FORMALIZING THE INFORMAL: CHALLENGES AND OPPORTUNITIES OF INFORMAL SETTLEMENTS IN SOUTH-EAST EUROPE

Prof Chryssy Potsiou, NTUA, Greece
FIG President
UNECE WPLA bureau member
chryssy.potsiou@gmail.com
Background

- Informal settlements is not a new issue for Europe: *increasingly important the last 25 years*
- Since 2007 UNECE & FIG are involved; ECE CHLM: *Self-Made Cities: In Search of Sustainable Solutions for Informal Settlements* (2009)
- (2015) joint FIG/ UNECE publication: an in-depth research in 5 countries in South-East Europe: Albania, Cyprus, Greece, Montenegro and the Former Yugoslav Republic of Macedonia

The study

- Thanks to the FIG & UNECE WPLA for their interest to address this topic
- Thanks to the countries
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- Acknowledgement to all contributors

Basic principle:

- **Housing is a way to create wealth:** it is directly linked to economic development
Why this Study? Housing is important

- Living in a home that is decent & affordable provides for better health, job / school performance
- No country has enough public funds...we need the involvement of private / banking sector
- When neither the government nor the private market efficiently provide affordable housing, people turn to informal but “decent” solutions

Findings

- Privatization of land?
- Displaced populations have not yet been formally integrated (no citizenship) & cannot equally enjoy access to land and ownership rights
- Planning and construction permits are time and/or cost consuming; no social housing
- Formal real estate markets provide expensive housing
Findings

- Informal houses are outside the economic cycle
- Formalization? many countries still follow various “transition” strategies with conflicting, complex and unclear land policies
- Ecological and other concerns imposed by a country’s constitution
- Policies promoting state-owned land can exacerbate the problem or delay/deny formalization

Examples of good practice

- Legalization is the only practical solution
- Title provision at affordable prices, for primary residence, with a planning amnesty
- unless the occupied state land is protected ...
- In case of squatting on private land is not extensive; adverse possession or purchase of land
Weaknesses

- Priority to planning issues prior to property registration and titling...this significantly delays the whole procedure.
- There is either governmental indifference or lack of awareness of the impact such a delay in legalization has on national economies.
- Expensive & time consuming procedures, documentation/mapping, penalties and high property taxes.

Our recommendations

- Legalization within specific zones.
- Periodical automatic monitoring of protected sensitive areas.
- Legislation should not include deadlines unless major reforms are adopted.
- Reforms refer to pro growth planning, construction permitting system & adoption of affordable housing tools.
Our recommendations

- Adopt affordable fees and penalties for legalization for the poor and the middle class.
- Do not retroactively enforce state ownership rights over land.
- Develop mechanisms to legalize properties where there is standing land tenure.

- Adopt mechanisms that encourage new structures to be built in the formal sector.
- Planning amnesty programs & flexible zoning is the key.
- All properties should be allowed to be mortgaged and transferred regardless of condition.
- A detailed and costly survey of an existing informal construction may not be of great value.
The role of the public

- An active involvement of the public is necessary.
- The public must trust the long-term viability of a formalization project.
- The public (both those who have built legally and those who have not) needs to understand the advantages of legalization for the benefit of all.

Concerns & Future Research in the Region

- In natural-hazard-prone areas, safety controls prior to issuing an operation permit are necessary in cases of informal construction for professional use accommodating many people.
- There is a need to quantify the economic, environmental & social impact of “bad” land policies.
- There is a need to improve the functioning of housing markets in the region.
Thank You