



CHALLENGES IN ACCESS TO HOUSING

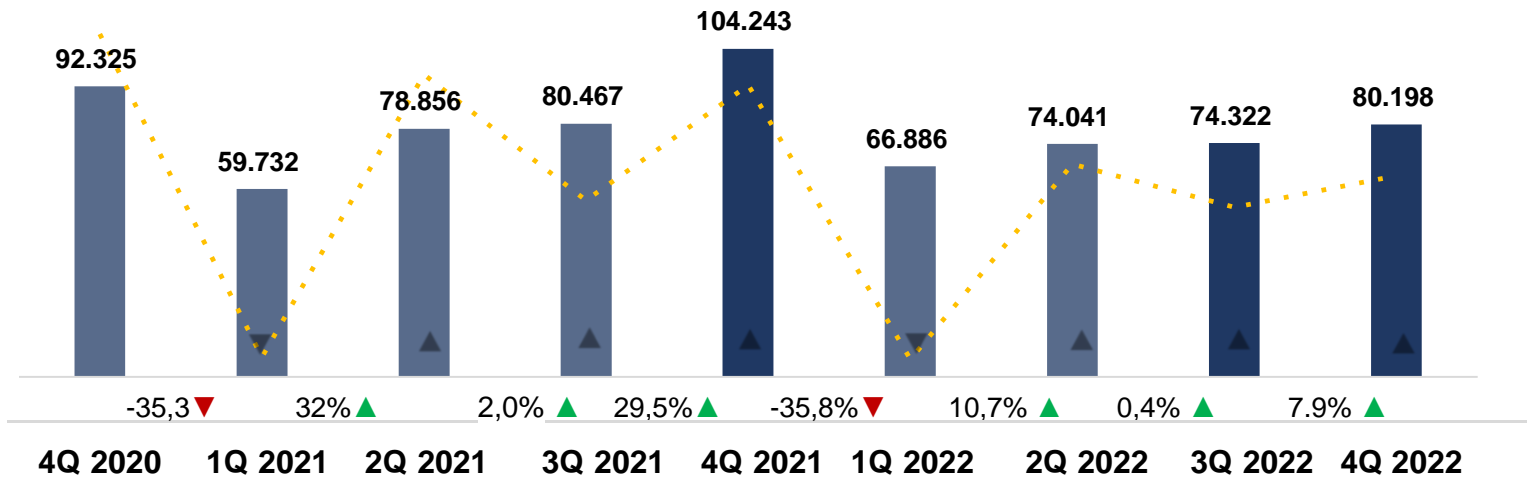
Gonzalo Bustos Carbone
Cámara Chilena de la Construcción

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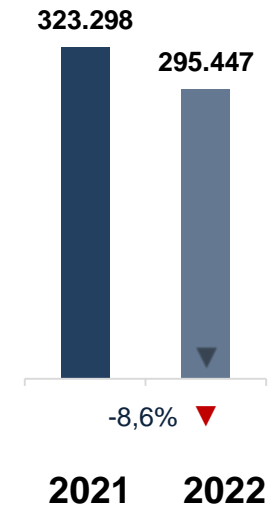
- Real Estate market in Latin America (some examples)
- The Market in the last decade and today in Chile
- Housing déficit and public policy for the emerging-middle class
- Challenges and proposals

