

Brazil Housing Tracker

Chart book: data you may have missed during holiday season

Industry Overview

Monthly update: November data

Our chart book of November data – published mostly during the holiday season – for the Brazilian housing market points out to continued MCMV growth and some mid/high deceleration in the 4Q. Low-income housing supply accelerated in October amid improved affordability within MCMV while SoS held-up amid average prices 18% up y/y. We expect companies to continue focusing on margins in this new MCMV environment. Mid/high-income saw a marginal deceleration in SoS, on top of lower launches. We remain concerned about discounting supporting sales amid deteriorated affordability and still elevated inventory facing peak deliveries and still strong launches throughout '23.

Supply | Launches | SP: Peak low-income launches, mid/high decelerates

(November, Secovi). Low-income launches continued to accelerate in the 3Q, reaching a peak for November (doubling y/y, up 68% m/m) and up over 1.5x y/y quarter-to-date (vs. 8% y/y in 3Q) still driven by new subsidy parameters within MCMV. Mid/high-income launches are back to deceleration after October broke a 5-month decrease series.

Supply | Inventory | SP: Inventory remains stable (November, Secovi). Mid/high income inventory remained stable at high levels, still 2.5x above 2019 at 12 months of sales. Low-income starts to rebuild inventory (at 8 months of sales) as margins recover.

Demand | SP: Mid/high SoS marginally down (November, Secovi). Sales were down 12% y/y driven by lower mid/high-income SoS. Mid/high-income sales fell 28% m/m (23% y/y) on a SoS down 270bp m/m (120bp y/y). We see evidence of inventory discounting likely supporting SoS amid weak affordability. Lower-income sales remained flattish y/y despite stronger launches and better MCMV as homebuilders focus on prices.

Credit | FGTS: CVA lines up 50% y/y in November (November, FGTS). Overall FGTS mortgage concessions for MCMV lines remain up 50% y/y (in units, 77% in value). December preview points out to at least 32% y/y growth in the 4Q (in units, 55% in value). Growth on the year continues driven by higher-income brackets with average prices up 18% y/y (flat m/m), likely boosted by adjustments in subsidies in the 3Q.

Discounts | FGTS: Budget execution reaches 93% (November, FGTS). Discounts rose 46% y/y in November. December partial points out to 93% budget execution in '23.

Credit | SBPE: Concessions down for the 8th consecutive month (November, Abecip). Mortgage concessions with savings resources deepened again into negative territory down 32% y/y amid a challenging affordability environment.

Rates: Stable, but Caixa still levels from below (October, BCB). Mortgage rates rose remained flattish at TR + 10.2% with Caixa still operating about 180bps below peers (at TR + 8.8%). Santander continues to charge the highest rates at TR + 11.4%.

Inflation: Marginal uptick in materials (December, FGV). Construction inflation rose 0.26% m/m in December (3.3% y/y), driven by 'Installation materials'.

05 January 2024

Equity
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Aline Caldeira >>
Research Analyst
Merrill Lynch (Brazil)
+55 11 2188 4583
aline.caldeira@bofa.com

Carlos Peyrelongue >>
Research Analyst
Merrill Lynch (Mexico)
+52 55 5201 3276
carlos.peyrelongue@bofa.com

Inside this report you'll find a **handbook with summary tables + heatmaps of the latest data on Brazil's housing market**.

[Please reach out for the complete database.](#)

Acronyms and abbreviations on page 12.

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Timestamp: 05 January 2024 05:00AM EST

Housing market at a glance

Exhibit 1: Heatmap | Housing credit

FGTS is the most real-time data

	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	
Concessions														
by type														
FGTS				7,997	6,862	5,392	6,094	5,845	5,492	5,059	4,268	3,927	6,117	
m/m				16.5%	27.3%	(11.5%)	4.3%	6.4%	8.5%	18.5%	8.7%	(35.8%)	36.8%	
y/y				67.9%	62.1%	32.6%	43.0%	45.1%	56.1%	56.0%	35.2%	55.7%	45.2%	
LTM				51.2%	48.4%	44.3%	44.0%	42.1%	38.0%	33.9%	27.8%	24.6%	20.9%	
SFH				7,269	7,403	7,886	7,304	7,387	7,307	10,053	6,849	7,918	7,280	
m/m				(1.8%)	(6.1%)	8.0%	(1.1%)	1.1%	(27.3%)	46.8%	(13.5%)	8.8%	(16.0%)	
y/y				(24.6%)	(28.8%)	(29.6%)	(30.6%)	(21.8%)	(12.9%)	14.6%	(22.3%)	(11.4%)	(29.0%)	
LTM				(20.8%)	(19.1%)	(19.2%)	(17.7%)	(16.7%)	(17.5%)	(19.0%)	(22.2%)	(21.6%)	(20.8%)	
by index														
TR				96.2%	95.9%	95.9%	96.2%	95.9%	96.1%	94.4%	95.4%	93.8%	93.6%	
IPCA				1.3%	1.4%	1.2%	1.1%	1.1%	0.9%	1.8%	0.8%	0.7%	0.6%	
Fixed				1.3%	1.5%	1.8%	1.6%	1.7%	1.8%	2.7%	2.7%	4.5%	4.5%	
SBPE	7,964	8,227	9,980	9,216	8,416	10,703	9,854	7,710	14,397	8,126	9,534	9,115		
m/m	(3.2%)	(17.6%)	8.3%	9.5%	(21.4%)	8.6%	27.8%	(46.4%)	77.2%	(14.8%)	4.6%	(11.3%)		
y/y	(22.5%)	(25.1%)	(17.6%)	(24.7%)	(40.5%)	(11.6%)	(18.9%)	(17.1%)	30.3%	(12.3%)	(17.8%)	(21.4%)		
LTM	(17.2%)	(17.7%)	(17.3%)	(17.4%)	(17.7%)	(14.2%)	(15.1%)	(15.0%)	(16.5%)	(20.4%)	(20.7%)	(18.4%)		
SBPE by bank														
Caixa	45.0%	48.9%	49.9%	50.1%	52.0%	53.5%	55.4%	54.2%	53.5%	42.4%	39.3%	41.2%		
Others	55.0%	51.1%	50.1%	49.9%	48.0%	46.5%	44.6%	45.8%	46.5%	57.6%	60.7%	58.8%		
FGTS by line														
Apoio à produção	5,409	5,030	5,331	6,724	5,683	5,122	5,179	4,220	3,627	4,227	3,238	2,862	5,056	
m/m	7.5%	(5.6%)	(20.7%)	18.3%	10.9%	(1.1%)	22.7%	16.3%	(14.2%)	30.5%	13.1%	(43.4%)	57.8%	
y/y	7.0%	57.0%	51.1%	66.0%	45.4%	61.6%	55.0%	18.0%	23.9%	35.4%	30.6%	16.7%	15.2%	
LTM	38.8%	40.2%	36.1%	34.4%	31.5%	30.6%	27.5%	23.7%	24.1%	23.5%	20.5%	19.7%	21.3%	
% annual budget	132.1%	119.4%	107.7%	95.3%	79.6%	66.4%	54.4%	42.4%	32.5%	24.1%	14.2%	6.7%	106.0%	
CCI	2,548	3,869	3,950	3,728	3,369	2,334	2,695	2,489	2,132	2,239	1,398	1,456	1,943	
m/m	(34.2%)	(2.0%)	6.0%	10.7%	44.4%	(13.4%)	8.3%	16.7%	(4.8%)	60.1%	(4.0%)	(25.1%)	20.2%	
y/y	31.1%	139.3%	151.4%	116.9%	86.5%	35.1%	71.7%	45.2%	88.8%	58.5%	22.2%	38.5%	26.6%	
LTM	75.0%	75.6%	69.6%	58.9%	51.2%	44.4%	45.7%	40.1%	38.7%	30.6%	24.0%	22.2%	18.5%	
% annual budget	148.4%	136.7%	118.8%	100.6%	83.5%	67.9%	57.2%	44.8%	33.3%	23.5%	13.2%	6.7%	80.0%	
Pro-cotista	1,154	1,297	1,176	1,050	834	244	880	451	751	615	629	586	867	
% annual budget	483.3%	425.6%	360.8%	302.0%	249.5%	207.8%	195.6%	151.6%	129.1%	91.5%	60.7%	29.3%	179.3%	
FGTS CVA program														
Group 1											797	1,029	1,090	1,667
m/m											(22.6%)	(5.6%)	(34.6%)	34.9%
y/y											(14.7%)	29.4%	41.6%	29.1%
LTM											8.5%	5.6%	1.4%	(2.2%)
Group 2											1,138	1,342	1,373	2,040
m/m											(15.2%)	(2.2%)	(32.7%)	22.0%
y/y											(38.8%)	(7.6%)	5.8%	57.9%
LTM											1.9%	4.8%	4.6%	3.9%
Group 3											741	931	845	1,092
m/m											(20.4%)	10.2%	(22.7%)	12.1%
y/y											(22.2%)	29.4%	57.0%	58.6%
LTM											81.1%	97.8%	103.9%	106.4%
Average price											134,405	133,009	129,654	127,330
m/m											1.0%	2.6%	1.8%	(0.6%)
y/y											9.7%	9.3%	9.6%	9.4%
LTM											9.4%	9.3%	9.3%	9.0%
FGTS CVA discounts														
	804	964	1,037	994	836	581	654	664	559	704	510	563	892	
m/m	(16.5%)	(7.1%)	4.3%	18.9%	43.9%	(11.1%)	(1.4%)	18.7%	(20.6%)	38.0%	(9.3%)	(36.9%)	30.2%	
y/y	(9.8%)	40.7%	46.6%	25.9%	8.4%	(1.8%)	12.9%	13.3%	56.0%	75.5%	60.7%	83.3%	55.5%	
LTM	27.0%	34.4%	35.4%	35.1%	37.3%	40.5%	41.2%	37.6%	33.6%	24.1%	12.5%	5.1%	(1.6%)	
as a % of mortgage value	22.3%	21.8%	21.0%	20.0%	18.6%	17.5%	17.2%	17.8%	18.6%	19.5%	20.8%	21.4%	21.9%	
Complement (% price)	10.9%	10.7%	10.3%	9.7%	9.2%	8.7%	8.7%	9.1%	9.7%	10.4%	11.0%	11.1%	11.3%	
Balance (% price)	11.3%	11.1%	10.7%	10.3%	9.5%	8.9%	8.6%	8.7%	8.9%	9.1%	9.9%	10.3%	10.6%	
Funding														
SBPE flows		(1,801)	(8,825)	(5,563)	(8,470)	(3,703)	2,421	(10,444)	(5,075)	(5,665)	(8,577)	(27,217)	5,669	
FGTS flows		2,858	2,266	2,438	1,212	2,297	2,497	1,038	2,507	857	3,085	5,495	5,843	
Rates														

