

Residential Real Estate in Brazil - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Residential Real Estate Market in Brazil Market size in terms of transaction value is expected to grow from USD 59.61 billion in 2024 to USD 77.54 billion by 2029, at a CAGR of 5.40% during the forecast period (2024-2029).

Key Highlights

- The COVID-19 pandemic slowed the recovery of Brazil's property market, with real house prices in Sao Paulo decreasing 5.51% until Q3 2021, following a 0.21% increase the previous year. After the recessionary period in 2020 caused by the COVID-19 outbreak, the real estate market in Brazil significantly improved, overcoming the economic downturn, notably in the residential sector.
- In the first four months of 2021, about 13,012 homes were sold, compared to 8,738 in the same period in 2020, according to Rio de Janeiro's Housing Union. The Brazilian Association of Financial and Capital Market Entities says that real estate funds in the Latin American country made \$5,4 million in the first half of 2021. The figure represents a growth of 44.3% over the funds raised in the same period in 2020
- In October 2021, the Sao Paulo State Housing Union said that 5,555 new homes were sold in the city of Sao Paulo. This was almost the same number as the previous year. Brazilian President Jair Bolsonaro got a lot of criticism for how he handled the COVID-19 pandemic. He refused to back steps that would have stopped the virus from spreading. The central bank of Brazil announced that the interest rate would go up by 75 basis points, to 4.25 percent, for the third time in 2021. They also said that they expected a similar rise in August 2021. The country's economy expanded 1% year-on-year in the first quarter of 2021, beating market estimates of 0.8% growth.

Brazilian Residential Real Estate Market Trends

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High-end Segment Growing in the Country

Brazilian real estate has had a good year, with strong demand in all of the country's major markets in 2021. However, one industry fared extraordinarily well in 2021, far beyond projections. In both Sao Paulo and Rio de Janeiro, luxury property sales and launches increased by double digits.

One of the reasons that luxury property in Brazil experienced such strong growth in 2021 was the significant rise in demand. Affluent Brazilian families want more space, quality, and comfort in their homes, and as a result, interest in the high-end sector rose considerably.

The country's two main luxury markets, Sao Paulo and Rio de Janeiro, have seen a large uptick in demand for properties worth over BRL 2 million (USD 392,102.66). Luxury apartments have been the preference among affluent buyers in both of Brazil's largest cities. In Sao Paulo, sales of apartments priced over BRL 2 million (USD 392,102.66) went up by 3.2% in the year to June 2021. In Rio de Janeiro, the increase was even higher, with transactions rising by 10%.

In the lower price echelon (over BRL 1.5 million (USD 291828.75)), the figures were even more impressive. The Brazilian Association of Developers (ABRINC) reported that sales of this type of property rose by 43% in Sao Paulo between January and September 2021. The luxury and super-luxury segment in Sao Paulo, from January to September 2021, totaled 4,217 units, which was an increase of 129%. In tandem with solid sales was the giant leap in the number of launches of luxury properties in Brazil. In Sao Paulo alone, they went up by 232% in the first nine months of 2021. In Rio de Janeiro, the increase in the region was 35%.

Fortaleza Leading the Market

Brazilians began looking for larger and nicer homes in 2021, with more space for workplaces and homeschooling. In 2021, they were also able to take advantage of low mortgage rates. As a result, the property market saw one of its busiest times on record, with Fortaleza leading the Brazilian real estate market. In 2021, sales in Ceara's capital increased by over 86%.

The city of Fortaleza had the busiest real estate market in 2021, according to figures from the Brazilian Property Registry. It achieved the largest sales rise between January and November and for the entire year ending in November 2021. In the first eleven months of 2021, there were 12,981 property sales in Fortaleza. The figure represents an increase of 86.8% over the same period in 2020. Ceara's capital grew by far the most in the country, outpacing its nearest competitor, Florianopolis, by 60.2%. With a 44.1% increase in sales, Sao Paulo came in third.

The statistics from the Brazilian Mortgage Lenders Association (ABECIP) showed an increase of 124% in 2021. It is the biggest rise since recordkeeping began. In terms of national rankings, Ceara saw the third-highest increase in loans after Rio Grande do Norte and Para. While sales of mid- to high-end new property in Fortaleza started slowly in 2020, they picked up by the end of the year. The value of sales of luxury homes in Fortaleza increased by 11% compared to 2019, taking the high-end sector to levels last seen in 2015.

Brazilian Residential Real Estate Industry Overview

The residential real estate market in Brazil is competitive. Competition and pricing have increased strongly, and new investors and developers have entered the market. Moreover, both the demand and supply of real estate are increasing. Interest rates and financing terms are creating a very attractive investment environment for companies. The major companies in the market include MRV Engenharia, Cyrela Brazil Realty, even Construtora, Construtora Tenda, and Direcional Engenharia (Direcional) etc.

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Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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