1. Brazil

Comparative Units started by Quarter



Accumulated Comparative 12M

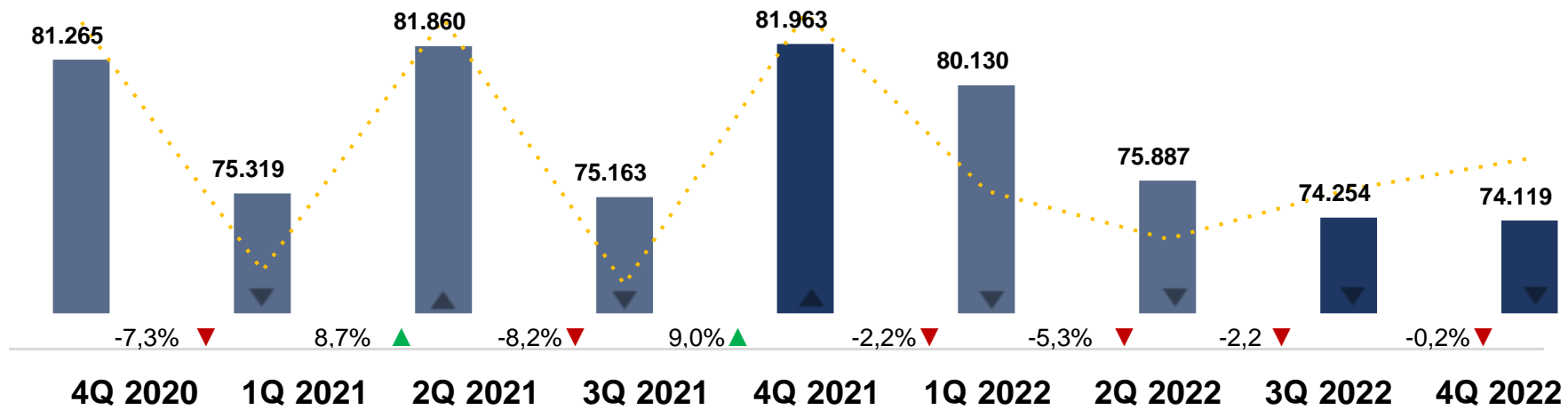


Indicadores Imobiliários Nacionais 4T 2022

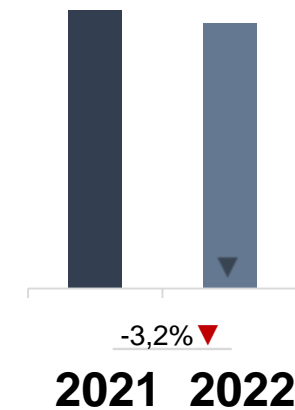
Source: CBIC/CII / Elaboração: CBIC /Bra!n Inteligência Estratégica