Exhibit 1: Heatmap | Housing credit

FGTS is the most real-time data

	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22
Average									10.8%	11.0%	9.5%	10.7%	10.7%
by bank @ TR+													
Caixa		8.8%	8.9%	8.8%	8.7%	8.8%	8.6%	8.6%	8.4%	8.1%	7.5%	7.4%	7.0%
Santander		11.4%	11.4%	11.3%	11.4%	11.5%	11.5%	11.2%	10.8%	10.6%	10.4%	10.1%	10.1%
Itau		10.7%	10.8%	10.8%	10.9%	10.8%	10.7%	10.7%	10.5%	10.3%	10.2%	10.0%	9.7%
Bradesco		10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.3%	9.8%	9.5%	7.0%
Delinquency		1.7%	1.8%	1.9%	2.0%	1.8%	2.0%	1.9%	1.7%	1.8%	1.6%	1.5%	
SFH		-	1.1%				1.1%	1.2%	1.2%	1.0%			0.9%
FGTS		-	2.6%				2.8%	3.0%	3.0%	2.6%			2.3%

Source: BCB, FGTS, Abecip, MDR, Bloomberg, BofA Global Research

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Exhibit 2: Heatmap | Housing supply

Inventory has been holding up since the begging of the year

	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22
Launches (units)													
SP													
Low-income	5,908	3,511	4,334	3,391	2,063	2,652	2,601	647	3,893	894	1,629	4,574	
m/m	68.3%	(19.0%)	27.8%	64.4%	(22.2%)	2.0%	302.0%	(83.4%)	335.5%	(45.1%)	(64.4%)	60.8%	
y/y	107.7%	243.2%	35.0%	(16.2%)	12.6%	(18.8%)	(34.7%)	(59.0%)	34.1%	(36.3%)	110.2%	(47.6%)	
LTM	1.4%	(2.5%)	(14.8%)	(16.4%)	(12.4%)	(16.8%)	(13.9%)	(7.3%)	(9.6%)	(10.3%)	(8.1%)	(12.0%)	
Mid/high-income	2,777	4,492	3,035	2,972	2,157	3,808	3,327	4,607	3,048	848	170	5,154	
m/m	(38.2%)	48.0%	2.1%	37.8%	(43.4%)	14.5%	(27.8%)	51.1%	259.4%	398.8%	(96.7%)	(22.0%)	
y/y	(58.0%)	22.3%	(5.5%)	(0.6%)	(19.2%)	(36.6%)	(8.8%)	101.7%	(23.2%)	(57.0%)	-	(50.3%)	
LTM	(23.5%)	(12.8%)	(14.9%)	(18.1%)	(20.6%)	(21.1%)	(13.6%)	(16.1%)	(19.1%)	(12.7%)	(7.6%)	(8.1%)	
Brazil													
Low-income			7,380	6,980	4,543	8,196	4,872	9,339	8,603	5,625	2,993	10,203	
m/m			5.7%	53.6%	(44.6%)	68.2%	(47.8%)	8.6%	52.9%	87.9%	(70.7%)	(14.7%)	
y/y			(31.3%)	17.1%	216.1%	(3.8%)	(14.5%)	229.0%	42.9%	85.5%	(60.8%)	(23.8%)	
LTM			8.5%	15.7%	16.7%	9.4%	8.5%	11.5%	0.3%	(3.5%)	(9.8%)	(0.6%)	
Mid/high-income			2,995	1,955	3,239	4,618	1,996	598	1,968	257	160	2,585	
m/m			53.2%	(39.6%)	(29.9%)	131.4%	233.8%	(69.6%)	665.8%	60.6%	(93.8%)	(11.5%)	
y/y			1.7%	(25.6%)	40.2%	(47.5%)	4.2%	(76.1%)	(45.6%)	(91.4%)	(94.8%)	(81.5%)	
LTM			(52.4%)	(55.3%)	(55.0%)	(57.2%)	(49.4%)	(52.1%)	(48.2%)	(48.0%)	(41.7%)	(33.9%)	
Inventory (units)													
SP													
Low-income	23,871	21,556	21,091	20,100	20,611	21,333	21,037	21,469	23,434	22,992	24,338	25,186	
m/m	10.7%	2.2%	4.9%	(2.5%)	(3.4%)	1.4%	(2.0%)	(8.4%)	1.9%	(5.5%)	(3.4%)	8.2%	
y/y	2.6%	(10.9%)	(19.3%)	(22.2%)	(16.0%)	(16.3%)	(15.2%)	(12.6%)	(8.9%)	(11.8%)	(9.3%)	(10.4%)	
LTM	(12.6%)	(12.9%)	(12.1%)	(9.5%)	(6.8%)	(5.1%)	(2.7%)	(0.9%)	0.7%	2.8%	5.2%	7.0%	
Months of sales	8.1	7.3	7.1	6.9	7.3	7.5	7.4	7.4	8.0	7.9	8.4	8.8	
Mid/high-income	39,767	39,896	39,690	40,544	41,851	42,757	42,676	43,131	41,479	42,272	43,985	45,619	
m/m	(0.3%)	0.5%	(2.1%)	(3.1%)	(2.1%)	0.2%	(1.1%)	4.0%	(1.9%)	(3.9%)	(3.6%)	4.8%	
y/y	(8.6%)	(3.4%)	(2.1%)	3.7%	5.6%	7.4%	12.7%	15.6%	10.0%	14.8%	19.3%	20.9%	
LTM	7.6%	11.2%	14.4%	17.9%	21.5%	25.7%	30.5%	34.8%	39.9%	46.4%	52.3%	57.8%	
Months of sales	12.1	11.9	12.3	12.9	13.8	14.0	14.0	14.4	13.9	14.3	15.1	15.8	
Brazil													
Low-income			55,393	52,719	54,929	55,512	54,705	56,541	59,247	60,086	59,922	64,872	
m/m			5.1%	(4.0%)	(1.1%)	1.5%	(3.2%)	(4.6%)	(1.4%)	0.3%	(7.6%)	(3.4%)	
y/y			(16.8%)	(21.9%)	(17.8%)	(16.4%)	(9.0%)	(6.8%)	(3.9%)	(2.2%)	(0.4%)	7.3%	
LTM			(4.0%)	(0.1%)	5.2%	10.5%	16.3%	21.5%	27.6%	34.2%	42.3%	50.7%	
Months of sales			15.6	14.7	15.5	16.1	16.4	17.3	18.3	18.7	18.8	20.6	
Mid/high-income			2,995	1,955	3,239	4,618	1,996	598	1,968	257	160	2,585	
m/m			53.2%	(39.6%)	(29.9%)	131.4%	233.8%	(69.6%)	665.8%	60.6%	(93.8%)	(11.5%)	
y/y			1.7%	(25.6%)	40.2%	(47.5%)	4.2%	(76.1%)	(45.6%)	(91.4%)	(94.8%)	(81.5%)	
LTM			(52.4%)	(55.3%)	(55.0%)	(57.2%)	(49.4%)	(52.1%)	(48.2%)	(48.0%)	(41.7%)	(33.9%)	
Months of sales			15.6	14.7	15.5	16.1	16.4	17.3	18.3	18.7	18.8	20.6	

