



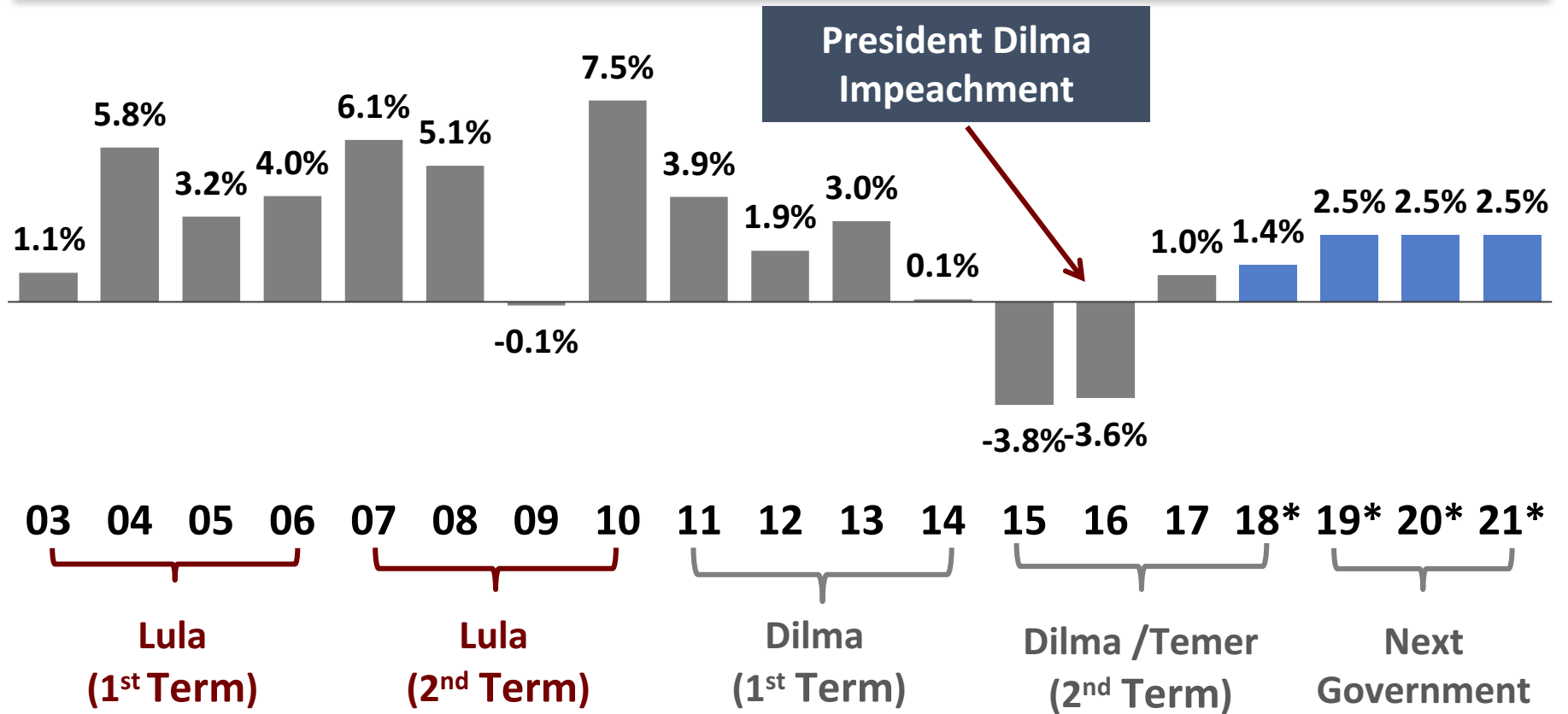
# REAL ESTATE MARKET BRAZIL

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October, 2018

João Crestana

# Economic activity - % GDP growth in Brazil



Source: IBGE / Bacen

\* Forecast – Focus Report 28/Sep/2018



# POLITICAL SCENARIO – BRAZIL

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Elections 2018

# Elections 2018 - President – 1st round results



**Jair Bolsonaro** PSL

vice General Mourão



**46,03 %**

⚠ MATEMATICAMENTE NO 2º TURNO\*

49.275.358 votos válidos



