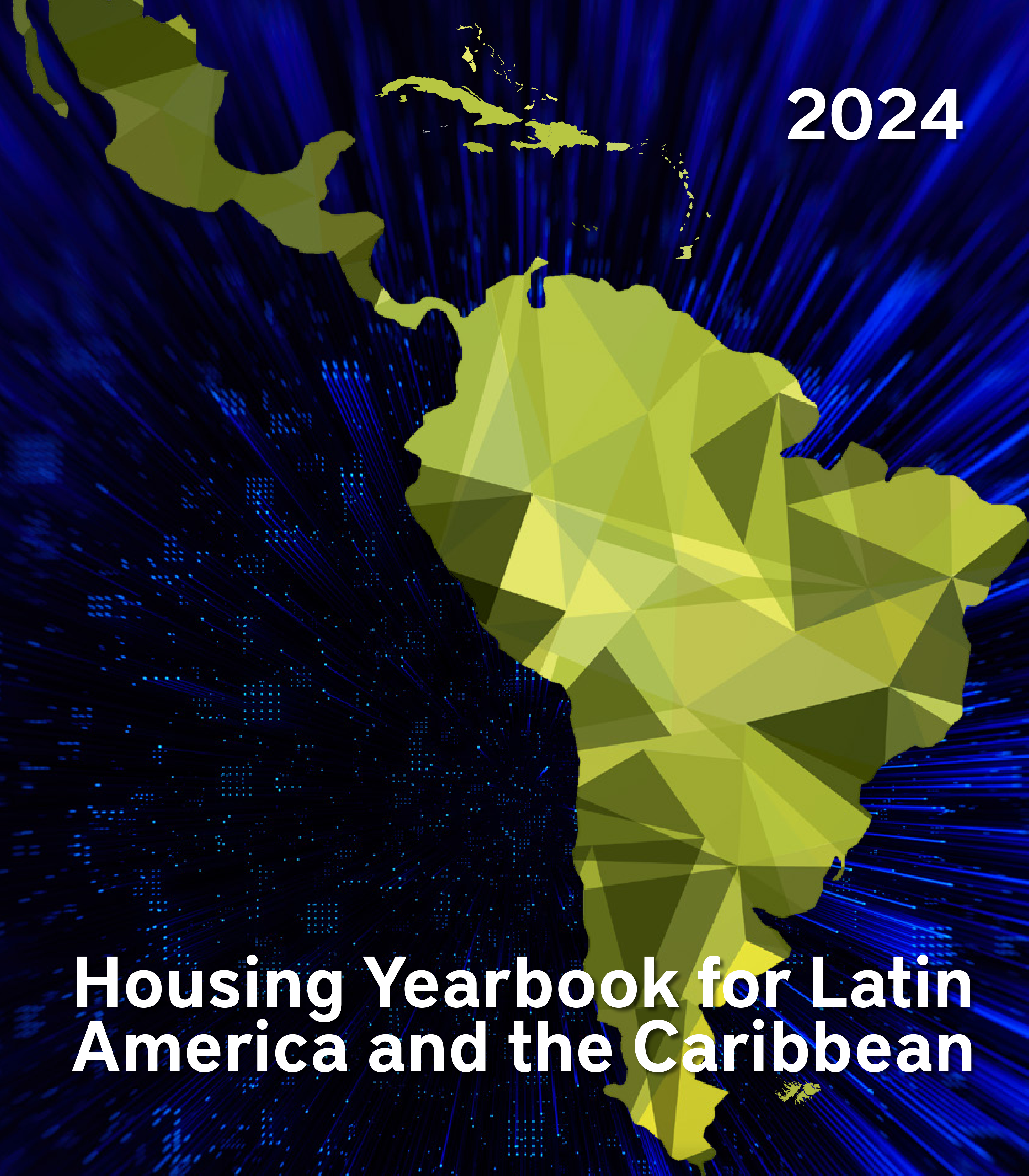

2024

Housing Yearbook for Latin America and the Caribbean

LINCOLN INSTITUTE OF LAND POLICY

CAF DEVELOPMENT BANK OF LATIN AMERICA AND THE CARIBBEAN

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Housing Yearbook for Latin America and the Caribbean

Produced by CAF-development bank of Latin America and the Caribbean and the Lincoln Institute of Land Policy

Foreword to the *Yearbook* Edition—Message from CAF

In the Economy and Development Report 2022, CAF presented evidence of an alarming situation: Deep-rooted factors cause inequality to be inherited from generation to generation for millions of inhabitants of Latin America and the Caribbean. One factor perpetuating inequality is the lack of access to decent housing. In this context, adequate housing is a key structural element of any comprehensive development policy in the territory. At CAF, and in line with our corporate objectives, we believe that adequate housing is fundamental to people's well-being, especially to those in situations of social vulnerability. Increasingly, however, the effective formulation of housing policies must be based on data and evidence.

In this sense, I am pleased to present the first *Housing Yearbook for Latin America and the Caribbean*, an ambitious and necessary proposal to contribute to a better understanding of housing markets and to outline better policies to address the qualitative and quantitative housing deficit in our region.

This initiative, launched in collaboration with the Lincoln Institute of Land Policy, aspires to become a key reference for all stakeholders in the housing sector. We hope to welcome additional institutions interested in this critical subject in future editions. The *Yearbook* aims to serve a wide audience, including private companies, industry associations, public officials, academics, financial institutions, NGOs, and other key players involved in housing.

As a development bank, we regard adequate housing as a cornerstone of personal well-being, particularly for individuals and families living in poverty or social vulnerability. Our hope is that this *Yearbook* becomes a valuable resource for designing policies and informing decisions across the housing sector. Ultimately, our goal is to ensure that every person in Latin America and the Caribbean has access to adequate housing that enables them to live with dignity.

Through this annual publication, we reaffirm CAF's unwavering commitment to transparency, knowledge-sharing, and regional collaboration. *The Housing Yearbook* is not merely a compilation of data and analysis—it is a call to collective action to transform the housing landscape in our region. We invite all stakeholders to utilize this resource, share their insights, and join this shared effort to make the right to adequate housing a reality for all Latin Americans and Caribbeans.

Sergio Diaz-Granados

Executive President of CAF-Development Bank of Latin America and the Caribbean

Foreword to the *Yearbook* Edition—Message from the Lincoln Institute of Land Policy

From the Lincoln Institute of Land Policy, we are pleased to present, in collaboration with CAF-development bank of Latin America and the Caribbean-, this inaugural edition of the *Housing Yearbook for Latin America and the Caribbean*. This comprehensive resource synthesizes the state of housing, credit, and urban land markets across various countries in the region. Understanding how these markets function and evolve—and, particularly, role land plays in them—is essential for policymakers, decision-makers, researchers, and all stakeholders involved in urban development, economic planning, and social equity.

Land markets play a critical role in shaping real estate prices, as land value constitutes a substantial portion of housing costs, especially in rapidly urbanizing areas where demand increasingly outpaces supply. The cost of urban land reflects a combination of factors: location convenience, access to infrastructure, availability of essential services, existing regulatory frameworks, and its degree of scarcity, among others. The *Yearbook* highlights the critical interdependence between land markets and housing affordability, among its other contributions.

From the perspective of the Lincoln Institute and CAF, we hope that the information provided in the *Yearbook*—as well as the gaps it identifies—will inspire subsequent studies to better understand the significance of this relationship and generate ideas to expand the supply of both urbanized land and affordable, well-located housing.

Through a wide range of indicators—including housing production, mortgage markets, land values, affordability metrics, and informality, among others—the *Yearbook* suggests variables that make housing either affordable or unattainable. It also highlights best practices and innovative housing policies adopted in some of our Latin American cities. The case studies and comparative data illustrate the potential of diverse public policies to address the housing needs of various urban populations.

In an era of increasing urbanization and economic pressures on cities, understanding and managing the relationship between land and housing is essential for sustainable and equitable urban growth. We hope this *Yearbook* serves as a valuable tool for decision-makers and scholars committed to fostering affordable and inclusive cities throughout Latin America and the Caribbean.

George W. McCarthy
President and Chief Executive Officer
Lincoln Institute of Land Policy

Introduction to the *Yearbook* Edition

The *Housing Yearbook for Latin America and the Caribbean*, launched with this inaugural 2024 edition, aims to foster the sustainable development of the regional housing market. It is conceived as a critical tool for shaping and implementing public housing policies throughout the region.

Real estate markets play a pivotal role in socioeconomic development. In particular, advancing affordable housing markets not only drives economic growth but also promotes social inclusion and environmental sustainability—imperatives for Latin America and the Caribbean (LAC). Accordingly, this report seeks to offer valuable insights to support and enhance housing affordability initiatives.

The complexity and dynamism of the real estate market, particularly in a region as urbanized as LAC, demand a deep understanding and continuous monitoring—not only of sector-specific data but also of the broader dimensions that constantly shape this market. These include the macroeconomic environment, regulatory frameworks, demographic and social trends, climate challenges, technological advancements, and disruptive innovations. At the same time, this multidimensionality heightens the urgency and complexity of grasping the sector's dynamics; it requires extensive data collection and analysis, which is insufficient in the region.

Access to current, reliable information is essential for the development of this market. It facilitates the efficient allocation of investments, credit, and subsidies, attracts investors, supports the design of effective public policies, drives innovation, and helps overcome obstacles and deficiencies. Evidence-based knowledge and analysis are also critical for reducing the persistent inequalities in the region and for guiding financial and production agents to act in line with environmental, social, and governance (ESG) principles.

In this context, the report seeks to provide consistent, up-to-date data and analysis to support planning and decision-making, promoting the sustainable growth of housing and credit markets across the region. With this aim, CAF—the development bank of Latin America and the Caribbean—together with the Lincoln Institute of Land Policy, with the support of MINURVI and local consultants and institutions, is honored to present this inaugural volume of the *Yearbook*.

The *Yearbook* is designed to serve as a comprehensive, informative, and reliable source of data, as well as a reference tool for a wide range of stakeholders: construction sector managers, public policy designers and implementers, financial institutions, researchers, academics, consultants, multilateral organizations, and anyone seeking to better understand and operate more effectively in LAC's markets.

It contains a broad range of statistics and analyses on the housing, real estate credit, and land markets across the region, broken down into four sections:

1. an introductory section that provides key definitions, an overview of the regional housing sector, and the edition's featured theme;
2. a general overview of the real estate market in each country, including descriptive analyses based on the collected data;
3. sectoral statistics covering the countries as a group; and
4. a final section with a summary of regional challenges and opportunities, as well as selected case studies.

This first edition covers 12 of the 33 countries in Latin America and the Caribbean—Argentina, Brazil, Chile, Colombia, Costa Rica, El Salvador, Ecuador, Mexico, Panama, Peru, the Dominican Republic, and Uruguay—with plans to progressively include additional countries in future volumes.

The data presented—annual totals, averages or medians, and percentages—refer to the previous year and may extend back up to three years if more recent data is unavailable, as specified in the notes accompanying all data in the Appendix. Monetary figures are always reported in US. dollars.

As anticipated, the data collection process for this inaugural edition posed significant challenges, as many of the variables sought were not readily consolidated or available in most countries. In this context, and even before its publication, this *Yearbook* has already played a crucial role in underscoring the importance of comprehensive and reliable statistics—first during the data collection and compilation phase among public and private institutions and various stakeholders, and now among a broader audience.

The methodological framework accompanying each variable aims to ensure that users not only fully understand the data but also that data collection follows a harmonious process, allowing for comparative use across countries.

The simultaneous development of a global mortgage lending database—based on Hofinet—has been crucial in harmonizing most of the variables presented here, particularly macroeconomic ones, with sources of financing and data. As a result, LAC statistics can now be utilized in comparative studies alongside those of other countries included in the global database.

The compositional effects of the variables must always be taken into account in comparative studies, as they somewhat limit perfectly symmetrical comparisons. The influence of each country's regulatory and tax frameworks on the results of individual variables or indicators should not be underestimated in the context of such studies.

We are committed to continuous improvement and encourage readers to contribute to the development of this *Yearbook* by sharing their comments, critiques, and suggestions at any time via email to admin@anuarioviviendalac.com

Happy reading!

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Acknowledgments

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We also wish to express our appreciation to Dr. Marja Hoek-Smit for her pioneering efforts in global data collection and systematization, as embodied in the Hofinet portal, which has served as a key reference for this *Yearbook*. We are especially thankful to Dr. Hoek-Smit for the opportunity, in the early stages of the *Yearbook's* development, to join discussions aimed at harmonizing variables with the global database—an effort that helped introduce the Latin American and Caribbean perspective.

Finally, we extend special thanks to Anacláudia Rossbach, whose vision and leadership were crucial to this project from its inception. She contributed valuable ideas and facilitated collaboration with experts and institutions, enabling us to structure and implement the *Yearbook's* roadmap.

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LEGAL NOTE

The texts and opinions expressed in this *Yearbook* are the responsibility of the respective institutions and/or, where signed, of their individual authors. The content and analyses do not necessarily reflect the views of all contributors involved in the *Yearbook's* production, nor those of CAF's Board of Directors, its partners, collaborators, or the Lincoln Institute of Land Policy.

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SECTION I

Introduction to the Region

List of Basic Definitions Adopted

This section is meant to ensure consistency and clarity in the use of commonly referenced terms. However, some terms lack precise and universally accepted definitions. In such cases, authors may adapt these terms to suit their intent, and their interpretation may vary depending on the reader.

The standardization of variables is achieved through the methodological definitions provided alongside the statistical tables in Section III.

Table 1 **Housing production statistics**

TERM	DEFINITION	EQUIVALENT IN SPANISH & PORTUGUESE
Housing unit (HU)	A structure with one or more floors covered by a roof, built or adapted to be inhabited by one or more people on a permanent or temporary basis. It must have direct and independent access from the street or through common-use areas. It can be private or communal.	Domicilio/Vivienda Domicílio/Unidade habitacional
Household	A group of one or more people, related or unrelated, who reside in the same housing unit. They may share economic and social resources.	Hogar Domicílio/Grupo familiar
Informal urban settlements	Unauthorized, irregular, or unregulated property settlements.	Aglomerados urbanos informales Asentamientos urbanos informales
Quantitative deficit	The shortage in the housing stock, representing the number of new homes needed meet all housing needs.	Déficit cuantitativo Déficit quantitativo
Qualitative deficit	Represents the portion of the existing permanent housing stock that requires improvements—whether in construction, land, or infrastructure—to be considered adequate.	Déficit cualitativo Déficit qualitativo
Low-income families	Economically, this comprises families with incomes within the second quintile. However, in housing policies and subsidy programs, this threshold may vary by country.	Familias con bajos ingresos Familias de baixa renda
Middle-income families	Economically, this comprises families with incomes in the third and fourth quintiles. This definition differs from "middle class," which refers to a tier or status within social class stratification.	Familias con ingresos medios Famílias de renda média
Social interest housing (SIH)	Housing designated for low-income families, as defined by each country.	Vivienda de interés social (VIS) o Vivienda social (VS) Habitação de Interesse Social (HIS)
Adequate housing	Housing deemed adequate based on the following aspects (UN): – Security of tenure – Availability of services, materials, facilities, and infrastructure – Affordability – Habitability – Accessibility – Location and cultural adequacy.	Vivienda digna Moradia digna
Mortgage	A property-based collateral right that encumbers an asset to secure the fulfillment of a credit obligation.	Hipoteca
Fixed-rate mortgage (FRM)	A mortgage loan with a fixed interest rate that remains unchanged for the entire term of the contract.	Hipoteca a tasa fija Hipoteca a taxa fixa

(CONTINUED)

Table 1 **Housing production statistics** (CONTINUED)

TERM	DEFINITION	EQUIVALENT IN SPANISH & PORTUGUESE
Variable-rate mortgage (VRM)	A mortgage loan with an interest rate that adjusts based on a specified benchmark or index. These rates are also referred to as floating or adjustable rates. Note: When a mortgage combines a fixed real rate with a variable index, the rate is considered variable.	Hipoteca a tasa variable Hipoteca a taxa variável
Credit funding	This refers to the financial resources that make credit viable and are linked to the concept of liquidity, or the ability to promptly settle obligations.	Fondeo del crédito Fontes de recursos do crédito
Housing microfinance (HM)	Refers to a type of unsecured, non-mortgage credit of relatively low value, aimed at financing home repairs, improvements, and incremental housing construction. Similar to microfinance, the loan amount is determined based on the borrower's repayment capacity, and guarantees are tied to options accessible to the borrower, including co-guarantors or joint guarantees.	Microfinanciación de vivienda Microfinanciamento habitacional

Regional Overview

By **Claudia Magalhães Eloy** and **Henrique Bottura Paiva**

A vast group of 33 countries form Latin America and the Caribbean (LAC). While distinct and unique, they share fundamental characteristics in terms of development, industrialization, urbanization, and inequality. Achieving sustainable economic growth that fosters social inclusion and environmental sustainability remains a challenge for the region.

Housing conditions are part of this shared context, yet they vary widely in terms of sociocultural aspects, bioclimatic zones, policies, and development paradigms. These variations influence how real estate markets are financed, regulated, and structured.

The purpose of this section is to provide an up-to-date regional summary, based on data collected for this *Yearbook*, to deepen the understanding of housing issues and identify common paths, despite specific conditions in each country. It is noteworthy that countries facing similar housing challenges sometimes adopt different housing policy tools, highlighting the complexity of solutions to this issue. At the same time, the proliferation of similar public policy instruments across a wide range of surveyed countries stands out.

As such, this *Yearbook* represents a significant step forward. It maps the characteristics and monitoring indicators of housing sector development in the continent's countries—which often face common challenges—with the objective of providing periodic updates. Furthermore, identifying the social, economic, and housing deficit conditions underpinning these policies provides crucial support for future research focused on housing. The exchange of information and experiences is thus expected to expand the toolkit of public agents, improving housing policy planning.

From a socioeconomic perspective, housing issues are starkly illustrated, visually and spatially, by the significant housing deficit. Among the 12 surveyed countries, the quantitative deficit—the shortfall in housing units that need to be added to the stock, as estimated by each country's specific parameters and methodology—is about 9.6% of the total housing stock.

Quantitative deficit: 9.6%

Figure 1: Quantitative deficit in 10 countries
Source: Authors of the Housing Yearbook for Latin America and the Caribbean 2024*, presented by CAF and LILP.*

Note: Average of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Peru, and the Dominican Republic. Panama and Uruguay are not included due to the lack of updated data.

The qualitative deficit stands at approximately 23.8%, representing existing housing units that are in use but not considered adequate. Specific criteria may vary, but they generally include deficiencies such as substandard structures, lack of infrastructure, tenure security, and size issues. This is to say that beyond being insufficient, the housing stock is markedly deficient, with nearly a quarter requiring some level of investment to be deemed adequate.

This multifaceted housing deficit, primarily affecting low-income households, can be attributed to a structural and macroeconomic triad that includes sectoral financial and productive development patterns. This is summarized schematically below:

Inadequate housing: 23.8%

Figure 2: Qualitative deficit in 11 countries
Source: Authors of the Housing Yearbook for Latin America and the Caribbean, 2024, presented by CAF and LILP.

Note: Average of Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Panama, Peru, and the Dominican Republic. Uruguay is not included due to the lack of updated data.

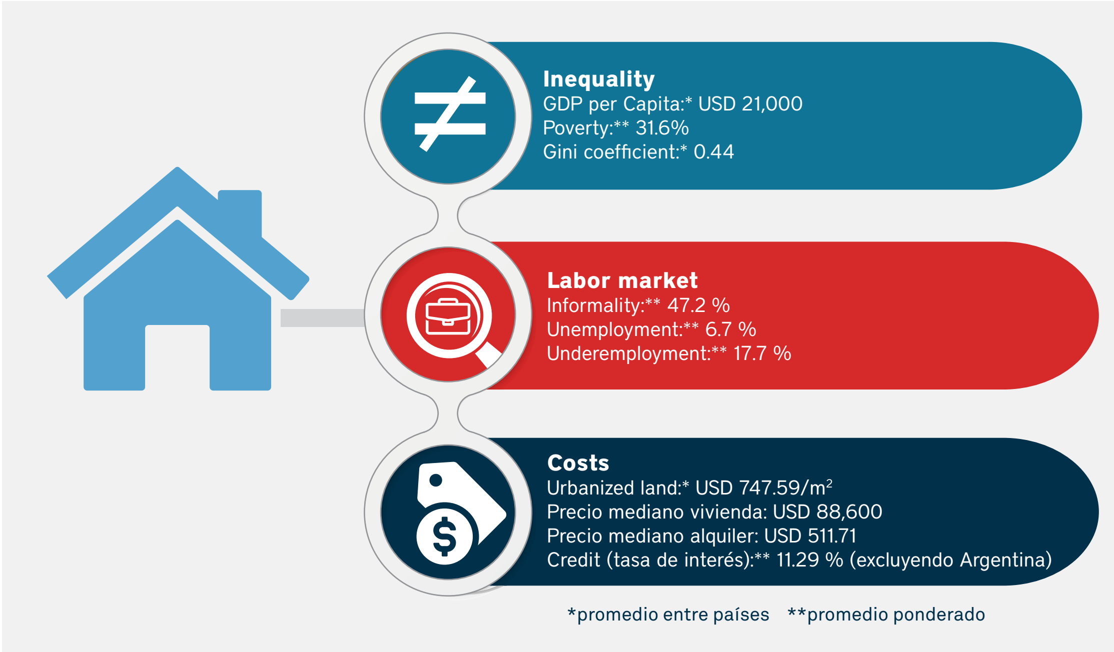


Figure 3: Causas del déficit habitacional
Source: Authors for the Housing Yearbook for Latin America and the Caribbean, *presented by CAF and LILP.*

In essence, housing issues arise when potential demand remains unmet due to the gap between income levels and the cost of formal urban housing.

These constraints are also reflected in the development of the credit market, typically measured by the ratio of real estate credit stocks to GDP. Half the surveyed countries do not reach even 10% in this ratio. Panama and Chile stand out as exceptions, with ratios of 23.1% and 30.6%, respectively.

This indicator is relevant because it reflects the depth of a country's credit market and residential fixed capital formation. It can also hint at susceptibility to financial/banking crises. However, its level does not directly indicate the coverage of the mortgage market. In Chile, for instance, the increase in average financing amounts, driven by rising real estate prices, led to credit stock growth relative to GDP without a corresponding increase in the number of credit operations. In other words, the larger volume did not result in expanded coverage.

The data collected also allow for more segmented analyses, including the following:

INFORMALITY

Labor informality is a structural element of Latin American economies.[1] Whether as self-employed workers or contractors performing salaried work in an informal sector, individuals engaged in informal employment face substantial disadvantages compared to those in formal employment. First and foremost, informal jobs typically offer lower wages because informal activities are generally less productive and therefore have limited capacity to pay wages that enable access to quality housing. Secondly, informal workers lack much of the social protection often associated with formal employment in Latin America, which is typically funded through payroll contributions (from employers or otherwise). Finally, they also lose access to long-term contracts where future income is a crucial factor in assessing an individual's ability to meet financial obligations over time. This includes securing rental agreements and housing financing.

1 Although economic development levels vary across the continent, most countries fall within the middle-income bracket or below, with only a few classified as upper-middle-income economies. The economies that achieved some degree of industrialization did so relatively late, typically between the 1920s and 1980s. Modern industrial centers were often established in societies primarily focused on exporting raw materials, supported by a large subsistence economy. This structure exemplifies what is known as a dual economy. In this context, the interruption of industrialization momentum during the 1980s crisis caused the growth of the modern sector to lag behind population growth. As a result, formal job creation has been insufficient to absorb the labor force.

Figure 4: Homeownership rate
Source: Authors for the Housing Yearbook for Latin America and the Caribbean 2024, *presented by CAF and LILP.*

In the region, informality appears across various dimensions, most notably in unregulated land occupation and informal housing production. Homeownership rates are generally high, averaging over 62% across the 12 surveyed countries, with Peru and Costa Rica exceeding 80%. These high rates, however, mask both building precariousness and informal title ownership. All the countries included in this *Yearbook* exhibit some level of informal transactions, including informal property sales, rental transactions, unregulated lot divisions, and informal occupation of vacant properties and conservation areas.

There is evidence of a correlation between housing and labor market informality at an intra-urban level. The study by García, Badillo, and Aristizábal (2024),[2] focusing on Medellín, Colombia—a city with a high incidence of precarious housing and low-quality employment—demonstrates that these two types of urban informality are highly persistent and spatially concentrated, particularly in the peripheral and marginalized areas of the city. The authors of the study also estimate that precarious labor conditions significantly influence housing location choices and conditions, and vice versa.

The theoretical frameworks applied by the authors help explain the prevailing patterns of urban informality in Latin American cities/the region's cities:

- Informal workers:
  - Often perform their activities from home, blurring the line between domestic and work space, which contributes to precarious living conditions (Cavalcanti, 2017; Suárez et al., 2016).
  - Typically live in peripheral neighborhoods with fewer regulations, lower housing prices, and reduced costs for goods, services, and other commodities (Posada, 2018).
  - Informal construction proliferates in informal neighborhoods, leading to a high concentration of low-income informal workers in these settlements (Cavalcanti, 2019; Cavalcanti et al., 2019; UN-Habitat, 2011).

2 Using 2021 data for the 176 regions analyzed.

On the other hand, some argue that high rates of informality in Latin America largely stem from businesses and workers attempting to evade the tax and regulatory system on one hand, and excessive state bureaucracy on the other (Chen, 2023). In any case, the vast expanse of the informal economy remains a defining feature of the region's economies, with negative socio-economic consequences. Addressing its impact on housing access is essential to housing policy.

FUNDING DIVERSIFICATION

The data collected highlights efforts to diversify funding sources for housing credit. Deposits emerge as the primary source in five of the 12 countries, varying among savings, pensions, and demand deposits. Special funds follow closely, serving as the main source in two countries and ranking second or third in three others. Public resources also play a prominent role, standing as the second most important source in five countries. Securities, on the other hand, tend to hold a less significant position in most countries, with the exceptions of Chile (general bonds issued by banks) and Colombia (securitization).

High and volatile interest rates—averaging 8.3% across 11 countries (excluding Argentina) for an average inflation rate of 4.4%—help explain this reliance on certain funding sources. In addition to persistently high interest rates and, in some cases, inflation, Latin American economies are vulnerable to external shocks and economic instability. These factors create substantial barriers to establishing long-term contracts, such as those typically required for housing finance.

This low-predictability environment favors short-term bonds. Long-term loans, when available, demand higher risk premiums, which drive financing costs to levels incompatible with affordable housing for the majority of the population. Foreign investors also perceive this risk structure, resulting in limited interest in real estate securities originating from the region.

The relatively small size of capital markets further constrains the expansion of housing credit funding. Low average income levels and high income inequality hinder the development of more sophisticated capital markets. As a result, room for diversifying financial instruments is limited, reflected, in a lackluster secondary market that impedes the placement of real estate securities.

Credit guarantee instruments are often used in markets or niches where credit is scarce due to high perceived risk. In specific contexts, these instruments help attract resources and expand available funding. Under prudential regulation, credit guarantees can also reduce the capital requirements for lenders, improving the balance between expected returns and perceived risk. In competitive financial markets, such guarantees can help lower interest rate spreads, making credit more accessible.

Mortgage insurance is already available in many of the surveyed countries but remains absent in Argentina and Brazil. This suggests untapped potential for developing instruments that could attract additional funding to the region.

LOW GOVERNMENT INVESTMENT CAPACITY

Due to their dependent integration into the global economy, Latin American economies are highly susceptible to instabilities driven by global economic cycles as well as internal dynamics. In this context, inflationary pressures, balance of payments challenges, and fiscal deficits have historically been frequent, often prompting reform processes to address macroeconomic imbalances. During these adjustment phases, government programs—particularly those tied to social policies—are often suspended or face significant budget cuts due to fiscal tightening. Consequently, housing programs that depend heavily on subsidies are at risk of discontinuity when economic cycles reverse.

Moreover, housing programs must compete with other social policy initiatives for scarce public resources, given the broad and pressing social challenges across the region. As a result, public investment in housing remains minimal, especially in the context of accumulated housing deficits. In eight of the 12 countries surveyed, public housing investments are below 1% of GDP.

In this environment, the capacity to allocate budgetary funds to housing policies is not only limited but also subject to abrupt reductions. These reductions may result from spending pressures caused by high budget deficits, shifts in macroeconomic conditions, or changes in public policy priorities during budgetary reviews.

Given these constraints, it is critical to support the development of private credit and housing production markets by implementing policies that ensure their efficient functioning. However, this does not necessarily imply abandoning public housing policies, even if they impose significant costs on the state. Public housing initiatives remain essential for ensuring access to housing for the most vulnerable populations.

HOUSING FINANCE SYSTEMS

The diversification of financial agents is evident in the data collected in this *Yearbook*. All the surveyed countries have a substantial number of first-tier agents, and at least eight also have second-tier agents. However, in three countries, the mortgage market shows significant concentration in a single institution: in Brazil, Caixa holds a 68.3% market share; in Ecuador, BIESS accounts for 62.9%; and in Mexico, Infonavit controls 56.4%.

These concentrations raise concerns about reduced competitiveness, limited potential for innovation, and the creation of entry barriers for new financial agents. However, they may also reflect the prevailing type of funding, the level of diversity within the financial agent ecosystem, and the private sector's appetite for this type of credit. When public institutions play such a dominant role, questions arise about whether the private sector lacked the capacity or interest to operate in this segment, or whether state intervention, by centralizing activities, has created barriers to entry that undermine free competition and market efficiency.

The data also reveal that credit bureaus are already present in all countries included in this *Yearbook*. Regarding regulation, most countries impose restrictions on access to credit information and have frameworks for refinancing and credit portability. In the case of credit portability, Ecuador and Peru are exceptions.

HOUSING CREDIT

The credit-to-GDP ratio, as previously mentioned, highlights three tiers/levels of mortgage market development: (i) high development (above 20%)—Chile and Panama; (ii) medium development (between 10% and 20%)—Mexico, Brazil, and Costa Rica; and (iii) low development (below 10%)—Colombia, Peru, the Dominican Republic, Uruguay, Ecuador, and El Salvador, as illustrated in figure 5. Argentina shows incipient development.

However, certain limitations affect the calculation of the credit stock, often due to restricted data sources and availability. For example, in Brazil, the calculation excludes securitized loans, loans provided directly by state and municipal housing companies, developers, housing promoters, complementary pension funds, and real estate consortia. Conversely, some credit statistics include home equity operations, broadening the indicator. Despite these data gaps or variations, they generally do not compromise the magnitude of the analyses presented here.

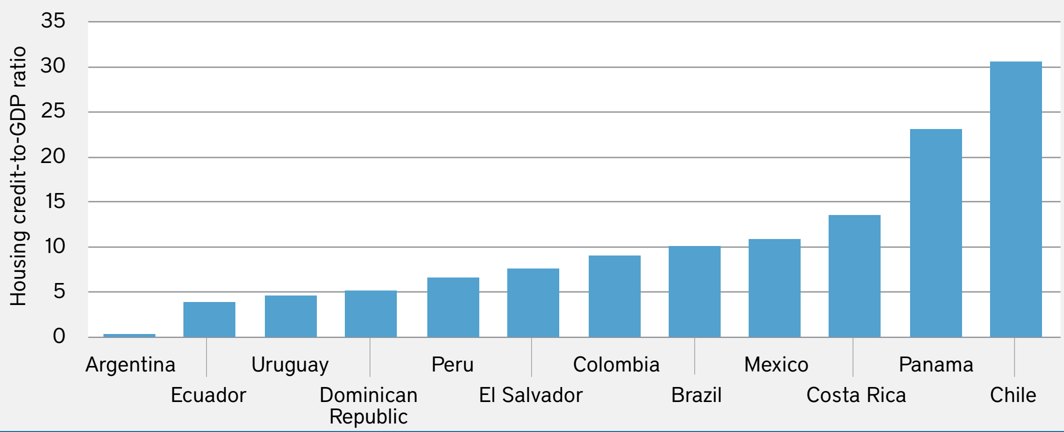


Figure 5: Housing credit-to-GDP ratio
Source: Authors for the Housing Yearbook for Latin America and the Caribbean 2024, *presented by CAF and LILP.*

It is worth noting that Panama and Chile have the lowest mortgage interest rates for housing, below 8% per annum. A study of this overview conducted by the authors[3] indicates that, among credit conditions, interest rates are the most critical factor for accessing housing credit. They exert a more significant influence on family inclusion than extending loan terms or modifying amortization systems. While interest rates are the most decisive factor, other elements also shape credit expansion or limitations, including poverty and informality levels, banking penetration, debt burdens, funding availability, and credit supply.

Despite their relatively small size, mortgage portfolios in the region appear to be generally healthy. Default rates are below 3% in most countries, with the exceptions of Ecuador and Colombia, where rates exceed 5% of the portfolio volume (reaching 7% in Colombia's number of mortgages). Mexico represents a unique case: Infonavit, the country's primary housing lender, reported a default rate of 12.2% for its portfolio, while private banks maintained a much lower rate of around 2.9%.

Given the region's high urbanization levels and qualitative housing deficits, the underdevelopment of housing microfinance (HMF) is particularly striking. Policies aimed at fostering this market would be expected, especially to enable housing improvements. There is significant potential for developing a robust, efficient, and accessible housing microfinance market, similar to the productive microcredit models that target micro and small businesses.

PRICES

Residential property prices and construction costs vary significantly among countries. These differences may reflect disparities in productivity levels or limitations in the capacity of the local construction industry, which help explain why lower-income or less industrialized countries can face higher costs. In contrast, in wealthier countries, higher labor costs often drive up prices.

In addition to housing production costs, sale prices are also influenced by land prices, which vary by region not only based on income levels but also due to relative land scarcity. Urbanization drives land prices higher, especially in densely populated areas, where land availability is limited.

Among the 12 countries included in this *Yearbook*, only El Salvador, Panama, and Peru have yet to establish housing price indices. These indices are essential tools for monitoring the market, evaluating economic accessibility, and recalibrating subsidies when necessary. The most common methodologies rely on simple averages or medians, with appraisal prices serving as the primary input for index development, followed by listing prices.

Housing prices do not move in tandem with the general price level of an economy. Instead, they follow their own dynamics, shaped largely by factors such as interest rate fluctuations and changes in income. Furthermore, rental values and sale prices do not always trend in the same direction within a given time frame or location, as demonstrated by recent variations in price indices.

3 Magalhães Eloy, Claudia. *Sistema Brasileiro de Poupança e Empréstimo e o Crédito Habitacional.* CBIC. May 2016.

Between 2022 and 2023, the highest increases in rental prices were recorded in Brazil (16.2% year-over-year, far exceeding the 4.6% inflation rate), Colombia (13.1%), and Panama (10.9%). These figures indicate that housing costs place a heavier burden on renters' budgets in these countries. In terms of sale prices, the largest increases occurred in Colombia, with a 12.4% rise, and in Mexico, where prices grew by 11.7% between 2021 and 2022.

Tracking these price trends provides vital insights, as they reflect the decline in economic accessibility. This information supports decision-making in both public policy and strategic planning for private stakeholders operating in the housing market.

SUBSIDIES

Credit-linked subsidies for housing acquisition are available in 11 of the 12 countries studied, with Argentina being the only exception. In 2023, these subsidies accounted for a substantial share of all housing credit issued: 85.8% in Brazil, 65.5% in Panama, 58.2% in Peru, 46.3% in Chile, and 37.5% in Colombia.

Direct subsidies (applied to the initial down payment) are used in all these cases, while at least six of the 11 countries also provide indirect subsidies to reduce interest rates (excluding Chile, Costa Rica, and the Dominican Republic).

Significant inefficiencies exist in targeting subsidies to lower-income segments. In some cases, subsidies are available regardless of income or even benefit higher-income deciles, such as the ninth and tenth in Brazil, Colombia, Mexico, and Peru (and up to the eighth decile in Chile and Uruguay). This is despite the fact that budgetary constraints and housing deficits are concentrated in the lowest-income deciles. Such practices may reflect the difficulty in accessing credit for middle-class households in contexts where private credit markets function inadequately, necessitating subsidies even for relatively high-income groups. However, in contexts where private credit markets are functional, untargeted subsidies can distort the market by driving up prices, crowding out private actors, and creating inefficiencies. These inefficiencies limit the expansion of effective demand, requiring increasingly larger budgets to serve fewer beneficiaries, as observed in Chile.

Five of the countries surveyed do not link subsidies to intra-urban locations, allowing funds to be directed toward peripheral developments. This practice has environmental consequences, such as increased commuting, fiscal impacts stemming from the demand for infrastructure expansion, and limited socioeconomic benefits for "beneficiary" families, such as reduced income generation or asset creation opportunities.

Subsidies also include, in 10 countries, tax exemptions or deductions for housing production (excluding El Salvador and Peru); exemptions or deductions for the issuance of real estate-backed securities (in Argentina, Brazil, Colombia, Costa Rica, and Uruguay); and mortgage interest payment deductions in 10 of the 12 countries, with the exceptions of Brazil and El Salvador. These forms of support are rarely targeted to lower-income segments or tracked.

Housing microfinance subsidies are not common, even though most families lack access to other forms of housing credit. This gap contrasts with the significant portion of inadequately constructed housing stock requiring improvement. Microfinance-related subsidies are available in the form of technical assistance in four countries—Costa Rica, Ecuador, El Salvador, and Panama—and indirectly through interest rate subsidies and guarantees in only two: Ecuador and Panama.

Finally, emergency rental subsidies are nearly universal, and more structured subsidized social rental programs (voucher-based) have begun to emerge, signaling a shift toward diversifying housing access models that were traditionally centered on homeownership. These relatively recent efforts open new opportunities for housing policy in the region. However, challenges are likely, given the significant social and economic differences between societies in the region and those where such policies are more established.

Given the shared social and economic challenges across LAC, exchanging experiences would be highly beneficial for building a robust research agenda in this area of public policy and expanding the tools available to public managers.

AGING POPULATION

The trend of an aging population in a region where the demographic dividend is fading is another factor reflected in the statistics. Among the 12 countries surveyed, seven have populations in which 10% of people are already 65 or older, while in five others, this segment exceeds 7.5%, with the exception of Ecuador, where the elderly population accounts for only 1.5%. Beyond macroeconomic implications, such as reduced income and savings capacity, the aging trend impacts the real estate sector by altering the type of housing demanded and diminishing the ability to secure credit, thereby limiting access to homeownership through financed acquisition.

In a region where policies and institutions prioritize acquisition as the main pathway to housing access, this trend calls for adjustments to public housing policies and subsidies. As mentioned, several countries have introduced rental assistance programs for private housing markets.

These represent progress toward structured rental policies that extend beyond emergency relief—which is often unsuitable for the elderly—and offer broader support than public rental programs, which rely heavily on subsidies.

On the credit supply side, shifts in the actuarial profiles of pension funds and insurance companies' investments are likely to influence the types of bonds these institutions favor, especially those with defined benefits. This necessitates adjustments in bond issuances, particularly in a region that has yet to fully integrate its real estate market with these key institutional investor segments.

LAND MARKET

Half of the surveyed countries maintain public land banks. However, measures to curb urban land speculation and promote densification in already serviced areas are still in early stages, even though some regulated tools for inclusive urban planning are already in place.

Notably, there is a lack of data on the share of land costs in housing development projects, including those classified as "social interest" housing (SIH).

SUSTAINABILITY

Basic coverage of energy, water, and sanitation services has advanced significantly, averaging around 98.8%, 91.1%, and 80.7%, respectively, across the surveyed countries. Chile stands out with the highest levels in all three areas. Generally, sanitation remains the sector needing the most improvement, including microfinance solutions for household connections. In this regard, Uruguay, Argentina, and Brazil have the lowest coverage rates, all below 65%.

The proportion of households without an exclusive bathroom also varies widely among the surveyed countries, remaining a serious issue in Ecuador, where it affects 34.2% of households, and in El Salvador, at 10.7%. By contrast, in Chile, Colombia, the Dominican Republic, and Argentina, this percentage is now below 1%.

All 12 countries surveyed have certified housing production. However, sustainability standards in housing production are generally more of a recommendation. For instance, the Dominican Republic's Sustainable Construction Guide incorporates project selection criteria as part of the Plan Nacional de Vivienda Familia Feliz (PNVFF).

