OCUPANTES
Corporate Real Estate

MARKET BULLETIN

1ST QUARTER 2015 • SÃO PAULO | RIO DE JANEIRO | OTHER CITIES

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MARKET BULLETIN IS A QUARTERLY PUBLICATION PROVIDING KEY MARKET INDICATORS FOR THE CORPORATE AND INDUSTRIAL REAL ESTATE MARKETS OF SÃO PAULO AND RIO DE JANEIRO.



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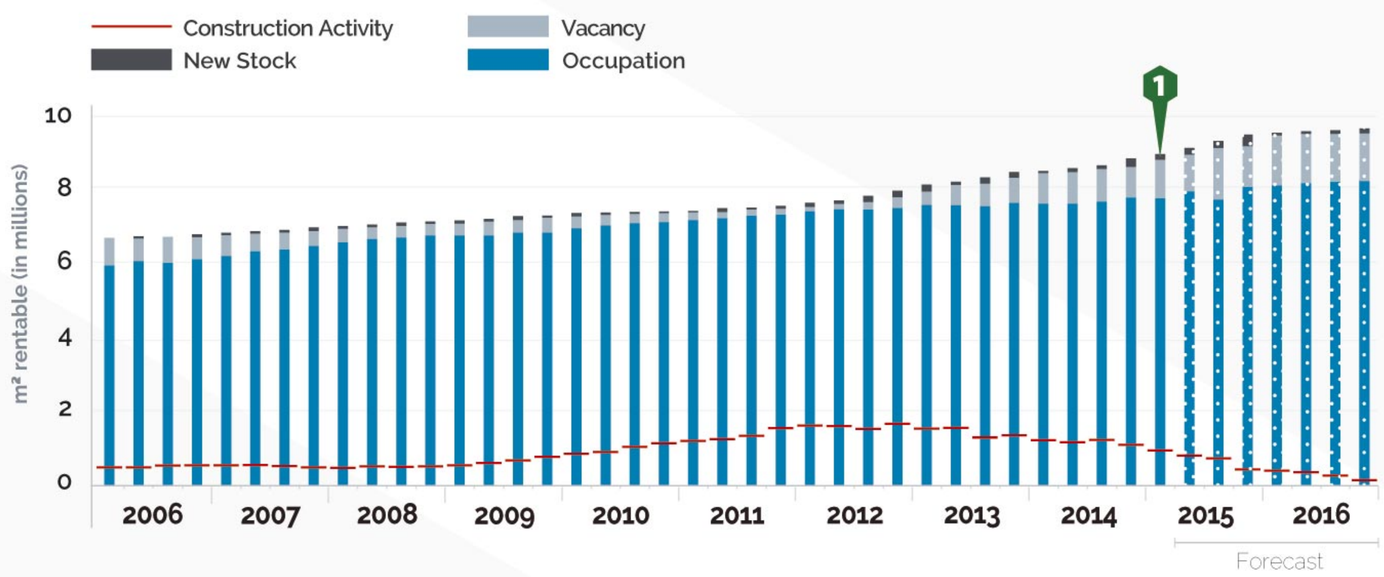
OFFICES

SÃO PAULO

CONSTRUCTION ACTIVITY	NEW STOCK	NET ABSORPTION	GROSS ABSORPTION	VACANCY RATES	AVERAGE ASKING PRICES
853.982 m²	126.157 m²	-3.643 m²	118.838 m²	12,99%	

Corporate Universe (Class A and Others)

