

Reconstruction Two Years after the Earthquake: Positive Progress in Housing Matters

Two years after the earthquake of February 27th, the reconstruction balance for damaged homes is positive.

Figures show that 1 out of 3 families have received a housing solution, there is 63% progress in initiated works, and 100% of the subsidies have been allocated.

Two years after the earthquake, the reconstruction process has been subject to strong criticism. However, numbers speak for themselves: 1 out of 3 families have already received a housing solution; there is 63% progress for families whose works have been startedⁱ and 100% of the subsidies have been allocated.

These numbers mean that things have been well done. The involved government institutions have implemented different strategies in order to give each family the solution they need. For example, the Ministry of Housing and Urban Development (MINVU, in Spanish) has sought for financing, modified certain laws, simplified some proceedingsⁱⁱ and solved title deed succession issues. Moreover, it named a presidential delegate to take charge of the hamlets and camps, and reached agreements with private institutionsⁱⁱⁱ and parliamentary commissions, among other things^{iv}. Additionally, more than 200 standard housing alternatives have been prequalified, a solution corresponding to one third of the building subsidies.

Then, in order to speed-up the reconstruction program, a pack of four extraordinary measures was implemented, concerning the following: a portable subsidy with site available to use either to build in an own site or to buy a house; an assisted self-construction subsidy allowing families to build the house on their own, specially considered for remote places; urban densification and renovation program for city

cores of big cities; and finally, as mentioned above, the proceeding and process simplification.

Furthermore, there is a new benefit aimed at families living in hamlets so that they do not spend another winter in emergency homes. It consists in a renting subsidy which is allocated on a monthly basis until they receive their definite home. This subsidy has already been implemented in a pilot program in the Arauco province, and in March it will be extended to all the regions concerned.

The Reconstruction Progress in Figures

According to the information of the MINVU, approximately 226 homes are built daily; at this rate, the goal of giving a dignified solution to 220 thousand affected families will be achieved during this government.

In the last progress report published by the Ministry, it is possible to observe that by January 31st, 2012 there was a 49%^v progress in the housing area. By that date, 12,248 homes, and 63,904 repair solutions had been handed over. That is, 11% of the allocated housing subsidies and 50% of the repair subsidies have been completed.

Among the 113,570 families who have building and purchase subsidies, approximately 62 thousand have started works. That is, there is 55% progress for the works that were most damaged, while for repair works, there is 72% progress.

Table 1 shows that 222,418 subsidies have been allocated. The Government's initial commitment was to give 220 thousand solutions. Among these, 140 thousand have initiated works and 76 thousand have been handed over.

Table 1

HOUSING SOLUTIONS DELIVERED BY 01/31/2012

	Building	Purchase	Repair	Total
Allocated Subsidies	96,481	17,089	108,848	222,418
Initiated Works	46,335	16,072	77,984	140,391
Finished Works	9,856	2,392	63,904	76,152

Source: Progress in the housing solutions' delivery, MINVU.

To date, all regions present a progress level above 55% for starting works, and 3 out of 6 damaged regions show a progress percentage above 50% for completed works; the regions most damaged by the earthquake are those presenting greater delays.

Then, when analyzing the data by communes, we observe that 171 of the 231 communes have a starting works progress proportion above 50%; while 63 communes have a completed works progress proportion of 50% (see Table 2).

The regions of O'Higgins, Maule and Biobío – the most damaged by the earthquake – present the lowest number of communes with completed works progress above 50%. Nevertheless, their starting works progress level above 50% is pretty good: 23 out of 33, 20 out of 30, and 33 out of 53, respectively.

Table 2

RECONSTRUCTION PROGRESS BY COMMUNES BY JANUARY
31st

	Communes Total	Communes with starting works progress above 50%	Communes with finished works progress above 50%
Valparaíso ⁽¹⁾	35	26	15
O'Higgins	33	23	0
Maule	30	20	2
Biobío	53	33	5
La Araucanía	30	25	15
Metropolitana	50	44	26
Total	231	171	63

Source: Prepared by LyD based on reconstruction progress by dwelling by commune.

⁽¹⁾34 communes should be considered, since no subsidies were allocated in Zapallar.

Another issue to be taken into account is that the number of allocated subsidies is higher than the number of damaged homes. The purpose of the reconstruction program is to give habitability solutions for the families, not to exactly replace the damaged homes. That explains why the number of allocated subsidies is higher than the number of dwellings damaged by the earthquake. According to Pablo

Ivelic, Reconstruction Coordinator, this will allow solving part of the lodger problem in these regions.

Likewise, the financing subject has also been questioned. A survey made by LyD^{vi} in 2011 shows that, using the post-earthquake Casen Survey data, it is possible to determine that, from the 239,123 social interest^{vii} housing solutions requiring this kind of solution, 69,430 were part of the social interest housing requirements of 2009. This represents almost 30%. Therefore, it seems appropriate to reallocate part of the resources from the regular housing programs to the reconstruction program.

Conclusion

In the second anniversary of the earthquake from February 27th, the country has started a debate on the real progress of the reconstruction process. With regard to the situation of the more than 200 thousand damaged homes, we may conclude that the Government has carried out an efficient job to solve the situation of the affected families. It is understandable that the persons who have not yet received their new homes or finished repairing the own ones are impatient; however, figures show that a third of the victims is already living in definite homes. There are still 82 thousand works that have to be started, but the measures and strategies to undertake them in the proposed term are being implemented.

In brief...

TWO YEARS AFTER THE EARTHQUAKE, THE RECONSTRUCTION BALANCE IS POSITIVE:

- **1 out of 3 affected families have received a housing solution.**
- 63% reconstruction progress regarding families whose works have been started.
- All regions present a starting works progress level above 55%, and 3 of the 6 damaged regions show a progress proportion above 50% for completed works.
- 100% of the subsidies have been allocated.

ⁱ This is calculated by determining total completed works on total allocated subsidies, and total initiated works on total allocated subsidies.

ⁱⁱ The issuance of resolutions for subsidy allocations was delegated to the respective SEREMI (Regional Secretary of the Ministry), payment of 100% of the subsidies was allowed against provisional reception by the SERVIU (Housing and Urban Affairs Service), subsidy proceedings with pending building permit were authorized, application of succession lands was allowed with the sole certification of the previous existence of a damaged home on that site, and simplified technical inspections were implemented.

ⁱⁱⁱ Agreement with the *Cámara Chilena de la Construcción* (Chilean Construction Chamber) to build 20 thousand homes in remote places.

^{iv} Victims of the Tocopilla earthquake were incorporated to the reconstruction plan.

^v The calculation is as follows: $50\% \times \text{started homes on the total} + 100\% \times \text{completed homes on the total}$. That is, $05 \times (140,391 - 76,152) / 222.418 = 40\%$ by January 31st, 2012.

^{vi} Henoch, O. and Horst, B. "Déficit habitacional: se mantiene tendencia al alza", Libertad & Desarrollo. Economic Report Series 216, 2011.

^{vii} The term "social interest" corresponds to 60% of the population with less income, which corresponds to the population requiring greatest support in housing solutions.