Five of the 12 countries have established regulations to classify "green mortgages," and four have standards for green real estate bonds. Ecuador and Peru appear to be making the most progress in this area, followed by Brazil, Colombia, and Mexico.

This Edition's Highlighted Topic: Affordability

By **Claudia Magalhães Eloy**

The concept of "sustainable" housing has been evolving since the late 1990s, progressively encompassing its various dimensions: environmental, social, cultural, and economic (Choguill, 1999; Golubchikov, Badyina et al., 2012).

Today, for housing to be considered adequate, it must be assessed across several dimensions: i) the physical quality of buildings—covering safety, durability, health, comfort, accessibility, and adaptability; ii) location and connectivity within the city and its infrastructure; iii) sustainability—particularly in terms of water and energy consumption and lower greenhouse gas emissions; and iv) economic factors, especially regarding affordability, as recognized by the United Nations Human Settlements Programme (UN-Habitat, 2020).

In the context of a growing global housing crisis, affordability takes on heightened importance, as highlighted in the following statements:

> "The world is grappling with a situation where more and more people are unable to afford their housing costs. Millions lack the financial means to access safe, secure and habitable housing."—Balakrishnan Rajagopal, UN Special Rapporteur on the Right to Adequate Housing, 2023

> "Dissatisfaction with housing costs has hit a record high across rich countries, soaring above other worries such as healthcare and education."—*Financial Times,* 2024

Part of this increasing gap between income and housing costs can be attributed to the pandemic, which led to a significant drop in household income, especially in Latin America and the Caribbean (LAC), a region with high rates of informal and self-employed workers. The pandemic also diverted significant portions of public funds previously allocated to social programs toward emergency aid. However, the disconnection between real estate prices and incomes in the region goes beyond the pandemic; it is a structural issue.

As Pablo López notes, in Latin America and the Caribbean:

> "In many cities, land prices—a key component in the final cost of housing construction—tend to double every 6 to 10 years, whereas the average income of a household in Latin America doubles approximately every 80 years. High costs for construction materials, such as steel and cement, in many LAC countries also pose significant barriers for real estate developers or families to build affordable and quality housing."—López, 2023

This mismatch between income and prices is compounded by the high level of informality in the labor market, the relatively limited availability of housing credit, and restricted access to long-term credit for individuals with informal incomes. For lower-income segments, the options remain limited to self-construction—57.3% of households in Mexico according to the ENVI 2020 survey and 71% of urban housing stock in Peru (Espinoza and Fort, 2024)—which is often precarious and informal, or to public and subsidized housing, which consistently falls short of meeting the region's needs.

The data and analysis in this first edition of the *Yearbook* highlight affordability as a critical issue today:

- **In Brazil:** "Between 2010 and 2023, housing prices increased by 92.4%, which is reflected in the leap of this indicator from 19% to 30% of GDP. Household incomes increased by just 24.6% and the ratio between the number of loans and the number of households remained almost constant between 2010 and 2023." (Report, Flavia Leite and Adriano Borges)
- **In Chile:** "Between 2010 and 2023, positive demand factors and supply restrictions drove a 92.4% increase in housing prices, while household income rose by only 24.6%." (Report, Slaven Razmilic)
- **In El Salvador:** "The rise in prices for all housing types is no longer aligned with the availability of credit products from both state and private sectors, and the national average housing price is 77% higher than the maximum coverage of state credit." (Report, Alexander Renderos)

- **In Costa Rica:** "Affordable housing represents only 14% of the housing supply in the condominium market. Meanwhile, 86% of housing solutions in projects are aimed at deciles VIII, IX, and X, meaning nearly 90% of the options are designed to meet the needs of just 30% of the population." (Report, Minor Rodriguez and Alexander Sandoval)
- **In Ecuador:** "Access to housing remains a challenge for low-income Ecuadorean families. [...] Even subsidized interest rates for housing loans, like those offered by BIESS, have stayed around 9.9%, which remains high for many low-income families." (Report, Jessenia Cazco)
- **In Mexico:** "Based on average general income in 2022, the first, second, and third deciles (up to USD 4,212 annual income) could not access a mortgage to buy a home. The affordability gap has steadily widened over the past decade, driven by the elimination of housing subsidies that previously provided opportunities for homeownership among low-income populations." (Report, Sara Topelson and Adán Téllez)

Economic affordability can thus be understood, in simplified terms, as the ability of households to access what is considered decent housing. Affordability measures have been debated over the years, with several methodological proposals, the simplest and perhaps most commonly used (albeit criticized for its simplicity),[4] being the Price-to-Income Ratio (PIR), which measures the ratio of housing price to household income.

As a general benchmark, housing is considered economically affordable if it costs up to three times a family's gross annual income[5]—that is, when a household would need only three years' worth of income to purchase a home. Some authors suggest this ratio could be as high as four times (Trimbath and Montoya 2002).

According to this criterion, among the countries surveyed, only the Dominican Republic, Chile, and Uruguay are close to affordability, with ratios between 3.5 and 3.9. Ecuador has a ratio of 4.3, while the other countries exceed 5. Argentina has the highest level—making it the least affordable—where the average home price is over 12 times the median income.

However, the index calculated at the median does not reflect the affordability situation for the bottom two quintiles, where the impact of rising home and rental prices tends to be naturally greater.

For monthly rental expenses, the commonly adopted affordability level is a maximum of 30% of monthly income. Chile and Uruguay, as well as Ecuador—which has the lowest index at 17.7% for the median—fall within this range, as shown in Graph 3. On the other hand, Argentina and the Dominican Republic emerge as the least affordable rental markets, exceeding 70% of income, with Brazil, Mexico, and Panama still around 50%, which is a very high rate. In Brazil, this indicator inflates the quantitative housing deficit, as one of the components considered in its calculation is the excessive rent payment burden.

According to Dastres and Selló, lower levels of affordability are associated with lower income levels and higher inequality (GINI index): "Other factors, such as increasing inequality, could also have driven up PIR values in recent years. In fact, empirical evidence positively correlates higher levels of inequality with the PIR value." (Dastres and Selló, 2022)

4 The critiques focus primarily on the following aspects: income statistics often fail to capture all sources of income (Hulchanski, 1995), and, more importantly, they vary due to differences in household composition and expenditure patterns. This results in specific percentages of disposable income allocated to housing costs in each case (Baer, 1976). Consequently, many advocate for analyzing different income deciles rather than focusing on a single point in the distribution (Gan and Hill, 2009). Others highlight the impact of interest rates on credit accessibility, which can expand or limit affordability without necessarily affecting the indicator that considers only property prices and income (Meen, 2018).

5 The Price-to-Income Ratio (PIR) is a widely used metric among international organizations and researchers in the field. This indicator calculates housing affordability by dividing the median home price by the median gross annual household income within a specific area. Median values are used to minimize the impact of extreme values, such as exceptionally high or low incomes and housing prices. The resulting ratio is interpreted as the number of years a household with a median income would need to allocate 100% of its income to purchase a home at the median price in the given area.

It is important to note the limitations of the PIR, as it assesses the ability to pay independently of other essential needs, thus deviating from a broader, more comprehensive definition of affordability. Nevertheless, its widespread use provides an easily measurable and comparable index over time and across countries.

According to the value of the PIR, based on data from the 16th Annual Demographia International Housing Affordability Survey (2021), housing affordability can be categorized as follows:

Table 1: Housing Affordability Categories Based on PIR

- 0 < PIR < 3: Affordable
- 3 < PIR < 4: Moderately Unaffordable
- 4 < PIR < 5: Seriously Unaffordable
- PIR > 5: Severely Unaffordable

Sources: Suhaida et al., 2011; Dastres and Selló, 2022.

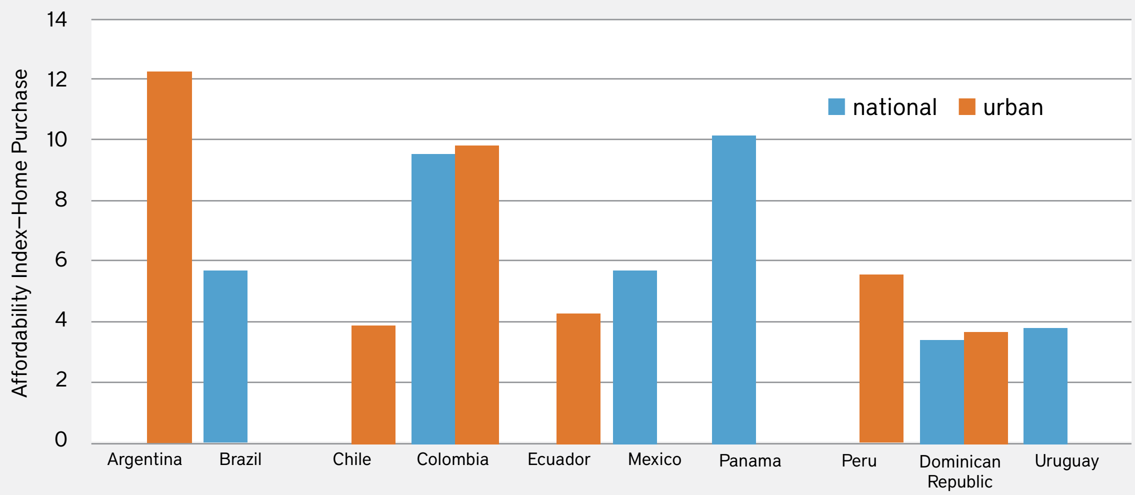


Figure 6: Affordability Index–Home Purchase
Source: Authors for the Housing Yearbook for Latin America and the Caribbean 2024, *presented by CAF and LILP.*

Notes:

1 These indicators could not be presented for Costa Rica and El Salvador: In both cases, average incomes were collected instead of medians due to lack of available data. For Costa Rica, price data was not obtained, and for El Salvador, the data was statistically unreliable.

2 In Panama, low rural incomes reduce the national average, worsening the national index. It is necessary to calculate this index specifically for urban areas.

3 In Brazil, the median price base from the Central Bank was used. If the FipeZap price base were used, this index would rise to nearly nine times.

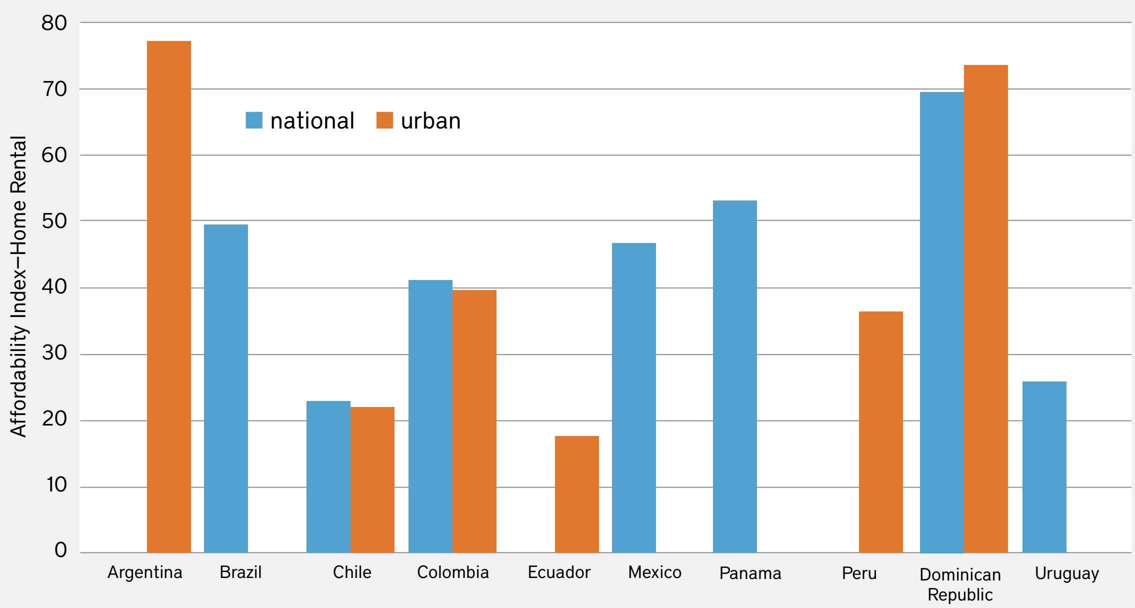


Figure 7: Affordability Index–Home Rental
Source: Authors for the Housing Yearbook for Latin America and the Caribbean 2024, *presented by CAF and LILP.*

Notes:

The Price-to-Income Ratio (PIR) is a widely used metric among international organizations and researchers in the field. This indicator calculates housing affordability by dividing the median home price by the median gross annual household income within a specific area. Median values are used to minimize the impact of extreme values, such as exceptionally high or low incomes and housing prices. The resulting ratio is interpreted as the number of years a household with a median income would need to allocate 100% of its income to purchase a home at the median price in the given area.

It is important to note the limitations of the PIR, as it assesses the ability to pay independently of other essential needs, thus deviating from a broader, more comprehensive definition of affordability. Nevertheless, its widespread use provides an easily measurable and comparable index over time and across countries.

It is important to note a limitation of the PIR indices previously adopted: The socioeconomic dimension of affordability should not be limited solely to the capacity to access housing but should also include the ability to sustain that access, taking into account additional housing costs and their impact on the household budget and the enjoyment of other basic rights:

> "Housing is not adequate if its cost endangers or hinders the enjoyment of other human rights." (UN Committee on Economic, Social, and Cultural Rights [CESCR])

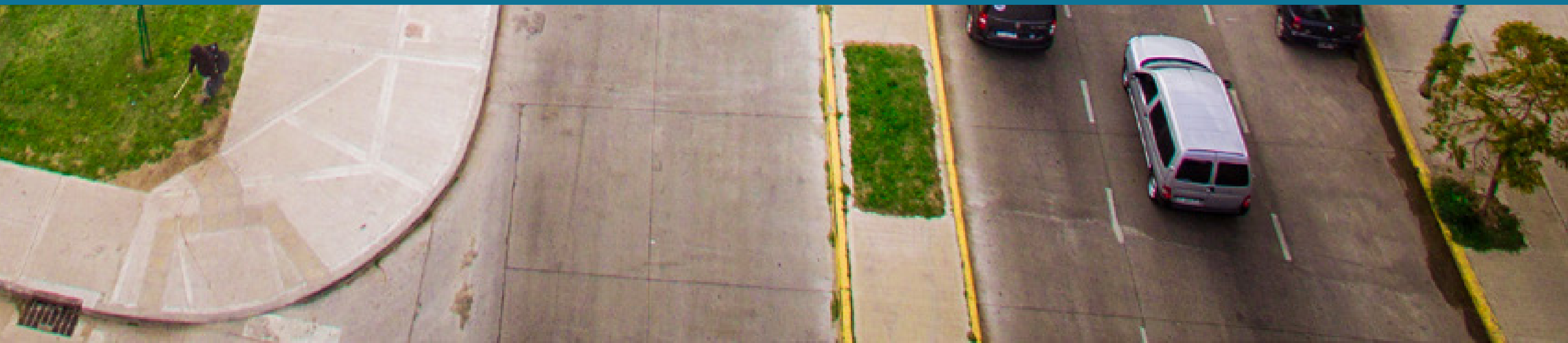
> "Housing is affordable when it can be obtained and retained at a minimum acceptable standard, leaving sufficient income to meet essential nonhousing expenditure." (Stephens, 2017)

Thus, when this 30% level is adopted as a general rule, regardless of income level, it tends to underreport the incidence of excessive income commitment. In LAC, for families in the lowest - income deciles, a 30% commitment solely for rent payments or mortgage installments leaves insufficient income—as indicated by high poverty levels—to cover other essential expenses such as food, healthcare, education, clothing, transportation, and housing-related costs (water and sanitation, electricity, gas, maintenance and repairs, taxes, and condominium fees where applicable).

Affordability is likely to remain a key issue, requiring concerted efforts to reduce production and credit costs, curb speculative movements in land prices, and promote quality urban densification, among other measures. Innovations in these areas are essential, as highlighted in the final section of this *Yearbook*.

SECTION II

Analytical Reports by Country



Introduction

The reports presented in this section aim to provide a synthesis of the housing sector profile in each country, offering brief analyses of the dynamics and key aspects based on the variables and indicators collected. This approach enables the inclusion of more qualitative aspects. Accordingly, an overview of the macroeconomic and demographic context is provided, alongside the specific characteristics of the real estate and credit markets.

At the beginning of each subsection, the main points of the analysis are summarized.

The analytical sections are then organized by thematic areas:

1. General overview: Macroeconomic and demographic aspects
2. Housing access for the social interest segment
3. Housing market
4. Residential mortgage market
5. Urban land market
6. Informality, inclusion, and sustainability

The reports conclude by presenting perspectives, trends, and projections derived from the analyses conducted.

They also include a summary table of the mortgage system—a synthesis of the key characteristics of the country's mortgage system, presented through standardized questions to facilitate comparability—and a summary table with 14 key indicators extracted from the statistics:

- Inflation rate
- Unemployment rate
- Informality rate in the labor market
- Ratio of residential mortgage credit stock to GDP
- Ratio of public investment in housing to GDP
- Banking spread (the difference between the average interest rate for general bank credit—not limited to mortgages—and the average rate paid on deposits by banks in the country)
- Ratio of quantitative housing deficit to total housing stock
- Ratio of qualitative housing deficit (inadequate housing) to total housing stock
- Homeownership rate
- Urban home purchase affordability index (the ratio of the median sale price to the median annual household income)
- Urban rental affordability index (the ratio of the median rent price to the median annual household income)
- Rate of change in the home sale price index
- Rate of change in the rental price index
- Ratio of dwellings without formal property titles to the total housing stock in the country

Argentina

By **Iván Kerr** and **Federico González Rouco**

SUMMARY

- Inflation and economic instability have restricted access to credit, affecting home purchases and investment in construction.
- Mortgage financing is expected to increase in 2024.
- High land and construction costs present significant obstacles to the development of affordable housing. Furthermore, the lack of genuine funding sources drives up interest rates and necessitates shorter loan terms.
- Informal employment and limited financial inclusion remain pressing challenges.
- Transitioning to a green economy creates opportunities for sustainable construction jobs, enhancing both social and economic inclusion.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

In 2023, Argentina's economy faced significant instability driven by macroeconomic and political imbalances. Annual inflation soared to an alarming 211%, severely eroding purchasing power. At the same time, the gross domestic product (GDP) contracted by 1.6%, reflecting the combined effects of economic and political tensions, including presidential elections that culminated in a leadership change in December.

A fiscal deficit of nearly 5% of GDP further strained the country's financial situation, limiting banks' ability to expand credit to households. Consequently, personal credit plummeted to historically low levels, restricting access to financing for home purchases and other goods.

Real wages also declined toward the end of the year, worsening the economic challenges faced by Argentine households. The dual pressures of high inflation and weak economic growth not only undermined consumer confidence but also reduced families' capacity to save, borrow, and invest.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

In 2023, Argentina's economic instability significantly disrupted the housing market, making it especially difficult for the social interest segment to access housing. Rental prices soared, outpacing inflation, with average rents in Buenos Aires climbing to 72% of formal average incomes—a dramatic increase from the previous average of 40%. Existing regulations drove these price hikes until their repeal in December, leaving a lasting impact on the market.

New mortgage loans remained at historically low levels, consistent with previous years, despite a modest boost from access to the official foreign exchange market. This policy functioned as an implicit and regressive subsidy, disproportionately benefiting higher-income households amid tight currency restrictions. The reliance on U.S. dollars for real estate transactions further complicated access to property ownership.

These challenges underscore the urgent need for public policies to improve housing affordability. Stabilizing the economy and prioritizing interventions that address the needs of the most vulnerable groups is critical to ensuring more equitable access to the housing market. While updated data on the housing deficit is unavailable, it is likely that the deficit has worsened due to the economic recession, declining incomes, and reduced investment. Addressing this situation will require policies that support the production of affordable housing to meet the growing demands of Argentina's housing market.

3. HOUSING MARKET

In 2023, Argentina's private construction sector faced significant challenges, marked by a decline in building permits and reduced consumption of key materials. Despite these adverse conditions, certain segments capitalized on relatively low construction costs, driven by the exchange rate gap, to make private investments in housing.

The real estate market showed mixed results across regions. In the city of Buenos Aires, transactions rose by 20% compared to 2022, signaling recovery in the area. However, transactions fell by 13% in Buenos Aires Province and by 4% in Tucumán, revealing disparities in market performance nationwide.

Rental prices saw significant changes, rising sharply, while home sale prices experienced slight declines. This divergence was largely influenced by rental legislation that remained in effect until December 2023.

4. MORTGAGE HOUSING CREDIT MARKET

In 2023, Argentina's mortgage market experienced one of its worst years on record in terms of disbursement volumes and portfolio value relative to GDP. The total mortgage portfolio accounted for just 0.3% of GDP, and housing loans made up only 0.1%. Across available jurisdictions, fewer than 8% of real estate transactions were financed through mortgages, underscoring the sector's limited credit penetration.

The average mortgage balance stood at just USD 1,682 per loan, reflecting the outdated nature of contracts, the full accounting of capital adjustments in Central Bank statistics, stringent currency controls, and the near absence of credit availability in Argentina.

Low real interest rates reflected the lack of open-market loans. However, these loans were not "subsidized" by public resources, as no specific government allocations existed. In most cases, they stemmed from commercial bank policies aimed at providing loans to employees at below-market rates. Additionally, in 2023, access to the official foreign exchange market at favorable rates enabled a provincial public bank to offer low-rate loans.

Historically the dominant player in the mortgage system, Banco Nación saw its market share decline to 38% by December 2023, down from over 50% in previous years. In contrast, Banco de Córdoba increased its market share from a historic 4% to 13%. This shift resulted from a general decline in the sector, combined with Banco de Córdoba's aggressive strategy to capture market share, including offering products such as 100% loan-to-value (LTV) loans.

Despite the adverse macroeconomic conditions, mortgage default rates among households remained surprisingly low, at around 1%. This resilience highlights the quality of the mortgage portfolio. Nevertheless, expanding access to and growth in mortgage credit remains a significant challenge, requiring attention to foster financial inclusion and improve housing accessibility in Argentina.

Table 2 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	• Retail bank deposits and public resources (primarily used for financing home renovations, expansions, and improvements). These are not primarily focused on direct mortgage loans. • There are limitations in diversifying funding sources.
What is the primary funding source, and what is its share of the total housing credit stock?	• Commercial banks, which rely heavily on collected deposits.
What types of institutions provide housing loans?	• Commercial banks: the main providers of credit to the sector. • Public sector: includes both national and provincial institutions. • Other organizations: such as pension funds, though to a lesser extent.
Which is the main institution, and what is its market share?	• Banco Nación: the leading institution, holding 38% of the mortgage portfolio as of December 2023
What is the most common type of credit product for home acquisition?	• Variable-rate mortgages: a fixed real rate component denominated in purchasing power units (UVAs), which are adjusted for inflation.
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	• UVA loans: an average annual real interest rate of 0.7%, plus inflation adjustments. • Peso-denominated loans: an average fixed annual interest rate of 85%. • Subsidy differentiation: No specific data is available on rates with subsidies.
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	• The typical loan-to-value (LTV) ratio is 75%.
What is the typical income commitment for housing mortgage loans?	• The typical income commitment is 25% of household income.
What percentage of loans issued during the year received some type of subsidy?	• No specific data is available on the percentage of loans that received subsidies.

5. URBAN LAND MARKET

In 2023, Argentina's urban land market continued to face critical challenges driven by real estate speculation and ineffective urban planning. Buenos Aires stands out as the city with the most expensive urban land in Latin America, with a median value of USD 1,320 per square meter, reflecting significant speculation and barriers to the development of affordable housing.

The National Urban Land Plan has aimed to address these issues by generating serviced lots at more accessible prices and strengthening land management in collaboration with local governments. However, informal land occupation and the underutilization of public lands remain significant obstacles to sustainable urban development. The implementation of inclusive zoning and planning policies is crucial to improving access to urban land and promoting more equitable growth.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

In 2023, Argentina continued to face significant challenges in integrating informal sectors into the housing market. High levels of labor informality, coupled with a lack of inclusive financial products, have left many Argentines unable to access mortgage credit. Addressing structural inequalities and promoting formalization are critical steps toward achieving more inclusive development.

When it comes to sustainability, the housing market still has substantial progress to make. The development of bioclimatic homes with energy-efficient designs and renewable energy systems offers an opportunity to drive sustainability within the social housing sector. Expanding these practices would not only improve inclusion and accessibility but also contribute to more sustainable urban growth, reduce the environmental impact of housing, and enhance the quality of life for vulnerable communities.

Additionally, energy efficiency labeling for homes—already implemented in several provinces—aims to standardize sustainable practices and encourage the development of energy-efficient housing. While still in its early stages, these initiatives hold significant potential to advance sustainable urban development.

Table 3 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	133.5%
Unemployment rate	6.81%
Informality rate in the labor market	34.3%
Housing mortgage credit stock/GDP	0.04%
Public investment in housing/GDP	0.21%
Banking spread	1.61 pp
Quantitative deficit/urban housing stock	17.3%
Qualitative deficit/urban housing stock	5.1%
Homeownership rate	68%
National housing affordability index (purchase)	12.14
National housing affordability index (rental)	77.2%
Rate of change in the house price index	−0.4%
Rate of change in the rent price index	49%
Households without formal title relative to housing stock	13.3%

** reference city*

OUTLOOK, TRENDS, AND PROJECTIONS

In early 2024, nearly 20 banks launched or relaunched mortgage credit lines, signaling a potential increase in financing for home purchases and construction. Although requirements remain stringent, the mortgage market is expected to perform better.

However, rising construction costs—driven by a narrowing exchange rate gap—have negatively affected real estate projects and small-scale renovations.

To foster inclusive and sustainable growth, promoting financial inclusion through microfinance and supporting housing projects that adopt sustainable practices are essential. The transition to a green economy presents opportunities to integrate sustainability with job creation in the construction sector, enhancing quality of life and addressing inequalities in housing access.

Brazil

By **Flávia Leite** and **Adriano Borges Costa**

SUMMARY

- High borrowing costs in Brazil persist, averaging nearly four times the rate paid on bank deposits. These elevated costs indirectly affect residential mortgage rates, which, despite being regulated/subsidized, remain high for households facing the greatest housing deficits.

- The Minha Casa Minha Vida (MCMV) program was relaunched and restructured, with more funding than in 2022, primarily sourced from the Workers' Severance Fund (FGTS) and, to a lesser extent, the Federal Union Budget (OGU).

- The quantitative housing deficit increased by 4% between 2018 and 2022, despite an 11% annual growth in average housing unit launches during the same period, indicating a mismatch between supply and the needs of deficit-affected families.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

Brazil's inflation rate for 2023 stood at 4.6%, within the target and below the regional average (even excluding Argentina and Venezuela). However, Brazil closed the year with one of Latin America's highest reference interest rates (SELIC), at 11.75%, maintained at elevated levels by the Central Bank for much of the year. The reference rate influenced deposit yields (averaging 12.1%) and borrowing costs (averaging 43.6%).

Borrowing costs in Brazil, nearly four times higher than funding rates, reflect a substantial "spread" (31.5%)—the highest in the region—and translate into elevated consumer credit costs. The average cost of credit also includes subsidized rates under the directed credit system, such as the Housing Finance System (SFH), rural savings programs, and the National Bank for Economic and Social Development (BNDES). Although residential mortgage credit in Brazil is primarily regulated or subsidized and thus priced below market rates, it remains high and insufficient to expand access for lower-income households.

Regarding housing demand in Brazil, three key factors stand out. First, labor informality affected 39% of the workforce in 2023. Although slightly below the regional average, this high level of informality significantly restricts families' ability to access credit, as Brazilian financial institutions do not accept informal incomes as proof of repayment capacity. Second, the unemployment rate closed at 7.8% in 2023, the lowest since 2014, signaling a gradual economic recovery. Finally, newly published census data reveal that Brazil's population grew by just 6.5% between 2010 and 2022, the lowest rate in historical records. In the long term, this sustained decline in population growth is likely to reduce the demand for new housing. While this trend could facilitate progress in reducing housing deficits, it might also lower construction activity and contribute to the stabilization of property prices.

However, changes in living standards and household formation patterns have directly impacted household size, which decreased from an average of 3.31 people in 2010 to 2.79 in 2022. This downward trend could, in turn, drive both housing demand and supply as families seek new or additional housing options.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

The MCMV program was reinstated in 2023, replacing the previous Casa Verde e Amarela initiative. Reforms introduced by the current government increased budget allocations over twelvefold compared to 2022 (USD 1.7 billion versus USD 180 million, according to the Ministry of Planning and Budget). However, this budget is still below the peak funding levels of the program , which reached USD 4.5 billion in 2015.

Expanding housing subsidies is essential, especially for low-income families with gross monthly incomes of up to BRL 2,850 (USD 518). This group represents 75% of the quantitative housing deficit, which amounts to more than 4.6 million households. Yet, historically, only one-third of the 1.6 million units built under the program since 2009 have been allocated to these families, a number far too small to meet the demand for adequate housing.

Access to housing through private financing is generally limited to families with formal gross monthly incomes of at least BRL 2,850 (USD 518) and is supported by subsidies for interest rates and down payments. Despite public sector subsidies, homeownership remains a significant challenge, as the median property price is nearly six times the median household income.

Nationwide, residential property prices have grown by an average of 4% annually over the past five years, while real incomes have increased by just 0.3% annually. This disparity underscores the growing gap between property values and income levels in Brazil. Additionally, informal-income households are largely excluded from the housing finance market. Unlike global trends, where such segments are increasingly served, Brazilian financial institutions still perceive informal income as a high credit risk.

As a result, self-construction continues to dominate among low- and lower-middle-income families, contributing to 37% of Brazilian homes being classified as inadequate or rustic.

Housing microfinance (HMF) emerges as an attractive alternative, particularly for low-income families and informal workers, to reduce the qualitative housing deficit. However, this type of credit remains underdeveloped in Brazil. In 2023, the total HMF portfolio amounted to just USD 11.3 million—representing a mere 0.005% of the total mortgage credit portfolio—and only eight institutions regularly offered this product, according to data from the Brazilian Association of Microcredit and Microfinance Operators (ABCRED). The key barriers to HMF expansion include insufficient regulation, limited funding, and high costs, with average annual interest rates reaching 49.4%.

Despite these challenges, access to dignified housing for low-income populations will likely continue to face significant hurdles in the years to come.

3. HOUSING MARKET

In 2023, Brazil's real estate market saw modest growth in housing availability, driven by an increase in formal housing production, particularly in major urban centers. Residential offerings grew by only 1% compared to in 2022, totaling 122,000 units—a figure significantly below the recent historical growth average of 8%, according to the Brazilian Association of Real Estate Developers (ABRAINC). ABRAINC data shows that new housing production in 2023 was predominantly concentrated in the MCMV program, which accounted for 73% of the 104,000 units delivered nationwide. However, most of these subsidized units were allocated to tiers two and three of the program, including middle- and upper-middle-income households.

As a result, despite modest growth, housing construction has largely excluded the lowest-income groups, contributing minimally to reducing Brazil's quantitative housing deficit, which stands at 6.2 million units—4% higher than in 2019. It is also worth noting that the qualitative housing deficit is four times larger (26.5 million units), underscoring the urgent need to increase residential production and, more importantly, to improve the existing housing stock.

In terms of prices, rental values increased much faster than sales prices. A comparison of the Central Bank's IVG-R index for sales prices with the FipeZap index for rental prices shows that sales prices grew by 3.7% between 2022 and 2023, while rental prices surged by 16.2%, continuing a trend observed in the previous period. The expansion of the rental market may stem from greater population mobility in the post-pandemic years, difficulties in acquiring formal properties, and the limited availability of rental housing, which is constrained by insufficient financing for this segment. It is also worth noting that Brazil's rental market remains relatively small, as 70% of Brazilians live in owner-occupied housing, including those in informal housing arrangements.

4. MORTGAGE HOUSING CREDIT MARKET

Continuing the trend of recent years, the concentration of Brazil's National Financial System (SFN) decreased in 2023. This diversification was primarily driven by the growing participation of credit cooperatives and nonbanking institutions, including fintech companies. However, while Brazil's broader credit market has become more competitive, the housing credit segment has not experienced the same level of diversification. In this sector, major banking institutions such as Caixa continue to dominate, accounting for 68.3% of total housing financing volume. Of the total housing loans issued in 2023, 43% were backed by the Guarantee Fund for Time of Service (FGTS), while 57% originated from a combination of the Brazilian Savings and Loan System (SBPE) and unsecured real estate credit letters (LCIs).

There has also been some relative diversification in credit market funding. Funding volumes have grown in recent years, including in the real estate sector. In line with trends from previous years, 2023 saw an increase in the issuance of tax-exempt instruments, such as LCIs and covered bonds (real estate credit bonds—LIGs). However, the share of savings deposits—the primary funding source for real estate production and acquisition—declined by 1.5%. This decline in savings does not necessarily reflect growth in housing market funding, as instruments such as real estate credit certificates (CRIs), LIGs, and others have been used to raise capital for sectors unrelated to residential or broader real estate markets. In response to this trend, the Central Bank issued resolutions in 2024 restricting eligible guarantees and adjusting timelines for the issuance of these instruments. As a result, the recent growth in these alternative funding sources may reverse, reinforcing FGTS, SBPE, and LCIs as the primary sources of credit for housing acquisition.

The housing credit portfolio expanded by 12% in 2023, reaching USD 208 million by year-end. Despite challenging economic conditions, the portfolio maintained a relatively low default rate of 1.44%, consistent with previous years. Nearly 95% of this volume came from financing with variable-rate loans indexed to the Reference Rate (TR), a sector-specific benchmark that is not a price index. The remaining 5% was split between loans with variable rates tied to inflation (IPCA) and fixed-rate loans.

The typical "market" interest rate for these contracts in 2023 was 12.2%, underscoring the embedded subsidies across the system. The average subsidized rate was 10%; however, loans exclusively backed by FGTS had significantly lower average rates.

5. URBAN LAND MARKET

Since the approval of the Federal City Statute in 2001, all municipalities in Brazil with more than 20,000 inhabitants have been required to enact legislation establishing a master plan to guide urban development and expansion policies. Under this federal mandate, master plans and related municipal legislation can include mechanisms to ensure the social function of property and support the production of social interest housing. Although these tools are critically important, they have been difficult to implement effectively. This challenge is reflected in the increasing number of families living in inadequate properties due to a lack of suitable land: more than 3 million households in 2022, compared to 2.5 million in 2016.

Additionally, the weak implementation of urban planning tools outlined in the regulatory framework has exacerbated accessibility challenges. Land prices represent a significant component of housing development costs, particularly in urban centers and metropolitan regions, where land valuation has risen sharply. This situation restricts access to well-located housing for low-income groups. In this context, Special Social Interest Zones (ZEIS) stand out as potential instruments to regulate soaring land prices. ZEIS have been successfully implemented in some municipalities, designating central areas for social housing. However, in other cases, they have merely identified marginalized neighborhoods or less accessible land, proving insufficient on their own to reverse the pattern of producing social interest housing in peripheral areas or poorly serviced regions.

Some cities have increased the use of public land—whether underutilized or unused—for social housing projects. However, the scale of these projects remains too limited to significantly impact the housing market. The progressive property tax (IPTU), a fiscal mechanism that gradually increases tax rates on vacant properties over time, is also underutilized by municipalities. While São Paulo was among the pioneers in applying this tool, its use remains limited, according to an analysis by the Lincoln Institute of Land Policy.

Table 4 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	The primary funding sources are savings deposits and workers' reserve funds. While unsecured bonds are a notable secondary source, secured bonds and securitization play a minimal role in housing credit.
What is the primary funding source, and what is its share of the total housing credit stock?	The Brazilian Savings and Loan System (SBPE), accounting for 43.9% of the total.
What types of institutions provide housing loans?	Commercial banks, including public banks, credit cooperatives, and mortgage companies.
Which is the main institution, and what is its market share?	Caixa Econômica Federal (a public bank) holds 68.3% of the total market share.
What is the most common type of credit product for home acquisition?	Fully amortized financing with a variable interest rate (VRM), not indexed to inflation.
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	10.2% variable. However, the index used (TR) smooths out the volatility of price indices.
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	67.6%.
What is the typical income commitment for housing mortgage loans?	27.29%.
What percentage of loans issued during the year received some type of subsidy?	100%, considering that all loans under the Housing Finance System (SFH) operating at below-market interest rates incorporate some form of subsidy, even if they are not directly targeted at a specific audience.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

With two-fifths of the workforce employed informally and over 3 million households lacking property titles, accessing housing credit remains a significant challenge for many Brazilian families. The absence of public data on the income levels of credit recipients, the participation of informal workers in the credit market, and details on refinanced and foreclosed loans further complicates efforts to analyze the sector and implement effective public policies. In Brazil, there is a notable lack of transparency in credit reporting, which hinders the evaluation and monitoring of mortgage lending. This includes missing data on credit approvals, refinances, and denials, disaggregated by dimensions such as race, gender, and income—an approach that has been in place in the United States since the enactment of the Home Mortgage Disclosure Act (HMDA) in 1975.

Another significant gap is the lack of data and incentives for the production of environmentally certified housing. Although national regulations allow renewable energy, mobility, and social housing projects to be financed through real estate credit certificates (CRIs), additional incentives for green financial instruments are lacking, and no dedicated funding exists for the sector. However, changes are anticipated in the coming years as environmental concerns gain traction on the political agenda. One indication of this shift is a recent presidential decree mandating the installation of solar panels for photovoltaic energy generation in first-tier units of the MCMV program.

OUTLOOK, TRENDS, AND PROJECTIONS

After a prolonged period of stagnation primarily caused by the pandemic, the Brazilian economy began to show signs of recovery in 2023, albeit at a slower pace than expected. GDP grew by 2.9%, which was below the regional average. For 2024, the IMF projects growth of 2.2% for Brazil, still lower than the average for developing countries. Despite this modest growth, the economic recovery, increased public investment in the housing sector, and potential reductions in interest rates are expected to positively impact the real estate market.

On the demand side, the outlook is optimistic, driven by the recovery of average incomes and the stabilization of unemployment. Additionally, the implementation of the Desenrola Brasil program, which aims to reduce household over-indebtedness, represents another positive development.

Table 5 **Summary of indicators**

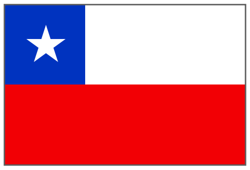
INDICATOR	YEAR 2023
Inflation rate	4.60%
Unemployment rate	7.80%
Informality rate in the labor market	39.00%
Housing mortgage credit stock/GDP	10.02%
Public investment in housing/GDP	0.89%
Banking spread	31.46
Quantitative deficit/urban housing stock	9.60%
Qualitative deficit/urban housing stock	40.93%
Homeownership rate	69.80%
National housing affordability index (purchase)	5.6%
National housing affordability index (rental)	49.6%
Rate of change in the house price index	3.69%
Rate of change in the rent price index	16.16%
Households without formal title relative to housing stock	4.39%

This program is particularly significant given that 80% of Brazilian families are in debt, according to Serasa—a situation that raises significant concerns within the market.

On the supply side, expectations are moderately positive. The reactivation of the MCMV program in 2023 is expected to continue supporting the construction of housing units for low-income families. However, the operation of the FGTS, which provides the largest interest rate subsidies, continues to favor families with above-average incomes (up to BRL 8,000 per month). This creates a "crowding out" effect, reducing the availability of other funding sources and limiting credit access for lower-income groups, where the housing deficit is most acute.

A key factor influencing both supply and demand in the real estate market in the near term is the central benchmark interest rate. After several reductions throughout 2023 and 2024, the Selic rate's downward cycle appears to have concluded. Speculation suggests the beginning of a new upward cycle, with the Central Bank expected to raise the rate to 11.75% by the end of 2024. However, for the following year, assuming controlled inflation, fiscal discipline, and relatively stable global conditions, market participants anticipate a rate reduction.

That said, even a potential rate decrease is unlikely to significantly expand mortgage lending. The market already operates under regulated rates, and financial institutions generally do not extend credit to families with informal incomes.