**Fernando Haddad** PT

vice Manuela



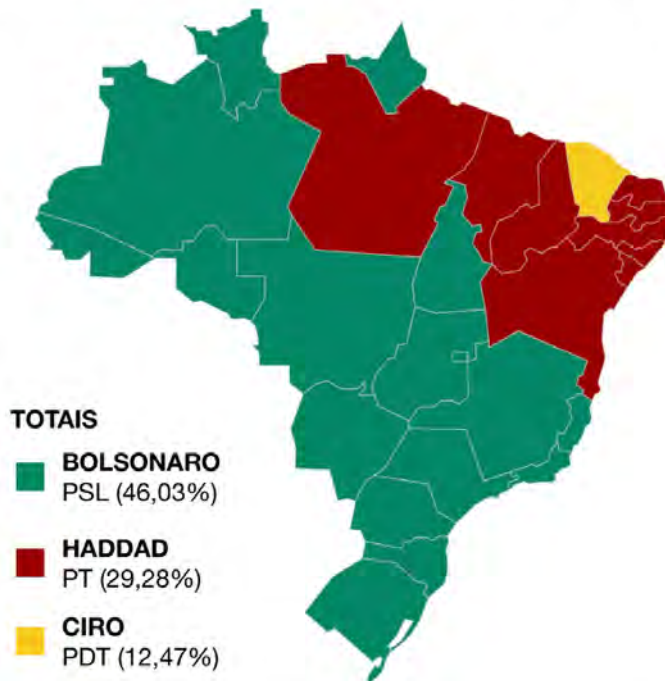
**29,28 %**

⚠ MATEMATICAMENTE NO 2º TURNO\*

31.341.839 votos válidos

# Map of the elections by region - October 7th, 2018

Quem venceu em cada unidade da federação



# Map of the elections by municipality - since 2006



2006

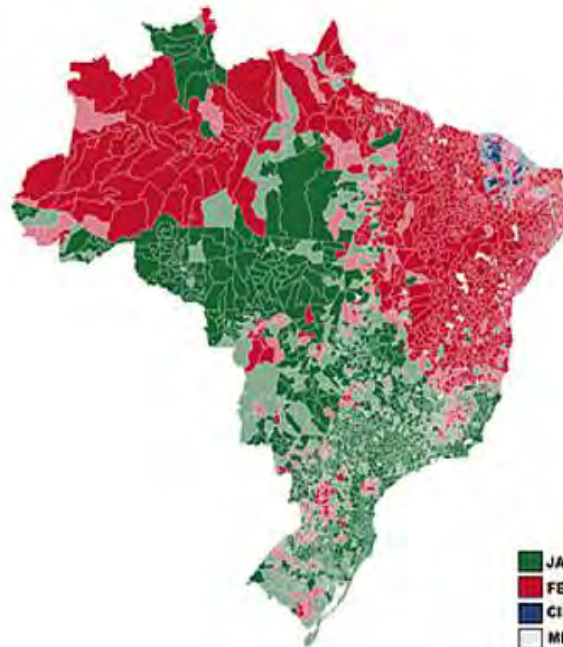


2010

# Map of the elections by municipality - since 2006

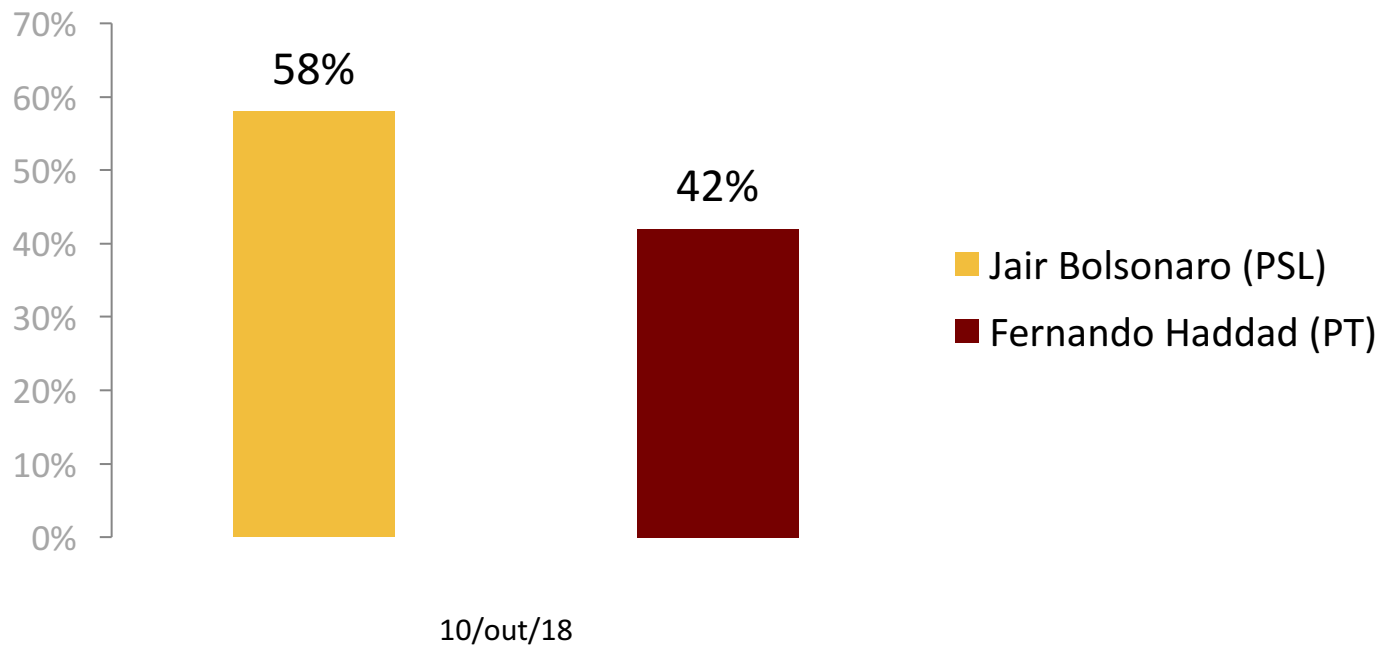


2014



2018

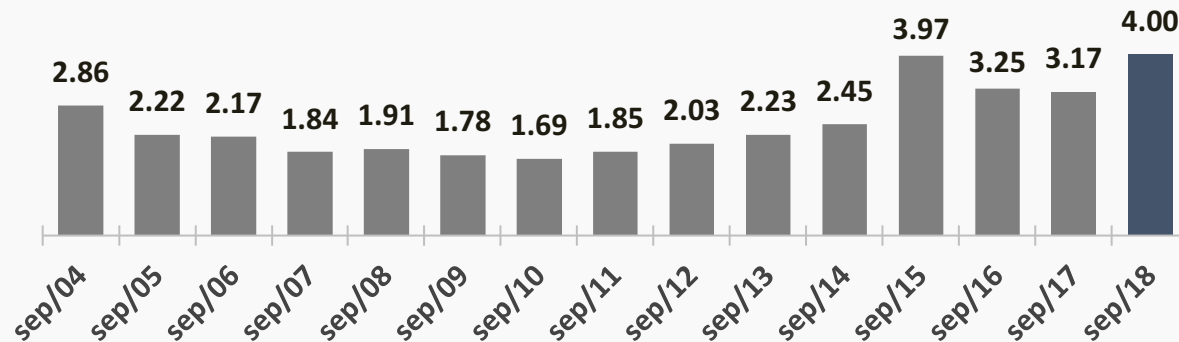
## Intention to vote stimulated – valid votes



