Gentrification and Displacement in Bogotá: Executive Summary

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Introduction

Metropolitan cities across the globe are grappling with consequences of uneven development that often result in forms of displacement and gentrification. However, there are stark differences in both the forces that lead to gentrification and the issues of displacement in a Global North versus a Global South context. Many researchers have argued that unlike in the Global North, gentrification in the Global South is a function of state policies that rapidly and dramatically direct economic investment towards redevelopment, leaving residents struggling to adjust (Lees et al. 2016). The forces behind gentrification in Latin America are often external, including policy decisions and investment, economic changes, demographic and migration shifts, and public and private discriminatory actions (Everett 2001; Montenegro-Miranda 2018; Ziebarth 2018).
Bogotá, the capital city of Colombia, is a prime example of how *tabula rasa* strategies of urban renewal lead to rapid gentrification, leaving residents in precarious and vulnerable situations. Increased development also threatens the progressive *estrato* system, which subsidizes the cost of public utilities for low-income households (Gilbert 2011). Recognizing that neighborhoods across the city differ significantly based on the *estrato* system, cultural context, and population, it is critical to explore the unique characteristics and patterns of displacement and gentrification at the neighborhood level.

As the city continues to grow rapidly, so too does it strengthen its role as a principal player in Latin America. Having ratified a peace agreement with the Revolutionary Armed Forces of Colombia (FARC), the federal government is now grappling with the after effects of a conflict that displaced nearly 7.6 million people nationwide between 1985 and September 2017 (UNHCR 2017). An ongoing crisis in Venezuela has driven over one million refugees and migrants into Colombia (UNHCR 2018a), many of whom have found themselves in cities like Bogotá, Medellín, and Cartagena, “where response capacities are overwhelmed,” according to UNHCR (UNHCR 2018b). The reasons behind displacement and neighborhood change in Bogotá are thus multi-causal and complex. Assessing neighborhood change against citywide trends helps to identify where patterns of change are exceptional, what their characteristics are, and how residents, business owners, government, and other stakeholders are responding.

Research Questions and Methodology

Graduate student researchers in the Master of City & Regional Planning Program at the University of California, Berkeley employed a mixed-methods approach to analyze gentrification and displacement trends at the city-wide level and within specific case study neighborhoods. They asked the following research questions:

1. **What are the unique characteristics and patterns of displacement and gentrification in Bogotá?**
2. **What factors accelerate or delay displacement and gentrification in Bogotá?**
3. **How can the three case study neighborhoods inform current challenges and future strategies to create more inclusive, community-serving anti-displacement strategies and policies?**

**Uneven Development in Bogotá: The Role of the Rent Gap**

In general, studies on the subjects of neighborhood change and urban development in Latin America point to a pattern of large-scale demolition, construction, and displacement rather than the piecemeal upgrading of neighborhoods (Lees et al. 2016). Authors such as Everett (2001), Montenegro-Miranda (2018), and Ziebarth (2018) have confirmed the presence of this trend in Bogotá, theorizing that gentrification is a function of state policies that spatially direct economic investment in rapid and dramatic *tabula rasa* redevelopment to which residents struggle to adjust. At the same time, and despite public rhetoric encouraging increased population density in the city center, municipal boundaries have continued to sprawl outward with new development along the urban periphery and far away from employment centers (Guzman 2017). Residents of low-income neighborhoods subsequently spend more time travelling to work, and 80 percent of low-income Bogotanos experience low employment accessibility (Ruiz 2018). The city’s land use plan, the *Plan de Ordenamiento Territorial*, better known as the POT, is summarily criticized for its inability to solve social issues related to housing and displacement, and for participatory methods that fail to meaningfully shape decision making (HSBNoticias 2018). While experts are cautiously optimistic about the recently approved *Plan Especial de Manejo y Protección del Centro Histórico de Bogotá* (PEMP) for the preservation of the city’s historic center (C. Ibanez, personal communication, March 26, 2019), other ongoing and proposed development plans appear unlikely to meet the housing and employment needs of
low-income and vulnerable populations in Bogotá, and potentially unfeasible due to a lack of stakeholder engagement and inhibitory legal and financial structures (Ruiz 2018).