NEW STOCK/VACANCY/OCCUPATION

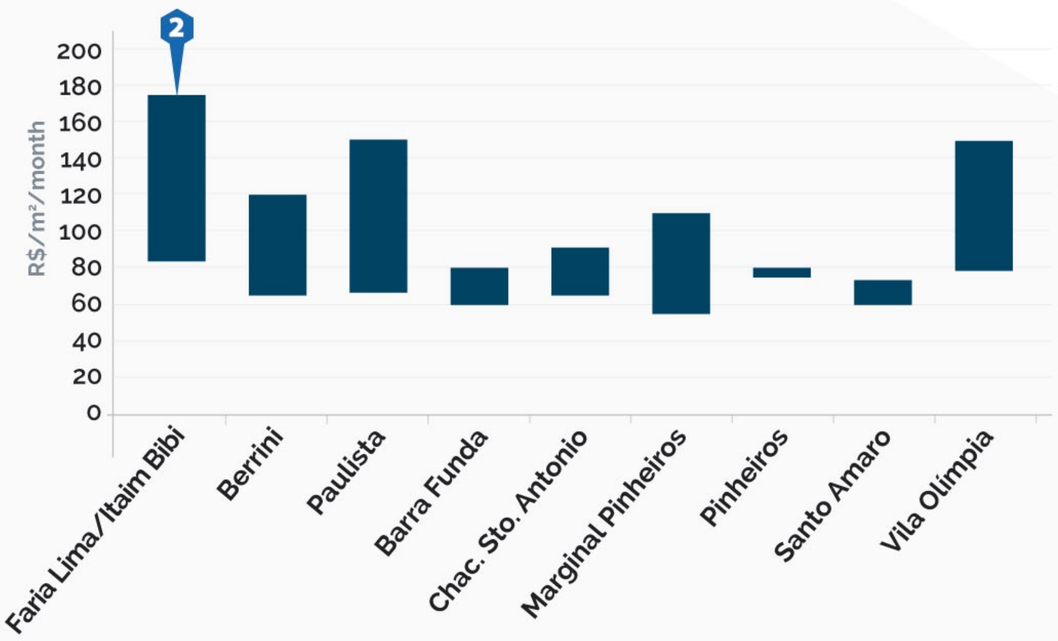


The large amount of deliveries of new developments has led to and increased vacancy in São Paulo. Additionally, the occupation of office space in São Paulo suffered a slight decline in the 1st quarter 2015.

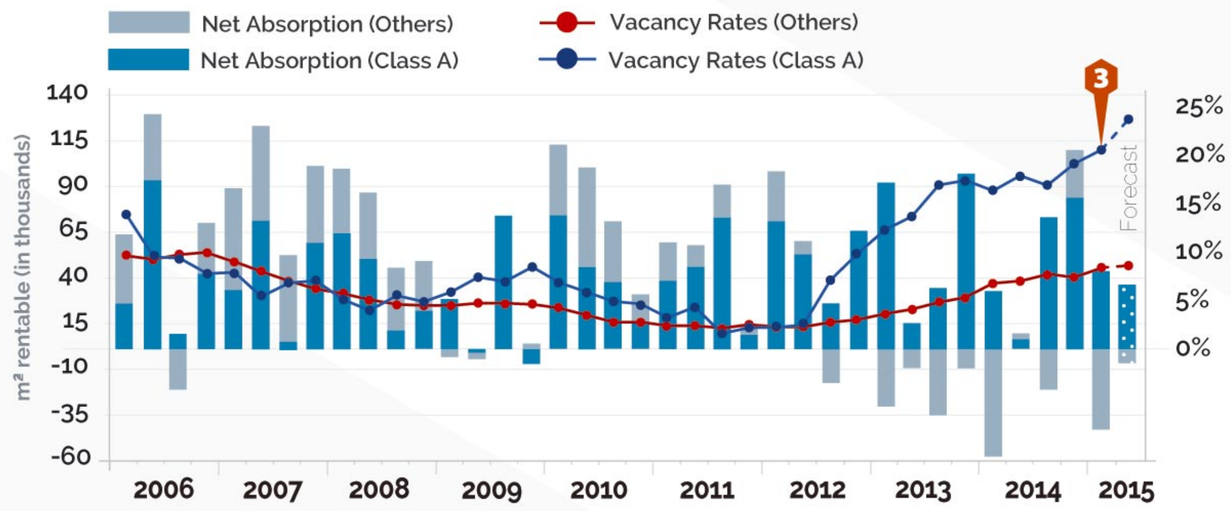
1. A total of 126,000 m² of "Corporate" office space was delivered during the quarter (Class A and Others).
2. The Faria Lima / Itaim Bibi regions continue asking for the highest level of rent. An important aspect to bear in mind relative to the high vacancy is that, generally speaking, negotiation margins tend to be significantly higher, added to other benefits.
3. After the delivery of the new developments, the Class A vacancy rate reached 20.64% in 1st quarter 2015.