Source: Secovi, Fipe, Abراین, FGV, BofA Global Research

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Exhibit 3: Heatmap | Housing demand

SoS is usually higher for low-income

	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22
Sales (units)													
SP													
Low-income	3,550	2,934	3,426	3,713	2,884	2,352	2,998	2,632	3,450	2,240	2,497	2,901	
m/m	21.0%	(14.4%)	(7.7%)	28.7%	22.6%	(21.5%)	13.9%	(23.7%)	54.0%	(10.3%)	(13.9%)	(19.6%)	
y/y	(1.6%)	3.8%	16.7%	37.5%	3.6%	(8.2%)	(20.2%)	(4.3%)	8.3%	0.7%	20.6%	(30.2%)	
LTM	0.0%	4.7%	5.4%	5.0%	0.0%	(0.3%)	(2.2%)	2.7%	3.5%	3.4%	0.8%	0.8%	
Mid/high-income	2,916	4,039	3,991	4,316	2,941	3,594	3,775	2,921	3,669	2,405	1,922	2,829	
m/m	(27.8%)	1.2%	(7.5%)	46.8%	(18.2%)	(4.8%)	29.2%	(20.4%)	52.6%	25.1%	(32.1%)	(25.1%)	
y/y	(22.8%)	51.3%	36.0%	48.3%	(6.9%)	(3.5%)	22.5%	6.5%	10.9%	20.0%	28.6%	(36.6%)	
LTM	8.4%	13.7%	8.7%	7.1%	2.0%	4.4%	5.7%	3.8%	7.2%	11.2%	10.1%	8.1%	
SP SoS													
Low-income	12.9%	12.1%	14.0%	15.6%	12.3%	9.9%	12.5%	10.9%	12.8%	8.9%	9.3%	10.3%	
Mid/high-income	6.8%	9.2%	9.1%	9.6%	6.6%	7.8%	8.1%	6.3%	8.1%	5.4%	4.2%	5.8%	
1 room	7.3%	10.4%	12.2%	10.7%	8.1%	7.5%	6.5%	7.7%	8.4%	63.1%	4.9%	6.6%	
2 rooms	10.8%	10.5%	11.6%	13.3%	9.5%	8.9%	11.0%	8.8%	11.4%	7.6%	7.3%	8.5%	
3 rooms	6.1%	8.6%	5.8%	6.9%	5.9%	8.0%	10.3%	4.8%	6.4%	4.3%	3.4%	4.9%	
+4 rooms	8.4%	9.1%	5.9%	9.1%	5.2%	11.2%	6.2%	6.0%	7.4%	3.5%	3.3%	5.6%	
Brazil													
Low-income	10,045	12,215	9,341	8,453	8,603	8,984	9,158	6,722	5,301	6,975			
m/m	(17.8%)	30.8%	10.5%	(1.7%)	(4.2%)	(1.9%)	36.2%	26.8%	(24.0%)	25.6%			
y/y	64.1%	71.8%	60.6%	24.3%	1.8%	10.1%	2.2%	3.9%	(16.1%)	(15.3%)			
LTM	11.5%	5.1%	(1.6%)	(7.5%)	(12.9%)	(13.8%)	(15.1%)	(17.2%)	(19.5%)	(19.2%)			
Mid/high-income	3,690	3,868	3,657	4,216	3,653	3,164	3,810	2,663	2,492	3,697			
m/m	(4.6%)	5.8%	(13.3%)	15.4%	15.5%	(17.0%)	43.1%	6.9%	(32.6%)	0.1%			
y/y	(7.2%)	13.4%	42.0%	48.2%	30.8%	13.4%	7.3%	11.5%	28.2%	6.1%			
LTM	22.6%	28.6%	31.1%	29.7%	24.0%	23.2%	26.0%	32.6%	35.7%	37.7%			
Brazil SoS													
Low-income	11.1%	14.2%	11.1%	9.3%	10.1%	10.0%	10.5%	8.9%	6.9%	7.7%			
Mid/high-income	6.3%	7.1%	6.3%	7.0%	6.4%	5.5%	6.2%	4.4%	4.1%	5.5%			

Source: Secovi, Fipe, Abirac, FGV, BofA Global Research

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Exhibit 4: Heatmap | Prices and costs

INCC has been decelerating

	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22
Costs													
INCC y/y	3.3%	3.1%	3.0%	2.7%	2.5%	2.3%	4.3%	6.3%	6.3%	8.2%	8.8%	9.1%	9.4%
INCC m/m	0.3%	0.1%	0.2%	0.2%	0.2%	0.1%	0.9%	0.4%	0.2%	0.2%	0.2%	0.3%	0.3%
Materials and equipment	0.3%	(0.2%)	0.1%	0.0%	(0.1%)	(0.3%)	0.2%	(0.1%)	0.1%	(0.1%)	0.2%	(0.3%)	0.4%
Structure materials	0.1%	(0.0%)	(0.0%)	(0.1%)	(0.1%)	(0.2%)	(0.7%)	0.1%	(0.5%)	(0.3%)	(0.1%)	(0.6%)	0.6%
Metals							0.6%	(0.4%)	(1.6%)	(1.2%)	(0.0%)	(0.6%)	1.7%
Wood							-	0.1%	(0.2%)	0.1%	(0.2%)	(0.1%)	(0.1%)
Non-metallic minerals							(0.5%)	0.3%	0.3%	-	0.0%	(0.7%)	0.2%
Installation materials	1.1%	(1.2%)	0.1%	0.1%	(0.2%)	(0.9%)	(1.1%)	(0.2%)	1.7%	(0.2%)	0.1%	(0.8%)	(0.4%)
Hidraulic							(0.9%)	(0.3%)	2.5%	(0.4%)	0.1%	(1.7%)	(0.6%)
Electric							(1.5%)	(0.1%)	0.4%	0.2%	0.0%	0.8%	0.1%
Finishing materials	0.0%	0.0%	0.1%	0.3%	(0.2%)	(0.1%)	0.2%	(0.3%)	0.1%	0.2%	0.4%	0.2%	0.3%
Services	0.1%	0.4%	0.8%	0.4%	0.2%	0.8%	0.2%	0.6%	0.7%	0.9%	1.1%	0.5%	0.4%
Labor	0.2%	0.4%	0.3%	0.5%	0.7%	0.4%	1.8%	0.8%	0.2%	0.3%	0.1%	0.8%	0.2%
Prices													
Buy	8,697	8,666	8,622	8,584	8,548	8,515	8,472	8,433	8,396	8,360	8,329	8,304	
m/m	0.4%	0.5%	0.4%	0.4%	0.4%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	
y/y	5.1%	5.2%	5.2%	5.4%	5.6%	5.7%	5.7%	5.6%	5.7%	5.8%	5.9%	6.2%	
LTM	5.6%	5.7%	5.8%	5.9%	5.9%	6.0%	6.0%	6.0%	6.1%	6.1%	6.1%	6.1%	
Rent	42	42	42	41	41	40	39	39	38	38	37	37	
m/m	0.8%	0.7%	1.0%	1.2%	1.5%	1.3%	1.3%	1.7%	1.7%	1.6%	1.2%	0.9%	
y/y	16.0%	16.0%	16.2%	16.3%	16.4%	16.2%	16.5%	17.0%	17.2%	17.0%	16.8%	16.6%	
LTM	16.5%	16.5%	16.6%	16.5%	16.5%	16.3%	16.3%	15.6%	15.0%	14.2%	13.2%	12.2%	
Own vs rent	42.3%	42.9%	43.1%	44.2%	44.8%	45.3%	45.8%	45.1%	44.7%	44.1%	44.0%	36.9%	
Historical	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	43.7%	

