

IDAT-RE: The New Itaú Real Estate Price Index

- ▶ This report presents the IDAT-RE, Itaú's residential real estate price index for São Paulo/SP. The IDAT-RE is constructed based on data from real estate transactions subject to ITBI tax collection. The historical series begins in January 2006.
- ▶ The IDAT-RE uses prices effectively recorded in actual transactions, as agreed by the parties and officially registered, whereas most conventional real estate price indices are based on listing prices or appraisal values prepared by professional valuers.
- ▶ In addition to the aggregate real estate index, we present six breakdowns: property age, property size, neighborhood tier, region, subprefecture, and district.
- ▶ The IDAT-RE increased 3.5% YoY in October, down from 5.2% YoY in January, confirming the price deceleration observed throughout 2025. This moderation has also been evident across different IDAT-RE breakdowns. The overall slowdown therefore reflects the current restrictive economic policy cycle, as real estate prices captured by the IDAT-RE are highly sensitive to monetary policy and economic cycles.
- ▶ The index will be released monthly by the Macroeconomic Research team, by the fifth business day of each month, using transaction price data from the penultimate available month.
- ▶ This indicator is the responsibility of Itaú's Macroeconomics Team and was developed with invaluable support from the Itaú BBA Real Estate team.

Motivation

The IDAT-RE is a residential real estate price index for the city of São Paulo¹, constructed from real estate transactions subject to ITBI tax collection, and designed to provide key breakdowns demanded by the real estate market, such as property size and property age. In addition, we rely on prices effectively recorded in actual transactions, which helps avoid distortions arising, for example, from listing prices. Finally, the construction of a sufficiently long historical series, starting in 2Q06, allows for meaningful comparisons with the strong market expansion observed between 2006 and 2013.

Methodology

The IDAT-RE's unit of analysis is the price per square meter at the building level. Thus, the construction of the IDAT-RE follows two main steps: first, price changes are computed at the building level; second, these variations are aggregated to construct a monthly index, with 4Q19 set as the base period (4Q19 = 100).

In the first stage, we compute the monthly average price per square meter (price per sqm) for each residential building, defined by the address and building number pair. Building-level prices per sqm are constructed using the properties transacted at that specific address and number. Table 1 illustrates this step using fictitious buildings located on Itaú Street, in the Unibanco neighborhood.

¹ The Municipality of São Paulo records all real estate transactions subject to ITBI tax collection within the city: https://prefeitura.sp.gov.br/web/fazenda/w/aceso_a_informacao/31501

Table 1: Price per sqm of apartments transacted on Itaú Street

ADDRESS, NUMBER	NEIGHBOR HOOD	Average price per sqm					
		May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
ITAÚ STREET, 341	UNIBANCO	R\$ 10,000.00	R\$ 10,110.00	R\$ 10,080.00	R\$ 10,100.00	R\$ 10,300.00	R\$ 10,350.00
ITAÚ STREET, 3410	UNIBANCO		R\$ 5,000.00	R\$ 5,053.00		R\$ 5,054.00	
ITAÚ STREET, 3412	UNIBANCO	R\$ 20,000.00			R\$ 20,500.00	R\$ 20,555.00	
ITAÚ STREET, 3415	UNIBANCO	R\$ 10,000.00				R\$ 10,300.00	
ITAÚ STREET, 3418	UNIBANCO	R\$ 8,000.00	R\$ 8,000.00			R\$ 7,900.00	R\$ 7,850.00

Source: Itaú

The decision to compute price changes at the building level aims to ensure greater price homogeneity, since apartments within the same building tend to share similar characteristics such as age, construction standard, and state of conservation. Based on these monthly average prices per sqm, we compute monthly price changes for each building. As transactions do not occur every month for all buildings, transactions from up to the previous four months are considered when calculating price changes. If no price variation is observed in a given month, the building is excluded from that month's aggregation. In addition, price changes with atypical magnitudes are removed. To further smooth the series, monthly building-level price changes are smoothed using a three-month moving average. Table 2 provides an illustration of the price change calculation on Itaú Street.