1. Brazil

Comparative Units Sold per Quarter



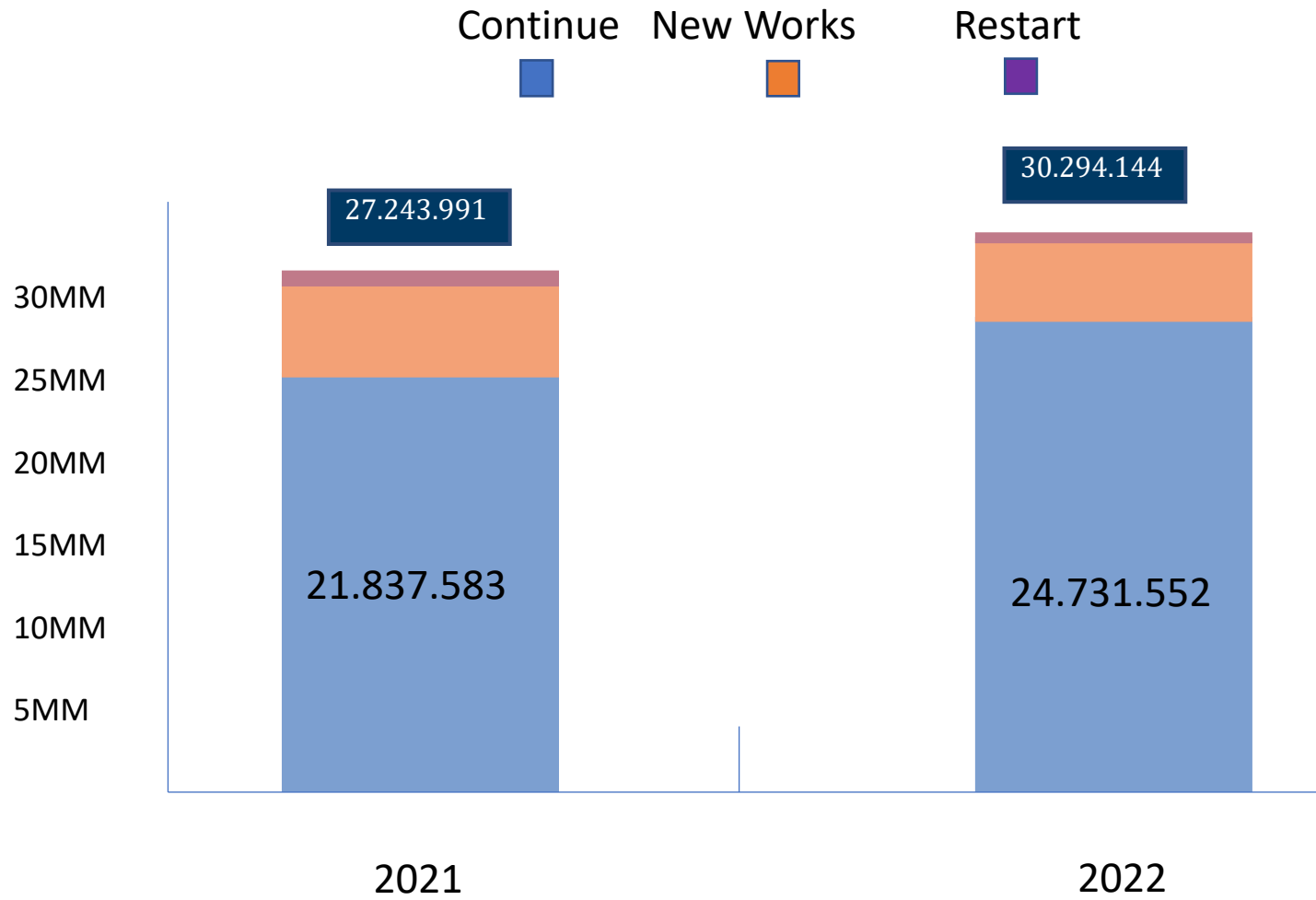
Accumulated Comparative 12M



Indicadores Imobiliários Nacionais 4T 2022

Source: CBIC/CII / Elaboração: CBIC /BraIn Inteligência Estratégica

2. Colombia



Source: DANE, Creation by DEET

3. Bolivia



SOURCE: INE
CREATION BY: CABOCO

3. Chile

HOME SALES

In the fourth quarter of 2022 housing sales in the country fell 8% annually, its fifth consecutive decline. With this, **housing sales nationwide in 2022 accumulated a 30% drop** compared to 2021, remaining at levels far behind historical averages.

