

Return on Investment in Real Estate in Developing Countries: A Comparative Case Study of India, Brazil, and Vietnam

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Abstract

Real estate is one of the most important investment assets in developing economies because it combines financial return, physical security, social status, and long-term wealth preservation. Yet the return on investment, or ROI, from real estate is frequently misunderstood. Many investors measure success only through property price appreciation, while ignoring rental yield, ownership costs, taxes, vacancy risk, financing costs, liquidity constraints, legal transparency, and macroeconomic instability. This paper examines real estate ROI in developing countries through a comparative case study of India, Brazil, and Vietnam. These countries were selected because they represent three different developing-market patterns: India is a large and diverse market shaped by rapid urbanisation, regulatory reform, and infrastructure-led appreciation; Brazil is a highly urbanised Latin American market affected by interest rates, income inequality, regional variation, and rental-yield opportunities; and Vietnam is a fast-growing Southeast Asian economy where manufacturing, foreign direct investment, urban migration, and legal restrictions influence property returns. The paper uses secondary data and policy analysis to compare capital appreciation, rental yield, regulation, infrastructure, affordability, taxation, and investor risk. It argues that real estate ROI in developing economies is not a simple outcome of rising property prices. Instead, it is produced by the interaction of economic growth, urban planning, household income, credit conditions, governance quality, legal rights, and location-specific demand. The study concludes that India offers scale and diversification, Brazil offers stronger rental-income potential in selected cities but higher macroeconomic risk, and Vietnam offers concentrated growth linked to industrialisation and foreign investment but greater legal complexity. For investors, the most realistic approach is to evaluate net ROI rather than headline appreciation, and to compare property markets at the city and micro-market level rather than treating national markets as uniform.

Keywords: real estate investment, return on investment, rental yield, capital appreciation, developing countries, India, Brazil, Vietnam, urbanisation, infrastructure, regulation

1. Introduction

Real estate has long been viewed as one of the most desirable forms of investment in developing countries. Unlike shares, bonds, or digital financial assets, property is tangible. It can be occupied, rented, inherited, mortgaged, renovated, or sold. For many families, especially in emerging economies, real estate is not merely an investment class; it is also a symbol of stability, status, security, and long-term wealth. Owning land or housing often represents a form of social achievement and intergenerational protection. This emotional and cultural meaning makes real estate especially powerful in countries where financial markets may be volatile, trust in institutions may be uneven, and household savings are often directed toward physical assets.

The investment appeal of real estate comes from two main sources of return: capital appreciation and rental income. Capital appreciation refers to the increase in a property's market value over time. Rental income refers to recurring cash flow earned by leasing the property to tenants. In developing economies, both forms of return can appear attractive. Cities are expanding, infrastructure is improving, populations are urbanising, and middle-class households are seeking better housing. New metro systems, airports, expressways, industrial corridors, office districts, and logistics hubs can transform the value of nearby land. Similarly, migration from villages and smaller towns to large cities creates demand for both owned and rented housing.

However, real estate investment is often discussed in overly simple terms. Investors may say that property prices have risen in a particular city or that land is always a safe investment. Such statements ignore the complexity of actual return. A property may appreciate in price but still produce weak net ROI after stamp duty, registration charges, brokerage, maintenance, property tax, loan interest, insurance, vacancy loss, and capital gains tax are deducted. Similarly, a property may offer high rent but low appreciation if the surrounding market is oversupplied or economically weak. A high-growth city may still be risky if legal title is unclear, construction is delayed, or infrastructure announcements do not translate into completed projects.

This paper studies the return on investment in real estate in developing countries through a comparative case study of India, Brazil, and Vietnam. These countries are useful for comparison because all three are developing or emerging economies with significant property markets, but each represents a different model of real estate growth. India is still urbanising and has enormous

internal diversity across cities such as Mumbai, Delhi NCR, Bengaluru, Hyderabad, Pune, Chennai, Ahmedabad, and Kolkata. Brazil, by contrast, is already highly urbanised, with demand concentrated in metropolitan areas such as Sao Paulo, Rio de Janeiro, Brasilia, Belo Horizonte, Curitiba, and coastal markets. Vietnam is a rapidly growing manufacturing and export hub where urbanisation, foreign direct investment, tourism, and industrial parks are reshaping housing and commercial property demand.

The purpose of this paper is not to identify a single “best” country for real estate investment. Instead, it aims to show that ROI depends on a combination of financial, legal, social, and urban factors. A developing country may offer strong price growth but weak rental yields. Another may offer higher yields but greater interest-rate risk. A third may attract foreign investors but restrict ownership rights or land use. Therefore, the correct comparison must move beyond headline price growth and examine net ROI, affordability, regulation, infrastructure quality, liquidity, and risk.

The paper proceeds in ten sections. After the introduction, it defines the research problem, objectives, and research questions. It then explains key concepts such as ROI, rental yield, capital appreciation, and net ROI. The literature review examines real estate as an investment asset, urbanisation, infrastructure, regulation, and developing-market risk. The methodology explains the comparative case study approach and the use of secondary data. The three case-study sections then analyse India, Brazil, and Vietnam. The discussion compares the countries and interprets the findings. The conclusion summarises the main argument: developing-country real estate can be profitable, but only when investors evaluate return through a realistic net-ROI framework rather than through price appreciation alone.

2. Research Problem, Objectives, and Questions

The central research problem is that real estate ROI in developing countries is often misunderstood. Many investors treat real estate as a permanently safe asset because property is physical, land is limited, and urban populations are increasing. This belief is partly reasonable: property can preserve wealth and benefit from long-term urban growth. Yet it is also incomplete. Real estate returns can vary widely across cities, neighbourhoods, property types, legal systems, and economic cycles. A luxury apartment in Mumbai, a rental unit in Sao Paulo, and a

condominium in Ho Chi Minh City are all “real estate,” but their risk-return profiles may be completely different.

The misunderstanding arises because investors often focus on capital appreciation and ignore hidden costs. For example, a property purchased for 10 million units of local currency and sold later for 12 million appears to have produced a 20 percent gain. However, if the investor paid taxes, brokerage, maintenance, interest, legal fees, vacancy costs, and capital gains tax, the actual return may be far lower. If inflation is high, the real return may be lower still. If the investor used borrowed money, rising interest rates can reduce or even eliminate profitability. If the property cannot be sold quickly, liquidity risk also reduces the practical value of the investment.

The research objective is to develop a more complete understanding of real estate ROI in developing economies. Specifically, the paper aims to compare how urbanisation, infrastructure, rental yield, regulation, interest rates, affordability, foreign ownership rules, taxation, and liquidity affect real estate returns in India, Brazil, and Vietnam. A second objective is to show why national-level comparisons are insufficient. Real estate is highly local. Within India, Gurugram and Bengaluru may behave differently from Mumbai or Hyderabad. Within Brazil, Sao Paulo may offer different rental yields from Rio de Janeiro or Fortaleza. Within Vietnam, Ho Chi Minh City, Hanoi, Da Nang, and industrial provinces may produce different returns because they serve different economic functions.

The paper is guided by the following research questions:

1. What are the main factors that determine real estate ROI in developing countries?
2. How do India, Brazil, and Vietnam differ in terms of urbanisation, rental yield, capital appreciation, regulation, and investor risk?
3. Why is net ROI a more realistic measure than simple price appreciation when comparing real estate investment across developing markets?
4. How do infrastructure development, employment growth, and foreign investment affect property returns?
5. What risks should investors consider before treating real estate as a safe investment in emerging economies?

