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Making Housing Affordable, Inclusive, and Resilient

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Lessons from affordable housing policies in Latin America and the Caribbean

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Context: IDB Housing Forum 2022

- CHANGES IN URBANIZATION PATTERNS: GROWTH STABILIZATION AND TERRITORIAL RECONFIGURATION
- HOUSEHOLD COMPOSITION SHIFTS CHANGING THE NEEDS OF THE DEMAND
- STRUCTURAL DEFICIENCIES IN THE HOUSING STOCK AND PERSISTENCE OF URBAN INFORMALITY
- MACROECONOMIC INSTABILITY AND LABOR INFORMALITY AS BARRIERS TO ACCESS TO ADEQUATE HOUSING *50% economic informality
- OVERLAP BETWEEN ENVIRONMENTAL AND SOCIAL VULNERABILITY TRIGGERED BY THE CLIMATE CHANGE CRISIS
- A CHALLENGE: THE ADVERSE EFFECTS OF THE LATEST LATIN AMERICAN MODEL OF SOCIAL HOUSING AND NEW NORMATIVE FRAMEWORKS WITHOUT EXTENSIVE IMPLEMENTATION

Context: urban expansion

- The rates of people living in areas urban areas in LAC in the past from **41% to 81% in approximately six decades** (1950 to 2018)
- **Spatial expansion:** In the Americas urban areas grew 3.7% between 1990 and 1999, and 2.9% between 2000 and 2014 (**close to European rates:** 4.1% in the 1990s and 2.9% in the 2000s)
- **Worldwide**, it has been estimated that the three-fourths of the entire population growth in cities was **off the city limits** and the **density was 60% lower** (Angel et al. 2021)
- In LAC, significant part of this expansion was **informal**

Source: METROPOLIS, Pan-American Report. Image: g1.globo.com



Challenges: IDB Housing Forum 2022

- Since the early 2000s until 2019, **90% of the investment in housing has gone to new housing, which have only addressed the demand for housing of about 6% of the households in deficit** (Bouillon, 2012; Buckley et al., 2016; UHPH, 2021)
- The current “**Latin American Housing Model**” in the format of **large-scale and low-density housing projects** located on the outskirts of cities that exacerbate the detrimental conditions of peripheral location, limit the access to job sources, disassembles social capital networks, and **excludes the residents from the urban agglomeration advantages** (Libertun, 2018; Adler and Vera, 2019; Wainer and Vale, 2021)



Structural deficiencies: IDB Housing Forum 2022

- **At least 21% of the region's urban population –120 million people-- still reside informally** as an extended strategy to take advantage of the opportunities of the city (UHPH, 2021; ECLAC, 2018)
- **The qualitative deficit is significantly higher than the quantitative deficit: 94% of the housing deficit in urban areas** (Bouillon, 2012; UN Habitat, 2015). This qualitative deficit is reinforced by the lack of maintenance of existing public and private housing and urban stock, revealing a new form of unprecedented deficit (Wainer and Vale, 2021; World Bank, 2022)

Structural challenges: Informality

Several factors contribute to the development of informal markets in lands:

- Poverty and economic mechanisms
- Capacity of the city to plan X needs and demands
- Absence of citywide planning and strategies to “reserve” areas for affordable housing
- Restrictive regulations, including exclusions and city-level policies
- Insufficient investment in infrastructure, poor management of public land, lack of affordable housing
- Political motivations
- Subsidy levels (distortions) X fiscal capacity, policies and financial frameworks that support affordable housing (A. Rossbach, M. Napier)

Source: Informal Land Markets [Cynthia Goytia](#) First published: 15 April 2019

Structural challenges: Informality

In Latin America and the Caribbean, the experiences of improving neighborhoods and settlements are present for more than 50 years, there are deep structural issues, barriers to urban transformation:

- **Deep economic and social inequalities:** reflecting on the high prevalence of informality of labor and land
- **Access restricted to well-located land:** costs, laws, regulations as well as social and cultural questions.

The way forward: some regional consensus

- Promote innovation
- Investment in knowledge exchange spaces
- **Systemic changes that deliver long-term results**

There are three areas that are strategic for the attention, intention and action of government officials and which, with the close collaboration of society and the private and social sectors, can generate an effective and scaled transformation

information
legal frameworks
institutional arrangements and participatory governance