Table 2: Price per sqm change of apartments transacted on Itaú Street

ADDRESS, NUMBER	NEIGHBOR HOOD	Price per sqm change (%)					
		May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
ITAÚ STREET, 341	UNIBANCO		1.10	-0.30	0.20	1.98	0.49
ITAÚ STREET, 3410	UNIBANCO			1.06		0.02	
ITAÚ STREET, 3412	UNIBANCO				2.50	0.27	
ITAÚ STREET, 3415	UNIBANCO						
ITAÚ STREET, 3418	UNIBANCO		0.00			-1.25	-0.63

Source: Itaú

In the second stage, individual building-level price changes are aggregated using simple averages, so that each building in the city of São Paulo receives equal weight in the index. This aggregation procedure is applied for each breakdown of the IDAT-RE.

The IDAT-RE

The IDAT-RE increased 3.5% YoY in October, down from 5.2% YoY in January, confirming the price deceleration observed throughout 2025. Based on Table 3, Figure 1 and Figure 2, residential real estate prices appreciated 35.9% since the pandemic period (4Q19) and 305.4% since the beginning of the series (2Q06).

Table 3: IDAT-RE in Oct/2025

Oct/2025	Annual ch. (% YoY)	Monthly ch. (% MoM)	Cumulative ch. 2Q06 (%)	Cumulative ch. 4Q19 (%)
IDAT-RE	3.5	0.0	305.4	35.9

Source: Itaú

Figure 1: IDAT-RE Annual Change (%)

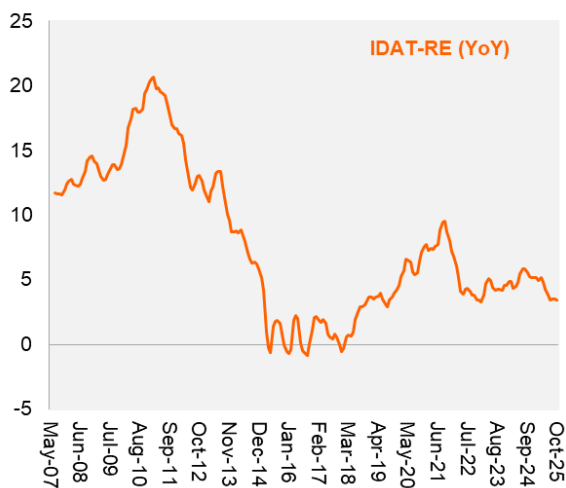
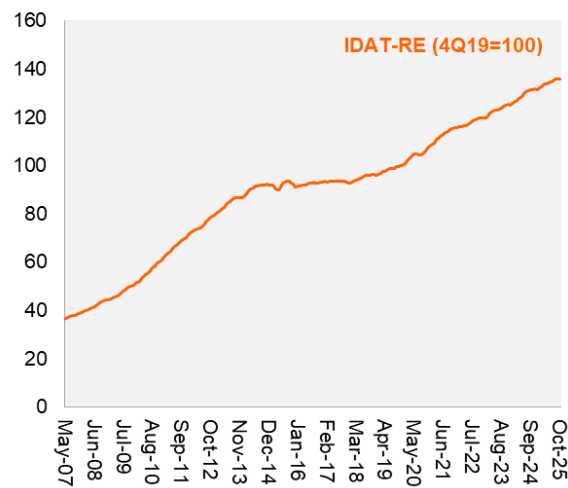


Figure 2: IDAT-RE Index (4Q19=100)



IDAT-RE Breakdowns

In addition to the aggregate index, the IDAT-RE is available across the following six breakdowns:

- ▶ Property size
- ▶ Property age
- ▶ Neighborhood tiers
- ▶ Region
- ▶ Subprefecture
- ▶ District

In the following sections, we present the index across each of these breakdowns.

IDAT-RE by Property Size

Under this breakdown, the index is disaggregated into five property size segments:

- ▶ Studio: 20 sqm to 40 sqm
- ▶ 1B (1 bedroom): 40 sqm to 60 sqm
- ▶ 2B (2 bedrooms): 60 sqm to 85 sqm
- ▶ 3B (3 bedrooms): 85 sqm to 120 sqm
- ▶ 4B+ (4 or more bedrooms): 120 sqm to 400 sqm

Larger properties, namely the 3B and 4B+ segments (units larger than 85 sqm), have recorded the strongest price appreciation. This strength is evident across multiple horizons, including the last 12 months, with gains of 4.4% YoY and 4.6% YoY, respectively, since the beginning of the series, with cumulative gains of 377.7% and 348.8%, and since the pandemic period, with appreciations of 40.5% and 54.6%, respectively (see Table 4, Figure 3 and Figure 4).