The working hypothesis is that real estate ROI in developing countries is shaped by the interaction of market growth and institutional quality. Strong urban demand and infrastructure

can increase returns, but weak regulation, high borrowing costs, low affordability, unclear ownership rights, and poor liquidity can reduce them. Therefore, a country with high growth may not automatically produce high investor returns, while a more mature market may still be attractive if rental demand and legal clarity are strong.

3. Key Concepts

3.1 Return on Investment

Return on Investment, commonly called ROI, is a financial measure used to evaluate how much profit an investment generates relative to its cost. In real estate, ROI helps investors understand whether buying, holding, renting, and selling a property has produced an acceptable return. It is usually expressed as a percentage. The basic formula is:

$$\text{ROI} = [(\text{Total Gain from Investment} - \text{Total Cost of Investment}) / \text{Total Cost of Investment}] \times 100$$

If an investor buys a property for Rs. 50,00,000 and earns a total gain of Rs. 60,00,000 through resale and rental income, the simple ROI is 20 percent. However, this formula is only a starting point. Real estate is not a frictionless investment. The total cost is not just the purchase price, and the total gain is not just the resale price. Investors must include transaction costs, financing costs, taxes, maintenance, vacancy, and time. A property that appears profitable in simple ROI terms may produce a much weaker return after costs.

3.2 Rental Yield

Rental yield measures the annual rental income generated by a property as a percentage of its market value. It is especially important for investors seeking regular cash flow. The gross rental-yield formula is:

$$\text{Gross Rental Yield} = (\text{Annual Rent} / \text{Property Value}) \times 100$$

For example, if a property valued at Rs. 80,00,000 generates Rs. 3,20,000 in annual rent, the gross rental yield is 4 percent. Gross rental yield is useful for initial comparison, but it is

incomplete because it does not deduct maintenance, vacancy, property tax, insurance, management costs, repairs, or income tax. Net rental yield is more realistic because it measures rental income after costs.

Rental yield can vary significantly across developing countries. In expensive cities, property prices may rise much faster than rents, causing yields to fall. This is common in prime areas where buyers expect long-term appreciation and accept low current income. In other markets, rents may be high relative to property prices, giving investors stronger annual cash flow. Brazil, for example, may offer stronger gross rental yields in selected cities than many Indian metro markets, but the net return still depends on interest rates, taxes, condominium fees, and vacancy.

3.3 Capital Appreciation

Capital appreciation refers to the increase in a property's value over time. It is one of the main reasons investors buy real estate in developing countries. Appreciation can occur when demand rises, infrastructure improves, employment grows, land becomes scarce, or an area becomes more attractive to residents and businesses. A property purchased for Rs. 70,00,000 and later valued at Rs. 90,00,000 has appreciated by Rs. 20,00,000.

Capital appreciation is powerful but uncertain. It is often unrealised until the property is sold. It can also be speculative if prices rise faster than income, rent, or actual end-user demand.

Infrastructure announcements may increase prices before the project is completed, but if the project is delayed or poorly executed, expected appreciation may not occur. Appreciation can also be reduced by oversupply, weak economic growth, legal disputes, poor construction quality, environmental risk, or changes in interest rates.

3.4 Net ROI

Net ROI is the most important concept for realistic real estate analysis. It measures actual return after deducting the major costs of buying, owning, financing, renting, and selling property. A simplified version can be written as:

$$\text{Net ROI} = [(\text{Sale Price} + \text{Rental Income} - \text{Purchase Price} - \text{Transaction Costs} - \text{Ownership Costs} - \text{Financing Costs} - \text{Taxes} - \text{Vacancy Loss}) / \text{Total Investment Cost}] \times 100$$

Net ROI matters because developing-country real estate often has high transaction costs and market frictions. Stamp duty, registration fees, brokerage, legal fees, developer charges, maintenance deposits, condominium fees, property tax, loan interest, and capital gains tax can significantly reduce returns. Vacancy can also reduce cash flow, especially in markets where tenants are difficult to find or where supply exceeds demand. In some cases, investors may face legal costs or delays in obtaining possession.

Net ROI also requires adjustment for inflation and currency risk. A nominal property-price increase may appear attractive, but if inflation is high, the real return may be modest. For foreign investors, exchange-rate depreciation can reduce returns when rental income or resale proceeds are converted into another currency. This is especially relevant in Brazil, where currency movements can affect foreign investors, and in Vietnam, where legal restrictions affect foreign ownership and liquidity.

3.5 Liquidity and Risk

Liquidity refers to how quickly an asset can be sold without a major loss in value. Real estate is generally less liquid than stocks, bonds, or mutual funds. Selling property can take months or even years, especially in high-value or oversupplied markets. This creates risk because investors may not be able to access cash when needed. In downturns, they may have to sell at a discount.

Risk in real estate includes legal risk, market risk, financing risk, construction risk, vacancy risk, regulatory risk, and macroeconomic risk. In developing countries, legal and regulatory risk can be especially important. Investors may face unclear land titles, delayed approvals, restrictions on foreign ownership, weak dispute resolution, or inconsistent enforcement of rules. These risks must be included in any serious ROI analysis.

4. Literature Review

4.1 Real Estate as an Investment Asset

Real estate is widely considered an important investment asset because it provides both financial and non-financial benefits. It is tangible, durable, and often capable of generating income. Unlike shares, which represent ownership in a company, property provides a physical claim over land, housing, or built space. This physical character gives real estate a sense of security, especially in developing economies where financial markets may be less accessible or less trusted.

Real estate is also often viewed as an inflation hedge. When inflation rises, construction costs, land prices, and rents may rise as well, allowing property values and income to adjust over time. However, the literature suggests that real estate does not automatically protect investors from inflation. Its performance depends on the type of property, lease structure, financing costs, market demand, and broader economic stability (Muckenhaupt et al., 2025). If interest rates rise sharply in response to inflation, mortgage costs may increase and reduce affordability. Therefore, the inflation-hedging function of real estate is conditional rather than guaranteed.

In developing countries, real estate also has social and cultural value. Property ownership is associated with security, respectability, family stability, and upward mobility. This social value can increase demand even when rental yields are moderate. Households may buy property not only for cash flow but also to preserve wealth, support children, or signal financial success. This explains why real estate can remain attractive even when other asset classes offer higher short-term returns.

4.2 Urbanisation and Housing Demand

Urbanisation is one of the strongest drivers of real estate demand in developing economies. As people move from rural areas to cities, they need housing, transport, schools, hospitals, offices, retail spaces, and public services. The United Nations has projected continued growth in the global urban population, with much of this growth concentrated in developing regions (UN DESA, 2019). For real estate investors, urbanisation matters because it increases the demand for land and built space.

However, urbanisation does not automatically produce high ROI. The relationship depends on the balance between demand, supply, affordability, and infrastructure. If many people move to a city but formal housing is unaffordable, demand may shift toward informal settlements or low-cost rentals rather than investable housing. If developers overbuild luxury apartments while middle-income demand is underserved, prices may stagnate in certain segments. If transport infrastructure is weak, peripheral areas may fail to appreciate despite population growth.

UN-Habitat has emphasised the continuing need for adequate and affordable housing. This is crucial for developing economies because the strongest long-term housing demand may come from ordinary households rather than only luxury buyers. A property market that becomes too

expensive relative to income may produce impressive headline prices but weak end-user demand. Therefore, sustainable ROI depends on affordability as well as growth.

