

The architecture of rent: Hybrid property regimes in São Paulo's favelas

Kristine Stiphany

The University at Buffalo, State University of New York

0000-0002-5267-9647; stiphany@buffalo.edu



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Abstract

This paper examines how rental markets have become a defining mode of incremental housing production in São Paulo's informal settlements, transforming self-built dwellings from vehicles of social inclusion into financial assets. Based on ethnographic research and architectural documentation of 236 properties in two large favelas, it develops a typology that links built form to ownership, finance, management and social relations. The analysis shows that the shift from use-oriented to exchange-oriented housing is not an abstract economic transition but one that materializes in vertical additions, property subdivision, and new forms of landlord-tenant cohabitation. Cycles of rental densification commodify land once designated for social use and heighten housing precarity, yet they also generate new livelihood opportunities, diverse housing forms, and collective investment arrangements that mediate the dominance of market logics. These hybrid property regimes challenge prevailing models of urban integration that link settlement consolidation with ownership.

Keywords: Built Environments; Informal urbanization; Incremental housing; Rental markets; Hybrid property regimes

Resumen. *La arquitectura del alquiler: regímenes inmobiliarios híbridos en las favelas de São Paulo*

Este artículo examina cómo los mercados de alquiler se han convertido en un modo determinante de producción incremental de viviendas en los asentamientos informales de São Paulo, transformando las viviendas autoconstruidas de vehículos de inclusión social en activos financieros. Sobre la base de una investigación etnográfica y de la documentación arquitectónica de 236 propiedades en dos grandes favelas, se desarrolla una tipología que vincula la forma construida con la propiedad, las finanzas, la gestión y las relaciones sociales. El análisis muestra que el paso de una vivienda orientada al uso a otra orientada al intercambio no constituye una transición económica abstracta, sino un proceso que se materializa en ampliaciones verticales, subdivisión de predios y nuevas formas de cohabitación entre arrendadores e inquilinos. Los ciclos de densificación del alquiler mercantilizan terrenos que antes estaban destinados a uso social y aumentan la precariedad de la vivienda, pero también generan nuevas oportunidades de sustento, diversas formas de vivienda y acuerdos de inversión colectiva que median el dominio de la lógica del mercado. Estos regímenes híbridos de propiedad desafían los modelos predominantes de integración urbana que vinculan la consolidación de los asentamientos con la propiedad.

Palabras clave: entornos construidos; urbanización informal; vivienda incremental; mercados de alquiler; regímenes híbridos de propiedad

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1. Introduction

Since the mid-20th century, working-class families across Latin America have built their own housing incrementally—step-by-step—reducing costs by forgoing formal land title, infrastructure, and regulation, and relying instead on their own labor and resources for construction over years and often decades (Maricato, 1982; Ward, 1982). These practices consolidated into extensive self-built settlements that now define a significant proportion of the urban fabric in the region's metropolitan peripheries (Ward, 2012). Few countries were as progressive as Brazil in responding to informal settlements called favelas, built via processes of *autoconstrução* to secure claims to land and citizenship (Holston, 1991). During the democratic transition that followed two decades of military rule, an urban reform movement advanced policies to regularize favelas and promote homeownership through land legalization, participatory planning, and the extension of urban services (Fernandes,

Figure 1. A typical *autoconstrução* site in Parada de Taipas, São Paulo.



Source: Kristine Stiphany. Data: National Science Foundation #1513395.

2007, 2010; Friendly, 2013). Yet the rise of renting in favelas—through diverse configurations within *autoconstrução* processes—has intensified property development, redefining both the social-use purpose of *autoconstrução* and the role of homeownership as a development tool.

The rental turn is unfolding unevenly across Brazilian favelas. On 12 April 2019, the collapse of two illegally built apartment buildings in the Muzema favela of Rio de Janeiro, killing twenty-four people, brought national attention to the precarious outcomes of unregulated rental redevelopment. Elsewhere, similar risks coexist with more stable forms of incremental improvement, where families who have labored for decades now build for tenants as a means of livelihood, inheritance, and retirement. Despite long-standing efforts to

formalize ownership, what I term *rental densification*—converting, extending, and/or rebuilding homes to generate rental income—has proliferated across Brazil’s urban peripheries.