Patterns of greenfield development along the periphery and *tabula rasa* redevelopment of disinvested central neighborhoods illustrate Neil Smith’s theories of *circuits of capital* and the *rent gap*. As investors abandon areas in search of higher returns in other geographies, or policy decisions concentrate investment in certain neighborhoods while simultaneously dispelling it from others, capital flows in and out of neighborhoods (Smith 1979). The rent gap forms when, after years of disinvestment or redirected investment, a difference develops between a parcel’s land value and the potential rent from a “highest and best use”. The renovation of existing structures, redevelopment, or upgrades and investments in the surrounding built environment are examples of uses that typically command higher rents. Gentrification occurs when the rent gap is partially or wholly closed, meaning the property is upgraded to earn a value commensurate with its land value. The creation, evolution, realization, and closure of the rent gap exploits spatial difference and renders gentrification an inherently relational phenomenon.

Smith’s theories of the rent gap and circuits of capital are valuable indicators of vulnerability to change and displacement in Bogotá. The city’s parcel-level *estrato* system and cadastral data provide a means to determine where the rent gap is most severe. Because changes in *estrato* are rare in Bogotá and correspond almost directly to residential building quality, they are a uniquely useful variable for identifying property upgrades. Figure 1 illustrates the distribution of *estrato* categories across urban Bogotá in 2016, and Figure 2 quantifies change in *estrato* classification between 2004 and 2016. Figure 3 demonstrates that the majority of *estrato* reclassifications have occurred among the subsidized properties of *estrato* 1-3. 

*Figure 1: Geographic Distribution of Estrato in Bogotá, 2016*
Source: Cadastral Data 2004-2016
Figure 4 shows the distribution of 2017 land values (Colombian pesos divided by square meters) across 2016 estrato valuations. Estrato 2 buildings have the greatest distribution of land values. Notably, the highest-valued land of estrato 2 buildings is worth twice that of the highest-valued land of buildings within
estrato 4. Figure 5 shows that estrato 2 and 3 buildings are experiencing rising land values, although some have retained their estrato status over time. This may be an indicator of a widening rent gap.

Figure 4 (left): Distribution of 2017 Land Value (COP/sq ft) by 2016 Estrato
Figure 5 (right): Distribution of Land Value Change (2011-2017, COP/sq ft) by Estrato (2016)
Source: Cadastral Data 2011-2017

The composite of parcel-level estrato and cadastral data identifies areas where the rent gap is especially acute, signaling the potential for future displacement of residents. Figure 6 maps increases in land value (measured by standard deviation) relative to a property’s 2016 estrato over the period 2011-2017. The value of parcels in dark red are three standard deviations above the average for parcels of the same estrato elsewhere in the city. The value of parcels in red increased by two standard deviations more than the average. Dark red parcels have thus seen the greatest relative increases in value over the study period and may be understood as more vulnerable to displacement. Interestingly, orange, red, and dark red parcels concentrate along the urban periphery, reflecting the trend of outward population growth and urban expansion. Those that appear in the city center, however, are among the few remaining housing options for low-income Bogotanos proximate to jobs, economic activity, and other urban resources. Each of the three case studies in this report includes parcels with land values that have increased two and three standard deviations more than the citywide average.

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1 High-valued properties within estrato 2 may be attributable to outliers that absorb locational advantages; making that determination would require further qualitative research.
Case Study Neighborhoods

The research team selected three case study neighborhoods in central Bogotá in consultation with local experts. Each case study represents a unique resident experience in response to displacement vulnerabilities and urban renewal. Of interest are the factors that may have accelerated or delayed neighborhood change in each case study, and how they positively or negatively impacted residents.

The comparative study of Juan XXIII and Los Olivos attests to the significance of strong leadership and cohesive community organizing in adapting to a widening rent gap and threatening speculation. The tragic story of El Bronx, known by former residents as La L, illustrates the dangerous power of narrative construction, stigmatization, and exclusion in accelerating urban renewal at a violent and alarming pace. Finally, ongoing negotiations between community and institutional stakeholders in Las Aguas demonstrate the importance of broad public involvement and community benefits agreements in not only preventing displacement, but also for project feasibility.
Although the term urban renewal is seldom used in the United States today, Bogotá is an important reminder that urban renewal tactics are still common in formalized planning, and continue to have significant repercussions for gentrification and displacement. Lessons from these case studies help inform scholarly knowledge and challenge existing assumptions about gentrification and displacement.