4.3 Infrastructure and Property Values

Infrastructure is one of the clearest links between public policy and real estate returns. Roads, rail systems, metro lines, airports, ports, bridges, industrial corridors, and public utilities can raise land values by improving accessibility and reducing transaction costs. Transit-oriented development research shows that transport infrastructure can raise property values near stations and corridors, especially when it connects residential areas to employment centres (Suzuki et al., 2015). A meta-analysis by Mohammad et al. (2013) similarly finds that rail projects can influence land and property values through improved accessibility.

In developing countries, infrastructure can produce dramatic changes because many urban areas are still expanding. A new metro line can turn a peripheral neighbourhood into a viable commuting location. An expressway can connect a suburb to a business district. An airport can increase demand for hotels, warehouses, offices, and high-income housing. Industrial corridors can create worker housing demand and logistics demand. This creates opportunities for capital appreciation.

Yet infrastructure-led ROI also carries risk. Investors may buy early based on project announcements, but if the project is delayed, cancelled, underused, or poorly connected to employment, expected appreciation may not occur. In speculative markets, prices can rise before infrastructure is completed, leaving later buyers exposed to correction. Therefore, investors must distinguish between completed infrastructure, funded infrastructure, and merely announced infrastructure.

4.4 Regulation, Transparency, and Property Rights

Real estate markets require legal clarity. Property transactions depend on ownership records, land-use rights, registration systems, zoning rules, building approvals, contracts, taxes, and dispute resolution. The World Bank has argued that secure and transferable property rights improve investment incentives because they allow land and property to be bought, sold, rented, and mortgaged more efficiently (World Bank, 2014). Weak property rights, unclear land records, or slow dispute resolution can reduce investor confidence and liquidity.

Regulation can improve ROI by reducing fraud and uncertainty. India's Real Estate (Regulation and Development) Act, 2016, for example, was designed to improve transparency, require project registration, protect homebuyers, and increase developer accountability (Government of India, 2016). Such reforms can make buyers more confident and reduce information asymmetry. However, regulation can also create compliance costs and delays. The question is not whether regulation exists, but whether it is transparent, enforceable, and predictable.

Transparency is especially important for foreign investors. In Vietnam, foreign ownership is allowed under specific conditions, but land is ultimately owned by the state and investors hold land-use rights. In Brazil, foreigners can generally buy urban property, but rural land and border-area restrictions may apply. These differences show that real estate ROI is affected by legal structure, not only by market demand.

4.5 Risks in Developing Real Estate Markets

Developing real estate markets offer growth potential, but they also carry several risks. Project delay is one of the most common. Under-construction purchases may promise appreciation, but delayed possession postpones rental income, increases financing costs, and can reduce trust. Delays may arise from financing problems, approval issues, land disputes, litigation, or poor developer execution.

A second risk is unclear title or land administration. In markets where land records are incomplete or overlapping, ownership disputes can arise. Legal uncertainty reduces resale value and increases due-diligence costs. A third risk is low liquidity. Real estate cannot usually be sold quickly, and downturns can make resale difficult. This is particularly important for investors who may need cash or who underestimate the time required to exit.

Speculative bubbles are another risk. When property prices rise faster than incomes, rents, and real demand, the market may become overvalued. Li et al. (2021) show that real estate bubbles are closely connected to exuberance and risk because real estate is linked to credit, banking, construction, and household wealth. Developing countries can be vulnerable to speculation when investors expect continuous appreciation and ignore affordability. Finally, macroeconomic risk can reduce ROI through inflation, currency depreciation, high interest rates, or recession. Brazil is a strong example of the role of interest rates, while Vietnam illustrates the risks of rapid price growth and legal complexity.

5. Methodology

Indicator	India	Brazil	Vietnam	ROI relevance
Urbanisation stage	Still urbanising; large absolute demand	Highly urbanised; mature metro demand	Rapid urban transition	Shapes housing demand and location strategy
Main return source	Capital appreciation plus moderate rent	Rental income in selected cities plus appreciation	Appreciation in urban/industrial corridors	Determines whether cash flow or resale drives ROI
Regulatory feature	RERA and state implementation	Formal registry; rural/border restrictions	State land ownership; land-use rights	Affects title clarity, liquidity, and investor confidence
Major risk	Affordability, project delays, high transaction costs	Interest rates, currency risk, inequality	Foreign ownership caps, approval delays, speculation	Reduces net ROI after costs and uncertainty

Table 1. Comparative indicators used in the study

This paper uses a comparative case study method to analyse real estate ROI in India, Brazil, and Vietnam. The case study method is appropriate because real estate returns cannot be understood only through formulas. They are shaped by economic growth, urbanisation, law, policy, infrastructure, household income, credit conditions, and investor behaviour. Yin (2018) argues that case study research is useful when a real-world phenomenon must be understood within its social and institutional context. Real estate ROI is exactly such a phenomenon: it is financial, but it is also legal, spatial, cultural, and political.

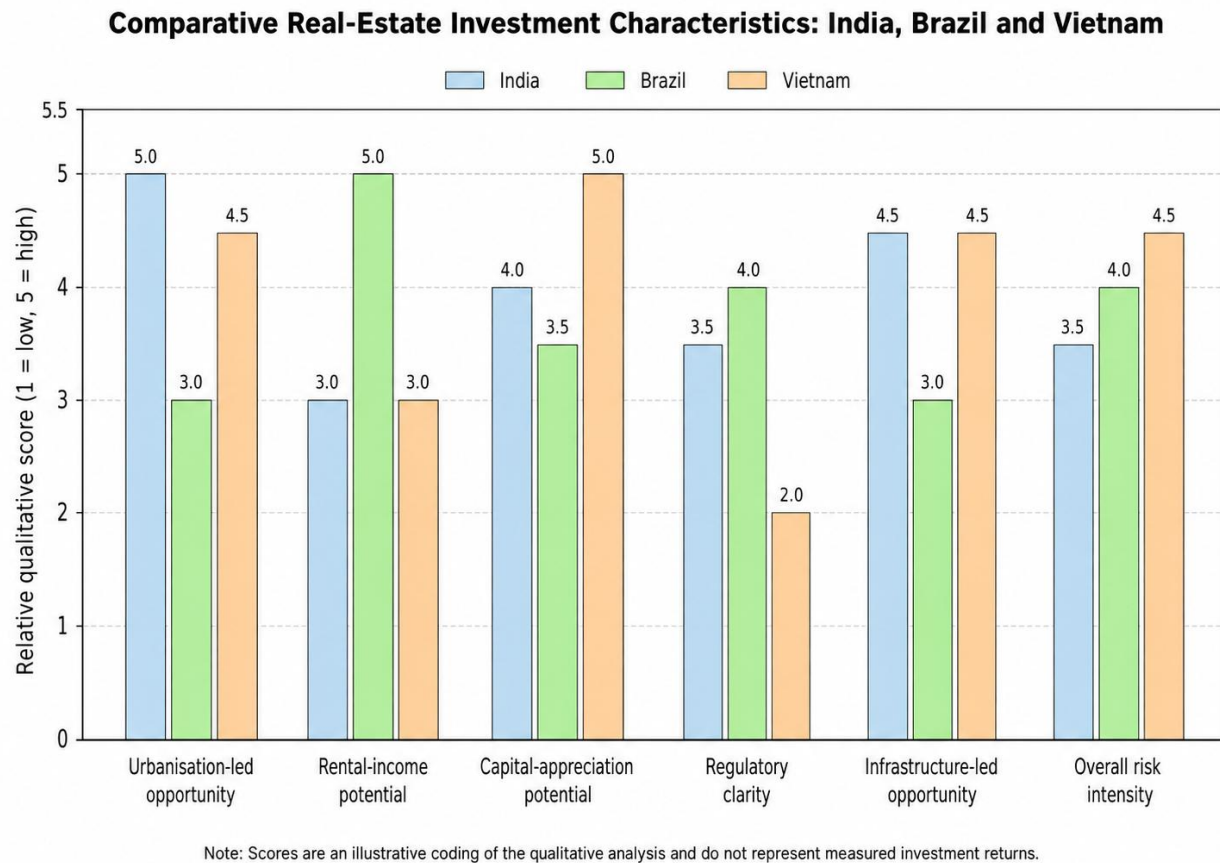
The research relies on secondary data and qualitative policy analysis. Secondary data includes indicators and reported market figures on urbanisation, housing price growth, rental yield, interest rates, GDP growth, and foreign investment. Qualitative analysis examines regulation, foreign ownership rules, infrastructure development, affordability, and market risks. This mixed approach is necessary because numerical return data alone cannot explain why investors face different outcomes. For example, two countries may show similar housing-price growth, but the