Chile

By **Slaven Razmilic Burgos**

SUMMARY

- Between 2010 and 2023, positive demand factors combined with supply constraints led to a 92.4% increase in housing prices, while household incomes rose by only 24.6%.

- This dynamic resulted in a significant rise in the ratio of mortgage lending to GDP, increasing from 19% to 31% over the period, primarily due to larger loan amounts driven by rising housing prices. Notably, the ratio of loans to households remained virtually unchanged between 2010 and 2023.

- The number of households in precarious informal settlements reached 114,000 in 2023, a level not seen since the early 1990s.

- It is essential to rethink or complement the current set of programs, instruments, and regulations to resume the progress Chile once made in reducing its housing deficit over previous decades.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

Following the shock of the COVID-19 pandemic and the macroeconomic imbalances caused by various crisis relief measures, Chile has settled into a period of low to moderate growth (between 0% and 2% annually). Inflation, however, has returned to the Central Bank's target range (2% to 4%) after peaking at over 14% annually in 2022. Investment declined by 1.1% in 2023, and no substantial recovery is anticipated for 2024, given that both short- and long-term interest rates remain well above pre-pandemic levels.

In the medium term, economic activity is expected to recover gradually, positively impacting real wages and a labor market that currently shows unemployment rates around 8.5%. From a demographic perspective, housing demand has been—and will continue to be—driven by significant migration flows that Chile received primarily between 2015 and 2020. These flows have offset the steady decline in the local population's natural growth rate.

Considering these factors, the housing market is expected to remain under pressure, and the disconnect between housing and rental prices and household incomes is likely to persist in the medium term unless there is a substantial increase in housing production.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

The Chilean government focuses its efforts and resources on direct subsidies that cover between 10% and 95% of a home's value, depending on the specific subsidy program and the beneficiary household's income level. Additionally, over the past decade, the government has expanded the use of demand-side subsidies that partially cover rental costs for families.

It is worth noting that Chile currently lacks substantial policies to support mortgage financing for the social interest segment, such as second-tier banking or dedicated funds, as well as housing microfinance policies. The only mechanisms in place aim to facilitate access to complementary credit for subsidy beneficiaries through foreclosure insurance, unemployment insurance, and incentives for timely mortgage payments.

Over the past 40 years, approximately 65% of newly built homes purchased annually have been supported by housing subsidies. These homes are produced by the private sector but must meet strict standards verified when the corresponding subsidy is applied. The quality standards of subsidized housing have gradually improved, in line with rising land values and material costs. However, these combined effects have caused public spending on housing subsidies to increase fivefold over the past 30 years, even as the volume of housing production has decreased by 20% compared to in the 1990s.

The decline in subsidized housing production, coupled with strong housing demand driven by migration, has resulted in a persistent quantitative housing deficit, which remains above 500,000 units. At the same time, the number of households living in informal settlements has reached 114,000—levels not seen in Chile since the early 1990s.

The persistence of the quantitative deficit, the growth of informal settlements, and the increasing financial burden on households present significant challenges for the Chilean state. Households in the second income decile, for example, allocate approximately 46% of their income to mortgage payments and 53.5% to rent. This situation highlights the urgent need for better territorial planning to generate new housing supply, alongside a redesign or supplementation of existing programs and regulations to boost production without excessively increasing public spending, which competes with other critical needs such as pensions, security, education, and healthcare.

3. HOUSING MARKET

Apart from the recent resurgence of informal settlements—which still represent no more than 2% of the total housing stock—Chile's housing market operates within a highly regulated framework. The private sector dominates housing production, while public funding plays a significant role in facilitating access to housing. However, over the past 15 years, the market's capacity to meet existing demand has deteriorated.

Since 2010, both the quantitative and qualitative housing deficits have stagnated. As of 2022, the urban housing deficit stood at 516,187 units quantitatively and 996,248 units qualitatively. Meanwhile, average housing prices increased by 92.4% between 2010 and 2023, whereas average real incomes rose by only 24.6% over the same period. This disparity has exacerbated affordability challenges.

Although average transaction prices fell by 4.2% in 2022 and 0.4% in 2023—the only declines recorded since data collection began in 2002—this drop is considered temporary. It is primarily attributed to the inflation shock of 2022 and rising interest rates. There are no indications that the significant gap between housing prices and income levels will narrow in the medium term.

A directly related trend is the decline in homeownership rates, which dropped from 68.1% in 2006 to 57% in 2022. This decline coincides with a 10-percentage-point increase in the share of households that rent, rising from 16.8% to 26.5% over the same period.

More recently, housing production has slowed sharply. The 90,592 units approved in 2023 represent the lowest level in the building permit series dating back to 1991. While the decline in requested permits is partly due to the negative demand shock of the past two years—caused by inflation, higher interest rates, and uncertainty—as well as the resulting temporary oversupply of non-subsidized housing, the reality is that over the past decade, the annual flow of housing construction has stagnated, while prices have risen sharply.

4. MORTGAGE HOUSING CREDIT MARKET

From 2022 through the first half of 2024, the housing mortgage credit market has experienced a significant decline. This is largely due to the rise in average mortgage rates, which reached 4.4% annually (above the inflation index variation) in 2023 and averaged 5% during the first half of 2024—essentially double the levels seen in 2020 and 2021. The increase reflects higher long-term interest rates in Chile and globally, coupled with the reduced depth of the local financial market caused by three successive withdrawals of 10% from pension fund savings in 2020 and 2021 (a measure approved by Congress to mitigate the crisis and provide liquidity to families), as well as the sustained increase in public debt, which reached 39.4% of GDP by the end of 2023.

The contraction in this market is evident in the 80,597 credit operations contracted in 2023, which, while representing a 4.9% increase over 2022 (the lowest point in the series), are still 36.1% below 2019 levels and 31.4% lower than the 2014–2019 average. The medium-term outlook suggests that mortgage originations will increase between 5% and 10% annually, allowing for a very gradual return to pre-pandemic levels.

Regarding the structure of Chile's mortgage market, 87% of credit operations registered in 2023 originated from commercial banks and were financed through the issuance of standard bonds. In these cases, they are not mortgage-backed bonds or securitized bonds backed by mortgages. Although such instruments exist under regulations and are available on the market, the bulk of transactions does not rely on vehicles specifically designed for housing finance, nor is it funded by earmarked public or private resources (Chile lacks a second-tier bank or dedicated public funds for this purpose).

A notable aspect is that homes purchased with a government subsidy and involving a complementary mortgage credit include a series of safeguards for both the borrowing household and the lending bank. These safeguards include unemployment insurance, foreclosure insurance, and incentives for on-time payments, all of which aim to facilitate credit access for families benefiting from subsidies.

5. URBAN LAND MARKET

The cost of land in Chile has steadily increased over the past 40 years, with the exception of the last two years, when market conditions have led to a slight contraction. Land costs account for approximately 18% of real estate project expenses for unsubsidized apartments, while for subsidized housing, this share is estimated at 10%. In response, the State has played a more active role in recent years, acquiring land through the creation of a Public Land Bank for subsidized projects and more efficiently repurposing underutilized public land for the development of social housing.

Table 6 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	Only private sources, such as deposits and debt issuance by commercial banks. To a lesser extent, mutual mortgage loans acquired by institutional investors, and to a very marginal degree, mortgage bonds and securitized bonds.
What is the primary funding source, and what is its share of the total housing credit stock?	Commercial banks originate 85.7% of all mortgage loans, primarily funded through the issuance of standard bonds.
What types of institutions provide housing loans?	Commercial banks, mutual mortgage administrators, and cooperatives.
Which is the main institution, and what is its market share?	Banco Santander, with a 21.3% share of mortgage loans as of December 2023.
What is the most common type of credit product for home acquisition?	Variable-rate mortgages with terms of 20 to 30 years.
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	The average variable-rate mortgage in 2023 carried an annual rate of 7.8%, which included a fixed 4.4% component above inflation for the period. Chile does not offer subsidized-rate instruments.
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	78.6% (2023 average)
What is the typical income commitment for housing mortgage loans?	25% (a standard across the industry, required for some instruments and applied similarly to others)
What percentage of loans issued during the year received some type of subsidy?	46.3% (this is an upper limit, assuming all state subsidies for middle-income homebuyers included associated complementary loans).

On the land supply side, legislation has been recently adjusted through the Social Integration Law in Urban Planning, enabling local planning instruments to incorporate regulatory incentives. Municipalities can now grant allowances for higher density, height, or building capacity to projects that include a percentage of public-interest housing. This mechanism is being gradually incorporated into updates of local zoning plans and aims to counteract the increasing development restrictions that have generally dominated the agenda of local authorities, often reflecting the preferences of long-term residents.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

In Chile, both the real estate market and housing finance sector operate under predominantly formal and regulated systems. Nevertheless, the past decade has seen a steady increase in households living in precarious and informal settlements, reaching 114,000 in 2023—a level not seen since the early 1990s. This phenomenon presents a significant challenge, necessitating a rethinking of inclusion, formalization, and regularization mechanisms, alongside programs for urbanization, relocation, or on-site improvement, depending on the particular circumstances of each settlement.

Table 7 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	3.4%
Unemployment rate	8.5%
Informality rate in the labor market	27.5%
Housing mortgage credit stock/GDP	30.6%
Public investment in housing/GDP	1.1%
Banking spread	2.21
Quantitative deficit/urban housing stock	8.3%
Qualitative deficit/urban housing stock	16.1%
Homeownership rate	57%
National housing affordability index (purchase)	3.9
National housing affordability index (rental)	22%
Rate of change in the house price index	–0.4%
Rate of change in the rent price index	—
Households without formal title relative to housing stock	4.2%

Regarding sustainability, it is worth highlighting the exceptionally high rates of access to basic services in urban areas (electricity: 99.7%, water: 98.4%, and sanitation: 99.3%), the establishment of housing certification standards, and the consistent strengthening of construction and architectural requirements, particularly for thermal insulation and seismic resistance.

OUTLOOK, TRENDS, AND PROJECTIONS

The unsubsidized housing market, currently experiencing a challenging period, is expected to recover at a moderate pace, reaching pre-pandemic sales levels only by 2026. This slow recovery means that the reactivation of real estate investment will be gradual and is unlikely to drive economic growth in the short term. Activity in the sector is directly linked to mortgage lending, which is currently being issued at relatively restrictive interest rates, dampening effective housing demand and delaying recovery.

Nevertheless, rising land costs, regulatory restrictions on development, and increasingly stringent construction and design standards will continue to put upward pressure on housing prices. This presents a particularly difficult challenge for public housing access policies, especially in a fiscal context where public resources are notably constrained. Without effective measures to increase housing production, affordability issues are likely to persist or worsen.

Colombia

By **María Cristina Rojas** and **Luisa Mariana Palomino H.**

SUMMARY

- Housing programs in Colombia have primarily focused on the acquisition of new housing (Mi Casa Ya, which provides subsidies for down payments and interest rates). However, other policy measures have been implemented on a more ad hoc basis, including rental subsidies, home improvement programs, free housing initiatives, and credit options for households with informal employment. Notably, Mi Casa Ya is the only program with an evaluated set of results, which limits the ability to measure the impact of other programs and adjust or strengthen their actions accordingly.

- The qualitative housing deficit has continued to increase and, as of 2023, is more than five times the quantitative deficit in urban areas. In contrast, public investment remains insufficient given the scale of the deficit. It is particularly concerning that, despite over 2 million households experiencing qualitative deficits, there is no robust program to develop regulations for microcredits aimed at home improvements.

- There is a clear lack of information about the informal housing and land market, despite abundant institutional data on the formal market. This gap is significant given that the informal market accounted for 46.6%—or 198,900 units annually—during the inter-census period from 2005 to 2018.

- The Central Bank of Colombia has raised its benchmark interest rate (TIBR) 14 times since October 2021, increasing it from 1.75% to 13.04% as of December 2023. This has been one of the key factors behind the decline in mortgage credit portfolios, the number of housing starts, and construction permits.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

In 2023, Colombia's total population was estimated at 52.3 million, entering the final stage of the demographic dividend (stage 3), characterized by a higher proportion of the potentially active population relative to dependents. The country had a total of 18 million households, with an average household size of 2.9 people. The urbanization rate stood at 76.5%, with Bogotá, DC, as the most populous city, housing 7.91 million residents—approximately three times the population of the next two largest cities.

The gross domestic product (GDP) totaled USD 365.6 billion, reflecting a growth rate of 0.6% compared to the previous year's rate. Inflation decreased from 13.12% in 2022 to 9.28% in 2023, while the official benchmark interest rate for the year was 13.04%, one percentage point higher than the prior year. Despite the reduction, inflation in 2023 placed upward pressure on interest rates for bank deposits (13.91%) and the average bank loan rate (26.98%). This, in turn, drove up mortgage credit rates, reducing housing affordability.

The national unemployment rate was 10.2% in 2023, marking a 1 percentage point decrease from 2022 (11.2%). Meanwhile, the employment rate increased to 57.6%, up by 1.1 percentage points compared to 2022 (56.5%). The overall labor force participation rate reached 63.8%, a slight increase from 63.6% in 2022. Informal employment accounted for 56.3% of the workforce, a decline from 58% in the same period of 2022. This contrasts starkly with the share of mortgage credit disbursements to informal households, which stood at just 2.54% of total disbursements—disproportionate to the need, though it has shown an upward trend over the past year.

Regarding poverty and inequality, the multidimensional poverty index was 12.1%, monetary poverty was 33%, and extreme monetary poverty stood at 11.4%. Colombia's GINI coefficient was 0.55, positioning it as one of the most unequal countries in Latin America and the Caribbean. Nonetheless, it is important to note that all these indicators have shown consistent improvement over time.

2. ACCESS TO HOUSING FOR THE SOCIAL

INTEREST SEGMENT

Colombia has developed several housing programs for the social interest segment aimed at reducing both the quantitative and qualitative housing deficit. These programs include initiatives such as free housing, subsidized housing, rental subsidies, housing leases, mortgage interest rate subsidies, demand-side financing, and supply promotion. Programs also target displaced populations, those affected by natural disasters, and households with informal employment. Since 2015, these programs have focused on low-income households by increasing subsidies and maintaining mortgage interest rate subsidies. However, challenges remain in peripheral regions of the country, where mismatches persist among payment capacity, credit inclusion, and housing construction activity.

The average monthly national income was USD 381.54. In the housing market, this translates to 39.8% of income being required to pay an average rent and 24 years of allocating 40% of income to purchase an average-priced home.

For new housing purchases, the policy defines subsidies of 33% (USD 8,091) for priority interest housing (VIP) and 13% (USD 5,394) for social interest housing (SIH), with maximum sales prices of USD 24,273 and USD 40,455, respectively. For home improvement, repair, or reconstruction, subsidies of up to USD 5,933 are available depending on the type of intervention in rural or urban areas. These programs include participation from social and community organizations and propose 100% financing for small municipalities' housing improvement projects.

The Semillero de Propietarios-Arrendatarios program, which had a lesser impact, operated until 2022. In 2023, it lacked new resources and continued only with previously allocated funds. The program provided subsidies of USD 116.25 per month for households earning less than two minimum wages, with households contributing USD 81.35 per month. Of this amount, USD 46.6 was allocated to savings and USD 34.87 to rental copayments. After two years, the accumulated savings allowed households to exercise the option to purchase the property.

Indirect subsidies include mortgage interest rate reductions for HIS and VIP homes under the Mi Casa Ya program, with rates 4 percentage points and 5 percentage points below the market rate, respectively, for the first seven years of the loan. Previously, this interest rate subsidy operated more generally for home purchases and, following the pandemic, was temporarily applied to non-SIH housing until 2021.

On the supply side, public policy actions focus on offering preferential fixed construction loan rates below market levels (UVR + 7.7% or 18% in pesos) and incentives for SIH construction, such as VAT refunds (16% of construction costs). Despite the qualitative housing deficit being more than five times the quantitative urban deficit, the country lacks a housing improvement credit policy without mortgage guarantees, which could significantly address this shortfall.

3. HOUSING MARKET

In 2023, 20% of urban households lived in housing with a qualitative or quantitative deficit, reflecting a reduction compared to the previous year's percentage.

The bulk of policy investment has been dedicated to producing new housing through subsidies for home purchases, down payments, interest rate reductions, mortgage credit lines, and leasing. These efforts have yielded positive results in boosting overall housing production, with market estimates indicating that 50.4% of housing production was formal during the last intercensal period (2005–2018).

In 2023, 19,381,445 m^2 were approved for construction, representing a 29.0% decline from the previous year. Approved areas for SIH dropped by 39.1%, while approvals for non-social interest housing decreased by 22.0%. The construction sector contributed 4.3% of GDP, with housing accounting for 1.88% of total GDP and SIH housing representing just 0.1%.

The decline in construction approvals aligns with lower housing investment than in the previous year, which had focused on post-pandemic recovery. Contributing factors include high interest rates and changes in subsidy allocation methodologies. These changes emphasized territorial investment in peripheral municipalities and prioritized lower-income households but resulted in mismatches between production and credit access.

For the fourth quarter of 2023, the New Housing Price Index (IPVN) registered an annual increase of 12.4%, 3.62 percentage points higher than the previous year. The national average price of new housing was USD 43,600, while the urban average reached USD 47,200. Meanwhile, the maximum allowable rent increase, regulated by the previous year's Consumer Price Index (IPC), was set at 13.12%. The average monthly rent for housing in Colombia stood at USD 156.

A defining characteristic of the Colombian housing market is its low homeownership rate. Only 39.5% of households are homeowners (35.4% with fully paid homes and 4.1% currently paying for their homes), while 40.3% are renters or sub-renters—a figure that has grown over time. This places Colombia among the countries with the lowest homeownership rates in the Organisation for Economic Cooperation and Development (OECD). The remaining households live in housing with the owner's permission without payment (14.5%), in possession without a title (3.4%), or in collective ownership (2.5%).

The average monthly rent of USD 156 represents 40% of the national average monthly income.

4. MORTGAGE HOUSING CREDIT MARKET

During 2023, housing finance institutions disbursed USD 5.3 billion in loans, representing a 19% decrease compared to in the previous year. Of this, USD 4.495 billion was allocated for home purchases, down 9.1%, while USD 341 million was disbursed for housing leasing, a sharp 54.2% decline. This financing covered a total of 172,866 housing units, including 161,439 through mortgage loans and 11,427 through leasing, marking a 12.6% drop in financed solutions.

Private credit institutions reduced their loan values by 29.5% compared to 2022, while the National Savings Fund (FNA) increased its loan disbursements by 63.1%. Mortgage loans for SIH grew by 7.9% compared to the same period the previous year, with loans for new SIH increasing by 5.0% and those for pre-owned SIH rising significantly by 32.1%. In total, 113,900 SIH mortgage loans were disbursed (88% for new housing and 12% for pre-owned housing), amounting to USD 1.018 billion (close to 19.2% of all mortgage loans issued during the year).

Rising interest rates driven by inflationary pressures, influenced by international factors, quickly impacted Colombia's economy. Despite an existing regulatory cap, the typical unsubsidized market mortgage rate reached 17.1%.

In the third quarter of 2023, the total capital balance of the country's mortgage loan portfolio grew by 8.4% compared to the same period the previous year. The share of total mortgage operations with more than three overdue payments stood at 7%, equivalent to 5.93% of the portfolio's total value.

Private credit institutions (commercial banks) continued to dominate the housing loan market, accounting for 87% of the total value and 83% of all transactions in 2023. However, the FNA increased its market presence, reaching 10% of the total loan value and 12% of the total number of operations.

Starting in 2021, the maximum proportion of household income allowed for mortgage payments for SIH loans was raised from 30% to 40%. However, this threshold only accounts for mortgage debt payments and excludes other financial obligations, such as other types of loans, which are also critical factors in households' repayment capacity.

In the fourth quarter of 2023, the loan-to-value (LTV) ratio for mortgage loans stood at 52.2% overall, with financing for new housing at 53.2% and pre-owned housing at 48.9%. While regulations cap this ratio at 70%, a special credit line was introduced in 2021 during the "social unrest" to allow financing up to 90% of the property value for young buyers, with the government subsidizing loan guarantees. This product remained available exclusively through the National Savings Fund in 2023.

For SIH, the loan-to-value ratio was 55.8%, while for non-SIH properties, it was 48.9%. Notably, the characteristics of housing leasing provide financing access for households where the LTV cap on mortgage loans is a limiting factor, particularly for higher-income, formally employed households in the non-SIH segment.

5. URBAN LAND MARKET

Colombia has several mechanisms aimed at regulating land markets and curbing real estate speculation through urban planning and fiscal policies, although not all are widely implemented across the country:

- Land value capture (Participación en Plusvalías): This mechanism allows municipalities to recover between 30% and 50% of the increase in property value generated by events such as changes in land classification (e.g., from rural or expansion to urban), higher permitted usage (in terms of use or buildability), or public works.

- Priority development: This measure establishes a maximum timeframe for the development or construction of urban or expansion properties included as priorities in Territorial Planning Plans (POTs). Once the municipality's deadline (between six months and two years) expires, the administration may choose to expropriate or forcibly sell the property through a public auction process. The base price for the first auction is set at 70% of the commercial appraisal of the property. If no bids are made during the first auction, a second auction is held, where the base price is 70% of the cadastral value. If no valid bids are received in the second auction, the municipality initiates expropriation procedures, with compensation equal to 70% of the cadastral appraisal.

Table 8 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	The National Savings Fund (Fondo Nacional del Ahorro), financed by severance payments it manages, balances from contractual voluntary savings accounts for independent workers (AVC), public resources, and the securitization of housing loan portfolios.
What is the primary funding source, and what is its share of the total housing credit stock?	86.3% comes from funds managed by credit institutions, primarily composed of deposits, bond issuance, and the sale of portfolios for securitization.
What types of institutions provide housing loans?	Private credit institutions (banks, compensation funds, cooperatives, employee and housing funds, and other portfolio managers) and public institutions (savings funds).
Which is the main institution, and what is its market share?	Credit institutions (private banks) accounted for 89.29% of individual housing loans. Bancolombia is the largest, with a 23% market share.
What is the most common type of credit product for home acquisition?	Fixed-rate mortgages in Colombian pesos (COP) for purchasing new homes. Most loans are issued for non-SIH housing, with an average LTV of 48.9%.
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	Fixed: 15.91%. Variable: 8.24%. Subsidized: The subsidy rate varies by housing type. For SIH housing (up to 150 current legal monthly minimum wages [SMMLV]), the subsidy is four percentage points (p.p.). For VIP housing (up to 90 SMMLV), the subsidy is five p.p. on the loan or leasing rate, which varies by credit institution.
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	52.3% as of December 2023.
What is the typical income commitment for housing mortgage loans?	There is no typical figure available. However, the regulatory maximum is 40% for SIH housing and 30% for non-SIH housing.
What percentage of loans issued during the year received some type of subsidy?	37.5% of housing loans in 2023 were issued for subsidized housing.

- Real estate tax rates for developable but undeveloped land and for urbanized but unbuilt land are set at a maximum of 0.033% of the cadastral value, which is higher than the rates applied to developed and constructed properties (ranging between 0.0005% and 0.016%).

- Mandatory SIH-VIP provision: This regulation requires the allocation of a percentage of usable or urbanized land for SIH and VIP. In certain local regulations, mandatory percentages of constructed area are also specified.

- Urban development obligations: Developers must allocate a percentage of land for parks, public infrastructure, and/or roads or provide a compensatory payment, which may include contributions to the expansion of public service networks.

- Construction and development rights fees: Charges are applied for building rights that exceed the basic levels of buildability defined by local regulations.

Colombia uses three indicators that impact the land market: the New Housing Price Index (IPVN), the Building Construction Cost Index (ICOCED), and the Land Value Index (IVP). In 2023, the total real estate value increased by 4.51%, while the cost of residential building construction rose by 7.22%. SIH saw an annual increase of 7.37%, while non-SIH housing experienced a similar rise of 7.17%. Meanwhile, the sale price of new housing registered an annual increase of 12.40% when comparing the fourth quarter of 2023 to the same period in 2022.

Some municipalities have established land market observatories to monitor and analyze these trends.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

Experts have identified that a significant proportion of households experiencing quantitative housing deficits—due to poverty, exclusion, and limited access to formal housing—address their housing needs in the informal market. Over time, these households often transition to qualitative housing deficits (Camargo et al., 2022). Informality in Colombia takes various forms: organized or spontaneous land invasions (with or without violence or authorization), illegal subdivision of land by agents who may or may not own the land, and informal transactions involving lots with minimal or no infrastructure. More complex forms include the occupation of vacant buildings in central areas (including historical heritage properties), densification of both formal and informal settlements, the informalization of legally established zones, and informal renting, among others.

Despite these trends, Colombia and its cities lack comprehensive data on the informal housing and land markets. Bogotá has maintained a monitoring procedure since 2003, known as "polígonos de monitoreo" (monitoring polygons), which aims to identify, georeference, characterize, and update existing occupations while preventing the emergence of new developments in these areas. Through this program, 5,644 monitoring polygons have been identified across urban, rural, protected, or risk-prone land, involving 29,467 informal occupations. However, the city still lacks information on informal housing and land transactions, informal renting, and occupations of existing buildings or historical heritage sites.

Colombia does not differentiate between "deficient housing" and qualitative housing deficits. However, according to the 2023 National Quality of Life Survey (ECV) by the National Institute of Statistics (DANE), 24% of households lack access to sewerage systems, 10% lack access to public water supply, and 1.2% have no access to any services (electricity, public water supply, sewerage, waste collection, natural gas, or fixed telephone services). In rural areas, these figures are significantly higher: 84.1% of households lack sewerage, and 4.8% have no access to any services.

In rural areas, these figures are significantly higher: 84.1% of households lack access to sewerage systems, and 4.8% have no access to any services. Additionally, the country does not have a comprehensive identification system for informal settlements or households located in protected or risk-prone areas. This lack of information—particularly at the local level within the framework of territorial planning—is a major limitation for housing policy. It hinders the establishment of baseline data, prioritization, budgeting, and monitoring of interventions.

From an inclusion perspective, in 2023, 47.8% of all disbursed housing loans were issued to men, 52.1% to women, and 0.2% to other groups.

On sustainability, there is no centralized registry of certified sustainable housing. However, the Colombian Chamber of Commerce, which operates and promotes the EDGE certification, identified 240,000 certified housing units as of June 2024, with 80% classified as SIH. The Colombian Council for Sustainable Construction also promotes LEED certification. According to Asobancaria, Colombia grew from one certified project to 258 projects over 10 years, reaching 6.9% of housing projects certified as sustainable by March 2022—of which 83% were EDGE-certified.

Table 9 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	9.28%
Unemployment rate	10.20%
Informality rate in the labor market	56.30%
Housing mortgage credit stock/GDP	8.95%
Public investment in housing/GDP	0.25%
Banking spread	13.07%
Quantitative deficit/urban housing stock	3.11%
Qualitative deficit/urban housing stock	16.59%
Homeownership rate	39.5%
National housing affordability index (purchase)	5.0
National housing affordability index (rental)	21.5%
Rate of change in the house price index	12.4
Rate of change in the rent price index	13.12
Households without formal title relative to housing stock	3.1

OUTLOOK, TRENDS, AND PROJECTIONS

The downward trend in mortgage credit rates is expected to continue in 2024, which could encourage an increase in the volume and number of contracted mortgage loans. However, this will depend on public investment in subsidies for new housing and changes in housing prices. If funding sources for new housing subsidies contract, demand for home purchases would decrease, leading to an increase in rental demand among lower-income households. Conversely, for higher-income segments, demand for home purchases could increase.

Costa Rica

By **Minor Rodríguez** and **Alexander Sandoval**

SUMMARY

Costa Rica's most significant challenges include addressing:

- 576 informal settlements, home to 64,128 households—representing 183,227 people living in substandard conditions with poor-quality services and deteriorating structures built with inadequate materials and construction processes.

- An urban housing deficit of 127,452 units and a total deficit of 165,517 units, representing 9.3% of all households. Additionally, 770,830 homes (43.3%) are classified as being in "regular" condition (non-structural issues requiring improvements), while 136,778 units are in poor condition and 616,616 require additional improvements.

- And finally, reducing the gap between supply and demand for middle-income families. Affordable housing represents only 14% of the condominium market, while 86% of housing solutions are targeted at deciles VIII, IX, and X—meaning nearly 90% of solutions are designed to meet the needs of the top 30% of the population.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

Costa Rica recorded a 4.2% year-on-year variation in GDP during the second quarter of 2024, although this was more moderate than in the previous quarter. The economy's strong performance is evident, as it not only exceeded the pre-pandemic average growth rate (3.8% between 2010 and 2019) but also outperformed the country's main trading partners (2.6% in 2023 and 2.4% projected for 2024) and countries classified by the World Bank as upper-middle-income (3.3% simple average for 2024).

Costa Rica is the fifth most populous country in Central America, with just over 5.2 million inhabitants. Ethnographically, the people of this Central American nation form a multiracial melting pot, the result of extensive intermixing among Indigenous peoples, Spaniards, Sephardic Jews, and Africans, as well as significant waves of migration from Europeans, Afro-Caribbeans, and Asians throughout its history.

Today, Costa Rica is one of the largest recipients of migrants in Latin America and the main migration destination in Central America. The country also hosts the largest communities of Buddhists, French, Italians, Poles, and people from the United States in the region, along with some of the largest German, Muslim, Jewish, and Chinese communities in Central America.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

The Family Housing Grant is a program through which the State provides a solidarity-based subsidy to low-income families, individuals with special needs, female heads of household, and older adults. Combined with their credit capacity, the grant allows these groups to address their housing needs. The amount of the grant decreases as household income increases, ensuring greater support for those with the lowest incomes. The application process is carried out through entities authorized by the National Financial System for Housing (SFNV), in accordance with Law 7052.

For older adults and persons with disabilities who are not part of a family unit and whose monthly income does not exceed one and a half times the wage of an unskilled construction worker, an additional benefit is provided to account for their condition. This benefit offers an amount greater than the maximum established for regular grants. For incomes above this limit and up to six times the monthly minimum wage, the grant amount is determined based on the gross monthly household income, in accordance with the regulations of the Housing Mortgage Bank.

The Special Grant Program is available for families who do not own land, have low household incomes, and whose socioeconomic evaluation determines they live in conditions of extreme need. This program can be accessed individually or as part of a housing project.

These grants fall under Article 59 of the Law of the National Financial System for Housing (SFNV) and are directed toward families in situations of extreme need, emergencies, or for the eradication of slums and precarious settlements. In this type of grant, it is possible to obtain a higher average solution value compared to regular grants; however, this may vary depending on the costs of different projects.

3. HOUSING MARKET

Based on information from projects processed through the College of Engineers and Architects (CFIA) between 2021 and 2023, data was obtained for 288 housing projects, both horizontal and vertical (including plots and social interest projects). Of these, 24% are located in the province of Guanacaste, 23% in San José, 16% in Puntarenas, 13% in Heredia, another 13% in Alajuela, 10% in Cartago, and only 1% in Limón. This represents an annual production of between 23,000 and 25,000 housing units, of which social housing accounted for approximately 8,300 homes in 2023.

Of the housing projects currently for sale, 44% are in San José, 24% in Heredia, 11% in Alajuela, 9% in Puntarenas, and 5% each in Cartago and Guanacaste, while only 2% are in Limón. In San José, of the 89 projects for sale, 65% are located in the west (from Sabana to Mora), 19% in the east, 9% in the north, and just 7% in the south indicating a significant concentration within the Greater Metropolitan Area.

Regarding the most affordable options, the cheapest apartment is in Alajuela, costing USD 71,000 for 43m², while the most expensive apartment is in Guanacaste, at USD 204,000 for 65m². Similarly, the cheapest house is in the province of Heredia, priced at USD 72,142 for 70m², while the most expensive house is located in Guanacaste, costing USD 369,000 for 140m².

4. MORTGAGE HOUSING CREDIT MARKET

The availability of housing loans, in both clones and US dollars, from various public and private banks indicates that the average financing percentage is 86% of the appraised value. However, the loan-to-value (LTV) ratio for a first mortgage is slightly lower, at approximately 80%. The installment-to-income ratio is relatively high, averaging 50%, with a maximum term of 30 years. Formalization costs are estimated at an average of 5.8% of the loan value.

The negotiated active interest rate in the financial sector for real estate activities averaged 9.27% in 2023, according to the Central Bank of Costa Rica (negotiated active rate [TAN], by economic activity and financial intermediary group, in colones). The average interest rate for mortgage loans for home acquisition stood at 11.2%.

The Bank of Costa Rica, along with the Mutual Associations of Alajuela and Cartago, offers financing programs for new and pre-owned homes or land purchases, applying the deferred grant provided by the Housing Mortgage Bank.

5. URBAN LAND MARKET

The urban land market is predominantly controlled by real estate developers, with prices determined by supply and demand. The State plays virtually no role, as there are no strategies or mechanisms in place for value capture or any other instruments that facilitate access to land for low- and middle-income populations, apart from housing subsidies.

Table 10 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	Bank deposits, savings accounts, and special public funds (housing bonds).
What is the primary funding source, and what is its share of the total housing credit stock?	Bank deposits: 59.59%.
What types of institutions provide housing loans?	Public and private banks, savings and loan mutuals, cooperative foundations, and solidarity associations.
Which is the main institution, and what is its market share?	Banco Nacional de Costa Rica: 22.40%.
What is the most common type of credit product for home acquisition?	Fully amortizing loans with variable interest rates. For loans in colones, the rate is tied to the basic rate; for loans in dollars, it is tied to the prime rate.
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	The typical variable rate is 11.2%.
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	86% of the appraised value of the property.
What is the typical income commitment for housing mortgage loans?	The average payment-to-income ratio is 50%.
What percentage of loans issued during the year received some type of subsidy?	28%.

The regulatory plans, which are the instruments used by municipalities, are outdated and disconnected from current realities. Of the country's 82 cantons, only 40 have an active regulatory plan (48.7%), and 51% of these plans were approved before 2000. Furthermore, only 21 plans cover the entire territory of their respective canton, 21 plans include environmental feasibility approval from SETENA (National Environmental Technical Secretariat), and just four plans incorporate hydrogeological vulnerability mapping.

Currently, 15 cantons have not initiated any planning process, while 99 coastal plans are in effect, and four are in progress.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

The country has 576 informal settlements, of which only 10 are large (with over 1,000 units), while the rest contain approximately 100 plots and homes each. Of these settlements, 90% are concentrated in the Greater Metropolitan Area.

In terms of inclusion, policies exist to provide housing subsidies for older adults, persons with disabilities, Indigenous populations, and Afro-descendants. More than 50% of housing subsidies are allocated to women, and foreign residents in the country are also eligible to apply for these resources.

Additionally, the country offers interest rate incentives and access to credit for housing units that incorporate environmental and sustainability considerations.

OUTLOOK, TRENDS, AND PROJECTIONS

The country faces significant challenges regarding informal settlements, the reduction of the qualitative housing deficit, and closing the gap between housing supply and demand, particularly for middle-income families. However, these issues appear to lack short-term solutions, primarily due to the absence of well-structured state programs to address these housing needs.

The National Financial System for Housing—which manages state subsidies—has been severely impacted by ongoing government budget cuts.

At present, there are no initiatives or programs for rental housing, nor are there clear policies for urban land access and management. Furthermore, municipal planning and participation in the housing sector remain extremely limited. As a result, projections indicate that the quantitative housing deficit will persist, driven by the current pace of housing production and the steady decline in household numbers.

Table 11 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	0.53%
Unemployment rate	7.3%
Informality rate in the labor market	45%
Housing mortgage credit stock/GDP	13.6%
Public investment in housing/GDP	0.02%
Banking spread	4.03%
Quantitative deficit/urban housing stock	0.7%
Qualitative deficit/urban housing stock	8.6%
Homeownership rate	82%
National housing affordability index (purchase)	—
National housing affordability index (rental)	—
Rate of change in the house price index	9.5%
Rate of change in the rent price index	7.50%
Households without formal title relative to housing stock	3.6%

Ecuador

By **Jessenia Cazco**

SUMMARY

- In 2023, low inflation (1.4%) and unemployment rates (3.6%) were positive indicators for the housing market's development. However, high labor informality (56%) continues to restrict access to credit, which remains available only to those with formal income.

- The quantitative housing deficit accounts for nearly 7% of the total housing stock, while the qualitative deficit affects one-third (33%) of all homes. Moreover, only 34.2% of new housing is affordable for low-income families due to high interest rates, further exacerbating affordability challenges.

- As a result, rental and sales prices have experienced moderate growth nationwide, generally aligning with inflation or remaining below it. However, Guayas, the country's most populous province, has seen higher increases in sales prices. Housing production continues to be constrained by limited financing and high land costs.

- The Bank of the Ecuadorian Social Security Institute (BIESS) dominates 62.9% of the mortgage market. Typical interest rates range between 9.91% and 10.4%, with only 15% of loans falling within a subsidy framework.

- Unplanned urban expansion and high levels of informality in outlying areas—characterized by a lack of basic infrastructure—hinder the development of formal housing.

- Informal land tenure affects 60% of urban housing, while less than 10% of new construction qualifies as "green housing."

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

In 2023, Ecuador maintained a low inflation rate of around 1.4%, and unemployment stood at 3.6%. However, the country faces high levels of labor informality, affecting 56% of the economically active population. This means that a large portion of the workforce lacks access to formal social benefits or the ability to obtain formal mortgage credit.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

Access to housing remains a challenge for low-income families in Ecuador. In 2023, the quantitative housing deficit in urban areas was estimated at nearly 287,000 homes, while the qualitative deficit reached almost 1.4 million, both significant figures given the total of 4.16 million urban households. Additionally, only 34.2% of new urban housing was affordable for low-income families. Even typical interest rates, at approximately 9.9%, remain high for many families with limited financial resources.

Ecuador's housing policies have attempted to address the quantitative housing deficit through new housing production. However, resources allocated to social interest housing (SIH), both public and private, have been limited. While public and private sector activity in housing construction has increased, the lack of tax incentives has significantly constrained the impact of these efforts.

3. HOUSING MARKET

The housing market in Ecuador experienced moderate growth in 2023, with the construction of approximately 41,400 new homes and the issuance of an additional 22,900 construction permits. Compared to previous years, this growth reflects a decelerating trend driven by multiple factors.

However, housing production has been particularly constrained by the high reliance on credit from the BIESS and the limited availability of affordable credit options for households with informal incomes. This challenge is especially pronounced in urban areas, where housing demand is higher, but financing options remain insufficient to meet the need.

4. MORTGAGE HOUSING CREDIT MARKET

Mortgage portfolios in Ecuador closed 2023 with approximately USD 4.6 billion, with BIESS controlling 62.9% of this market. Compared to previous years, growth in the total volume of mortgage loans was moderate, reflecting a slight expansion of the credit market.

The default rate in the mortgage loan portfolio remained at around 5.6%, although this figure decreases to 3.3% in terms of the number of loan contracts.

Interest rates for mortgage loans ranged around 9.91% depending on the type of loan and the lending institution.

5. URBAN LAND MARKET

The urban land market in Ecuador faces several challenges, primarily related to unplanned urban expansion and the high incidence of informality. In 2023, informal settlements, particularly in the peripheral areas of cities, continued to grow. This created an environment where urban planning and regulation were insufficient to meet the demand for formal housing.

Despite government efforts to formalize these areas and promote densification in strategic sectors, the lack of basic infrastructure remains a significant obstacle to the development of formal housing projects. Public intervention in the land market has been limited, with only a marginal impact on reducing speculation and promoting more efficient use of available land.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

Informal land tenure affects 60% of urban housing in Ecuador, limiting access to formal credit and basic services. Regarding sustainability, less than 10% of new construction in 2023 qualified as "green housing," despite existing regulatory incentives. Financial inclusion also remains a challenge, particularly for women and ethnic minority groups.

OUTLOOK, TRENDS, AND PROJECTIONS

Projections indicate that housing demand in Ecuador will continue to rise, driven by urbanization, which currently stands at 63.1%—a relatively low figure compared to other countries in the region—and by population growth. However, persistent informality and limited financing capacity will remain the primary obstacles. Government policies are expected to focus on improving affordability and regularizing the urban land market to address the housing deficit and promote more sustainable urban development.

