invariably without a formal contract (Ward, Way, and Wood 2012).

Policies for Upgrading

The ten-year study of colonias in Starr County revealed substantial home improvements and investment, yet much of the financing for improvements continues to be informal; homeowners eschew using their homesteads as collateral for loans (Durst and Ward 2013). Such informality should be respected, but in some areas microcredit support has been successfully utilized and could be expanded in the future. Tax rebates offer an important infusion of capital for many. Some potential recipients of grants are locked out of receiving improvement benefits because the dwelling unit is not at or cannot be readily brought up to code, even though the intervention might significantly improve conditions or reduce a particular hazard. Some flexibility and adoption of progressive compliance principles would help avoid these catch-22 situations.

Targeting the Aged

Established colonias and IfHSs house gradually aging populations, many of whom have little mobility and have health problems. For them informality will continue to be a lifeline through which they can survive on small incomes, pensions, and Medicaid. Informality, however, presents many challenges, and policymaking is urgently required to target home improvements for these populations, such as ramps to front doors, shaded yard improvements, adequate ventilation, insulation, and bathroom modernization. Although many elderly do not have a need for private cars since they are no longer working, they often need transportation to enable them to go shopping or reach health care appointments. While neighbors and kin often oblige, policies to ensure adequate volunteerism and enhance access would be welcomed.

The cost of formal care in residential facilities and nursing homes is prohibitive for the low-income elderly, and IfHSs and colonias offer opportunities for informal care of aged parents. Informal care for the elderly is likely to become a growth area in the next twenty years as people live longer and a growing portion of the population cannot afford the costs of care. Colonias and IfHSs are one escape valve in this respect (Ward 2007).

Infrastructure and Informality

Most infrastructure is provided privately and formally, but informality often exists alongside formal services. Many streets are unpaved, and while some streets may be eventually surfaced, they rarely carry formal or adequate storm water drainage systems. Informal disposal of garbage

exists alongside formal and informal collection services. Septic systems break down for lack of maintenance or regular pumping. Policy approaches should promote greater awareness and support for recycling, as well as encourage rainwater capture and reuse of gray water wastes for spot yard irrigation. Counties could do more to promote periodic septic tank pumping—perhaps by paying for the service out of property tax revenues or, as in Bastrop County (Texas), making it mandatory, with the county adding the cost to the tax bill when residents do not comply.

However, formal policies sometimes have unanticipated consequences that can lead to new forms of informality. Developers, prevented by the model subdivision regulations from selling lots without infrastructure, are now sponsoring colonias with full services, but at greater cost and with aggressive titling that makes people feel vulnerable and allows for rapid foreclosure and flipping of properties. This also inhibits investment in home improvements, such that these subdivisions are becoming some of the poorest housing in Texas and comprise rudimentary shacks, campers, and dilapidated trailers (figures 3.3 and 3.4).

Conclusion: Informality Is (Not) Dead; Long Live Informality!

This chapter has described one important dimension of informality in the United States today: self-help and self-build housing in low-income communities. I have shown how informality is a dynamic process that unfolds over time in response to new constraints, whether these are structurally determined or shaped by policy interventions from government or nongovernmental agents. Nor is this just a phenomenon related to housing. Other chapters in this volume explore informality in a range of situations, and other authors share my fascination with the dynamic nature of informality and the creative workarounds that people design to survive and move forward. Understanding these strategies and outlining sensitive policy responses is one of the principal tasks of the contemporary social scientist, architect, planner, or community activist.

Among the numerous dynamics that I have touched upon in this chapter, let me close with the one that I see as especially pressing for sociologists and legal scholars to consider: the transfer of informal housing assets to the next generation(s). Because the owners are poor and are perceived to have few or no assets, inheritance never figures as part of the conversation for low-income residents of colonias, as it does for many wealthy and middle-income households. And yet many low-income self-builders would claim two overriding reasons for undertaking

the social costs and deprivation of living without adequate infrastructure, often in abysmal housing conditions: first and foremost, to have a place of one's own in which to live and raise a family; second, to create a patrimony (inheritance) for the children—an asset to leave to them that might one day help them into home ownership of their own.

In Latin America and in the United States the poor and working classes, through their own sweat equity and informal settlement development, have created an important housing asset that has ongoing use value, as well as potential exchange value (Ward 2012). In the Starr County, Texas, study described above, the average property values are just over $50,000—not a huge amount, but an asset nevertheless, and one that few are willing to gamble with by taking out loans against the home as collateral. In both Mexico and Texas, either the dwelling or the lot may allow for ongoing residential use and expansion for some adult members of the next generation and their families. Indeed, in some cases the latter already live on the lot in their parents' dwelling, or separately in another part of the lot that will, one day, become theirs. Or will it?

The lack of formal financing means that would-be sellers have to find workarounds: informal sales often at lower-than-market prices; or subletting or lending to kinsmen simply because the owners cannot sell but are unwilling to walk away. Some do abandon their properties, however, thus exacerbating informality since those lots remain unused and inaccessible, become overgrown, and often turn into informal dump sites. In the medium to long term, most owners will die intestate, and their beneficiaries may not be able to agree on how to share the inheritance. Some siblings will prioritize the use value, while others will want to sell their share of the inheritance. Maybe informal magnanimity will rule the day such that these beneficiaries will formally cede their shares to their less fortunate siblings, but my fieldwork and intensive case studies in Mexico often point in the opposite direction—toward tension and conflict. As is often the case, de facto occupation (of the dwelling or lot) will be nine-tenths of the law, but unless clean title is achieved, informality is compounded. Indeed, those who today have won their title deeds have moved from initial informality to formal full legal title, but if they do not leave a will, that patrimony will invariably lapse into informality and clouded title.

Notes

1. By international standards this is a high level of ownership, but one caveat should be noted: the U.S. Census definition of home ownership includes those

who own (or are purchasing) a trailer or a mobile home without having any claim to ownership of the site.

2. Manufactured housing is defined as being built entirely in the factory under a federal building code administered by the U.S. Department of Housing and Urban Development. Homes may be single- or multi-section, are built upon a wheel base, and are transported to the site for installation.

3. The Office of the Attorney General (OAG) operates an online viewer containing information about 2,000 colonias. The US-Mexico Border Environmental Health Initiative (BEHI) offers information about 1,808 colonias; see http://borderhealth.cr.usgs.gov/datalayers.html. An advantage of the BEHI data set is that it has population estimates up to 2005.

4. These insights derive from various survey databases constructed by researchers at the University of Texas at Austin, several of which may be accessed at www.lahn.utexas.org (Texas Housing Database menu section).

5. The second study draws primarily on several border counties and forms part of a major survey commissioned by the Texas Department of Housing and Community Affairs in 2011–2012 (Ward, Way, and Wood 2012).

6. Texas Property Code, §5.079. The Texas Legislature, in its attempt to soften the harsh impacts of contracts for deed on consumers, adopted legislation barring a seller from enforcing a forfeiture clause after the buyer has paid 40 percent of the amount due under the contract, or after 48 monthly payments. Once a buyer has made the requisite payments, the seller must follow a nonjudicial foreclosure process similar to that used in foreclosures under a deed of trust and must refund the buyer whatever equity is left in the property after the foreclosure sale. Texas Property Code, §5.066.

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