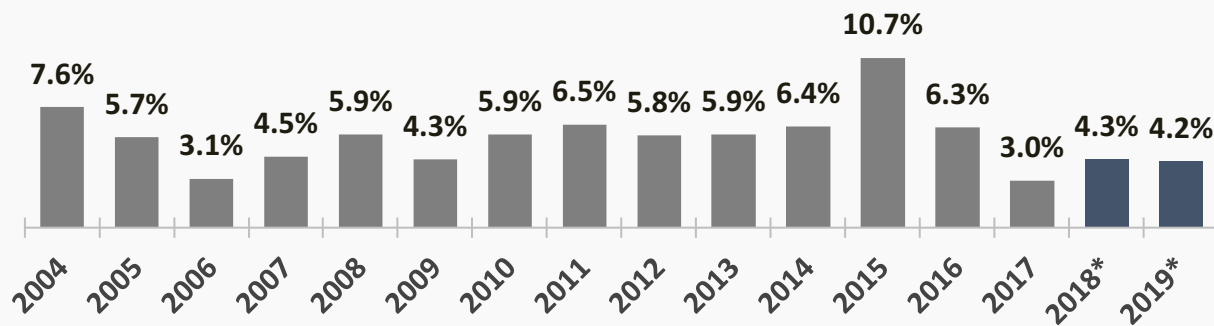


# Main economic indicators

## Exchange rate R\$ / US\$



## Inflation - IPCA

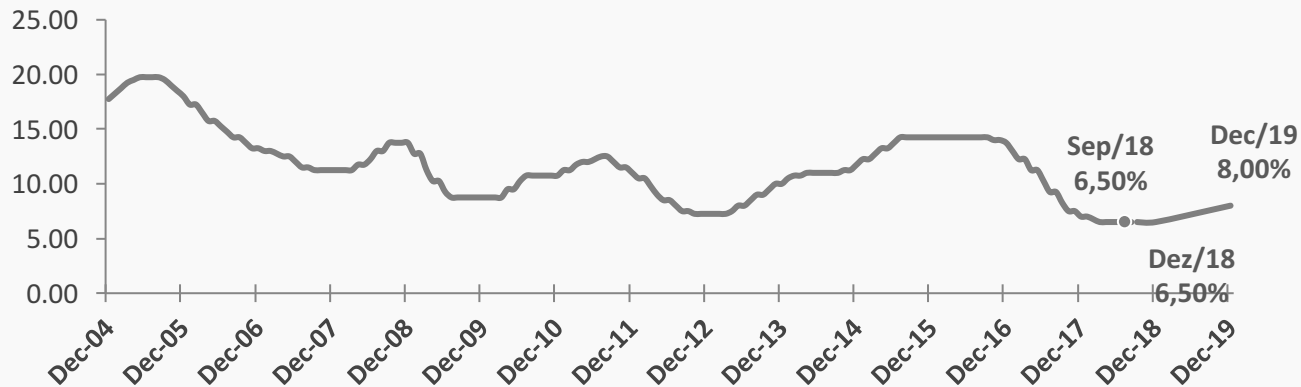


\* Forecast – Focus Report 28/sep/2018

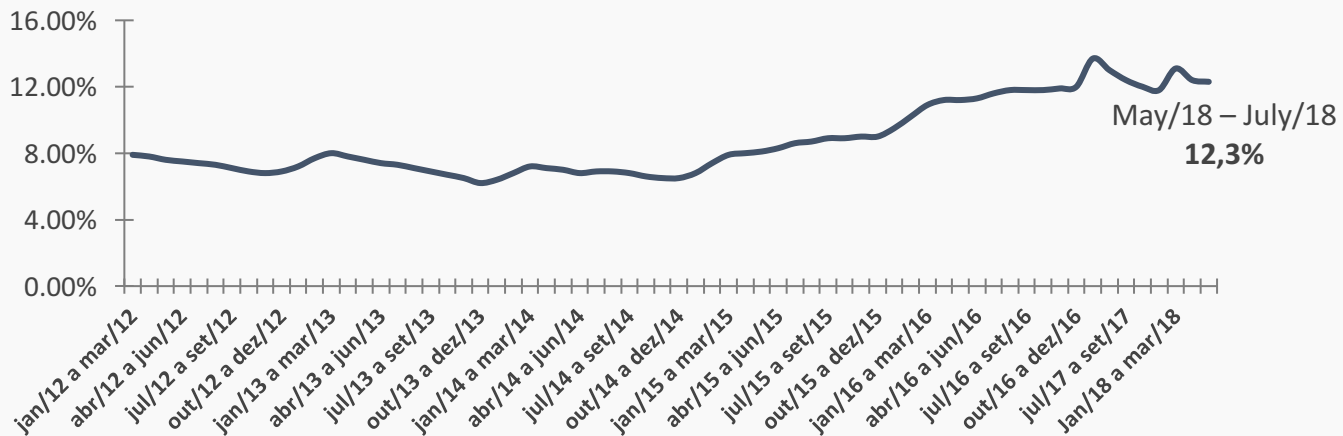
Source: IBGE

# Main economic indicators

## Interest (% p.a.) COPOM



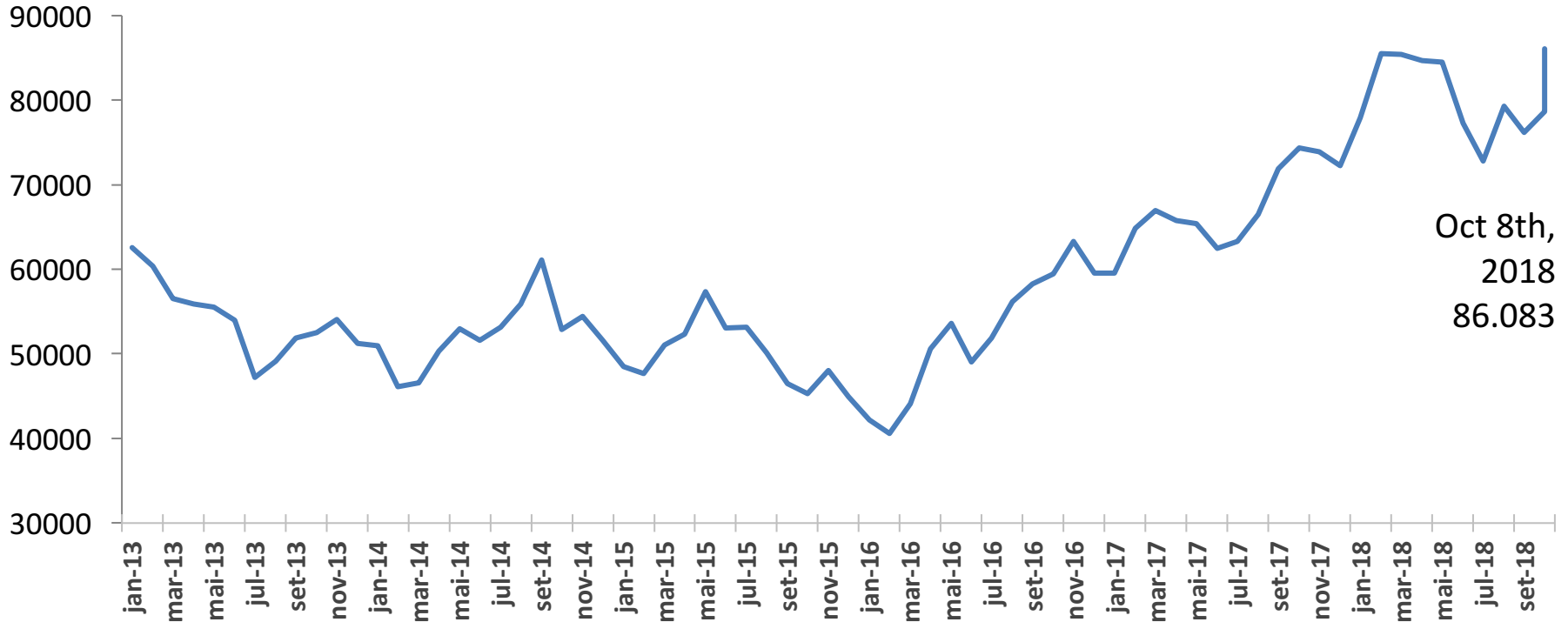
## Unemployment rate



\* Focus report projection - 06/09/2018

Source: Bacen/IBGE

# Stock Market - Bovespa Index



Oct 8th,  
2018  
86.083



# REAL ESTATE MARKET

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Brazil

## RESIDENTIAL UNITS LAUNCHED - BRAZIL

RESIDENTIAL UNITS LAUNCHED BY REGION							
SEARCH REGION	2nd QUARTER 2017	3rd QUARTER 2017	4th QUARTER 2017	1st QUARTER 2018	2nd QUARTER 2018	VARIATION (%) PREVIOUS QUARTER	VARIATION(%) CURRENT QUARTER AND LAST 12 MONTHS
NORTH	224	104	687	0	900	-	301,8%
NORTHEAST	5.169	2.298	2.384	4.085	3.893	<b>-4,7%</b>	-24,7%