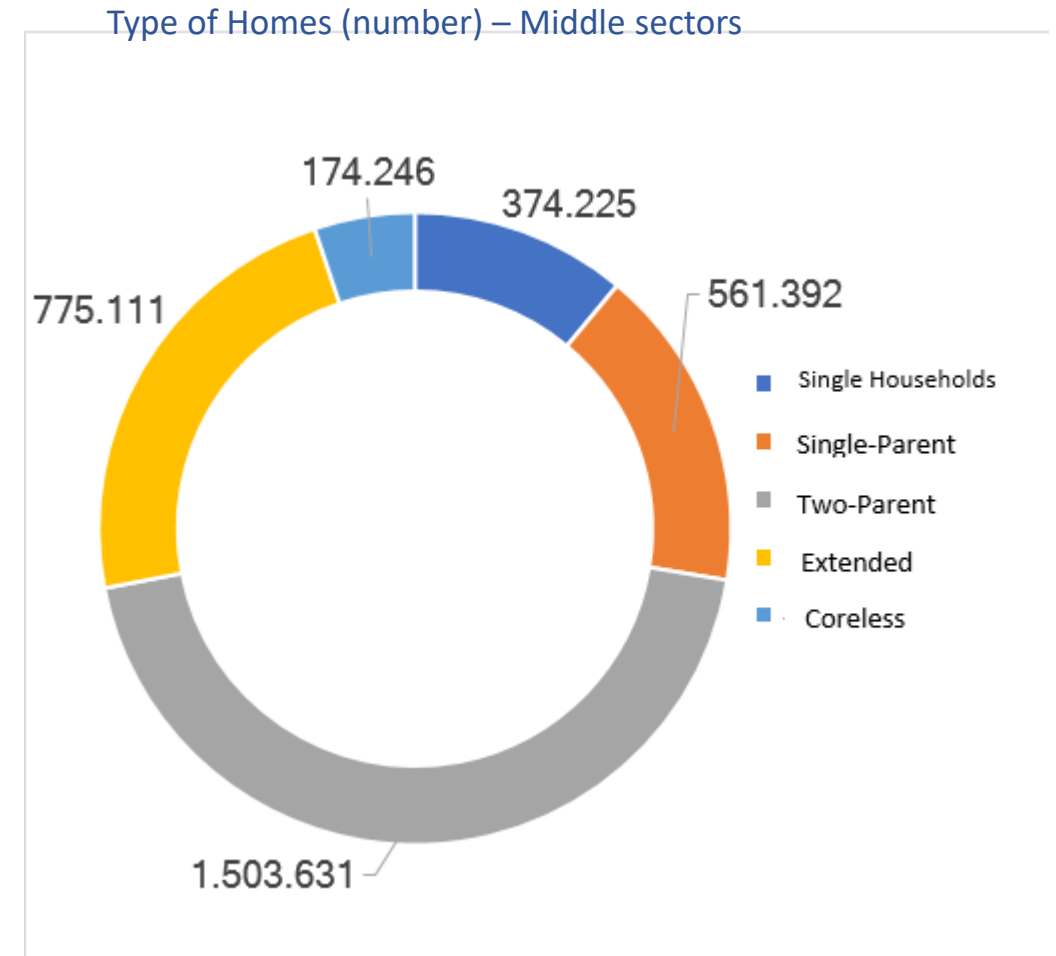




Who are the most affected ones?

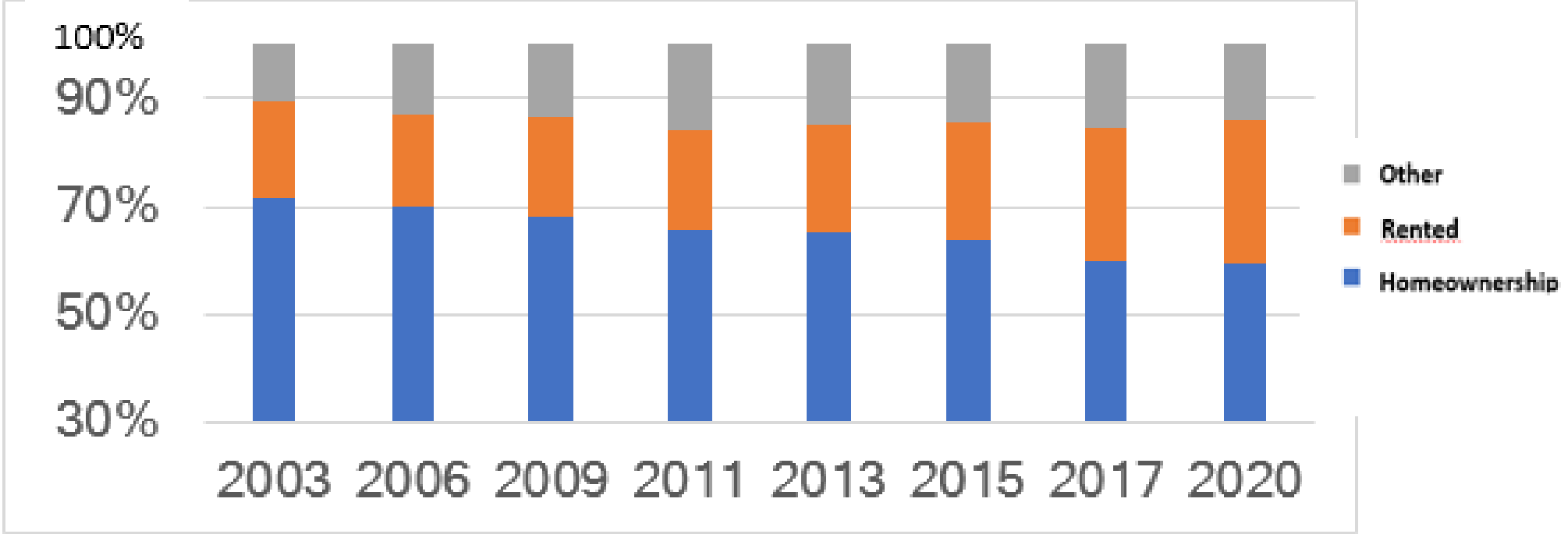
Who are the middle-class and emerging families in Chile?

- In practical terms, the middle and emerging class corresponds to households with an autonomous monthly income between 400.000 and 1.8 million pesos. (500-2.000 USD)
- Under this definition, **there would be around 3.4 million families within this group**
- On average, they are composed of 3.2 people per group **and the most common type of household is two-parent** (couples with or without children) con un 44% del total.
- In educational terms, a 23% reached at most the elementary level, a 59% achieved high school education and 18% achieved a professional level or higher.