RANGE OF LEASE ASKING PRICES/REGION

CORPORATE (CLASS A and OTHERS)



NET ABSORPTION AND VACANCY RATE

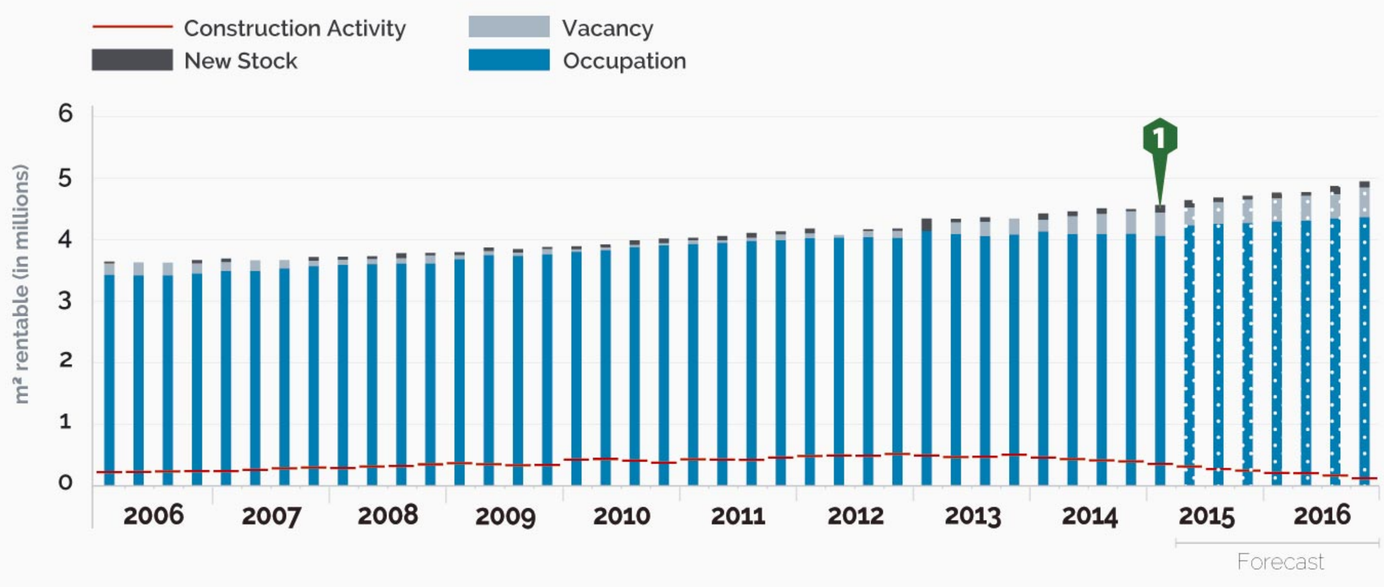


RIO DE JANEIRO

CONSTRUCTION ACTIVITY	NEW STOCK	NET ABSORPTION	GROSS ABSORPTION	VACANCY RATES	AVERAGE ASKING PRICES
390.394 m²	95.395 m²	-19.994 m²	23.490 m²	10,91%	

Corporate Universe (Class A and Others)