Table 12 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	Contributions from IESS (Ecuadorian Social Security Institute) affiliates: employee and employer contributions, public funds, loans from multilateral organizations, and mutual fund resources.
What is the primary funding source, and what is its share of the total housing credit stock?	Contributions from IESS affiliates managed by BIESS (Bank of the Ecuadorian Social Security Institute), which oversees IESS pension funds.
What types of institutions provide housing loans?	• Private banks: Offer a variety of mortgage products targeting different population segments. • Savings and credit cooperatives: Provide housing financing, primarily serving broader and more diverse population groups. • Mutual funds: Focus mainly on providing loans for home acquisition. • BIESS: Not a commercial bank but a social security institution focusing on granting mortgage loans to its affiliates and retirees.
Which is the main institution, and what is its market share?	BIESS, holding a 62.9% market share, primarily focuses on mortgage loans for affiliates and retirees.
What is the most common type of credit product for home acquisition?	Variable-rate mortgage loans. These loans allow interest rates to adjust periodically based on market conditions, which can lead to fluctuations in monthly payments.
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	Typical interest rates in Ecuador are variable, averaging around 9.9%, or 4.99% when subsidized.
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	The most common LTV ratio for mortgage loans in Ecuador is 80%.
What is the typical income commitment for housing mortgage loans?	A common limit is 30%, with families aiming to maximize the loan amount.
What percentage of loans issued during the year received some type of subsidy?	Approximately 15% of mortgage loans issued during the year received some form of subsidy.

Table 13 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	1.4%
Unemployment rate	3.6%
Informality rate in the labor market	55.7%
Housing mortgage credit stock/GDP	3.87%
Public investment in housing/GDP	0.03%
Banking spread	5.28%
Quantitative deficit/urban housing stock	6.89%
Qualitative deficit/urban housing stock	33.04%
Homeownership rate	61%
National housing affordability index (purchase)	4.25
National housing affordability index (rental)	17.7%
Rate of change in the house price index	−0.26%
Rate of change in the rent price index	1.4%
Households without formal title relative to housing stock	—

El Salvador

By **Edgar Alexander Renderos Pineda**

SUMMARY

- El Salvador finds itself at an advantageous juncture for the real estate market, with significant urban development pressure in metropolitan areas and a clear trend toward private vertical condominiums. Successful models of vertical social housing, primarily in the historic center of San Salvador developed by the Salvadoran Foundation for Development and Low-Income Housing (FUNDASAL) through housing cooperatives, present an opportunity to expand vertical social housing development.

- The increase in housing prices across all types is no longer aligned with the availability of state and private credit products, as the national average housing price is currently 77% higher than the maximum limit covered by state credit programs.

- 48.4% of the population does not own a home, and 53.3% are classified as living in some level of monetary poverty. In addition, 68.5% of the population earns their income from the informal sector.

- In light of the above, the absence of a national housing and habitat law presents an opportunity to develop new mechanisms for accessing social housing that address the needs of the significant portion of the population facing accessibility challenges. It also creates an opportunity to regulate the rental housing market and establish incentives for developers to implement social housing projects.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

El Salvador is a Central American country with a territorial area of 21,040.79 km² and a population of 6.4 million, of which 75% live in urban areas. The San Salvador Metropolitan Area is the most densely populated, housing 28.7% of the national population within an area of 652.31 km² (OPAMSS, 2021). This means that the highest concentration of urban population is located in just 3.1% of the country's territory.

The labor market is significantly impacted by a high informality rate (68.5%) and an underemployment rate (37.6%), which determine family income levels. The average monthly household income is USD 700.94 nationally and USD 816.61 in urban areas (ONEC, 2024). Additionally, the price of the urban basic food basket is approximately USD 262.17, reflecting an increase of 29.55% over the past five years. This cost represents 32.1% of the average urban salary but 71.8% of the family minimum wage. This situation affects 26.6% of families, which live below the poverty line.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

State investment in housing amounts to USD 22.39 million, which represents 0.25% of the national budget. However, according to MIVI (2023) and FUNDASAL (2023), the Ministry of Housing placed 344 loans last year, compared to the 720 new loans granted by FUNDASAL during the same period. This highlights the important role of NGOs in providing social housing to disadvantaged groups.

Furthermore, the lack of a national housing and habitat law—one that could provide incentives for private developers to build social housing, recognize alternative pathways to formal housing, and effectively coordinate a national housing system—has significantly limited access to social housing. Currently, access depends primarily on traditional mortgage loans from first-tier banks, specialized state institutions (FSV, FONAVIPO, and BANDESAL), or social housing models promoted by NGOs.

It is important to strengthen all of these options, as they are aimed at diverse populations. State programs, for instance, cover a range from USD 50,000 to USD 150,000 for new or pre-owned homes and up to USD 40,000 for social housing. These programs include families with incomes below four minimum wages. On the other hand, traditional banking does not impose a loan limit but instead bases approvals solely on families' purchasing capacity, which does not account for the informal sector.

Ultimately, families attempting to access social housing face barriers related to credit eligibility, particularly those with informal income sources. Limited purchasing power, driven by underemployment and high poverty levels, further restricts access. According to ONEC (2024), 26.6% of the population lives in total poverty, 18.1% in relative poverty, and 8.6% in extreme poverty.

3. HOUSING MARKET

With a housing stock of 1.6 million urban homes, a quantitative deficit of 1.6%, and 48.4% of the population not owning their homes, the real estate market faces high demand. This demand is further driven by various factors of urban development (UIF 2024), including growth in residential housing, particularly in consolidated urban areas such as San Salvador; links to the development of commercial projects, office buildings, and business complexes, which accelerate housing activity in these zones; tourism expansion, particularly in coastal areas, which promotes the use of rental housing; the impact of technology as a tool to more efficiently market housing offers; and improved safety levels in residential areas, enhancing the environment for real estate transactions.

In terms of property appreciation due to improvements in urban areas and high levels of real estate speculation, property prices have reached historically high levels. Nationally, the average sale price of a home is USD 265,500, while the average rental price is USD 1,578.

At the metropolitan level, there is a significant trend toward the development of private vertical residential condominiums in areas under urban development pressure. These projects are often built on land originally designated for upper-income horizontal housing, a practice that has driven up land prices in high-value areas. Over the past year, this trend has resulted in the development of 162 similar projects in the San Salvador Metropolitan Area (OPAMSS, 2024).

4. MORTGAGE HOUSING CREDIT MARKET

Mortgage credit is the main source of access to formal housing in El Salvador, with a total loan portfolio of USD 2.98 billion. The private banking sector leads this market, with Banco Cuscatlán holding 32.58% of the total, followed by other banks. Additionally, there are public investments, special funds, and private securitization funds; however, data on the latter is not publicly accessible.

The specific conditions for accessing mortgage loans at Banco Cuscatlán include being a salaried employee or self-employed professional who can demonstrate monthly income, thereby excluding the informal sector. Applicants must have a minimum monthly income of USD 750—close to the national average—and be of legal age.

Loan amounts can cover up to 90% of the property value, with repayment terms of up to 30 years.

This highlights the barriers to access for individuals who rely on informal employment or underemployment, as they cannot obtain housing through traditional mortgage loans.

The nominal interest rates start at 6.95% (+IUV), depending on the applicant's credit profile, while the maximum effective annual interest rate is 23.31%. Additional costs include service fees for the loan documentation process, ranging from a minimum of USD 400 + VAT to a maximum of 2% of the loan amount. Mortgage loans also include debt and damage insurance.

Under these conditions, the monthly payment for a USD 50,000 home would amount to USD 297.88, which represents 42.5% of the average national household income. However, debt capacity is typically calculated at 30% of income, further limiting access to housing for low-income and socially disadvantaged segments.

5. URBAN LAND MARKET

In El Salvador, real estate values have been rising since late 2022, which has had a direct impact on land prices. According to data from the Metropolitan Observatory (OPAMSS 2022), rural land values range from less than USD 35.75 to USD 143 per m², while expansion areas range from USD 35.75 to USD 429 per m². In areas with residential activity experiencing urban pressure, prices can exceed USD 1,100 per m².

Although updated data on these variations is unavailable from the Observatory, the Salvadoran Construction Chamber identifies the following land values: USD 910.71 per m² in peripheral zones, USD 503.41 per m² in urban centralities, and USD 226.71 per m² for social interest housing (HIS).

Focusing on the San Salvador Metropolitan Area, the Master Plan (OPAMSS, 2024) and the Regulations of the Land Development and Planning Law (RLDOT-AMSS 2023) establish special considerations for social interest housing and comprehensive treatments for neighborhood improvement within their urban planning and compensation frameworks.

Table 14 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	• Wholesale funding, international loans, deposits, securities, and the resources of FSV (Social Housing Fund) and FONAVIPO (National Popular Housing Fund)
What is the primary funding source, and what is its share of the total housing credit stock?	• Wholesale funding through Atlántida Capital S.A., an investment fund manager, accounts for 85.14%
What types of institutions provide housing loans?	• Private banks, cooperative banks, savings societies, NGOs, and autonomous state institutions for housing access, such as FSV and FONAVIPO
Which is the main institution, and what is its market share?	• Banco Cuscatlán de El Salvador S.A., with a 32.58% market share
What is the most common type of credit product for home acquisition?	• Data not available
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	• Weighted average general interest rate: 18.59%. Maximum rate: 26.18%
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	• 90%
What is the typical income commitment for housing mortgage loans?	• 30%
What percentage of loans issued during the year received some type of subsidy?	• Data not available

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

Inclusion programs, particularly those developed by the state through the Ministry of Housing, aim to support key groups. Notable programs include: Casa Joven, targeted at individuals aged 18 to 29 from both the formal and informal sectors; Casa Mujer, designed for women aged 26 to 50, regardless of family status, with incomes below four minimum wages; Aporte y Crédito, intended for entrepreneurs with incomes exceeding four minimum wages, for homes priced between USD 40,000 and USD 150,000; Vivienda Social, focused on highly vulnerable groups, with coverage up to USD 25,000 and up to 100% of the property's value among its most notable features.

Regarding housing infrastructure, more than 95% of homes have access to electricity, water, and sanitation through traditional solutions. However, while sustainability initiatives such as the HAUS regulation (OPAMSS 2022) have been proposed for the San Salvador Metropolitan Area, these solutions are not mandatory, and there are no clear incentives for their implementation. As a result, the adoption of alternative sustainability strategies is fragmented and undocumented.

In terms of the informal housing market, illegal subdivisions and the internal market for precarious housing within informal settlements operate outside the scope of planning and regulation. In the San Salvador Metropolitan Area, over 20% of the population lives in an informal settlement where no physical improvement or urban integration projects have been undertaken.

Table 15 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	4%
Unemployment rate	6.30%
Informality rate in the labor market	68.5%
Housing mortgage credit stock/GDP	7.65%
Public investment in housing/GDP	0.06%
Banking spread	2.53%
Quantitative deficit/urban housing stock	1.50%
Qualitative deficit/urban housing stock	64.50%
Homeownership rate	51.6%
National housing affordability index (purchase)	—
National housing affordability index (rental)	—
Rate of change in the house price index	—
Rate of change in the rent price index	—
Households without formal title relative to housing stock	13%

OUTLOOK, TRENDS, AND PROJECTIONS

The recent improvements in urban infrastructure have led to undocumented increases in real estate prices, further surpassing the population's credit capacity for housing access. This is already evident, as state housing programs cover properties up to USD 150,000, while the current national average price is around USD 265,000. Consequently, the housing market will remain focused on exclusive vertical developments accessible primarily to individuals earning more than four minimum wages, particularly in central urban areas (UIF, 2024).

Under these circumstances, 53.3% of the population (ONEC, 2023) cannot access housing—either because they do not meet credit agency requirements or due to the lack of social housing options that meet their needs in terms of affordability, accessibility, and location.

Additionally, population growth in El Salvador was recorded at 0.45% in 2023, while San Salvador, the most populous municipality, experienced a slowdown of over 50% in its growth rate. This suggests that housing projects are increasingly being developed in neighboring municipalities. While this expands the housing supply, it also creates significant challenges related to motorized mobility and urban sprawl.

Regarding vertical social housing models, a positive trend has emerged, particularly in projects developed in San Salvador's historic center by FUNDASAL through the Mutual Aid Housing Cooperative model. The viability of these projects is largely due to the height restriction of four levels, which eliminates the need for elevators, and the efficient land densification achieved by considering land prices.

Mexico

By **Sara Topelson** and **Adán Téllez**

SUMMARY

- In 2022, Mexico's housing sector faced significant challenges due to rising construction material costs. The drop in housing production increased final sale prices, and nearly nine million homes were classified as deficient or in need of improvement.

- The percentage of affordable housing relative to the national average income has steadily declined: in 2016, it stood at 50.1%, but by 2022, it had fallen to 27.6%, representing less than one-third of the national housing market.

- Between 2014 and 2021, the number of registered homes decreased by 43.8%. In 2022, housing production fell by an additional 17.31% compared to in 2021.

- In 2022, the issuance of mortgage loans decreased by 13.8% compared to in 2021. The main lenders granted more than 491,000 loans, with an average financing amount exceeding USD 50,000.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

From 2010 to 2020, Mexico's population grew at an annual rate of 1.2%, reaching a total of 126 million inhabitants, all of whom require housing. The country recorded 43.9 million homes, 35.2 million households, and nearly nine million homes classified as deficient or in need of improvement.

The year 2022 presented significant challenges for both Mexico and the housing sector, driven by a series of factors. Among these, the double-digit increase in the cost of most construction materials stood out, which slowed housing production and increased final sale prices. In response, housing promotion agencies modernized and expanded their products, while investors adopted a wait-and-see approach as they analyzed potential options.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

In 2022, the average home price was USD 77,000, while the minimum wage reached USD 13 per day, which limited families' ability to purchase housing.

On average, a household could afford a home priced at 3.04 times its annual income. According to data from the National Household Income and Expenditure Survey (ENIGH, 2022), the average annual household income was just over USD 13,000, meaning the average home price was nearly six times the average household income.

The percentage of affordable housing relative to the national average income has declined continuously: in 2016, it stood at 50.1%, but by 2022, it had dropped to 27.6%, representing less than one-third of the national housing market.

Based on general average incomes in 2022, the first, second, and third income deciles (up to USD 4,212 annually)—representing 30% of the population—had no access to mortgage credit for purchasing a home. Mortgage affordability was only achievable starting with the ninth income decile (USD 16,581 annually), which accounted for just 55.7% of the mortgage market.

The housing affordability gap has steadily increased over the last decade, driven by the elimination of housing subsidies that previously created opportunities for low-income populations to purchase homes.

3. HOUSING MARKET

In Mexico, the housing sector represents a significant part of the national economy. In 2022, the housing sector accounted for 5.2% of GDP, while activities associated with housing represented 5.4% of the total jobs reported in the country.

The National Housing Registry (RUV) consolidates strategic housing information nationwide. The RUV reported that 2022 saw the lowest number of registered homes. Comparing 2014 to 2021, the number of registered homes declined by 43.8%.

In 2022, housing production (completed units) totaled 135,607 units, marking a 17.31% reduction nationwide compared to in the previous year.

During 2022, the median time for preparation, construction, and sale (considered together) was approximately 425 days (one year and two months), which is 124 days longer than in 2021 (an increase of four months).

The Housing Price Index, produced by the National Mortgage Society (SHF), showed a 10.4% appreciation nationwide in the fourth quarter of 2022, compared to in the same period in 2021.

Vertical housing production accounted for 26.15% of the total housing supply built in Mexico during 2022.

4. MORTGAGE HOUSING CREDIT MARKET

The mortgage interest rate continued to rise, averaging 10.7%, slightly higher than the 10.2% recorded in 2021. In 2022, the country's economy experienced an annual inflation variation of 7.8%, surpassing the ranges forecasted by Mexico's Central Bank.

The total number of mortgage loans decreased by 13.8% compared to in 2021. Factors contributing to this decline include a 6.4% increase in the average loan amount and a 0.46% decline in the consumer confidence index.

A positive development for the sector is the increase in employment, which is the main driver of housing demand. The number of insured workers in the Mexican Social Security Institute (IMSS) grew steadily throughout 2022, with a growth rate of around 4%.

The delinquency rate stood at 5.1%, a level considered acceptable, which helps explain the slow growth in mortgage interest rates and increases the likelihood that financing flows from the banking system will continue.

The mortgage loans issued in 2022, by originator, are as follows:

- National Workers' Housing Fund (INFONAVIT): the country's primary mortgage lender; in 2022, it issued more than 295,600 loans, with an average amount of USD 27,600.
- Housing Fund of the Institute of Security and Social Services for State Workers (FOVISSSTE): As of the end of 2022, it issued more than 48,000 loans across various modalities.
- SHF: issued 143,000 loans.
- Commercial banks: collectively consolidated their role as key players in the mortgage market, issuing more than 147,000 loans. The average loan amount increased by 11.5%, reaching USD 99,800.

In 2022, the average financing amount granted by commercial banks, INFONAVIT, and FOVISSSTE exceeded USD 50,000.

As part of the 2021–2024 National Housing Program, established by the Secretariat of Agrarian, Territorial, and Urban Development (SEDATU), various public housing promotion agencies adjusted their priorities, focusing on self-construction over the acquisition of new homes. Additionally, reforms to the INFONAVIT law enabled the issuance of direct loans to beneficiaries, eliminating the need for financial intermediaries.

5. URBAN LAND MARKET

The urban land that comprises Mexican cities has been continuously transformed over the past five decades due to population growth and, above all, ongoing territorial expansion.

The demand for land for all types of urban activities has turned Mexico into an urban country. By 2020, 79% of Mexico's population lived in urban areas; as a result, the need to plan, regulate, manage, and administer urban land is urgent.

In general, the price of urban land has continuously increased over the past few decades. Since 2015, urban land prices have risen by 139%, making land one of the main drivers of rising costs in the real estate market, particularly in the country's largest cities, and especially in Mexico City.

To regulate land use and ensure minimum standards for housing locations, INFONAVIT published the General Rules (RCG) in 2021. The objective was to ensure that every property eligible for credit had access to services, including urban infrastructure, proximity to jobs, health centers, schools, recreational areas, markets, and public mobility options.

The disconnect between population growth and the expansion of urban sprawl is concerning. According to the study "The Expansion of Mexican Cities, 1980–2010" (Secretariat of Social Development 2011), the population in Mexico's urban areas doubled over those three decades, while the urban footprint expanded sevenfold on average. In some cities, this disparity has reached alarming levels; while the population grew 3.3 times, the urban area expanded 25 times.

Table 16 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	Specialized funds, primarily the INFONAVIT housing subaccounts, which accounted for 52.1% of the total at the end of 2022
What is the primary funding source, and what is its share of the total housing credit stock?	• Commercial banks provide general credit • INFONAVIT (Institute of the National Housing Fund for Workers) provides loans to employees of private companies • FOVISSSTE (Housing Fund of the Institute for Social Security and Services for State Workers) provides loans to public sector employees • Development banks, particularly Sociedad Hipotecaria Nacional (SHF), provide funding through other entities
What types of institutions provide housing loans?	INFONAVIT accounts for 52.1% of housing loans
Which is the main institution, and what is its market share?	—
What is the most common type of credit product for home acquisition?	The average interest rate is 10.73%; the typical fixed rate is 12.6%, the variable rate is 11.3%, and the subsidized rate is 9.17%
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	73.1%
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	27.51%
What is the typical income commitment for housing mortgage loans?	70.1%
What percentage of loans issued during the year received some type of subsidy?	Data not available

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

Article 4 of Mexico's Political Constitution establishes the right to housing. It states: "Every family has the right to decent and adequate housing." However, from 2019 to 2023, housing production decreased by 26.8%.

For low-income populations in Mexico, accessing housing in the formal market is challenging due to the high cost of units and the lack of affordable financial products. As a result, informal housing—through land invasions and/or self-construction with precarious designs and structural fragility—has become the alternative. This type of housing is estimated to account for 40% to 60% of the country's total housing stock.

For housing promotion agencies, addressing the challenge of inclusion in housing access has been a priority. In 2022, 57.4% of the mortgage loans issued by FOVISSSTE were granted to women, who previously could not access credit without the backing of a salaried family member. Additionally, 66% of the support provided by SHF was allocated to women.

The National Housing Commission (CONAVI), together with the Ministry of the Interior and the Ministry of Labor and Social Welfare, implemented social programs, the most notable being the Program for Victims of Social Conflicts. This program serves the most vulnerable and disadvantaged communities, providing subsidies to low-income populations, with 55% of subsidies directed to female heads of households and 25.4% to individuals 65 years or older. One in three subsidies was allocated to the Indigenous population, while 320 subsidies were designated for heads of households with disabilities.

Notably, 82.3% of beneficiaries were not affiliated with any health institution (e.g., IMSS, ISSSTE, INSABI) and had an average monthly income per person not exceeding USD 41.

The effects of climate change have posed an additional challenge. From 2018 to 2022, SHF certified 21,000 homes based on sustainability criteria, in collaboration with 33 housing developers, by implementing eco-technologies in housing design and equipment. These actions mitigated more than 732,000 tons of carbon dioxide (CO_2) emissions. Additionally, 9.1% of all loans were granted for sustainable housing.

Table 17 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	7.8%
Unemployment rate	3.1%
Informality rate in the labor market	55.1%
Housing mortgage credit stock/GDP	10.8%
Public investment in housing/GDP	2.8%
Banking spread	0.55%
Quantitative deficit/urban housing stock	32.5%
Qualitative deficit/urban housing stock	27.7%
Homeownership rate	67.8% (56.2% amortized and 11.6% outstanding)
National housing affordability index (purchase)	5.7
National housing affordability index (rental)	46.9%
Rate of change in the house price index	11.7
Rate of change in the rent price index	—
Households without formal title relative to housing stock	—

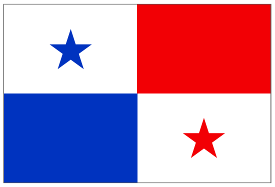
OUTLOOK, TRENDS, AND PROJECTIONS

Mexico must promptly establish housing policies to address the urgent housing demand among low-income populations. The growing housing gap requires urgent action. This gap is driven by a range of factors, including the complexity of accessing urbanized land, the imbalance between housing inventory and existing demand, economic disparities, low investment, informality in housing access, and the limited availability of mortgage financing.

The outlook for Mexico's housing market in the coming years is expected to remain closely tied to economic fundamentals such as economic growth, inflation in construction materials and other inputs, potential employment growth, and interest rate stability.

Historically, the housing market has contracted when housing and land policies are not implemented to stimulate the sector. There is notable caution among investors and housing developers.

In conclusion, we believe that the concerns and diagnoses presented must be translated into well-articulated policies that promote the production of affordable housing, control the rising cost of land, update urban planning instruments, streamline bureaucratic processes associated with construction, reduce real estate speculation, ensure the provision of public services, and deliver a greater number of subsidies and fiscal incentives.



Panama

By **Alessandra Treuherz** and **Gabriela Kinkead**

SUMMARY

- Over the past 25 years, Panama's GDP has shown consistent growth, standing out as one of the fastest-growing economies in Latin America.
- The informal workforce (47.4%) cannot access the formal housing market, and state housing programs are insufficient to address the expanded housing deficit (quantitative and qualitative), which affects 24% of households nationwide.
- Housing subsidies are primarily focused on new housing. However, since they lack a locational component, they encourage urban expansion toward peripheral areas.
- Additional urban land management tools are needed to promote the inclusion of social interest housing in new developments.
- There is a need to develop sustainable housing policies, particularly for the social interest sector.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

Panama has established itself as a leading logistics, tourism, and financial hub in the region, with the Panama Canal playing a crucial role in the development of the trade and services sectors. Over the past 25 years, the country's Gross Domestic Product (GDP) has experienced consistent growth, ranking among the highest in Latin America in terms of Purchasing Power Parity (PPP), with a GDP per capita of USD 43,220 in 2023 (IMF, 2024). From 2000 to 2019, the average annual growth rate was 6.09%, reaching 9% in 2022. This exceptional growth can be attributed to several factors, including the transfer of the Canal in 1999, high levels of public and private investment, and foreign direct investment (FDI). In particular, the construction and logistics sectors have been major drivers of this growth. Additionally, moderate inflation of 1.5% has contributed to the country's economic stability.

This remarkable economic performance has driven job creation and contributed to a significant reduction in poverty, which fell from 42.1% in 1991 to 21.8% in 2021 (MEF, Household Survey, 2021). However, unemployment currently stands at 7.4%, still higher than the pre-pandemic level of 4.1% recorded in 2012.

Despite these achievements, significant challenges persist, including high inequality, the continued prevalence of poverty in rural and Indigenous areas, and a high rate of informal employment, which affects 47.4% of the workforce.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

Despite having a dynamic economy in Latin America and the Caribbean, Panama faces serious challenges regarding housing access and conditions. In 2022, the expanded housing deficit at the national level affected 24% of households: 2.4% due to the need for repairs, 14.6% due to lack of access to basic services, and 7.2% due to the need for new housing (INEC, 2022).

Panama offers two main types of subsidies for mortgage credit. The direct subsidy from the Fondo Solidario de Vivienda (FSV) provides an amount of USD 10,000 for the down payment on a first home, as long as the cost does not exceed USD 70,000 and the family income is below USD 2,000 per month. The indirect subsidy, established under the Preferential Interest Rate Law, supports interest rates for the construction or purchase of new homes, excluding improvements to existing housing. This subsidy covered approximately 66% of mortgage loans granted in 2023.

The annual investment in housing subsidies in Panama exceeds USD 93 million, yet it remains insufficient to meet demand, particularly in the social interest and low-income sectors, which cannot access mortgage credit. Accessible financial instruments are still lacking for groups excluded from the formal housing market.

Although the State invests in various housing programs, such as the Fondo de Ahorro Habitacional, Plan Progreso, and Techos de Esperanza, these initiatives are not sufficient to meet current demand. Some limitations of these programs include their primary focus on new housing, rental subsidies being restricted to emergencies, and improvement subsidies lacking a financial sustainability plan to effectively address demand.

3. HOUSING MARKET

Urban development in Panama reveals a contrast between outlying areas, where single-family homes dominate, and central areas, where vertical buildings are primarily constructed due to the high cost of land. In central areas, land prices can range from USD 800 to USD 2,500 per square meter, whereas in the outskirts—often lacking infrastructure and public transport—prices are more affordable, attracting both developers and buyers seeking lower-cost options.

According to the National Council of Housing Developers and the Panamanian Association of Real Estate Brokers and Developers (ACOBIR), housing sales have been growing since 2020. Most of these sales are concentrated in properties priced at up to USD 180,000, suggesting that homes benefiting from the Preferential Interest Rate and those included in the Fondo Solidario de Vivienda of the Ministry of Housing and Land Management (MIVIOT) account for the majority of demand (MEF, Economic and Social Report 2023).

Housing investment is focused on the construction of new units, totaling approximately USD 721 million (out of USD 744 million in total investment in housing construction), of which USD 291.67 million corresponds to public investment (production, financing, and subsidies).[6] The majority of social interest housing is produced by the private sector with subsidies from the Fondo Solidario de Vivienda.

In Panama, there is a strong culture of homeownership, with 64% of occupied homes owner-occupied. The average cost of a home is USD 97,462, and the construction cost is approximately USD 549 per square meter, varying depending on the location and property type.

4. MORTGAGE HOUSING CREDIT MARKET

The mortgage credit market in Panama has experienced significant growth, driven by economic expansion, subsidy policies, and attractive interest rates, which have fallen from 13% in 1985 to the current 6% official reference rate. As of December 2023, the Superintendency of Banks of Panama (SBP) reported growth across most credit portfolios, with the household credit segment being the most dynamic, particularly noting a 3.8% increase in mortgage credit between 2022 and 2023.

The total balance of the mortgage credit portfolio has grown from USD 6.81 billion in 2010 to USD 19.24 billion in 2023, with a total of 299,000 mortgages in the portfolio at the end of 2023. The percentage of loans more than 90 days overdue stands at 2.54% of the total portfolio volume. The main financial agents in the market include local and international banks, cooperatives, and financial institutions, with Banco General leading the market with a 22.3% share.

Microfinancing in Panama is not regulated by the Superintendency of Banks; however, the public sector supports the sector through the Housing Savings Fund, which finances cooperatives and institutions to provide microcredits for the purchase or improvement of housing.

5. URBAN LAND MARKET

With an urbanization rate of 66%, development in Panama is concentrated in the metropolitan area of the capital, where demand for land for residential, commercial, and mixed-use projects is high. Real estate speculation in central areas has driven up land prices, exacerbated by the lack of controls such as a progressive property tax, which has yet to be regulated. Additionally, policies like the Preferential Interest Rate Law, which excludes the purchase of serviced lots, pre-owned housing, or second homes, encourage low-density development in outlying areas. The informal housing production sector, which struggles to afford urban land, accounts for approximately 31% of homes in the Panama district (Municipality of Panama 2019). Furthermore, MIVIOT reports a 5.8% increase in informal occupations nationwide, rising from 411 in 2022 to 435 in 2023 (MIVIOT, 2024).

Although Panama has urban planning instruments such as public space allocation, expropriation, and improvement contributions based on value appreciation, it lacks regulations for land readjustment, mandatory allocation for social interest housing, transfer of development rights, and vacant land taxation. Moreover, there is no centralized land bank or specific policies for utilizing vacant or underutilized land for social housing.

6 Source: National Institute of Statistics and Census. This figure is likely underreported, as it refers only to “some districts of the Republic,” which are the main cities in the country, but it is not reported at the national level.

Table 18 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	Savings accounts, bonds, public resources, and special funds (Social Security Fund)
What is the primary funding source, and what is its share of the total housing credit stock?	Savings deposits
What types of institutions provide housing loans?	Local banks, national banks, financial institutions, international banks
Which is the main institution, and what is its market share?	Banco General, 22.3%
What is the most common type of credit product for home acquisition?	Mortgage loans with variable rates and preferential interest
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	Typical variable market rate: 5.99% Subsidized: 2.00%
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	—
What is the typical income commitment for housing mortgage loans?	—
What percentage of loans issued during the year received some type of subsidy?	65.5%. It's worth noting that loans with direct state subsidies often also include preferential interest rates, meaning two types of subsidies. Therefore, this percentage also accounts for loans with direct subsidies.

The Local Land Use Plan for the Panama district identifies over 3,000 hectares of vacant public land; however, there is no defined policy for its utilization. The expansion of the Panama Metro offers an opportunity to develop new growth hubs, supported by the Partial Land Use Plans (PPOT), which promote densification in areas near the new metro lines.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

In Panama, the informal economy accounts for 47.4% of the labor market, which prevents access to mortgage credit and, consequently, to subsidies linked to these credits. High levels of informality restrict access to social benefits and worsen inequality, with a GINI coefficient of 0.49, making Panama one of the most unequal countries in the region.

Regarding housing informality, there is a pattern of occupying vacant buildings, historical structures, and protected areas, with more than 70,000 families currently living in informal settlements (MIVIOT 2024). Despite efforts to improve social and economic inclusion, significant challenges remain, such as the disparity between urban and rural areas, the lack of regulations for inclusive credit access, and gaps in basic services such as water and sanitation. For instance, 22% of urban homes do not have continuous water service during the dry season, and 5% are not connected to sewer systems or septic tanks.

Table 19 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	1.5%
Unemployment rate	7.4%
Informality rate in the labor market	47.4%
Housing mortgage credit stock/GDP	23.07%
Public investment in housing/GDP	0.35%
Banking spread	2.2
Quantitative deficit/urban housing stock	—
Qualitative deficit/urban housing stock	5.2%
Homeownership rate	64%
National housing affordability index (purchase)	10.15
National housing affordability index (rental)	53%
Rate of change in the house price index	—
Rate of change in the rent price index	10.9%
Households without formal title relative to housing stock	3.1%

Although Panama has a Sustainable Building Regulation, its application is voluntary and lacks incentives. Moreover, it excludes homes smaller than 60 m² from energy efficiency measures. Achieving sustainable construction requires a comprehensive approach that includes socioeconomic and cultural factors, as well as territorial planning.

While national and international certifications, such as LEED and the Eco-Protocol from the Panama Green Building Council, exist, their implementation depends primarily on the private sector rather than on national policies. Additionally, Panama does not have a green mortgage system to promote the development of sustainable housing.

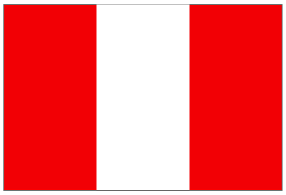
OUTLOOK, TRENDS, AND PROJECTIONS

Starting in 2025, Panama is expected to experience accelerated economic growth, provided it maintains its attractiveness for foreign investment, which should lead to a moderate reduction in poverty as the economy and labor market recover (World Bank 2024). Population growth will continue to increase housing demand, particularly in Panama City and its outlying areas. Access to mortgage financing and social interest housing policies—supported by government subsidies and urban regulatory measures—will remain essential to facilitate homeownership.

The Fondo Solidario de Vivienda program expired in June 2024, and new policies are currently being developed to ensure the viability and sustainability of this subsidy.

Additionally, the government is drafting a General Housing Law, a Rental Law, and a National Housing Plan to regulate public policies and establish targeted strategies for various interest groups. These initiatives aim to modernize regulatory frameworks, revise the Preferential Interest Rate Law, and encourage private sector participation in social housing. Furthermore, the government plans to create adequate housing programs for rural communities, Indigenous people, Afro-descendant populations, and other vulnerable groups.

While eco-friendly practices are on the rise, there are still no regulatory policies to promote this type of development. To achieve equitable and sustainable development, Panama must balance economic growth with the reduction of informality, social inclusion, and environmental sustainability.



Peru

By **Álvaro Espinoza Benza**

SUMMARY

- Informality dominates both the housing production market and urban land development, making it difficult to regulate urban expansion and building activities.

- The informal nature of the national labor market, particularly within the housing sector, creates barriers to mortgage access for large segments of the population, limiting the development of the market. At the same time, the prevalence of informal urban land production hinders the supply of formal social housing.

- Public policies targeting the social interest segment are not well-focused, resulting in greater benefits to middle socioeconomic sectors.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

Peru is a predominantly urban country, with 80% of its nearly 34 million inhabitants living in cities. The Lima-Callao metropolitan area overwhelmingly dominates the urban landscape, housing a third of the national population and 44% of the urban total. Lima alone has 10 times the population of Arequipa, the second-largest city. This urban dominance is also reflected in economic terms, as 45% of the national GDP is concentrated in Lima-Callao.

Throughout this century, Peru has maintained consistent macroeconomic stability, marked by low inflation rates and sustained investment and savings ratios. However, average GDP growth has slowed over the past decade. Thanks to this solid macroeconomic framework and effective public policies, poverty levels dropped significantly from 60% at the start of the century to 20% in 2019. Nonetheless, the emerging middle class remains vulnerable, as poverty levels rose again following the health crisis, reaching nearly 28% in 2023.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

In Peru, low-income segments primarily access housing through incremental construction (self-construction). This process, which takes an average of 16 years, is typically carried out by each family in three phases: (i) acquiring land, often from informal sources without urban planning approval; (ii) establishing and occupying a provisional dwelling made of precarious materials; and (iii) progressively building a permanent home with more durable materials. An estimated 71% of the urban housing stock in the country has been—or is being—produced in this way, usually without licenses or compliance with the technical procedures set by national and local regulations (Espinoza and Fort, 2024).

In terms of state intervention, public policy targeting social interest housing (SIH) is primarily implemented through the Techo Propio Program (PTP), managed by the MiVivienda Fund. This program operates via two specific instruments: the AVN modality, which provides financing lines and direct subsidies to acquire new housing, and the CSP modality, which consists of a direct subsidy to construct a basic housing module that improves an existing precarious dwelling.

Over the past 10 years, the AVN modality under the Techo Propio Program has accounted for about 5% of all urban housing built in Peru. By contrast, approximately 66% of urban housing was produced through self-construction, while the remaining 29% corresponds to formal housing targeted at middle- and high-income sectors—one-third of which received support through other MiVivienda Fund programs (Espinoza and Fort 2021,2024).

Regarding the CSP modality, the number of housing modules built over the same period represents 39% of the homes produced through self-construction.

3. HOUSING MARKET

Over the past decade, it is estimated that approximately 130,000 homes were produced annually in Peru. Of these, only one-third were formal constructions that complied with current building codes and regulations (Espinoza and Fort, 2021). This highlights the significant shortfall in the supply of formal housing to meet the actual demand for housing solutions, which explains why self-construction—largely informal—remains the only viable option for most of the population.

On the other hand, demand for formal housing has struggled to grow due to a critical barrier: the difficulty families working in the informal economy face in accessing mortgage credit. In a country where over 70% of the economically active population is employed informally, mortgage credit continues to be directed almost exclusively at formal workers, effectively excluding the majority of the population—regardless of their real capacity to pay.

In terms of rental housing, approximately 20% of the population relies on this option. Rented homes are entirely individually owned properties; there is currently no purpose-built rental housing in the country.

4. MORTGAGE HOUSING CREDIT MARKET

Over the past decade, the mortgage housing credit market in Peru can be divided into three segments: the upper-middle and high-income segment, which accounts for 66% of mortgage operations (and over 80% of the total loan value) and operates without any subsidies; the middle-income segment, representing 19% of mortgage loans, which benefits from credit lines or direct subsidies provided by the MiVivienda Fund; the low-income segment, accounting for 15% of placements, which also receives credit or direct subsidies from the MiVivienda Fund, specifically targeted at the acquisition of social interest housing.

However, the subsidies provided by the MiVivienda Fund fail to produce credit rates lower than those of the market. As a result, these rates remain aligned with those offered by commercial banks, which are only accessible to upper-middle and high-income segments.

Because the national mortgage market is concentrated in the upper third of the socioeconomic pyramid, it has not needed to diversify its funding sources, which remain limited to deposits and mortgage-backed bonds. This also explains why interest rates for state-backed credit lines targeted at lower-income groups, such as those from the MiVivienda Fund, tend to be higher than the system-wide average, which primarily serves low-risk credit segments.

5. URBAN LAND MARKET

More than 90% of the urban land created in Peru during the 21st century has been developed informally, primarily through the illegal occupation of public and private land or through informal subdivisions lacking physical or legal urban planning approval. This dynamic, driven by the insufficient supply of formal housing noted earlier, highlights the de facto policy regarding land in the country: permitting informal occupation and later addressing the resulting deficiencies through the subsequent provision of basic services, urban infrastructure, and property rights.

In fact, this ex post remediation policy, known as the "gap closure" approach, has completely displaced any state initiative to invest in the creation of new formal urban land, making it extremely difficult to expand the formal housing supply.

Despite this, the rate of property titling in consolidated areas is approximately 90%, reflecting the active property formalization policy that the country has been implementing over the past three decades.

Table 20 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	Deposits, mortgage bonds, wholesale loans, MiVivienda Fund
What is the primary funding source, and what is its share of the total housing credit stock?	Deposits
What types of institutions provide housing loans?	Commercial banks, municipal savings banks, financial institutions
Which is the main institution, and what is its market share?	Banco de Crédito del Perú (31.8% market share)
What is the most common type of credit product for home acquisition?	Mortgage loans for home acquisition with fixed interest rates
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	The average interest rate is 9.24% The average subsidized rate is 14.36%
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	90%
What is the typical income commitment for housing mortgage loans?	Data not available
What percentage of loans issued during the year received some type of subsidy?	58.2%

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

In Peru, housing production and the development of new urban land are both dominated by informal activity. In this context, urban regulations—including those related to building, disaster prevention, and sustainability—are not only difficult to enforce but are often partially or completely ignored.

Furthermore, the limited regularization of buildings—with less than 20% of homes holding formal construction certifications—hinders any effort toward financial inclusion based on the valuation of families' fixed assets.

Table 21 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	6.3%
Unemployment rate	7.19%
Informality rate in the labor market	71.10%
Housing mortgage credit stock/GDP	6.61%
Public investment in housing/GDP	0.24%
Banking spread	7.78%
Quantitative deficit/urban housing stock	2.94%
Qualitative deficit/urban housing stock	6.87%
Homeownership rate	80.70%
National housing affordability index (purchase)	5.5
National housing affordability index (rental)	36.4%
Rate of change in the house price index*	—
Rate of change in the rent price index*	–1.99%
Households without formal title relative to housing stock	17.6%

* in the city with the highest population: Lima.