Source: FGV, Fipe, BofA Global Research estimates

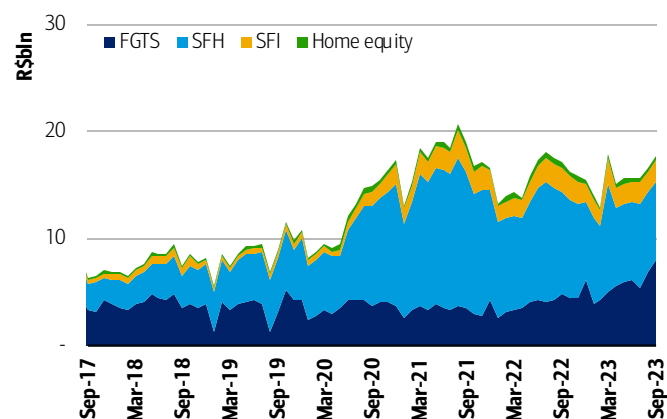
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Please note FGTS data is subject to backward revisions.

Housing credit

Exhibit 5: Mortgage concessions by type

In R\$bln, monthly | SFH is the largest line since 2018

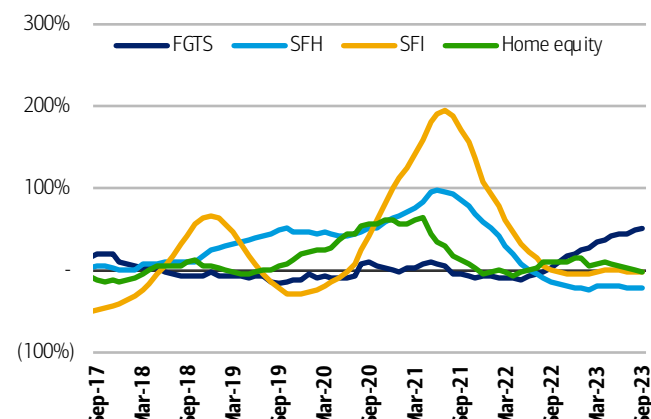


Source: BCB

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Exhibit 6: Mortgage concessions by type y/y

%, LTM | SFI has been posting the strongest growth

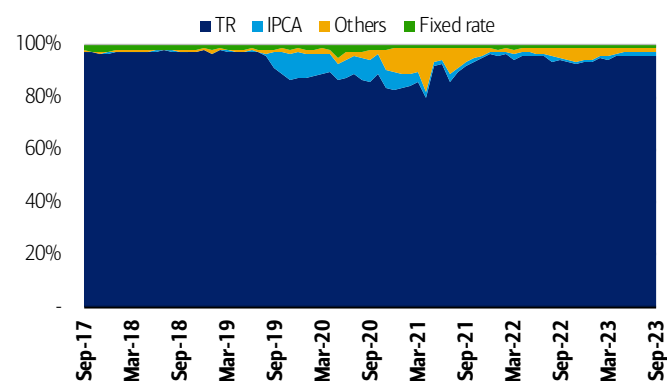


Source: BCB

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Exhibit 7: Mortgage concessions market share by index

%, 3mma | TR remains the most relevant mortgage index

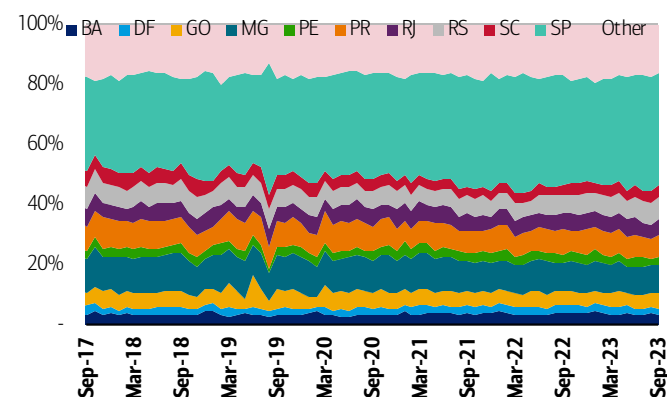


Source: BCB

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Exhibit 8: Mortgage concessions market share by state

%, 3mma | SP is the most relevant market



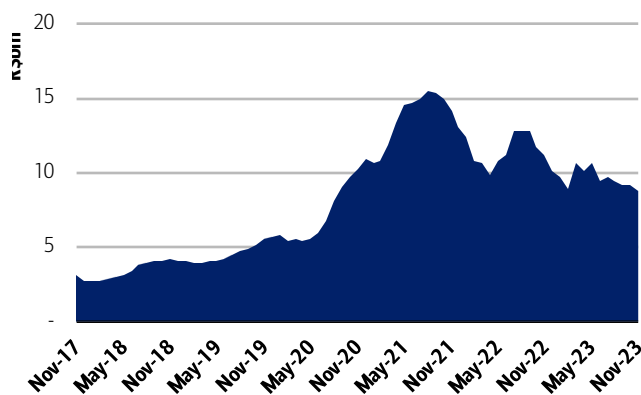
Source: BCB

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SBPE

Exhibit 9: Mortgage concessions with SBPE resources

In R\$bln, 3mma | Concessions with savings resources started to recover...

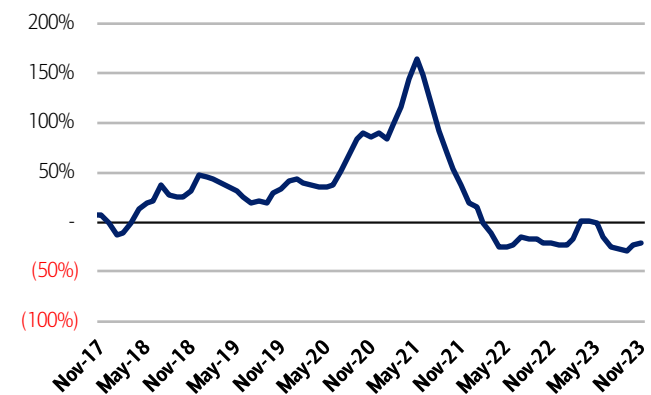


Source: Abecip

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Exhibit 10: Mortgage concessions with SBPE resources y/y

%, 3mma | ...but remain on negative territory y/y

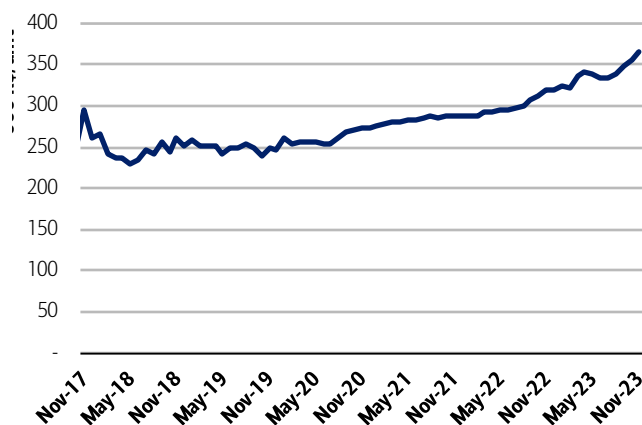


Source: Abecip

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Exhibit 11: Average mortgage value per unit at SBPE concessions

In R\$ thousand per unit, monthly | Mortgage value continues down y/y

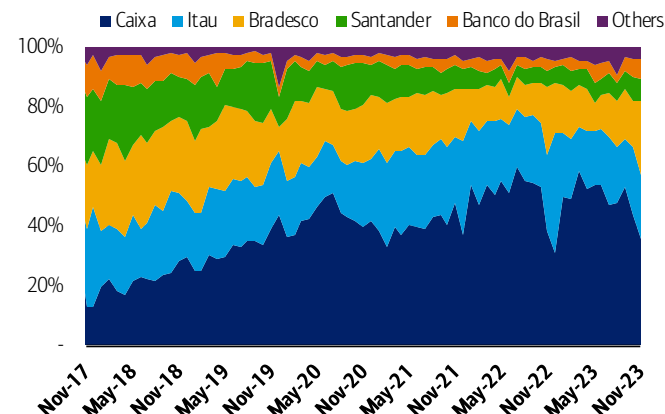


Source: Abecip

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Exhibit 12: Mortgage concessions with SBPE market share by bank

