



## The rise of renters and renting in Texas *colonias*

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### ABSTRACT

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Owner-occupied housing is the norm in the low-income, informal settlements along the US–Mexico border known as *colonias*. As a result, renters and renting have been largely overlooked by both scholars and policymakers. Using GIS technology and data provided by the US Census Bureau from 2000 to 2011, this article is the first to 1) document the growth of renting in these settlements in recent years and the nature and extent of the rental market, and 2) explore important differences between owner and renter households and the myriad ways in which *colonia* renters are more vulnerable than homeowners. The results suggest that renting in *colonias* is largely informal and occurs primarily in single-unit homes, many of which were built via self-help by the owner and have since been converted to rental property. As a result of these findings, it is argued that renting in *colonias* more closely resembles the rental market in informal settlements throughout the developing world than it does the rental market elsewhere in Texas, and thus the rise of renting in *colonias* presents unique challenges that merit attention by both scholars and policymakers. The article concludes by drawing upon insights from research on renting in the developing world in order to highlight key policy priorities regarding renting in *colonias*.

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### Introduction

*Colonias* are low-income, informal settlements located primarily along the US–Mexico border. Historically, these settlements have been predominantly long-term homeowner communities—for low- and very low-income residents in the border region, *colonias* are one of the few means of becoming a homeowner. Given their very low incomes, most *colonia* residents rely on self-help and self-managed housing; many construct homes themselves, doing so incrementally over time as resources permit, although many also buy temporary dwellings such as trailers or campers (often used and in poor condition) which they place on the lot and upgrade or expand when possible (Ward, 1999). Since they first entered public policy discussions in the late 1980s, the Texas and Federal governments have taken myriad steps to address issues of poverty, underdevelopment, and health in *colonias*. In regards to housing, these efforts have sought to improve infrastructure in these settlements, to provide clear property title to *colonia* homeowners, and to assist with the self-help home improvement process (Ward, 1999). These policies, though they have helped to greatly improve infrastructure and housing conditions and to ensure tenure security

for *colonia* homeowners, have largely overlooked a significant and growing renter population in these settlements.

Very little research has explored the extent and nature of renting in *colonias* and the characteristics of renter households, primarily due to the fact that scholars have historically believed that renting was rather limited (Ward, 1999). Only recently, in fact, have scholars paid any attention to the rental market (Mukhija & Monkkonen, 2007; Ward, 1999; Ward & Peters, 2007; Ward, Way, & Wood, 2012), and even these did so to a very limited extent. Two such studies (Durst, Ward, Olmedo, & Rojas, 2012) suggest that the proportion of renter households has grown significantly in recent years and that renters—who by some estimates now constitute close to one in five *colonia* households—are significantly smaller, poorer, and have shorter periods of tenure than owners (Ward et al., 2012). As such, renters represent a growing population that is, on average, more vulnerable to issues of housing affordability and tenure insecurity.

This piece adds to the limited literature on the topic in four ways. First, the article draws upon an analysis of data from the US Census Bureau and the American Community Survey between 2000 and 2011 in order to describe the extent and nature of the rental market in Texas *colonias* and the potential determinants of varying rental rates in these settlements. Second, the article explores key socio-economic and demographic variables to demonstrate how *colonia* renters are an exceedingly vulnerable population with distinct needs from homeowners. Third, I argue

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that renting has largely been overlooked by policymakers in Texas; however, given the recent growth in renting and the extreme vulnerability of tenants, renting deserves to be on the policy agenda. In the final section, I argue that the *colonias* rental market more closely resembles that found in informal settlements throughout the developing world than it does the rental market elsewhere in Texas; I therefore draw upon insights from research from the developing world to highlight the key policy priorities regarding rental housing in *colonias*.