MIDWEST	1.626	713	1.695	256	1.996	<b>679,7%</b>	22,8%
SOUTHEAST	11.693	10.910	29.433	6.202	15.168	<b>144,6%</b>	29,7%
SOUTH	2.545	2.276	3.439	1.056	3.528	<b>234,1%</b>	38,6%
<b>TOTAL</b>	<b>21.257</b>	<b>16.301</b>	<b>37.638</b>	<b>11.599</b>	<b>25.485</b>	<b>119,7%</b>	<b>19,9%</b>

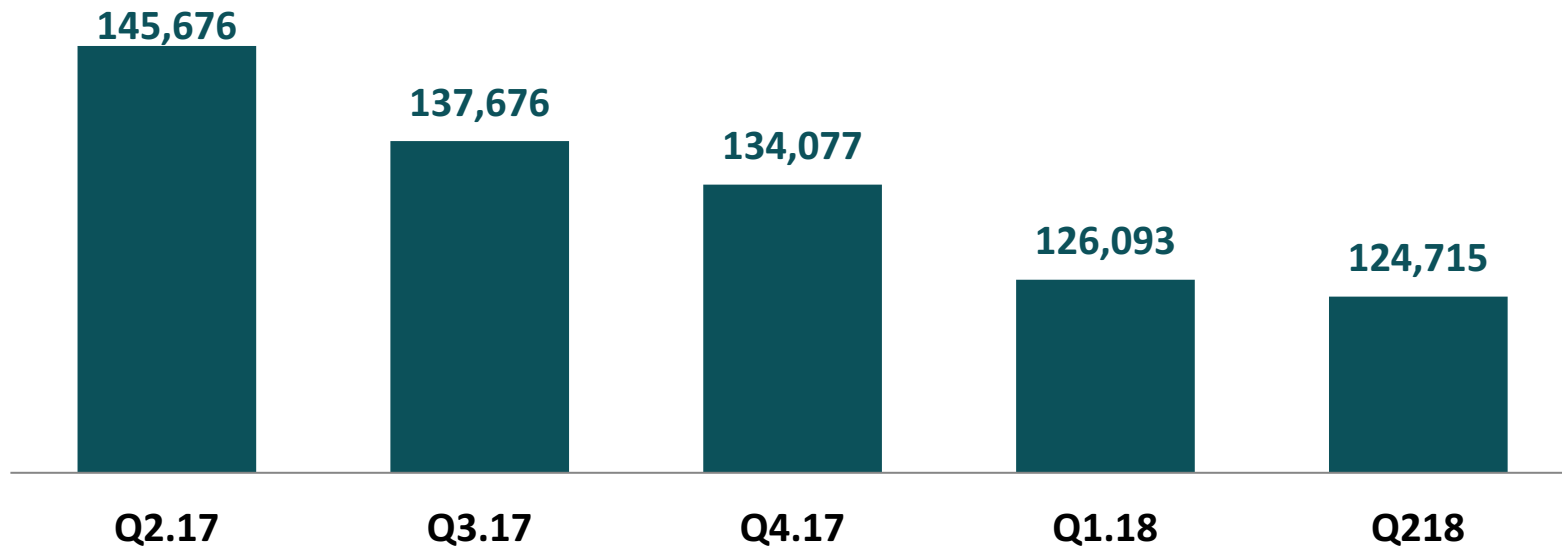
# RESIDENTIAL UNITS SOLD - BRAZIL

## RESIDENTIAL UNITS SOLD BY REGION

SEARCH REGION	2nd QUARTER 2017	3rd QUARTER 2017	4th QUARTER 2017	1st QUARTER 2018	2nd QUARTER 2018	VARIATION (%) PREVIOUS QUARTER	VARIATION(%) CURRENT QUARTER AND LAST 12 MONTHS
NORTH	606	553	598	558	785	40,7%	29,5%
NORTHEAST	5.125	6.207	5.588	5.920	7.975	34,7%	55,6%
MIDWEST	2.217	2.064	2.267	2.749	2.932	6,7%	32,3%
SOUTHEAST	12.149	9.312	18.768	12.980	15.108	16,4%	24,4%
SOUTH	2.464	3.014	3.414	3.187	3.151	-1,1%	27,9%
<b>TOTAL</b>	<b>22.561</b>	<b>21.150</b>	<b>30.635</b>	<b>25.394</b>	<b>29.951</b>	<b>17,9%</b>	<b>32,8%</b>