%, monthly | Caixa represents over 50% of the market

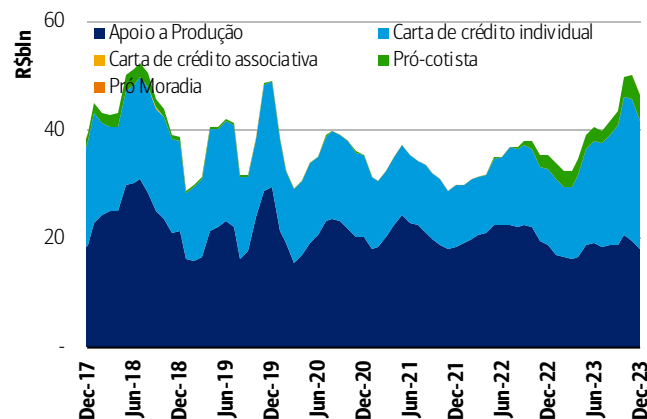


Source: Abecip

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FGTS**Exhibit 13: FGTS mortgage concessions by line**

In units, 3mma | 'Apoio a produção' is the most relevant line

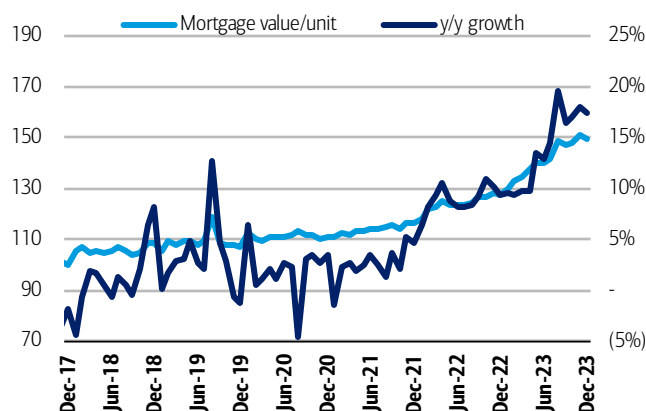


Source: FGTS

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Exhibit 14: Average mortgage value per unit within FGTS concessions

In R\$ thousand per unit and % (rhs), | Prices grow since 2021

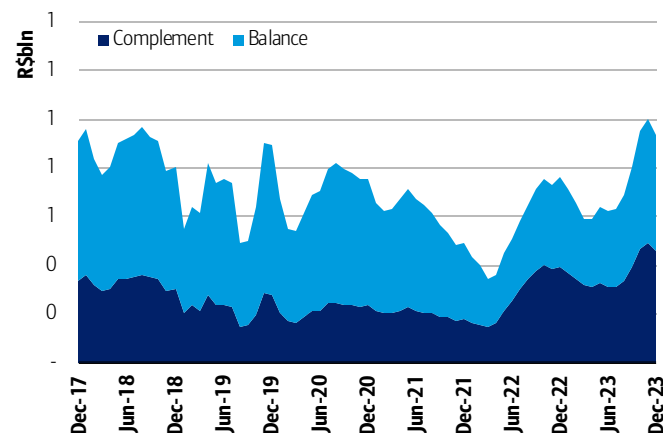


Source: FGTS

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Exhibit 15: FGTS discounts by type

In R\$bn, 3mma | Balance (rate) discounts consume more budget

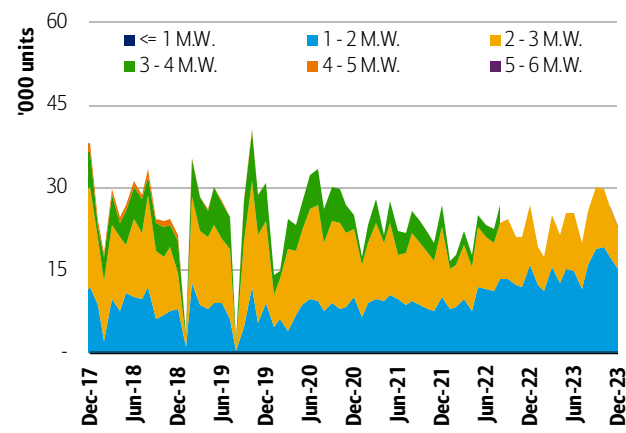


Source: FGTS

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Exhibit 16: FGTS discounts by income level

In units, monthly | Families earning 1-2 wages are more representative

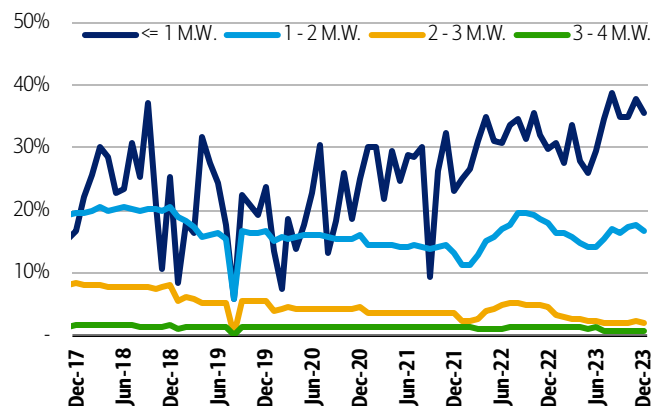


Source: FGTS

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Exhibit 17: FGTS discounts as a % of mortgage value per income level

%, monthly | Families earning less than 1 wage see the highest % discount

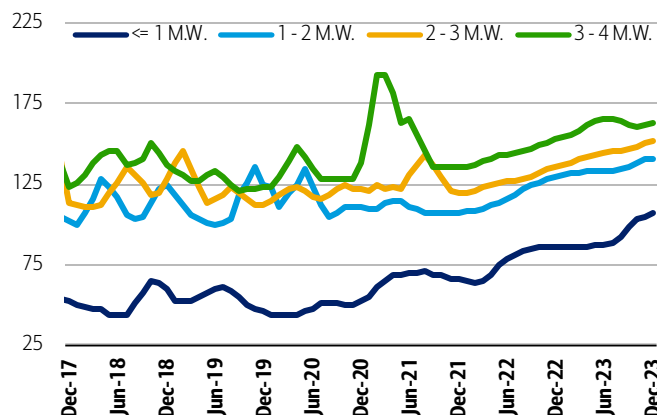


Source: FGTS

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Exhibit 18: Mortgage value + complement discount by income level

In R\$ thousand per unit, 3mma | Prices range between R\$50-175mln/unit



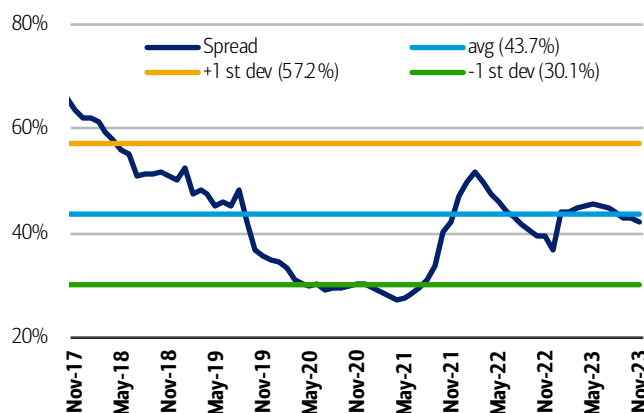
Source: FGTS

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Affordability

Exhibit 19: Own vs rent spread in Brazil

% premium on a mortgage installment vs rent | Premium is close to peak

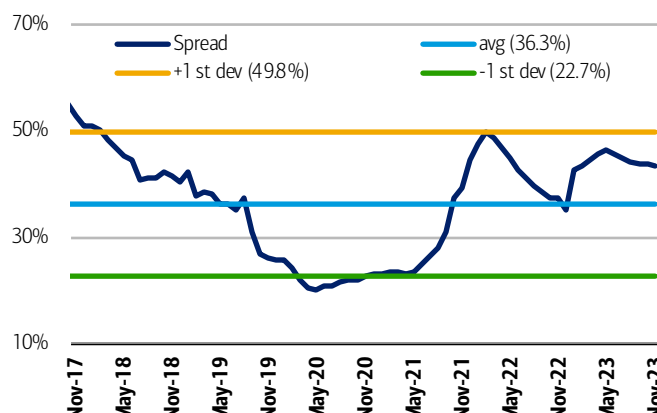


Source: BofA Global Research

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Exhibit 20: Own vs rent spread in SP