country with lower transaction costs, stronger title security, and higher rental demand may offer better net ROI.

India, Brazil, and Vietnam were selected because they represent distinct developing-market contexts. India has a very large and diverse real estate sector with ongoing urbanisation and regulatory reform. Brazil is already highly urbanised and has a mature metropolitan property market, but macroeconomic conditions, especially interest rates and currency risk, strongly affect returns. Vietnam is a high-growth economy where industrialisation, foreign direct investment, and urban migration support property demand, but ownership restrictions and legal structures affect investor confidence.

The analysis compares the countries across eight dimensions: urbanisation, residential price growth, rental yield, infrastructure development, regulation and transparency, interest rates and mortgage access, affordability, and investor risk. The paper distinguishes between gross ROI and net ROI. Gross ROI refers to broad gains from rent and price appreciation before expenses. Net ROI includes taxes, transaction costs, financing costs, maintenance, vacancy, and liquidity constraints.

The study has limitations. First, real estate data is not collected uniformly across countries. Official data, consultancy reports, and market estimates may use different definitions, time periods, and city samples. Second, national averages can hide large city-level variation. Third, real estate markets change quickly, and figures from 2025 or 2026 may not remain valid in later years. Fourth, this paper does not conduct primary surveys of investors, developers, or tenants. Despite these limitations, the comparative method is useful because it identifies broad patterns and shows why real estate ROI in developing economies must be interpreted contextually.



Graph 1: Comparative Real-Estate Investment Characteristics: India, Brazil and Vietnam

6. Case Study One: India

6.1 Overview of India's Real Estate Market

India has one of the largest and most dynamic real estate markets in the developing world. Demand is concentrated in major urban regions such as Mumbai, Delhi NCR, Bengaluru, Hyderabad, Pune, Chennai, Ahmedabad, and Kolkata. These cities attract investment because they combine employment opportunities, population growth, infrastructure expansion, and rising middle-class housing demand. The sector includes residential housing, commercial offices, retail space, warehousing, logistics parks, industrial corridors, and mixed-use developments.

India's real estate market is closely connected to urbanisation. The country's urban population share was about 36.87 percent in 2024, according to World Bank data cited in the source material. This is lower than Brazil's urbanisation level, but the absolute size of India's

population means that even small percentage increases create massive demand. As more people move to cities for education, work, healthcare, and lifestyle opportunities, demand increases for both ownership housing and rental housing.

India's housing market has also become more segmented. Premium and luxury housing have performed strongly in major cities, while affordability has become a concern for middle-income and first-time buyers. JLL reported, according to the draft material, that residential sales across India's top seven cities rose 8 percent year-on-year in Q1 2026 to 70,631 units, while new launches increased 13 percent to 90,023 units. The same material notes a shift toward premium housing, with homes priced above INR 10 million forming a larger share of sales. This suggests that Indian real estate ROI is increasingly driven by high-income buyers, established developers, and prime urban locations.

6.2 Drivers of ROI in India

Urbanisation is the first major driver of ROI. India is still in the process of urban transition, which means future demand for housing remains significant. Cities such as Bengaluru, Hyderabad, Pune, and Gurugram attract professionals from across the country because of IT, finance, consulting, start-ups, manufacturing, and global capability centres. Migrants require rental housing before becoming buyers, which supports both rental demand and eventual ownership demand.

Employment hubs are the second major driver. Properties near business districts, IT parks, financial centres, industrial zones, universities, hospitals, and metro corridors often command higher rents and stronger resale values. Bengaluru's demand is linked to technology employment, Hyderabad's to HITEC City and the Financial District, Pune's to IT, education, manufacturing, and automobiles, and Delhi NCR's to multiple employment nodes such as Gurugram, Noida, and Greater Noida. The closer a property is to durable employment, the more likely it is to retain rental demand and resale liquidity.

Infrastructure is the third driver. Metro systems, expressways, airports, highways, industrial corridors, and business districts can improve accessibility and raise property values. In India, infrastructure-linked appreciation is visible around locations such as the Dwarka Expressway, Noida-Greater Noida Expressway, Bengaluru metro corridors, Hyderabad's western corridor, Pune's Hinjewadi-Wakad belt, and airport-linked zones around major cities. Infrastructure can

convert peripheral areas into investable real estate markets, but only when projects are completed and supported by actual economic activity.

A fourth driver is the cultural preference for property ownership. Indian households often view real estate as a safe and respectable store of wealth. Property ownership carries social meaning and is frequently seen as a family asset. This cultural demand supports real estate even when rental yields are moderate. Investors may accept lower rental income because they expect long-term appreciation and intergenerational security.

6.3 Rental Yield in India

Rental yield in India is usually moderate. The source material reports an average gross rental yield of around 5.09 percent nationally, with Delhi and Kolkata showing relatively higher estimated yields and Mumbai showing lower yields because purchase prices are extremely high compared with rent. This means that investors in Indian metros often depend more on capital appreciation than on rental income.

Mumbai illustrates the challenge. It is one of India's most valuable property markets, but its rental yield can be low because property prices are so high. Bengaluru and Hyderabad may offer a better balance between rental income and appreciation because they have strong tenant demand from technology professionals, start-up employees, students, and corporate workers. Pune also benefits from IT, education, manufacturing, and migrant professionals.

For investors, the key lesson is that gross yield must be converted into net yield. Maintenance charges, property tax, brokerage, furnishing, vacancy, repairs, and income tax reduce the actual rental return. If a property is financed through a loan, interest costs can reduce net ROI further. Therefore, a 4 to 5 percent gross yield may translate into a much lower net return.

6.4 Capital Appreciation in India

Capital appreciation is often the main source of ROI in Indian real estate. The source material cites National Housing Bank RESIDEX data showing that India's 50-city composite housing price index increased 5.0 percent year-on-year in Q3 FY 2025-26. However, the same material shows that appreciation is uneven. Gurugram and Bengaluru recorded much stronger annual appreciation than Mumbai, Pune, or Hyderabad in the cited period. This demonstrates that investors cannot treat India as one single market.