While scholars have largely interpreted this trend through the lens of political economy—as an expression of financialization (Rolnik, 2019), a sign of the erosion of legal land and housing protections (Klink & Denaldi, 2025), or as evidence of new forms of precarity and inequality (Guerreiro et al., 2022)—its full significance emerges only when examined at the scale of buildings and households. From this perspective, rental densification is not only structured by broader systems and networks, but materially produced, socially negotiated and lived in everyday practice.

This paper examines how the expansion of rental housing is reshaping incremental housing in São Paulo’s favelas. Here, “informal” does not imply the absence of rules, but a context where citizens and governments negotiate authority, compliance, and legitimacy (Caldeira, 2016). These negotiations produce an improvised yet patterned urban landscape governed as much by municipal ordinances as by neighborhood norms and tacit building codes (Roy, 2009). Across this diversity, I identify three trajectories of rental densification—embedded, emergent and speculative—that show how shifts from use-oriented to exchange-oriented housing take material form in vertical additions, property subdivisions and new forms of landlord-tenant cohabitation. I argue that rental densification is not a transitional arrangement but a defining pattern of contemporary informal urbanization, one that generates hybrid property regimes in which the residual logics of *autoconstrução* and commodification intersect and reinforce one another.

2. Background: Informal urbanization, upgrading and the rise of rental

Since the mid-20th century, popular settlements on Brazil’s urban peripheries have offered a spatial and social refuge from the rental tenements (*cortiços*) of the city center (Sampaio, 1994). Originating with collective land occupations, these neighborhoods provided working-class families with housing outside formal markets, free from the exploitative rents and ‘insalubrious conditions’ central districts (Kowarick & Ant, 1988). In contrast to the transience of the *cortiço*, Brazil’s settlements on the periphery embodied a claim to permanência, or a right to remain, anchored in the belief that incremental improvements would eventually yield de facto homeownership and a legitimate claim to land and citizenship (Holston, 1991).

For decades, the low visibility of rental housing in informal settlements led scholars to treat it as marginal or transitional—typically associated with recent migrants or early stages of settlement formation (Gilbert, 1999; Gilbert & Varley, 1991). Subsequent research, has identified, revealed rental as a structural component of urban low-income housing systems (Blanco et al, 2014; Lombard et al., 2021). The relationship between rent and peripheral urbanization can be traced to the 1940s, when rent controls, speculative develop-

ment, and industrial expansion displaced working-class residents from central areas and catalyzed the formation of loteamentos—subdivided plots evolved into self-built settlements (Sampaio, 1994). Currently, publicly available data on rental housing in settlements remain limited to basic census distinctions between owners and renters. This lack of disaggregated information obscures the ongoing and often indirect relationship between the state and informal urbanization.

From the mid-2000s onward, Brazilian municipalities accelerated regularization regimes as part of a broader wave of urban redevelopment tied to preparations for the 2014 World Cup and Olympic Games, framing market-oriented urban renewal as a vehicle for social inclusion (Rolnik, 2019). Thousands of families were displaced from redevelopment project areas and provided with *auxílio aluguel*, a monthly rental voucher intended as a temporary measure until the delivery of permanent housing (Omena, 2024). Families who remained in so-called regularized favelas adapted in place, incrementally expanding or subdividing their homes to absorb voucher tenants. Amid rising housing deficits and home prices, renting continues to grow in Brazilian peripheries and on the outskirts of most large Latin American cities.

Scholars have documented similar patterns in Mexico City (Duhau, 2008), Santiago (Greene & Soler, 2004), and Bogotá (Gilbert, 2014), but in areas that are not defined by regularization. One recent article termed ‘slumification’ as a regional phenomenon of building deterioration under the pressure of rental densification, even in settlements that had been successfully regularized (Azhar et al, 2021). What was once regarded as a minor tenure form has evolved into the basis for research on a new category of urbanization.

While the expansion of rental in Latin American popular settlements has created new income streams and broadened access to housing for low-income families, it has also deepened precarity and intensified the commodification of informality (Guerreiro, 2020; Klink and Denaldi, 2025). Favelas are becoming ‘rentrified’ as tenants struggle to afford rising rents in areas once known for low-cost housing (Stiphany and Wegmann, 2020). New rental additions are frequently built without corresponding infrastructure improvements, leading to service drawdowns, blackouts, and domestic water shortages. Overcrowding once characteristic of industrialization—era tenements has reemerged as a defining feature of today’s favelas. These trends represent the post-upgrading urban condition (Siembieda and Del Rio, 2009) examined in Heliópolis and Jardim São Francisco, two of São Paulo’s most comprehensively regularized settlements.

