



BRAZIL BAHIA PROPERTY

## The Perfect Time For Brazil Real Estate Investment?



**As a beautiful and exotic location Brazil has always had a demand for beach front properties and vacation homes.** As a rental market Brazil scores highly for high end properties on AirBnB.

### Why A Brazil Property Is A Good Investment

A number of factors combine today to indicate that now is the time to invest in Brazilian real estate:

1. The 2016 Olympics in Rio de Janeiro.
2. The growing popularity of Brazil as a tourist destination.
3. The low value of the Brazilian Real, which has lost half its value in the last few years against the US Dollar. The exchange rate right now is extraordinary at USD/BRL 3.9.

If you throw in the current less than stable economic and political conditions in Brazil the indicators are that you have a real estate market that is undervalued. In some areas of Sao Paulo house prices have dropped by 20% with the possibility of still further drops to come.

The World Cup in 2014 boosted the reputation of Brazil internationally, increasing visitor numbers and drawing in huge overseas investment. The upcoming Olympic Games is set to have a similar or even larger impact on the real estate market and economy.

### There's More

In 2014 Brazil saw tourism rise by 10.6% from 2013 to 6.4 million. 2016 figures are set to rise well above these figures. Not least of all because foreign visitors are also now getting so much more for their cash when they convert it to Reals.

Still more positive market conditions indicate that now is the time to invest in Brazilian real estate. The local housing market

is over supplied which has resulted in prices dropping. The rental property demand is set to be high because of the Olympics. Rental demand also generally increases after a housing bubble burst.

Rental returns are currently the biggest attraction for International Investors. The market for rental property in Brazil is 7 million strong. The other option is to target rentals at the tourist industry offering both domestic and International holiday makers somewhere to stay during Brazil's busy holiday periods.

There are also opportunities beyond the residential market in the [commercial](#) sector, with investors targeting commercial property in urban areas as lucrative rental opportunities.

The weak Real is probably the largest single factor encouraging overseas investors right now. It fell 22% against the Dollar and 29% against the Pound in 2015 alone. Presenting investors from the US and the UK with much lower property purchase prices. To add to this indications are that the Real is currently undervalued.

Certainly the recent investment and trade agreement deals from the other BRIC's nations would indicate a very positive future for Brazil's economy. This would indicate the value of the Real will rise soon. If this really is the case then now truly is the time for overseas investors to seize the opportunity presented to them an invest in Brazilian property now. There are profits just sat there waiting to be picked up.



These are ideal conditions for a real estate investor, you will currently get much more property for your money, profit from a large rental market and profit again in a number of years when the market bounces back and the time is right to sell your property.

International real estate investors should seize this rare opportunity to take advantage of the circumstances but be patient with sales and deal with an agent on the ground to be sure of maximising your investment. You should also consider that you may need to hang on to your investment should the economy drop a little further before recovering.



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**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](http://WWW.BRAZILBAHIAPROPERTY.COM) - [INFO@BRAZILBAHIAPROPERTY.COM](mailto:INFO@BRAZILBAHIAPROPERTY.COM)



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