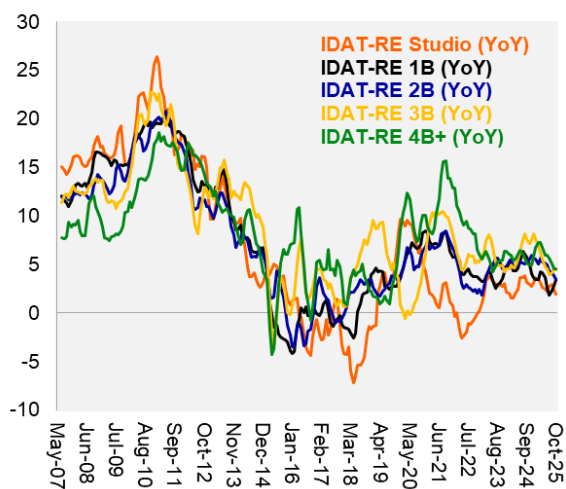
By contrast, **studio units have shown the weakest performance among size segments**, with an annual increase of 2.0% YoY, cumulative appreciation of 261.6% since the beginning of the series, and 15.3% since the pandemic.

Table 4: IDAT-RE by Property Size in Oct/2025

Oct/2025	Annual ch. (% YoY)	Monthly ch. (% MoM)	Cumulative ch. 2Q06 (%)	Cumulative ch. 4Q19 (%)
IDAT-RE Studio	2.0	-0.6	261.6	15.3
IDAT-RE 1B	3.5	0.4	292.8	34.3
IDAT-RE 2B	3.4	-0.2	278.3	33.0
IDAT-RE 3B	4.4	0.0	377.7	40.5
IDAT-RE 4B+	4.6	0.1	348.8	54.6

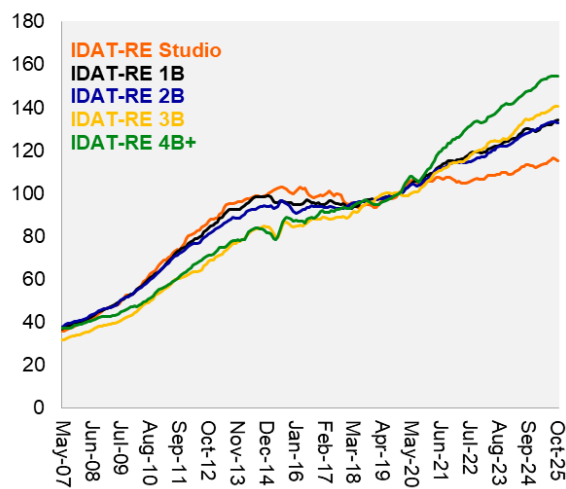
Source: Itaú

Figure 3: IDAT-RE by Property Size, Annual Change (% YoY)



Source: Itaú

Figure 4: IDAT-RE by Property Size, Index (4Q19=100)



Source: Itaú

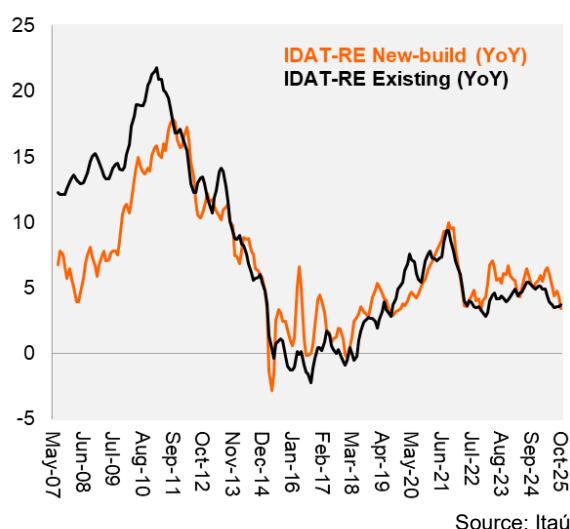
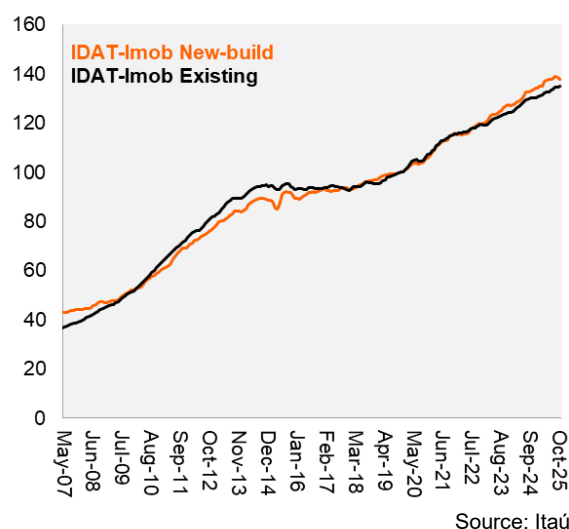
IDAT-RE by Property Age