3. Tracing rental markets through self-built environments

The data for this paper were collected as part of a larger study on the impacts of regularization policies and upgrading projects in São Paulo’s informal settlements, with a focus on the Heliópolis and Jardim São Francisco favelas (National Science Foundation, #1513395. 2015–2017). The study combined ethnographic fieldwork, building-level documentation, household surveys and

key-informant interviews to examine how rental is incorporated into structures originally built through *autoconstrução*. While broader findings are published elsewhere (Stiphany & Ward, 2019; Stiphany et al, 2022), this paper analyzes a subset of 236 properties where rental housing was present.

To describe these dynamic housing environments, I produced ‘as-built’ technical drawings, photographs, and 3D digital models of each property, reconstructing buildings for which no prior drawings existed and tracing how rental units were integrated into dwellings over time. These models were coded with occupancy data to calculate the proportion of space used for rental use versus owner-occupation. Properties were then grouped into three levels of rental intensity: 25-50% rental space; more than 50%; and fully rented. From these categories I developed a typology of four types of rental housing: *family-plus-rent* (less than 25% rental space), *family transition* (roughly half converted to rental), *consortium* (multiple owners or investors control about three-quarters of the space), and *tenement* (entirely rented and managed as an informal apartment building). A fifth type, *duress flip*, was identified in follow-up interviews in 2019. Fifteen examples were documented between 2022 and 2025.

To complement this analysis, I conducted 19 semi-structured interviews with owners, heirs, tenants, entrepreneurs, contractors and informal property managers. These interviews revealed the motivations for rental expansion, how rental is built, managed and financed, and the regulatory constraints shaping landlord-tenant relationships.

4. Contextualizing rental in informal settlements:

Heliópolis and Jardim São Francisco favelas

In Brazil, favelas are officially classified as “subnormal agglomerations”—self-built districts on precarious or irregular land, consolidated through collective land capture and incremental construction. Along with *loteamentos* (legally platted but informally sold subdivisions), favelas comprise São Paulo’s approximately 4,000 settlements. Although these categories are distinct in policy terms, in practice the boundaries between them have become increasingly porous, as successive cycles of upgrading have intertwined their characteristics and produced hybrid territories that are at once regularized and informal (Siembieda and Del Rio, 2009).

This paper focuses on Heliópolis and Jardim São Francisco, the only favelas in São Paulo to be successively upgraded through the same policy approaches but in different locations. Heliópolis was established in the late 1960s, about 11 kilometers southeast of the city center, and today is one of Brazil’s largest consolidated favelas, with paved streets, civic institutions and a dense landscape of multistory informally constructed housing. Jardim São Francisco, by contrast, is located on the far eastern periphery: territorially comparable but with fewer residents, weaker civic institutions and lower market pressures.

Another unevenly distributed feature between the cases is rental housing. According to census data, renter households represent 26% of Heliópolis

Figure 2. Population density and built form differ dramatically between inner-suburban Heliópolis and periurban Jardim São Francisco, and between these settlements and São Paulo's broader municipal area

