SOME LESSONS LEARNED IN COLOMBIA

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Housing deficit: 36.59% of the total stock.
In cities, **75%** of households in deficit need a better home, not a new one.
82% of the households in deficit earn less than 2 minimum wages (USD 462 per month)
Families in the bottom-40 are overburdened by mortgage and rental payments.

Mortgage payments: 47% of their income.
Rental payments: 43.3% of their income.
Before COVID-19, the only 2 options to get housing support from the government:

Free Housing, **USD 16,170** per unit. This program was discontinued due to its high cost.

Informal workers had to save for more than 1 year to be eligible for a mortgage and an average upfront subsidy of **USD 7,890**.
The **COVID-19** pandemic has revealed that the layout, financing, ownership and legal characteristics of a home matter less than its quality.
What matters is the house’s capacity to operate as a shelter, an online school, a virtual workplace, and a space where the sick and vulnerable can feel safe.
Identifying the most efficient option to eliminate the qualitative housing deficit in urban areas per program*

<table>
<thead>
<tr>
<th>Option</th>
<th>Cost (USD billion)</th>
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<tbody>
<tr>
<td>Free Housing</td>
<td>44.8</td>
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<tr>
<td>Upfront subsidies + CCF</td>
<td>35.8</td>
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<tr>
<td>Upfront subsidies</td>
<td>24.6</td>
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<tr>
<td>Home improvement subsidies (including structural strengthening)</td>
<td>8</td>
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<tr>
<td>Home improvement subsidies combined with microloans (1/3 subsidy and 2/3 microloan)</td>
<td>1.8</td>
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</tbody>
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* Net present Value.
** 2,360,525 units with 1-5 sources of qualitative deficit.  
Source: Fedesarrollo (2020).
Identifying the option that creates more jobs for the most vulnerable.

Total multiplier for self-construction and home improvement: **3.645**.
Total multiplier for large scale new construction: **1.977**.

Jobs created for young and adults with low qualifications: **>80%**
Home improvement can save lives, protect assets and shield economies.
#BuildBetterBefore, not after.
THANK YOU!

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