

Report No. 781
SEARCHING THE POSSIBILITIES OF NEW
HELPFULL ACTORS WITHIN THE LOW INCOME
HOUSING MARKET: THE PRIVATE
ENTREPRENEURIAL SECTOR.
Case Study: BOGOTA/COLOMBIA
By German RUIZ SILVA-COLOMBIA
35th ICHPB January/June 1980

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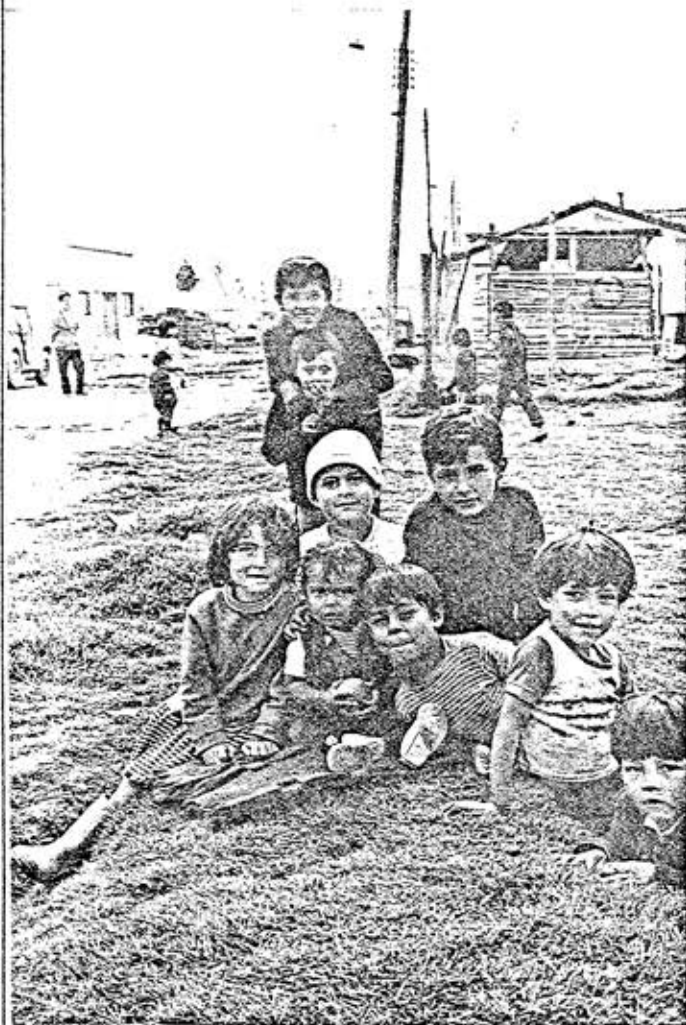


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SEARCHING THE POSSIBILITIES OF NEW HELPFULL
ACTORS WITHIN THE LOW INCOME HOUSING MARKET:
THE PRIVATE ENTREPRENEURIAL SECTOR.

CASE STUDY: BOGOTÁ, COLOMBIA

GERMAN RUIZ SILVA .



THE HOUSING DEMAND OF YEAR 2000 IS ALREADY WALKING THROUGH THE STREETS

PROJECT WORK .
35th COURSE . B.T.E.
PROJECT'S TUTORS
PROFESSOR RUDOLF STAMM
PROFESSOR HENK V.D. BORN

SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS. 21/4/80

number: 1 61



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INTRODUCTION

THIS IS A ONE MONTH "PROJECT WORK" SUBMITTED TO THE 35th INTERNATIONAL COURSE OF HOUSING PLANNING AND BUILDING, BOUWCENTRUM INTERNATIONAL EDUCATION ROTTERDAM, UNDER A FIVE MONTHS FELLOWSHIP OF THE NETHERLANDS GOVERNMENT.

IT IS ADDRESSED TO THOSE PERSONS WITH SPECIAL INTEREST IN LOW INCOME HOUSING SOLUTIONS AND WITH POSSIBILITIES OF DIRECT ACTION AS PROMOTERS, DESIGNERS BUILDERS, ... OF PRIVATE PROFITABLE ENTERPRISES.

IT IS A STUDY UNDERTAKEN AS A REQUIREMENT OF THE B.I.E. COURSE, THAT BASICALLY ILLUSTRATES THE CONDITIONS WITHIN BOGOTA URBAN AREA CONTEXT FOR PRIVATE PROFITABLE ENTERPRISES INSIDE THE "UNTOUCHABLE" LOW INCOME HOUSING MARKET.

IT IS A STUDY THAT STRONGLY BELIEVES IN THE VERY HIGH POTENTIAL OF LOW INCOME GROUPS / FAMILIES / INDIVIDUALS.

ACKNOWLEDGE

MORAL SUPPORT :
MY WIFE & SON & FAMILY

COLOMBIAN SPONSOR : MR. ALVARO GAMBOA VILLEGAS
GENERAL MANAGER. ESTUDIOS TECNICOS LTDA.

COLOMBIAN SUPPORT : MY FATHER ALFONSO RUIZ
CIEBA AND ASSOCIATES GDR. CAPT. GDS.

BIE'S SUPPORT :

BIE'S DIRECTOR MR. COR DIJKRAAF
PROJECT'S TUTOR MR. RUDOLF ATMAN
TECHNICAL GUIDANCE : MR. M. J. ROELL

AND MR. HENK VAN DEN BORN

EQUIPMENT BINEKE V.D.H.

CAROLINE J. B., JOYCE M., HANNY V.D.B.

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SUMMARY

MAIN ARGUMENTS DEVELOPED ON THE LOW INCOME HOUSING PROBLEM

THE BOGOTA'S LOW INCOME SECTOR HAS LARGELY DEMONSTRATED VERY HIGH CAPACITY OF URBAN SETTLER, HOUSING INVESTMENT AND BUILDING. IT IS NOT A SECTOR FOR PATERNALISTIC POLICIES CHARITY OR HELP, BUT A SECTOR FOR EFFECTIVE COOPERATION.

THE POOR ARE EXTRAORDINARILY RICH IN RESOURCES OF ANY KIND.

THIS COOPERATION COULD BE OBTAINED FROM THE PRIVATE ENTREPRENEURIAL SECTOR WHICH ALREADY HAS ALL WHAT THE SO CALLED LOW INCOME HOUSING SECTOR IS NEEDING: SKILLS, TECHNIQUES, ECONOMIC POTENTIAL, SPEED OF ACTION, ELASTICITY, VARIETY OF POSSIBILITIES IN ALL SENSE.

SCOPE

THE 35TH COURSE OF THE BOWCENTRUM INTERNATIONAL EDUCATION GAVE A BIG AMOUNT OF SUBSTANTIAL MATERIAL USEFUL TO THE SUBJECT. UNFORTUNATELY IT DID NOT GIVE THE TIME TO MAKE USE OF IT. THIS STUDY IS BASICALLY SUPPORTED BY THE AUTHOR'S OWN INFORMATION.

LOOKING AT THE COLLABORATION LOW INCOME HOUSING DEMANDS - PRIVATE ENTREPRENEURIAL HOUSING OFFERTS, THIS STUDY PRESENTS DETAILED INFORMATION OF THE LOCAL CONDITIONS (BOGOTA) FOR SUCH A COLLABORATION (APPENDIX 1 to 9) AND FIGURE OUT BRIEFLY FOUR POSSIBLE SPECIFIC TYPE OF PROJECTS FOR THAT PURPOSE. IT DOES NOT ARRIVE TO ANY DEFINITIVE CONCLUSION AND IT HAS MORE OPEN ANSWERS THAN CLOSED QUESTIONS.