Who are the middle-class and emerging families in Chile?

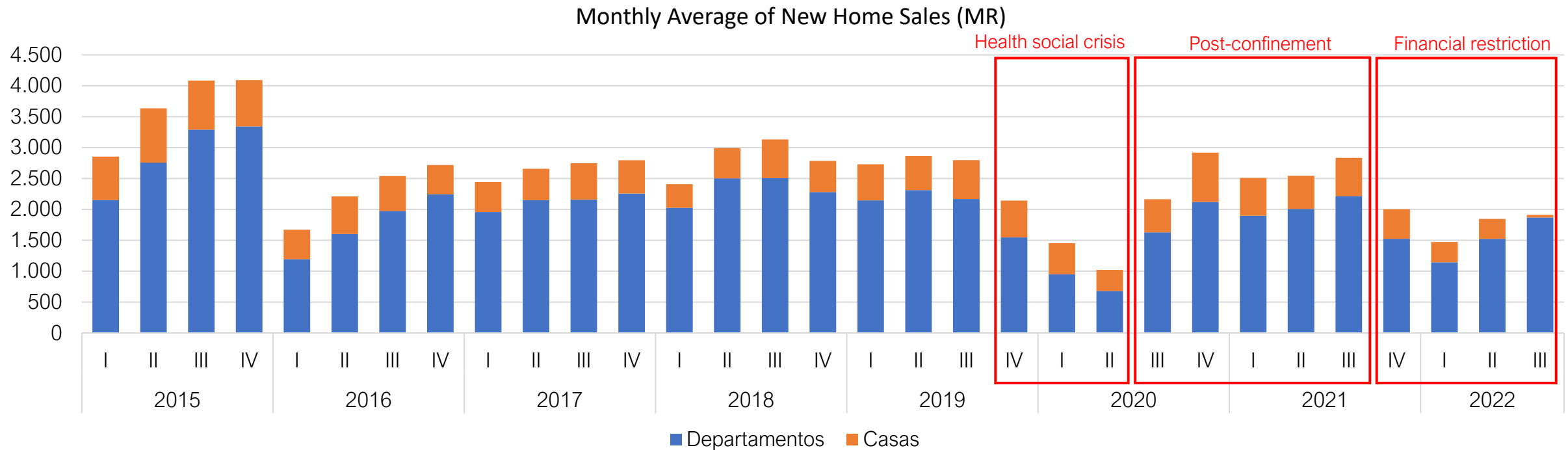
In the last 20 years, the percentage of middle-class families which own the home they live in has fallen persistently, reaching less than 60% in 2020. This is mainly explained by the growth in housing prices above the family income observed in this period.




Source: Department of Studies & Public Policies based on CASEN 2003 - 2020

How has the housing market evolved?

Both, the social crisis of 2019 and the health crisis of early 2020 had a profound impact on the real estate sector. In both cases, the decrease in sales was around 50%, due to the closure of sales rooms, halting of works and greater uncertainty associated with the purchase of housing. Currently, the main risk for the sector is the financial restriction that affects mortgage from the end of 2021 (rates increase, reduction of terms and inflation).