% premium on a mortgage installment vs rent | Premium is close to peak



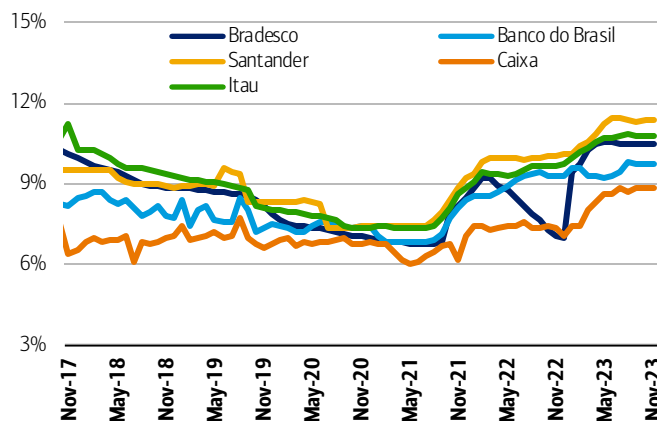
Source: BofA Global Research

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Rates

Exhibit 21: Mortgage rate spread (TR+) by bank

% a.a., monthly | Caixa levels rates from below

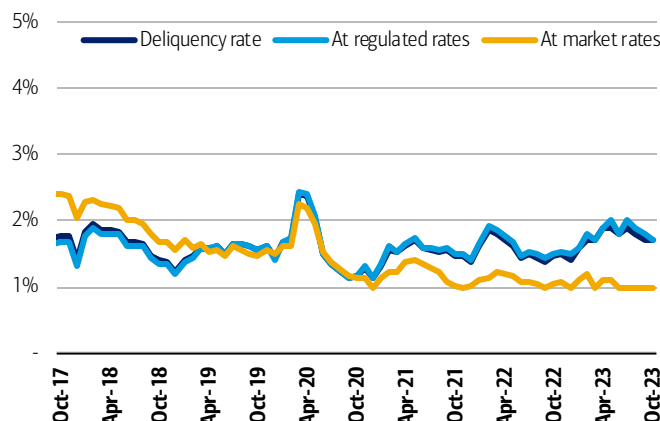


Source: BCB

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Exhibit 22: Mortgage delinquency

%, monthly | Delinquency is lower at market rates



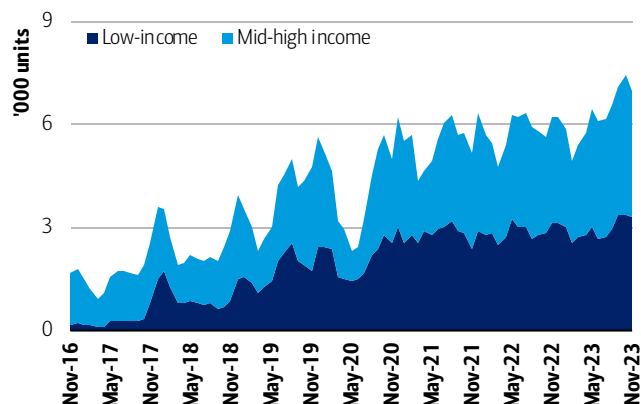
Source: BCB

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Demand

Exhibit 23: Home sales in SP by income segment

In units, 3mma | Low-income has been growing steadily



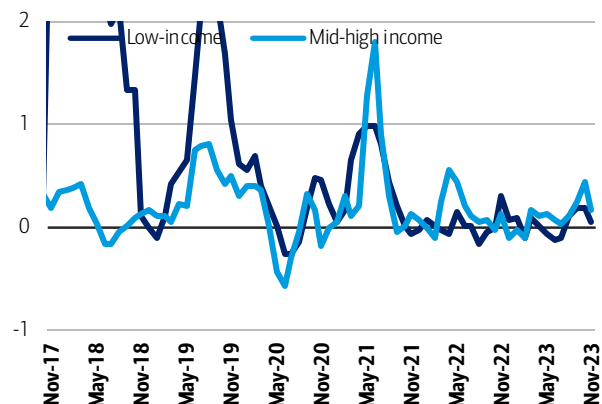
Source: Secovi

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Exhibit 24: Home sales in SP by income segment y/y

%, 3mma | Mid-high-income sales are on positive territory on easy comps



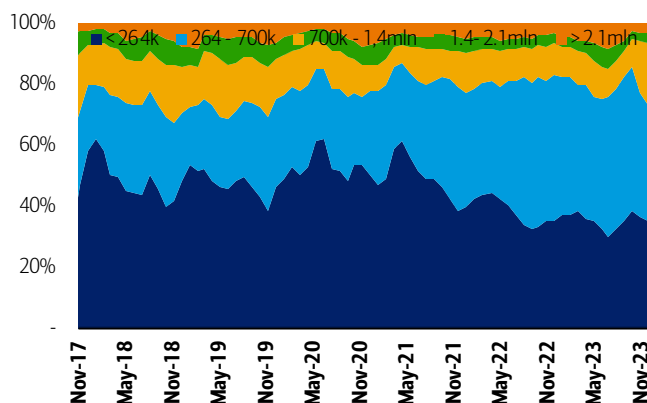
Source: Secovi

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Exhibit 25: Home sales in SP market share by unit price

%, 3mma | Units between R\$265-700mln are the most representative

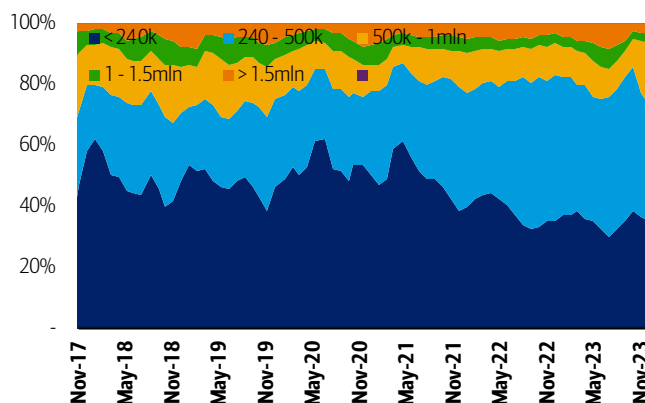


Source: Secovi

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Exhibit 26: Home sales in SP market share by unit size

%, 3mma | Most units sold have less than 45 sqm



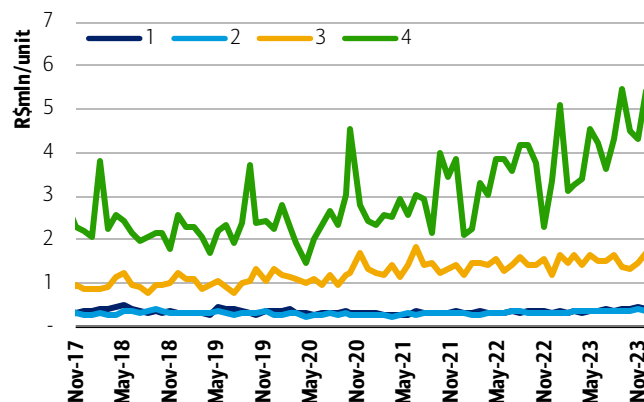
Source: Secovi

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Exhibit 27: Average price by room count in SP

In R\$mln per unit, monthly | Average price for larger units has accelerated

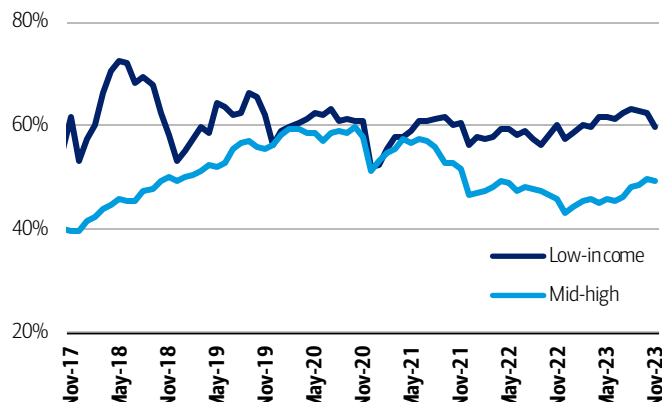


Source: Secovi

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Exhibit 28: SoS by income segment in SP

