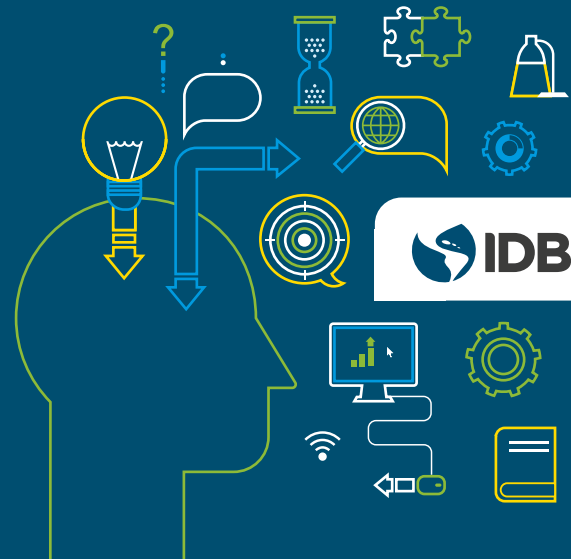


What Are the Housing Conditions of Urban Migrants in Latin America and the Caribbean, and How Can Those Conditions Be Improved?

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Authors: Matías Busso, Paul E. Carrillo, and Juan Pablo Chauvin.



Urban migrants in Latin America and the Caribbean are significantly less likely to own homes compared to residents, with demographic factors accounting for about one-third of this homeownership gap (HOMG).



Compared to local residents, migrants tend to have less living space and fewer housing amenities like rooms and cooking areas, and they have uneven access to services like water and sewage.



Optimizing the use of existing housing stock and developing rental markets—e.g., by streamlining processes while upholding quality and safety standards—are key strategies to support migrants in securing housing and enhancing job access.



CONTEXT

As domestic and international migrants continue to arrive to cities in Latin America and the Caribbean, a key challenge to unlock their potential contributions to the local economy is to **ensure that they have access to adequate housing**. Good housing conditions and homeownership offer significant benefits such as financial stability, lower poverty rates, and enhanced community engagement and health. Conversely, a lack of adequate housing can have significant adverse effects, such as overcrowded or substandard living conditions, resulting in health issues, crime, social unrest, and declining property values, adversely affecting both neighborhoods and the broader community.



PROJECT

A key goal of the IDB's 2023 Microeconomic Report “Rethinking Urban Migration: Policy Options for Cities in Latin America and the Caribbean,” was to contribute to our understanding of how the arrival of urban migrants affects the **housing markets in host cities**. To this end, we assembled census and survey data across multiple countries in Latin America and the Caribbean and analyzed the housing conditions of migrants and residents separately. We focused on understanding the housing tenure choices of each group, as well as differences in the quantity and quality of their housing, including access to basic services.

RESULTS

Our analysis, which includes both domestic and international migrants, found that migrants are significantly less likely to own homes and access the benefits associated with home ownership. To understand the HOMG between migrants and residents, we analyzed how demographic factors influence this disparity. The analysis, illustrated in [Figure 1](#), shows both the “raw” and “adjusted” HOMG over time. Even after adjusting for demographic factors, migrants continue to be significantly less likely to own a home than residents. For instance, in Ecuador in 2005, the raw gap in homeownership rates was 0.45 percentage points, which narrowed to 0.32 points when comparing individuals of similar age, income, and education. Across various countries, these demographic characteristics account for approximately one-third of the observed gap.

Key Concept

HOMEOWNERSHIP GAP (HOMG)



The difference between the homeownership rate of residents and that of migrants.

Migrants generally have less living space and access to fewer housing services compared to local residents. Migrant households have fewer rooms and bedrooms, often lack exclusive cooking areas, and live in more crowded conditions—even when accounting for income, age, and family size. Our study also found that, while access to adequate water and sewage infrastructure is generally high in Latin American cities, notable disparities exist. In many cities, migrants are less likely to have access to these essential services compared to local residents. Conversely, in a few cities, migrants enjoy better access to these services. This inconsistency highlights a complex landscape of urban service provision.

Our findings are consistent with existing research linking migration to the growth of informal neighborhoods, often defined by their lack of basic public services, underscoring the need for targeted policy interventions in urban housing and infrastructure.

Key Concept

HOMEOWNERSHIP RATE



The share of households that own the housing unit in which they reside.



