



BRAZIL BAHIA PROPERTY

Brazil Real Estate – The Perfect Opportunity For Foreign Investors



For an investor, it makes sense to take a contrarian view, that is, buy when prices are low and sell when it is high. Everyone will agree that this is common sense, but in reality it is not that easy. Most people jump in when the prices are soaring and sell in panic when they fall.

Hence, it is not surprising that ordinary people usually get their timing wrong. It is a similar situation in Brazil right now. Novice investors are afraid to buy, but smart investors are quietly looking for buying opportunities. Currently, great properties are available at very low prices, but this situation is not likely to last long.

Brazil's Present Crisis Is Just A Passing Political Storm

Brazil's problems have nothing to do with any fundamental economic factors. The crisis started in the form of a corruption scandal in the early part of President Dilma Rousseff's second term. Her government suffered a drop in popularity and her job was made even more difficult due to a congress that was unwilling to co-operate. This has emboldened the opposition, which hopes to get her impeached.

Currently, the economic situation is indeed a little gloomy. The currency has lost almost 50% of its value against standard world



currencies and growth has been hit. The worldwide dip in commodity prices did make a small dent, but the crisis is mostly a political fallout. Experts feel that the political stalemate has prevented the president from taking tough fiscal steps like reducing costs, removing red tape and doing what is required to boost small and medium sized businesses.

These steps are very essential to turn the economy around. This situation cannot last forever and it's just a matter of time before the right policy decisions are taken and the economy rebounds with full force.

The Brazilian Economy Has Strong Fundamentals

Despite the political situation and the current economic dip, Brazil continues to attract a lot of foreign investments. This is not surprising considering its strong economic fundamentals. The industrial base is strong and the country has healthy foreign exchange reserves.

Brazil is the seventh largest economy in the world and the biggest in Latin America. It is also part of the BRIC economic group along with Russia, India and China, which are some of the largest and fastest growing economies of the world. Brazil is the biggest economy in Latin America and is expected to be one of the first few developing economies to become fully developed.



The strength of the Brazilian economy comes from its large domestic market, young population, natural resources, energy reserves and strong export base. Brazil leads the world in the production of sugar cane, coffee and iron ore.

It is also the leader when it comes to export of agricultural and livestock products. Over 40% of its electricity requirements are met by hydroelectric power plants. Energy and oil are critical for industries and there is no shortage of either. Brazil has some of the world's largest oil reserves outside the Middle East.

The World Continues To Be Bullish About Brazil

Despite Brazil's current economic and political situation, there is hardly any dip in international interest, trade or foreign investments. The trade between Brazil and Sweden increased by 45% in the last ten years, but this is just the tip of the iceberg.

Saab, the Swedish aircraft maker, is negotiating a \$4.7 billion deal to supply fighter aircraft to Brazil. Outright purchase of 36 aircraft and technology transfer to manufacture them in Brazil are on the cards. Saab is already negotiating with several local companies to manufacture components for the aircraft and



its systems.

Last year, Brazil entered into major trade agreements with the US, Russia, Mexico and China. Discussions are on for similar agreements with other countries in South America, Africa and Europe. Despite a dip of about 4% in FDI in 2014, Brazil has improved its ranking to the fifth place in world rankings for FDI.

Investment Experts Know That The Time Is Ripe For Investment In Brazil

With low real estate prices and an economy that is poised for a huge recovery, Brazil presents an amazing investment opportunity. Although it will take some effort to find the very best properties, there is no scarcity of great investment opportunities. Those who know about real estate investments are already making their moves.

While most people are afraid to enter the Brazilian stock markets, Mark Mobius, the head of emerging markets at Franklin Templeton Investments is looking for investment opportunities. Be it real estate or stocks, for those who have the holding power, the current low prices present an excellent opportunity to invest and make a huge profit later.



For foreign investors, things can hardly get any better. Apart from the low prices, the devaluation of the Brazilian Real has made properties 50% cheaper in terms of their home currency. Real estate buyers also have tremendous bargaining power. It's a buyer's market and the inventory of properties has gone up and the number of buyers is very low. Buyers are thus dictating the terms in the market and this allows them to get the best deals even for premium properties.

For Brazil, reversing the current economic dip is just a matter of time and political will. Once the political situation improves, a huge and quick recovery is expected. Investors, especially foreign investors, are possibly seeing a lifetime opportunity to buy Brazilian real estate while the prices are still low.

While it is true that no one can predict the market accurately, it is the general consensus that the worst is probably over. A further reduction in prices is possible, but for anyone interested in investing, it will be a wise decision to get in now. As usual, novice investors and those waiting to time the market to perfection will be left out.

[View the latest real estate listings in Bahia.](#)

You may also be interested in:

1. [The Perfect Time For Brazil Real Estate Investment?](#)
2. [Buying A Second Home Or A Holiday Home In Bahia](#)
3. [Real Estate In Praia do Forte At A Glance](#)
4. [Buying Real Estate In Bahia Take A Look At What Is Available In Praia do Forte](#)
5. [The Best Things To Do In Praia Do Forte](#)

MAIN OFFICE IN BAHIA - +55 (71) 3013 1413

AV. TANCREDO NEVES, 909 - SALA 507 - EDE. ANDRÉ GUIMARÃES CENTER - CAMINHO DAS ÁRVORES - SALVADOR-BA - CEP: 41820-021

WWW.BRAZILBAHIAPROPERTY.COM - INFO@BRAZILBAHIAPROPERTY.COM



OFFICES IN PRAIA DO FORTE · SALVADOR SHOPPING · TANCREDO NEVES · PORTO SEGURO · LONDON