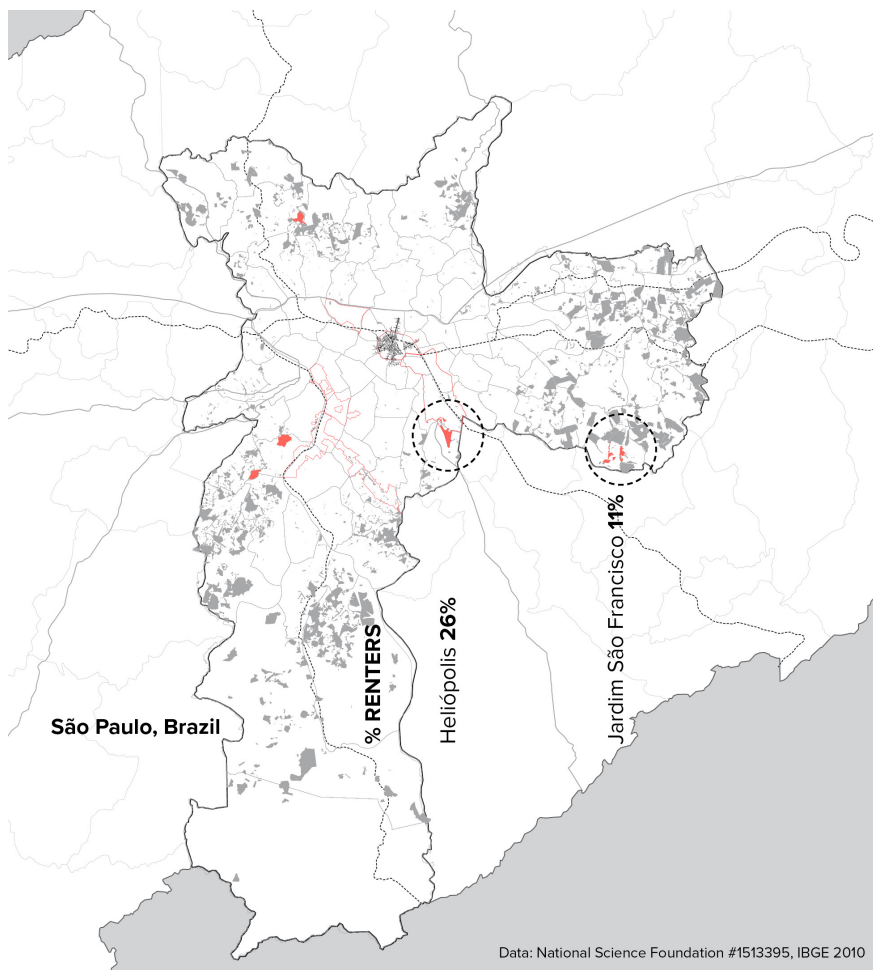


Source: Kristine Stiphany. Data: IBGE 2010.

and 11% of Jardim São Francisco (IBGE, 2010). Yet these figures understate reality because they measure households rather than built space. This study, which documents housing at the building level, shows that rental is present at over half of properties in Heliópolis (Stiphany et al, 2022). In both cases, the built environment illustrates what informality means in practice: the absence of regulation does not prevent building but creates a permissive field where anything can be built—from precarious shacks to masonry *predinhos* (small towers) (Oliveira, 2006).

These locational differences translate directly into density: Heliópolis has 435 residents per hectare, compared to 148 in Jardim São Francisco, against a municipal average of 80 (IBGE, 2010). In Jardim São Francisco, rental exists to a lesser degree, but often on larger lots that intersect with environmentally

Figure 3. Regularized informal settlements in São Paulo (shown in red) where renting has expanded significantly, based on census data that enumerate renters by household



Note: Data on renting households for Brazil's 2022 census are not yet available.

Source: Kristine Stiphany. Data: IBGE, 2010.

sensitive areas. State programs such as subsidized starter homes have been layered onto this landscape, producing hybrid environments where public subsidy and *autoconstrução* interlock (Stiphany, 2019). Despite trends toward integration, socioeconomic conditions remain precarious in São Paulo's nearly 4,000 favelas: incomes are low, unemployment often exceeds 20%, and nearly half of residents rely on informal labor, consistent with national patterns (Data

Favela, 2019). Within these conditions, rental densification has become a key livelihood strategy.

5. Patterns of rental densification in Heliópolis and Jardim São Francisco

Three broad patterns of rental densification characterize Heliópolis and Jardim São Francisco. All involve converting, adding to or demolishing and rebuilding dwellings that were originally constructed for family use through *autoconstrução*. The buildings analyzed here are typically narrow, row-house type properties originally built for single-family occupation and typically limited to two or three stories. As shown in Figure 2, most are now fully built out, sharing walls with adjacent dwellings and forming a continuous urban fabric where incremental vertical growth has replaced open spaces with density.

Each pattern identified below represents not merely added building volume, but an intentional architecture through which owners, occupants, and tenants negotiate the still-unresolved balance between securing income, maintaining residence, and managing property as an asset.