Under this breakdown, properties are classified into two age groups: new-build properties (up to 3 years old) and existing properties (more than 3 years old). **New-build and existing properties have followed very similar trajectories since the pandemic period**, with appreciations of 37.9% and 35.0%, respectively. Annual growth rates are also closely aligned, at 3.4% YoY and 3.7% YoY, respectively (see Table 5, Figure 5 and Figure 6).

Table 5: IDAT-RE by Property Age in Oct/2025

Oct/2025	Annual ch. (% YoY)	Monthly ch. (% MoM)	Cumulative ch. 2Q06 (%)	Cumulative ch. 4Q19 (%)
IDAT-RE New-build	3.4	-0.6	240.3	37.9
IDAT-RE Existing	3.7	0.1	301.3	35.0

Source: Itaú

Figure 5: IDAT-RE by Property Age, Annual Change (% YoY)**Figure 6: IDAT-RE by Property Age, Index (4Q19=100)**

IDAT-RE by Neighborhood Tiers

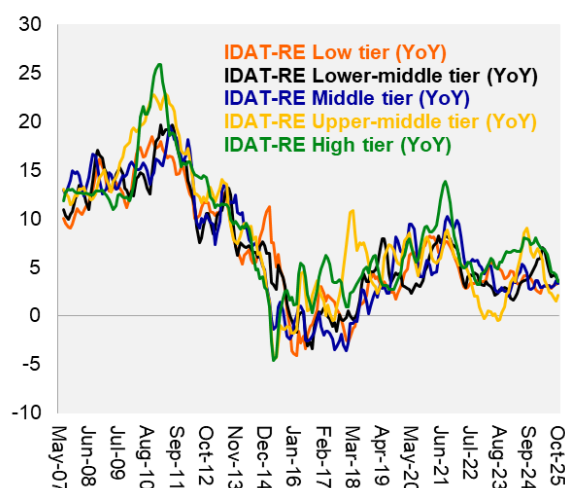
Under this breakdown, **São Paulo neighborhoods are classified into five tiers** based on average property prices per square meter: high tier, upper-middle tier, middle tier, lower-middle tier, and low tier. Neighborhood classifications are updated periodically to capture changes in neighborhood dynamics over time.

High-tier neighborhoods have recorded the strongest price appreciation. Since the COVID-19 crisis, this segment rose 46.1%, while the remaining tiers posted an average appreciation of around 30% (see Table 6, Figure 7 and Figure 8). In addition, since the beginning of the series (2Q06), the high-tier segment has shown the largest appreciation, totaling 366.4%. **However, high-tier and upper-middle-tier neighborhoods have also exhibited the sharpest deceleration throughout 2025.** After reaching around 7% YoY at the beginning of the year, price variations have recently declined to 2.1% YoY and 3.5% YoY, respectively.

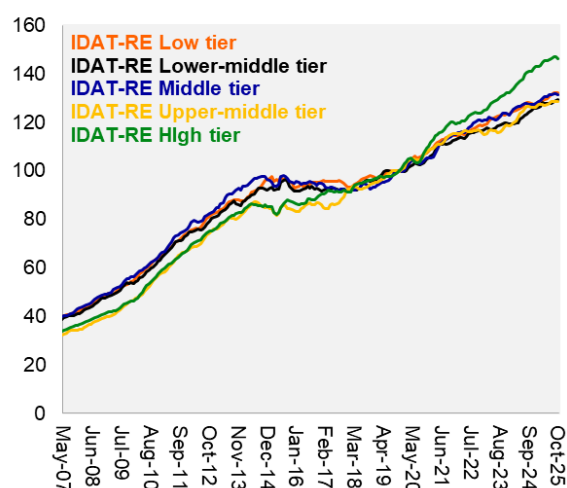
Table 6: IDAT-RE by Neighborhood Tiers in Oct/2025