**29.951 units sold in 2018 Q2. Increase of 32,8% compared to last year's Q2.**

# FINAL OFFER AVAILABLE - NEW RESIDENTIAL - BRAZIL



Average of last 4 quarters: 130.640    T current x average 12 months: -4,5%    T current x T last year: -14,4%    T current x previous: -1,1%



# REAL ESTATE MARKET

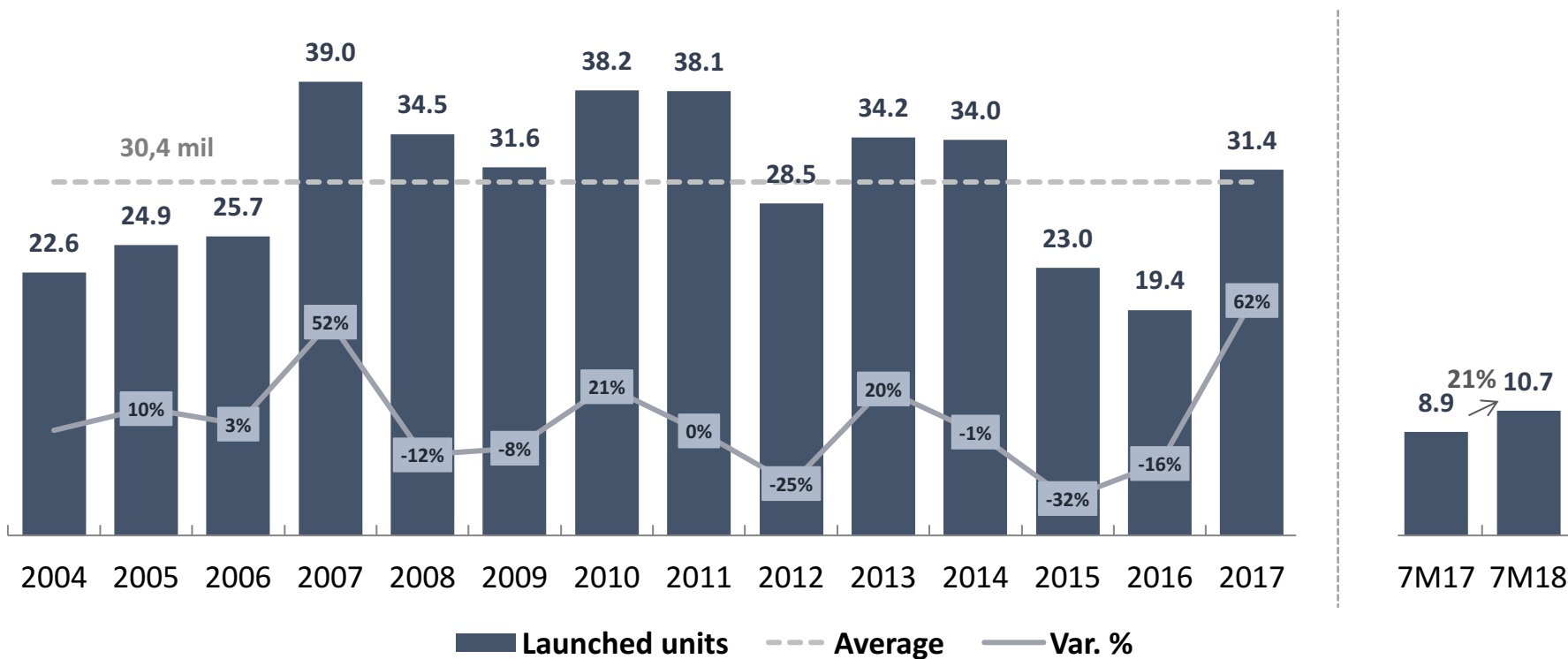
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City of São Paulo