OUTLOOK, TRENDS, AND PROJECTIONS

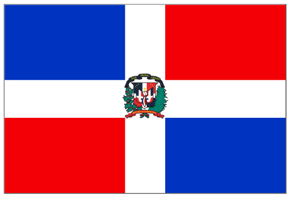
In Peru, both the housing market and its corresponding sectoral policies still have a long way to go. While this presents countless challenges, it also offers multiple opportunities for development. Over the past three years, despite an unfavorable economic environment, initial steps have been taken in this regard.

First, since 2021, the Sustainable Urban Development Law and the National Housing and Urban Development Policy have established the foundation for new regulations, programs, and projects aimed at facilitating urban development in general and housing production in particular, with an emphasis on social interest housing (SIH).

Second, the Ministry of Housing, Construction, and Sanitation (MVCS), in partnership with the MiVivienda Fund, has been taking steps to better focus the fund's objectives and programs.

Third, the MVCS has begun designing several tools to address the incremental housing construction market, in coordination with private actors from the construction and financial sectors.

Finally, efforts are underway to systematically and comprehensively gather and process sector data.



Dominican Republic

By **Alba Mizoocky Mota López, Omar Aquiles Herrera Camacho,** and **Ana María Fernández González**

SUMMARY

- Gross investment in housing reached 14.7% of GDP, with the state allocating USD 364.1 million—equivalent to 17.7% of its public investment—toward housing development.

- Labor and social conditions: The labor force participation rate is 61.7%, with 51% employment formality. The poverty rate stands at 23.9%, and the inequality index (GINI) is 0.37.

- Challenges in housing access: There is an urban quantitative deficit of approximately 392,000 housing units and a qualitative deficit affecting 1.1 million units, representing 13.5% and 36.9% of urban households, respectively. Additionally, 10.78% of housing is classified as substandard, highlighting the urgent need to both increase the construction of affordable new housing and improve existing stock.

- In 2023, the mortgage loan balance was USD 5.9 billion, representing 17.75% of the total credit portfolio, with a delinquency rate of 4.4%.

- Challenges in the urban land market: The effective implementation of Law 368-22 for territorial planning faces significant hurdles. The country lacks a robust system of targeted subsidies and significant progress in the Institute for Promotion, Access, and Guarantees for My Home (INFAMICASA). Land prices vary significantly, with values in peripheral areas such as Santo Domingo Este reaching USD 1,057 per square meter, slightly higher than the average in central areas like Santo Domingo, where prices stand at USD 1,028 per square meter.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

The Dominican Republic's economy demonstrates notable dynamism alongside relative macroeconomic stability. According to official data, inflation in 2023 stood at 4.8%, while the reference interest rate was 7.0% and the Gross Domestic Product (GDP) reached USD 117.58 billion. A key component of the economy is investment in fixed capital, which represented 14.7% of GDP in the same year. The Dominican government has implemented an active housing development policy, allocating 17.7% of its public investment to the sector, equivalent to USD 364.1 million. This investment is crucial for improving living conditions amid increasing urbanization and a constantly evolving economy.

The labor market reflects a participation rate of 61.7% and a formal employment rate of 51% in 2023. Labor productivity generates a national average annual income of USD 9,792, rising to USD 10,092 in urban areas. Despite challenges, social indicators show improvements, with a poverty rate of 23.9% and a GINI inequality index of 0.37, both on a positive trend in recent years.

Demographically, Santo Domingo stands out as the most populous city, while the country's overall urbanization rate is 84%. The population grows at an annual rate of 1.1%, and the average household size of the 3.73 million households is 2.9 individuals per household, reflecting relatively small family sizes in line with regional trends.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

Access to housing in the Dominican Republic presents significant challenges, particularly for the social interest segments. As previously mentioned, the country has a total of 3.7 million households with an average size of 2.9 persons per household, facing a quantitative housing deficit that affects 391,623 households. This number highlights the urgent need to increase housing supply.

Additionally, the qualitative deficit affects 1.07 million homes , representing approximately 36.9% of households. This indicates that a substantial portion of the population lives in conditions that fail to meet minimum habitability standards, reinforcing the need for effective public policies that focus not only on constructing new housing but also on improving the existing housing stock.

3. HOUSING MARKET

The situation worsens in urban areas, where the majority of Dominican households reside, totaling 2.91 million urban households. Despite economic dynamism, the vacancy rate for housing is high, at 16.29%, which could reflect economic accessibility issues or the mismatch between available housing and the population's needs. The fact that only 52.75% of households own their home may be explained by housing prices that are misaligned with incomes, further limiting acquisition opportunities.

Law No. 160-21, which establishes the Ministry of Housing, Habitat, and Buildings (MIVHED), considers legal security and guarantees as the first criteria for defining adequate housing in its Article 17: "Tenure takes a variety of forms, such as rental (public and private), cooperative housing, leasing, owner occupation, emergency housing, and informal or temporary settlements. Regardless of the type of tenure, all individuals enjoy legal security that ensures their protection." Despite this legal framework, both the National Household Survey and the National Census of Population and Housing need to reorient this variable toward legal tenure of housing to include it in the assessment of housing deficits within the country's two most important statistical operations.

4. MORTGAGE HOUSING CREDIT MARKET

In the Dominican Republic, the housing mortgage credit market comprises a variety of public and private institutions that play a crucial role in housing finance. Among these are institutions that collect deposits and manage special funds such as the MiVivienda Trust, which supports the government's MiVivienda plan. The existence of these instruments, along with specific regulations for loan renegotiation, refinancing, and portability, contributes to market stability, including default insurance mechanisms and the regulation of microhousing finance, creating a satisfactory institutional and regulatory environment for the credit market.

As part of economic recovery measures, the country allocated resources from legal reserves (over USD 400 million in 2023) and special public funds to support the mortgage sector. This investment is complemented by efforts from nonprofit organizations such as Habitat for Humanity, which develops housing solutions and collaborates on housing construction and/or improvements through tailored microloans in partnerships with multiple banks and cooperatives. Additionally, TECHO RD carries out projects to improve housing conditions and habitat in precarious dwellings through donations from multiple banks, stock brokerages, private companies, international cooperation, the public sector, and individuals.

In terms of figures, the outstanding mortgage credit balance in the Dominican Republic reached USD 5.94 billion in 2023, representing 17.75% of the total credit portfolio of the financial system and 5.05% of GDP. Banreservas, a semi-state bank and the leading institution in the Dominican banking market, stands out as the main provider of mortgage credit, consolidating its central role in housing finance.

Table 22 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	The primary sources include financial institutions' own resources and deposits from savings corporations, along with public budget allocations that support housing credit through trust funds. Additionally, nonprofit organizations such as those managed by Habitat Dominicana are also identified as funding sources.
What is the primary funding source, and what is its share of the total housing credit stock?	The financial institutions' own resources: multiple banks (63%) and savings and loan corporations (36%)
What types of institutions provide housing loans?	According to the mortgage registry system of the Superintendency of Banks, the providers include multiple banks, savings and loan associations, and credit corporations
Which is the main institution, and what is its market share?	Banco de Reservas de la República Dominicana
What is the most common type of credit product for home acquisition?	Fully amortized loans with fixed interest rates
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	The typical fixed mortgage credit rate is 11.42% Variable rates range between 8% and 21%, depending on the offering financial institution The average rate is 10.8%
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	54.20
What is the typical income commitment for housing mortgage loans?	—
What percentage of loans issued during the year received some type of subsidy?	—

5. URBAN LAND MARKET

The implementation progress of Law No. 368-22 on Territorial Planning, Land Use, and Human Settlements, though still in its early stages, represents an opportunity to strengthen the planning of human settlements by controlling urban expansion through territorial planning tools, partial plans, and urban regulations. The National District has the Capital 2030 Territorial Planning Plan (POT), which serves as the main initiative for managing urban growth. This plan aims to prevent uncontrolled expansion and promote more sustainable and orderly development.

However, the land market remains affected by speculation and pressure to urbanize areas with high economic value. This undermines the availability of land for affordable housing and complicates proper territorial planning in strategic development areas.

In this regard, the country does not yet have a solid system of institutionalized mechanisms for subsidies targeted at intra-urban locations. This is because the Institute for the Promotion, Access, and Guarantee for My House (INFAMICASA), a key institution for approving housing financing and subsidy mechanisms under Law No. 160-21, which created the Ministry of Housing, Habitat, and Buildings (MIVHED), is not yet operational. Currently, the Dominican Republic lacks a land bank to guarantee, reserve, and manage land available for housing construction, particularly for social interest housing (SIH) and to ensure its development in suitable and safe environments.

Urban land market statistics indicate that the average price per square meter is driven by high demand for urban development and private market forces without adequate price control. In the peripheral areas of the Santo Domingo metropolis, such as Santo Domingo Este, where housing expansion has been prominent in recent years, the land value is recorded at USD 1,057 per square meter, which is slightly higher than some central urban areas in Santo Domingo, where the average price is USD 1,028 per square meter.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

The limited availability of official statistics on the informal housing market remains one of the challenges for institutions that regulate housing and habitat. At the national level, settlement regularization processes cover 84,000 hectares. In this context, the La Nueva Barquita Project aligns with these government-led processes for requalifying land for comprehensive urbanization, highlighting the need to further improve public administration of human settlements. For instance, mechanisms exist to certify housing production through the legal framework of real estate jurisprudence.

Currently, there have been relative improvements in the coverage of basic services in urban households, with 98.1% of urban housing units receiving electricity and 90.8% having access to piped water inside and outside the home, supplied through the public system . Additionally, 86.5% of households have an acceptable basic sanitation system, although only 0.6% lack an exclusive bathroom within the home. This situation, however, is not mirrored in rural areas.

It is important to note that the country does not yet have green housing mortgages as part of its housing finance instruments. Nevertheless, significant progress has been made, as the country issued its first sovereign green bond. Although it does not currently include financing for housing, this initiative could provide an opportunity to allocate resources to the housing market in the near future.

Table 23 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	4.8%
Unemployment rate	6.08%
Informality rate in the labor market	51%
Housing mortgage credit stock/GDP	5.05%
Public investment in housing/GDP	0.3%
Banking spread	5.27%
Quantitative deficit/urban housing stock	13.5%
Qualitative deficit/urban housing stock	36.9%
Homeownership rate	52.7
National housing affordability index (purchase)	3.5
National housing affordability index (rental)	67.5%
Rate of change in the house price index	7.82
Rate of change in the rent price index	—
Households without formal title relative to housing stock	—

OUTLOOK, TRENDS, AND PROJECTIONS

1. Urban growth and demand for affordable housing: The growing urbanization in the Dominican Republic, with 84% of the population living in urban areas and an annual demographic growth rate of 1.1%, will drive increased demand for housing in cities. This is particularly true for Santo Domingo, which experiences moderate annual growth of 1.3%, and La Altagracia, the only province with high population growth, at 4.18% annually. This demand will be especially pronounced in social interest segments, where access to affordable housing will remain a key challenge. The quantitative and qualitative housing deficit highlights the need to increase the supply of affordable housing and improve the quality of existing housing to accommodate this growing urban population.

2. Focus on improving existing housing: As public policies aim to reduce the housing deficit, the focus on rehabilitating and improving existing housing is likely to increase. With 10.78% of homes classified as below standard and a qualitative deficit affecting nearly 37% of urban households, initiatives to improve housing quality will be essential.

3. Expansion of the mortgage market and sustainable financing: The growth and stability of the mortgage market, with a mortgage loan balance representing 17.75% of the financial system's total loan portfolio, suggest that this sector will continue expanding. However, to address the needs of social interest segments, promoting financial inclusion through affordable mortgage products and potentially introducing green mortgages to support sustainability will be crucial. Additionally, the issuance of the country's first green bond, dedicated to projects and programs aligned with sustainability criteria, could open new opportunities to finance sustainable housing projects in the future.

4. Challenges in land use planning and regulation: Land use planning and the regulation of urban, developable, and nondevelopable land will remain a major challenge in the Dominican Republic. While Law No. 368-22 provides a framework for land use and human settlements, its effective implementation, along with the establishment of the National Land Use Planning System for governance and the Territorial Information System to modernize data comprehensively, will be essential to managing urban growth sustainably. The Dominican Republic must make significant progress in regulating urban expansion through subnational governments; it must apply land use planning tools, and create a land bank to ensure that land available for housing and public services aligns with territorial potential, climate change adaptation, and territorial cohesion. Additionally, the country must continue programs for land and housing tenure regularization while increasing affordability for new housing and the development of social interest projects.

5. Focus on inclusion and sustainability: As the country expands basic service coverage in urban areas, efforts to close the gap between urban and rural zones will be fundamental. Incorporating sustainability aspects into housing construction and financing will become increasingly relevant, particularly with growing interest in initiatives like green bonds. Sustainability will not only focus on energy efficiency and access to basic services but also on ensuring housing resilience to climate challenges, guaranteeing that housing solutions are durable and equitable for all populations in the country.

Uruguay

By **José Freitas, Lucía Vázquez, Andrés Cabrera,** and **Lucía Anzalone**

SUMMARY

- Public housing policy in Uruguay is structured through successive Five-Year Housing Plans (PQV), which have ensured continuity for the country's most significant programs over the past decade. In 2023, notable outcomes were achieved under the housing credit program for cooperative housing production and the promoted housing production program, which is incentivized through tax exemptions.

- Of the public budget resources allocated from the National Housing Fund (FONAVI) for housing production, 72% were directed toward new housing solutions, 13% toward actions to improve existing housing stock, and 6.5% toward rental subsidies and guarantee contracts.

- Challenges persist in accessing and maintaining adequate housing, particularly for households in the lowest two income quintiles, which are highly dependent on public policies. Additionally, middle- and lower-middle-income groups face barriers to accessing credit or affordable rentals.

- Data from 2023 indicate that reducing poverty and extreme poverty remains a central challenge for the country. Addressing this issue requires a more integrated, multidimensional approach, with secure housing playing a critical role in reversing these conditions.

1. GENERAL OVERVIEW: MACROECONOMIC AND DEMOGRAPHIC ASPECTS

To address housing and habitat issues in Uruguay, it is essential to consider certain demographic trends that shape the country's sociohousing reality and challenge existing models and policies.

According to the 2023 Census conducted by the National Institute of Statistics (INE), Uruguay has a population of 3.44 million. The intercensal growth rate (from the 2011 Census to the 2023 Census) was a mere 0.08% annually, confirming that the country's population growth continues to decline. The trends in birth rates, mortality, and migration reflect an ongoing process of demographic aging.[7] Since 2021, the number of births has been lower than the number of deaths. As a result, the share of people over 65 years old has increased, reaching 15.2% in 2023, while the population aged 0 to 14 years has declined from 22% in 2011 to 18% in 2023. This acceleration in demographic transition indicates that Uruguay's population growth will continue its downward trend in the future.

Another notable trend is the increase in the number of households and the decrease in average household size, driven by a rise in single-person households, single-parent households, and a decrease in extended households. This shifting reality poses challenges for policies that must address sociohousing needs across various life stages.

Uruguay is one of the most urbanized countries in the region, with 97% of the population living in cities, primarily concentrated in the country's south: 66% of the total population resides in the metropolitan area of Montevideo alone.

Economically, the country has experienced very moderate growth over the past decade. In 2023, the Uruguayan economy was practically stagnant, and the GDP for the construction sector declined by 5.6% compared to in the previous year, impacted by the completion of major infrastructure projects. However, excluding the construction of UPM and the Central Railway project, the sector grew at a real annual rate of 7%.[8] Despite this, investment in housing in 2023 remained at levels similar to those of previous years.

Poverty incidence stood at 10.1% in 2023 (INE, 2023), indicating that pre-pandemic levels have yet to be restored (poverty was 8.8% in 2019). A breakdown of this data highlights concerns that better illustrate the national issue: Among children under six years old, poverty increased by more than 3 percentage points compared to pre-pandemic levels, reaching 20.1% in 2023. Furthermore, poverty incidence is nearly twice as high in households headed by women as in those headed by men.

7 Preliminary results of the 2023 Census.

8 Report on the construction and real estate sectors, Uruguay XXI (2023).

Geographically, the data also reveal socio-territorial gaps and segregation within cities. The poverty rate is only 2.9% in Montevideo's coastal neighborhoods, while in the northern and northwestern outskirts of the capital, it exceeds the national average. Disparities are also evident at the national level, where poverty is highest in the northern and northeastern regions of the country, including Salto, Artigas, Rivera, Cerro Largo, and Treinta y Tres.[9]

In terms of income inequality, various indicators show an upward trend in recent years: The Gini index increased from 0.383 in 2019 to 0.394 in 2023, while the ratio comparing average incomes of the tenth decile to those of the first decile rose from 11.1 to 11.7.

2. ACCESS TO HOUSING FOR THE SOCIAL INTEREST SEGMENT

In Uruguay, accessing and remaining in housing pose challenges, while securing adequate housing presents even greater difficulties. These challenges particularly affect the lowest two income quintiles, who rely heavily on public policy, as well as middle and lower-middle income groups, who face barriers in accessing credit or affordable rentals.

The housing deficit estimate, calculated by the authors of this report for this annual publication, is based on information from the Continuous Household Survey. It identifies nearly 63,000 households living in housing that exhibits "physical inadequacies relative to urban regulatory standards."[10] An analysis of the historical trend, using the same calculation method, shows a decline over time: In 2014, households living in substandard housing represented 8.2% of the total; by 2019, this proportion had fallen to 5.6%, and in 2023, it was less than 5.0%. More detailed data from the 2023 Census—not yet available—will provide a clearer understanding of the deficit's quantity and geographic distribution.

Public housing policy in Uruguay is outlined in successive Five-Year Housing Plans (PQVs), which require approval by the national parliament. The current plan (2020–2024) has two main focuses: On the one hand, it continues the most significant programs of the past decade, which remain the main tools of public intervention; on the other, it introduces new initiatives.

An analysis of budget execution for 2023 reveals that, of the public budget resources from the National Housing Fund (FONAVI) allocated to housing production, 72% was invested in new housing solutions, 13% went toward actions related to the existing housing stock, and 6.5% was allocated to guarantee contracts and rental subsidies.

Of the new housing solutions, 69% were executed through the Housing Cooperatives Program, resulting in 1,889 homes completed in 2023, while ongoing projects accounted for a total of 7,936 units. Other programs, such as Housing in Small Towns, Relocations, Housing Construction for Pensioners, New Housing for Workers, Assisted Self-Construction, and Loans and Subsidies for Purchasing Used Homes, represented smaller shares of execution.

Another significant aspect of public housing action was credit provision for individuals: the Banco Hipotecario issued 1,500 new loans, while the Public Housing System (SPV) granted 1,900 loans through programs such as housing cooperatives, PPT (Price-Project-Land)—a public bidding mechanism for housing construction whereby companies submit proposals for land, building design, and total price—self-construction, among others.

The new initiatives introduced in the PQV include the Avanzar Plan, which seeks to coordinate existing programs to improve responses to urban and housing precarity in informal settlements. This initiative is supported by additional funding through the creation of a financing and implementation instrument called the Social and Urban Integration Trust Fund. Another initiative, the Entre Todos program, aims to facilitate access to bank credit.

Both programs are currently in the implementation phase.

3. HOUSING MARKET

The cost of constructing one square meter of new housing varies significantly depending on the type of project and location. According to INE's Construction Cost Index,[11] the average cost reached USD 1,649 per square meter in the first half of 2023, with a cumulative annual increase of 6.2%.

In terms of production, 4,749 new housing units[12] were approved in 2023 under the Promoted Housing Law (Law No. 18,795), which incentivizes private investment in housing through tax exemptions. Since its launch in 2011, nearly 40,000 promoted housing units have been developed.

9 Poverty estimation based on the income method (INE [2023]).

10 This "deficient housing" figure is derived from calculations carried out by the consulting team using combined data from 11 variables in the Continuous Household Survey. This tool is useful for identifying trends in housing deficits.

11 INE Report.

12 ANV. This does not equate to a building permit.

13 DNR Report.

Regarding property sales, 50,556 residential transactions—including both new and used properties—were completed in 2023,[13] indicating a degree of stability compared to the previous years number.

It is well known that the relationship between housing production and prices is not direct: An increase in housing supply does not necessarily lead to a drop in prices, and therefore does not guarantee improved access for the unmet demand that shapes the housing deficit. As of December 2023, the median housing sale price was USD 84,413 nationwide, marking the third consecutive year of price increases (a 7.2% rise in USD, the 2023 annual average of 2022).

In Montevideo, the median price was USD 111,000 in December, and for the year as a whole, it remained practically stable compared to in the previous year. The average price of "promoted housing" sales in Montevideo during the second half of 2023 reached USD 2,268 per square meter.[14]

In the rental market, data shows that in 2023, the average monthly rent for housing was equivalent to USD 461 nationwide and USD 480 in Montevideo, reflecting an annual increase of 5.9% for the national average. Rent accounts for 22% of the average household income among renters, a proportion that rises to 32% for households in the lowest income decile.

4. MORTGAGE HOUSING CREDIT MARKET

Housing credit in Uruguay is provided through public banks—namely the Banco Hipotecario del Uruguay (BHU) and the National Housing Agency (ANV)—as well as through private banks, with numerous institutions offering various credit options. Additionally, some real estate developers offer direct financing lines.

Several indicators illustrate the performance of this system. According to the Central Bank of Uruguay, as of the end of 2023, there were 49,511 active mortgages, with the Banco Hipotecario del Uruguay the leading institution, holding approximately 46% of the market.

In 2023, 4,800 credit operations were carried out in the banking system, with an average loan amount of USD 108,000 and an average annual interest rate of 4.69% in indexed units (UI), the most commonly used index for these operations.

While public programs led by the Ministry of Housing manage to include a portion of low- and lower-middle-income households—evidenced by the 1,900 credits granted by the SPV—large segments of the population remain unable to access credit through either public or private banking channels. The main limitation is the required prior savings, which amount to approximately 15% of the housing price. Considering that the average housing price in Montevideo in 2023 was USD 111,000, the required savings reach USD 16,650, which is generally unattainable for these segments.

Table 24 **Overview of the mortgage system**

QUESTIONS	RESPONSES
What funding sources support housing credit?	Deposits, public resources, private funds, and pension funds
What is the primary funding source, and what is its share of the total housing credit stock?	Deposits and savings
What types of institutions provide housing loans?	Public institutions, private banks, and developers
Which is the main institution, and what is its market share?	Banco Hipotecario del Uruguay, with 47.5% of the portfolio market share and 29% of the total loans issued in the last year
What is the most common type of credit product for home acquisition?	Housing loans indexed to a price index
What are the typical interest rates (fixed, variable, and subsidized, respectively)?	4.69% + UI (Indexed Units)
What is the typical loan-to-value (LTV) ratio for housing mortgage loans?	85%
What is the typical income commitment for housing mortgage loans?	30%
What percentage of loans issued during the year received some type of subsidy?	Within the mortgage loans from public housing programs, subsidies in 2023 accounted for 14% of the total amount disbursed.

14 ANV Housing Price Report for 2023.

The installment subsidy instrument applies to credits associated with public programs, with an investment of USD 29 million in 2023. Under the formulation of the new Entre Todos plan, efforts are underway to support access to bank credit for construction companies through a specific guarantee line called SiGa Entre Todos. Additionally, a non-reimbursable economic contribution is aimed at supporting credit access for end users. Both initiatives are in the implementation phase, and as of yet, 2023 data is unavailable to quantify their impact.

On the other hand, public microhousing credit programs aim to support households with the capacity to pay but difficulties in accessing credit, promoting home retention, and improving the existing housing stock. An example is the Tu Casa Como La Soñaste program, implemented by ANV with funding from the National Housing Fund (FNV). Another example includes loans for housing and urban rehabilitation, implemented by subnational governments with their own funds and FNV resources.

5. URBAN LAND MARKET

Cities have expanded without a corresponding increase in population; urbanized land in Uruguay grew by 0.7% over two years,[15] while the population remained stable. Subnational governments, which are responsible for territorial planning at the city level, define landuse regulations and authorize the transformation of new urban land through Territorial Planning Plans. This expansion trend occurs in a context in which nearly all medium-sized cities and departmental capitals have active urban plans (40 cities have local plans). Likewise, land banks exist at both the national and local levels,[16] (the Ministry of Housing's current land bank amounts to 246,500 m²). However, it has not been possible to make sufficient land available to ensure that public housing is adequately located to align with the country's urban planning guidelines. To address this issue, the Ministry promoted a National Strategy for Access to Urban Land[17] to optimize these tools to support urban and housing development.

Another worrisome urban trend in Uruguayan cities, particularly in the Montevideo metropolitan area, is the increase in residential segregation, with a growing polarization between coastal areas, where higher-income households are concentrated, and inland areas, which house lower-income households.

The regulatory framework for urban land management provides various instruments to address these issues, but their application has been insufficient and ineffective. These instruments include a vacant land tax, the right of first refusal (preemption and retraction rights in favor of the public administration), expropriation for public utility purposes related to urban planning, expropriation for failure to meet territorial obligations, public participation in value capture (whether through returns from increased valuation or greater landuse potential), and the surface rights instrument, among others.

6. INFORMALITY, INCLUSION, AND SUSTAINABILITY

The 2023 Executive Branch report[18] states that active projects are underway in 99 informal settlements (IS) and scattered informal situations, involving approximately 11,681 households. More than half are in construction or in the process of purchasing existing housing, another tool used to address urban and housing precariousness. Despite the regularization or relocation of many major informal settlements over the past decade—nine in Montevideo between 2020 and 2023[19]—there are still around 60,000 households in informal settlements.[20] According to data from the Monitoring and Evaluation Unit (PMB-MVOT), there were 621 informal settlements across Uruguay as of December 2021.[21]

Another significant issue is that only half of the country's housing is connected to sewerage networks, a critical shortfall that reflects the scope of the housing problem while also posing serious public health and environmental challenges for urban habitats. Additionally, estimates from the National Water Directorate indicate that 95,375 people

15 From the Land Cover Atlas, DINOT.

16 The "portfolio of properties for social interest housing" managed by the Ministry of Housing and Territorial Planning and the "land portfolios" managed by departmental governments.

17 ENASU: National Strategy for Access to Urban Land.

18 Excerpt from the explanatory statement of the Accountability and Budget Execution Report - 2023 by the Executive Branch.

19 Data from the settlements observatory of the Montevideo Municipal Government.

20 Processed using ECH 2023 microdata.

21 Data obtained from a public information request to the DINISU of the Ministry of Housing for the report "Survey of Public Housing Policies and the Right to the City": research conducted and published by the Miles de Ciudades collective and the Uruguayan Cooperative Center (CCU).

22 DINAGUA data: https://www.gub.uy/ministerio-ambiente/politicas-y-gestion/inundaciones.

Table 25 **Summary of indicators**

INDICATOR	YEAR 2023
Inflation rate	5.11%
Unemployment rate	7.8%
Informality rate in the labor market	22.6%
Housing mortgage credit stock/GDP	4.6%
Public investment in housing/GDP	0.42%
Banking spread	2.34
Quantitative deficit/urban housing stock	—
Qualitative deficit/urban housing stock	—
Homeownership rate	51.2
National housing affordability index (purchase)	3.94
National housing affordability index (rental)	25.8%
Rate of change in the house price index	7.16%
Rate of change in the rent price index	5.86%
Households without formal title relative to housing stock	—

live in flood-prone areas.[22] This risk and vulnerability is exacerbated by the effects of climate change. Cities are impacted by river and stream overflows, urban stormwater drainage deficits or failures, and, in coastal areas, by astronomical and meteorological tides as well as wave action.

These environmental challenges are addressed in the National Climate Change Adaptation Plan for Cities and Infrastructure.[23] Within this framework, promising pilot programs exist, including ones making progress on technical standards for energy efficiency certifications for new housing projects and the retrofitting existing buildings. Funds have also been allocated for credit and technical assistance to implement adaptation measures for homes affected by flooding.[24]

OUTLOOK, TRENDS, AND PROJECTIONS

Housing policy in Uruguay faces the challenge of addressing social and cultural changes that have accelerated trends toward smaller household sizes, with an increasingly diverse range of situations and needs over the life cycle. At the same time, reducing poverty and extreme poverty remains a central challenge for the country. Addressing the multidimensional nature of poverty highlights the critical need for secure housing and access to basic goods and services. Given that children and female-headed households are the populations most affected by poverty, public policy instruments must adopt a more comprehensive design.

Another pressing trend requiring better responses is social fragmentation and spatial segregation in cities. National and departmental public policies must develop more impactful strategies by integrating land management instruments, public property portfolios, and incentives for private investment to promote more socially heterogeneous urban developments.

In the short term, the implementation of the Avanzar Plan with its additional funding is expected to advance further interventions in informal settlements. At the same time, the more established instruments and programs within housing plans—such as loans for new housing solutions, particularly through housing cooperatives, as well as rental and installment subsidies—will remain the backbone of public housing action.

Looking ahead, the upcoming 2025–2029 Plan Quinquenal de Vivienda (PQV) offers an opportunity for participatory development and the emergence of changes and new proposals to improve access for end users. The new plan may introduce adjustments and new instruments, such as loans, microloans, guarantees, subsidies, and rental programs, to enhance public action and shape conditions in the housing market.

Greater effectiveness in public and private investment is needed to transform areas of severe precariousness, including informal settlements and scattered unstable housing, into formal urban spaces, rehabilitate degraded areas of cities that already have basic infrastructure and services, and relocate informal populations living in risk-prone areas. Housing policy must better align with urban and environmental instruments, focusing on integrated actions that connect housing improvements with broader urban habitat enhancement. In this context, implementing a land policy to guide urban development and generate a portfolio of public properties in suitable locations appears to be a viable step forward.

23 https://www.gub.uy/ministerio-ambiente/nap-ciudades.

SECTION III

Statistics by Topic

Introduction

The statistics presented in this section form the foundation of all the *Yearbook*'s sections and result from data collection by consultants using a standardized questionnaire that covers 260 variables and indicators. Statistics were defined based on their relevance for understanding the housing sector and housing access.

This section organizes the data into 25 topic-specific tables, which can also be consulted and downloaded in a customizable format from the online database at anuarioviviendalac.com.

Each variable/indicator in the tables is accompanied by a methodological note. As previously mentioned, some of these indicators are harmonized with the global Hofinet-EMF database. In such cases, the methodological note includes the corresponding "harmonized definition" in English.

Monetary data were converted to US. dollars.

For various reasons (such as the absence of data sources, levels of aggregation in available information, among others), not all the listed variables and indicators will be available. In this regard, the *Yearbook* fulfills one of its objectives by identifying and making visible the gaps in relevant data, with the aim of contributing to greater production and dissemination of sector data across the region.

Missing or unavailable data are marked as "—."

When the variable itself does not exist in the country or is dependent on another variable that does not exist (whether due to a lack of regulation, non-implementation, or another reason), it is marked as "not applicable" using the abbreviation "N/A." If the variable exists but shows no results, the numeral 0 is used.

If 2023 data were unavailable, data from immediately preceding years were accepted, dating back no earlier than 2020. This is often the case with censuses and household surveys.

Each data point collected is recorded along with a "note" containing the consulted source, reference date, collection date, and explanatory comments. However, this information will only be available for online consultation. Users are strongly advised to always refer to these notes to identify any limitations in the presented data or discrepancies, such as those related to time periods, territorial coverage, methodological notes explaining the variable, or other relevant information, to avoid errors in interpreting and using the data.

The rigor in collecting, reviewing, and presenting data, along with explanatory notes, aims to provide a reliable foundation for studies and analyses, serving as a resource for decision-making by various sector stakeholders.

Additional variables and indicators may—and should—be incorporated into future editions as the *Yearbook* project evolves and becomes more established. These additions will also rely on suggestions from consultants, authors, and users, in addition to market indices and new innovations.

Table 26 **Macroeconomic Indicators**

Countries	Inflation (consumer price index)	Interest Rate				GDP	GDP/Capita PPP
		Reference Interest Rate	Average Deposit Rate	Average Loan Rate	*Banking Spread*		
Period	Annual, end of period	Annual	Annual	Annual	Annual	Annual	Annual, end of period
Data format	%	%	%	%	%	million $	thousand $
Argentina	133.5	100.0	95.4	97.0	1.6	731,167.09	26.39
Brazil	4.6	11.8	12.1	43.6	31.5	2,077,421.37	20.00
Chile	3.4	5.8	5.4	7.7	2.2	319,922.80	29.87
Colombia	9.3	13.0	13.9	27.0	13.1	365,596.49	7.04
Costa Rica	0.5	6.0	5.1	9.1	4.0	90,589.10	27.06
Ecuador	1.4	10.4	4.6	9.9	5.3	118,845.00	14.33
El Salvador	4.0	7.5	5.3	7.8	2.5	38,947.88	11.95
Mexico	7.8	6.0	10.7	11.3	0.6	1,512,403.00	11.48
Panama	1.5	6.0	4.7	6.9	2.2	83,382.00	43.22
Peru	6.3	7.5	4.8	12.6	7.8	271,303.69	16.00
Dominican Republic	4.8	7.0	9.2	14.4	5.3	117,577.13	25.36
Uruguay	5.1	10.7	8.6	11.0	2.3	77,243.78	28.98

METHODOLOGICAL NOTES

Inflation (consumer price index)—The end of period consumer price index (CPI) is a measure of a country's general level of prices based on the cost of a typical basket of consumer goods and services at the end of a given period. The rate of inflation is the percent change in the end of the period CPI.

Reference IR—Reference interest rate defined by the Central Bank. Central Bank Policy Rate. (IFS/IMF)

Average Deposit Rate —Deposit rate refers to rates offered to resident customers for demand, time, or savings deposits. Often, rates for time and savings deposits are classified according to maturity and amounts deposited. In addition, deposit money banks and deposit-taking institutions may offer short- and medium-term instruments at specified rates for specific amounts and maturities; these are frequently termed "certificates of deposit."

Average Loan Rate—Weighted average of the rates charged by banks on loans with fixed interest rates and with own funds to individuals and corp. The rate is weighted by loan amounts.

Banking Spread—Difference between average loan rate and average deposit rate.

GDP—GDP represents the total value at current prices of final goods and services produced within a country during the given year time period.

GDP per capita based on PPP—GDP per capita is based on purchasing power parity rates (PPP).

Table 27 **Household and Demographic Data**

Countries	Population		Most populous city	Urbanization rate	Population Growth Rate	Households		
	Total	Population aged 65 or older				Total households	Average household size	Urban households
Period	Most recent census/survey				Annual average	Most recent census/survey		
Data format	million #	%	TXT	%	%	Thousands	N.º	Thousands
Argentina	46.5	12.1	CABA	92.0	0.9	15,932.3	2.9	14,500
Brazil	216.4	10.2	San Pablo	88.0	0.5	72,456.4	2.8	64,770
Chile	19.6	13.5	Santiago	88.0	0.7	6,998.1	2.8	6,194
Colombia	52.3	13.9	Bogotá, DC.	76.5	1.2	18,009.0	2.9	13,818
Costa Rica	5.2	11.2	San José	82.0	1.1	1,790.0	2.9	1,378
Ecuador	16.9	1.5	GUAYAS	63.1	1.3	5,188.8	3.2	4,162
El Salvador	6.4	8.4	San Salvador	75.0	0.4	2,019.6	3.1	1,612
Mexico	126.0	8.4	Mexico City	78.6	1.2	35,219.1	3.6	27,653
Panama	4.2	9.8	Ciudad de Panamá	66.0	1.4	1,230.8	3.3	850
Peru	34.4	8.6	Lima	79.0	1.0	10,042.7	3.4	8,254
Dominican Republic	11.3	7.7	Santo Domingo	84.0	1.1	3,726.0	2.9	2,908
Uruguay	3.4	15.2	Montevideo	96.5	0.1	1,264.4	2.8	1,196

METHODOLOGICAL NOTES

Total population—Total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship.

Urbanization rate—Urban population refers to people living in urban areas as defined by national statistical offices.

Population Growth Rate— Percentage of the average annual increase in population over a period of years between two demographic censuses.

Total households— Total number of households. A household is all the people in a family or group who live together in a house.

Table 28 **Labor Market and Income**

Countries	Labor Market				Median annual household income		Income commitment with total debt service	Poverty rate	GINI coefficient
	Labor force participation rate	Under-employment rate	Informality Rate	Unemployment rate	National	Urban			
Period	Anual, fin del período				Annual	Annual	Annual, end of period	Annual	Annual
Data format	%	%	%	%	$ (median)	$ (median)	%	%	N.º
Argentina	48.6	10.5	34.3	6.8	8,370.10	7,992.00	-	39.2	0.41
Brazil	62.1	17.6	39.0	7.8	9,728.62	11,405.97	25.0	31.6	0.52
Chile	61.8	5.21	27.5	8.5	17,112.00	17,856.00	16.1	6.5	0.43
Colombia	63.8	7.1	56.3	10.2	8,772.00	-	34.3	33.0	0.55
Costa Rica	56.8	3.8	45.0	7.3	24,204.00	27,075.65	49.6	25.5	0.47
Ecuador	65.1	20.3	55.7	3.6	9,590.40	11,028.00	50.0	26.0	0.46
El Salvador	64.4	37.6	68.5	6.3	8,411.28	9,799.32	-	26.6	0.39
Mexico	60.2	-	55.1	3.1	13,475.68	14,710.05	36.2	36.3	0.40
Panama	62.4	18.3	47.4	7.4	9,600.00	-	-	21.8	0.49
Peru	70.1	48.2	71.1	7.2	10,006.25	13,559.28	29.4	27.5	0.40
Dominican Republic	61.7	2.3	51.0	6.1	9,797.00	10,092.00	-	23.9	0.37
Uruguay	63.8	9.8	22.6	7.8	21,424.49	25,401.63	-	10.1	0.39

Note: In the cases of Costa Rica and El Salvador, the reported income is average, not median.

METHODOLOGICAL NOTES

Labor force participation rate—The labor force participation rate is the labor force as a percentage of the working-age population. The labor force is the sum of all persons of working age who are employed and those who are unemployed. "A measure of the proportion of a country's working-age population." (ILO)

Underemployment rate—Time-related underemployment is a measure of labor underutilization that provides information regarding the share of employed persons who are willing and available to increase their working time and worked fewer hours than a specified time threshold during the reference period. (ILO)

Unemployment rate—Persons who, during the reference period, did not work nor had a job but who were willing available to work.

Informality rate— All jobs in informal sector enterprises, or all persons who, during a given reference period, were employed in at least one informal sector enterprise, irrespective of their status in employment and whether it was their main or secondary job.

Median annual household income—Median pretax household income.

Income commitment with total debt service—Portion of the monthly income of families committed to the payment of all debts—mortgage, consumption, others—contracted.

Poverty rate—Percentage of people below the poverty line according to national poverty lines.

GINI coefficient—Income distribution/concentration indicator—ranges between 0 and 1 (greatest inequality) (UNDP)

Table 29 Homeownership Rate and Housing Deficit

Countries	Total number of dwelling units	Households that own their homes	Unoccupied housing rate	Substandard housing rate	Urban housing deficit			
					Quantitative	% deficit / urban households	Qualitative	% deficit / urban households
Period	Annual, end of period				Most recent survey			
Data format	Thousands	%	%	%	Thousands	%	Thousands	%
Argentina	15,932	68.0	12.6	4.6	2,505.5	17.3	735.2	5.1
Brazil	72,456	69.8	12.6	17.8	6,215.3	9.6	26,510.7	40.9
Chile	6,824	57.0	-	18.5	516.2	8.3	996.2	16.1
Colombia	19,603	39.5	13.4	22.1	431.0	3.1	2,299.0	16.6
Costa Rica	1,790	82.0	10.0	3.6	9.1	0.7	118.4	8.6
Ecuador	5,082	61.0	13.9	34.2	286.8	6.9	1,375.0	33.0
El Salvador	2,020	51.6	18.0	58.0	24.2	1.5	1,040.0	64.5
Mexico	43,903	67.8	17.5	25.2	8,977.4	32.5	7,668.1	27.7
Panama	1,589	64.0	11.4	17.0	-	-	44.5	5.2
Peru	10,197	80.7	8.8	71.0	243.0	2.9	567.0	6.9
Dominican Republic	3,726	52.7	16.3	10.8	391.6	13.5	1,073.4	36.9
Uruguay	1,385	51.2	3.1	4.6	-	-	-	-

METHODOLOGICAL NOTES

Total number of dwelling units—A dwelling unit is a living space with a separate entry to the individual unit.

