SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

washington, D.C. 20349
FORM 6-K
REPORT OF FOREIGN ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934
For the month of October, 2008
(Commission File No. 001-33356),
Gafisa S.A. (Translation of Registrant's name into English)
Av. Nações Unidas No. 8501, 19th floor São Paulo, SP, 05425-070 Federative Republic of Brazil (Address of principal executive office)
Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. Form 20-FX Form 40-F
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)
Yes NoX Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):
Yes NoX
Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes _____ No ___X___

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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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GAFISA S.A.

Corporate Taxpayer s ID (CNPJ/MF) 01.545.826/0001 -07 Corporate Registry (NIRE) 35.300.147.952 Publicly-held Company 01610-1

NOTICE TO THE MARKET INCREASE IN EQUITY INTERNATIONAL SHARE OWNERSHIP

São Paulo, SP, Brazil, October 20, 2008 Pursuant to Article 12 of CVM Instruction 358/02, Gafisa S.A. (NYSE: GFA; BOVESPA: GFSA3) hereby discloses to the market the following communication from its shareholder Equity International, a United States company:

- 1. The Investor recently acquired 3.3 million ADRs of the Company, evidencing 6.6 million common shares, therefore increasing its ownership position by 5% through its investment vehicle EI Fund IV Pronto LLC, a Delaware, US, limited liability company.
- 2. The Investor declares that it has acquired said shares for investment purposes only, and such acquisition of shares does not have the objective of changing the control or the administrative structure of the Company.

The letter received is filed with the Company.

Equity International total ownership interest currently stands at 19%.

São Paulo, October 20 2008. Gafisa S.A.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 20, 2008

Gafisa S.A.

By: /s/ Alceu Duílio Calciolari

Name: Alceu Duílio Calciolari Title: Chief Financial Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates offuture economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will a ctually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.