Capital appreciation is strongest in areas with infrastructure growth, employment concentration, land scarcity, and improving connectivity. In established cities, appreciation may be steadier but entry prices are high. In emerging corridors, appreciation may be stronger but risk is also higher. Tier-2 cities such as Ahmedabad, Jaipur, Indore, Surat, Coimbatore, Lucknow, Kochi, and Chandigarh-region markets may offer lower entry prices and future growth potential, but liquidity and rental demand may be weaker than in major job hubs.

6.5 Regulation and Risk in India

India's real estate sector has historically faced issues such as delayed projects, weak buyer protection, unclear disclosure, and uneven developer accountability. The Real Estate (Regulation and Development) Act, 2016, commonly known as RERA, was introduced to improve transparency, require project registration, protect homebuyers, and create state-level regulatory authorities. RERA has improved market confidence, especially for under-construction property, by requiring eligible projects to disclose approvals, timelines, and other details.

However, implementation varies across states. Stronger regulatory implementation can reduce risk and improve investor confidence, while weaker enforcement can leave buyers exposed to delays and disputes. Investors still need to check land title, RERA registration, developer track record, encumbrance certificates, occupation certificates, and approval status. Regulation reduces risk, but it does not eliminate the need for due diligence.

India's major investment risks include high property prices in metro cities, low affordability for first-time buyers, project delays, legal and title risks, low liquidity, high transaction costs, and speculative luxury supply. Stamp duty, registration charges, brokerage, loan interest, maintenance, and capital gains tax can reduce net ROI. Therefore, India's strength is not guaranteed return but scale, diversification, and long-term urban demand. The best Indian real estate investments are usually location-specific, employment-linked, legally clear, and supported by completed or credible infrastructure.

7. Case Study Two: Brazil

7.1 Overview of Brazil's Real Estate Market

Brazil has one of the largest and most urbanised real estate markets among developing countries. As the largest economy in Latin America, Brazil has a diverse property sector that includes

residential housing, luxury apartments, coastal homes, commercial offices, logistics spaces, industrial parks, and affordable housing projects. Demand is concentrated in major cities such as Sao Paulo, Rio de Janeiro, Brasilia, Belo Horizonte, Curitiba, Porto Alegre, Salvador, Recife, and Fortaleza.

Brazil differs from India because it is already highly urbanised. The source material cites World Bank data showing that 87.90 percent of Brazil's population lived in urban areas in 2024. This means that real estate demand is not driven mainly by new rural-to-urban migration, but by household formation, income growth, internal migration between cities, redevelopment, rental demand, and demand for better-quality housing. In large Brazilian cities, investors often focus on secure condominium developments, well-located rental apartments, and properties close to employment centres.

Brazil's residential real estate market has shown positive price growth in recent years. The source material cites Global Property Guide reporting that Brazil's FIPEZAP house price index increased by 5.62 percent year-on-year in Q1 2026, following higher growth in earlier quarters. This suggests continued appreciation but a moderating pace. Brazil therefore provides a useful case for studying a developing economy with high urbanisation, rental-income potential in some cities, and significant macroeconomic risk.

7.2 Drivers of ROI in Brazil

The first driver of ROI in Brazil is urban concentration. Since most Brazilians already live in cities, the strongest real estate demand is concentrated in metropolitan areas. Sao Paulo is especially important because it is Brazil's business and financial capital. It attracts corporate workers, finance professionals, consultants, students, healthcare demand, and international employees. Rio de Janeiro combines tourism, services, energy, coastal housing, and lifestyle demand. Brasilia benefits from government employment and planned-city characteristics.

A second driver is rental demand. In mature urban markets, rental income can be a larger part of ROI than in markets where investors rely mainly on appreciation. The source material reports that Sao Paulo had an average gross rental yield of around 7.69 percent in Q1 2026, while Rio de Janeiro had a lower average of around 4.14 percent. This suggests that parts of Brazil may offer stronger income return than many Indian metros. However, the income must be evaluated after condominium fees, taxes, maintenance, vacancy, and financing costs.

A third driver is Brazil's diversified economy. Agriculture, mining, energy, manufacturing, finance, logistics, tourism, and services all influence property demand. Industrial and logistics regions can create demand for warehouses, worker housing, and commercial property. Coastal and tourism markets can create demand for short-term rentals and lifestyle property. This diversification creates opportunity, but it also means investors must understand regional economic drivers.

A fourth driver is foreign and institutional interest. Foreign investors can generally buy urban property in Brazil, although rural and border-area restrictions apply. International interest can support demand in prime urban, coastal, commercial, and hospitality-linked markets. However, foreign investors face currency risk because returns are earned in Brazilian reais and may weaken when converted into foreign currency if the real depreciates.

7.3 Rental Yield in Brazil

Rental yield is one of Brazil's relative strengths. The source material reports that Sao Paulo apartments offered yields ranging from 4.73 percent to 9.45 percent in Q1 2026, with an average of 7.69 percent. Rio de Janeiro's average was lower, around 4.14 percent, while other markets such as Fortaleza and Guarapari varied. These figures suggest that Brazil can be attractive for income-focused investors, particularly in business-heavy markets.

However, gross rental yield should not be mistaken for final return. Brazilian investors must consider condominium charges, property tax, income tax, legal costs, repairs, insurance, vacancy, and management fees. High interest rates are especially important. If a property is financed with debt, borrowing costs can reduce or eliminate the advantage of higher rental yield. If fixed-income investments offer high returns because interest rates are elevated, real estate must offer a risk premium to remain attractive.

Rental demand also depends on tenant profile. Sao Paulo's corporate and professional base may provide more stable long-term rental demand. Rio de Janeiro and coastal cities may benefit from tourism and short-term rentals, but this demand can be seasonal and sensitive to safety concerns, economic cycles, and exchange rates. Therefore, Brazil's rental-yield advantage is real but uneven.

7.4 Capital Appreciation in Brazil

Capital appreciation in Brazil has remained positive but moderated from earlier periods. The source material reports FIPEZAP growth of 5.62 percent year-on-year in Q1 2026, compared with higher growth in Q1 2025. This indicates that the market is still rising but may be slowing. For investors, this means Brazil may be more attractive as a combined yield-and-appreciation market than as a pure appreciation market.

Capital appreciation is strongest in areas with employment growth, strong rental demand, limited land supply, infrastructure improvement, or lifestyle appeal. Sao Paulo's business districts and well-connected neighbourhoods may offer steady appreciation. Rio de Janeiro's prime coastal areas may appreciate when tourism and high-income demand are strong. Brasilia may offer stability because of government employment. Industrial and logistics corridors may appreciate when connected to export, port, or manufacturing activity.

Brazilian appreciation must also be measured against inflation and currency movement. If nominal property prices rise but inflation is high, real returns may be modest. For foreign investors, exchange-rate depreciation can reduce returns even when local-currency prices rise. Therefore, Brazil's capital appreciation should be evaluated in both local-currency and real-return terms.

7.5 Regulation and Risk in Brazil

Brazil has a formal property registration system. Ownership and legal information are recorded through a property record known as the matricula. This system supports title clarity and resale confidence, although investors must still verify debts, liens, tax obligations, zoning rules, seller authority, and condominium obligations. Foreigners can generally buy urban real estate, but rural land and border-zone acquisitions are restricted.

Brazil's main risks are macroeconomic. High interest rates increase mortgage costs and reduce affordability. The source material notes that the Selic target rate was set at 14.25 percent from June 2026. High rates can make mortgages expensive and make fixed-income investments more attractive relative to property. This can reduce housing demand or require property investors to accept lower prices.

