

Sustainable Land Regularization - Social, Economic and Environmental Transformation

Brazil

André Albuquerque

Organization type:

for profit

Budget:

< \$1,000

Website:

<http://www.grupoterranova.com.br>

 SHARE

- [Conflict resolution](#)
- [Community development](#)
- [Economic development](#)
- [Land rights](#)
- [Infrastructure](#)
- [Poverty alleviation](#)
- [Urban development](#)

Project Summary

Elevator Pitch

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

TERRA NOVA improves the quality of life of poor families residing in urban slums. By peacefully resolving the land disputes and managing the regularization process, we enable residents to indemnify proprietors and purchase title to the land they occupy, resulting in a significant improvement in their quality of living socially, economically and environmentally.

About Project

Problem: What problem is this project trying to address?

It is estimated that Brazil has 1.8 million urban households without formal titling. As a result, these communities are filled with precariously built housing on land without infrastructure. Regularization has been handled primarily by the government agencies which are constrained by excessive bureaucracy, few resources and changing administrations. Terra Nova provides a scalable and sustainable alternative to government initiatives. The partnership that Terra Nova formed with COHAPAR, the housing agency of the state of Parana, highlights the efficacy of Terra Nova's regularization model compared to the efforts of the government. From 2004-2007, COHAPAR and Terra Nova formed a partnership to regularize areas in the metropolitan region of Curitiba. According to a COHAPAR executive, the partnership regularized 7,000 families, while the housing agency managed to regularize only 1,500 households in areas where it acted alone during the same time period.

Solution: What is the proposed solution? Please be specific!

Terra Nova, a for-profit land regularization company, is unique in 2 ways. First, it redefines the role of the government vis-à-vis land rights for urban areas that are privately held. Before Terra Nova was established, the government was the primary entity responsible for resolving the complex issues associated with land regularization which involves indemnifying land owners via expropriation, requiring significant financial resources. Terra Nova created an alternative for these communities who, through their own efforts and financial resources and with our support, act as agents of transformation, engaging land owner and government in the regularization process. Second, Terra Nova's conflict resolution methodology resolves long standing and tense relations between proprietor and occupants. It provides a peaceful alternative to judicial actions which can last years and involve the forceful removal of entire communities. Our firm's innovation lies in applying the concept of "original acquisition" for the first time in a practical manner. It allows for the expropriation by the courts (vs. the executive branch) of the irregularly occupied land when both proprietor and occupant jointly and in a consensual manner request this action be taken. This permits the titling of the land without being characterized as a sale, transfer or donation of property. This eliminates 1) the extensive bureaucracy associated with title transfer and 2) all liens against the land including property transfer taxes.

Impact: How does it Work

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

Terra Nova has served 20,000 families since its inception providing its communities with economic, social and environmental benefits. Economic Benefits- residents see the value of their newly acquired land increase dramatically as a result of titling and obtain access to credit and new employment opportunities. Proprietors are compensated for the occupied land and the government receives property taxes. We estimate that the regularization of these 20,000 families has transformed \$252 million of dead assets into capital. (This is the estimated valuation of the regularized land only). Social Benefits- families benefit both physically and emotionally from 1) improved living conditions from the implementation of basic infrastructure such as sewer systems, water and electricity 2) the absence of the threat of forced removal and 3) capacity building of community leaders to actively participate in the transformation of their neighborhood. Land Rights have generally been associated with improved health, safety, education and the reduction of child labor and domestic violence. Environmental Benefits- communities receive infrastructure which considerably reduces its impact on the environment. Residents are educated on environmental issues and recycling programs. Also, families residing in environmentally sensitive areas are relocated. Jd União, a community of 900 families, is an example of the impact of Terra Nova's work. As a result of Terra Nova's regularization process, it has seen the implementation of water and electricity lines, a sewer system, paved roads, day care facilities

and bus transportation.

About You

Organization:

Terra Nova Regularizações Fundiárias

[Visit website](#)

Section 1: About You

First Name

André

Last Name

Albuquerque

Website

<http://www.grupoterranova.com.br>

Country

, PR

Section 2: About Your Organization

Is your initiative connected to an established organization?**Organization Name**

Terra Nova Regularizações Fundiárias

Organization Phone

+55 41 3074 0800

Organization Address

Rua Ângelo Stival, 57, Santa Felicidade, Curitiba

Organization Country

, PR

How long has this organization been operating?

More than 5 years

Your idea

Country your work focuses on

, PR

Innovation

Do you have a patent for this idea?