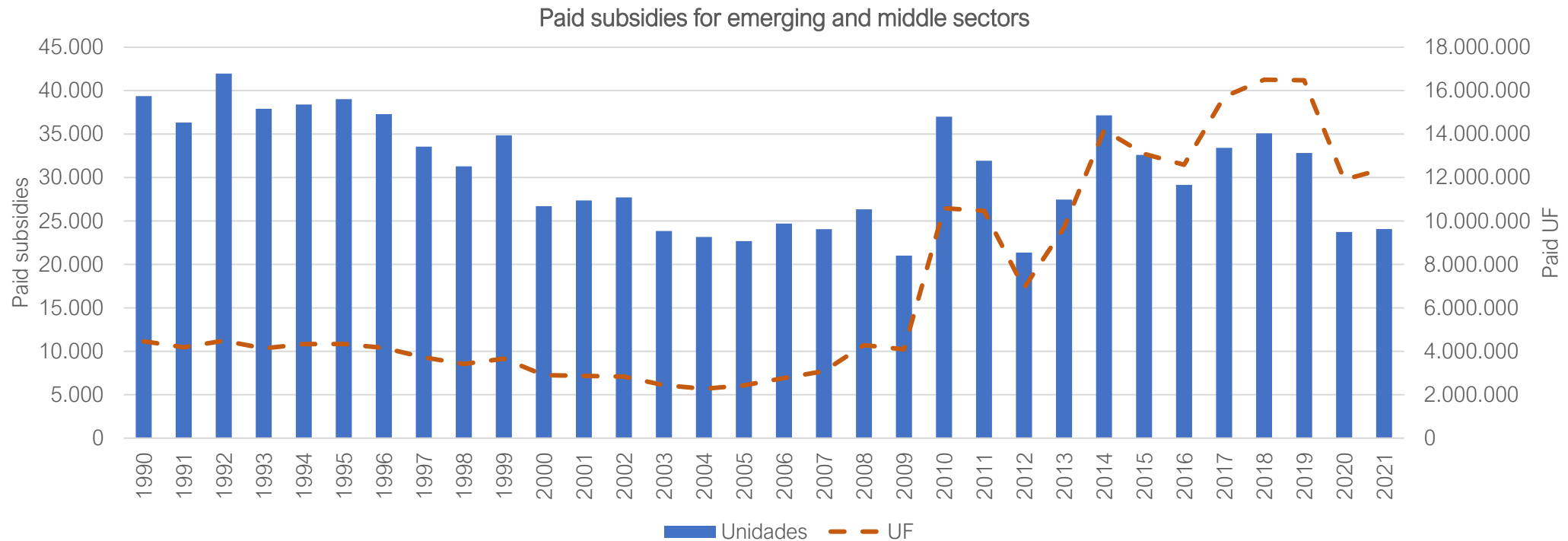




Housing policy for the emerging-middle class

State support to families from middle and emerging sectors

In the last decade, an average of 30.000 families from middle and emerging sectors have access to housing with state support annually; however in recent years it has been observed a drop in the effectiveness of the subsidy program that serves this sector.



A photograph of a multi-story concrete building under construction. A yellow tower crane is positioned on the roof, lifting a large, rectangular concrete slab into place. The building's structure is made of grey concrete with visible window openings. Scaffolding and safety railings are visible on the lower levels. The sky is bright blue with scattered white clouds. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the text "Challenges and proposals".

Challenges and proposals

Proposals:

1. An important part of the increase in housing prices is explained by the **increase in land prices**, among other issues, progress could be made in:
 - A. An **urban planning** that effectively responds to the growing demand for land.
 - B. Instruments that promote a **balanced densification and not excessive growth by extension**
 - C. Investment in the city to **“habilitate” land**: Transportation, Urban Equipment, Health, Safety, Education, Urban Regeneration, and so on.

2. Evaluate the **reasonableness** of new regulations, its costs and impact on the prices and possible compensatory mechanisms. Just to name a few that have made an impact in recent years:

Tax Treatment: Housing VAT

Regulatory Demands: Facing road impact; cable, television and internet ducts; Thermal insulation, Acoustic insulation.

Proposals:


3. Reducing **excessive bureaucracy and delays in procedures**. For example:
 - A. Disparity of criteria, slowness and lack of decision by **municipal authorities in charge of building authorizations**

4. Strengthening the **legal certainty** of the permits granted:
 - A. Building permits, Urban wetlands law, Environmental impact statements
 - B. Unify community claims mechanisms with clear and transparent processes

COMPROMISO PRO (PRO COMMITMENT)?



 **The strategic initiative** by Cámara Chilena de la Construcción to promote sustainability in member companies.

 We want to accompany companies by promoting a **progressive transformation process** to become more sustainable every day.

Program stages include:

- Training
- Administration tools
- Spaces of encounter

CONSEJO REGIONAL DE VALPARAISO

Results Sello PRO (Seal PRO) (Feb 2023)



	FINISHED	IN PROCESS	TOTAL
COMPANY SEAL	41	98	139

In total there are 236 open processes to obtain the Seal PRO (finished or in process)

*195 different companies registered



Result Sello PRO (Seal PRO) 2021-2022



195
(19%)
different companies
registered

*The total universe of partners to which we can aspire is 1040.

+1000
works and
works centers
registered

155.000
workers in
total









Thank you

