



National Technical University of Athens
School of Rural and Surveying Engineering



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



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

***UNECE WPLA Workshop : The Challenge of Informal Settlements
25 February, Geneva***

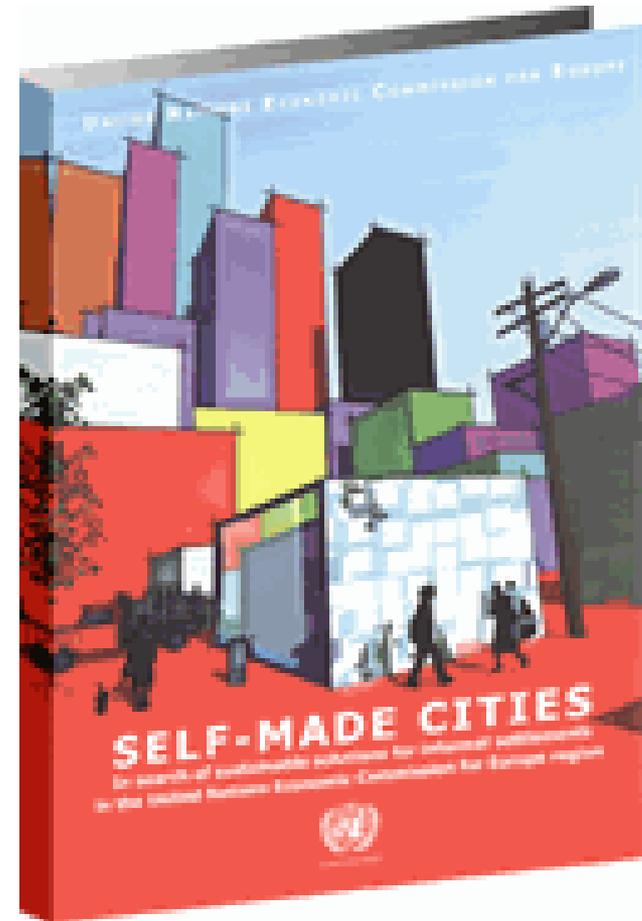
Background



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FIG

- 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



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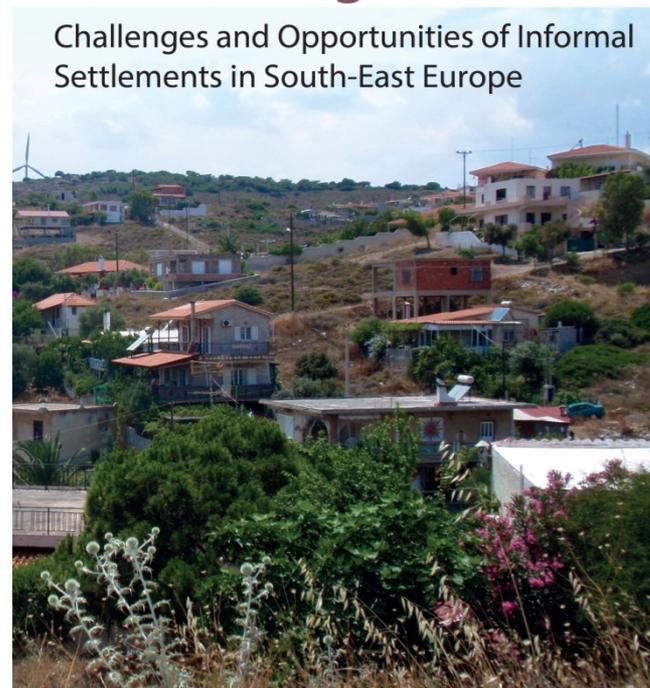


- Thanks to the FIG & UNECE WPLA for their interest to address this topic
- Thanks to the countries who participated in the research & for their support to provide information
- Thanks to all sponsors of the original research and the printing of the results
- Acknowledgement to all contributors

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Formalizing the Informal

Challenges and Opportunities of Informal Settlements in South-East Europe



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Housing is important



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- *Living in a home that is decent & affordable* provides for healthy conditions; people are able to perform better at jobs and in school.
- *We do wish* people to be able to live in homes that are decent & affordable. The question is *how much* can governments *afford to provide*? *No country has enough public funds...countries need the involvement of private sector*
- When *neither the government nor the private market* efficiently provide formal housing, people turn to *informal solutions*;
- ***People should not be punished as a result.***