NEW STOCK/VACANCY/OCCUPATION

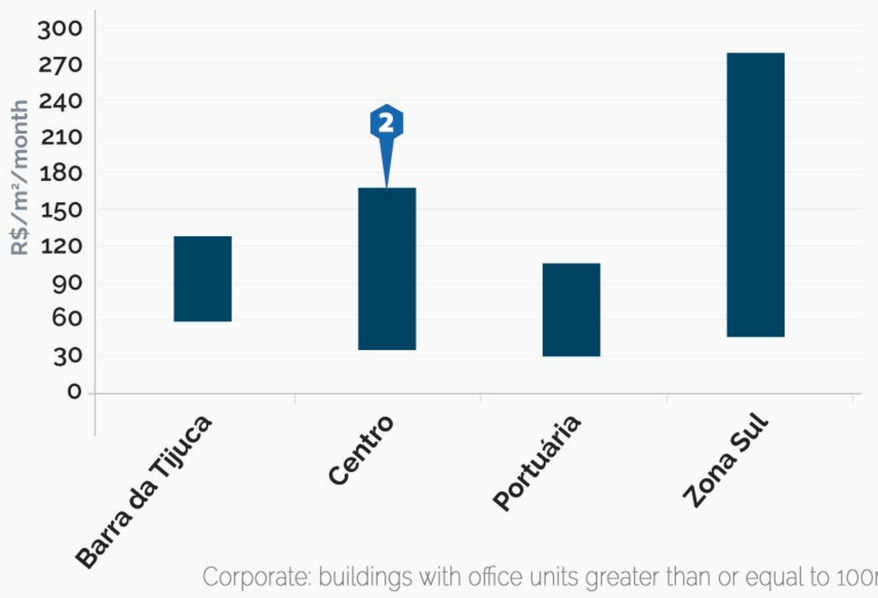


Almost 100 thousand square meters of new stock in the city of Rio de Janeiro was recorded in 1st quarter 2015, bringing the vacancy rate to 10.91% for the group of buildings considered "Corporate" (Class A and Others).

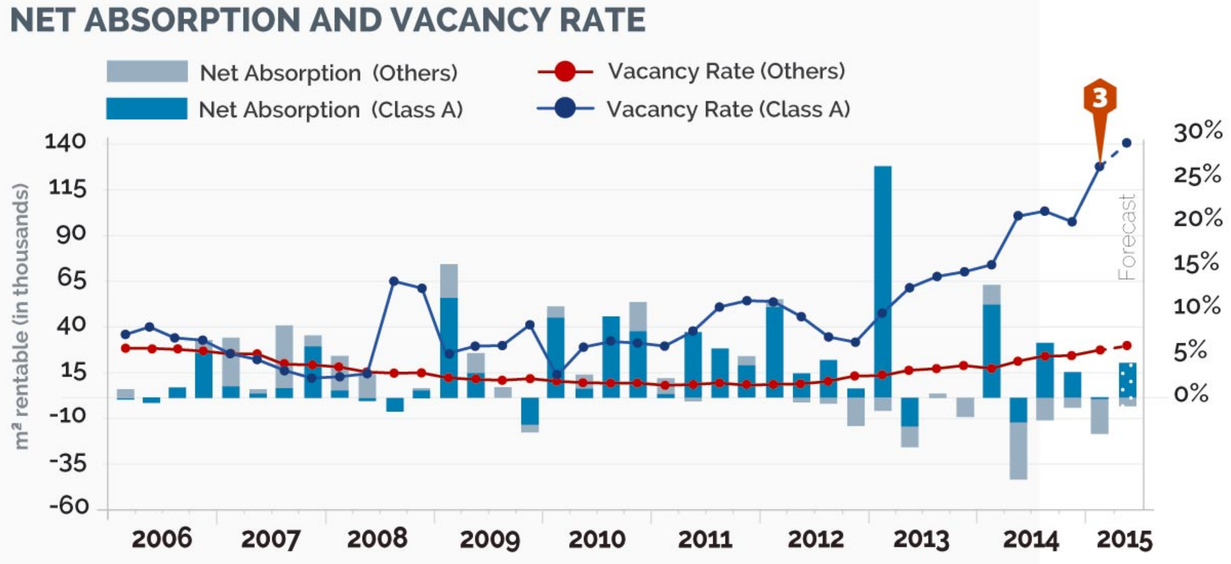
1. Three developments were delivered in the Southern region in 1st quarter 2015, totaling 9,398 m², whereas one new development with 86,000 m² was delivered in the Central region.
2. The Central region remains attractive for those seeking corporate spaces as a result of the high vacancy rate and consequently more competitive rental values.
3. In addition to the large volume of new stock this quarter, another reason for the high vacancy rate is a low net absorption. In the 1st quarter 2015, net absorption was negative by approximately 20,000 m².