# Residential Units Launched – City of São Paulo

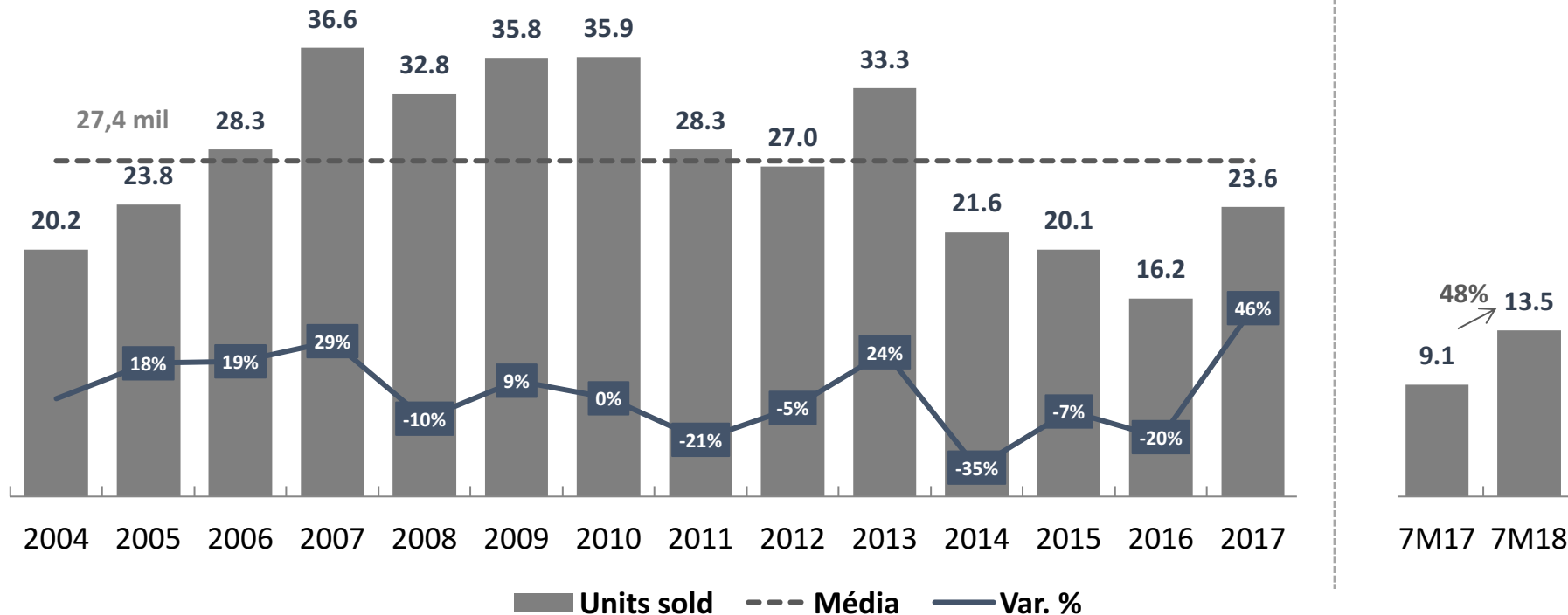
In thousand units



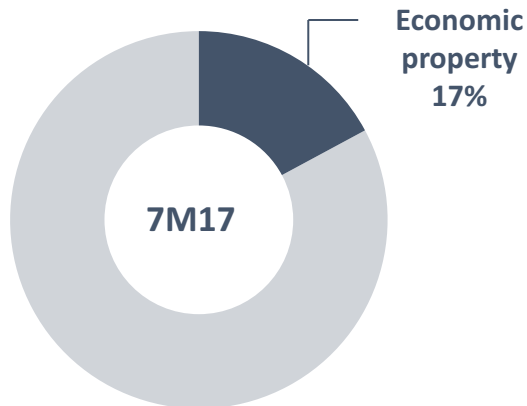
August/2018 = 1.410 units

# New residential units sold – City of São Paulo

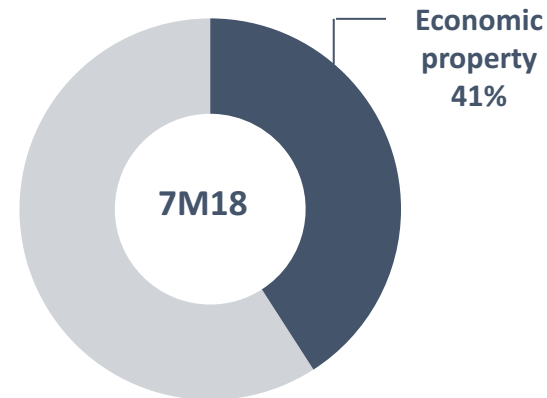
In Thousand units



# Units launched in the city of São Paulo - Economic Property



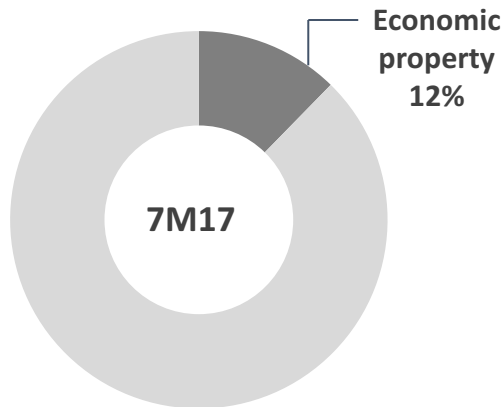
7M17	Units launched
<b>Economics</b>	<b>1.518</b>
Other market	7.340
<b>Total</b>	<b>8.858</b>



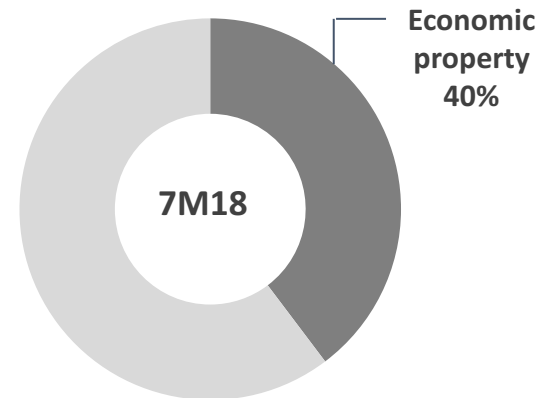
7M18	Units launched
<b>Economic</b>	<b>4.375</b>
Other market	6.322
<b>Total</b>	<b>10.697</b>

- Vertical residential launches were considered:
- Releases prior to Sep / 15 (Price lower than R\$ 190 mil and R\$ 4.354 m<sup>2</sup>) | Releases between Oct/15 and Jan/17 (Price lower than R\$ 225 mil and R\$ 5.156 m<sup>2</sup>) | Releases after Jan/17 (Price lower than R\$ 240 mil and R\$ 5.500 m<sup>2</sup>)

# Units sold in the city of São Paulo – Economic Property



7M17	Sold units
<b>Economics</b>	<b>1.124</b>
Other market	8.002
<b>Total</b>	<b>9.126</b>



7M18	Sold units
<b>Economics</b>	<b>5.378</b>
Other market	8.165
<b>Total</b>	<b>13.543</b>

- Vertical residential launches were considered:
- Releases prior to Sep / 15 (Price lower than R\$ 190 mil and R\$ 4.354 m<sup>2</sup>) | Releases between Oct/15 and Jan/17 (Price lower than R\$ 225 mil and R\$ 5.156 m<sup>2</sup>) | Releases after Jan/17 (Price lower than R\$ 240 mil and R\$ 5.500 m<sup>2</sup>)