Households that own their homes—The percentage of households that own their home (formal or informal, paid or mortgaged).

Unoccupied housing rate—The percentage of all units that is unoccupied or not rented. Data may be available for urban areas only.

Substandard housing rate—Substandard housing is residential property that is not up to the local building or housing code (excluding land code).

Urban housing deficit—quantitative—The number of dwelling units that need to be added to the housing stock, according to the methodology adopted.

Urban housing deficit—qualitative—The number of housing units that are substandard, lack basic infrastructure, or exhibit other type of inadequacy, including lack of secure tenure, according to the methodology adopted.

Table 30 **Housing Stock and Production**

Countries	Housing production			Investment in housing (Gross Fixed Capital Formation)	Volume of $ invested in total housing production	Cost of housing production			Social Housing Production Agents				
	Number of building permits	Number of housing projects started	Housing units completed			Average m² cost of middle-quality housing construction	Rate of change of the constuction industry price index	Time (days) to obtain a residential construction permit	Public	Private	PPPs	Housing Associations	Families self-production (formal or not)
Period	Annual			Yearly total	Annual, end of period				Annual				
Data format	# Thousand	# Thousand	# Thousand	%	$ Million	$	%	No. of days	Ranking (per volume of Soc. Housing): 1 to 5, 1 being the main type				
Argentina	48.3	-	-	8.4	-	1,262.33	135	53	3	2	-	-	1
Brazil	-	-	-	7.5	14,758.66	414.73	3.5	87	3	2	5	4	1
Chile	90.6	-	-	4.8	10,041.00	-	1.4	216	2	1	N/A	3	-
Colombia	215.8	201.4	184.4	4.3	-	347.76	7.2	45	4	1	5	3	2
Costa Rica	24.5	-	-	3.0	2.04	400.00	9.0	90	5	1	2	4	3
Ecuador	22.9	30.9	41.4	2.7	725.00	430.00	2.4	15	1	2	5	3	4
El Salvador	-	60.0	-	4.0	1,995.27	226.71	-	25	2	-	-	1	-
Mexico	144.9	116.4	131.0	5.2	21,436.00	677.80	11.9	145	-	1	-	-	2
Panama	3.9	8.8	14.0	0.9	721.00	548.63	2.8	90	2	1	N/A	4	3
Peru	48.8	56.0	-	-	9,431.00	251.10	3.2	121	N/A	2	N/A	N/A	1
Dominican Republic	-	-	-	14.7	5,231.79	2,015.25	-0.5	86	3	2	4	5	5
Uruguay	-	2.2	-	4.1	-	1,649.18	6.2	97	3	2	-	4	1

METHODOLOGICAL NOTES

Number of building permits—Number of building permits issued for new residential dwelling units.

Number of housing projects started—Number of housing projects started / dwelling units.

Housing units completed—Number of housing units completed—Formal sector, registered/year/dwelling units.

Investment in housing (Gross Fixed Capital Formation)—Shares of gross domestic product: Gross private domestic investment. Fixed investment: Residential.

Volume of $ invested in total housing production—Volume of financial resources used in the formal production of housing (all segments) in the year.

Average m² cost of middle-quality housing construction—The m² construction cost for middle quality house - national.

Rate of change of the constuction industry price index—If the construction price index exists, give percentage change in construction prices from previous year (ROC, Rate of Change).

Time (days) to obtain a residential construction permit—Number of days, on average, to obtain a residential construction permit. The reference here is for the most populated city.

Social Housing Production Agents: Public—Production sponsored by public entities at any federative level, whether it remains public property (lease or concession) or is sold or leased within the scope of housing programs. Indicates the importance of public production (by the public sector) of housing in the segment classified as (of) social interest.

Social Housing Production Agents: Private—Indicates the importance of private production (by developers) of housing in the segment classified as of social interest.

Social Housing Production Agents: PPP—Indicates the importance of public-private partnerships in the production of housing in the segment classified as of social interest.

Social Housing Production Agents: Housing Associations—Indicates the importance of production by nonprofit housing associations in the segment classified as of social interest.

Social Housing Production Agents: Families (self-production)—Indicates the importance of self-production of housing (informal and substandard housing included) by the families themselves in the segment classified as of social interest.

Table 31 **Housing Financing and Production Agents**

Countries	Funding for housing production (per volume of investments)				Bank credit for formal housing production					
	Main Funding Sources for Housing Mortgages: first place	Participation	Main Funding Sources for Housing Mortgages: second place	Participation	Outstanding volume in banking portfolios	Delinquency rate	Credit contracted	Typical market interest rate (IR) on production loans	Availability to small developers	Differentiated/ subsidized IR for Social Housing production
Period	Reference Year				Annual, end of period				Reference Year	
Data format	txt	%	txt	%	$ Million	%	$ Million	%	OPT	OPT
Argentina	-	-	-	-	-	-	-	-	Y	N
Brazil	SBPE	60.8	FGTS	39.2	10,283.13	2.1	5,824.23	10.8	Y	Y
Chile	Credits from commercial banks	-	Loans from Ministerio de Vivienda	11.4	5,192.60	1.1	-	10.3	Y	Y
Colombia	-	-	-	-	7,601.53	6.0	2,171.18	18,1 (no-VIS) y 16,89 (VIS)	Y	Y
Costa Rica	Refinancing institution	59.6	Special funds	-	-	2.5	-	10.5	Y	N
Ecuador	Personal and private developer-owned resources	51.2	Bank and co-op loans + mixed resources (mutualists, MIDUVI)	48.8	-	1.1	1,004.00	10.5	Y	Y
El Salvador	Atlántida Capital S.A. Gestora de Fondos de Inversión	85.1	-	-	0.25	-	-	11–26,0	Y	N
Mexico	-	-	-	-	-	2.7	-	9.2	Y	-
Panama	-	-	-	-	1,758.00	5.0	365.50	7.6	-	N
Peru	Presale resources	-	Credit lines for work capital	-	1,775.00	11.6	-	-	Y	N
Dominican Republic	Credits from multiple banks	82.8	Savings and credit corporations	16.2	1,748.00	-	538.00	10.0	-	-
Uruguay	-	-	-	-	-	-	-	-	Y	Y

METHODOLOGICAL NOTES

Main Funding Sources for Housing Mortgages: first place—Identifies the main source of funding for production loans, including developers' own financial resources.

Market Share—Identifies the market share of the main source of funding.

Main Funding Sources for Housing Mortgages: second place—Identifies the second - largest type of funding for formal housing production loans, including developers' own financial resources.

Market Share—Market share of the second - largest funding source for housing production loans.

Outstanding volume in banking portfolios—Sum of the balances in the banking portfolios of active credit operations granted to legal entities for housing production at the end of the year.

Delinquency rate—Loans granted to developers for housing production, with at least one installment overdue by more than 90 days weighted by the total balance of the portfolio.

Loans contracted—Sum of loans granted by banks to developers for housing production during the year.

Typical market interest rate (IR) on production loans—Typical nonsubsidized interest rate in bank loans to developers for housing production.

Availability to small developers—Determines if bank credit is available for small developers (less than 30 employees).

Differentiated/subsidized IR for Social Housing production—Determines if there are below-market interest rates for the formal production of social housing.

Table 32 **Housing Transactions and Prices**

Countries	Housing Transactions: New and Existing		Median Housing Price: Sale			Median Housing Price: Rental			Housing Price Index (HPI)	Type of data used by the most comprehensive and reliable HPI	Methodology of HPI	Rate of Change of HPI: National		Rate of Change of HPI: Most populous city	
Period	National/ year	Urban/year	National/ year	Urban/year	Most populous city	National/ year	Urban/year	Most populous city	Reference year			Sale	Rental	Sale	Rental
Data format	Thousands	Thousands	$ (median)	$ (median)	$ (median)	$ (median)	$ (median)	$ (median)	Yes or No	Type		%	%	%	%
Argentina	150.7	-	-	97,020.00	163,450.00	-	514.00	807.00	Y	LP	SM	N/D	N/D	–0,4	49.0
Brazil	322.9	-	54,410.40	-	123,546.60	401.80	-	491.98	Y	VP	SM	3.7	16.2	4.7	13.3
Chile	-	182.0	-	69,698.39	86,779.09	327.10	327.10	381.70	Y	TP	SM	–0,4	-	0.3	-
Colombia	172.9	30.7	43,563.69	47,209.40	90,060.20	156.84	159.79	455.95	Y	VP	SM	12.4	13.1	7.0	13.1
Costa Rica	-	-	-	-	-	-	-	-	Y	VP	HR	9.5	7.5	-	-
Ecuador	26.4	16.7	51,500.00	46,895.00	33,900.00	161.90	162.25	170.51	Y	LP	SM	–0,26	1.4	5.7	–7,8
El Salvador	120.9	-	-	-	-	-	-	-	N	N/D	N/D	N/D	-	N/D	-
Mexico	833.5	797.5	76,854.00	-	170,072.00	526.33	-	723.02	Y	LP	SM	11.7	-	7.6	7.7
Panama	62.6	-	97,461.78	-	108,415.00	425.00	-	-	N	N/D	N/D	N/D	10.9	-	-
Peru	-	-	-	74,800.00	94,571.00	-	411.05	696.05	N	N/D	N/D	N/D	-	N/D	–2,0
Dominican Republic	9.2	-	34,738.00	34,738.00	-	568.00	568.00	1054.00	Y	VP	SM	7.8	-	7.8	-
Uruguay	50.6	-	84,413.00	-	111,000.00	460.67	-	480.18	Y	TP	SM	7.2	5.9	0.9	5.4

METHODOLOGICAL NOTES

Housing transactions: New and Existing—Number of recorded national housing transactions/year—both existing and new, excluding land transactions only—at the national and urban levels.

Median Housing Price: Sale—Median price of houses for sale at the national, urban, or most populous city level.

Median Housing Price: Rental—Median rental price at the national, urban, or most populous city level.

Housing Price Index (HPI)—Does your country maintain a House Price Index

Type of data used by the most comprehensive and reliable HPI—What data is used by the most comprehensive and reliable HPI? LP = add/offer price; TP = transaction price; VP = valuation price.

Note: When there is more than one HPI, the most complete and reliable is chosen.

Methodology of HPI—Description of the HPI measurement method used to produce the data in columns U and V, including SM (Simple Mean or Median); HR (Hedonic Regression); RS (Repeat Sales); Hyb (Hybrid method, combination of hedonic regression and repeat sales).

Rate of Change in Housing Price Index: sale or rental, national or most populous city—Percentage change in the average house price index.

Table 33 **Mortgage Financing System: Structure**

Countries	(Quasi) Public Institutions	Universal/ Commercial Banks	Other financial institutions that receive deposits	Private nondeposit financing institutions	NGOs	Special Funds	Other types of Institutions	Second-Tier Banks	Credit Bureaus	Other Institutions
	Ecosystem of housing finance agents							Other institutions and agents		
Period	Reference year							Reference year		
Data format	Yes or No							Yes or No		txt
Argentina	N	Y	Y	Y	Y	Y	N	N	Y	Developers
Brazil	Y	Y	Y	Y	N	Y	Y	Y	Y	*Banking correspondents (brokers). Servicers*
Chile	Y	Y	Y	Y	N	N	N	N	Y	N/A
Colombia	Y	Y	Y	Y	Y	Y	Y	Y	Y	Family compensation funds
Costa Rica	Y	Y	Y	N	Y	N	Y	Y	Y	N/A
Ecuador	Y	Y	Y	Y	Y	Y	Y	Y	Y	Multilateral organizations
El Salvador	Y	Y	Y	Y	Y	Y	N	Y	Y	N/A
Mexico	Y	Y	Y	Y	Y	Y	Y	Y	Y	National Housing Commissions*
Panama	Y	Y	Y	Y	N	Y	N	Y	Y	Banking correspondents (brokers).
Peru	N	Y	Y	Y	Y	Y	N	Y	Y	N/A
Dominican Republic	Y	Y	Y	Y	Y	Y	N	N	Y	Pension Funds
Uruguay	Y	Y	N	Y	N	Y	N	Y	Y	-

* CONAVI: Government institution that grants targeted housing support and subsidies.

METHODOLOGICAL NOTES

(Quasi) Public Institutions—Are there (quasi) public mortgage lenders?

Universal/ Commercial Banks—Indicates the existence of authorized financial institutions that provide services to individuals and legal entities, providing credit/resources to different sectors of the economy and collecting resources through deposits and other financial instruments.

Other financial institutions that receive deposits—Indicates the existence of savings and loan associations, credit cooperatives, and other institutions that take deposits, but are not constituted as commercial banks.

Private nondeposit financing institutions—Indicates the existence of institutions that grant mortgages but are not authorized to receive deposits, such as fintechs, for-profit mortgage companies (etc).

NGOs—Indicates the existence of not-for-profit institutions that offer mortgages but cannot hold deposits such as housing associations.

Special Funds—Indicates the existence of dedicated, special funds that grant mortgages funded by pensions, indeminity, savings deposits, or other sources.

Other institutions—Indicates the existence of residential consortiums, insurance companies, or pension funds that offer mortgages.

Second-tier Banks—Financing institutions that do not grant mortgages to final borrowers, but wholesale loans to first-tier financing institutions.

Credit Bureaus—Institutions that gather and maintain data on consumers' credit use, payment history, negative information, and such.

Other Institutions—Identifies other agents, not yet mentioned, that operate in the housing finance system, such as brokers, banking correspondents, payment institutions, insurers, etc.

Table 34 Mortgage Financing System: Agents and Regulatory Aspects

Countries	Regulatory Framework							Mortgage Insurance	
	Type of security rights used in mortgages	Regulatory restrictions to access credit information	Regulation on forebearance/ refinancing	Mortgage Portability	One residential property can guarantee more than one loan	Foreclosure on the property closes the debt	Islamic Financing: Sharia	Available	Public
Period	Reference Year								
Data format	txt	Yes or No							
Argentina	Mortgage	N	N	Y	Y	N	N	N	N
Brazil	1. mortgage; 2. fiduciary assignment of credit rights derived from real estate alienation contracts; 3. deposit of credit rights or of acquisitions obtained from sale and rental contracts; 4. "alienação fiduciária" of properties.	Y	Y	Y	Y	Y	N	N	N
Chile	Mortgage	N	N	Y	Y	N	N	Y	Y
Colombia	Private: mortgage, antichresis, pledge, pledge bond Public: FNG guarantees	Y	Y	Y	Y	N	N	Y	Y
Costa Rica	Mortgage / Trust	Y	Y	Y	Y	Y	N	Y	Y
Ecuador	Mortgage	Y	Y	N	Y	Y	N	Y	Y
El Salvador	1. cash deposits; 2. duly ignored certificates of monetary deposits;* 3. guarantees and bonds by local and first line international banks; 4. guarantees and bonds by guarantee funds;** 5. pledges on fixed-income securities; *** 6. trust guarantees; 7. pledge bonds issued by general warehouses of deposits supervised by the Superintendencia de Valores; 8. first mortgages on real estate.	Y	Y	-	Y	Y	-	-	-
Mexico	Mortgage, trust, and surety	Y	Y	Y	Y	Y	-	Y	-
Panama	Mortgage and antichresis	Y	-	Y	Y	Y	N	Y	N
Peru	Mortgage	Y	Y	N	Y	N	N	Y	Y
Dominican Republic	Mortgage	Y	Y	Y	N	Y	-	Y	N
Uruguay	Mortgage, guarantee trust, bank guarantee, pledge, surety	N	-	-	-	-	-	Y	Y

* that were opened in local or international first line banks, or at a financial intermediary, or at a bank that it supervised by the superintendence of the financial system.

** administered by the Banco Multisectorial de Inversiones.

*** issued by the bank or internationally, with a high degree of liquidity and that count with an international classification of "great investment."

Type of security rights used in mortgages—Type of guarantees (security rights) legally utilized in loans where a residential property guarantees the debt (mortgage).

Regulatory restrictions to access credit information—Are there legal/ regulatory constraints to gaining access to credit information?

Regulation on forebearance/ refinancing—Determines if financing institutions are regulated when renegotiating the mortgage loan and granting concessions to borrowers who are unlikely to be able to repay their loans under the current terms and conditions.

Mortgage Portability—Determines if it is legally possible to transfer mortgages between financing institutions, allowing the borrower to reduce interest rates from original loan, market conditions permiting.

One residential property can guarantee more than one loan—Determines if the regulatory framework allows for one property to be held as collateral in more than one credit operation.

Foreclosure on the property closes the debt—Determines if the regulatory framework establishes for the final settlement of the mortgage debt when the property/collateral is foreclosed, even if the property is not sold or if it is sold for a lesser amount than the balance of the debt.

Islamic Financing: Sharia—Are sharia-compliant /Islamic housing finance products offered?

Mortgage default insurance: available—Is mortgage-default insurance available?

Note: Mortgage insurance is an insurance policy that protects a mortgage lender or titleholder if the borrower defaults on payments.

Mortgage default insurance: public—Is there publicly sponsored MI or a mortgage credit guarantee system?

Note: Mortgage insurance is an insurance policy that protects a mortgage lender or titleholder if the borrower defaults on payments.

Table 35 **Funding Sources**

Countries	Funding sources for residential mortgages								Main Funding Source		Second-largest funding source	
	Public/Govt. budget	Special Funds	Refinancing Institution	*Wholesale*	*Retail/ deposits*	Securitization (RMBS)	Mortgage Bonds (covered or not)	Other	Type	Market Share	Type	Participación
Period	Reference year											
Data format	Rating per mortgage volume (1—8): 1 is the main funding source								Txt	%	Txt	%
Argentina	2	3	5	5	1	5	5	4	*retail / deposits*	-	Public/budgetary resources	-
Brazil	4	2	-	-	1	5	3	-	deposits-savings (SBPE)	43.9	Special Funds (workers indemnity deposits) FGTS	43.4
Chile	-	-	-	-	4	3	2	1	Bank issuance of general bonds that finance "NONENDORSABLE mortgage mutuals"	85.7	Mortgage mutual administrators / finance mortgage loans through the issuance of ENDORSABLE mortgage mutuals that are acquired by pension funds and insurance companies	9.3
Colombia	2	2	3	-	1	4	-	-	Mixed bank funding—mostly deposits, but also bank bond issuance	86.3	Public/budgetary resources: Fondo Nacional de Ahorro	9.5
Costa Rica	3	4	5	8	2	6	1	7	bonds—term deposits, through term deposit certificates	53.0	Savings deposits	29.0
Ecuador	2	1	5	3	6	6	4	6	Contributions affiliated with IESS	34.0	Public/budgetary resources	32.0
El Salvador	-	5	-	1	4	3	-	2	*Wholesale*	85.1	International loans	10.0
Mexico	3	1	2	4	5	6	-	-	Special Fund (pension deposits—housing subaccount): Infonavit	52.1	Deposits—commercial banks	30.6
Panama	-	-	-	-	1	-	-	-	-	-	-	-
Peru	-	4	-	3	1	-	2	-	*retail / deposits*	-	mortgage bonds	-
Dominican Republic	-	-	-	-	2	-	-	1	Commercial Banking: Bank Treasury	72.9	Savings and credit corporations	26.3
Uruguay	2	-	-	-	1	3	4	-	*retail / deposits*	-	Public/budgetary resources	-

(CONTINUED–SEE NOTES ON PAGE 76)

Table 35 **Funding Sources** (CONTINUED)

Countries	Funding sources for residential mortgages								Main Funding Source		Second-largest funding source	
	Public/Govt. budget	Special Funds	Refinancing Institution	*Wholesale*	*Retail/ deposits*	Securitization (RMBS)	Mortgage Bonds (covered or not)	Other	Type	Market Share	Type	Participación
Period	Reference year											
Data format	Rating per mortgage volume (1—8): 1 is the main funding source								Txt	%	Txt	%

METHODOLOGICAL NOTES

Funding: public—Funding from public/budgetary sources.

Funding: special funds—Funding through Provident Fund(s) or other special funds.

Funding: Refinancing—Loans from a refinancing facility for housing mortgages.

Funding: Wholesale—Wholesale funding: loans from other banks or corporations.

Funding: Deposits—Retail funding (deposits, savings).

Funding: Securitization (RMBS)—Funding through securitization of mortgages: residential mortgage-backed securities (RMBS).

Funding: Mortgage Bonds—Funding through mortgage bonds (unsecured or covered).

Other sources of funding—Determines if there is funding from other sources such as private pension funds, consortiums, philanthropy, etc.

Main funding source (type)—Identifies the main source of funding for residential mortgages for families.

Main funding source (market share)—Identifies the market share of the main source of funding.

Second-largest funding source (type)—Identifies the second-largest source of funding for residential mortgages for families.

Second-largest funding source (market share)—Identifies the market share of the second-largest source of funding.

Table 36 **Mortgage Loan Portfolios for Families**

Countries	Credit portfolios $: Outstanding Mortgages	Credit portfolios $: Delinquency rate—outstanding portfolios	Housing Mortgages/ GDP	Number of outstanding mortgages: Number of outstanding mortgages	Number of outstanding mortgages: Delinquency rate—number of mortgages	Largest Originating Mortgage Institution: Type of Institution	Largest Originating Mortgage Institution: Name	Largest Originating Mortgage Institution: Is it public or semipublic?	Largest Originating Mortgage Institution: Is it a mortgage-specialized institution?	Largest Originating Mortgage Institution: *Market share*
Period	Annual, end of period					Reference year				
Data format	$ millions	%	%	Thousands	%	Txt	Txt	Yes or No		%
Argentina	280.34	1.2	0.0	167	-	Commercial/universal banks	Banco Nacional Argentina	Y	N	38.0
Brazil	208,163.70	1.4	10.0	-	-	Commercial/universal banks	Caixa Econômica Federal	Y	Y	68.3
Chile	97,874.70	1.7	30.6	1653	3.1	Commercial/universal banks	Banco Santander	N	N	21.3
Colombia	32,715.65	5.9	8.9	1555	7.0	Commercial/universal banks	Banco Colombia	N	N	23.8
Costa Rica	12,278.87	2.0	13.6	24.2	2.0	Commercial/universal banks	Banco Nacional de Costa Rica	Y	Y	22.4
Ecuador	4,599.83	5.6	3.9	88.2	3.3	Financial institution that doesn't take deposits	BIESS (Banco do Instituto Equatoriano de Seguridade Social)	Y	Y	62.9
El Salvador	2,979.40	-	7.6	-	-	Commercial/universal banks	Banco Cuscatlán de El Salvador, S.A.	N	N	32.6
Mexico	163,549.75	12.9	10.8	6810	11.2	Special funds	Infonavit	Y	Y	52.1
Panama	19,235.00	2.5	23.1	299	4.0	Commercial/universal banks	Banco Geral	N	N	22.3
Peru	17,919.93	2.7	6.6	289	-	Commercial/universal banks	Banco de Crédito de Peru	N	N	31.8
Dominican Republic	5,938.51	4.4	5.1	28	-	Commercial/universal banks	BANRESERVAS	Y	N	-
Uruguay	3,580.00	1.1	4.6	50	1.6	Other financial institutions that take deposits	BHU	Y	Y	45.7

Outstanding Mortgages—Sum of outstanding residential mortgage loans at the end of the calendar year. Includes lien-based home equity loans and refinancing. Note: A mortgage loan is based on the security of a lien on the property (this excludes developer installment loans, personal/ consumer loans) but includes home equity loans if a lien is present.

Delinquency rate—outstanding portfolios—Nonperforming Loans (at least one installment 90 days or more past due) as % of outstanding loan amount at the end of the year.

Housing Mortgages/ GDP—Ratio between outstanding residential mortgage loans and GDP.

Number of mortgages outstanding—Total number of home mortgages outstanding at the end of the calendar year, including lien-based home equity loans and refinancing.

Delinquency rate—number of mortgages—Nonperforming loans (at least one installment 90 days or more past due) as % of outstanding number of loans at the end of the year.

Largest Originating Mortgage Institution: Type—Type of financial institution that has the largest market share: 1. Universal/Commercial bank; 2. Other depository institutions (savings and loans, mutual savings, and credit institutions); 3. General nondepository financial institutions; 4. Special funds—provident, indemnity, or other; 5. Others—insurance, pension fund, etc.

Largest Originating Mortgage Institution: Name—Name of Largest originating housing mortgage lender.

Largest Originating Mortgage Institution: public or semipublic?—Is the largest originating lender private or (quasi) publicly owned?

Largest Originating Mortgage Institution: specialized in mortgages?—Identifiies if the main institution specializes in housing mortgages.

Largest Originating Mortgage Institution: market share—Relationship between the housing credit portfolio of the main agent and the sum of the portfolios of all active agents.

Table 37 **Mortgage Loans Originated During the Year**

Countries	Annual loans				Housing Mortgage interest rates (home acquisition)					
	Volume of mortgages granted	Refinancing Percentage	Number of mortgages granted	Average loan ticket	Weighted average interest rate	Typical market interest rate for FRM	Typical market interest rate for VRM	Typical subsidized Interest Rate FRM	Max interest rate regulated	*Typical interest rate for Home Equity Loans*
Period	Annual, end of period			Average/year	Reference year					
Data format	$ million	%	Thousands		%	%	%	%	%	%
Argentina	109.50	-	4.1	-	0,62+índex	85% in pesos	0,7%+index	-	N/A	N/A
Brazil	38,533.91	-	994.0	53,109.00	10.2	-	12.2	N/A	12.9	18.3
Chile	9,809.33	18.6	80.6	103,754.25	7.8	N/A	7.7	N/A	8.2	-
Colombia	5,302.00	-	286.8	51,785.03	17.1	15.9	8.2	11,91% (VIS), 10,91% (VIP & leasing)	10,7–12,4 (+ UVR)	-
Costa Rica	1,470.00	50.0	26.4	-	11.2	N/A	11.2	N/A	37.7	14.0
Ecuador	1,948.94	1.0	26.9	67,980.44	9.9	-	-	N/A	10.4	N/A
El Salvador	-	-	5.9	44,075.96	18.6	-	-	-	26.2	N/A
Mexico	43,007.68	-	833.5	50,631.00	10.7	12.6	11.3	9.2	22.8	-
Panama	2,113.00	4.0	20.3	98,508.11	-	-	6.0	2.0	N/A	-
Peru	3,030.93	1.7	34.2	88,564.00	9.2	-	-	14.4	N/A	-
Dominican Republic	882.00	-	9.3	27,992.00	10.8	11.4	-	-	-	-
Uruguay	520.00	-	6.6	108,000.00	4,69+UI	-	-	-	5.7	4.7

METHODOLOGICAL NOTES

Volume of mortgages granted—Total amount of residential mortgages made in calendar year. Includes lien-based home equity loans and refinancing.

Refinancing Percentage—Percentage of total residential mortgages refinanced.

Refinance: Paying off an old loan while taking a new loan.

Number of mortgages granted—Total number of residential mortgages made during the year. Includes lien-based home equity loans and refinancing.

Average loan ticket—Average amount of a new mortgage made during the year for the most common mortgage product (e.g., FRM, VRM).

Weighted average interest rate—Average interest rate on new residential mortgage loans (weighted average) for house purchases.

Typical market interest rate for FRM—Typical nonsubsidized interest rate of most common fully amortizing FRM at origination in calendar year.

Typical market interest rate for VRM—Typical nonsubsidized interest rate of most common fully amortizing Variable Rate Mortgage at origination in calendar year.

Typical subsidized Interest Rate FRM—Typical subsidized interest rate of most common fully amortizing fixed-rate loan at origination in calendar year.

Max interest rate regulated—Maximum interest rate allowed by the regulator on housing mortgage loans.

Typical interest rate for Home Equity Loans—Typical non-subsidized interest rate of most common lien-based home-equity mortgage loan.

Table 38 Characteristics of Mortgage Loans

Countries	LTV		Payment-Income Ratio (PTI)		Product type for residential mortgages (acquisition)			
	Typical LTV on first mortgage	Max regulated LTV	Typical PTI on first Mortgage	Max PTI Regulated	Fixed-rate mortgages (FRM)	Variable-rate mortgages (VRM)	Adjustable-rate mortgages (ARM)	Interest only (USA system)
Period	Year	Valid regulation	Year	Valid regulation	Annual, end of year			
Data format	%	%	%	%	%	%	%	%
Argentina	75	N/A	25	N/A	10	90	0	0
Brazil	67.6	80	27.29	30	1	99	0	0
Chile	78.6	100	25	25	0	100	0	0
Colombia	52.17	70 (No HIS), 80 (HIS)	-	40 (HIS), 30 (No HIS)	25.4	74.6	-	-
Costa Rica	80.0	80	-	-	0	100	0	0
Ecuador	80.0	83.33	30	40	0	100	0	0
El Salvador	90.0	-	30	-	-	-	-	-
Mexico	73.1	-	27.5	30	-	-	-	-
Panama	-	-	-	-	0	100	0	0
Peru	90.0	100	-	N/A	-	-	-	-
Dominican Republic	54.2	80.0	-	-	90	10	-	-
Uruguay	85.0	0	30	30	-	-	-	-

METHODOLOGICAL NOTES

Typical LTV—Typical Loan-to-Value (LTV) on first mortgage at origination for calendar year.

Max LTV (regulated)—Maximum Loan-to-Value (LTV) allowed by the regulator in mortgage/housing credit.

Typical LTV—Typical Payment-to-Income ratio on first mortgage at origination for calendar year.

Max PTI (regulated)—Maximum Payment-to-Income ratio allowed by the regulator.

Product Type: Fixed-rate mortgages (FRM)—Fully amortizing new mortgage loans as a percentage of total new mortgage loans made in calendar year: Fixed rate for life of the loan.

Product Type: Variable-rate mortgages (VRM)—Fully amortizing new mortgage loans as a percentage of total new mortgage loans made in calendar year: Variable Rate Mortgage loans with a fixed-rate period at or < 1 year. Note: VRM is a mortgage on which the interest rate can be changed by the lender. There are 2 phases in the life of an VRM. During the first phase the interest rate is fixed, just as on a FRM. The difference is that for a FRM the rate is fixed for the term of the loan, whereas on a VRM it is fixed for a shorter period. The period ranges from a few months to 10 or more years. At the end of the initial rate period the rate is adjusted. There may be conditions related to the interest rate adjustment, e.g., a contractual maximum rate or a maximum rate increase from the previous rate.

Product Type: Adjustable-rate mortgages (ARM)—Fully amortizing new mortgage loans as a percentage of total new mortgage loans made in calendar year: Variable Rate Mortgage loans with a fixed rate period > 1 year and maximum term < amortization period/loan term.

Product Type: Interest only (American system)—Non-amortizing new mortgage loans as a percentage of total new mortgages made in calendar year: e.g., Interest-only mortgages, Price-level adjusted.

Table 39 **Housing Mortgage Subsidies**

Countries	Housing mortgage subsidies										
	Subsidized funding sources for lenders	Subsidies for households on housing finance	Type of subsidy: indirect (reduced interest rates)	Max income decile served with indirect subsidies	Type of subsidy: direct (on down payment)	Max income decile served with direct subsidies	Other subsidies	Max. income decile served with other subsidies	Subsidized housing loans contracted in the year (% of total)	Participation of indirect subsidies in total subsidized loans	Participation of direct subsidies in total subsidized loans
Period	Reference year										
Data format	Yes or No			#	Yes or No	#	Yes or No	#	%	%	%
Argentina	N	N	N	N/A	N	N/A	N	N/A	N/A	N/A	N/A
Brazil	Y	Y	Y	10	Y	6	N	-	85.8	100	11.0
Chile	N	Y	N	N/A	Y	8	Y	8	46.3	0	100
Colombia	Y	Y	Y	9° with FRECH, 10° with FNA	Y	9	N	N/A	37.5	32.9	-
Costa Rica	Y	Y	N	N/A	Y	6	-	-	28.0	0	28.0
Ecuador	Y	Y	Y	3	Y	2	Y	1	15.0	74.0	26.0
El Salvador	N	Y	Y	1	Y	1	Y	1	-	-	-
Mexico	-	Y	-	-	Y	10	Y	-	70.1	-	-
Panama	Y	Y	Y	N/A	Y	-	N	N/A	65.5	65.5	30.8
Peru	Y	Y	Y	10	Y	10	N	N/A	58.2	57.4	78.8
Dominican Republic	Y	Y	N	N/A	Y	2	-	-	-	-	-
Uruguay	Y	Y	Y	8	Y	8	-	-	-	-	-

METHODOLOGICAL NOTES

Subsidized funding sources for lenders—Are there subsidized funding sources for lenders?

Subsidies for families with housing mortgage credit—Are there subsidies for households on housing finance?

Type of subsidy: indirect (reduced interest rates)—Are there interest rate subsidies or buy-down subsidies?

Max. income decile served with indirect subsidies—Indicates the highest income decile allowed for subsidized access to credit, with indirect subsidies, denoting the focus (or lack thereof) on subsidy policy.

Type of subsidy: direct (on down payment)—Are there down-payment subsidies?

Max. income decile served with direct subsidies—Indicates the highest income decile allowed for subsidized access to credit, with direct subsidies, denoting the focus (or lack thereof) on subsidy policy.

Other subsidies—Maps the existence of other types of subsidies such as reduction in registration/notary fees, taxes (transaction and/or income), etc., guarantee premiums, etc.

Max. income decile served with other subsidies—Indicates the highest income decile allowed for subsidized access to credit, with other types of subsidies, denoting the focus (or lack thereof) on subsidy policy.

Subsidized housing loans contracted in the year (% of total)—What % of total newly originated loans in calendar year benefitted from indirect or direct subsidies?

Participation of indirect subsidies in total subsidized loans—Participation of indirect subsidies in the total subsidized mortgage loans.

Participation of direct subsidies in total subsidized loans—Participation of direct subsidies in the total subsidized mortgage loans.

Table 40 Rental and MicroFinance Subsidies

Countries	Housing MicroFinance Subsidies						Rental Subsidies				
	Subsidized Funding Sources for HMF	HMF Subsidies: indirect (IR)	HMF Subsidies: Technical Assistance	HMF	HMF	Number of families served with some type of HMF subsidy	Public Housing	Emergency aid	Voucher for private rental housing	Rental Guarantees	Number of families served with some type of subsidy to rental housing
Period	Reference year										
Data format	Yes or No					N.º	Yes or No				N.º
Argentina	N	N	N	N	N	N/A	N	N	N	N	N/A
Brazil	N	N	N	N	N	N/A	Y	Y	Y	N	22.382*
Chile	N	N	N	N	N	N/A	Y	Y	Y	N	23,943
Colombia	-	-	-	-	-	-	N	Y	Y	Y	96
Costa Rica	Y	N	Y	N	N	-	N	N	N	N	N/A
Ecuador	Y	Y	Y	Y	Y	4,930	Y	Y	Y	N	82
El Salvador	N	N	Y	N	-	-	N	N	N	N	N/A
Mexico	-	-	-	-	-	-	-	-	-	-	-
Panama	Y	Y	Y	Y	Y	19	Y	Y	Y	Y	642
Peru	N	N	N	N	N	N/A	N	Y	Y	N	2,663
Dominican Republic	-	N	N	N	N	N/A	-	-	-	-	-
Uruguay	-	-	-	-	-	-	N	Y	Y	Y	952

* Partial data for the city of São Paulo exclusively

METHODOLOGICAL NOTES

Subsidized Funding Sources for HMF—Are there subsidized funding sources for microfinance?

HMF Subsidies: indirect (IR)—It maps the existence of HMF loans offered at below-market interest rates, either due to the existence of below-rate financing or through the application of public subsidies to reduce lending interest rates.

HMF Subsidies: Technical Assistance—Maps the existence of a partially or fully subsidized Technical Assistance linked to the HMF.

HMF Subsidies: Guarantees—Maps the existence of some type of partially or fully subsidized guarantee for HMF.

HMF Subsidies: Other subsidies—Maps the existence of any other type of subsidy linked to the HMF (for example, through tax deductions, subsidies on construction materials, etc.).

Number of families served with some type of HMF subsidy—Number of families served with some type of subsidy linked to HMF loans in the year.

Rental Subsidies: Public Housing—Maps the existence of publicly owned housing intended for rent at prices lower than those charged by the market.

Rental Subsidies: Emergency aid—Maps the existence of monetary aid so that families affected by resettlement or various events, including climatic events (fire, flood, landslide, etc.), can find another housing solution, generally through renting.

Rental Subsidies: Voucher for private rental housing—Maps the existence of a monetary subsidy program (voucher) to complement the payment of private rent at market price. It differs from emergency aid because it is linked to a formal rental contract and establishes parameters (income and quality of the property) for the service.

Rental Subsidies: Guarantees—Maps the existence of subsidized guarantee/insurance associated with rental housing.

Number of families served with rental subsidies—Number of families served with some type of subsidy linked to rental housing in the year.

Table 41 **Affordability**

Countries	Median income commitment at second income decile			Lowest income decile served		Overall home purchase affordability - PIR		Overall rental affordability indices - RIR	
	Mortgage installment-to-income ratio	Rental Payment-to-Income Ratio (RIR)	Income	With housing mortgage for home acquisition	With housing microfinance	National	Urban	National	Urban
Period	Most recent survey			Reference year					
Data format	%	%	%	#	#	#	#	%	%
Argentina	-	-	-	-	-	-	12.1	-	77.2
Brazil	-	-	-	3	-	5.6	-	49.6	-
Chile	46.0	53.5	-	1	N/A	-	3.9	22.9	22.0
Colombia	40.0	-	-	3	N/A	5.0	-	21.5	-
Costa Rica	35.0	-	-	1.5	N/A	-	-	-	-
Ecuador	60.0	21.0	7.4	-	-	-	4.3	-	17.7
El Salvador	-	-	3.6	1	1	-	-	-	-
Mexico	51.9	38.4	6.5	7	-	5.7	-	46.9	-
Panama	-	-	-	-	-	10.2	-	53.1	-
Peru	-	30.0	3.5	-	-	-	5.5	-	36.4
Dominican Republic	30.0	40.0	5.0	2	N/A	3.5	3.4	69.5	67.5
Uruguay	15.0	28.0	-	2	-	3.9	-	25.8	-

METHODOLOGICAL NOTES

At second income decile: Mortgage installment to income ratio—Average Income Commitment (Payment-Income Ratio) of families in the 2nd income decile, borrowers of housing mortgage loans.

At second income decile: Rental Payment to Income Ratio (RIR)—Average income commitment of families in the 2nd income decile, with rental payment.

At second income decile: Income commitment with electricity consumption—Average commitment of the income of families in the 2nd income decile, with the monthly consumption of electricity.

Lowest income decile served with housing mortgage for home acquisition—Indicates the lowest income decile with access to mortgage credit for home acquisition in the year.

Lowest income decile served with housing microfinance—Indicates the lowest income decile with access to housing microfinance in the year.

Overall home purchase affordability–PIR—Home price (at national or urban levels) to annual income ratios at the median or average.

Overall rental affordability indices–RIR—Rental price (at national or urban levels) to monthly income ratios at the median or average.

