Housing Conditions and Income Distribution: Evidences from São Paulo, Brazil

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Context

• The importance of the theme
• The search for new approaches
• The availability of data
• Research content
• International audience
Question explored in your paper (1 slide) -- is it a new issue?

This paper explores, in the case of the city of Sao Paulo, Brazil, potentialities and limits of the private sector, as one of the major actors in housing development process, in the provision of housing for low-income families.

And verify the impact of income distribution on those limits. For this analysis, a view of the “market as a whole” is informative.
Housing starts information

- name of the project
- location (address)
- homogeneous market zone
- number of units
- number of floors (if apartment)
- number of elevators
- area of the land developed
- end of construction date

- and for each residential unit:
  - private and total area
  - number of bedrooms
  - number of bathrooms
  - price (in R$, and in U$D equivalent)
  - form of payment
  - price per square meter

- name and address of the developer
- name and address of the building contractor
- name and address of the Real Estate broker
- name and address of the financial institution (whenever there is mortgage finance)
- other information available
- Land price, if not stated, could be indirectly estimated
Greater São Paulo Metropolitan Region -
distribution of population by income
Results

- Selected descriptive data analysis were selected for this presentation:
  
  a) Volume of production;
  b) Sales price
  c) Affordability
  d) Developers in the market and their perspective.
São Paulo City: Residential units starts (1965-2006)
In 5 years, 21,046,000 square meters of residential space were built while the population went up 317,676 people, an average of 66 square meters per new inhabitant.
Housing production and affordability - São Paulo City - 2006
<table>
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<th>Units</th>
<th>Total price (1.000 R$)</th>
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Greater São Paulo Metropolitan Region: Residential Unit Starts & Average Total Price (1995-2005)
Policy Consequences

- Housing policy making needs an understanding of the decision making process of the developer, a central player in housing, in order to devise instruments to stimulate them to better respond to socio-environmental needs of a given society.
Conclusions

• The paper presented a first descriptive analysis using information from a databank on housing starts in Sao Paulo.
• It has provided details about the way formal housing market production serves the need of middle and high income families.
• It has shown some characteristics of the housing industry, shedding interest with market aspects that have been more neglected and that would inspire further empirical developments and comparative studies.
Recommended future research

a) to focus on the projects affordable to low income families;

b) to include in the study the feasibility analysis of housing investment decisions;

c) to compare with the present market situation that has seen recent economic and institutional changes
Thank you!

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