WORKING METHOD

- A. BRIEF PUTTING OF INFORMATION UP TO DATE BOGOTA, DECEMBER 1979
- B. PRELIMINARY FORMULATIONS. DIE. JANUARY
- C. PUTTING TOGETHER ALL AVAILABLE MATERIAL
- D. PRELIMINARY FORMULATIONS OF THE PROJECT WORK. DIE. MARCH 1980.
- E. DISCUSSIONS OF WHAT TO DO AND HOW WITH BIE STAFF. APRIL.
- F. PROJECT WORK. MAY.

CONCLUSIONS / RECOMMENDATIONS

THE POOR ARE NOT TOO POOR. THEY ARE THE RICHEST IN TERMS OF URBAN SURVIVAL CAPACITY.

THE LOW INCOME SECTOR IT IS NOT TOO LOW. IT IS THE HIGHEST IN TERMS OF CAPACITY OF TRANSFORMATION OF THE URBAN ENVIRONMENT.

THE MIDDLE AND HIGH INCOME SECTORS OF OUR SOCIETY HAVE ALWAYS CONSIDERED THE LOW INCOME INVASION OF OUR CITIES AS THE PROBLEM OF SOMEONE ELSE. IT IS JUST THE CONTRARY. IT IS ONLY THE PROBLEM OF THEM. THEY ARE THE MOST AFFECTED.

BY PRETENDING THAT THOSE "POOR" FAMILIES ARE OUT OF OUR U.S.A. ORIENTED CAPITALISTIC URBAN SYSTEM, THE SYSTEM IS LOOSING AN EXTRAORDINARILY RICH OPPORTUNITY OF EVOLUTION. HISTORICALLY UNIQUE. AND ANYWAY, SINCE THOSE POOR ARRIVED TO THE CITY, THEY ARE INTRODUCING SUBSTANTIAL CHANGES.

"SITE AND SERVICES", "UPGRADING", "SELF HELP", "COMMUNITY PARTICIPATION" ... ARE ALL 100% LOW INCOME URBAN FORMULAS.

IT IS TIME FOR THE CAPITALISTIC PRIVATE PROFITABLE ENTERPRISES OF THE URBAN HOUSING SECTOR, TO IDENTIFY THE SO CALLED LOW INCOME SECTOR AS THE NEW PROMISING FRONTIER OF COOPERATION.

THIS STUDY BELIEVES THAT THE ABOVE ARE REALISTIC ASSUMPTIONS THAT MUST BE WORKED OUT IN FULLY ... NOW.

Samuel Wright

Point 2. Summary.

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THE PROBLEM. THE SITUATION.

the problem → How to obtain for the low income housing sector positive/helpful action from the private entrepreneur sector.

the situation → There are special favorable conditions to figure out today realistic possibilities of private entrepreneurial actions within the low income housing market.

Specific characteristics of the situation

→ THE ADMINISTRATIVE ASPECT: Housing construction in Bogotá is being performed by all kind of organizations: the family alone, the community, small and large contractors... A predominant percentage of the total production of dwellings is being produced illegally with no use of the well established legal instruments.

- What kind of private legal organization would be the proper one to deal with the problem?

THE LEGAL ASPECT: Since 1976, Bogotá has special regulations to deal with upgrading site and services projects. It allows to land developers legal subdivision of land and plots' sale with almost no investment in infrastructure.

Nevertheless, such regulations are being used mainly to legalize gradually already existing illegal settlements.

- What kind of private legal organization would be the proper one to use effectively the regulations related to low income housing production?

THE ECONOMIC ASPECT: After one year of arrangements the government approved in Nov. 79 a law that provides almost unlimited financial possibilities for "low cost housing projects".

The so called UPAC system (units of acquisitive constant power) which has been taken the savings of middle and high income urban population during the last six years, is committed by the new law to allocate a minimum of 20% of its total capacity of investment in "low cost housing projects".

- What would be the economic-financial structure of a private profitable company dealing with low income housing demands and the new UPAC legislation?



UPGRADING
"LAS COLINAS"
BOGOTÁ 1979

Point 3. the problem. The situation.

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THE PHYSICAL ASPECT : THE DWELLING QUANTITATIVE DEFICIT OF THE COUNTRY WAS 600.000 UNITS IN 1970 AND IS 850.000 UNITS IN 1980. THE DWELLING QUALITATIVE DEFICIT IS ALSO GROWING. ACCORDING WITH INFRASTRUCTURE DATA OF BOGOTÁ, THE CITY IS WITHIN ACCELERATED PHYSICAL ENVIRONMENT DETERIORATION. POPULATION DEMANDS ARE GROWING FASTER THAN PROVISION OF DWELLINGS, UTILITIES AND SERVICES.

THOSE DEFICITS ARE TOTALLY CONCENTRATED IN THE LOW INCOME SECTOR. DUE TO A STRONG COMPETITION OF PRODUCTION, THE DEVELOPERS OF MEDIUM AND HIGH INCOME DWELLINGS IN BOGOTÁ, HAS TRANSFORMED THE CITY INTO A VERY RICH EXHIBITION OF ANSWERS TO THE HOUSING DEMANDS.

IN TERMS OF SKILLS, DESIGN SCHEMES, CONSTRUCTION TECHNIQUES, MATERIALS, DEVELOPMENT MODES, ... ETC THE HIGH AND MIDDLE INCOME HOUSING MARKETS ARE RICH. THE LOW INCOME REMAINS VERY POOR.

- WHAT KIND OF PROJECTS OR PHYSICAL COMPONENTS OF PROJECTS ARE THOSE SUITABLE FOR TO BE PROVIDED BY THE PRIVATE SECTOR TO THE LOW INCOME HOUSING USERS?

THE LABOR ASPECT. BOGOTÁ HAS A STRONG TRADITION OF HOUSING PRODUCTION PRIVATE FIRMS. THE TENDENCY WITHIN THEM DURING THE LAST FIVE YEARS HAS BEEN TO REACH THE LEVEL OF THE LUXURIOUS HIGH INCOME HOUSING MARKET: A MINIMUM OF US \$1.000/SQ. M. SALE PRICE JANUARY 1980.

SINCE THE PRODUCTION OF HIGH INCOME DWELLINGS IS REACHING LEVELS OF SATURATION AND THE ANNUAL PRODUCTION OF MIDDLE INCOME IT IS NOT ABLE TO ABSORB ALL THE AVAILABLE LABOR FORCE (UNEMPLOYMENT IS GROWING AT ALL LEVELS OF THE HOUSING MARKET), THE LOW INCOME HAS THE OPPORTUNITY TO ABSORB THAT AVAILABILITY.
↳ COULD HAVE

THE SOCIAL-ECONOMIC ASPECT. IS THE LOW INCOME SECTOR ABLE TO PRESENT EFFECTIVE DEMAND OF THE MENTIONED AVAILABLE RESOURCES? APPARENTLY YES. IT IS WELL ABLE TO DO SO.

A DOMINANT-GROWING PERCENTAGE OF COLOMBIAN URBAN RESIDENTIAL AREAS IS SELF-MADE UPGRADING LOW INCOME. THAT IS AN EXTREMELY STRONG EVIDENCE OF THE GROWING HIGH POTENTIAL-CAPACITY-RESOURCES-HABILITY-HEALTH OF THE LOW INCOME-SOCIOECONOMIC SECTOR.