5.1. Embedded rental densification patterns

Embedded rental patterns involve the progressive conversion and construction of rental units into an informally constructed home in which a family still lives and/or maintains some kind of connection, often intergenerational. The buildings are distinguished by the retroactive addition of egress that highlight the sharing of property but with separate access. Embedded patterns originate when an original settler, or the child of an original settler or groups of people who have been in the community for a long time become landlords, with varying relationships to the property (e.g. some live on site, others do not).

The most prevalent pattern of rental densification, Family Plus Rent, appears in 66 properties in Heliópolis and 26 in Jardim São Francisco. These properties typically begin as one to two-story dwellings in which rooms are initially converted with minimal investment and alteration to owner-occupied spaces, to generate income. As rental profits accumulate, families often reinvest in vertical expansion, adding one or more additional floors for tenants. External staircases are installed to provide separate access, but here again, little effort is made to integrate the new spaces into a coherent whole; added floors are often finished differently or left unfinished, producing a 'stacked' quality that marks the dwelling as both continuous with and divided from the original home. This together-but-apart arrangement echoes the collective pragmatism of early *autoconstrução*, in which households balanced shared survival with the preservation of family autonomy. By adding rental units without substantially reconfiguring their daily routines, families signal an intention to remain in the community, expanding their livelihoods while sustaining ties to place.

A second, less common variation of embedded rental densification, Family Transition, takes the opposite form: families reduce their footprint within a

Figure 4. Embedded Rental Densification Patterns



Source: Kristine Stiphany. Data: National Science Foundation #1513395.

three—or four—story dwelling, enabling their transition out of the settlement over time. Found in 26 properties in Heliópolis and 8 in Jardim São Francisco, this type redefines incrementalism as the gradual withdrawal of household presence from the home and by extension the community, culminating in full relocation once sufficient savings have been accumulated. In one Heliópolis case, an original family of four (parents aged 61 and 64, with children aged 28 and 32) sold the house they had built over nearly four decades for R\$250,00 and purchased a large apartment just outside the ZEIS in the ‘formal’ city for R\$350,000, with their children contributing financing and co-residing in the new unit.

5.2. Emergent rental densification patterns

A third pattern, Collective Consortium, found in 15 properties in Heliópolis but absent in Jardim São Francisco, involves the acquisition and redevelopment of properties by small consortia of investors, often drawn from local networks of builders, heirs or neighborhood contractors. Unlike embedded approaches, which preserve some degree of family residence or intergenerational connection, this pattern is defined by the withdrawal of owner-occupiers and the redefinition of housing as a pooled financial asset. Properties are commonly consolidated or subdivided into floors and zones that individual investors control and rent, sell or—less often—occupy. The resulting buildings typically exhibit more systematic and formal construction norms and larger-scale redevelopment than embedded types, with more advanced renovations, higher quality finishes, and fewer ad hoc additions (such as tacked-on staircases). Although rooted in local social ties, these arrangements mobilize the ethos of *autoconstrução* less as a praxis of spatial politics than as a microeconomy, leveraging familiarity with weak regulation to invest in ways that align more closely with speculative logics than with collective use.

The absence of Collective Consortium rental densification in Jardim São Francisco likely reflects weaker market incentives and slightly lower incomes associated with its peri-urban location (Ward et al, 2014), which reduce expected returns and make shared investment models less viable. Emergent rental densification thus parallels broader trends in fragmented land tenure and informal property speculation, where co-ownership structures proliferate in the absence of formal financing mechanisms (Durand-Lasserve & Selod, 2009).

5.3. Speculative rental densification patterns

Speculative patterns represent the most externalized and extreme forms of rental densification. Multi-story buildings, often with mixed-use ground floors, are financed by actors outside the settlement and are designed for rental from the outset. Multi-story buildings, often with mixed-use ground floors, are financed by external actors and designed for rental from the outset, yielding outcomes that range from fully reconstructed mixed-use prédios to precarious and overcrowded *cortiços*. Properties may be sold off entirely to landlords who no longer reside on site, with the dominance of rental enabled by the physical flexibility of unregulated building environments. This material openness is paralleled by policy flexibility, enabling the penetration of broader real estate logics into the settlement. The goal is not simply to expand exchange value but to fully extract it—either by flipping properties in peripheral areas like Jardim São Francisco, where developments remain out of sight, or by capturing rising land values in centrally located favelas such as Heliópolis (Stiphany & Wegmann, 2020).