%, monthly | Mid/high-income SoS is lower



Source: Secovi

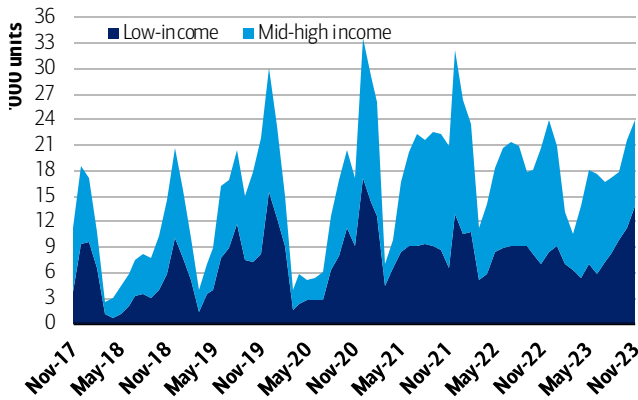
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Supply

Launches

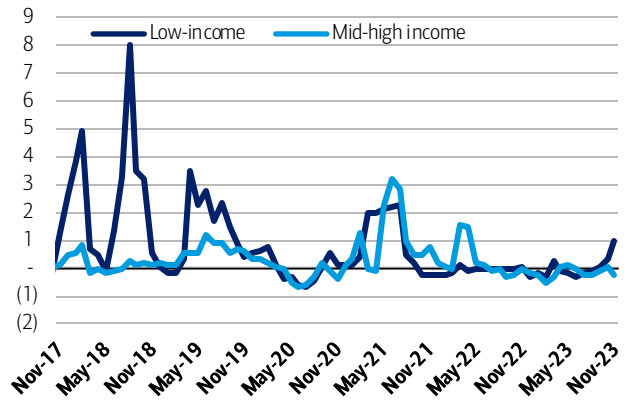
Exhibit 29: Home launches in SP by income segment
In units, 3mma | Launches see seasonality effects



Source: Secovi

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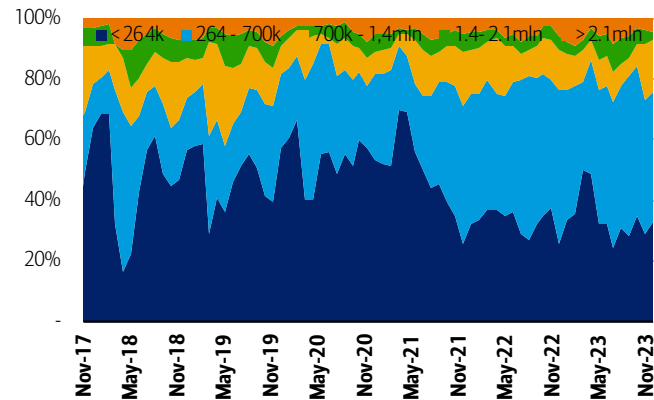
Exhibit 30: Home launches in SP by income segment y/y
%, 3mma | Launches have been roughly stable y/y



Source: Secovi

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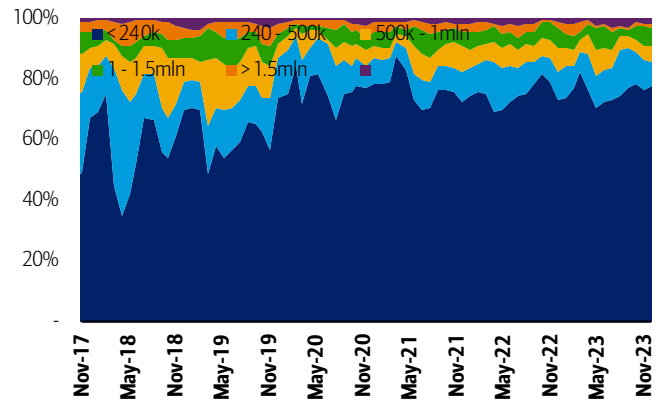
Exhibit 31: Home launches in SP market share by unit price
%, 3mma | Launches respond to both price...



Source: Secovi

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Exhibit 32: Home launches in SP market share by unit size
%, 3mma | ...and size demand

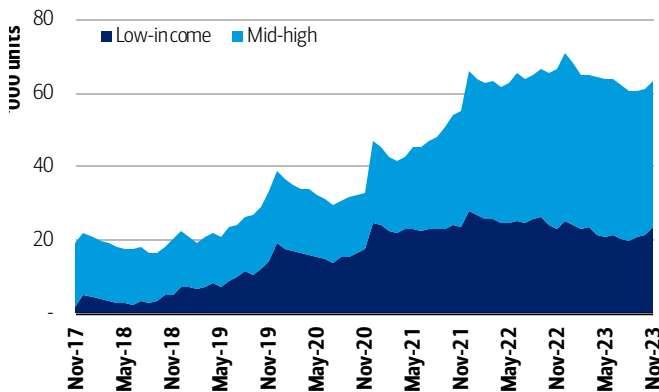


Source: Secovi

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Inventory

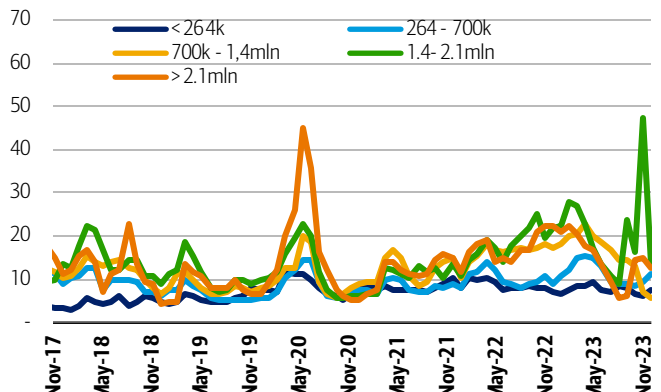
Exhibit 33: Home inventory in SP by income segment
In units, 3mma | Mid/high-income inventory is accumulating



Source: Secovi

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Exhibit 34: Home inventory in SP by unit price
In months of sales, 3mma | Units between R\$1-1.5mln see higher increase



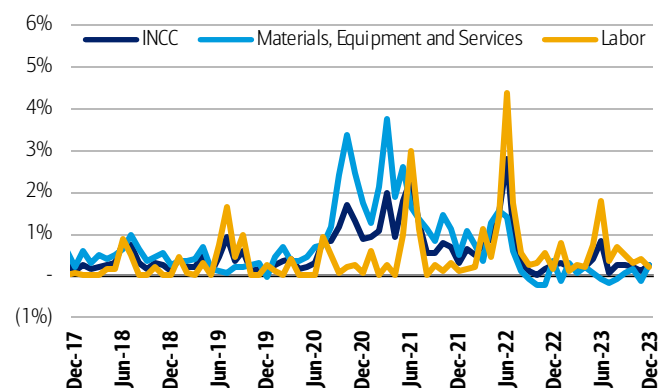
Source: Secovi

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Costs

Exhibit 35: INCC by component group m/m

%, monthly | All inflation sources decelerated sharply

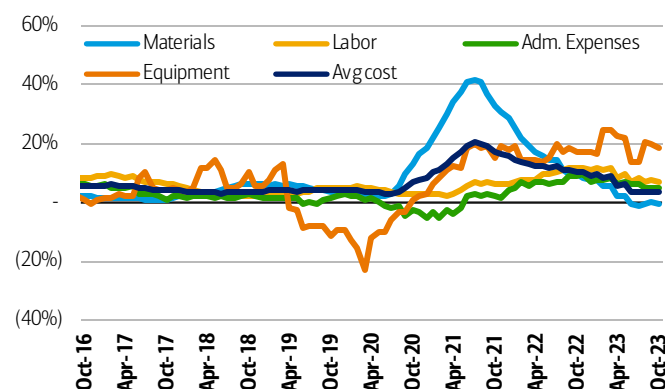


Source: FGV

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Exhibit 37: CBIC's construction inflation y/y

%, monthly | CBIC's indicator follows INCC

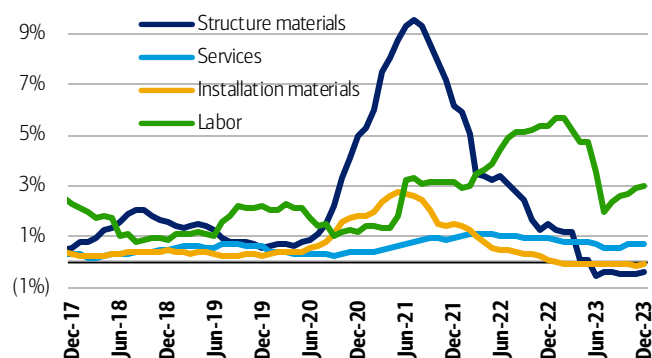


Source: CBIC

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Exhibit 36: INCC component contribution y/y

