

Brazil Bahia Real Estate Market Overview 2017



The prices have never been this good and the choice of properties available is astounding. Yet, deciding when to make the decision to invest in Bahia real estate can be tough. For people wanting to buy a home and for long-term investors wanting to get in, the conditions couldn't be better. It's a buyer's market and the competition is low. However, it is not the best time to flip homes.

The Political Situation Is Far Better Now Than In 2015

The political turmoil and its aftermath took a huge toll on the country as a whole. In 2015, unemployment increased, finance was scarce and the mortgage market was shrinking. Inflation and interest rates were rising and the currency was in a free fall. In 2016, with the impeachment of former President Dilma Rousseff, the political uncertainty and policy paralysis in Brazil has eased. As long as there is good governance, the strong fundamentals of the country are likely to take hold and drive the market in 2017 and 2018.

The Economic Strength Of Brazil



The long-term economic prospects of Brazil continue to be bright thanks to its strong fundamentals. It's the fifth largest country in the world and its geographical location allows easy access to its markets for investors from America and Europe. It has vast resources of oil and minerals. With its population of over 200 million and its strong agriculture base and oil reserves, the economy is less dependent on international markets. The country has a young population and an expanding middle class.

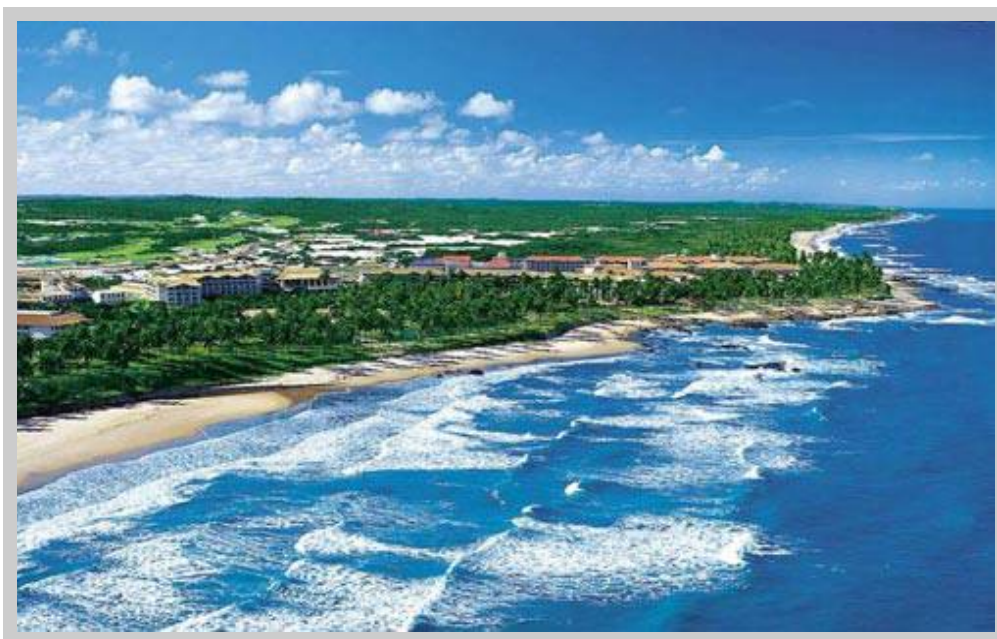
Brazil, especially the state of Bahia, is a tourist magnet due to its natural, historical and cultural attractions. It has a warm tropical climate and the large coastline is dotted with scenic beaches. The tropical forests and highly-diversified flora and fauna attract a large number of nature lovers.

Unlike the other BRICS nations, Brazil is a safe investment destination and the risk of war, terrorism and natural calamities is low. Even during the political crisis of the last two years, infrastructure got a boost due to the World Cup and Olympic games. Foreign investment in real estate is encouraged and the depreciation of the currency has made the prices very attractive for foreign investors.

Brazil Real Estate Market Recovery Prospects

With a tough political and economic situation, it is not surprising that the real estate market was on a decline during 2015 and most of 2016. Most people expect the market to start recovering in 2017 and the recovery is likely to gain momentum in 2018. Currently, the sentiment is low because buyers are just beginning to re-enter a market that is just bottoming out. With the return of good governance, this is likely to change, but a sharp turnaround is unlikely.

The Current Real Estate Opportunity



It's a buyer's market at the moment and there is a lot of inventory of excellent properties at great prices, especially in Bahia. This is attracting investors, especially foreign investors, looking for bargains. Construction is also picking up and quite a few international investors are looking to invest in the current real estate market where capital is in short supply.

The currency has started recovering from its lows in Jan 2016 mainly due to the improvement in the political situation. Due to the depreciation of the Brazilian Real, foreigners are getting properties at amazing prices, but that advantage will gradually diminish as the Real is expected to recover in 2017 and 2018.

If you are planning to buy a home in Bahia, it's a great opportunity due to the current low demand, vast choice and low prices. For investors, short-term gains are unlikely, but it's a great opportunity for investors who are willing to buy and hold. The upside in the next five

years is likely to be huge.

For investors who are willing to buy and hold, [land](#) is a good option. Due to the market conditions, undeveloped land is available at huge discounts to their potential values. In Bahia, land near major cities like [Salvador](#) or [Porto Seguro](#) are available at bargain prices and have huge potential appreciation. This makes sense even for investors who have no intention to develop the land.

The Real Estate Outlook



Most experts agree that [real estate in Bahia](#) is available at exceptionally good prices, especially for foreign buyers and there is a huge upside potential. This situation is likely to continue for some more time before the recovery gains momentum. Due to the low demand and other economic problems and the inability to meet mortgage commitments, some real estate owners will be forced to sell. This may increase the inventory and keep the pressure on prices in the near term.

Capital is currently scarce and the number of buyers is low, but this will change as economic recovery kicks in. The fundamentals of Brazil continue to be strong and this is purely a crisis created by the difficult political situation. Now that good governance is likely to return, the country's economic growth is also likely to follow. This scenario has not gone unnoticed. Some foreign companies are already into or are looking for a joint venture with Brazilian real estate and hospitality companies.



If you are looking for a home in Bahia or a real estate investment in Brazil, the current market situation in Bahia offers excellent opportunities. As a buyer, you will face less competition and find great choice of properties at excellent prices. Normally, sellers in Bahia are not really open to any big negotiations, but due to the current market situation that is definitely a possibility. So, shop around and you can take your time looking for the ideal home because the market is just bottoming out.

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