Other risks include affordability pressure, currency risk, regional inequality, legal due diligence risk, speculative price growth, low liquidity, transaction costs, and condominium expenses.

Brazil's strongest real estate opportunities are therefore likely to be in well-located urban markets with strong rental demand, legal clarity, and realistic pricing. The country offers income potential, but investors must be disciplined about financing costs and macroeconomic volatility.

8. Case Study Three: Vietnam

8.1 Overview of Vietnam's Real Estate Market

Vietnam has become one of Southeast Asia's most closely watched real estate markets. Demand is concentrated in Ho Chi Minh City, Hanoi, Da Nang, and industrial provinces such as Binh Duong, Dong Nai, Bac Ninh, Hai Phong, Long An, and Hung Yen. Unlike Brazil, Vietnam is still in the middle of a rapid urban transition. The source material cites World Bank data showing that about 40.2 percent of Vietnam's population lived in urban areas in 2024. This means that the country has substantial room for future city growth.

Vietnam's real estate sector has benefited from manufacturing, export growth, foreign direct investment, industrial parks, logistics development, tourism, and rising middle-class demand. The country has become an important manufacturing and supply-chain hub in Asia. As foreign companies build factories, offices, and logistics facilities, workers and professionals need housing. This creates demand for apartments, rental units, serviced residences, retail spaces, warehouses, and industrial land.

Vietnam's economic growth has also supported property demand. The source material cites the World Bank reporting that Vietnam's GDP growth accelerated to 8 percent in 2025 and was projected at 6.8 percent in 2026. Strong economic growth supports employment, incomes, investment, and credit demand. However, rapid growth also creates risks: prices may rise faster than household income, legal approvals may become bottlenecks, and speculative demand may increase.

8.2 Drivers of ROI in Vietnam

Urbanisation is the first major driver of ROI in Vietnam. As workers move from rural areas to cities, demand increases for rental housing, apartments, schools, hospitals, retail, and transport. Because Vietnam's urban share remains much lower than Brazil's, future urbanisation can continue to support long-term housing demand. The rise of the middle class also increases

demand for higher-quality apartments, gated communities, planned townships, and homes near employment and amenities.

Manufacturing and export-led growth are the second driver. Vietnam's industrial parks and manufacturing hubs create demand for worker housing, logistics facilities, warehouses, and commercial services. Foreign direct investment supports this process. The source material notes that Vietnam's FDI inflows exceeded USD 38 billion in 2025, with manufacturing and processing attracting the largest share of newly registered capital and real estate also receiving significant investment. FDI creates a multiplier effect: factories attract workers, managers, suppliers, schools, retail, and housing.

Infrastructure is the third driver. Metro lines, ring roads, airports, bridges, ports, and expressways can improve accessibility and raise nearby land values. In Ho Chi Minh City, metro development and ring roads may support suburban growth. In Hanoi, transport and urban expansion can support new residential districts and satellite cities. In industrial regions, infrastructure improves logistics and strengthens industrial real estate demand.

Tourism and expatriate demand are also important. Da Nang, Nha Trang, Phu Quoc, and coastal areas can attract hospitality investment, short-term rentals, and lifestyle buyers. Ho Chi Minh City attracts business professionals and expatriates, while Hanoi attracts diplomats, international organisations, and government-linked professionals. This supports demand for serviced apartments and international-standard condominiums.

8.3 Rental Yield in Vietnam

Rental yields in Vietnam are moderate. The source material reports an average gross rental yield of 3.85 percent in Q3 2025, with Ho Chi Minh City averaging 4.16 percent and Hanoi averaging 3.54 percent. This suggests that rental income contributes to ROI, but investors often rely heavily on capital appreciation. Ho Chi Minh City's stronger yield reflects commercial activity, expatriate demand, and business-linked rental demand.

As in India and Brazil, gross yield must be adjusted for costs. Investors must consider maintenance, management fees, vacancy, taxation, furnishing, legal fees, and possible restrictions on foreign ownership. Yields may be higher in specific districts or property types, especially serviced apartments or units popular with expatriates, but national or city averages can hide large variation.

Rental demand is strongest where employment and international activity are concentrated. In Ho Chi Minh City, districts connected to business activity and expatriate communities may perform better. In Hanoi, diplomatic and government-linked areas may attract stable tenants. Industrial provinces may create worker housing demand, but rental rates may be lower and depend on factory employment patterns.

8.4 Capital Appreciation in Vietnam

Capital appreciation has been a major reason investors are interested in Vietnam. Strong GDP growth, FDI, urbanisation, limited supply in prime cities, and infrastructure development have supported price increases. Ho Chi Minh City and Hanoi have seen strong apartment demand, while industrial provinces have benefited from manufacturing and logistics investment.

However, rapid appreciation creates affordability risk. If apartment prices rise faster than household income, end-user demand may weaken and the market may become more speculative. The source material includes examples of rising apartment prices in major cities, suggesting that supply constraints and strong demand have pushed values upward. While this can benefit early investors, it can also reduce future ROI if entry prices become too high.

Vietnam's appreciation story is therefore attractive but fragile. It depends on continued economic growth, infrastructure completion, legal clarity, credit access, and affordability. If supply bottlenecks persist, prices may rise but become inaccessible to ordinary buyers. If legal approvals slow down, project delays may reduce investor confidence. If speculation increases, prices may disconnect from rental income and incomes.

8.5 Regulation and Risk in Vietnam

Vietnam's legal framework is a central factor in real estate ROI. Land is ultimately owned by the state, while individuals and businesses hold land-use rights. Foreigners may own certain residential properties, but ownership is subject to caps, time limits, and legal conditions. Foreigners cannot freely own land in the same way they might own private freehold property in some other jurisdictions.

These rules affect ROI in several ways. First, they influence investor confidence because ownership rights are more complex. Second, they affect liquidity because foreign-owned units may be subject to quotas and resale conditions. Third, they create legal due-diligence

requirements. Investors must understand whether a project is eligible for foreign ownership, whether ownership certificates can be issued, and whether developer approvals are complete.

Vietnam's main risks include foreign ownership restrictions, land-use limitations, approval delays, supply bottlenecks, speculative price growth, currency risk, affordability pressure, and market transparency limitations. The country's strength is concentrated growth: strong FDI, manufacturing, industrial parks, urban migration, and infrastructure. Its weakness is legal complexity and the possibility that price growth outpaces income. Therefore, Vietnam may offer strong ROI in specific urban and industrial locations, but it requires careful legal and project-level due diligence.

9. Comparative Analysis and Discussion

Country	Main strengths	Main risks	Best-fit investor approach
India	Scale, diversified cities, infrastructure corridors, long-term housing demand	Affordability stress, project delay, low liquidity, transaction costs	City-specific and micro-market due diligence with focus on legal clarity
Brazil	Stronger rental-yield potential in selected cities, mature urban demand, formal registration	High interest rates, currency depreciation, regional inequality, financing risk	Income-focused investment in well-located rental markets with low leverage
Vietnam	FDI, manufacturing growth, urbanisation, industrial parks, infrastructure-led appreciation	Land-use complexity, foreign ownership caps, speculative price growth, approval delays	Growth-oriented investment with strong legal review and project-level diligence

Table 2. Summary comparison of ROI strengths and risks

The comparison of India, Brazil, and Vietnam shows that real estate ROI in developing countries is not uniform. Each country offers a different combination of growth, income, regulation, and risk. India's advantage is scale. It has many cities and micro-markets, allowing investors to diversify across residential, commercial, logistics, and infrastructure-linked locations. Brazil's advantage is rental-yield potential in selected mature cities, especially Sao Paulo, but it faces higher macroeconomic risk through interest rates and currency movement. Vietnam's advantage

is focused growth linked to manufacturing, FDI, urbanisation, and infrastructure, but it has stronger legal and ownership complexity.