POLICY IMPLICATIONS

To maximize migration benefits, supporting migrants in securing suitable housing is crucial, particularly through optimizing the use of existing housing stock. Fostering rental markets is a strategic approach, as migrants often have lower homeownership rates due to recent relocation. Enhancing rental markets can improve job accessibility and labor market integration, as rental units typically offer better locations and quality compared to available housing for sale. Policymakers can encourage rental market growth by simplifying the conversion of housing stock into rentals, balancing deregulation with the maintenance of essential standards. This involves reducing excessive bureaucracy while ensuring compliance with key construction quality, safety, and environmental standards.

Policymakers can leverage emerging technologies from the platform-based economy to offer flexible housing solutions for migrants. Services like Airbnb, Vrbo, and CouchSurfing, which connect travelers with short-term lodging options in private residences, have gained significant popularity. Adapting such technologies could provide versatile short-term housing for migrants, particularly international ones who often face challenges like the lack of guarantors required for rental

agreements. However, this approach might be less effective in areas popular with tourist or business travelers, where accommodation-sharing platforms can limit the availability of long-term rentals and drive up prices. Conversely, converting properties into short-term rentals might be more feasible in areas less attractive to transient visitors but convenient for residents and migrants due to their access to schools, public transportation, and other amenities.

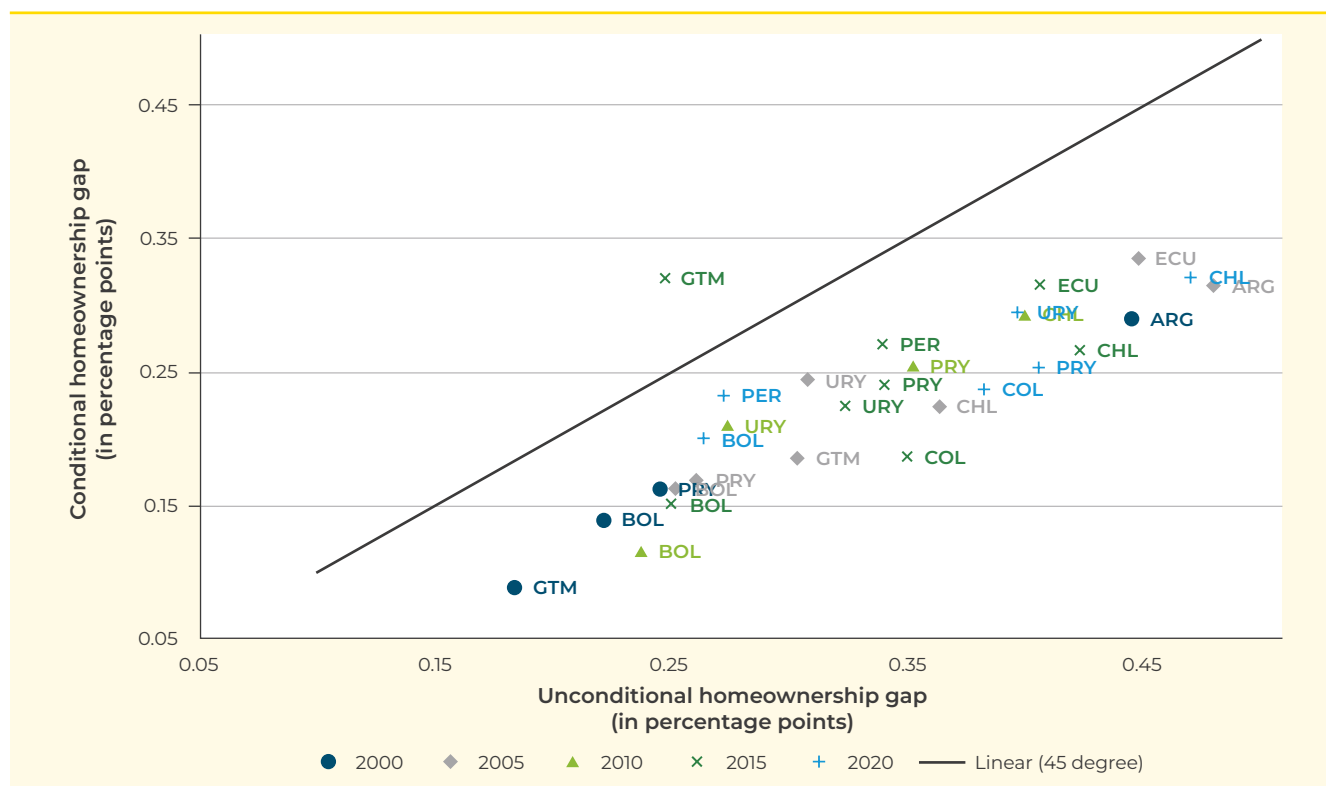
Key Concept

PLATFORM-BASED ECONOMY



An economic model where online platforms connect buyers and sellers or service providers and users, typically through mobile apps and websites.