Oct/2025	Annual ch. (% YoY)	Monthly ch. (% MoM)	Cumulative ch. 2Q06 (%)	Cumulative ch. 4Q19 (%)
IDAT-RE Low tier	3.4	-0.1	255.4	32.0
IDAT-RE Lower-middle tier	3.6	0.4	258.3	29.4
IDAT-RE middle-tier	3.3	-0.2	264.4	31.4
IDAT-RE Upper-middle tier	2.1	0.1	330.2	28.6
IDAT-RE High tier	3.5	-0.7	366.4	46.1

Source: Itaú

Figure 7: IDAT-RE by Neighborhood Tiers, Annual Change (% YoY)

Source: Itaú

Figure 8: IDAT-RE by Neighborhood Tiers, Index (4Q19=100)

Source: Itaú

IDAT-RE by Region

The IDAT-RE is also disaggregated across the five official regions of São Paulo, according to the municipality's administrative classification²: Central, North, South, East, and West.

The West stands out as the region with the strongest price appreciation in São Paulo. Based on Table 7, Figure 9 and Figure 10, this region recorded gains of 344.2% since 2Q06 and 44.3% since 4Q19, consistently outperforming the other regions, which posted average increases of 293.1% and 32.7%, respectively. In addition, given its higher share of high-tier neighborhoods, the West has also been the region exhibiting the most pronounced deceleration throughout 2025, in line with the behavior previously discussed for higher-tier segments.

Table 7: IDAT-RE by Region in Oct/2025

Oct/2025	Annual ch. (% YoY)	Monthly ch. (% MoM)	Cumulative ch. 2Q06 (%)	Cumulative ch. 4Q19 (%)
IDAT-RE CENTRAL	4.1	0.5	307.1	34.8
IDAT-RE EAST	3.6	0.1	252.9	33.0
IDAT-RE NORTH	3.9	-0.4	314.1	28.5
IDAT-RE WEST	3.9	-0.4	344.2	44.3
IDAT-RE SOUTH	2.5	0.2	298.2	34.5

Source: Itaú

² For comprehensive information on São Paulo's regions, subprefectures, and districts, please refer to <https://prefeitura.sp.gov.br/>.

Figure 9: IDAT-RE by Region in São Paulo, Annual Change (% YoY)

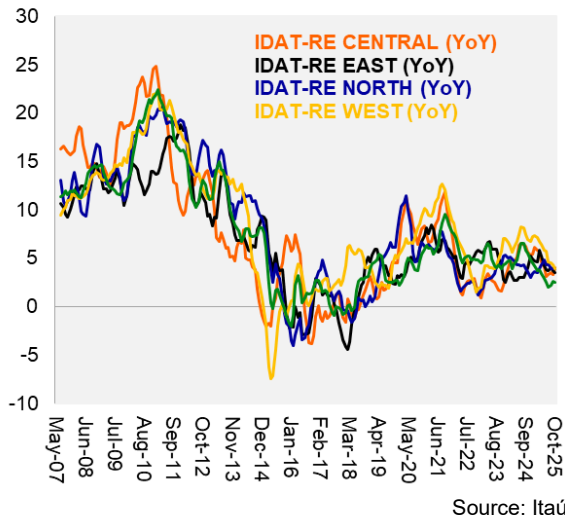
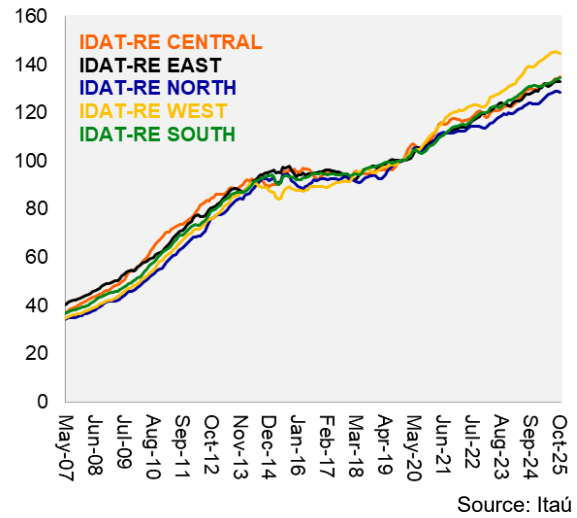