%, monthly | Labor is now the main source of growth y/y

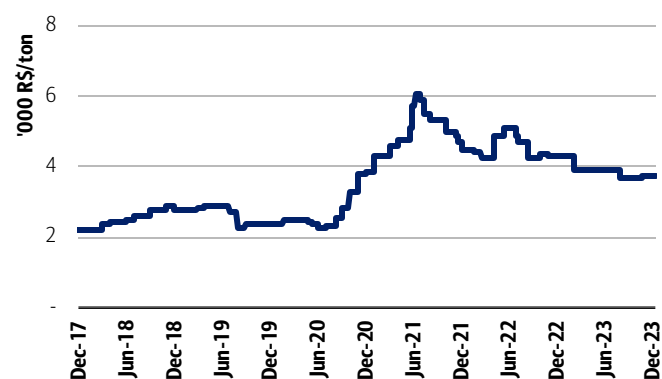


Source: FGV

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Exhibit 38: Long steel (rebar) domestic prices

In R\$ per ton, weekly | Prices increased at the margin



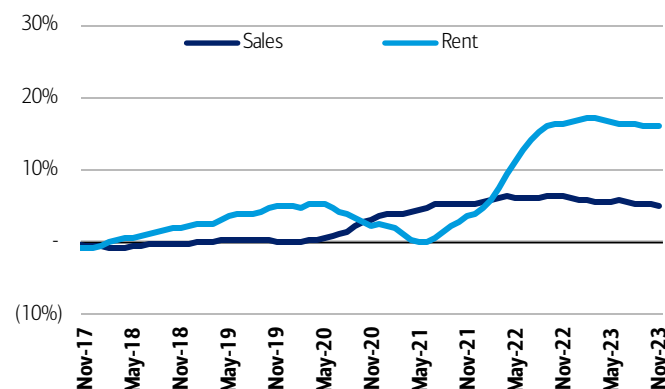
Source: Platts

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Prices

Exhibit 39: Sales price and rent growth y/y in Brazil

%, monthly | Rental prices are accelerating over sales

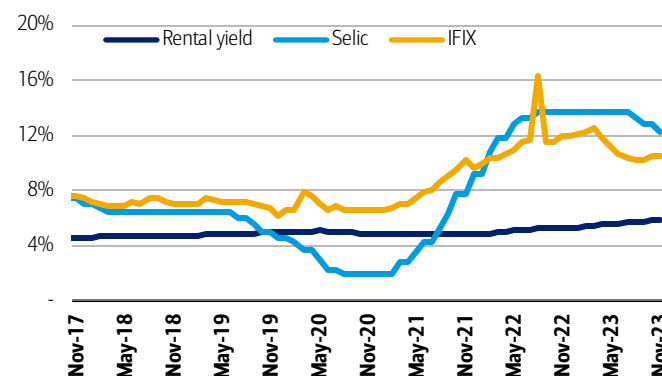


Source: FipeZap

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Exhibit 40: Rental yield vs Selic and IFIX

%, monthly | IFIX returns remain below Selic



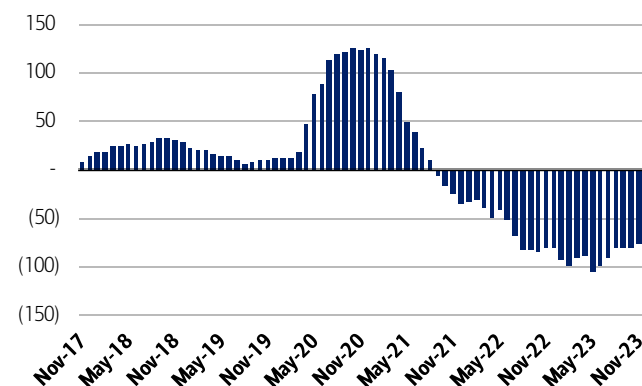
Source: FipeZap, Bloomberg

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Funding

Exhibit 41: Net flows to SBPE

In R\$bIn, LTM | SBPE is seeing outflows

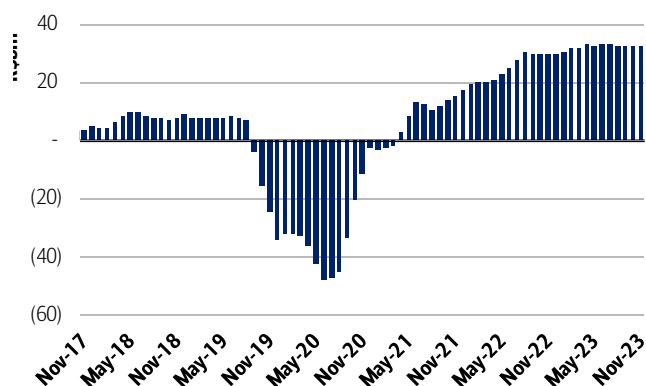


Source: Abecip

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Exhibit 42: Net flows to FGTS

In R\$bIn, LTM | FGTS sees inflows

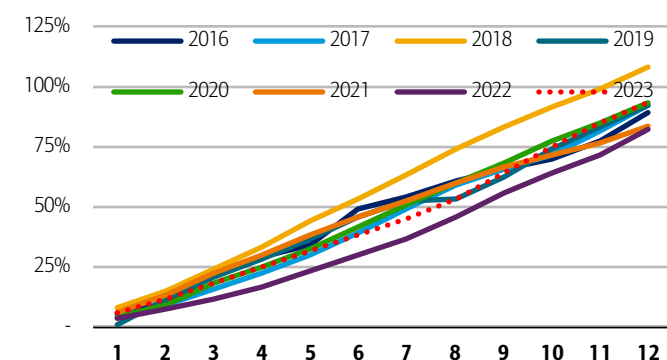


Source: FGTS

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Exhibit 43: FGTS discount budget execution

% monthly | Discount is below historical budget

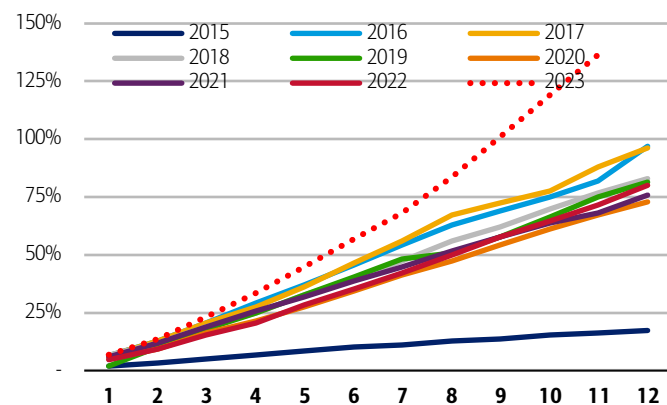


Source: FGTS

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Exhibit 44: FGTS budget execution on 'Carta de cred. individual' year

% monthly | CCI is above historical budget

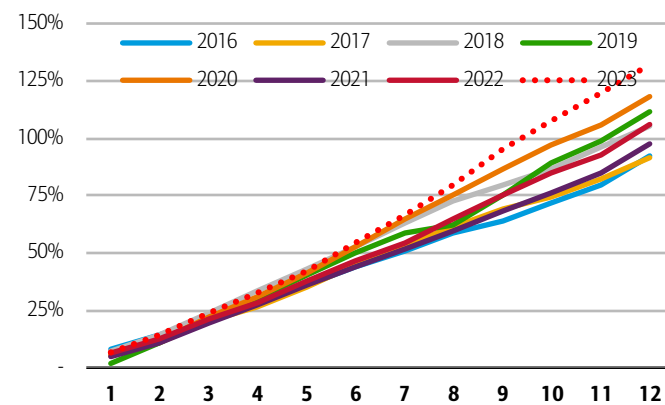


Source: FGTS

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Exhibit 45: FGTS budget execution on 'Apoio a produção' per year

% monthly | AP is above historical budget



Source: FGTS

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Abbreviations

CEF = Caixa Economica Federal

FGTS = Workers' severance fund

CVA = Government low-income housing program

SBPE = Brazilian system of savings and loans

INCC = Construction inflation index

SNCI = Brazilian cement association

RJ = Rio de Janeiro

SP = Sao Paulo

POA = Porto Alegre

BH = Belo Horizonte

CCI = Carta de Crédito Individual = FGTS credit line

AP = Apoio à Produção = FGTS credit line

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