The first type is the *Slumlord Cortiço*, which is also the second most common rental densification type, identified in 71 cases in Heliópolis and 20 in Jardim São Francisco, representing the most extreme cases of rental deteriora-

Figure 5. Emergent Rental Density Patterns**HELIÓPOLIS****8%**

Source: Kristine Stiphany. Data: National Science Foundation #1513395.

tion. In this case, older, deteriorating structures are subdivided into overcrowded rental units, often requiring, as one resident claimed, “wings to access”. Here, density is achieved at the cost of livability, concentrating profits for absentee landlords while amplifying risks for tenants.

The second type is the converse: investors acquire degraded and/or underdeveloped properties and replace them with high-quality, formally constructed multi-story apartment buildings. In these cases of ‘Duress Flipping’, one unit

Figure 6. Speculative Rental Densification Patterns



40% HELIÓPOLIS

36% JARDIM SÃO FRANCISCO

Source: Kristine Stiphany. Data: National Science Foundation #1513395.

is sometimes gifted to the original family to legitimize the project, while the remaining units are tightly managed and leased for profit. The praxis of rental densification has thus begun to generate a distinct spatial governance, producing some height limits and setbacks for light and air that formal attempts to institutionalize *autoconstrução* were not able to achieve.

6. Situated perspectives of rental housing

As the preceding analysis has shown, multiple factors shape how rental densification evolves from earlier patterns of *autoconstrução*. Most rental production

is either modest and family-managed or precarious and controlled by absentee landlords. Between these poles, hybrid tenure and built-form arrangements generate both new livelihoods and heightened precarity. The extended process of regularization reveals how long-term uneven development gives rise to new temporalities of housing rooted in cycles of adaptation, investment, and building deterioration. The following narratives offer a nuanced perspective of the kind of housing environments that result from these cycles.

Vlana – Building suffocation

Vlana, a 49-year-old single mother, lives with her daughter in the two-story house her parents built in Heliópolis. Over the past decade, several taller buildings have risen on adjacent plots, walling her house in on three of four sides. Only the front façade admits light; upstairs rooms are unbearably hot in summer and damp in winter. Heavy rains overwhelm the bathroom, and sewage seeps down the stairwell. On a monthly income of one minimum wage from cleaning jobs, Vlana cannot afford to leave. Noise, drug use and overcrowding in nearby rentals amplify her sense of being “suffocated.” Her case shows how uncoordinated rental densification erodes the reciprocal benefits—light, air, drainage—that once made the house livable.

Jú – Persistence through adaptation

Jú, 63, still occupies the ground-floor unit her parents built on a 10mx25m lot in Jardim São Francisco starting in the late 1960s. Over the years, the family enclosed the lot, built a second structure at the back, and added a second story that spans both structures. Today Jú rents out the upper floor of the back unit for R\$600 per month, supplementing her modest pension while maintaining family co-residence. She and her siblings jointly hold a *título da gaveta*—an informal sales contract—and refuse to sell, valuing proximity to commerce and transit. The building is well maintained, with setbacks that preserve light and ventilation. This case illustrates how solidarities from the era of *autoconstrução* (intergenerational ownership, negotiated setbacks, refusal to sell) remain intact even as the property is adapted to generate income.

Jonny – Strategic adaptation

Jonny, 45, migrated from Bahia and has lived in Heliópolis for 25 years in the two-story house his mother built. The deep lot includes a narrow passage leading to a backyard housing unit, later sold but with circulation rights retained by Jonny’s family. This control over access has limited the redevelopment options of the current owner yet has also prevented the kind of multi-story build-outs that have become common elsewhere on the block. While Jonny would like to renovate, he insists he will never sell or rent: “I like it here—I will never leave.” This case demonstrates adaptation: by strategically managing

access rights, his family balances individual security with collective benefits of maintaining light, air and circulation.

7. Rental densification as a new pattern of settlement regularization

Rental densification in São Paulo's favelas represents a new pattern of regularization. Rooted in the collective land capture and *autoconstrução* that once secured working-class access to the city, upgrading now unfolds through diverse local actors in the aftermath of incomplete state-led regularization. In this localized regulatory landscape, family ties, and neighborhood norms interact with speculative real-estate logics. Informality has not disappeared but mutated into a hybrid property regime shaped by new configurations of regulation, accumulation, and everyday governance. While these dynamics are not surprising from a political-economic perspective, the detailed evidence presented here reveals several themes that can inform how we understand housing informality in Brazilian cities today.

