Analysis of Housing Credit and Real Estate Market in Colombia - Special Financial Stability Reports - First Half of 2023

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The Special Financial Stability Reports accompany the publication of the Financial Stability Report and provide a more detailed analysis of some aspects and risks relevant to the stability of the Colombian financial system: market liquidity risk, market risk, credit risk, financial burden, loan portfolio, and housing market in Colombia, international indicators, concentration, and competition in the deposit and credit markets, corporate sector surveys, and financial inclusion.

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This Special Report analyzes the dynamics of Colombia’s housing market and mortgage credit with the purpose of identifying potential sources of risk that may affect economic and financial system stability. In particular, it examines the behavior of variables associated with the sector, its financing, supply and demand conditions, real estate prices, among others.

In a macroeconomic context characterized by high inflation and elevated interest rates, the results of this report suggest a slowdown in this market. On the one hand, a decline was observed in disbursements for housing acquisition, along with a decrease in the loan deepening indicator for this modality and a lower intention among consumers to purchase this type of property. Additionally, the number of available new housing units increased, while the number of units sold showed weaker dynamics. These developments contributed to a deceleration in prices.

From a financial stability standpoint, despite the lower level of activity in this market, the financial sector continues to exhibit sound figures in credit risk indicators for both housing loans and builder financing.

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Fuente: https://www.banrep.gov.co/en/publications-research/special-financial-stability-report/housing-credit-real-estate-market-first-half-2023