**Juan XXIII and Los Olivos: Locked in and locked out**

Changes to local zoning in the early 2000s opened up the hills of Chapinero Alto to formal development, surrounding and overtaking many of the earlier-built auto-constructed neighborhoods with luxury residential towers (Yunda & Sletto 2017). Rapid development triggered massive buyouts of low-income properties in many parts of the area, threatening social networks and heightening vulnerabilities. While a formalization and titling process led to improvements in infrastructure and public services in the auto-construction neighborhoods of Juan XXIII and Los Olivos, it also intensified social and political pressure for development and economic investment in the area.

Los Olivos and Juan XXIII are still grappling with the development pressures of a speculative market, yet the two communities have experienced vastly different displacement outcomes (Everett 2001; focus group with Los Olivos residents, March 2019). Figure 7 demonstrates that a wide rent gap exists in both of these small neighborhoods, particularly on the edges of Juan XXIII, which are local thoroughfares with potential for commercial use. Although current land use policies restrict building heights above three stories, high land values mean the existing market is favorable to redevelopment, even with density restrictions.

Residents of Los Olivos who attended a focus group in March, 2019, recounted that they are among the few remaining of a once vibrant neighborhood. The absence of a cohesive community strategy to address development pressures fractured neighborhood social relations, leaving many in a state of financial insecurity as well as threatening the neighborhood’s physical security. All of the leaders “threw for different sides,” one resident recalls. “None spoke the same language.” Owners were divided into three broad camps—those who sold their property and relocated, those who placed their property in a third-party trust, or *fiducia*, for the construction of new and better-quality housing in the neighborhood, and those who have retained ownership of their property without entering into the *fiducia*. Until these final holdouts enter the fiduciary agreement, construction of new housing cannot proceed. Residents who have entrusted their property to the *fiducia* report challenges in accessing personal loans for education or home improvement, a declining neighborhood economy, and a reduced police presence in the neighborhood. “We are not property owners of anything,” said one resident. “The fiduciary is the property owner. We do not have anything. We have no date for when to move. We do not have an agreement to hand over.” Remaining residents are effectively “locked in” to a development project with no set groundbreaking, and locked out of access to capital and the decision making process.
In Juan XXIII, the community credits strong *tejido social*, or social fabric, for their success in resisting development pressures and displacement. A visual analysis of Google Street View imagery shows not only the construction of new high rise buildings surrounding the neighborhood, but also renovations and facade improvements to buildings with commercial potential. As their neighbors and the environment around them change, residents say the social tension is obvious. “They [in the adjacent neighborhoods] do not like our life, the music… but unfortunately, we arrived before them” (Resident of Juan XXIII). In response, the community has invested in scaled solutions to improve their neighborhood while also adapting to a hot real estate market that shows no signs of letting up. Such examples include: recording conversations with would-be developers and disseminating them among neighbors to increase knowledge and preparedness; working with muralists and volunteers to beautify the neighborhood; sharing community history, events, and other relevant information on social media; and collaborating with universities and technical experts to identify additional strengths, opportunities, weaknesses, and threats.

One potential opportunity might be designating the neighborhood as a district of *patrimonio popular*, recognizing its unique history and relevance to Colombian national heritage (UNESCO). Scholars and residents are hopeful that this designation may be a valuable tool in relieving the pressures of development and displacement. Special status as a heritage district may reduce speculation by regulating future development and recognizing the community’s special claims to the auto-construction neighborhood. The as-yet unadopted POT includes a proposal to approve *patrimonio popular* for a select few neighborhoods, including Juan XXIII.