The first theme is redistribution. Rental densification provides a platform for passive wealth generation and asset transfer long reserved for the upper classes, lowering barriers to income streams that no longer depend on the hard labor of home construction. Brazil's progressive urban policies were both innovative and uneven in outcome; what endures is the aspiration to use urban transformation to redistribute access to public amenities and urban opportunity—now refracted through the built environment.

A second theme is dynamism. Housing informality is neither regular nor irregular but a dynamic field producing diverse, legible patterns that are socially and spatially knowable. Rental patterns in São Paulo—enabled by new financial streams, tenure mixes, and building types—remain socially constructed and entangled with domestic routines and community networks. Elements of *autoconstrução* persist: moral economies (pooling resources to build or redevelop for rent), family obligations (co-managing assets on- or off-site), and collective building cultures (informal height limits and setbacks) that complicate a logic of pure financialization, even as some forms impose serious health, safety, and welfare costs.

A third theme is governance. Family and reputational vetting constrain opportunism; cohabitation and shared circulation embed reciprocity and surveillance; negotiated setbacks and retained rights-of-way function as collective controls on light, air, and density. District-level norms and tacit building codes impose rudimentary standards where municipal regulation is absent. These mechanisms operate within a regulatory environment defined by plurality—permissive land-use vacuums, uneven enforcement, infrastructural depletion (Roy, 2005), and local rule-makers including, landlord networks, and community leaders (Sampaio, 1991).

A fourth theme is uneven regularization. Regularization remains gradual and uneven, both within and between settlements, making new forms of informality externally visible. As some households formalize construction while

others confront infrastructure failures under intensifying density, this uneven process links favelas to broader housing markets and citywide regimes of credit, planning, and regulation (Caldeira, 2016).

Finally, a fifth theme is duality. The co-evolution of settlement origins and selective upgrading reveals that favela rental markets are structured by overlapping and often contradictory trajectories. On one hand, rental remains rooted in the praxis of *autoconstrução*, sustaining use-value logics of reciprocity and survival. On the other, it draws some increments of housing into financialized urban circuits aligned with broader patterns of exchange-value accumulation. What is different today is that these are no longer sequential stages but co-evolving dynamics: the same neighborhood may display precarious rental conditions alongside formally constructed mixed-use buildings, neither capable of advancing to full infrastructure or titling as initially envisioned under the guise of regularization. As Cavalcanti (2008) reminds us, boundaries between legality and illegality are not fixed but continually produced through the uneven extension of infrastructure, governance, and market logics. The direction of capital within these uneven geographies—whether oriented toward extraction or collective reinvestment—will determine whether the architecture of rent reproduces what Varley (2001) termed regularization masquerading as inclusion, or signals a new framework for managing densification's risks while expanding its social and material benefits.

8. Conclusion

This paper has shown that the shift from use-oriented to exchange-oriented housing is not abstract but material and visible: extra floors added onto family houses, units carved out of domestic space, and new forms of landlord–tenant cohabitation. Rather than a simple eclipse of use by exchange, rental densification generates hybrid property regimes in which tacit codes—about access, setbacks or rights of way—sustain solidarities even as commodification deepens.

In Heliópolis and Jardim São Francisco, rental densification has emerged as a *de facto* form of regularization. It reshapes buildings, recalibrates neighborhood governance and redefines property relations. Embedded patterns extend family-based logics, emergent patterns reorganize property as pooled financial assets, and speculative patterns externalize housing production and control. Together, these trajectories place rental at the center of contemporary settlement transformation.

Yet housing policy and academic discourse continue to equate stability with ownership, obscuring the layered tenure arrangements through which working-class families navigate precarity and belonging. Recognizing these hybrid forms exposes both the limits of state-led regularization and the generative capacity of favelas to produce alternative property regimes—spaces where use and exchange, solidarity and extraction, are co-constitutive. For policy and research alike, this requires engaging rental not as a residual or risky tenure, but as a central mechanism through which low-income residents negotiate security,

income, and citizenship. Extending this analysis comparatively, longitudinally, and across scales can deepen understanding of how the architecture of rent mediates between informality, capital, and everyday life.

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