Photo by C. Potsiou

Informal solutions : dead capital

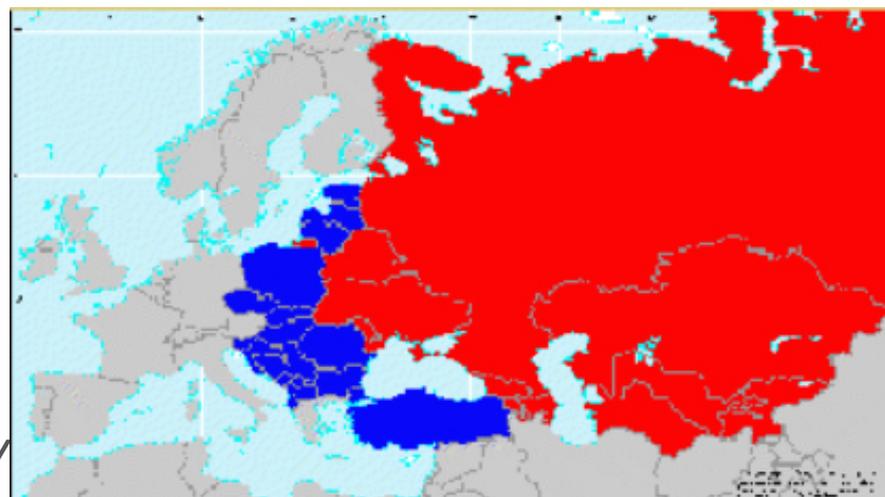


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The *transition economic process* includes:

- ***Privatization & Property registration***
- ***Changes in the role of the state*** from being a *provider* of growth to becoming an *enabler* of growth, with the *private sector being the engine of the economy*



Source: *The World Bank*

Informal development creates *dead capital*; it affects negatively the economy as well as the environment and has a major social impact.

Why this Study?



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- **Housing is a way to create wealth**; it is directly linked to economic development
- *A stable and transparent framework within which transactions take place is vital for national economy*
- **but, countries still follow various transition strategies with conflicting, complex and unclear policies.**



Photo by C. Potsiou

Findings



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- *Poor public administration & weak property markets at country level, where relationships matter more than rules*
- Ecological and other concerns imposed by a country's *constitution* as well as policies promoting *state-owned land* can exacerbate the problem



Photo by C. Potsiou

Findings



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- Formal real estate markets provide *expensive housing*
- *how well do governments support the involvement of private sector?*
Planning and construction permits are time and/or cost consuming.
- Displaced populations in some regions have *not yet been formally integrated* & cannot equally enjoy the benefits of privatization and legalization projects.



Photo by C. Potsiou

Countries' response



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- *legalization and title provision is the only practical solution.*
- *Some have provided titles, at affordable prices, for primary residence, regardless the existence of a plan*
- *unless the occupied state land is protected by the constitution...*
- *In the EU member countries the right of private ownership is well respected so squatting on private land is not extensive; adverse possession?*



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Response of the countries



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- Some adopted a more affordable, inclusive, fast and pro-growth legalization approach
- In some other planning issues are still connected with property registration and titling....this *significantly delays the whole procedure.*
- there is either governmental *indifference* or *lack of awareness* of what great impact such a delay in legalization has on national economies.



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Our recommendations



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- secure tenure, unblock the market, develop affordable tools for improvements of informal real estate & structure the way ahead for investment & economic growth.
- Maintain affordable fees and penalties for legalization, in terms of both time and money, for all, including the poor and middle class.
- Do not retroactively enforce state ownership rights over land.
- Develop mechanisms to legalize all types of properties where the current residents have long-standing land tenure.



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Our recommendations



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- A clear hierarchy of government institutions.
- Mechanisms should be put in place, not only to legalize existing informal structures, but to encourage new structures to be built in the formal sector.
- Planning amnesty programmes may be useful measures; planning regulations should not be a prerequisite for title issuance ; flexible zoning is key.



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The role of the public



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- *An active involvement of the public in the legalization process should be encouraged.*
- *The public must trust the long-term viability of a formalization project to participate in it.*
- *The public (both those who have built legally and those who have not) needs to be made aware of the advantages of legalization for the benefit of all, and the necessary procedures to legalize their property.*



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Following the issuing of titles



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- *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. A standardized delineation on orthophotos together with basic information about the total area and number of floors of the construction may be sufficient for legalization.*
- *Costs should be minimized. It is not the purpose of legalization to create jobs for planners & surveyors*



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Following the issuing of titles



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- *pro-growth improvements to the existing planning, building permitting and zoning systems are needed*
- *In natural-hazard-prone areas, safety controls prior to issuing an operation permit are necessary in cases of informal construction for professional use requiring a special operation license, involving public buildings, high-rise buildings of all types of uses (e.g., hotels and restaurants) and other constructions accommodating many people.*



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Future research



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- Affordable housing should be available to reduce the demand for informal development*
- There is a need to quantify the economic impact of specific land policies that delay formalization; environmental impact of such policies may also be quantified*
- There is a need to assess the functioning of housing markets in the region*



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Thank You