- WHAT KIND OF PRIVATE ORGANIZATION AND HOW IS ABLE TO REACH THE LOW INCOME HOUSING PROFITABLE MARKET?

- QUESTIONS TO BE ANSWERED BY THE PROJECT WORK.



Point 3. the problem. the situation

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THE PROPOSAL. FRAME OF REFERENCE.

ASPECTS	ACTIONS	ROLE	PROPOSAL
ADMINISTRATIVE	1. THE DISTRICT	→ PROVIDES REGULATIONS	INSTEAD OF LARGE GOVERNMENT AGENCIES, A LITTLE PRIVATE COMPANY, PROFITABLE, ELASTIC DYNAMIC, POWERFUL IN TERMS OF CAPACITY OF USE OF EXISTING RESOURCES: ADMINISTRATIVE, LEGAL, FINANCIAL, ECONOMICAL, PHYSICAL, SOCIAL.
	2. MUNICIPALITY	→ CONSTRUCTION LICENCES	
ADMINISTRATIVE	3. UPAC SYSTEM	→ FINANCIAL	"THE COMPANY": A LINK BETWEEN RESOURCES AND THE ALREADY BIG, GROWING, COMPLETED, POWERFUL LOW INCOME HOUSING SECTOR
	4. PRIVATE	→ FINANCIAL	
	5. THE COMPANY	→ PROMOTION/DESIGN/CONSTR.	
	6. SUPERINTENDENCY. SALES' LICENCE		
	7. THE USER'S	→ UPGRADING-DESIGN/CONSTRUCTION.	
LEGAL/DEVELOPMENT	1. DISTRICT	→ URBANIZATION SUPERVISION	INSTEAD OF COMPLEX-LARGE PROJECTS OF 4-5 YEARS OF PRELIMINARY STUDIES AND LEGALIZATION, WITH LIMITED OR NONE USER'S PARTICIPATION... MANY SIMPLE SMALL PROJECTS OF 1 YEAR-STUDY-IMPLEMENTATION AND LARGE USER'S INVOLVEMENT AS IN THE ACTUAL PIRATE SETTLEMENTS. "THE COMPANY", A LINK BETWEEN EXISTING FAVORABLE REGULATIONS AND EMERGENCY HOUSING NEEDS.
	2. MUNICIPALITY	→ CONSTRUCTION SUPERVISION	
	3. UPAC SYSTEM	→ INVESTMENTS CONTROL	
	4. PRIVATE	→ MANAGEMENT SUPERVISION	
	5. THE COMPANY	→ PROJECTS IMPLEMENTATION	
	6. SUPERINTENDENCY SALES' CONTROL		
	7.		
FINANCIAL E.C.	UPAC SYSTEM	→ PROVIDES 70-80% CASH ACCORDING WITH CONSTRUCTION STAGES OF DEVELOPMENT	INSTEAD OF LARGE GOVERNMENT PARTICIPATION, LARGE INVESTMENTS-SUBSIDIES, HIGH % OF UNRECOVERED INVESTMENTS... PROVISION OF MINIMUM BASIC ELEMENTS WITH INTENSIVE PRIVATE PARTICIPATION, LIMITED INVESTMENTS, LIMITED-INDIRECT SUBSIDIES, FULLY RECOVERED COSTS.
	PRIVATE ENTREPRENEURS	→ PROVIDES 20-30% OF REQUIRED FINANCIAL ACCORDING WITH PRELIMINARY PROJECTS COSTING	
	THE COMPANY	→ INVESTMENT EXECUTION	
	THE USERS	→ PAYMENTS	
PHYSICAL ASPECTS THE NEIGHBOURHOOD	COMPANY/USERS	→ PROVISION OF LAND	INSTEAD OF PROJECTS... PROJECTS FRINGE LOCATION → FRINGE/CORE LOCATION COMPLETE-HOMOGENEOUS → PROGRESSIVE/HETERO-THEORETICAL → REALISTIC RATIONALIZED → HUMANIZED LOW DENSITY → HIGH DENSITY
	COMPANY	→ URBAN DESIGN	
	COMPANY	→ LAND SUBDIVISION/ALLOCATION	
	MUNICIPALITY	→ GRADUAL PROVISION OF UTILITIES AND SERVICES.	
	MUNICIPALITY/USERS	→ MAINTENANCE/ADMINISTRATION	
PHYSICAL ASPECTS THE DWELLING	THE COMPANY	DWELLING DESIGN	INSTEAD OF PERMANENT HOUSING → PERMANENT AND NOT COMPLETE → UPGRADING FIXED → ELASTIC/GROWING HOMOGENEOUS → HETEROGENEOUS ACADEMICALLY NICE LOOKING → PEOPLE'S MADE.
	THE USERS	PLOT'S CLEANING/SETTING UP FOUNDATIONS MAJOR INFILL ELEMENTS MINOR INFILL ELEMENTS WATER/SEWER INSTALLATIONS ELECTRICITY/TV INSTALLATIONS ROOF/CEILING FINISHING MAINTENANCE	
SOCIO-ECONOMIC	THE MUNICIPALITY	→ IT GRADUALLY TAKES CARE OF THE COMMUNITY AS A PART OF THE CITY POPULATION	INSTEAD OF "DESE PLANNING", HOMOGENEOUS, PASSIVE COMMUNITIES... PROGRESSIVE HETEROGENEOUS, ACTIVE, UNPREDICTABLE ONES. NOW REPRERSED COMMUNITIES.
	THE COMPANY	→ TECHNICAL ASSISTANCE	
POINT 6. THE PROPOSAL. FRAME OF REFERENCE.			number: 6 61