FIGURE 1. Homeownership Gap by Migratory Status



Source: Authors' calculations, based on household survey data.

Notes: This figure shows conditional and unconditional homeownership rates in Latin American countries by migrant status. The countries included are Argentina (ARG), Bolivia (BOL), Brazil (BRA), Chile (CHL), Colombia (COL), Ecuador (ECU), Guatemala (GTM), Nicaragua (NIC), Peru (PER), Paraguay (PRY), and Uruguay (URY). Unconditional gaps simply reflect the difference in homeownership rates between residents and migrants. Conditional gaps are the gaps that remain after accounting for the demographic characteristics of the tenants using regression analysis. Results were similar when estimated only for international migrants.

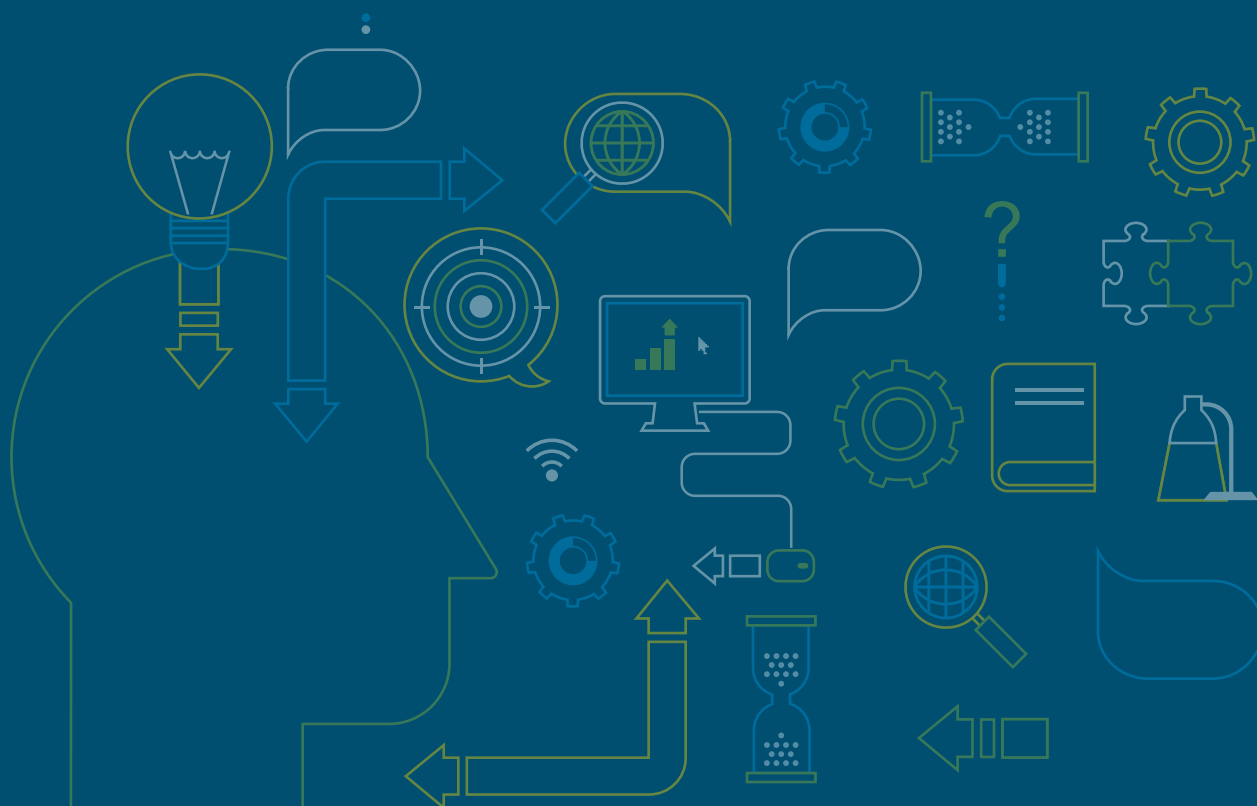
FULL STUDY

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