RANGE OF LEASE ASKING PRICES/REGION

CORPORATE (CLASS A and OTHERS)



NET ABSORPTION AND VACANCY RATE



* The methodology for classification adopted by Ocupantes for office buildings is as follows: Buildings with office units under 100 m²; Corporate: buildings with office units greater than or equal to 100m²; Class A: Buildings with high technical standards. For the purpose of this bulletin, only buildings classified as Corporate were considered.

INDUSTRIAL

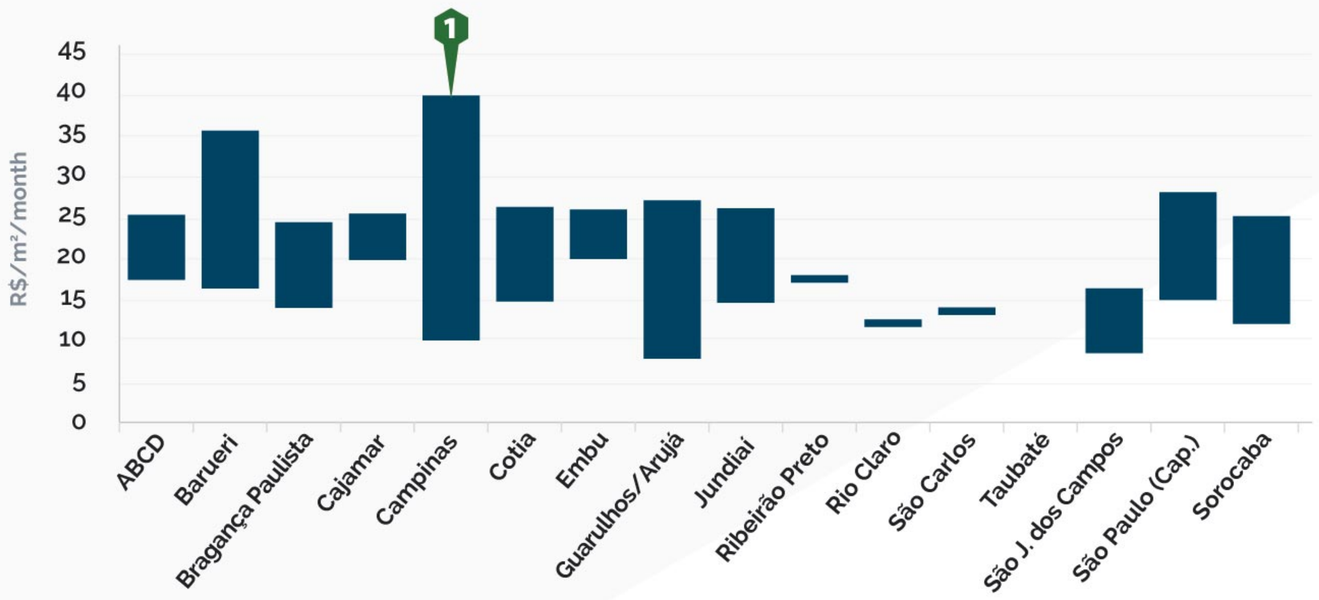
CONSTRUCTION ACTIVITY
1.522.866 m²

NEW STOCK
131.278 m²

VACANCY RATES
19,70%

AVERAGE
ASKING PRICES

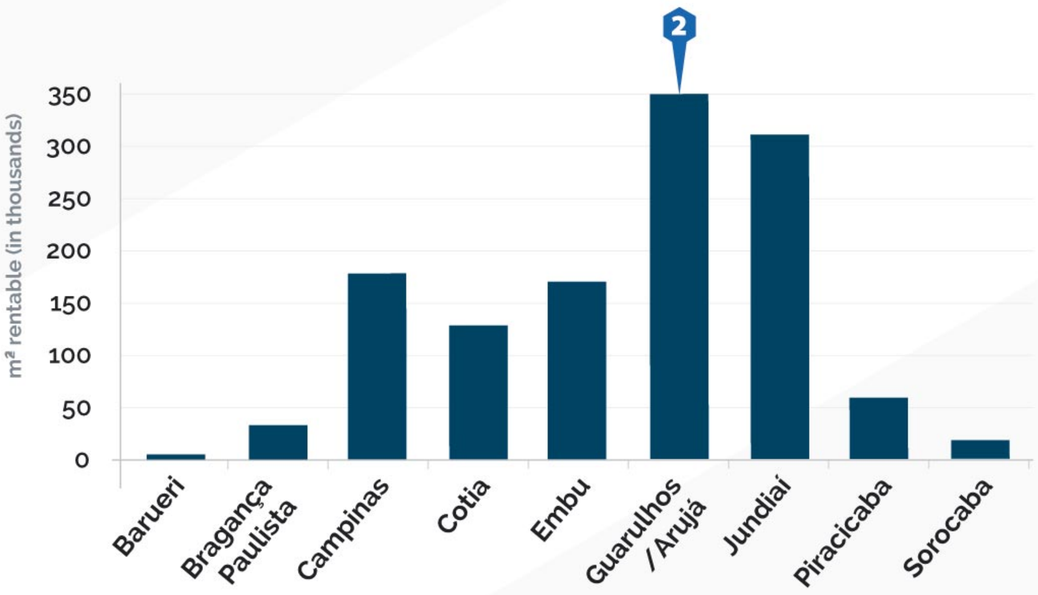
RANGE OF LEASE ASKING PRICES/REGION



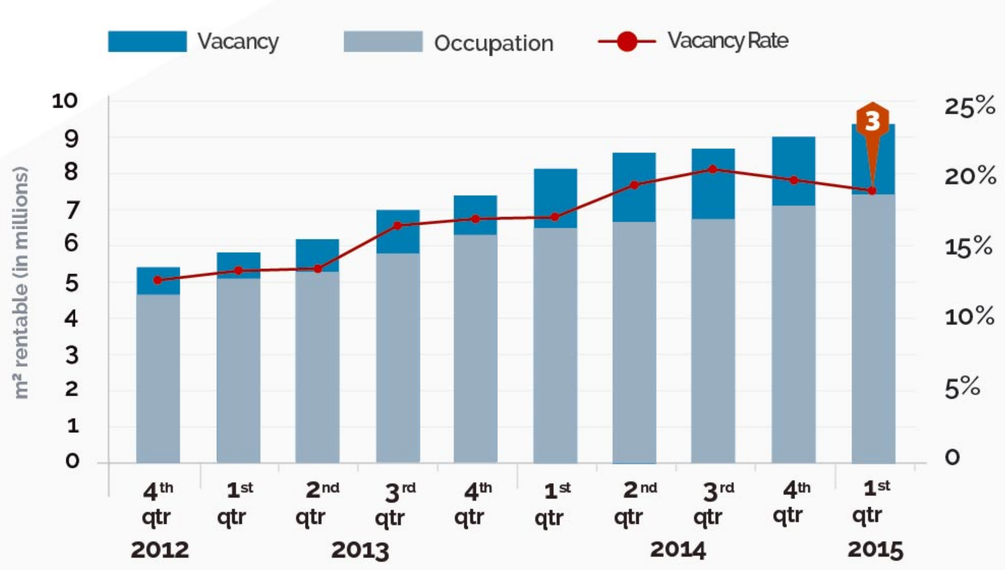
The industrial market in the State of São Paulo remains with a vacancy level of 20%.