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EXISTING DWELLING PROTOTYPES SEE APPENDIX 3 PAGE 25

PROPOSAL TYPE FOUR

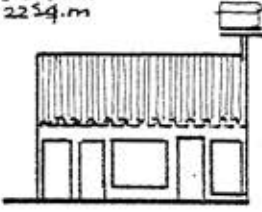
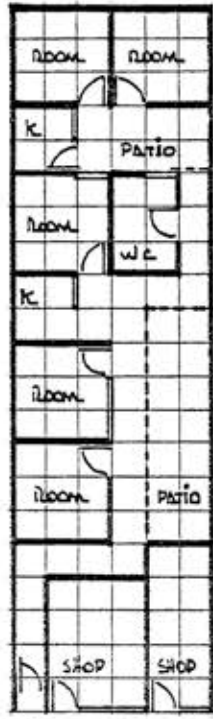
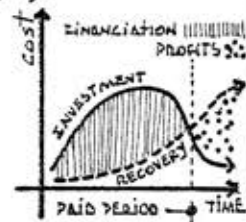
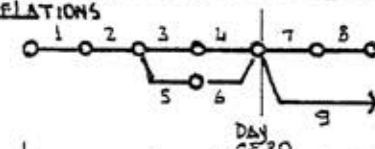
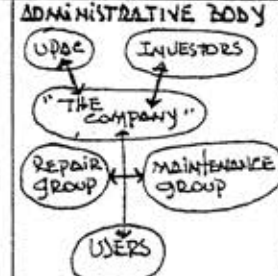
THE PROPOSAL . FOUR POSSIBLE TYPE OF PROJECTS . COMPARATIVE ANALYSIS									
PROJECT	PRODUCT TARGET GROUP	PRODUCT PRICE	PRODUCT FIRST PAYMENT	DEBT	INTEREST PAYMENT TERM	MONTHLY PAYMENT	INCOME TARGET GROUP	PAYMENT % INCOME	
PROPOSAL TYPE ONE	RENTED ROOMS DOWNTOWN	—	\$675.00	—	—	\$2700.00	\$4.500.00	60	↓
NPDP	UNSETTLED YOUNG COUPLES ?						\$9000.00	← 30	
PROPOSAL TYPE TWO	"LARGE", INTENSIVE FARMING PLOT OUTSIDE THE CITY	\$308.000	10% \$30.800.00	\$277.200	2% \$5544	30 months \$9.240.00 + INTEREST APPROX \$14.000.00	\$46.666.00	← 30	↑
REIFP	LITTLE FARMERS ?								
PROPOSAL TYPE THREE	URBAN MINIMUM PLOT WITH PROVISIONAL UTILITIES	\$90.000.00	\$9.000.00	\$81.000.00	2% \$1620	30 months \$2.700.00 + INTEREST APPROX \$4.300	\$13000.00	33	
PSSP	WORKERS / LOW GRADE EMPLOYEES								
PDP MINIMUM	1 MINIMUM ROOM. PLOT OWNERS	\$38.192.00 WITHOUT FINANCING COST		\$30553.60 + FINANCING COST	1.5 180 months	\$458.30	\$13.000.00	3.5	
PDP MAXIMUM	1 COMPLETE MINIMUM DWELLING PLOT OWNERS	\$403317.50 WITHOUT FINANCING COST		\$322654.00 + FINANCING COST	↓ ↓	\$4839.81	\$13.000	37.2	
SERVIMEDIA	ASBEST CEMENT DWELLING. PLOT OWNERS	\$21.300 → \$10.000		\$11.300	2% \$226 6 months	APPROX. \$2100	\$13000	16.15	
INDUSTRIAL	PREFABRICATED WOOD DWELLING PLOT OWNERS	\$181.888.00 →		No	FOR A FAMILY OF 2 \$10.000.00 MONTHLY INCOME AND 2 \$1000 MONTHLY SAVING IT WOULD TAKE THIS TIME TO BE ABLE TO BUY THE PRODUCE 182 MONTHS				
PRETECNO	PREFABRICATED CONCRETE DWELLING PLOT OWNERS	\$116.500.00 →		No	117 months				
MODUTEC	PREFABRICATED ASBEST CEMENT DWELLING PLOT OWNERS	\$251.700.00 →		No	252 months				
IMPRETEC	PREFABRICATED CONCRETE DWELLING PLOT OWNERS	\$360.000.00 →		No	360 months				
ICT	PREFABRICATED CONCRETE DWELLING LOW GRADE EMPLOYEE	\$250.000.00 → 10% \$25.000	\$225.000.00	\$225.000.00	1.5% 180 months	\$3375.00	\$5000.00	67.5	↓
							\$11.250.00	← 30	

POINT 5. THE PROPOSAL . FOUR POSSIBLE TYPE OF PROJECTS .

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THE PROPOSAL. PROJECT TYPE ONE. N.P.R.P. NON PERMANENT DWELLING PROJECT.												
Social	TARGET GROUP RECENT IMMIGRANTS AND UNSETTLED FAMILIES, WITH JUST FEW SAVINGS. WITH NO RELATIVES TO BRING THEM EFFECTIVE HELP. WITH JOB'S UNSTABILITY. WITH NO CLEAR PLANS FOR THE IMMEDIATE FUTURE, BUT THE DECISION OF STAYING IN THE CITY. USUALLY RECENTLY MARRIED YOUNG COUPLES AND SMALL FAMILIES OF 1-3 CHILDREN. TWO PERSONS AVERAGE MONTHLY INCOME: \$4500 PESOS. US \$100. YEAR 1979. PROJECT'S ADVANTAGES TO THE TARGET GROUP • PROVISIONAL URBAN RESIDENTIAL STABILITY • JOB OPPORTUNITIES DOWNTOWN. • TIME FOR URBAN ACKNOWLEDGEMENTS IMPROVEMENTS • NO NEED FOR DOCUMENTS. • ELASTICITY											
Physical	THE PRODUCT What it is actually called "Inquilina to". A GOOD ONE. THE COMPANY WILL PROVIDE ROOMS FOR WEEKLY RENT WITHIN A RESTORED DWELLING OR DWELLINGS OF DETERIORATED (CHEAP) OLD DOWNTOWN SECTORS. WITH CLEANING, UTILITIES IMPROVEMENTS AND STRUCTURE REINFORCEMENT AND MAINTENANCE, SEVERAL AVAILABLE DW. COULD BE A NEW HOME. TYPICAL CASE: SANTA BARBARA NEIGHBORHOOD. A DW. OF TOTAL AREA 6x21 → 126 Sq. m. ROOMS, 5, 3x3 m → 45 Sq. m. KITCHENS, 2, 2x2 m → 8 Sq. m. BATHROOM 1, 3x2 m → 6 Sq. m. PATIOS (OPEN AREAS) → 2 UNITS. SHOPS, 2 → 22 Sq. m. UTILITIES: COMPLETE. MAIN DETERIORATION: THE ROOF'S STRUCTURE.  											
Economical	DIRECT COSTS 1. Plot dwelling cost (price) → \$ 252.000 p. → \$200 Sq. m. 2. STRUCTURE REINFORCEMENT → \$ 50.000 p. → (CEILING-STRUCTURE-ROOF) 3. UTILITIES IMPROVEMENTS → \$ 20.000 p. → (WATER NETWORK) 4. CLEANING / PAINTING → \$ 6.000 p. → 5. ADMIN. / MAINTENANCE → \$ 36.000 p. → 5 YEARS, \$600/month 6. "THE COMPANY" (20% of 1-5) → 72.800 p. → 5 YEARS PROJECT'S IMPLEMENTATION. total DIRECT COST → \$ 436.800 p. US\$ 9.706.66 dollars. UNDIRECT COSTS. FINANCIALIZATION 70% DIRECT COST → UPAC SYSTEM → 60 MONTHS → 1.1% INTEREST → \$ 201.801.40 30% DIRECT COST PRIVATE INVESTORS → 24 MONTHS → 2% INTEREST → \$ 62.899.20 PESOS. Project total cost → \$ 701.500.80 ILLUSTRATIVE NON MATHEMATICAL DIAGRAM OF THE PROJECT'S CASH FLOW.  BENEFITS GO TO THE FINAL OWNER OF THE DWELLING BENEFITS. 5 YEAR OPERATION <table border="1"> <tr> <td>ONE ROOM WEEKLY RENT → \$675 PESOS → US\$15</td> <td>20% INCREASE ANNUALLY</td> <td rowspan="5">} \$ 1'053.54300 PESOS \$ 352.04220 PROFITS</td> </tr> <tr> <td>SHOPS MONTHLY RENT → 9000 → US 200</td> <td>YEAR 2 → 168.080</td> </tr> <tr> <td>100% MONTHLY RENT → 11.700 → US 260</td> <td>3 → 204.690</td> </tr> <tr> <td>ANNUAL RENT → 144000 → YEAR 1</td> <td>4 → 245.620</td> </tr> <tr> <td></td> <td>5 → 294.753</td> </tr> </table>	ONE ROOM WEEKLY RENT → \$675 PESOS → US\$15	20% INCREASE ANNUALLY	} \$ 1'053.54300 PESOS \$ 352.04220 PROFITS	SHOPS MONTHLY RENT → 9000 → US 200	YEAR 2 → 168.080	100% MONTHLY RENT → 11.700 → US 260	3 → 204.690	ANNUAL RENT → 144000 → YEAR 1	4 → 245.620		5 → 294.753
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100% MONTHLY RENT → 11.700 → US 260	3 → 204.690											
ANNUAL RENT → 144000 → YEAR 1	4 → 245.620											
	5 → 294.753											
ADMINISTRATIVE	MAIN OPERATIONS 1 DWELLINGS SURVEY 2 PROJECT DETAILED STUDY 3 PROJECT PRESENTATION TO INVESTORS 4 COMPANY & INVESTORS AGREEMENT 5 LOAN APPLICATION 6 LOAN GETTING 7 DWELLING ACQUISITION 8 DWELLING REPAIR WORKS 9 DWELLING NEW RENTING RELATIONS  • IT IS ASSUMED 100% RENTING DURING THE ENTIRE OPERATION • OPERATIONS 1 TO 6 ARE THE BUSINESS RISK OF "THE COMPANY". ADMINISTRATIVE BODY 											
Point 5. project type ONE. SOURCE: RUIZ SILVA GERMAN PERSONAL ON SITE RESEARCH. number: 8 61												