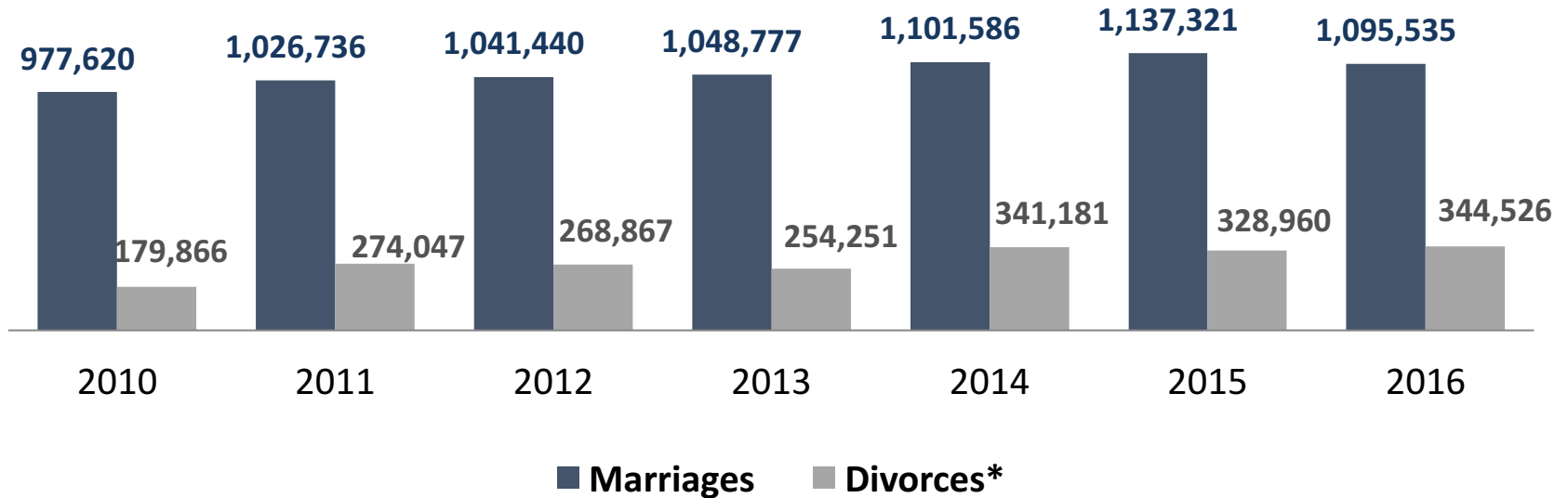


# DEMAND FOR HOUSING

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Brazil

# Marriages and Divorces - Brazil

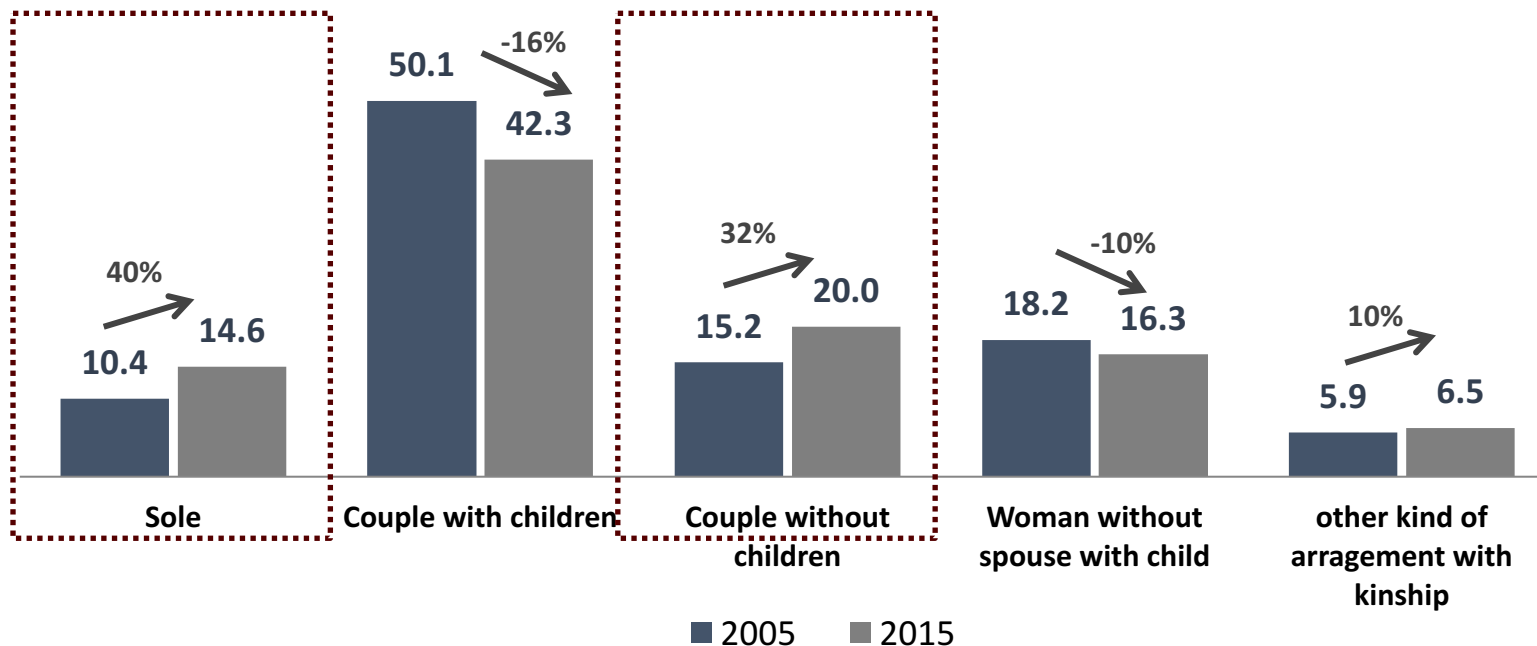


\*IBGE chart 2993 - Divorce proceedings closed and granted at first instance.