1. Currently there is downward trend in asking prices in the greater São Paulo region, even though some a few specific developments remain fully occupied, and have therefore been able to maintain rental values.
2. The region with the highest construction activity in the State of São Paulo is Guarulhos/Arujá, with 350,000 m² under construction for delivery forecast scheduled to December 2015. However, the trend is that most of these developments will have their deliveries postponed until 2016.
3. For the second consecutive quarter the vacancy rate shows a slight decline. Closing the 1st quarter 2015 at 19.69%.

CONSTRUCTION ACTIVITY



VACANCY, OCCUPATION AND VACANCY RATE



STATE OF SÃO PAULO

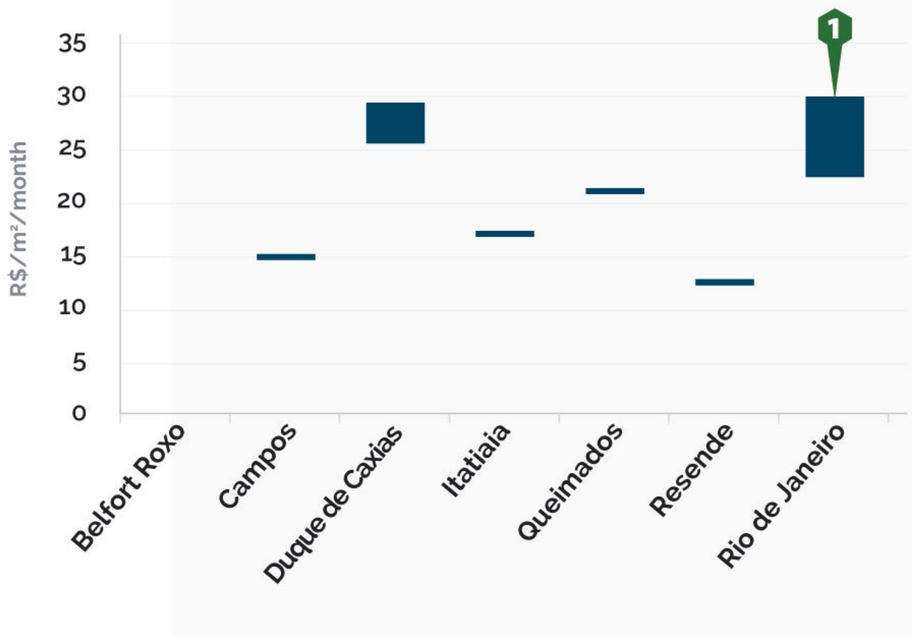
CONSTRUCTION ACTIVITY
891.872 m²

NEW STOCK
138.342 m²

VACANCY RATES
18,82%

AVERAGE
ASKING PRICES

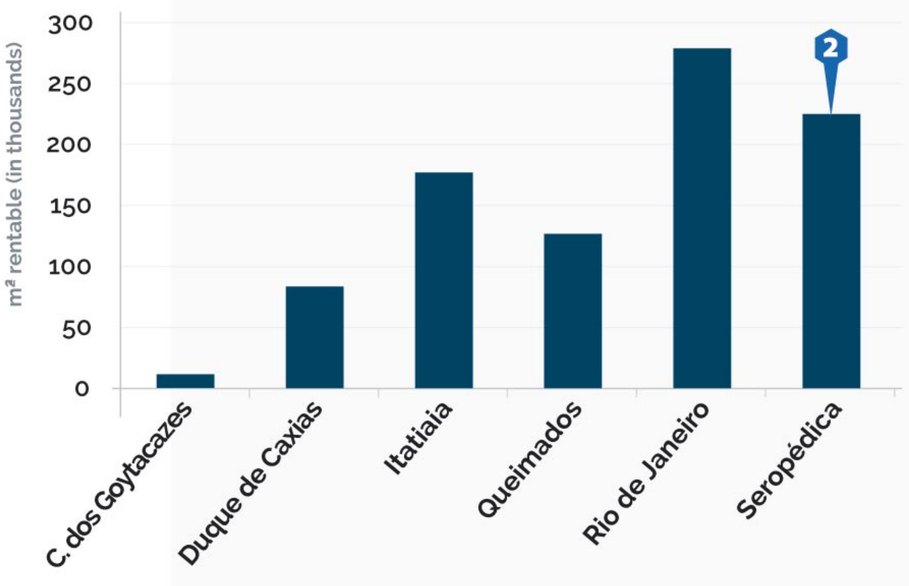
RANGE OF LEASE ASKING PRICES/REGION



The construction activity of gated industrial parks in the state of Rio de Janeiro remains quite intense, especially in the region of Seropédica and also in the northern region of the city of Rio de Janeiro. However, with the economic downturn we believe that the delivery of new stock will begin to slow down. Although 89% of construction activity is expected to be delivered in 2015, due to the large supply and unfavorable macroeconomic aspects, the most likely trend is that most of these deliveries will be postponed to 2016.

1. The region of Greater Rio de Janeiro remains the region with the highest asking prices in the state.