THE PROPOSAL. PROJECT TYPE TWO

PCIFP. PROGRESSIVE COOPERATIVE, INTENSIVE FARMING PROJECT

Social

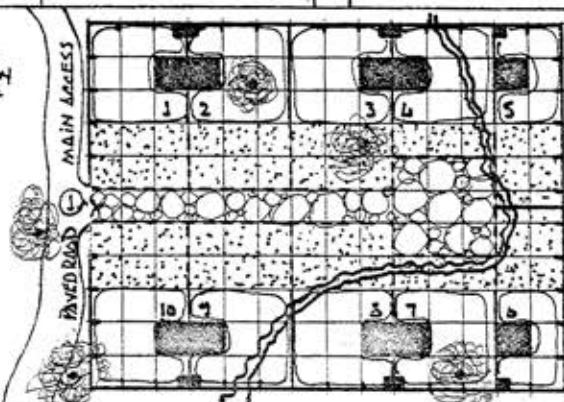
TARGET GROUP
DIRECT IMMIGRANTS FROM RURAL AREAS. LARGE FAMILIES OR GROUP OF FAMILIES WITH STRONG RURAL TRADITIONS; INTERESTED IN THE CITY AS A BETTER MARKET FOR THEIR ECONOMICAL-FARMING ACTIVITY.
WITH ENOUGH SAVINGS FOR GOING INTO LITTLE FARMING ENTERPRISES.
IT COULD BE ALSO, CITY FAMILIES WITH ACKNOWLEDGE/ EXPERIENCE/ INTEREST ON URBAN MARKETING OF FARMING PRODUCTS.
AVERAGE MONTHLY INCOME: \$ UNKNOWN

PROJECT'S ADVANTAGES TO THE TARGET GROUP
• THE POSSIBILITY OF A VERY SOLID ECONOMIC FUTURE
• NOT URBAN-CULTURAL TRAUMA; WELL KNOWN LIVING ENVIRONMENTAL CONDITIONS.

KEY TO THE CHART
① CONTROLLED ACCESS
INTERIOR ROAD
TREES
PRIVATE LAND
PRIVATE OF COMMON EXPLOITATION
DWELLING
LATRINE
WATER (NATURAL)

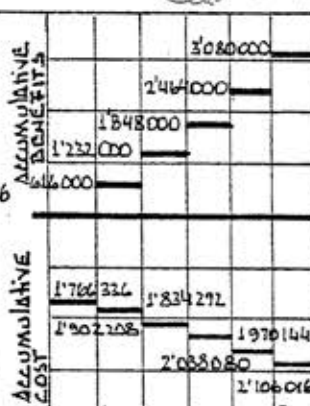
Physical

THE PRODUCT
"LARGE" PLOTS OUTSIDE THE LITTLE TOWNS NEAR SOGOTA. SEE MAP, PAGE 10. WITH COMMON AREAS OF EXPLOITATION IF COOPERATIVES ARE ORGANIZED AND EASY CONNECTIONS TO LOCAL UTILITIES NETWORKS.
THE COMPANY WILL PROVIDE THE PLOTS. UTILITIES AND DWELLINGS IF REQUIRED BY THE USERS.
TYPICAL CASE STUDY: TENJO TOWN.
A SITE OF 110 X 140 m → 15400 sq. m.
PLOTS: 10 UNITS.
6 OF 30 X 50 m → 1500 sq. m.
2 OF 30 X 40 m → 1200 sq. m.
2 OF 20 X 55 m → 1100 sq. m.



Economical

DIRECT COSTS
1. LAND → \$1'540.000 → \$100 pesos sq. m. (1978)
2. PLOTS SUBDIVISION → \$ 4.000 → TOPOGRAPHIC WORK
3. "THE COMPANY" (10% OF 1-2) 154.400 → PROJECTS IMPLEMENTING (6 MONTHS)
TOTAL DIRECT COST → \$1'698.400
UNDIRECT COSTS. FINANCIALIZATION
100% DIRECT COST → PRIVATE INVESTORS → 6 MONTHS → 4% INTEREST \$407.616
(MONTHLY PAYMENT OF INTEREST. FINAL PAYMENT OF CAPITAL).
TOTAL PROJECT COST → \$2'106.016
BENEFITS: 15.400 sq. m. x \$200/sq. m. → \$3'080.000 PESOS
PROFITS: \$973.984 PESOS
US \$ 21.644.98 DOLLARS. 1979

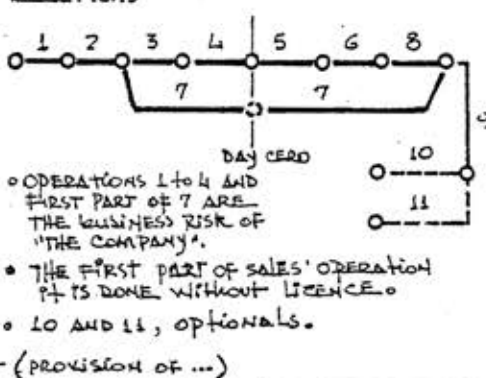


SUMMARY CHART → ASSUMING SALES OF TWO LOTS PER MONTH.

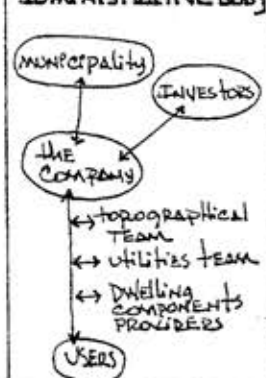
ADMINISTRATIVE

MAIN OPERATIONS
1. LOTS (SITES) SURVEY
2. PROJECT DETAILED STUDY
3. PROJECT PRESENTATION TO INVESTORS
4. COMPANY & INVESTORS AGREEMENT
5. LOT ACQUISITION
6. LOT SUBDIVISION
7. MUNICIPAL LICENCE
8. PLOTS SALE, 1ST. STAGE
9. PLOTS SALE 2ND. STAGE
10. ROAD/UTILITIES (IF REQUIRED BY USERS)
11. DWELLING COMPONENTS (PROVISION OF ...)

