



BRAZIL

FICA — Leveraging social impact investment for dignified housing in Brazil



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Run-down, overcrowded buildings have long been the only housing options for low-income residents of São Paulo, Brazil. Can FICA change this narrative?

Conducted by Brazilian non-profit FICA and funded by Julius Baer Foundation, the Compartilha project is showing that social investment can create a win-win situation for low-income tenants and mission-driven wealthy individuals. So far, the project has enabled investors to purchase

four properties in downtown São Paulo – including an old cortiço with 10 families – and turn them into attractive, affordable, formalised homes for their newly empowered tenants.

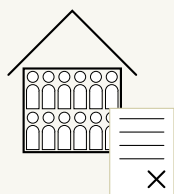
Through the project, FICA has developed and is working to promote an impact investment real estate model that allows individuals or entities to invest in real estate with maximised social impact at a capped financial return. The model can be replicated throughout Brazil and beyond on behalf of fairer housing.

Quick facts

- São Paulo, Brazil
- Project support: 2020–2026
- Grant amount: CHF 150,000 per year
- Connecting social impact investors with low-income tenants of informal housing.
- Goal: Enabling vulnerable residents to live in improved, healthier apartments with official rental contracts, giving them better access to work, education and opportunities.

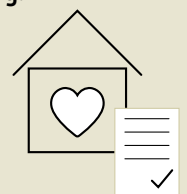
From powerless dwellers ...

Cortiços often look like single-family homes from the outside, but inside are subdivided apartments with tenants living in crowded, unhealthy conditions under exploitative contract terms.



... to empowered tenants of fairer housing.

The renovated homes created by the Compartilha project give their low-income residents access to the protections and services of an official contract and address. Children benefit greatly, typically displaying improved learning and achievement.





“Investing in the Compartilha project has been an opportunity both to direct financial resources towards an issue that is so important – while proving a radical impact-investment thesis – and to learn about the complexities of the social rent issue, including the centrality of access to land and housing in Brazil.”

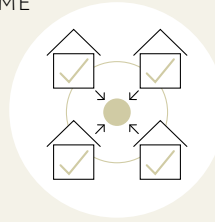
Camila Jorge Haddad,
Age 35, a social investor in the Compartilha project

OUTPUT



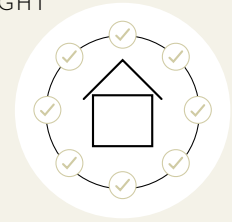
With the funds from social investors, **FICA has purchased and renovated four properties** in São Paulo, Brazil, transforming them into **safe apartment buildings** for vulnerable tenants.

OUTCOME



12 low-income families have become **formalised rights-holding tenants** of attractive, non-speculative homes close to the work opportunities and services of downtown São Paulo.

HIGHLIGHT



FICA has created an impact investment model – including bylaws, financial modelling, contracts and design – that can be scaled up and inspire better public policies in support of fairer housing in Brazil.

Addressing the high costs of poor housing

- Brazil does not have a non-profit ecosystem for housing, leaving many vulnerable residents with few good housing options.
- Low-income residents must either try their luck in often predatory private housing markets or struggle to get a spot in limited public housing.
- The housing market in São Paulo reflects deeply entrenched inequities: paradoxically, poorer households typically pay higher rent and enjoy fewer rights.
- Cortiços – old subdivided houses, with individual rooms rented to entire families and shared bathrooms – were legalised as an imperfect solution to house low-income urban dwellers.
- Conditions for the tenants are often abusive: buildings are poorly maintained and subdivided excessively.
- After decades of unsuccessful proposals, FICA’s social investment approach provides a fair, dignified answer to the long-standing problem of substandard housing rentals that trap the urban poor.
- In São Paulo, living downtown can save up to four hours of commuting in a crowded public transportation system, illustrating the importance of centrally located affordable housing.

About FICA

The Fundo Imobiliário Comunitário para Aluguel (FICA) is a non-profit founded in 2015 in São Paulo, Brazil. FICA crowdfunds, buys and manages properties in downtown São Paulo, renting them at non-speculative prices. Its mission is unique in the Brazilian context, facilitating the creation of so-called social owners or social landlords – investors who are committed to fighting exploitative rents and gentrification.



More information about FICA and their project in Brazil:
fundofica.org

Do you feel inspired by the FICA project and would like to support it?

Please do not hesitate to get in touch with us! We would love an exchange.



Find out more about us and our projects online or write us at foundation@juliusbaer.com

Julius Baer Foundation

Established in 1965 by Walter J. Bär (1895–1970), the grant Foundation of Bank Julius Baer is focused on reducing wealth inequality. It convenes leading thinkers and actors on the topic and supports projects around the globe where the privileged and disadvantaged work together towards a world of equal opportunities.

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