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2 *Patrimonio Popular* is a category of intangible cultural heritage recognized by the United Nations Education, Scientific, and Cultural Organization as “traditions or living expressions inherited from our ancestors and passed on to our descendants” (UNESCO). Residents of Juan XXIII believe their unique social practices and conviviality are an example of intangible cultural heritage.
Figure 7. Ratio of Land Value Change (2011-2017) and Estrato (2016) Surrounding Juan XXIII

El Bronx: What’s in a name? La L vs. El Bronx

*To many people it was the only place where they saw us as normal because in the rest of Bogotá they called us thieves, vicious, and disposable.* - Former El Bronx Resident (Youth)

On May 28, 2016, 2,000 Colombian soldiers forcibly evicted 3,000 people from El Bronx and bulldozed 62 estates (Sharkey 2016; *The World Weekly* 2017). President Enrique Peñalosa’s vision to stimulate the Orange Economy, an economic strategy to create creative arts jobs that commodify culture and attract foreign investment, drove the political narrative behind what is now often referred to as the *raid* (Daniels 2016). The strategy adopted a placemaking approach, selecting El Bronx as a special district to serve as the center for creative industries. The public narrative thusly also included the stigmatization of the neighborhood as a center for crime, drug use, and sex work.

Discourses of criminality are regularly used to justify urban renewal and “revitalization” plans while simultaneously scattering vulnerable populations and causing waves of displacement (Lopez 2017). Perhaps the greatest example was set by then-mayor Peñalosa in 1999 with the destruction of the adjacent neighborhood of El Cartucho, similarly stigmatized, razed, and transformed into the Tercer Milenio Park. Interviews and focus groups with those who lived in El Bronx, as well as those who remember El Cartucho, revealed complex informal local social systems and economies that were not appreciated by the government in its wholesale destruction of the neighborhoods. The ghettoization and marginalization that residents experienced in their everyday lives may best be encapsulated by the different names for the area; residents called the neighborhood *La L*, while outsiders knew it as El Bronx. Within a few months of the raid, former residents noticed the presence of banners hung above the desolate streets announcing the forthcoming *Bronx*.
Distrito Creativo, a placemaking initiative directed by the City of Bogotá and managed by a local arts foundation.

Since most properties in El Bronx are designated as commercial, it is difficult to discern the rent gap between estrato designation and land value. La L was the only residential district in the area, shown as the colored parcels within the black bounding box in Figure 8. Directed state investment for the Orange Economy and special district status, compounded by higher land values for commercial space across the city, have produced a high rent gap in these properties.

Figure 8: Ratio of Land Value Change (2011-2017) and Estrato (2016) Surrounding El Bronx

El Bronx provides a clear example of how state attempts to construct public narratives of a community can accelerate and facilitate urban renewal. The neighborhood was razed without the knowledge or involvement of its residents. The impact of this is yet to be fully assessed.

Las Aguas: A Better Model for Planning?

Las Aguas is a neighborhood nestled in the Andes mountains in the Candelaria and Santa Fe localities. A partnership between Universidad de Los Andes (UniAndes) and other nearby universities proposed an urban renewal plan for the area in 2011. Plan Parcial Triángulo de Fenicia (PP Fenicia) aims to develop a new commercial center and increase residential density in the area around the university (Pinilla et al. 2015; Pinilla 2017). Public reaction to the initial plan was unprecedented, however, with a broad coalition of neighborhood residents, business owners, students, and professors organizing to demand a more inclusive planning process and anti-displacement measures. A revised plan is still developing today in partnership with university officials and community members. Experts are cautiously optimistic that PP Fenicia could set a new precedent for public and stakeholder involvement that recognizes the interests of existing community members while also enhancing project feasibility.
Collective organizing ultimately won affected communities the legal right to anti-displacement measures. Decree 420, which allows both tenants and property owners to participate in negotiations, will ensure that existing residents who are relocated to new housing in the plan area maintain their prior estrato classifications for at least 10 years. The decree also provides property owners with meter-for-meter compensation for their constructed property impacted by the plan, and compensates tenants and owners for temporary relocation expenses. Many community residents, UniAndes personnel, and other key informants argue that the 10 year estrato freeze is an exemplary model for other neighborhoods marked for urban renewal. It is important to note, however, that the estrato freeze is temporary and may only delay displacement. One resident summarized the situation’s complexity, sharing, “Freezing the estrato is a victory. But we know that we won’t be able to pay the new estrato in the future. How would I be able to turn land into air? People don’t understand that we will be displaced.”

Key Case Study Findings

Neighborhood stakeholders are asserting their agency to negotiate benefits in small area plans, establishing a framework for future planning efforts.

