



For Immediate Release

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## **Paladin Realty Announces New Joint Venture to Develop Low-Income Housing in São Paulo, Brazil**

Projected Total Sales Revenue of R\$140 million

**São Paulo, Brazil, May 6, 2016** – Paladin Realty Partners, LLC, a leading real estate investment fund manager focused on Latin America, announced today that it has completed an initial \$6 million equity investment in the newly created homebuilding joint venture called IZP Empreendimentos e Participações (“IZP”), focused on building low-income housing in São Paulo, Brazil.

This is Paladin Realty’s first partnership with local developer Idea Zarvos Planejamento Imobiliário, Ltda. (“Idea Zarvos”), which is widely recognized, having won numerous awards for its innovative architecture during its 11 years of operations. This new investment was made by Paladin Realty’s fifth pan-regional fund focused on Latin America, which has made other investments to date in Peru, Mexico and Brazil.



IZP’s initial plan is to develop the “Agisse” project, which is located in São Paulo’s Vila Madalena neighborhood and will consist of 300 compact residential units of 30 square meters (about 320 square feet) each, priced at an average of R\$355,000 (US\$100,000 at

today's FX rate) per unit; 80 boutique commercial units of 20 square meters (about 215 square feet) each, priced at an average of R\$233,000 (US\$66,000) per unit; and one commercial unit of 1,300 square meters (about 14,000 square feet) priced at R\$15 million (US\$4.4 million). Eighty percent of the residential units will be sold to buyers earning less than 10 minimum wages (approximately US\$27, 000 per year) under Brazil's "HMP" affordable housing program, which enables additional density to be developed. Both parties have the option to increase their equity commitments to the joint venture to accommodate additional projects.

"We're very pleased to partner with Idea Zarvos on this new programmatic joint venture," said Ricardo Raoul, Managing Director of Paladin Realty and head of its investment activities in Brazil. "Through this platform we will seek to take advantage of steady demand for affordable housing that continues to exist in Brazil despite an economy that is in a deep recession. Now is an opportune time to pursue this strategy due to significantly reduced competition from the public homebuilding sector and pent-up demand reflected by Brazil's huge housing deficit, which is about six million homes, the vast majority of which is concentrated in the low-income segment."

"We're thrilled to work with Paladin on this initial development and hope it leads to many more in the future," said Otavio Zarvos, President of Idea Zarvos. "We have thousands of potential buyers that have never been able to afford our larger more expensive products, so introducing this compact studio apartment in today's price-sensitive market is ideal."

### **About Paladin Realty**

Founded in 1995, Paladin Realty Partners, LLC a leading private equity real estate fund manager focused on institutional-quality real estate investments in Brazil, Mexico, Colombia, Peru, Chile, and select other markets in Latin America. Over nearly two decades, Paladin Realty has invested in the planned development of more than 32,000 residential units, commercial properties, and select opportunistic situations in the region comprising more than 20 million square feet and over US\$4 billion of projected total cost. The firm is an SEC-registered investment adviser has regional offices located in Brazil, Mexico and Colombia.

For more information, please visit [www.paladinrp.com](http://www.paladinrp.com).

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