Impact

Actions

Terra Nova plans to expand its services to the major metropolitan areas of Brazil. To do this, we are seeking partnerships with financial institutions to support this growth. Currently, our service fee is a percentage of the indemnification payments the residents make to the land owner. These payments are made over an average 8 year period yet our firm incurs most of its costs in the period before the first payment is made. This has limited Terra Nova's ability to grow at the pace we desire. We are currently seeking partnerships with banking institutions to finance the residents. This would provide Terra Nova with its service fee upfront, enabling a much more rapid expansion to serve an estimated 90,000 families in 5 years

Results

A partnership with such an institution would enable Terra Nova to expand much more rapidly in its target markets (São Paulo and Rio de Janeiro) and achieve the following results in the next 3 years:

Year 1 – Serve over 25,000 families*, transform dead assets into capital ~ \$324 million

Year 2 – Serve over 29,000 families*, transform dead assets into capital ~ \$377 million

Year 3 – Serve over 45,000 families*, transform dead assets into capital ~ \$580 million

*accumulated up from 20,000 today

How many people will your project serve annually?

More than 10,000

What is the average monthly household income in your target community, in US Dollars?

\$100 1000

Does your project seek to have an impact on public policy?

Yes

If so, how?

Yes, we are constantly in discussions with government agencies and leading seminars to disseminate our technical knowledge.

Sustainability

What stage is your project in?

Operating for more than 5 years

Does your organization have a board of directors or an advisory board?

Yes

Does your organization have any non monetary partnerships with NGOs?

Yes

Does your organization have any non monetary partnerships with businesses?

Yes

Does your organization have any non monetary partnerships with government?

Yes

Please tell us more about how partnerships could be critical to the success of your innovation.

Terra Nova is at an important inflection point to scale and requires capital to grow.

The most critical partnership for Terra Nova is one that would provide for the discounting of our receivables portfolio. This would resolve our greatest challenge - a cash flow mismatch, enabling Terra Nova to grow much more rapidly than it has to date. It would also provide greater flexibility to enhance our Community Fund. A percentage of Terra Nova's fees are allocated to this fund for the benefit of the occupants. Its proceeds are used for projects they deem necessary which are beyond the scope of the government's initiative (e.g., community centers, daycare facilities, etc).

We would like to learn more about how your initiative is financially supported. Please explain your business plan/revenue model

Terra Nova is currently financed through private capital and short term bank loans. We are negotiating the possibility of long term financing to better match the firm's current revenue stream.

We seek partnerships with financial institutions to 1) create "housing microcredit" programs or 2) securitize our receivables portfolio to attract investors seeking financial and social returns. This type of alliance would allow for the development and implementation of a formal training program to continuously capacitate new operating teams, creating the necessary structure to replicate its model in various cities simultaneously throughout the country. As such we could scale more quickly and expand our services to implement more infrastructure or additional social and environmental projects.

Terra Nova receives a percentage of the monthly indemnification payment made by each household to the land owner. The total amount Terra Nova receives from each occupant averages R\$5,000 (~US \$2,950), paid in monthly sums averaging R\$50. For this service fee, Terra Nova manages all aspects of the regularization process including the legal, environmental, social, economic and urban aspects. Special conditions are made for those families unable to pay this amount, so that they may participate in the regularization process (e.g., reduction of monthly installments and increase in tenor). An additional amount may be allocated to the Community Fund for the implementation of certain public works or the relocation of families in areas considered at risk, for example.

The Story

What was the defining moment that led you to this innovation?

I began my career working at the town hall of Pinhais, in the metropolitan area of Curitiba, Paraná working on environmental projects. After one year, I was appointed to the ministry of social work to establish and preside over its housing agency. It was at this time that I began my work in mediating conflicts between land owners and occupants who were being threatened with forced removal. Shortly thereafter, a change in administration resulted in the termination of the housing agency by the new mayor. This is when I decided to create Terra Nova to continue the work so important to these communities.

Tell us about the social innovator—the person—behind this idea.

Since I was an adolescent, I felt the need to do something to improve the quality of living of people in need definitively and on a global scale. I studied environmental law and later found a natural vocation for mediating conflicts and promoting agreements while practicing law. I also dedicated substantial time and energy on my personal growth, to better understand myself and humanity. After graduating, I worked and lived at the International Holistic University of Brasilia where I learned of various philosophies and religions that helped me understand the higher purpose of humankind in this world.

I strive to transmit hope and confidence that we can live in a different world where every human has their basic needs satisfied. My goal is to encourage others in joining Terra Nova's mission for sustainably promoting peace and quality of life for those in need.

How did you first hear about Changemakers?

Personal contact at Changemakers

If through another source, please provide the information.

Approximately 50 words left (400 characters).

Additional

Additional

Which (if any) of the following strategies apply to your organization or company (check as many as apply)

Policy advocacy to strengthen property rights or increase security of tenure, Formalizing and documenting property rights (i.e. titling, leasing or certification), Legal education and awareness, Developing/applying technology for surveying, mapping and documenting property rights.

Please explain how your work furthers one or many of the above strategies (if you selected "other", please explain your strategy)

We formalize property rights which includes mapping and surveying of the area, developing the urban plan, managing the legal process, engaging/educating the community leadership/members and coordinating the public works initiatives with the local governments. We are constantly in discussions with government agencies and leading seminars to disseminate our technical knowledge.

Source URL: <https://www.changemakers.com/property-rights/entries/sustainable-land-regularization-social-economic-and#comment-0>