RELATIONS



ADMINISTRATIVE BODY



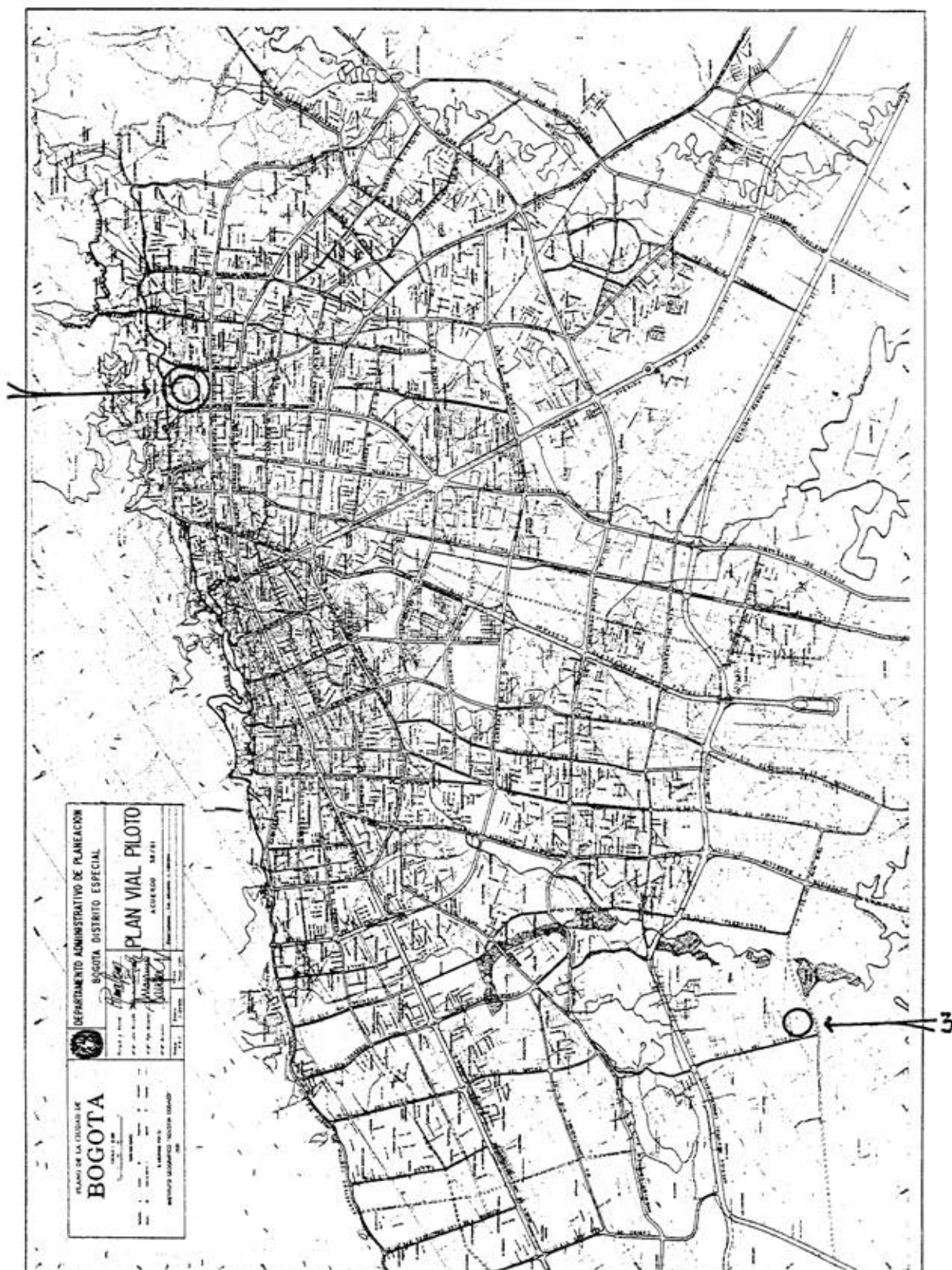
Point 5. Project type two

SOURCE: RUIZ SILVA GERMAN. PERSONAL ON SITE RESEARCH.

number: 9 61



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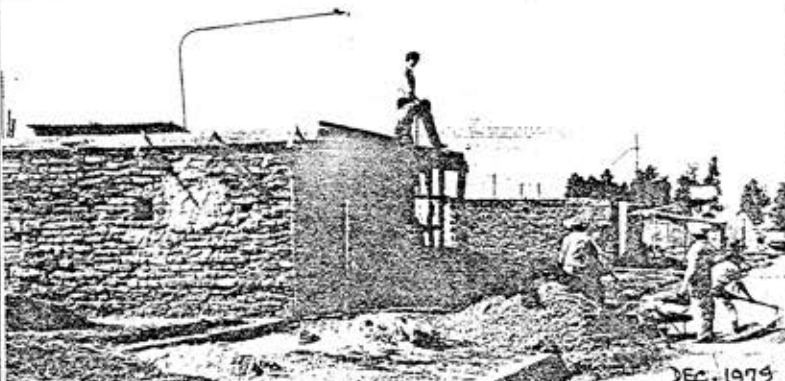
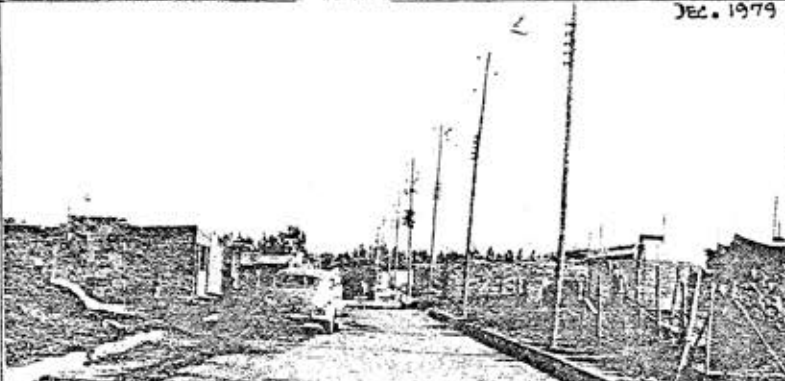
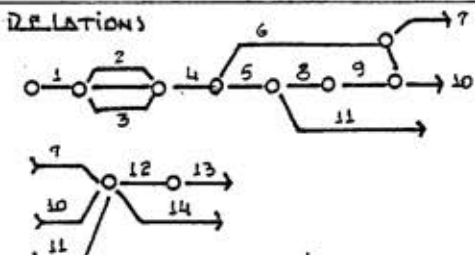
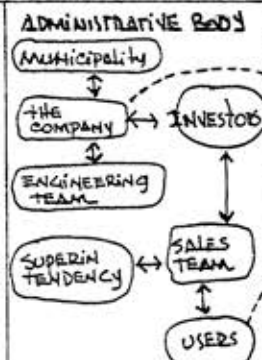
BOGOTÁ PLANO DE LA CIUDAD DE DEPARTAMENTO ADMINISTRATIVO DE PLANEACION BOGOTÁ DISTRITO ESPECIAL	
PLAN VIAL PILOTO Aprobado: 1971	Autor: [Signature] Fecha: [Signature] Escala: 1:50,000

Point 5. Project types ONE and THREE. Location.

