

SAO PAULO (AP) — Latin America's biggest economy will overtake France's to become the globe's fifth-largest before 2015, Brazil's finance minister said Tuesday.

Minister Guido Mantega said that while the International Monetary Fund forecasts Brazil will become the fifth-largest economy by 2015, he thinks it will happen earlier.

He didn't forecast exactly when that would be, however.

Mantega's remarks came just one day after the London-based consulting group Center for Economics and Business Research reported that Brazil had surpassed Britain this year as the world's sixth-largest economy.

Mantega was quoted by the website of the O Estado de S. Paulo newspaper Tuesday as saying that Brazil's gross domestic product is growing twice as fast as the GDPs of European countries, "so it is inexorable that in the future we will overcome France and, who knows, even Germany if its economy does not perform well."

Brazil's GDP is expected to grow 3 percent in 2011 and 3.5 percent in 2012, according to the nation's central bank. Between 2003 and 2010, Brazil's economy saw average growth of 4 percent.

Mantega said Brazil's growth is due to strong job creation and a stable inflation rate.

"Brazil's economy will continue growing more than the GDPs of European countries, which will remain in slow motion," Mantega said Monday in a statement released on the ministry's website.

He cautioned, however, that the Brazilian government should not rest on its laurels, noting that even though its economy may become more powerful than those of European nations, "it will take 20 to 30 years before Brazilians enjoy a European standard of living."

Investing in social programs and continuing to target the eradication of poverty must remain among the Brazilian government's top goals, Mantega said. To do that, the nation's economy must continue growing at a rapid clip, so that a wide array of those programs can maintain funding.

Associated Press writer Marco Sibaja in Brasilia, Brazil, contributed to this report.

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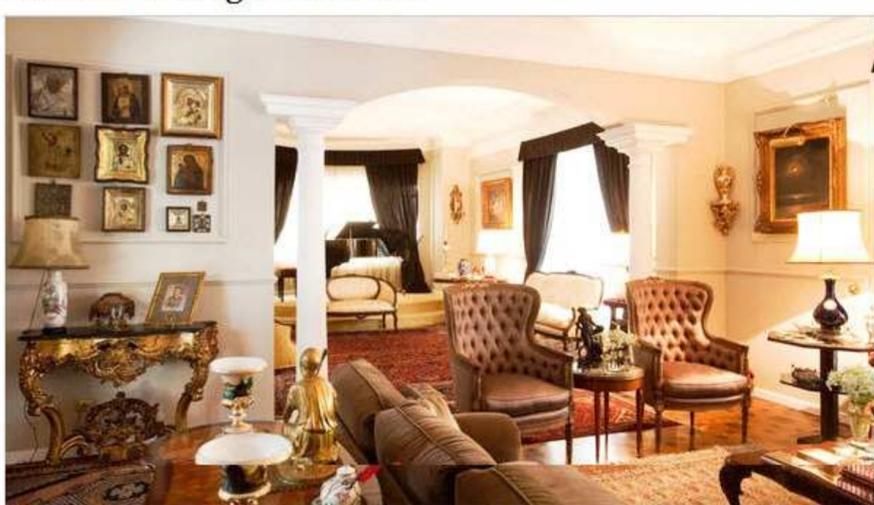
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INTERNATIONAL REAL ESTATE

House Hunting in ... Brazil



Lalo de Almeida for The New York Times

In addition to the living room, the ground floor has a salon, visible through the archway pictured here. A raised dais holds a grand piano.

By VIRGINIA C. MCGUIRE
 Published: October 13, 2010

A FOUR-BEDROOM ITALIANATE-STYLE HOUSE IN SÃO PAULO

Multimedia



In Brazil, a 1940s Home

3.2 MILLION REAL (\$1.9 MILLION)

This house was built in the 1940s with French and Italian design flourishes. The front door opens into a formal foyer with an inlaid marble floor, a framed mirror and a small bathroom. Pocket doors lead into the living room where there is a working fireplace. A den has a built-in bar, Venetian glass mirrors, and windows overlooking the pool. The kitchen has a stone sink and a tile floor.

On the second floor, there are three bedrooms, each with en-suite bathrooms, and a fourth bedroom with paneled wood walls that is currently being used as an office. The master bathroom has wood paneling, a wood floor, marble counters and a dressing table. In addition, the house has three staff bedrooms and two staff bathrooms.

Outside, formal gardens surround the swimming pool and a three-story gazebo. The lower level of the gazebo has a view into the bottom of the pool. The top floor of the gazebo has

Housing prices in São Paulo have remained relatively steady, despite the global downturn, said Carlos Valverde, whose company, Grupo Valverde, sells real estate in São Paulo and the nearby city of Campinas. He said a government program intended to increase home ownership countrywide was stimulating a flurry of construction.

Samantha Gore, the sales manager for uv10, a real estate company based in Natal, said the program started in 2009. It's called Minha Casa, Minha Vida, or My House, My Life. But Mr. Valverde said the economy started to turn around even earlier. "Everything started to change in 2000," Mr. Valverde said.

Now financing is available to more buyers. "The government is opening the banks to people to make financing easy," Mr. Valverde said. In addition, speculators are investing in property as the country gears up to host the World Cup in 2014 and the summer Olympics in 2016.

In Jardins, an upscale part of the city comparable to Pacaembu where the home featured here is located, a modest house in a gated community costs about \$2 million, according to Steve Gallagher, owner of Brazil Overseas Property. In Chácara Flora, another sought-after section of the city, houses cost around \$600,000. He said the area between Campinas and São Paulo city is a popular place to live for professionals who work in the city. In addition, many buyers are seeking undeveloped land in a bid to take advantage of the country's expected economic expansion, Mr. Valverde said. Rural land near the city costs \$30 per square meter (\$323 per square foot), and undeveloped land in the city goes for \$1,000 per square meter. Mr. Valverde said construction costs range from \$1,780 to \$3,560 per square meter.

WHO BUYS IN SÃO PAULO

Americans, Europeans and Asians who have relocated to the city for professional reasons are the most common foreign buyers in the state of São Paulo, Mr. Valverde said. In addition, "many Japanese and Korean companies are coming down to Brazil," he added.

In addition, northeast Brazil, near Rio de Janeiro, has been attractive to investors recently, Mr. Gallagher said.

BUYING BASICS

Foreign buyers need a tax identification number, which costs \$10 to procure, Mr. Gallagher said. Buyers should anticipate additional fees of 5 percent of the purchase price; 3 percent in property taxes and an additional 2 percent to the notary who handles the sale. Notary fees are negotiable, and vary from state to state, but Mr. Gallagher said 2 percent was a good rule of thumb.

As it stands currently, foreign buyers can own land directly, but Mr. Gallagher said it was possible the government would create restrictions in the future. He said some policy makers were concerned about the amount of farmland that has been purchased by foreigners. For now, foreigners who wish to buy tracts of rural land bigger than 90 hectares (222 acres), depending on local rules, have to receive approval from local authorities, but approval is almost always granted.

Beachfront land requires special permission from local authorities, too; it carries an extra property tax. Only nonresident foreigners need permission. "If you have a permanent visa you can buy anything you want here," Mr. Gallagher said.

Brazilian Ministry of Tourism: braziltour.com

São Paulo Metro: metro.sp.gov.br/ingles/index.asp

LANGUAGES AND CURRENCY

Portuguese; Real (1 real = \$0.59)

TAXES AND FEES

Annual property taxes on this house are 11,425 real.

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