Table 42 Microfinancing for Housing

Countries	Regulatory Framework			HMF Market						HMF Guarantees	
	HMF is regulated as a financial product	Requires property title	Included in credit bureaus	HMF is offered	Total outstanding HMF	Delinquency rate	Volume of HMF contracted	Typical Interest Rate	Number of HMF agents	Types utilized	Additional guarantee schemes
Period	Annual			Annual, end of period							
Data format	Yes or No				$ Million	%	$ Million	%	#	txt	Yes or No
Argentina	N	N	N	Y	-	-	-	-	19	-	N
Brazil	N	N	Y	Y	11.34	1.83	7.16	49.4	8	Guarantors, personal assets, joint guarantor	N
Chile	N	N/A	N/A	N	N/A	N/A	N/A	N/A	0	-	N
Colombia	N	-	-	N	-	-	-	-	-	-	-
Costa Rica	N	N/A	N/A	N	N/A	N/A	N/A	N/A	0	-	N
Ecuador	Y	N	Y	Y	2.09	1.97	1.5	20.2	53	about signatures	N
El Salvador	Y	Y	Y	Y	8.56	-	-	8% for formal sector and 9.99% for informal sector	103	Fiduciaries or pledges, property documents, moral or joint guarantees (group)	Y
Mexico	Y	Y	-	Y	693.43	6.22	286.17	7.5	1	-	-
Panama	Y	N	N	Y	-	-	2.17	-	3	-	-
Peru	N	N	Y	Y	-	-	-	-	-	-	N
Dominican Republic	Y	Y	-	Y	102.24	1.29	-	32.0	26	Low Cost Housing Trust; Solidarity guarantor	Y

METHODOLOGICAL NOTES

HMF is regulated as a financial product—Determines if the Housing Microfinance product is regulated as a financial product.

Requires property title—Determines if the regulation requires that the credit applicant be the formal owner of the property.

Included in credit bureaus—Are housing microfinance loans typically included in the credit bureau records?

HMF is offered—Are non-collateralized housing microfinance loans for housing offered?

Total outstanding HMF—Total amount of (outstanding) housing microloans amongst various active MFH.

Delinquency rate—Nonperforming housing microfinance loans (90 days or more past due) a percentage of outstanding loan amount at the end of the year.

Volume of HMF contracted—Total amount of non-collateralized housing microfinance loans made during the year.

Typical Interest Rate—Typical nonsubsidized interest rate on a non-collateralzied housing microfinance loan.

Number of HMF agents—Number of active lenders offering housing microloans.

Types utilized—The types of guarantee accepted vary. They can be hired individually or in groups (solidarity guarantee). They can be public or offered by the private sector.

Additional guarantee schemes—Identify if there are guarantee schemes for HMF loans (Insurance or guarantee schemes for microloans).

Table 43 **Microfinancing for Housing: Main Agents**

Countries	Largest MFH per volume				
	Main Agent in Portfolio Volume	*Market Share*	Number of HMF loans contracted in the year	*Average loan ticket*	Serve informal incomes
Period	Year, end of period				
Data format	Txt	%	#	$	%
Argentina	-	-	-	-	-
Brazil	Banco da Família	70.9	4,837	1,400.40	59.0
Chile	N/A	N/A	N/A	N/A	N/A
Colombia	N/A	N/A	N/A	N/A	N/A
Costa Rica	N/A	N/A	N/A	N/A	N/A
Ecuador	Savings and credit cooperatives	44.9	-	-	51.0
El Salvador	-	-	-	-	-
Mexico	Infonavit	-	122,903	2,328.42	15.5
Panama	Integral services cooperative: GLADYS B. DA DUCASA	42	76	28,552.63	-
Peru	-	-	-	-	-
Dominican Republic	-	-	-	-	-
Uruguay	Microcredit institutions linked to the Agencia Nacional de Vivienda	-	339	1,880.35	-

METHODOLOGICAL NOTES

Main Agent in Portfolio Volume—Identifies the largest originating lender of housing microfinance loans.

Market Share—Percentage of participation of the largest agent in the total HMF.

Number of HMF loans contracted in the year—Number of housing microfinance operations contracted in the year by the main agent.

Average microloan ticket—Average ticket value of HMF operations contracted in the year by the main agent.

Serve informal incomes—Accounts for the % of informal incomes served by the main agent in HMF loans granted in the year.

Table 44 **Land Market: Regulation and Strategies**

Countries	Zoning and land use			Government Strategies		
	Legal demarcation of areas for social housing	Promoting densification	Inclusive urban planning instruments adopted	Public land bank	Use of underused or vacant public land	Subsidies linked to intra-urban location
Period	Regulation			Reference year		
Data format	Yes or No		txt	# ha	Yes or No	
Argentina	N	Y	• Urban planning agreements, capital gains capture	-	Y	N
Brazil	Y	Y	• Urban property and land tax (IPTU, for its acronym in Portuguese), progressive over time • Parcel division, construction and compulsory use (PEUC, for its acronym in Portuguese), expropriation paid with public debt securities • Special usucaption of urban property • Leasehold Estate • Right of Preference • Onerous Granting of the Right to Build (OODC, for its acronym in Portuguese) • Neighborhood impact study (EIV, for its acronym in Portuguese), environmental impact study (EIA, for its acronym in Portuguese) /environmental impact report (RIMA, for its acronym in Portuguese) • Solidarity housing compensation, urban concession, collaborative urban intervention (OUC, for its acronym in Portuguese), urban intervention areas (AIU, for its acronym in Portuguese)."	-	Y	-
Chile	N	N	• Normative incentives	2,268.0	Y	Y
Colombia	N	Y	• Required percentage for VIS and VIP • Resident protection • Declaration of priority development, construction and use, subject to forced sale at public auction • Project announcement • Urban reform promissory notes and bonds • Right of preference • Expropriation • Real surface right • Participation in the capital gains effect • Valuation contribution • Transfer of construction and development rights "	119.1	Y	N
Costa Rica	N	N	• Regulatory plans	158	N	Y
Ecuador	Y	Y	• Urban planning guidelines for VIS projects in TUPE	13.0	Y	Y
El Salvador	Y	Y	• Master scheme of the San Salvador metropolitan area	-	Y	Y
Mexico	Y	Y	-	-	Y	Y
Panama	N	Y	• Local Land-Use Plan (Urban Planning Law 6) • Partial Land-Use Plan (Urban Planning Law 6) • Mandatory transfer of public space in urbanizations (National Urbanization Regulations) • Contribution of Improvements for Valuation (Law 94 of 1973) • Acquisitive or extraordinary domain prescription (Usucapión) (Article 1696 of the Civil Code) • Expropriation through special trial and compensation (for reasons of public utility or social interest as defined by law)"	3,455.0	N	N

(CONTINUED)

Table 44 **Land Market: Regulation and Strategies** (CONTINUATION)

Countries	Zoning and land use: Legal demarcation of areas for social housing	Zoning and land use: Promoting densification	Zoning and land use: Inclusive urban planning instruments adopted	Government Strategies: Public land bank	Government Strategies: Use of underused or vacant public land	Government Strategies: Subsidies linked to intra-urban location
Period	Regulation			Reference year		
Data format	Yes or No	Yes or No	txt	# ha	Yes or No	Yes or No
Peru	Y	Y	• Ground readjustment • Real estate integration • Declaration of special areas of social interest • Inclusive zoning • Value to the announcement of public projects • Conservation load • Participation in the increase of land value • Additional transferable building rights • Building potential compensation	2,170.0	N	N
Dominican Republic	Y	Y	• Law No. 368-22 on Territorial Planning, Land Use and Human Settlements • Capital Territorial Land-Use Plan 2030 • Municipal ordinances	0	Y	Y
Uruguay	Y	Y	• Preferential rights (right of first refusal and withdrawal in favor of the public administration), expropriation for reasons of public utility for urban planning purposes, expropriation for breach of territorial duties, public participation in capital gains from public action by return of valuation and wholesale use, surface right.	24.7	Y	Y

METHODOLOGICAL NOTES

Legal demarcation of areas for social housing—Indicates whether the land use planning delimits exclusive urban areas for the construction of social housing.

Promoting densification—Indicates the existence of an urban policy that promotes densification: raised land, either in structuring roads such as bus corridors and in the main circulation routes of the cities, establishing new provisions for height, density, buildability, and minimum surface area.

Inclusive urban planning instruments adopted—Lists the regulated urban planning instruments, such as the master plan; progressive land fees; expropriation; special usucaption of urban land; surface rights; concession of the right to build; neighborhood impact study, inclusionary housing, among others.

Public land bank—Sum of areas of urban public land banks not yet built on.

Use of underused or vacant public land—Indicates whether there is a policy for the use of underutilized or vacant public buildings (built or land) for social housing (in any format—public, private or PPP production for sale, rent or concession).

Subsidies linked to intra-urban location—Indicates whether there is a subsidy policy (or subsidized housing program) linked to/differentiated by intra-urban location.

Table 45 **Land Market: Costs**

Countries	Average price of m² of land in recent developments			Share of land costs in housing development	
	in periphery/outlying areas	in urban centralities	in social housing developments	social housing developments	mid-to high-quality housing developments
Period	Reference year				
Data format	$	$	$	%	%
Argentina	-	2,057.00	-	-	28.0
Brazil	-	-	-	10.0	20.0
Chile	197.00	1,181.00	118.10	10.0	18.0
Colombia	875.84	1,416.80	1,067.20	13,0—16,5	16,0—18,0
Costa Rica	150.00	300.00	100.00	10.0	18.0
Ecuador	-	-	-	-	-
El Salvador	910.70	503.40	226.70	-	11.4
Mexico	-	-	-	-	-
Panama	<800,00	800,00—2.500,00	-	-	-
Peru	66.48	127.76	91.51	26.70	-
Dominican Republic	1,094.00	1,063.38	-	-	-
Uruguay	-	-	-	-	10.0

METHODOLOGICAL NOTES

Average price of m² of land in recent developments—Average prices per square meter registered in housing developments: in peripheral zones; in urban centralities; in social housing developments.

Share of land costs in housing development: Social Housing—Average participation of land cost in the GVV (General Sales Value) in social/low-income housing developments.

Share of land costs in housing development: mid-to high-quality housing developments—Average participation of land cost in the GVV (General Sales Value) in middle/high-middle housing developments.

Table 46 Informality in Land and Housing Occupancy

Countries	Informal Transaction		Informal/illegal occupation				Evolution land/housing Informality in the Country		Formalization Processes	
	Buy and sell residential properties	Rental Housing	Vacant buildings	Historical cultural heritage	Land subdivisions (allotments)	Environmental preservation area	Deficit due to lack of land tenure	Dwelling units in subnormal settlements/ slums	Land regularization processes	Urbanization of informal settlements
Period	City of Reference/year						Most recent census/survey		Year	Year
Data format	Yes or No						#	#	#	#
Argentina	Y	Y	Y	Y	Y	Y	2,113,075	1,237,795	0	0
Brazil	Y	Y	Y	Y	Y	Y	3,183,743	-	-	-
Chile	Y	Y	Y	Y	Y	Y	285,409	113,887	20,765	0
Colombia	-	-	Y	-	Y	Y	603,950	-	-	2,383
Costa Rica	Y	Y	Y	N	Y	Y	64,128	64,128	130	420
Ecuador	Y	Y	Y	-	Y	Y	-	-	10,240	248
El Salvador	Y	Y	Y	Y	Y	Y	261,538	273,667	5,105	-
Mexico	Y	Y	Y	Y	Y	Y	-	-	-	-
Panama	Y	Y	Y	Y	Y	Y	49,630	70,900	10,969	-
Peru	Y	Y	N	N	Y	N	1,793,385	3,653,192	61,919	-
Dominican Republic	-	-	-	-	-	-	-	-	84,000	1,766
Uruguay	Y	Y	Y	Y	Y	Y	16,356	59,528	-	-

METHODOLOGICAL NOTES

Informal Transaction: buy/sell—Mapping the existence of informal residential real estate transactions.

Informal Transaction: Rent—Mapping the existence of an informal rental markets.

Informal/illegal occupation: Vacant Bldgs—Refers to informal occupations of urban properties. It maps the incidence of informal occupation of vacant properties.

Informal/illegal occupation: Hist/Cultural Heritage—Refers to informal occupations of urban properties. It maps the incidence of informal occupation of historic heritage buildings.

Informal/illegal occupation: Land parcel—Mapping the existence of informal and clandestine plots of land.

Informal/illegal occupation: Preservation Areas—Maps the incidence of informal occupation (plots and/or construction) of environmental preservation areas.

Deficit due to lack of land tenure—The inadequacy of the land corresponds to housing, occupation, or properties, on public or private land, that do not have a related legal status with the ownership of the land recognized under various possible instruments that ensure this property and, therefore, the right to housing.

Dwelling units in subnormal settlements/ slums—Counts the total number of households located in subnormal settlements/slums.

Land regularization processes—Counts the number of households with demands satisfied during the year related to legal, urban, environmental, and social measures aimed at incorporating informal urban centers into urban land use planning and entitling their occupants.

Urbanization of informal settlements—Counts the number of households located in areas covered by urbanization processes concluded during the year that involved legal, urban, environmental and social measures aimed at incorporating informal urban centers into urban land use planning and the titling

Table 47 Public Policy, Investment, and Urban Planning Instruments

Countries	Effective Housing Policy	Effective Housing Plan	Housing Investment: Public Investment in Housing	Housing Investment: Rate of housing public investment over total public investment	Housing Investment: Public Housing Investment/GDP	Total volume of subsidies of public/ budgetary origin
Period	Reference year					Year
Data format	Yes or No		$ Millions	%	%	$ Millions
Argentina	N	N	1,562.22	13.3	0.2	0
Brazil	Y	Y	18,447.00	2.6	0.9	1,938.31
Chile	Y	Y	3,456.00	29.7	1.1	2,983.90
Colombia	Y	Y	898.51	4.7	0.3	422.5
Costa Rica	Y	Y	18.3	9.8	0.02	209.00
Ecuador	Y	Y	31.62	1.7	0.03	875.78
El Salvador	N	N	22.39	0.3	0.06	-
Mexico	Y	Y	41,918.92	3.4	2.8	-
Panama	N	N	291.67	2.2	0.4	83.00
Peru	Y	Y	640.30	1.1	0.2	641.08
Dominican Republic	Y	Y	364.12	17.7	0.3	-
Uruguay	Y	Y	328.00	20.7	0.4	29.31

METHODOLOGICAL NOTES

Effective Housing Policy—Indicates the existence of a valid housing policy.

Effective Housing Plan—Indicates the existence of a valid housing plan, with established strategies, actions, and goals in order to achieve the objectives established in the policy.

Public Investment in Housing—Corresponds to the total public investment, except financial expenses, that make up the budget of public entities/governments—central/federal administration and federal entities—in housing (direct and indirect subsidies, housing production, urbanization of precarious settlements, exemptions, and tax reductions, etc.)

Rate of housing public investment over total public investment—Share of investment in housing in total public investment.

Total volume of subsidies of public/budgetary origin—Volume of budgetary subsidies linked to housing (financing, rent, etc.) applied in the year.

Public Housing Investment/GDP—Ratio between total public investment in housing and the country's GDP.

Table 48 Fiscal Dimension. Taxes and Fees

Countries	Taxes and fees associated with residential properties							
	Average land/urban property tax	Land/urban property tax progressive in time	Real estate transfer tax	Registration fee for buy/sale of residential property	Registration fee for housing development	Capital gains real estate tax	Tax on rental income	Other
Period	City of Reference / year			Reference year				
Data format	%	%	%	%	%	%	%	%
Argentina	0.6	N/A	1.5	3.5	N/A	15.0	-	N/A
Brazil	1.0	15.0	3.0	1.08	0.23	15.0	7.5	4.0
Chile	0.89	2.46	N/A	0.2	1.5	0–40.0	0–40.0	19.0
Colombia	0.55–1.2	N/A	0.76–1.11	0,5–1,0	-	15.0	4.5	2–4,0
Costa Rica	0.25	0.25	1.5	1.25	1.25	15.0	12.75	N/A
Ecuador	0.25–0.5	1.0	10.0	0,13–9,0	0,14–14,0	10.0	0–37.0	0–35.0
El Salvador	-	-	3.0	1.0	1.0	10.0	-	-
Mexico	-	-	-	-	-	-	1.92–35.0	-
Panama	0–1.0	N/A	2.0	0.3 (for houses with a price over USD 80,000.00)	$10 for estates and $5.00 for VIS	3.0 or 10.0	0–25.0	-
Peru	0.6	N/A	3.0	0.3	0.3	5.0	5.0	-
Dominican Republic	1.0	0.5	3.0	3.0	N/A	3.0	18.0	-
Uruguay	1.0	1.5–8.2	4.0	1.5	N/A	12.0	10.5	0.2

METHODOLOGICAL NOTES

Average land/urban property tax—Land/urban property tax, average rate applied to the taxable value of the property.

Land/urban property tax progressive in time—Land/urban property tax penalty for cases in which there is no construction or use of the urban property, subject to a progressive rate over time.

Real estate transfer tax—Real estate transfer tax rate.

Registration fee for buy/sale of residential property—Registration fee for the purchase and sale of residential properties charged by notaries, land registry offices, etc.

Registration fee for housing development—Real estate development registration fee.

Capital gains real estate tax—Capital gains tax (difference between the purchase price of the property and the sale value) when the property is sold.

Tax on rental income—Taxes on rental income received by the lessor.

Other—Other taxes levied on properties in accordance with local legislation.

Table 49 **Fiscal Dimension: Exemptions and Deductions**

Countries	Deductions for owner families			Builders/ developers	Investors	Total exemptions/deductions	
	Urban property tax	Mortgage loan interest deduction		Taxation on housing production	Yield on real estate securities	Housing totals	Targeting social housing
Period	Reference year						
Data format	Yes or No		%	Yes or No		$ Million	$ Million
Argentina	N	Y	fixed amount	Y	Y	-	-
Brazil	Y	N	N/A	Y	Y	-	-
Chile	Y	Y	-	Y	N	1,298.00	-
Colombia	Y	Y	-	Y	Y	-	-
Costa Rica	Y	Y	100.0	Y	Y	2.79	2.79
Ecuador	Y	Y	31.26	Y	N	5,150.00	-
El Salvador	N	N	N/A	N	N	-	-
Mexico	Y	Y	-	Y	N	-	-
Panama	Y	Y	-	Y	-	-	-
Peru	Y	Y	-	N	N	-	-
Dominican Republic	Y	Y	-	Y	-	-	-
Uruguay	Y	Y	-	Y	Y	-	-

METHODOLOGICAL NOTES

Urban property tax—Indicates the existence of a property tax deduction or exemption for certain classes of property owners.

Mortgage loan interest deduction—Is mortgage interest deductable from income tax applied?

Taxation on housing production—Indicates the tax deduction or exemption or the existence of special tax regimes on residential construction activity.

Yield on real estate securities—Indicates the existence of tax deduction or exemption from tax on return of investments in bonds/securities (RMBS, Bonds, Debentures) backed by home mortgage loans.

Housing totals—Estimated tax deductions and exemptions, uncollected amounts in taxes related to mortgages, bonds, and residential real estate.

Table 50 **Sustainability**

Countries	Urban housing stock infrastructure: Housing stock served by electric power	Housing stock served by water	Housing stock served by sanitation	Dwelling units without an exclusive bathroom	Certified housing production	National Regulation: Green housing mortgages	Green RMBs	Green covered bonds	Funding and incentives: Dedicated funding	Incentives	Number of mortgages granted classified as green
Period	Most recent census/survey				Reference year						
Data format	%	%	%	%	Yes or No					txt	N.º
Argentina	100	93.0	57.4	0.8	Y	N	N	N	N	N	N/A
Brazil	99.9	87.4	64.7	1.4	Y	N	Y	N	N	-	N/A
Chile	99.7	98.4	99.3	0.3	Y	N	N	N	N	N	N/A
Colombia	99.7	94.9	88.8	0.3	Y	Y	N	N	-	Ecobertura*	2,895
Costa Rica	99.0	98.0	92.0	0.0	-	-	-	-	Y	Interest rates	-
Ecuador	97.5	84.2	65.8	34.2	Y	Y	Y	Y	Y	Interest rates	-
El Salvador	99.4	96.1	99.9	10.7	Y	N	N	N	N	HAUS**	N/A
Mexico	99.4	97.1	96.9	1.9	Y	Y	-	-	-	-	209
Panama	99.6	78.0	95.0	4.0	Y	N	N	N	N	N/A	N/A
Peru	93.3	76.7	71.8	3.2	Y	Y	Y	N	Y	"Grants Differentiated interest rates"	6,942
Dominican Republic	98.1	90.8	86.5	0.6	Y	Y	-	-	N	-	-
Uruguay	99.9	99.0	51.0	1.3	Y	N	Y	N	N	N/A	N/A

* Families: reduced IR on mortgage loans (between 50 and 75 points to financing institutions). To developers: tax exemption as defined in Article 255 of the National Tax Statute for building, income tax discount of 25% over investiments, sales, or imports excluded from sales taxes (IVA).

** 1. Incentives: technical assistance to implementing the HAUS Guide, 2. Simplified procedures and processing fee deductions of up to 20%, 3. Social incentives: promotion of sustainable development, 4. Urbanistic incentives: buildable indexes, percentage of waterproofing, and increased heights depending on the level of compliance with the guide, 5. Green Fund (not yet implemented).

METHODOLOGICAL NOTES

Housing stock served by electric power—Indicates the percentage of urban housing stock served with electricity.

Housing stock served by water—Indicates the percentage of urban housing stock with adequate water supply (source considered adequate and without intermittent supply).

Housing stock served by sanitation—Indicates the percentage of urban housing stock with adequate sanitary sewerage.

Dwelling units without an exclusive bathroom—Number of urban dwellings without exclusive bathrooms.

Certified housing production—Are green/sustainable residential construction standards used? Green certification standards can be international and/or local and can be issued by public, private, or nongovernmental institutions; they can be voluntary or statutary.

Green housing mortgages—Do national guidelines exist for green residential mortgages?

Green RMBs—Do national guidelines exist for green residential mortgage-backed securities?

Green covered bonds—Do national guidelines exist for green residential covered bonds?

Dedicated funding—Indicates whether there is a source of funding for this type of mortgage in a specific fund or agent.

Incentives—Identifies existing incentives, public or private, linked to the issuance or acquisition of green mortgage securities/bonds.

Green mortgages—Number of homes/mortgages classified as green originated in the year.

SECTION IV

Looking Ahead

Introduction

Sharing complex economic and social challenges provides an opportunity for exchanging intra-regional experiences and lessons learned—an approach that remains underutilized in a region often accustomed to seeking solutions in developed contexts, regardless of how different those contexts may be from its own historical and cultural roots.

This section of the *Yearbook* identifies and highlights regional cases that offer innovative solutions to common problems. In this edition, these cases focus on the highlighted theme: affordability.

Two cases are presented here. The first, from Chile, is based on the premise that the current economic accessibility crisis cannot be resolved without a set of strategies to promote access. This initiative aims to expand the supply of affordable rental housing and address a key limitation of the private rental subsidy voucher program, which has been in place since 2013.

The second case, from Ecuador, involves modeling and joint financing by CAF and the Ecuadorian government. It seeks to promote lower interest rates for mortgage loans in the social interest segments through a securitization mechanism.

Challenges and Opportunities for the Development of the Housing Sector

This chapter provides a concise, regionwide overview of the main challenges and opportunities identified through the collection and analysis of statistics by the team of consultants. The aim is to offer insights for policy development, investment prioritization, and the creation of research agendas and intraregional exchanges.

The data collection effort revealed certain common patterns and bottlenecks, as well as similar opportunities among countries, despite the limitations encountered—often aggregated, unavailable, or restricted-access data—which, to some extent, constrain or distort the assessment and prioritization of regional challenges and opportunities. This underscores the importance of continued efforts to improve data production, publication, and systematization, as well as the development of knowledge about the sector. The better we understand the problem and the more thoroughly we grasp the associated challenges and opportunities, the more effectively we can address them.

The gap between property prices and income, combined with the quantitative constraints or insufficiencies in accessible housing supply, is part of the same set of challenges—limited supply inevitably keeps prices high. Mapping a range of opportunities to expand access to housing solutions beyond the traditional model of "new production for financed and subsidized sale" is, therefore, a pressing priority for the entire region.

In this regard, regulatory issues come to the forefront, including urban planning, land use, subsidies, financial systems (such as financing and credit products), and incentives for innovation. These incentives should encompass:

Table 51 **CHALLENGES**

CATEGORY	DESCRIPTION
Main	The primary challenge to expanding the supply of affordable housing solutions for low-income segments lies in the combination of an informal and precarious housing stock, a growing gap between property prices (for purchase or rent) and household incomes, and a restricted or insufficient housing supply.
Complementary	The scarcity of public resources, combined with frequent inefficiencies in targeting housing policies and subsidies for low-income segments, and insufficient coordination among federal levels to address housing deficits and strengthen resilience to climate crises, pose significant challenges. Improving the focus and efficiency of budgetary resource allocation and strengthening coordination among federal levels to promote housing access remain critical priorities.
Additional	The shortage of funding and credit, the proliferation of informal settlements, and limited access to sectoral data further compound the challenges.

Table 52 **OPPORTUNITIES**

CATEGORY	DESCRIPTION
Main	Investment in innovative and environmentally sustainable solutions, particularly those aimed at improving precarious housing stock and reducing the cost of new housing production, represents a significant opportunity to increase affordability. Improvements in urban and land-use regulation are essential to support affordability, while better regulation of the real estate sector offers opportunities to expand the availability of information, contributing to better diagnostics, policies, and investments.
Complementary	The development of new financial products within the housing finance system—including alternative pathways to housing access, with a focus on microfinance to improve the quality of substandard housing stock—is also critical.
Additional	Increased funding to expand access to affordable credit and finance public housing policy programs is another key area of opportunity.

Figure 8: Housing production value chain
Source: Authors for the Housing Yearbook for Latin America and the Caribbean 2024*, presented by CAF and LILP.*

i) the provision of credit—making it more affordable, efficient, and adaptable to informal qualifications and incomes, while maintaining the rigor necessary to ensure portfolio security and stability;

ii) reducing production costs and permitting times without compromising product quality; and

iii) climate mitigation and resilience—not to increase production costs, but rather to reduce housing access and maintenance costs.

Although housing policy—particularly in Latin America and the Caribbean (LAC)—faces structural challenges, such as macroeconomic conditions, labor market dynamics, and demographic trends, which lie beyond its direct influence, there is a vast area within the sector itself where action is possible. It is crucial to consider the entire housing production value chain, as deficiencies or inefficiencies in any link of this chain can undermine the sector's development.

CASE STUDIES

Rental Subsidies in Chile: Broadening the Scope

By **Slaven Razmilic**

CONTEXT

Chile is currently facing a serious housing affordability crisis. Over the past 15 years, demand factors such as rising incomes, low interest rates, and increased immigration, coupled with supply restrictions driven by higher land and material costs, new taxes, and regulations, have resulted in a 92.4% increase in housing prices, while household incomes have risen by only 24.6%. With a stagnant quantitative housing deficit exceeding 500,000 units,[25] in a context where the house price-to-income ratio reached 5.71 in 2022,[26] and the average monthly rent accounts for over 40% of income in the lowest deciles,[27] the current administration has introduced a series of adjustments and measures. These initiatives are part of an emergency housing plan (Plan de Emergencia Habitacional),[28] an ambitious program in terms of scale, resources, and the diversity of programmatic lines it encompasses.

Firstly, the plan continues and strengthens state policies reflected in investments, projects, and land acquisition portfolios initiated under the previous administration, complementing them with additional resources and new variations. This diversification is crucial, as part of the diagnosis recognizes that the affordability crisis cannot be addressed with a single tool but requires a set of complementary initiatives.

One element that is gaining relative importance and providing an alternative is subsidized rental housing through the so-called Fair Rent Policy (Arriendo a Precio Justo).[29]

SUPPORT FOR SUBSIDIZED RENTAL HOUSING AS A POLICY ALTERNATIVE

The reduction in average household size from 3.7 to 2.8 between 2006 and 2022,[30] the sharp increase in single-person households, which tripled from 7% in 1990 to 19% in 2022,[31] and the significant shift in housing tenure, with rental occupancy rising from 16.2% in 1996 to 26.5% in 2022,[32] highlight the need to revisit existing housing policies, particularly those targeting rental housing.

It is worth noting that in 2013, the Ministry of Housing introduced a new subsidy program for private rental housing, after several decades during which housing policy had focused exclusively on supporting homeownership. Since its inception, the program has operated as a subsidy paid monthly to landlords to supplement tenants' rental payments, covering the agreed-upon amount.[33] Strict income ceilings for beneficiary households and rent caps for eligible contracts determine eligibility and application of the program. Naturally, this leads to lower implementation rates in certain regions or periods where market prices exceed the program's limits.[34] Additionally, landlords are reluctant to rent or subsidy beneficiaries, and there are mismatches between regulated

25 Center for City and Territory Studies, Ministry of Housing and Urban Development: https://centrodeestudios.minvu.gob.cl/resultados/?_sft_categoria_repositorio=demanda-y-deficit-habitacional.

26 Trayectoria Vivienda (Housing Trajectory), Déficit Cero (Zero Deficit): https://trayectoriavivienda.deficitcero.cl/price-income-ratio.

27 Déficit Cero (Zero Deficit): https://deficitcero.cl/uploads/estudios/Analisis_Arrendatarios_en_Chile.pdf.

28 Ministry of Housing and Urbanism: https://www.minvu.gob.cl/wp-content/uploads/2022/07/Plan de Emergencia Habitacional.pdf.

29 Ministry of Housing and Urbanism: https://centrodeestudios.minvu.gob.cl/wp-content/uploads/2023/07/REVISTA-REDES_1-ARRIENDO-JUSTO.pdf.

30 CASEN Survey, Ministry of Social Development: https://observatorio.ministeriodesarrollosocial.gob.cl/encuesta-casen-2022.

31 Déficit Cero (Zero Deficit): https://deficitcero.cl/uploads/estudios/Informe_Ejecutivo_Hogares_Unipersonales_%282%29_1.pdf.

32 CASEN Survey, Ministry of Social Development: https://observatorio.ministeriodesarrollosocial.gob.cl/encuesta-casen-2022.

33 Ministry of Housing and Urban Development: https://www.minvu.gob.cl/beneficio/vivienda/arriendo-de-una-vivienda/

34 Although the application thresholds are higher in some regions, they are not adjusted frequently enough and do not adequately account for the variation in observed prices.

35 Center for City and Territory Studies, Ministry of Housing and Urban Development: https://centrodeestudios.minvu.gob.cl/resultados/?_sft_categoria_repositorio=beneficiarios-de-subsidio.

36 Fundación Alcanzable: https://www.alcanzable.cl/.

37 Government of Chile: https://www.gob.cl/noticias/congreso-aprueba-proyecto-de-integracion-social-y-urbana-y-se-convierte-en-ley-de-la-republica/

prices and the available housing stock, which is not the size beneficiaries need. For instance, a significant portion of available rental units are one-bedroom properties, while many beneficiaries require two or more bedrooms. In this context, statistics indicate that between 2014 and 2023, the program had an application rate (the ratio of subsidies paid to subsidies awarded) of 49%, with the lowest application rate recorded in Santiago, where rental prices are highest.[35]

In light of these challenges, recent administrations have supplemented demand-side subsidies (targeting beneficiaries directly) with pilot mechanisms aimed at generating supply at affordable prices. Within this framework, the ongoing emergency housing plan intends, among other things, to create public and private housing available for subsidized rental. The plan emphasizes the roles of the State, regional and local governments, and civil society in managing public rental housing.

MECHANISMS FOR GENERATING RENTAL HOUSING SUPPLY

During 2022 and 2023, the development or acquisition of 3,696 rental housing units was financed through the following mechanisms to generate supply:

- **Solidarity Housing Choice Fund (Fondo Solidario de Elección de Vivienda):** Using budgetary resources, one of its application lines allows subsidies to be allocated for the construction, rehabilitation, and acquisition of housing units by the Ministry, municipalities, and regional governments. Nonprofit organizations can also access these subsidies for the construction of units on public land. Housing units acquired through this mechanism must be allocated to rental subsidy beneficiaries for a minimum period of 30 years.
- **Integrated Subsidy System:** One of its variants enables public or private nonprofit entities to finance the acquisition of housing through subsidies and interest-free loans with a 25-year repayment period. Housing acquired under this mechanism must be allocated to rental subsidy beneficiaries for at least 25 years.
- This mechanism leverages the current context of oversupply in low-demand projects, allowing access to attractive discounts and affordable prices within the framework of existing programs.

HIGHLIGHTED CASES OF DEVELOPMENTS ON PUBLIC LAND

Various approaches are being promoted, including the development of projects on public land in collaboration with local governments and nonprofit organizations. The objective is to create projects that align with of local demand and establish effective long-term management schemes—elements that are difficult to achieve from a centralized administration. Examples include:

- **The Plaza Alcanzable project**, which involves the construction of 232 housing units on publicly owned land in Ciudad Parque Bicentenario de Cerrillos. Developed by Fundación Alcanzable,[36] the project is expected to begin construction in the second half of 2024.
- **The Municipality of Independencia** will develop two projects on land leased from Metro de Santiago. The lease payment for the land will be made through the transfer of the housing units' ownership to Metro at the end of the 30-year period during which the units must be used for protected rental housing.
- **The Municipality of Renca** has secured the construction of a project with 104 industrialized housing units in the Renca commune, part of the Metropolitan Region. The project increases rental supply and promotes industrialized construction to improve productivity and sustainability.
- In the **San Joaquín commune**, the municipality will develop a project comprising 231 apartments for protected rental housing, with special designs for the elderly and people with reduced mobility. The project also includes a healthcare center on the ground floor.

FUTURE VARIANTS

Law 21450 on Social Integration in Urban Planning, Land Management, and the Emergency Housing Plan, approved in March 2022,[37] grants authority and establishes roles for municipalities and regional governments to safeguard and promote social and urban integration. They will achieve this through provisions that protect or incentivize the construction of public-interest housing. One of the mechanisms defined for this purpose are urban planning incentives in the form of regulatory benefits, conditional on the incorporation of public-interest housing. Still in the preliminary implementation phase, this mechanism aims to generate affordable housing supply in high-opportunity areas with good connectivity and higher-cost features.

38 Déficit Cero (Zero Deficit): https://www.infraestructurapublica.cl/plataforma-de-techo-chile-y-la-cchc-propone-al-gobierno-un-plan-de-concesiones-de-vivienda- publica-para-arriendo/.

39 Vivienda a un Metro (Housing One Meter Away): https://shorturl.at/4oLNb.

Simultaneously, technical proposals are being developed to enable the construction of affordable housing projects on public land through concession schemes, such as the Déficit Cero (Zero Deficit) initiative[38] and the Vivienda a un Metro (Housing One Meter Away) initiative.[39] The proposed approach explores various potential public-private partnership models for project development, construction, and subsequent management, with land ensuring the model's financial feasibility. The models under evaluation consider different concession durations, varying proportions of protected rental housing within projects, the inclusion or exclusion of mechanisms to secure income flows, and other factors. Regardless of the specific design, the core objective of this approach is to create an affordable housing supply on well-located land, featuring high-quality projects managed by experts, while using currently underutilized public land.

39 Vivienda a un Metro: https://shorturl.at/4oLNb.

CASE STUDIES

Promoting Affordable Housing in Ecuador Through Mortgage Securitization

By **Pablo Lopez**

CONTEXT

In Ecuador, the qualitative and quantitative housing deficit in urban areas affects approximately 1.6 million households. Closing this gap presents a significant challenge for the country, particularly because accessing housing, especially for the lowest socioeconomic strata, is increasingly difficult. While Ecuador's housing sector has made good progress over the last decade in improving housing quality and access to basic services, significant gaps persist between households of different income levels. Efforts to improve housing access remain a permanent priority for the Ecuadorian government, particularly on housing for the most vulnerable populations.

Mortgage financing is a natural mechanism for purchasing homes, but in Latin America—and Ecuador in particular—this market has not reached the depth seen in developed countries. In Ecuador, mortgage debt accounts for only 3% of GDP, highlighting significant barriers to its development, particularly in the social housing segment. High interest rates on mortgages have made it difficult for vulnerable sectors to access decent housing.

To address this, the Ecuadorian government launched the Casa para Todos (Housing for All) program in 2017 as part of the Plan Toda una Vida (the Whole Life Plan). The program aims to ensure access to safe living environments and adequate housing through various financing models. It seeks to facilitate access to new homes for middle- and low-income populations by lowering interest rates on mortgages for social and public interest housing (SIH and PIH).[40] This reduction is made possible through a mortgage securitization mechanism, which allows final interest rates as low as 4.9%, effectively halving market mortgage rates and providing favorable financial conditions for the target populations.

DESCRIPTION OF THE INNOVATIVE SOLUTION DEVELOPED

The proposed financial mechanism involves multiple stakeholders from both the public and private sectors, including the Ministry of Economy and Finance (MEF), the Ministry of Urban Development and Housing (MIDUVI), CAF—development bank of Latin America and the Caribbean—and participating financial institutions (FIs). Following MEF instructions, MIDUVI and CAF contribute resources to a master trust, Ecuador's flagship housing project Casa Para Todos (FPEVCT), which provides the funding to initiate the mortgage securitization process. The FPEVCT was initially funded with USD 138.17 million (USD 68.17 million from MIDUVI and USD 70 million from CAF), representing 38% of the total securitized amount. This trust invests in mortgage-backed securities issued by securitization trusts (STs), which are established by each participating FI and managed by designated management agents (MAs).

The process works as follows: FIs originate mortgages for social- and public-interest housing (SIH and PIH) that meet the criteria established by Ecuador's Monetary and Financial Policy Board (JPRMF), not only in financial terms but also at technical levels. These loans are then sold to their respective STs through a purchase agreement. The STs accumulate the mortgages over a period of approximately one year until they reach an optimal issuance amount. The entire portfolio generated by the FIs, which is subsequently transferred to the STs, is compensated in two ways: 38% in cash from the resources provided by the FPEVCT and 62% through subordinated securities. These securities are backed by the cash flows generated from the capital and interest payments on the acquired mortgages.

40 Those that meet the following conditions: property value up to 228.42 unified basic salaries (USD 89,910 in 2019); down payment of at least 5% of the property's appraised commercial value; LTV (loan-to-value ratio) of up to 100%; and consolidated borrower income of up to 6.34 unified basic salaries (USD 2,497).

The issuance of securities representing 62% of the portfolio value is carried out as follows: Once each ST acquires the full portfolio, the MAs of the respective STs, through a placement agent, proceed to issue credit-backed securities. The securities issued by the MAs are amortized following the structure defined in each ST's contract, and interest payments are made according to the yield established for both the senior and subordinated classes. In this case, three classes of securities were issued: Class A, the senior class, whose payments are independent of the other classes. As a result, Class A offers a lower yield and amortizes principal starting from the date of issuance, with full amortization completed (approximately within one year) before payments on the subordinated classes begin. The other two classes, B and C, are subordinated. Classes A and B are allocated to the FIs, while Class C, the most subordinated class (acquired by the FPEVCT), additionally receives returns from the residual cash flows of the STs after all other classes have been fully serviced.

By setting up STs and transferring their mortgage portfolios to these trusts, FIs can offload the associated risks from their balance sheets while gaining liquidity. This process allows the investment by the FPEVCT to free up resources within the FIs, which can then be reinvested to originate new portfolios. However, the issuing trust retains the authority to return loans to the originating FI, if necessary, to replace them with higher-quality loans.

Overall, this mechanism significantly reduces credit risk for the FIs, enhances liquidity, and alleviates pressure on capital reserves. Combined with the returns generated by the acquired securities, these factors make it possible to reduce interest rates by nearly half compared to standard market rates.

RESULTS ACHIEVED WITHIN A SPECIFIC TIMEFRAME IN RELATION TO DEFINED OBJECTIVES

Since its implementation in 2019, the program has yielded positive preliminary results. Over the first four years, a total of 2,895 mortgage loans were issued, distributed among three financial institutions: Banco Pacífico (1,142), Banco Pichincha (1,216), and Mutualista Pichincha (537), with an average loan size of USD 62,759. Of the USD 70 million provided by CAF to reduce interest rates, USD 69.5 million has already been transferred to the securitization trusts, alongside 100% of the resources from MIDUVI, resulting in a 99.3% utilization of available funds.

A key highlight of this mechanism is its sustainability. Upon completing the amortization period for the subordinated securities, the public resources and CAF's contributions can be recovered and reinvested, creating a revolving fund that could continue financing future housing initiatives.

CONCLUSIONS AND LESSONS LEARNED

The mortgage securitization mechanism implemented under the Casa para Todos program represents an innovative approach to addressing Ecuador's housing deficit. By integrating advanced financial tools aimed at reducing interest rates and fostering collaboration between the public and private sectors, the program has significantly expanded access to affordable housing for thousands of families who were previously ineligible for mortgage credit.