Figure 10: IDAT-RE by Region in São Paulo, Index (4Q19=100)



IDAT-RE by Subprefectures and Districts

In addition to the regional breakdown, the IDAT-RE is further disaggregated into two more granular administrative levels: subprefectures and districts, in line with the administrative classification of the Municipality of São Paulo³. In hierarchical terms, a region is composed of a set of subprefectures, each subprefecture comprises a set of districts, and each district is formed by a set of neighborhoods. Figure 11 and Figure 12 illustrate the 32 subprefectures and 96 districts of São Paulo, respectively. To ensure a minimum sample size for index construction, some subprefectures and districts are grouped, resulting in a total of 18 subprefectures and 36 districts.

Figure 11: Subprefectures of São Paulo



Figure 12: Districts of São Paulo



Next, we illustrate an example focused on the West region of São Paulo, with particular emphasis on the Pinheiros subprefecture and its districts.

³ For comprehensive information on São Paulo's regions, subprefectures, and districts, please refer to <https://prefeitura.sp.gov.br/>.

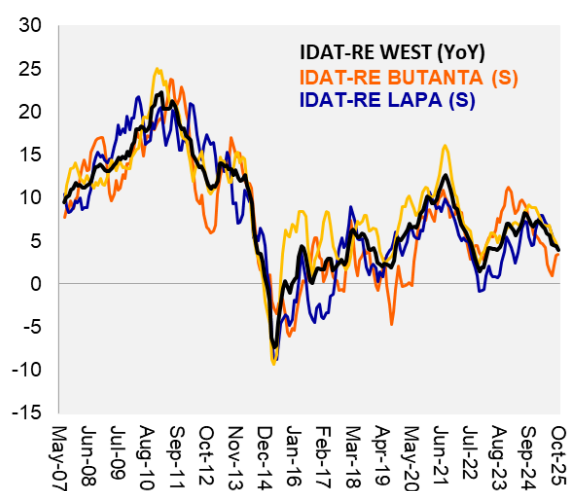
The West region comprises three subprefectures, Butantã, Lapa, and Pinheiros. Among these, **Pinheiros stands out as the top-performing subprefecture**, with cumulative gains of 424.2% since 2Q06, 53.5% since 4Q19, and a 4.1% YoY increase over the past 12 months (see Table 8, Figure 13 and Figure 14)

Table 8: IDAT-RE by Subprefecture in the West Region in Oct/2025

Oct/2025	Annual ch. (% YoY)	Monthly ch. (% MoM)	Cumulative ch. 2Q06 (%)	Cumulative ch. 4Q19 (%)
IDAT-RE WEST	3.9	-0.4	290.1	46.0
IDAT-RE BUTANTA (S)	3.4	0.4	344.2	44.3
IDAT-RE LAPA (S)	4.0	-0.5	290.0	32.5
IDAT-RE PINHEIROS (S)	4.1	-0.8	424.2	53.3

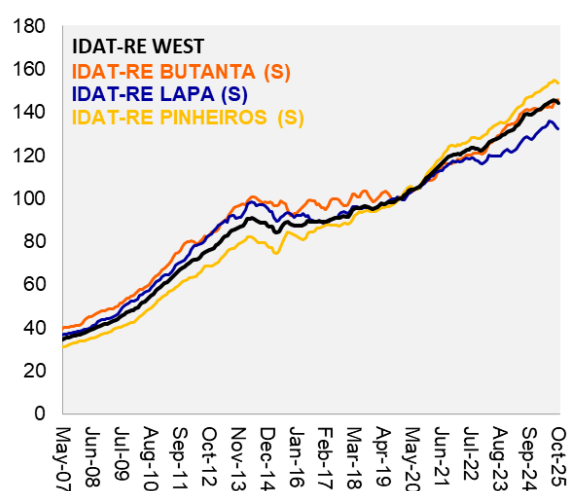
Source: Itaú

Figure 13: IDAT-RE by Subprefectures in the West Region, Annual Change (% YoY)



Source: Itaú

Figure 14: IDAT-RE by Subprefectures in the West Region, Index (4Q19=100)



Source: Itaú

The Pinheiros subprefecture comprises four districts: Pinheiros, Alto de Pinheiros, Itaim Bibi, and Jardim Paulista (Figure 12). Due to the smaller sample size in Alto de Pinheiros, this district was grouped with Pinheiros, forming the Pinheiros-Alto de Pinheiros district.