### Renting in *colonias*

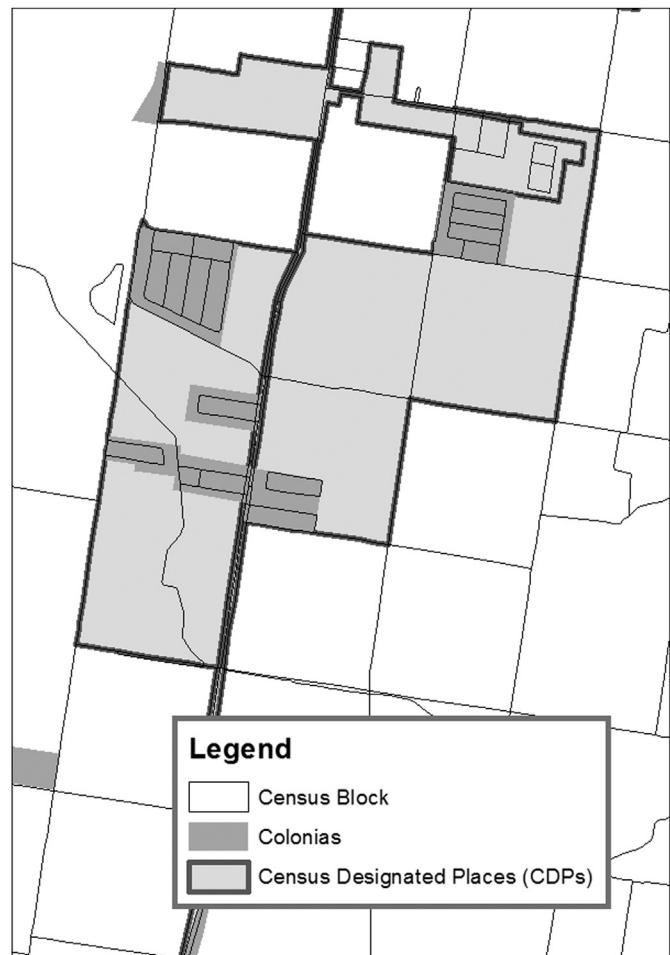
The few scholars that have mentioned renting in *colonias* (Mukhija & Monkkonen, 2007; Ward, 1999; Ward & Peters, 2007; Ward et al., 2012) have provided only a brief acknowledgment of the presence of significant renter populations in these settlements, suggesting that renter households have grown significantly in recent years and now make up between 10 and 30% of households in *colonia* subdivisions throughout Texas. According to Ward et al. (2012), most renters (78%) live in single-unit structures, although other research (Durst, 2014) suggests that many *colonias* also contain substantial multi-unit rental complexes.

In general, renting in *colonias* appears to be rather informal, with less than a third of tenants reporting having signed a written rental contract and a large majority (90%) paying rent directly to the owner. Many landlords are believed to be former owner-occupiers who have since turned toward landlordism as changes in the family structure have altered the use value of the home (Ward et al., 2012). Although many *colonia* homes are now of significant value, stagnation in the *colonia* housing market and the absence of financing mechanisms to facilitate the purchase of *colonia* homes means that few homeowners are able to sell their homes except through seller financing via informal contract for deed agreements (Ward et al., 2012), and thus, as a result, renting provides a means of supplemental income and serves as an alternative to abandonment or vacancy as families negotiate issues of inheritance or attempt to sell the property. This is the extent of our knowledge of renting in *colonias*; despite these preliminary insights, we still know little about the nature of the rental market, the potential differences between renter and owner populations, or the policy implications of a rise in renting in these settlements.

### Description of data

This article draws upon 2000 and 2010 US Decennial Census and 2007–2011 American Community Survey data at the Census Block and Census Designated Place (CDP) levels in order to explore renting in *colonias* in six Texas counties. The Census Block level is the smallest geographical area reported on by the Census Bureau and thus the boundaries of Census Blocks most closely conform to those of *colonias*; indeed, in many instances, there are multiple Census Blocks within one *colonia* (see Fig. 1). Despite this geographical specificity, data at the Census Block level are limited to key population (number, race, ethnicity, age) and tenure variables. It is not until the CDP level that data on many of the demographic and socio-economic characteristics of renters and the physical conditions of the home become usable for the purposes of a comprehensive review of renting and renters. The majority of the analysis presented herein thus draws on data from CDPs.

There are, however, certain limitations of using data on CDPs that warrant mention. First, many *colonias*, particularly smaller ones, are not considered CDPs and thus are overlooked by an analysis that focuses solely on this geographic classification. Second, CDPs often comprise large geographical areas containing multiple *colonias* and separated by non-*colonia* subdivisions. This is



**Fig. 1.** Example of a census designated place containing multiple *colonias*.

demonstrated in Fig. 1 where, in this instance the CDP comprises multiple *colonias* as well as a substantial amount of non-*colonia* territory. This inclusion of non-*colonia* territory means that it is impossible to distinguish between *colonia* and non-*colonia* conditions when analyzing census data. To address this concern, I only analyzed data from CDPs in which approximately 90% of the housing units within the CDP also fell within the Texas Office of the Attorney General (Texas OAG) boundaries for the *colonia*.<sup>1</sup> A second concern is that the large geography of CDPs may obscure relevant factors such as settlement age and size; since these factors are believed to be associated with varying rates of renting, analysis at the Census Block level likely provides more reliable estimates of the extent of the *colonia* rental market.

Although spread across the border region, the majority of *colonia* residents (369,000 out of over 400,000) live in one of six Texas counties: Cameron, El Paso, Hidalgo, Maverick, Starr, and Webb (Texas Secretary of State, 2010). The analysis presented herein is limited to Census Blocks and CDPs in these six counties. GIS software, US Census Bureau TIGER/Line shapefiles, and data on *colonias* obtained from the Texas OAG were used to identify 290 CDPs which comprised at least one *colonia*. These data were then merged with 2000 and 2010 Census Bureau Summary File 1 data and 2007–2011 American Community Survey 5-Year Estimates. Each of these was then evaluated using satellite imagery to ensure that the area was

<sup>1</sup> See [https://maps.oag.state.tx.us/colgeog/colgeog\\_online.html#](https://maps.oag.state.tx.us/colgeog/colgeog_online.html#).

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