Through this securitization scheme, low- and middle-income households can obtain loans at a 4.88% interest rate (compared to the nearly 11% typical in the real estate sector) with down payments as low as 5%. This reduced upfront cost has enabled families who previously lacked savings to purchase their homes under more favorable financial conditions. For traditional mortgages, down payments range between 20% and 30% of the property value, which would have made homeownership unattainable for these families without this program.

The program's success hinges on the strength of its financial structure and the active collaboration between the public and private sectors, which together inspire confidence among investors and ensure liquidity for participating financial institutions. The robustness of this structure is closely tied to mitigating key risks that must be addressed throughout the process. These risks and their corresponding strategies include:

- **Systemic Risks:** These are associated with the performance of the underlying assets (mortgages repaid by borrowers) that form part of the trust and influence projected cash flows. Systemic risks often arise from broader economic challenges such as macroeconomic crises. To mitigate these risks, the securitization trusts (STs) must engage credit rating agencies to evaluate the securitized assets. These agencies assign the structure a rating, which reflects its resilience and capacity to withstand adverse economic conditions.
- **Demand Risk:** This involves the potential failure to securitize the projected amount within the structure. To address this risk, the securitized portfolio is built gradually and aligned with the increasing availability of eligible social and public housing projects.
- **Credit Risk:** This refers to the likelihood of disruptions in projected cash flows caused by borrower defaults, including risks of delinquency and loss. To mitigate this risk, mortgages must be issued by solvent financial institutions (FIs) with advanced tools for credit assessment and portfolio management. Additionally, credit rating agencies must assess the projected cash flows and the structure's capacity to meet its obligations.

- **Prepayment Risk:** While this risk cannot be entirely eliminated, it can be managed by estimating prepayment levels using historical data and projecting the amortization schedule of the issued securities accordingly.
- **Market Risk:** This risk arises from exposure to losses due to fluctuations in interest rates on loans and issued securities, particularly when they are based on different benchmarks. To mitigate this, securities are priced based on the weighted average interest rate of the underlying mortgage portfolio, helping to align asset and liability returns.
- **Liquidity Risk:** This risk arises when the trust lacks sufficient liquid resources to meet its short-term obligations. It can be managed by aligning the maturities of assets and liabilities and maintaining surplus cash from the securitization trust in demand deposits.
- **Risks Specific to Securitization Trusts:** These encompass market, credit, and liquidity risks that directly impact the trusts. In Ecuador, these risks are primarily managed through comprehensive risk management policies and procedures implemented by the trust administrator, with the support of the master servicer, Compañía de Titularización Hipotecaria S.A. (CTH S.A.).

About the Data Gaps

The importance of the housing sector for the socioeconomic development of Latin America and the Caribbean is undeniable. In this region, marked by profound economic inequalities, housing deficits and inadequacies perpetuate cycles of vulnerability, impacting not only people's quality of life but also the economic development of these countries.

Understanding the complex dynamics of the region's real estate markets is crucial for policy formulation, research, knowledge building, and decision-making by the various stakeholders operating here. In this context, the availability of up-to-date, reliable, disaggregated, and easily accessible data on housing is fundamental.

A key achievement of this *Yearbook* is its effort to consolidate previously fragmented data from various sources and to systematize and standardize its collection, facilitating comparisons and inferences. Additionally, it integrates data into analyses that enhance understanding and inform decision-making.

Its scope is extensive, going beyond credit data—while recognizing its importance as a fundamental dimension—to provide a more holistic view of the sector, with over 260 variables and indicators compiled.

As anticipated, especially in this inaugural edition, data gaps have emerged and will be highlighted here. An important contribution of this *Yearbook* is its effort to shed light on these gaps. Recognizing what is missing and understanding its relevance are essential steps to encourage countries and their institutions to take action in producing and publishing more data.

The lack of access to information creates barriers to entry for new financial and productive agents, undermines public policy formulation and the efficient calibration of subsidies, limits research and the advancement of knowledge, and exacerbates information asymmetry, ultimately hindering the sector's development.

An important reference for the region is the United States' Home Mortgage Disclosure Act (HMDA),[41] enacted in 1975 and expanded in 2014 under the Dodd-Frank Act. This legislation requires financial institutions to maintain and disclose mortgage data at the contract level, including information on denied loans. Such disclosure enables the evaluation of whether financial institutions are "meeting the housing needs of their communities" and helps identify discriminatory lending patterns based on geography, socioeconomic status, and race. [42]

The primary data gaps identified in this edition—in general and across the 12 countries analyzed—are as follows:

- Production records: construction permits, housing starts, and completions within the year.
- Residential property transactions: Records for both new and pre-owned properties.
- Mortgage credit funding: Data on various funding sources, particularly regarding capital-market-connected financial instruments. This includes credit volumes by source, primary issuance volumes, secondary market transactions, residential share in collateral, and institutional investor participation.
- Annual mortgage financing: Disaggregated data by purpose—purchase (new and pre-owned), construction, renovation, and expansion—and by credit product type (fixed-rate, variable-rate, interest-only).
- Refinancing data: Information on refinancing volumes and trends.
- Housing microfinance (HMF): Portfolio and annual volumes, interest rates, delinquency rates, and average loan size.
- Affordability: Data on income commitments for financing installments and rent, especially for lower-income segments, including the lowest income decile that can access credit.
- Sustainability of housing: Indicators such as mortgage foreclosures and rental evictions. No country currently collects comprehensive data on these critical indicators of families' ability to retain housing.

41 https://www.consumerfinance.gov/data-research/hmda/.

42 https://ffiec.cfpb.gov/documentation/2021/lar-data-fields/.

- Credit access by informal-income households: Share of annual credit volumes and mortgage figures.
- Land cost participation: Data on land costs in housing project development, including for social housing segments.
- Subsidy volumes granted: Primarily through tax exemptions and deductions, with a focus on social housing.
- Inclusion in housing deficit and mortgage credit by gender and ethnicity: Except for Chile and Colombia, data gaps in these statistics were so significant that publishing data tables was not feasible.
- Green mortgages: Volumes originated and the number of properties/mortgages covered.

Efforts by countries and their institutions to produce and publish housing data will be extremely valuable for the development of the housing sector. Ideally, many of these gaps will be closed by the next edition.

Indicator Table

Table 53 **Indicator Table** (PAGE 1 OF 5)

DIMENSION	TOTAL NUMBER OF VARIABLES	VARIABLES					
MACRO	27	Consumer price inflation	Reference interest rate (official)	Average interest rate paid by banks on bank deposits	Average interest rate on bank credit	GDP	GDP per capita (based on PPP)
HOUSING MARKET	26	Total households (Housing units)	Average residents per household	Housing vacancy rate	Substandard housing	Total urban households	Quantitative urban housing deficit
FINANCING SYSTEM	19	Financial agent ecosystem: Public institutions	Financial agent ecosystem: Commercial banks	Financial agent ecosystem: Other deposit-taking institutions	Financial agent ecosystem: Credit entities/unions	Financial agent ecosystem: NGOs	Financial agent ecosystem: Special funds
FUNDING FOR CREDIT	22	*Funding: Public resources*	*Funding: Special funds*	*Funding: Refinancing institution*	*Funding: Wholesale*	*Funding: Retail/ deposits*	*Funding: Securitization*
FAMILY HOUSING CREDIT	36	Total balance in portfolio(s)	Indexed credit	Default rate (Loan volume)	Total number of mortgages in portfolio	Default rate (# of mortgages)	Main institution: Type
HOUSING PRODUCTION	15	SIH production: Public	SIH production: Private	SIH production: PPPs	SIH production: Housing associations	Affordable housing/SIH production: Families (Self-Built)	Average cost per m2 of standard construction
HOUSING MICROFINANCE (HMF)	16	HMF is regulated as a financial/ credit product.	Requires property title	HMF supply available	Balance in HMF portfolios	Delinquency rate	Contracted volume of HMF
HOUSING SUBSIDIES AND AFFORDABILITY	30	Subsidized funding sources for financial agents	Subsidies for families with mortgage housing loans	Indirect subsidy (interest rates)	Maximum income decile for interest rate subsidy	Direct subsidy (Down payment)	Highest income decile in direct subsidy
INFORMALITY	13	Informal housing purchase and sale transaction	Informal rental	Informal/illegal occupation: Vacant buildings	Informal/illegal occupation: Historic heritage	Informal/illegal occupation: Land subdivisions	Informal/illegal occupation: Preservation area
URBAN LAND MARKET	14	Public land bank	Zoning and subdivision: Inclusive land use/legal designation of areas of social interest	Zoning and subdivision: Inclusive land use/Promotion of densification	Zoning and subdivision: Inclusive land use/ Adopted inclusive urban planning instruments	Utilization of underutilized or vacant public land	Subsidies tied to intra-urban location
FISCAL DIMENSION	15	Average property tax	Progressive property tax over time	Property transfer tax	Notarial registration fee: Home purchase	Notarial registration fee: Real estate development	Real estate capital gains tax
CREDIT INCLUSION	16	Regulation on housing credit information registration and disclosure	Quantitative deficit: Percentage distribution by gender and race/ women	Quantitative deficit: Percentage distribution by gender and race/ Afro-descendants	Quantitative Deficit: Percentage distribution by gender and race/ Indigenous people	Qualitative Deficit: Percentage distribution by gender and race/Women	Qualitative deficit: Percentage distribution by gender and race/ Afro-descendants
SUSTAINABILITY DIMENSION	12	% of housing stock with electricity service	% of housing stock with water	% of housing stock with sanitation	% of housing stock without an exclusive bathroom	Certified housing production	National regulation/green housing mortgages
Total	261						

Table 53 **Indicator Table** (CONTINUED, PAGE 2 OF 5)

DIMENSION	TOTAL NUMBER OF VARIABLES	VARIABLES					
MACRO	27	Housing investment (Gross fixed capital formation)	Labor market: Labor force participation rate	Labor market:	Labor market: Informality rate	Labor market: Unemployment rate	Income commitment with total household debt service
HOUSING MARKET	26	Urban qualitative housing deficit / housing inadequacy		Permits for formal construction	Formal housing production initiated	Formal housing production completed	Nationwide housing transactions (new + used)
FINANCING SYSTEM	19	Financial agent ecosystem: Other agents	Other institutions: Second-tier banking	Liquidity-providing institutions	Others	Credit bureaus	Mortgage default insurance
FUNDING FOR CREDIT	22	*Funding: Mortgage bonds*	*Funding: Others*	Main source (Type)	Main source of mortgage credit: Share in total	2nd most important source: Type	2nd source of mortgage credit: Share in total
FAMILY HOUSING CREDIT	36	Is the main Institution public or semipublic?	Is it a specialized mortgage institution?	Main institution: Name	*Main institution: Market share*	Volume of mortgage credit granted	Refinancing percentage
HOUSING PRODUCTION	15	Construction price index variation rate	Time (Days) to obtain residential construction permit	Total volume invested in housing production (all agents)	Total balance in portfolios	Default rate	Credit volume / Year
HOUSING MICROFINANCE (HMF)	16	Typical interest rate	Included in credit bureaus	Number of financial agents/ institutions	HMF guarantees: Existing	HMF guarantees: Types offered	Main agent by portfolio volume: Name
HOUSING SUBSIDIES AND AFFORDABILITY	30	Other types of subsidies	Maximum income decile in other types of subsidies	Share of subsidized mortgage loans in total	Mortgage loans with indirect subsidies	Mortgage loans with direct subsidies	Sources of subsidized funds for HMF
INFORMALITY	13	Deficit due to property/ownership irregularity	Households in substandard settlements (Favelas)	Land regularization processes	Urbanization of informal settlements	Residential mortgage credit: Share of loan volume	Residential mortgage credit: Share of number of loans
URBAN LAND MARKET	14	Growth of formal urban land / with infrastructure	Growth of formal urban land / without infrastructure	Growth of new informal settlements	Average price (per m²) of newly developed land in peripheral areas	Average price (per m²) of newly developed land in urban centers	Average price (per m²) of newly developed land in SIH developments
FISCAL DIMENSION	15	Rental income tax	Others	Urban property tax deductions for certain types of housing or families	Mortgage interest payment deductions on income tax	Home builders/ Developers: Taxes on housing production	Tax deductions on housing production for developers (for certain types of housing)
CREDIT INCLUSION	16	Qualitative Deficit: Percentage distribution by gender and race/ Indigenous peple	Total population / Women	Women: Credit participation/ residential mortgages	Women: Credit participation/ HMF	Total population / Afro-descendants	Afrodescendants: Credit participation/ residential mortgages
SUSTAINABILITY DIMENSION	12	National regulation / Green RMBS	National regulation / Green covered bonds	Green housing mortgages / Dedicated funding	Green housing mortgages / Incentives	Green housing mortgages / Originated volume	Green housing mortgages / Number of HU
Total	261						

Table 53 **Indicator Table** (CONTINUED, PAGE 3 OF 5)

DIMENSION	TOTAL NUMBER OF	VARIABLES						
MACRO	27	Median household income (National)	Median household income (urban)	Poverty index	GINI coefficient	Total population	Population aged 65 and over	Most populous city (reference/ benchmark)
HOUSING MARKET	26	Urban housing transactions (new + used)	Median housing price: Sale (national)	Median housing price: Sale (urban)	Median housing price: Sale (most populous city)	Median housing price: Rental (national)	Median housing price: Rental (urban)	Median housing price: Rental (most populous city)
FINANCING SYSTEM	19	Mortgage default insurance: Public	Regulatory restrictions on access to credit information	Regulated renegotiation/ Refinancing	Regulated mortgage credit portability	Type of guarantee for mortgage credit	One property can secure more than one mortgage loan	Execution of the guarantee liquidates the mortgage debt
FUNDING FOR CREDIT	22	Sources subject to mandatory requirement	Percentage effectively required	Main source of production credit: Type	Participation of the main source	Second source of production credit: Type	Participation of the second most important source	Volume of real estate-backed securities issuance
FAMILY HOUSING CREDIT	36	Number of contracted operations	Total number of financed homes	Number of loans for new housing acquisition	Number of loans for buying pre-owned homes	Number of loans for self-built housing	Number of loans for renovation or expansion	Average value of financing per loan
HOUSING PRODUCTION	15	Typical market interest rate	Available to small developers	Differentiated rates for SIH production				
HOUSING MICROFINANCE (HMF)	16	Main agent: Market share	Main agent: Number of operations	Main agent: Average transaction value	Main agent: Serves informal income			
HOUSING SUBSIDIES AND AFFORDABILITY	30	Types of HMF subsidies for families / Indirect: Interest rates	Types of HMF subsidies for families / Technical assistance	Types of HMF subsidies for families / Guarantee or other	Types of HMF subsidies for families / Other	Families assisted with HMF subsidies	Rental subsidy / Public housing stock	Rental subsidy / Emergency monetary support
INFORMALITY	13	Residential mortgage credit for informal income: Guarantee/ insurance coverage						
URBAN LAND MARKET	14	Land cost share in housing development / SIH development	Land cost share in housing development / Middle/ upper-middle income housing development					
FISCAL DIMENSION	15	Tax Deductions on the Profitability of Real Estate Securities/ Bonds for Certain Investors	Total volume of tax exemptions/ deductions for housing	Total volume of tax exemptions/ deductions for SIH				
CREDIT INCLUSION	16		Total population / Indigenous	Indigenous: Credit participation/ residential mortgages	Indigenous: Credit participation/ HMF			
SUSTAINABILITY DIMENSION	12							
Total	261							

Table 53 **Indicator Table** (CONTINUED, PAGE 4 OF 5)

DIMENSION	TOTAL NUMBER OF VARIABLES	VARIABLES							
MACRO	27	Urbanization rate	Population growth rate	Total households	Average household size	Current housing policy	Current housing plan	Public housing investment	Share of housing investment in total public investment
HOUSING MARKET	26	Existence of housing price index	Data used by the adopted price index	Calculation methodology of the adopted price index	Price index variation rate: Sale (national)	Price index variation rate: Rent (national)	Price index variation rate: Sale (most populous city)	Price index variation rate: Rent (most populous city)	
FINANCING SYSTEM	19								
FUNDING FOR CREDIT	22	Institutional investor participation in issuances	Participation of residential-based issuances in total	Volume of real estate-backed securities traded in secondary market					
FAMILY HOUSING CREDIT	36	Full amortization and FRM	Full amortization and VRM	Full amortization and ARM	Interest-only (American system)	Islamic financing/ Sharia: available	Islamic financing/ Sharia: Total balance in portfolios	Islamic financing/ Sharia: Volume contracted in the year	Average rate for home purchase
HOUSING PRODUCTION	15								
HOUSING MICROFINANCE (HMF)	16								
HOUSING SUBSIDIES AND AFFORDABILITY	30	Rental subsidy / Voucher for private rental market	Rental subsidy / Rental guarantee	Number of families supported with rental subsidies	Volume of public and budgetary subsidies	With monthly payment of housing mortgage loan installment	With monthly rent payment	With monthly electricity payment	Lowest income decile served with credit for home acquisition
INFORMALITY	13								
URBAN LAND MARKET	14								
FISCAL DIMENSION	15								
CREDIT INCLUSION	16								
SUSTAINABILITY DIMENSION	12								
Total	261								

Table 53 **Indicator Table** (CONTINUED, PAGE 5 OF 5)

DIMENSION	TOTAL NUMBER OF VARIABLES	VARIABLES							
MACRO	27								
HOUSING MARKET	26								
FINANCING SYSTEM	19								
FUNDING FOR CREDIT	22								
FAMILY HOUSING CREDIT	36	Typical FRM for home purchase	Typical VRM for home purchase	Typical subsidized FRM for home purchase	Max. regulatory rate (if applicable) for home purchase	Typical rate for home equity financing	Typical LTV for first	Typical DTI	Maximum regulatory DTI commitment
HOUSING PRODUCTION	15								
HOUSING MICROFINANCE (HMF)	16								
HOUSING SUBSIDIES AND AFFORDABILITY	30	Lowest income decile served with HFM	Foreclosed mortgages	Rental evictions					
INFORMALITY	13								
URBAN LAND MARKET	14								
FISCAL DIMENSION	15								
CREDIT INCLUSION	16								
SUSTAINABILITY DIMENSION	12								
Total	261								

List of acronyms and abbreviations

By **Slaven Razmilic Burgos**

GENERAL

AI
Artificial Intelligence

ARM
Adjustable Rate Mortgage

CAF
Corporación Andina de Fomento (Development Bank of Latin America)

CAHF
Center for Affordable Housing Finance

DTI
Debt-to-Income

ECLAC
Economic Commission for Latin America and the Caribbean

EMF
European Mortgage Federation

ESG
Environment, Social and Governance

FRM
Fixed-Rate Mortgage

GDP
Gross Domestic Product

HMF
Housing Microfinance

Hofinet
Housing Finance Information Network

HPI
House Price Index

HU
Housing Unit

IDB
Inter-American Development Bank

ILO
International Labour Organization

IMF
International Monetary Fund

ISO
International Organization for Standardization

IT
Information Technology

IUHF
International Union for Housing Finance

LAC
Latin America and the Caribbean

LP
Listed Prices (prices of properties listed for sale or rent)

LTV
Loan-to-Value

MINURVI
Forum of Ministers and High-Level Authorities of Housing and Urban Development in Latin America and the Caribbean

NGO
Nongovernmental Organization

NE
Not estimated

OECD
Organisation for Economic Cooperation and Development

p.p.
Percentage Points

PTI
Price-to-Income Ratio

PPP
Purchasing Power Parity

ROC
Rate of Change

R&D
Research and Development

RMBS
Residential Mortgage-Backed Securities

SIH
Social Interest Housing

TP
Transaction Prices (actual prices at which properties were sold or rented)

UN
United Nations

UNIAPRAVI
Inter-American Housing Union

USD
US Dollar

VAT
Value-Added Tax

VP
Valuation Prices (prices based on property valuations, appraisals, or estimates)

VRM
Variable Rate Mortgage

WDI
World Development Indicators

ARGENTINA

AFIP
Administración Federal de Ingresos Públicos (Federal Administration of Public Revenues)

AGBC
Argentina Green Building Council

AGIP
Administración Gubernamental de Ingresos Públicos (Government Administration of Public Revenues)

ANDIMA
Asociación Nacional de Industrias de Materiales Aislantes (National Association of Insulating Material Industries)

BCRA
Banco Central de la República Argentina (Central Bank of the Argentine Republic)

CABA
Ciudad Autónoma de Buenos Aires (Autonomous City of Buenos Aires)

CAMARCO
Cámara Argentina de la Construcción (Argentine Chamber of Construction)

DGEyC
Dirección General de Estadísticas y Censos (General Directorate of Statistics and Censuses)

EPH
Encuesta Permanente de Hogares (Permanent Household Survey)

INCOSE
Instituto de la Construcción en Seco Argentina (Institute of Dry Construction in Argentina)

INDEC
Instituto Nacional de Estadísticas y Censos (National Institute of Statistics and Censuses)

RENABAP
Registro Nacional de Barrios Populares (National Registry of Informal Settlements)

UVA
Unidad de Valor Adquisitivo (Purchasing Power Unit), index adjusted daily based on CER (Reference Stabilization Coefficient), which reflects the price index.

BRAZIL

ABCRED
Associação Brasileira de Operadores de Microcréditos e Microfinanças (Brazilian Association of Microcredit and Microfinance Operators)

ABECIP
Associação Brasileira de Entidades de Crédito Imobiliário e Poupança (Brazilian Association of Real Estate Credit and Savings Institutions)

ABNT
Associação Brasileira de Normas Técnicas (Brazilian Association of Technical Standards)

ABRAINC
Associação Brasileira de Incorporadoras Imobiliárias (Brazilian Association of Real Estate Developers)

AIU
Áreas de Intervenção Urbana (Urban Intervention Areas)

ANBIMA
Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais (Brazilian Association of Financial and Capital Market Entities)

BCB
Banco Central do Brasil (Central Bank of Brazil)

BNDES
Banco Nacional de Desenvolvimento Econômico e Social (National Bank for Economic and Social Development)

CBIC
Câmara Brasileira da Indústria da Construção (Brazilian Chamber of Construction Industry)

CDHU
Companhia de Desenvolvimento Habitacional e Urbano do Estado de São Paulo (Urban and Housing Development Company of São Paulo State)

CMN
Conselho Monetário Nacional (National Monetary Council)

CRI
Certificados de Recebíveis Imobiliários (Real Estate Credit Securities)

CUB
Custo Unitário Básico (Basic Unit Cost)

EIA/RIMA
Estudo de Impacto Ambiental e Relatório de Impacto Ambiental (Environmental Impact Study and Environmental Impact Report)

EIV
Estudo de Impacto de Vizinhança (Neighborhood Impact Study)

FGTS
Fundo de Garantia do Tempo de Serviço (Workers' Severance Fund)

FII
Fundos de Investimento Imobiliário (Real Estate Investment Funds)

FIPE
Fundação Instituto de Pesquisas Econômicas (Economic Research Institute Foundation)

FJP
Fundação João Pinheiro (João Pinheiro Foundation)

IBGE
Instituto Brasileiro de Geografia e Estatística (Brazilian Institute of Geography and Statistics)

INCC
Índice Nacional de Custo da Construção (National Construction Cost Index)

IPCA
Índice Nacional de Preços ao Consumidor Amplo (Extended National Consumer Price Index)

IPTU
Imposto sobre a Propriedade Predial e Territorial Urbana (Urban Property and Land Tax)

ITBI–IV
Imposto sobre a Transmissão de Bens Imóveis Inter Vivos (Tax on the Transfer of Real Estate Property)

LCI
Letras de Crédito Imobiliário (Real Estate Credit Notes)

LIG
Letra Imobiliária Garantida (Guaranteed Real Estate Credit Securities)

MCMV
Minha Casa Minha Vida (My House, My Life Program)

MPO
Ministério do Planejamento e Orçamento (Ministry of Planning and Budget)

OGU
Orçamento Geral da União (Federal Government Budget)

OODC
Outorga Onerosa do Direito de Construir (Granting of Construction Rights)

OUC
Operações Urbanas Consorciadas (Consortium Urban Operations)

PEUC
Parcelamento, Edificação ou Utilização Compulsórios (Mandatory Subdivision, Construction, or Use)

PNADC/M
Pesquisa Nacional por Amostra de Domicílios Contínua/Mensal (National Continuous Household Survey)

RET
Regime Especial Tributário (Special Tax Regime)

SBPE
Sistema Brasileiro de Poupança e Empréstimo (Brazilian Savings and Loan System)

SCN
Sistema de Contas Nacionais (National Accounts System)

SFH
Sistema Financeiro de Habitação (Housing Finance System)

SISACOE
Sistema de Acompanhamento e Controle de Obras e Edificações (Construction and Building Control System)

TR
Taxa Referencial (Reference Rate)

CHILE

ADI
Asociación de Desarrolladores Inmobiliarios (Association of Real Estate Developers)

CASEN
Encuesta de caracterización socioeconómica nacional (National Socioeconomic Characterization Survey)

CChC
Cámara Chilena de la Construcción (Chilean Chamber of Construction)

CMF
Comisión para el Mercado Financiero (Financial Market Commission)

INE
Instituto Nacional de Estadísticas (National Institute of Statistics)

MDSyF
Ministerio de Desarrollo Social y Familia (Ministry of Social Development and Family)

MINVU
Ministerio de Vivienda y Urbanismo (Ministry of Housing and Urbanism)

SII
Servicio de Impuestos Internos (Internal Revenue Service)

COLOMBIA

ASOBANCARIA
Asociación Bancaria y de Entidades Financieras de Colombia (Banking and Financial Institutions Association of Colombia)

CAMACOL
Cámara Colombiana de la Construcción (Colombian Chamber of Construction)

CEED
Censo de edificaciones (Building Census)

CHV
Cartera hipotecaria de vivienda (Mortgage Portfolio for Housing)

DANE
Departamento Administrativo Nacional de Estadística (National Administrative Department of Statistics)

DIAN
Dirección de Impuestos y Aduanas Nacionales (National Tax and Customs Office)

DNP
Departamento Nacional de Planeación (National Planning Department)

EAR
Effective annual rate

ECV
Encuesta de calidad de vida (Quality of Life Survey)

ELIC
Estadísticas de licencias de construcción (Construction Licensing Statistics)

FINDETER
Financiera de Desarrollo Territorial (Territorial Development Bank)

FNA
Fondo Nacional del Ahorro (National Savings Fund)

GEIH
Gran encuesta integrada de hogares (Large Integrated Household Survey)

ICA
Impuesto de industria y comercio (Industry and Commerce Tax)

ICODED
Índice de costos de la construcción de edificaciones (Building Construction Cost Index)

IPC
Indice de Precios al Consumidor (Consumer Price Index)

IPPR
Índice de precios de la propiedad residencial (Residential Property Price Index)

IPVN
Índice de precios de la vivienda nueva (New Housing Price Index)

VAT
Value-added tax

MADS
Ministerio de Ambiente y Desarrollo Sostenible (Ministry of Environment and Sustainable Development)

MHCP
Ministerio de Hacienda y Crédito Público (Ministry of Finance and Public Credit)

MJD
Ministerio de Justicia y del Derecho (Ministry of Justice and Law)

MVCT
Ministerio de Vivienda, Ciudad y Territorio de Colombia (Ministry of Housing, City, and Territory of Colombia)

GDP
Gross Domestic Product

POT
Plan de Ordenamiento Territorial (Territorial Organization Plan/Territorial Planning Framework/Land Use Plan)

RENOBO
Empresa de Renovación y de Desarrollo Urbano de Bogotá (Bogotá Urban Renewal and Development Company)

SDH
Secretaría Distrital de Hacienda (District Secretariat of Finance)

SDHT
Secretaría Distrital de Hábitat (District Secretariat of Habitat)

SDP
Secretaría Distrital de Planeación (District Secretariat of Planning)

SFC
Superintendencia Financiera de Colombia (Financial Superintendence of Colombia)

SIC
Superintendencia de Industria y Comercio (Superintendence of Industry and Commerce)

SISBEN
Sistema de Identificación de Potenciales Beneficiarios de Programas Sociales (System for Identifying Potential Beneficiaries of Social Programs)

SNR
Superintendencia de Notariado y Registro (Superintendence of Notaries and Registration)

RVU
Real Value Unit

VIP
Vivienda de Interes Prioritario (Priority Interest Housing)

SIH
Social Interest Housing

COSTA RICA

BANHVI
Banco Hipotecario de la Vivienda (Housing Mortgage Bank)

BCCR
Banco Central de Costa Rica (Central Bank of Costa Rica)

CFIA
Colegio Federado de Ingenieros y de Arquitectos (Federated College of Engineers and Architects)

ENAHO
Encuesta Nacional de Hogares (National Household Survey)

GM
Grupo Mutual (Mutual Group)

INEC
Instituto Nacional de Estadística y Censos (National Institute of Statistics and Censuses)

LAC
Latin America and the Caribbean

MIVAH
Ministerio de Vivienda y Asentamientos Humanos (Ministry of Housing and Human Settlements)

MUCAP
Mutual de Ahorro y Crédito (Savings and Credit Mutual)

SUGEF
Superintendencia General de Entidades Financieras (General Superintendency of Financial Entities)

SUGESE
Superintendencia General de Seguros (General Superintendency of Insurance)

ECUADOR

ARM
Adjustable Rate Mortgage

BCE
Banco Central del Ecuador (Central Bank of Ecuador)

BIESS
Banco del Instituto Ecuatoriano de Seguridad Social (Bank of the Ecuadorian Social Security Institute)

CJ
Consejo de la Judicatura (Judiciary Council)

COOTAD
Código Orgánico de Organización Territorial, Autonomía y Descentralización (Organic Code of Territorial Organization, Autonomy, and Decentralization)

CTF
Clean Technology Fund

FRM
Fixed-rate mortgage

FPEVCT
Fondo de Prestación Especial para Vivienda en Contextos de Transición (Special Housing Provision Fund in Transitional Contexts)

GCF
Green Climate Fund

INEC
Instituto Nacional de Estadísticas y Censos (National Institute of Statistics and Censuses)

JPRM
Junta de Política y Regulación Monetaria (Monetary and Financial Policy Board)

MEF
Ministerio de Economía y Finanzas (Ministry of Economy and Finance)

HMF
Housing microfinance

MIDUVI
Ministerio de Desarrollo Urbano y Vivienda (Ministry of Urban Development and Housing)

SB
Superintendencia de Bancos (Superintendency of Banks)

SEPS
Superintendencia de Economía Popular y Solidaria (Superintendency of Popular and Solidary Economy)

SRI
Servicio de Rentas Internas (Internal Revenue Service)

STPAHI
Sistema de Transparencia de la Administración Pública de la Información Histórica (Public Administration Historical Information Transparency System)

VIP
Vivienda de Interes Prioritario (Priority Interest Housing)

SIH
Social Interest Housing

EL SALVADOR

BCR
Banco Central de Reserva (Central Reserve Bank)

CASALCO
Cámara Salvadoreña de la Construcción (Salvadoran Chamber of Construction)

CNR
Centro Nacional de Registros (National Registry Center)

COAMSS
Consejo de Alcaldes del Área Metropolitana de San Salvador (Council of Mayors of the San Salvador Metropolitan Area)

DIGESTYC
Dirección General de Estadística y Censos de El Salvador (General Directorate of Statistics and Censuses of El Salvador)

FONAVIPO
Fondo Nacional de Vivienda Popular (National Popular Housing Fund)

FSV
Fondo Social para la Vivienda (Social Housing Fund)

FUNDASAL
Fundación Salvadoreña de Desarrollo y Vivienda Mínima (Salvadoran Foundation for Development and Minimum Housing)

GOES
Gobierno de El Salvador (Government of El Salvador)

MIVI
Ministerio de Vivienda (Ministry of Housing)

ONEC
Oficina Nacional de Estadística y Censos (National Office of Statistics and Censuses)

OPAMSS
Oficina de Planificación del Área Metropolitana de San Salvador (Planning Office of the San Salvador Metropolitan Area)

SIGET
Superintendencia General de Electricidad y Telecomunicaciones (General Superintendency of Electricity and Telecommunications)

SSF
Superintendencia del Sistema Financiero (Financial System Superintendency)

UIF
Unidad de Investigación Financiera (Financial Investigation Unit)

MEXICO

BANXICO
Banco Central de México (Central Bank of Mexico)

BIE
Banco de Información Económica (Economic Information Bank)

CONAVI
Comisión Nacional de Vivienda (National Housing Commission)

ENIGH
Encuesta Nacional de Ingresos y Gastos de los Hogares (National Household Income and Expenditure Survey)

ENOE
Encuesta Nacional de Ocupación y Empleo (National Employment and Occupation Survey)

ENVI
Encuesta Nacional de Vivienda (National Housing Survey)

FOVISSSTE
Fondo de la Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (Housing Fund for the Institute of Social Security and Services for State Workers)

INEGI
Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography)

INFONAVIT
Instituto del Fondo Nacional de la Vivienda para los Trabajadores (Institute of the National Housing Fund for Workers)

RUV
Registro Único de Vivienda (Unique Housing Registry)

SAT
Sistema de Administración Tributaria (Tax Administration System)

SCV
Subcuenta de Vivienda (Housing Subaccount)

SEDATU
Secretaría de Desarrollo Agrario, Territorial y Urbano (Ministry of Agrarian, Territorial, and Urban Development)

SHF
Sociedad Hipotecaria Federal (Federal Mortgage Society)

SNIIV
Sistema Nacional de Información e Indicadores de Vivienda (National Housing Information and Indicators System)

PANAMA

ACOBIR
Asociación Panameña de Corredores y Promotores de Bienes Raíces (Panamanian Association of Real Estate Brokers and Developers)

ANATI
Autoridad Nacional de Administración de Tierras (National Land Administration Authority)

APC
Asociación Panameña de Crédito (Panamanian Credit Association)

BDA
Banco de Desarrollo Agropecuario (Agricultural Development Bank)

BHP
Banco Hipotecario de Panamá (Panama Mortgage Bank)

BN
Banco Nacional de Panamá (National Bank of Panama)

CAPAC
Cámara Panameña de la Construcción (Panamanian Chamber of Construction)

CONVIVIENDA
Consejo Nacional de Promotores de Vivienda (National Housing Developers Council)

FONDHABI
Fondo de Ahorro Habitacional (Housing Savings Fund)

FSV
Fondo Solidario de Vivienda (Solidarity Housing Fund)

INEC
Instituto Nacional de Estadística y Censo (National Institute of Statistics and Census)

IPACOOP
Instituto Panameño Autónomo Cooperativo (Autonomous Panamanian Cooperative Institute)

ITBI
Impuesto a la Transferencia de Bienes Inmuebles (Real Estate Transfer Tax)

IVM
Invalidez, Vejez y Muerte (Disability, Old Age, and Death Program)

MEF
Ministerio de Economía y Finanzas (Ministry of Economy and Finance)

MIVIOT
Ministerio de Vivienda y Ordenamiento Territorial (Ministry of Housing and Territorial Planning)

MOP
Ministerio de Obras Públicas (Ministry of Public Works)

PPOT
Plan Parcial de Ordenamiento Territorial (Partial Land Use Plan)

RES
Reglamento de Edificaciones Sostenibles (Sustainable Building Regulation)

SBP
Superintendencia de Bancos de Panamá (Superintendency of Banks of Panama)

DOMINICAN REPUBLIC

ABA
Asociación de Bancos Múltiples de la República Dominicana (Association of Multiple Banks of the Dominican Republic)

BANRESERVAS
Banco de Reservas de la República Dominicana (Reserve Bank of the Dominican Republic)

BCRD
Banco Central de República Dominicana (Central Bank of the Dominican Republic)

CENSO 2010
IX Censo Nacional de Población y Vivienda de 2010 (9th National Population and Housing Census, 2010)

CENSO 2022
X Censo Nacional de Población y Vivienda de 2022 (10th National Population and Housing Census, 2022)

DGII
Dirección General de Impuestos Internos (General Directorate of Internal Taxes)

ECTF
Encuesta Continua de Fuerza de Trabajo (Continuous Labor Force Survey)

ENCOVI
Encuesta Nacional de Condiciones de Vida (National Living Conditions Survey)

END
Estrategia Nacional de Desarrollo (National Development Strategy)

ENHOGAR
Encuesta Nacional de Hogares de Propósitos Múltiples (National Multi-Purpose Household Survey)

ENTF
Encuesta Nacional de Fuerza de Trabajo (National Labor Force Survey)

ITBIS
Impuesto sobre Bienes y Servicios (Tax on Goods and Services)

JCE
Junta Central Electoral (Central Electoral Board)

MEPyD
Ministerio de Economía, Planificación y Desarrollo (Ministry of Economy, Planning, and Development)

MIVED
Ministerio de Vivienda y Edificaciones (Ministry of Housing and Buildings)

ONE
Oficina Nacional de Estadística (National Statistics Office)

PNPSP
Plan Nacional Plurianual del Sector Público (Multiannual National Public Sector Plan)

REDCAMIF
Red Centroamericana y del Caribe de Microfinanzas (Central American and Caribbean Microfinance Network)

ROE
Registro de Oferta de Edificaciones (Building Offer Registry)

SIMBAD
Superintendencia de Bancos de la República Dominicana (Superintendency of Banks of the Dominican Republic)

SISDOM
Sistema de Indicadores Sociales de la República Dominicana (Social Indicators System of the Dominican Republic)

URBE
Unidad Ejecutora para la Readecuación de Barrios y Entornos (Executing Unit for the Redevelopment of Neighborhoods and Surroundings)

URUGUAY

ANONG
Asociación Nacional de Organizaciones No Gubernamentales Orientadas al Desarrollo (National Association of Development-Oriented Non-Governmental Organizations)

ANV
Agencia Nacional de Vivienda (National Housing Agency)

BCU
Banco Central del Uruguay (Central Bank of Uruguay)

BHU
Banco Hipotecario del Uruguay (Mortgage Bank of Uruguay)

BPS
Banco de Previsión Social (Social Security Bank)

CCU
Centro Cooperativista Uruguayo (Uruguayan Cooperative Center)

CIU
Cámara Inmobiliaria Uruguaya (Uruguayan Real Estate Chamber)

DGR
Dirección General de Registros (General Directorate of Registries)

DINAGUA
Dirección Nacional de Aguas (National Water Directorate)

DINISU
Dirección Nacional de Integración Social y Urbana (National Directorate for Social and Urban Integration)

DINOT
Dirección Nacional de Ordenamiento Territorial (National Directorate of Land Management)

ECH
Encuesta Continua de Hogares (Continuous Household Survey)

ENASU
Estrategia Nacional de Acceso al Suelo Urbano (National Urban Land Access Strategy)

FECOVI
Federación de Cooperativas de Vivienda (Federation of Housing Cooperatives)

FGCH
Fondo de Garantía de Créditos Hipotecarios (Mortgage Credit Guarantee Fund)

FONAVI
Fondo Nacional de Vivienda (National Housing Fund)

ICCV
Índice de Costos de la Construcción de Vivienda (Housing Construction Cost Index)

IMM
Intendencia de Montevideo (Municipality of Montevideo)

INE
Instituto Nacional de Estadística (National Institute of Statistics)

MA
Ministerio de Ambiente (Ministry of Environment)

MEF
Ministerio de Economía y Finanzas (Ministry of Economy and Finance)

MIDES
Ministerio de Desarrollo Social (Ministry of Social Development)

MVOT
Ministerio de Vivienda, Ordenamiento Territorial (Ministry of Housing and Territorial Planning)

ONG
Organización No Gubernamental (Non-Governmental Organization)

OPP
Oficina de Planeamiento y Presupuesto (Planning and Budget Office)

OSE
Administración Nacional de las Obras Sanitarias del Estado (National Administration of State Sanitation Works)

OTDS
Ordenamiento Territorial y Desarrollo Sostenible (Land Management and Sustainable Development)

OTU
Observatorio Territorio Uruguay (Uruguay Territory Observatory)

PMB
Plan de Mejoramiento de Barrios (Neighborhood Improvement Plan)

PQV
Planes Quinquenales de Vivienda (Five-Year Housing Plans)

SPV
Sistema Público de Vivienda (Public Housing System)

UI
Unidades Indexadas (Indexed Units)

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