\*2014 change methodology

# Percentage distribution of family arrangements resident in private households

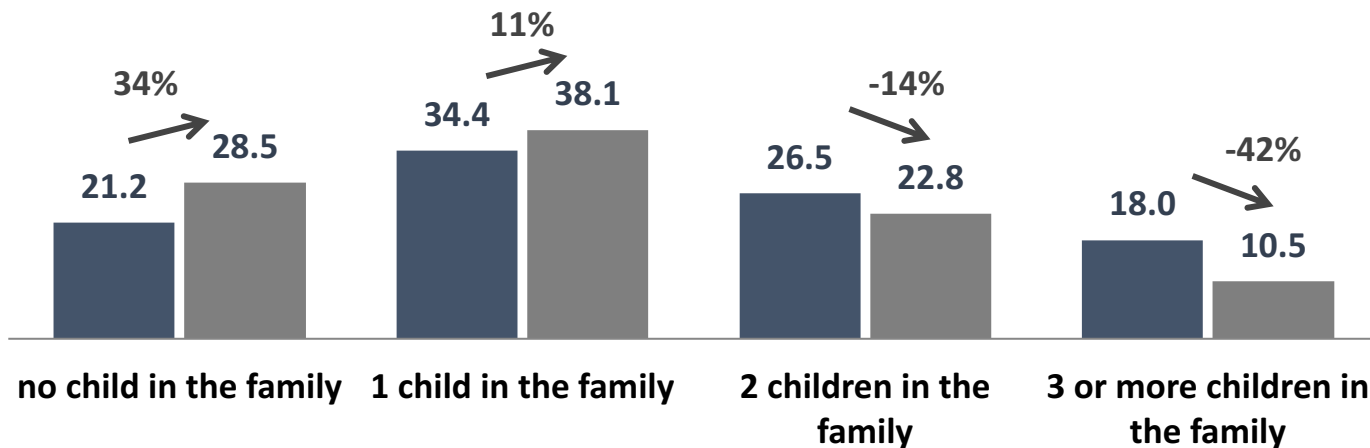
Participation %



# Percentage distribution of family arrangements with relatives living in private households

Indication of presence of child in the family

Participation %





## Scenario for housing demand - Stock of households evolution

	Increase		Stock	Increase	Stock
	2004 - 2014	2009 - 2014	2014	2015 - 2025	2025
North region	1.359.255	712.159	4.957.690	<b>1.351.011</b>	6.308.701
North East region	4.220.658	2.200.527	17.594.419	<b>4.225.567</b>	21.819.986
Southeast region	5.932.223	2.986.031	29.191.435	<b>5.684.786</b>	34.876.221
South region	2.107.374	1.166.020	10.288.575	<b>1.947.756</b>	12.236.331
Midwest region	1.357.555	736.909	5.141.738	<b>1.341.993</b>	6.483.731
<b>Brazil</b>	<b>14.977.065</b>	<b>7.801.646</b>	<b>67.173.857</b>	<b>14.551.113</b>	<b>81.724.970</b>
<b>São Paulo - UF</b>	<b>3.062.117</b>	<b>1.482.025</b>	<b>14.879.589</b>	<b>3.022.639</b>	<b>17.902.228</b>
<b>Metropolitan Regions</b>					
São Paulo	1.388.770	737.892	7.018.349	<b>1.333.849</b>	8.352.198
Rio de Janeiro	764.002	478.952	4.476.827	<b>601.755</b>	5.078.582
Belo Horizonte	376.269	195.487	1.753.572	<b>358.590</b>	2.112.162
Salvador	392.908	220.745	1.381.282	<b>369.812</b>	1.751.094
Porto Alegre	262.875	150.961	1.535.506	<b>239.132</b>	1.774.638

- **Increase of households of the order of 14.5 million units between 2015 and 2025;**
- **In absolute terms, this increase is slightly below that observed between 2004 and 2014, of nearly 15 million units.**



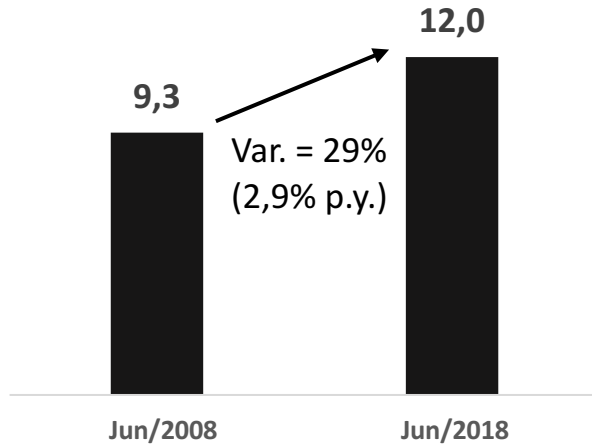
# HIGH STANDARD OFFICES

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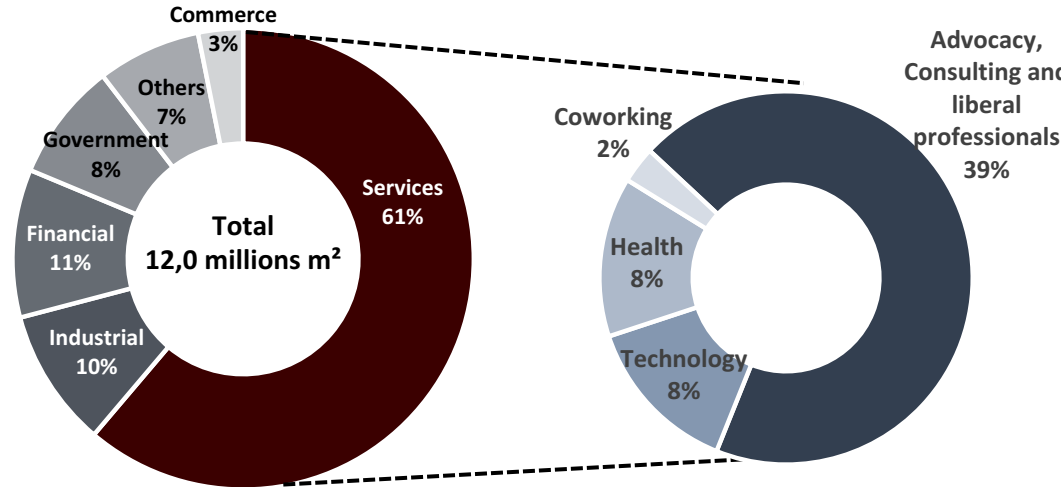
City of São Paulo

# General market for high-standard offices - City of São Paulo

Occupancy Evolution - Millions of square meters occupied



Offices by branch of activity occupation



## Prices rental requests (high standard) AAA per region (zone)

Paulista	R\$ 95,00 to R\$ 125,00/m <sup>2</sup> ~~ (\$2,5 /sqf)
Faria Lima	R\$ 135,00 to R\$ 185,00/m <sup>2</sup> ~~ (\$4,0 /sqf)
Marginal Pinheiros	R\$ 75,00 to R\$ 120,00/m <sup>2</sup> ~~ (\$2,5 /sqf)



**Thank you!**

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**João Crestana**

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