Based on Table 9, Figure 15 and Figure 16, **all districts within the Pinheiros subprefecture have recorded strong price appreciation since the pandemic, with gains exceeding the average observed for high-tier neighborhoods**. Average appreciation across these districts reached 54.4%, compared with 46.1% for the high-tier segment.

The main highlight, however, is the Jardim Paulista district, which is largely composed of the neighborhoods Jardim América, Jardim Paulista, and Cerqueira César. In addition to a 5.4% YoY increase in October, this district has recorded exceptionally strong appreciation of 689% since 2Q06, significantly outperforming high-tier neighborhoods, which accumulated gains of 366.4% over the same horizon.

Table 9: IDAT-RE by Districts in the Pinheiros Subprefecture in Oct/2025

Oct/2025	Annual ch. (% YoY)	Monthly ch. (% MoM)	Cumulative ch. 2Q06 (%)	Cumulative ch. 4Q19 (%)
IDAT-RE High tier	3.5	-0.7	366.4	46.1
IDAT-RE PINHEIROS (S)	4.1	-0.8	424.2	53.3
IDAT-RE ITAIM BIBI (D)	3.3	-1.2	401.0	51.2
IDAT-RE JARDIM PAULISTA (D)	5.4	-0.3	689.0	54.4
IDAT-RE PINHEIROS-ALTO DE PINHEIROS (D)	4.4	-0.2	306.7	58.8

Source: Itaú

Figure 15: IDAT-RE by Districts in the Pinheiros Subprefecture, Annual Change (% YoY)

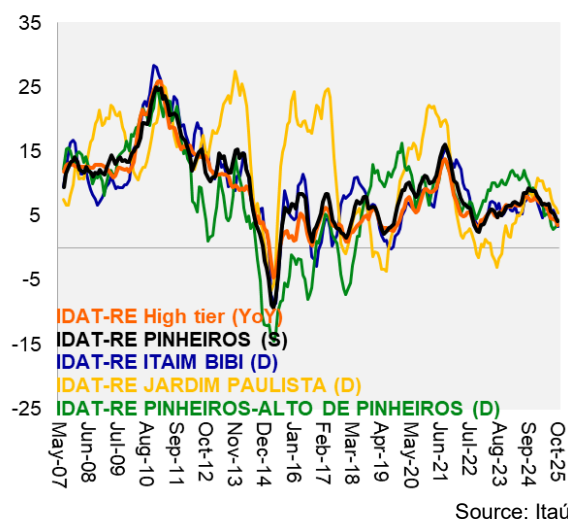
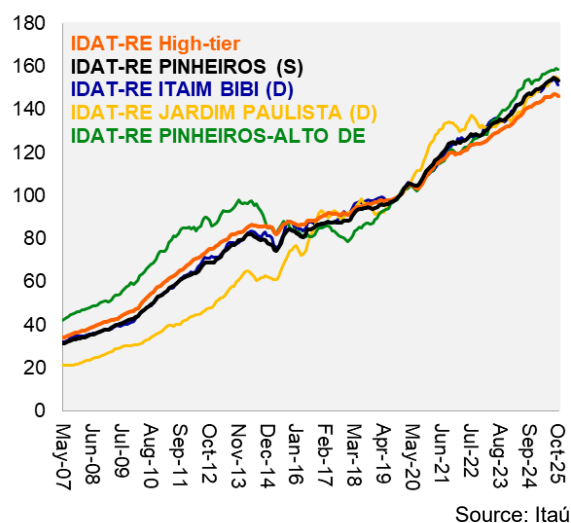


Figure 16: IDAT-RE by Districts in the Pinheiros Subprefecture, Index (4Q19=100)