9.1 Urbanisation Patterns

Urbanisation affects all three markets, but in different ways. India and Vietnam are still urbanising, which creates future demand for housing and urban infrastructure. India's urban share is lower than Brazil's but its population size makes the absolute demand enormous. Vietnam's urban share is also relatively low, but the country's manufacturing-led growth makes urbanisation closely connected to industrial employment. Brazil is already highly urbanised, so future demand depends less on rural-to-urban migration and more on income growth, redevelopment, household formation, rental demand, and improvements in housing quality. This difference matters for ROI. In India and Vietnam, investors may benefit from early entry into developing corridors if infrastructure and employment growth are real. In Brazil, investors may focus more on mature rental markets, secure condominiums, and prime urban neighbourhoods. The urbanisation stage shapes the type of return: emerging urbanisation may support capital appreciation, while mature urbanisation may support rental income and redevelopment.

9.2 Rental Yield and Capital Appreciation

India often offers moderate rental yields and stronger dependence on capital appreciation. Brazil may offer higher rental yields in selected cities, especially Sao Paulo, making income return more important. Vietnam offers moderate yields and strong appreciation potential in high-demand urban and industrial areas. Therefore, investors must ask whether the investment thesis depends on cash flow, resale appreciation, or a combination of both.

A high-appreciation strategy can be profitable but risky. It depends on future buyers being willing and able to pay higher prices. If affordability weakens, appreciation may slow. A rental-yield strategy can provide ongoing income, but only if tenant demand is stable and costs are controlled. In all three countries, gross rental yield must be converted into net yield after costs. This is especially important because maintenance, taxes, vacancy, and financing can reduce returns substantially.

9.3 Regulation and Legal Transparency

Regulation is a decisive difference among the three countries. India's RERA framework has improved buyer protection and transparency, but implementation varies across states. Brazil has a formal registration system and generally permits foreign ownership of urban property, but rural land and border areas face restrictions. Vietnam's system is more complex because land is state-owned and investors hold land-use rights, while foreign ownership of residential property is restricted by caps and time limits.

Legal transparency affects ROI by influencing confidence, liquidity, and transaction costs. A property with unclear title or restricted resale may appreciate on paper but be difficult to sell. A project with incomplete approvals may promise high returns but face delays. Therefore, investors must treat legal due diligence as part of ROI calculation, not as a separate administrative step.

9.4 Infrastructure and Location

Infrastructure is important in all three countries. In India, metro lines, expressways, airports, and industrial corridors can drive appreciation in emerging urban corridors. In Brazil, transport connectivity and urban redevelopment affect mature city neighbourhoods. In Vietnam, infrastructure connects urban growth with industrial parks, ports, airports, and manufacturing hubs. However, infrastructure creates ROI only when it improves actual access to jobs, services, and economic activity. Announcements alone can create speculation.

Location remains the most important real estate variable. National GDP growth does not guarantee profit in a poorly located property. A strong city does not guarantee every neighbourhood will appreciate. A high-yield building may still produce weak net return if maintenance costs and vacancy are high. Therefore, the comparison supports a micro-market approach: investors must evaluate city, neighbourhood, project, tenant profile, legal status, and exit liquidity.

9.5 Affordability and Sustainability of ROI

Affordability is a critical issue in all three countries. When property prices rise faster than incomes, demand becomes less sustainable. India's premium-housing shift may support returns for developers and investors in the luxury segment, but it raises questions about middle-income affordability. Brazil's high interest rates can reduce mortgage affordability and make property

less accessible. Vietnam's rapid price growth can push apartments beyond the reach of local households.

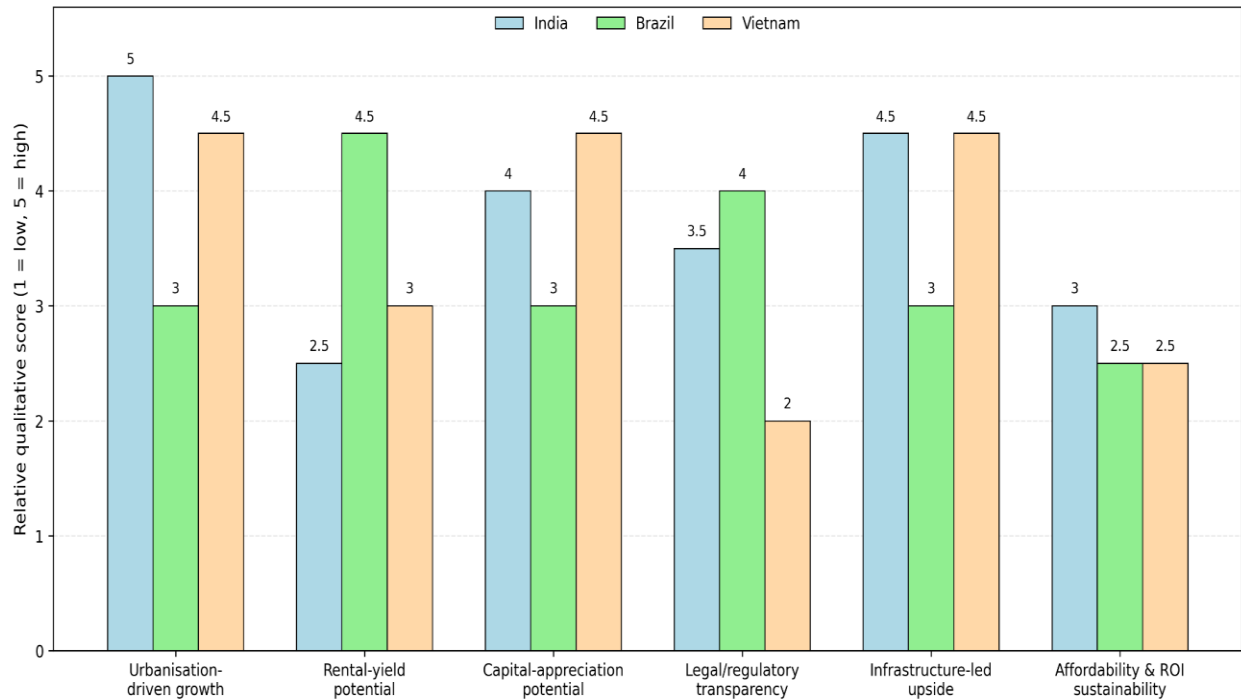
Sustainable ROI depends on end-user demand. Speculative investors can push prices upward for a time, but long-term stability requires buyers and tenants who can afford the property. If real estate becomes disconnected from income, rental yield falls, vacancies may rise, and resale becomes more difficult. Therefore, affordability is not only a social issue; it is an investment issue.

9.6 Net ROI as the Best Comparative Measure

The most important conclusion from the comparison is that net ROI is superior to headline price growth. A market with 8 percent price appreciation may be less profitable than a market with 5 percent appreciation if transaction costs, interest costs, taxes, and vacancy are higher in the first market. Similarly, a market with 7 percent gross rental yield may not offer strong net return if borrowing costs are very high.