number: 11 c1



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THE PROPOSAL. PROJECT TYPE THREE. PSSP PROGRESSIVE SITE AND SERVICES PROJECT.	
Social	TARGET GROUP ALREADY URBANIZED FAMILIES, PAYING RENT TO WELL SETTLE OWNERS. FAMILIES LIVING WITH RELATIVES AND TRYING TO BE INDEPENDENT. FAMILIES WITH MORE THAN ONE PERSON'S INCOME AND RELATIVELY INCOME'S STABILITY. RELATIVELY SUBSTANTIAL SAVINGS OR INHERITANCE OF RURAL PROPERTIES OR LOAN POSSIBILITIES SUPPORTED BY THE JOB/EMPLOYMENT. ALSO, ENLARGED FAMILIES LOOKING FOR EXTRA SPACE AND BUSINESS ORIENTED PERSONS LOOKING FOR LAND/LOCATION OPPORTUNITIES. AVERAGE TWO PERSONS MONTHLY INCOME \$13.000= PROJECT'S ADVANTAGES TO THE TARGET GROUP. • possibility of a new/independent life • URBAN RESIDENTIAL STABILITY IN A NEAR FUTURE. • INCOME IMPROVEMENTS. INVESTMENTS. 
Physical	THE PRODUCT. SMALL PLOTS (40 sq.m) FRINGE LOCATION, WITHIN LEGALLY URBANIZED VACANT PRIVATE LAND. PERMANENT INFRASTRUCTURE PROVIDED GRADUALLY BY THE MUNICIPALITY. THE COMPANY WILL PROVIDE THE PLOTS, UNPAVED ROADS PUBLIC LIGHTS, PUBLIC WATER FAUCETS. TYPICAL CASE, "EL PANTANO" → (LATER "LA GAITANA") BOGOTÁ.  DEC. 1979
Economical	THE COST/BENEFITS 1974 PRELIMINARY CALCULATION DIRECT COST → \$5'370.180= UNDIRECT 830.120= TOTAL PROJECT COST \$6'200.300= GROSS \$6'300.000= BENEFITS, GROSS, OUT OF 1546 PLOTS OF 90 sq.m. \$14'600.000= PROFITS \$8'300.000= 21 MONTHS. SEE NEXT PAGE FOR DETAILED INFORMATION.  DEC. 1979
Administrative	MAIN OPERATIONS 1. COMPANY & INVESTORS AGREEMENT 2. DETAILED STUDY OF THE GENERAL PROJECT 3. DETAILED STUDY OF UTILITIES 4. MUNICIPAL PRELIMINARY OK TO THE PROJECT. 5. SITE SUBDIVISION 6. MUNICIPAL LICENCE 7. SALES LICENCE 8. ROAD CONSTRUCTION 9. UTILITIES (PROVISION OF) 10. UTILITIES CONNECTIONS 11. PLOT'S SALE. 1st. STAGE 12. PLOT'S SALE. 2nd. STAGE 13. DWELLING COMPONENTS 14. DWELLING CONSTRUCTION RELATIONS  • 13 THE COMPANY IS CONTRACTED BY THE INVESTORS. (OWNERS OF THE LAND) • 11 → SALES WITH NO LICENCE • 13, 14 → OPTIONALS TO THE USERS. TO BE PERFORMED BY THE COMPANY. ADMINISTRATIVE BODY 

POINT 5. PROJECT TYPE THREE.

SOURCE: RUIZ SILVA GERMAN. "EL PANTANO". Bogotá. Feb 74.

number: 12 61



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UDA-DP		ESTIMATIVOS ECONOMICOS				
DETALLE	ESPECIFICACION	CANTIDAD	UNIDAD	PRECIO UNITARIO	PRECIO TOTAL	
A. Costos						
1) Terreno	\$80.000,00/Tan	295.760	M2	\$ 12,50	\$ 3.697.000,00	
Estructuras	Edif. cercas	---	---	Global	303.000,00	
Suma					\$ 4.000.000,00	
2) Urbanización						
-Estudios completos	Aprobados	---	---	Global	\$ 130.000,00	
-Vías vehiculares	V4.5 - B.E.	10.275	M2	40,00	411.000,00	
-Vías peatonales	V7 - tierra	40.560	M2	5,00	202.800,00	
-Andenes y sardin.	Concreto S.	2.740	M	140,00	383.600,00	
-Plazoletas	Tierra	20.000	M2	5,00	100.000,00	
-Acueducto	Pilas	---	---	Global	70.000,00	
-Cunetas	Tierra	16.260	M	3,00	48.780,00	
-Sosteo. y vigil.	----	12	Mes	2.000,00	24.000,00	
Suma					\$ 1.370.180,00	
3) Financiación						
-Lucro cesante	\$/54'000.000,00	1.34 - 9	%mes	\$ 53.600,00	\$ 482.400,00	
-Intereses	\$/51'370.000,00	0.75 - 7	%mes	10.276,00	71.932,00	
-Correc. Monet.	\$/51'370.000,00	1.43 - 7	%mes	19.594,00	137.131,00	
Suma					\$ 691.463,00	
4) Imprevistos						
	\$/52'061.670,00	6.7	---	---	\$ 130.610,00	
TOTAL						
					\$ 6.380.000,00	
B. Producido						
-Lotes de 90 M2 = 140.62 VS2	6.00 X 15.00 M	1.546	#	\$ 10.000,00	\$15'460.000,00	
Menos						
-Comisión de venta	\$/515.460.000,00	3	%	463.000,00	123.600,00	
-Notaría y Registro	"	0.8	%	216.440,00	58.080,00	
-Predial, Car. Desengl.	"	1.4	%	56.000,00	78.400,00	
-Varios	"	~6.9	%		\$ 660.000,00	
NETO					\$14'600.000,00	
C. Utilidad						
	\$/56'000.000,00	12 - 11	%mes		\$ 8'300.000,00	
D. Término						
Total		21	Mes			

ITEM	DETALLE	QUANTITAT	UNIDAD	UNITARY PRICE	TOTAL PRICE
DETALLE	ESPECIFICACION	CANTIDAD	UNIDAD	PRECIO UNITARIO	PRECIO TOTAL
A. Costos					
1) Terreno	\$80.000,00/Tan	295.760	M2	\$ 12,50	\$ 3.697.000,00
Estructuras	Edif. cercas	---	---	Global	303.000,00
Suma					\$ 4.000.000,00
2) Urbanización					
-Estudios completos	Aprobados	---	---	Global	\$ 200.000,00
-Vias vehiculares	V6 - asfalto	10.960	M2	110,00	1.205.600,00
-Vias peatonales	V7 - macadam	40.560	M2	50,00	2.028.000,00
-Andenes y sardineles	Concreto S.	2.740	M	120,00	328.800,00
-Plazoletas	Macadam	20.000	M2	50,00	1.000.000,00
-Red Acueducto	Tubo Eternit	3.000	M	120,00	360.000,00
-Red Alcantarilla de	Tubo Gres	5.540	M	160,00	886.400,00
-Red Eléctrica	Aerea	1.870	M	250,00	467.500,00
-Red Telefónica	Aerea	1.870	M	150,00	280.500,00
-Sostenimiento y vigilancia	----	12	Mes	3.100,00	37.200,00
Suma					\$ 6.794.000,00
3) Financiación					
-Lucro cesante	\$/54'000.000,00	1.34 - 12	%mes	\$ 53.600,00	\$ 643.200,00
-Intereses	\$/ 5'794.000,00	0.75 - 9	%mes	50.955,00	458.295,00
-Corrección Monetaria	\$/ 5'794.000,00	1.43 - 9	%mes	97.154,00	874.286,00
Suma					\$ 1.975.781,00
4) Imprevistos	\$/ 8'770.181,00	~ 6.0	%	----	529.819,00
TOTAL					\$13'300.000,00
B. Producido					
- Lotes de 90 M2 = 140.62 VS2	6.00 X 15.00 M	1.546	#	\$ 18.000,00	\$27'828.000,00
Menos					
-Comisión de venta	\$/27'828.000,00	3.0	%	834.840,00	
-Notaría y Registro	"	0.8	%	222.624,00	
-Predial, Car. Desenglobe	"	1.4	%	389.592,00	
-Varios	\$/11'447.036,00	~ 5.6	%	80.944,00	\$ 1'528.000,00
NETO					\$26'100.000,00
C. Utilidad					
	\$/3 13.100,00	-4.5 - 15	%mes		
D. Término					
Total		30	Mes		\$13'000.000,00