Participatory planning in Las Aguas is setting a new precedent to replace historically antagonistic relationships between expert planners and community members in Bogotá.
In Las Aguas, a community organization made up of diverse stakeholders that cut across class, age, and occupation built a broad coalition against original urban renewal plans for the area. They successfully negotiated development terms that created concessions for community benefits, such as a 10-year estrato freeze and relocation allowances.

Other localities are looking at the example of participatory planning in Las Aguas as a promising practice, and exploring the policy transfer potential for public negotiations in other planning contexts. Meaningful participatory planning is still nascent in Bogotá, but the example set in Las Aguas has shifted perceptions of how community can engage in decision making processes.

**Increasing market pressures trigger existing social networks to build community capacity and navigate opaque legal and financial systems.**

Many development and real estate deals in Bogotá happen behind closed doors. The technical knowledge needed to understand the function of fiducias and act within the established systems that govern real estate transactions put many residents at a disadvantage, especially in low-estrato areas facing mounting development pressures.

The piecemeal buyout of Los Olivos and subsequent community stagnation result in part from a lack of resident involvement in the decision making process and insufficient communication between residents, developers, and government officials. As a result, residents have looked on as their real assets sat in limbo for the greater part of a decade. Not far away, however, residents of the close-knit community of Juan XXIII took heed and spread news of developers’ offers, activating the existing social network to be mindful of the issue, their rights, and the neighborhood-level ramifications of individual transactions.

Market pressures to develop neighborhoods often pit developers with deep cash reserves against residents with fewer resources. Among the tools that residents have to resist this lopsided power structure are their existing social networks and shared experiences. Social networks have the capacity to develop expertise and provide guidance on complex planning and development processes.

**Urban renewal is often the final stage in a long process to actively divest a neighborhood of its ability to resist displacement.**

Urban renewal is regularly presented as the route to the restoration of economic and social activity in the center city. In 2019, planes parciales invoke urban renewal strategies to call for the demolition of existing neighborhoods and the creation of a clean slate. Urban renewal is often the final stage of the capital circuit, following years of disinvestment and community marginalization.

In the absence of state investments and services in El Bronx / La L, residents created their own social services and codes of conduct to adapt to the vulnerabilities of disinvestment. The structure and security formed by residents created informal networks and economies to compensate for disinvestment and societal marginalization.

The tabula rasa nature of urban renewal often overlooks informal social systems and community adaptations to disinvestment. Rather, the public and private sectors together construct a socially stigmatizing narrative to further marginalize and silence vulnerable populations. Plans that displace disinvested communities like La L further marginalize their residents, destroy their informal social security systems, and thrust them into a heightened state of vulnerability.
Conclusion and Recommendations

The stories of the Bogotano neighborhoods of Juan XXIII, Los Olivos, El Bronx / La L, and Las Aguas remind us that a neighborhood’s ability to accelerate or delay displacement change does not develop by chance. Instead, it is a result of carefully calculated strategies that are designed to either protect the existing population or to attract a new population entirely. Moreover, it is evident that a community’s collective bargaining power is rooted in its capacity to organize a diverse base of stakeholders.

The findings in this study highlight the opportunities to reduce displacement due to current or future plans for urban renewal in the city. Taken together, our analysis of trends arising in Bogotá neighborhoods has emphasized specific ways that neighborhood change leads to inequitable outcomes. Primary data indicates that the state is the dominant actor – or at the very least is perceived to be the dominant actor – driving displacement in Bogotá, whether through planning mechanisms like PEMP or Planes Parciales, or through the intentional deterioration of neighborhoods. The motivation for this displacement appears to be development and gentrification, as both the Las Aguas and El Bronx / La L cases have demonstrated. Furthermore, our findings provide insight into interventions that can be taken to reduce the extent of displacement and respond to residents’ neighborhood-specific concerns. These interventions span various geographic scales and include different actors, from residents to financial institutions, to city officials, and focus on ways to institutionalize and strengthen methods of resistance like community participation, renter protections, wealth building, and intentional data collection and research on the complex process of displacement. In conclusion, we recommend that:

1. Actions taken at the city level should address the policies and laws that undermine community participation in planning processes;

2. Action taken at the neighborhood level should build residents’ abilities to resist displacement; and

3. Expansion of data collection and analysis should guide future decision-making and anti-displacement community organization efforts.

References


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