Net ROI forces investors to include the full investment cycle: purchase price, transaction costs, loan terms, rental income, maintenance, vacancy, taxes, resale value, capital gains tax, inflation, and liquidity. It also forces investors to account for time. A delayed project reduces ROI because capital remains locked without income. A slow resale reduces ROI because the investor cannot exit efficiently. This comprehensive approach is especially important in developing markets, where legal and market frictions are often greater than in mature markets.

Comparative Real-Estate Investment Profile: India, Brazil and Vietnam



Note: Scores are an illustrative 1-5 coding of the qualitative discussion provided; they are not measured ROI percentages or investment forecasts.

Graph 2: Graph 2 compares the real-estate investment profiles of India, Brazil, and Vietnam across six major dimensions

10. Implications for Investors, Developers, and Policymakers

10.1 Investor Implications

The findings of this paper suggest that investors should avoid treating developing-country real estate as a single asset class. The correct question is not whether real estate in India, Brazil, or Vietnam is profitable in general, but whether a specific property in a specific location can generate a realistic net return after costs and risks. This requires investors to build a full investment model before purchase. The model should include purchase price, stamp duty or transfer tax, registration charges, brokerage, legal fees, renovation, furnishing, annual maintenance, property tax, insurance, vacancy allowance, loan interest, income tax on rent, capital gains tax, expected resale value, and expected selling time. Only after these costs are included can investors compare property with alternatives such as fixed deposits, bonds, equities, mutual funds, or business investment.

Investors should also separate end-user demand from speculative demand. End-user demand is created by people who need to live, work, study, or run businesses in a location. Speculative demand is created by investors expecting to sell to other investors at higher prices. End-user demand is usually more sustainable because it is connected to employment, income, education, healthcare, transport, and amenities. Speculative demand can produce short-term price increases but may collapse if credit tightens, sentiment changes, or affordability weakens. Therefore, properties near durable employment hubs and completed infrastructure are generally safer than properties sold only on future promises.

Another implication is that leverage must be used carefully. Borrowed money can increase returns when prices rise, but it can also magnify losses when interest rates rise or rental income disappoints. This is especially important in Brazil, where high benchmark rates can make debt expensive, but it is also relevant in India and Vietnam. Investors should stress-test the property under different conditions: lower rent, longer vacancy, delayed resale, higher maintenance, slower appreciation, and higher interest rates. A property that only works under optimistic assumptions is not a strong investment.

10.2 Developer and Market Implications

For developers, the comparison shows that long-term profitability depends on aligning supply with real demand. In India, premium housing has grown quickly, but excessive focus on luxury units may weaken affordability and reduce the depth of end-user demand. In Brazil, condominium and rental markets can be attractive, but high interest rates mean buyers may be more cautious and price-sensitive. In Vietnam, developers can benefit from urbanisation and FDI, but legal approvals, ownership certificates, and project transparency are essential for investor confidence.

Developers should therefore focus on location quality, execution reliability, legal clarity, and realistic pricing. Projects that are well connected to jobs, transport, schools, healthcare, and retail are more likely to sustain demand. Projects that rely only on marketing, future announcements, or speculative appreciation may face slower sales and weaker resale markets. Strong developer reputation also affects ROI because buyers are more willing to pay for timely delivery, construction quality, and transparent documentation.

10.3 Policy Implications

For policymakers, real estate ROI should not be understood only as a private investor issue. Property markets influence urban development, household wealth, banking stability, construction employment, local government revenue, and social inequality. When real estate markets function well, they can support housing supply, infrastructure financing, economic mobility, and productive investment. When they become speculative, opaque, or unaffordable, they can create bubbles, exclude middle-income households, and misallocate capital.

Policy should therefore aim to improve transparency and reduce friction. Efficient land records, predictable zoning, faster approvals, clear foreign ownership rules, fair taxation, and effective dispute resolution can improve investor confidence while protecting buyers. Affordable housing policy is also critical. If property prices rise beyond household incomes, the market becomes dependent on wealthy buyers and investors, which can make returns less sustainable. Better urban planning, transit-oriented development, rental housing policy, and infrastructure coordination can make real estate growth more inclusive and more stable.

The comparison also suggests that regulation should balance protection and efficiency. Too little regulation can produce fraud, title disputes, and delayed projects. Too much complexity can delay supply and raise costs. The most effective systems are transparent, predictable, enforceable, and digitally accessible. India's RERA shows the importance of buyer protection, Brazil's registry system shows the value of formal title records, and Vietnam's ownership structure shows why foreign investors need legal clarity. Each country can improve ROI quality by reducing uncertainty rather than merely encouraging price growth.

10.4 Scope for Future Research

Future research can improve this study by using city-level and neighbourhood-level data rather than national comparisons. For example, a more detailed study could compare Gurugram, Bengaluru, Sao Paulo, Rio de Janeiro, Ho Chi Minh City, and Hanoi using standardised rent, price, vacancy, and transaction-cost data. Another useful direction would be to compare residential, commercial, logistics, and industrial real estate separately, because each segment has different drivers. Primary research through interviews with investors, developers, brokers, tenants, and regulators could also reveal how actual decision-making differs from financial theory.

Future studies should also calculate real returns after inflation and currency movement. This is especially important for foreign investors, who may experience different returns from local investors. Finally, researchers could study the social effects of real estate investment, including affordability, displacement, rental stress, and unequal access to urban opportunity. These issues matter because a property market can be profitable for investors while still creating social strain. A complete understanding of ROI in developing countries must therefore include both private return and public consequence.

11. Conclusion

Real estate remains an attractive investment in developing countries, but ROI depends on much more than rising property prices. India, Brazil, and Vietnam show three different paths of developing-market real estate return. India offers scale, diversification, infrastructure-led appreciation, and long-term urban demand, but investors must manage affordability, transaction costs, legal due diligence, and location-specific variation. Brazil offers stronger rental-yield potential in selected cities and a mature urban market, but high interest rates, inflation, currency risk, and regional inequality can reduce net returns. Vietnam offers fast growth linked to manufacturing, FDI, infrastructure, and urbanisation, but foreign ownership restrictions, land-use complexity, approval delays, and affordability pressures create important risks.

The main argument of this paper is that real estate ROI in developing economies is both a financial and governance issue. It is financial because investors calculate rent, appreciation, costs, and exit value. It is a governance issue because property rights, regulation, infrastructure, land administration, taxation, and urban planning shape the investment environment. A city with strong demand can still produce weak returns if ownership rights are unclear or projects are delayed. A market with moderate growth can produce stable returns if rental demand is strong and legal transparency is high.

For investors, the safest approach is to move from simple ROI to net ROI. They should calculate rental yield after expenses, appreciation after taxes, and returns after financing costs. They should test whether demand is driven by end-users or speculation. They should compare affordability, vacancy, liquidity, developer credibility, legal title, and infrastructure completion. They should also recognise that national labels such as “India,” “Brazil,” or “Vietnam” are too

broad. Real estate is local. The real unit of analysis is the city, the neighbourhood, the project, and the tenant or buyer segment.

For policymakers, the findings suggest that transparent regulation, efficient property registration, affordable housing supply, reliable infrastructure, and predictable taxation can improve real estate investment quality. When property markets are transparent and affordable, they support both investor returns and social development. When they become speculative and exclusionary, they may create wealth for some investors but weaken urban sustainability. Therefore, the goal should not be simply to increase property prices, but to create real estate markets that are productive, accessible, legally secure, and economically sustainable.

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