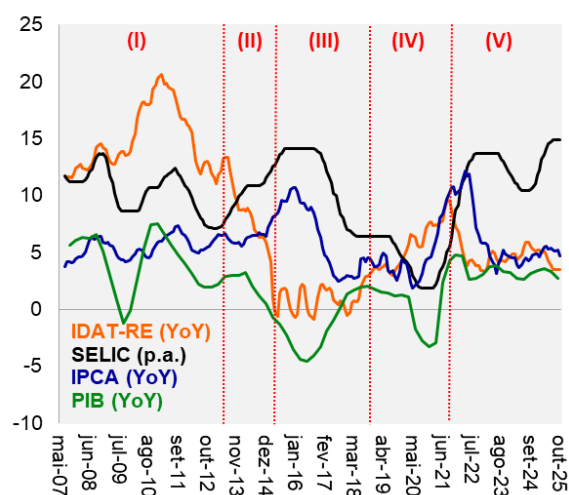


The IDAT-RE Across Economic Cycles: Interest Rates and Inflation

The IDAT-RE shows that real estate prices are highly sensitive to monetary policy and economic cycles. Since 2006, the real estate sector has gone through distinct phases of expansion and contraction, as illustrated in Figure 17:

- ▶ **(I) 2006–2013: Strong price appreciation:** A period of robust economic growth, as measured by the GDP, (green line in Figure 17), during which the IDAT-RE rose sharply, close to 10% YoY. The monetary stimulus cycle following the 2008 global financial crisis provided an additional boost to the market, driving the index to its historical peak of 20.5% YoY in 2011.
- ▶ **(II) 2014–2015: Sharp deceleration:** A period of acute deceleration in real estate prices, closely associated with the economic slowdown and recession of the period, and further reinforced by the shift toward a restrictive interest rate regime.
- ▶ **(III) 2016–2018: Price stagnation:** During this period of deep recession and economic stagnation, coupled with persistently high interest rates, the IDAT-RE remained around 0% YoY, reflecting nominal price stagnation in the real estate market. This dynamic stood in sharp contrast to headline inflation, as measured by the IPCA (blue line in Figure 17), which reached 10.4% YoY in 2016.
- ▶ **(IV) 2019–2021: RE Market reacceleration:** A period of robust price appreciation, largely driven by the sharp decline in interest rates in response to the COVID-19 pandemic. The Selic rate fell to 2.0% per annum in August 2020, reaching its historical low.
- ▶ **(V) 2022–present: Recent deceleration:** More recent years mark a renewed deceleration in RE prices, in line with the return of interest rates to contractionary levels.

Figure 17: IDAT-RE Across Economic Cycles



Source: IBGE, BCB, Itaú

Historically, **real estate prices posted positive real returns relative to the IPCA but have consistently underperformed the Selic rate**. According to Table 10, when comparing cumulative and annualized returns since the beginning of the series (2Q06), the IDAT-RE, Selic, and IPCA increased by 289%, 490%, and 180%, respectively. These figures correspond to average annual rates of 7.5% p.a., 9.9% p.a., and 5.6% p.a., respectively. This implies that real estate delivered average real gains close to 2% p.a., while the Selic rate generated real returns of 4.4% p.a.. More recently, since the COVID-19 crisis, real returns on real estate have been virtually zero, with average annual rates of 5.2% p.a. for the IDAT-RE, 9.3% p.a. for the Selic, and 5.7% p.a. for the IPCA.

Table 10: Comparison Between IDAT-RE, Selic, and IPCA

	cumulative ch. 2Q06 (%)	annual avg 2Q06 (%)	cumulative ch. 4Q19 (%)	annual avg 4Q19 (%)
IDAT-RE	289	7.5	35	5.2
SELIC	490	9.9	68	9.3
IPCA	180	5.6	38	5.7

Source: IBGE, BCB, Itaú

IDAT-RE: Upcoming Releases

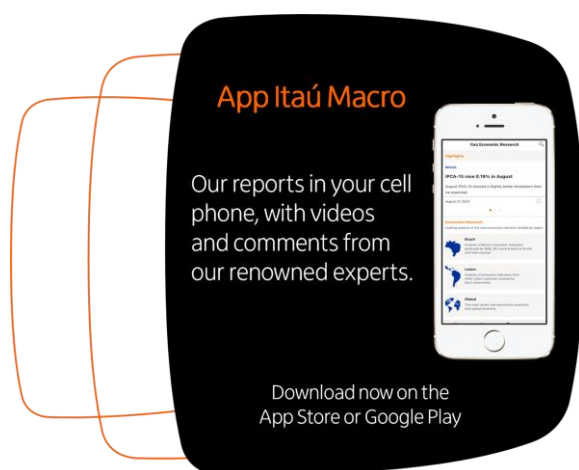
The IDAT-RE will be released monthly by the Macroeconomic Research team, by the fifth business day of each month, based on transaction price data referring to the penultimate available month.

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