Consulta Previa	-----
Plano Topográfico	-----
Anteproyecto Urbanístico	-----
Anteproyecto Infraest.	-----
Reglamentación Interna	-----
Proyecto Urbanístico	-----
Proyecto Acueducto y Alc.	-----
Proyecto Red de Energía E.	-----
Proyecto de Parques	-----
Programa de Trabajo	-----
Resolución	-----
Licencia de Urbanización	-----
Construcción	-----
Ventas	-----

PROJECT TYPE THREE
PSSP PROGRESSIVE
SITE AND
SERVICES
PROJECT.

CASE STUDY:
"EL PANTANO" BOGOTA.
PRELIMINARY COSTING. 1974
POSSIBILITY X.
PROVISION OF ONLY LIMITED
PROVISIONAL UTILITIES.

← **TOTAL INVESTMENT**
 ← **SALES' PRODUCT OF 1546**
LOTS, 90 SQ. M.

← **GROSS BENEFIT**
 ← **NET PROFITS**
21 MONTHS

POSSIBILITY Y.
PROVISION OF PERMA-
NENT UTILITIES.

← **SITE PRICE**
 ← **STUDIES / LICENCE**
 ← **VEHICULAR ROADS**
 ← **PEDESTRIAN ROADS**
 ← **SIDEWALKS**
 ← **PLAZAS**
 ← **WATER NETWORK**
 ← **SEWER NETWORK**
 ← **ELECTRICITY NETWORK**
 ← **TELEPHONE**
 ← **MAINTENANCE**

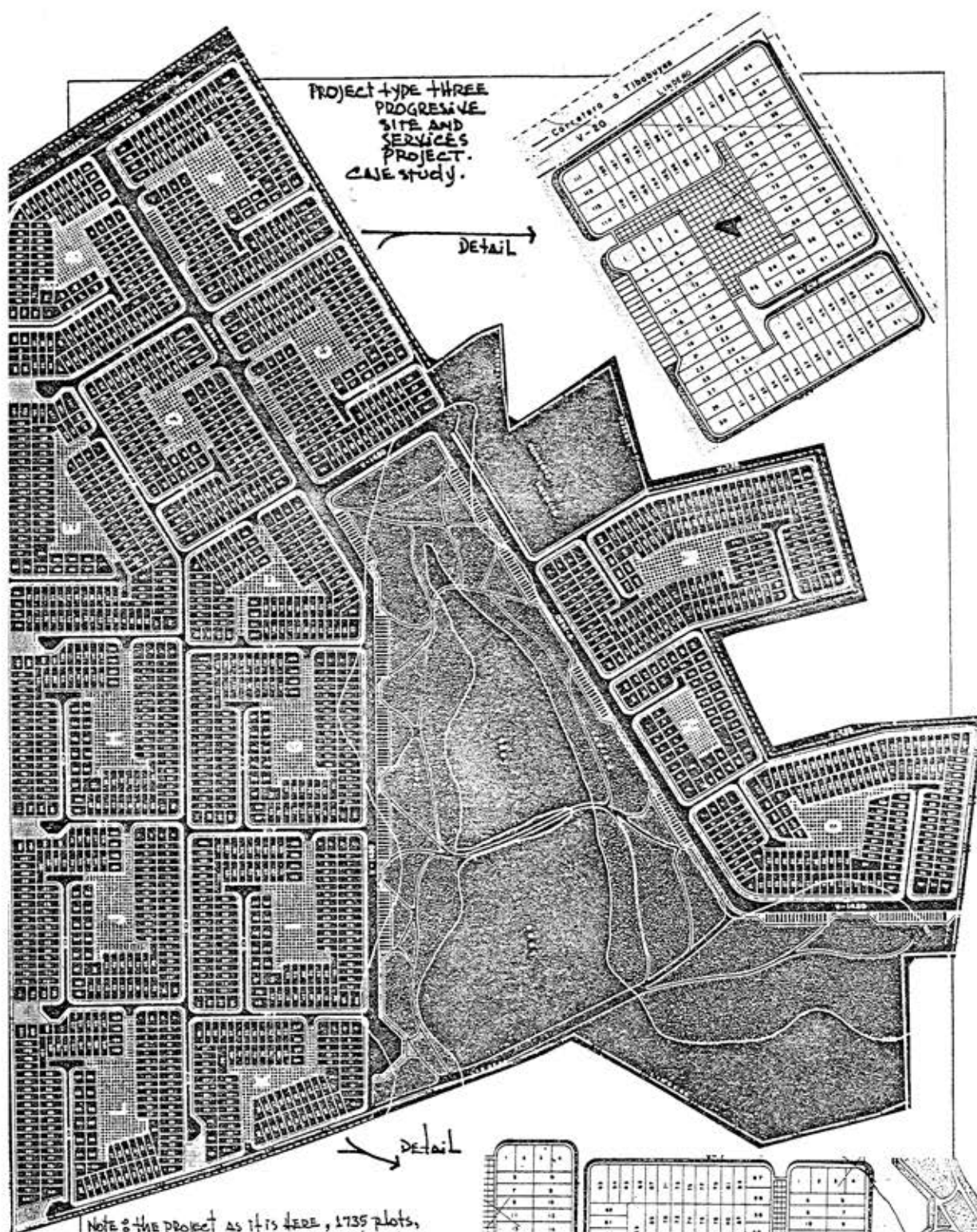
← **LAND INTEREST**
 ← **URBANIZATION INVESTMENT**
 ← **INTEREST.**
 ← **DEVALUATION**
 ← **TOTAL INVESTMENT**

← **GROSS BENEFIT**
 ← **NET PROFITS.**
30 MONTHS.

PROGRAMMING OF
LICENCE PROCEDURES
PROJECT Y. WEEK TIMING

REALITY:
 • **PROJECT UNDERTAKEN X**
 • **NET TIME 3 YEARS**
 • **LOTS 1800**

AVERAGE PLOT'S PRICE 1979
90 SQ. M. \$90.000.00
US\$ 2.000.00



NOTE: THE PROJECT AS IT IS HERE, 1735 PLOTS, WAS DESIGNED BY GERMAN RUIZ SILVA AND PRESENTED WITH LICENCE TO THE SALES GROUP. THEY MODIFIED SUBSTANTIALLY THIS DESIGN IN ORDER TO OBTAIN ADDITIONAL PLOTS FROM THE COMMUNAL AREAS.

POINT 5. PROJECT TYPE THREE.



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