2. In addition to the Greater Rio de Janeiro, the region of Seropédica has shown significant construction activity (238,864 m²). Its strategic location - between São Paulo and Rio is a key factor for continued interest in the region.
3. The vacancy rate rose for the second consecutive quarter and reached 18.8% in the 1st quarter 2015. Notably, the significant increase in the vacancy rate is a result of the delivery of two new developments in Duque de Caxias, which jointly total 138,342 m², that is, 12.4% of the total stock of the State of Rio de Janeiro.

CONSTRUCTION ACTIVITY



VACANCY, OCCUPATION AND VACANCY RATE



STATE OF RIO DE JANEIRO

Past trends should not be taken as indicative of future results.
Ocupantes shall not be held liable for decisions taken based on the information contained herein.

OTHER CITIES *OFFICES*

		R$/m²/month	m²	m²
BRASÍLIA	VACANCY RATES 1,74%	AVERAGE ASKING PRICES 74,61	TOTAL STOCK 1.239.311	CONSTRUCTION ACTIVITY 28.569
SANTOS	VACANCY RATES 23,11%	AVERAGE ASKING PRICES 65,74	TOTAL STOCK 156.426	CONSTRUCTION ACTIVITY 71.615
CAMPINAS	VACANCY RATES 12,12%	AVERAGE ASKING PRICES 56,71	TOTAL STOCK 193.410	CONSTRUCTION ACTIVITY 20.954
CURITIBA	VACANCY RATES 6,01%	AVERAGE ASKING PRICES 45,87	TOTAL STOCK 588.766	CONSTRUCTION ACTIVITY 38.155
FLORIANÓPOLIS	VACANCY RATES 15,87%	AVERAGE ASKING PRICES 42,41	TOTAL STOCK 33.362	CONSTRUCTION ACTIVITY 29.014
PORTO ALEGRE	VACANCY RATES 3,01%	AVERAGE ASKING PRICES 67,17	TOTAL STOCK 141.845	CONSTRUCTION ACTIVITY 18.514
RECIFE	VACANCY RATES 16,30%	AVERAGE ASKING PRICES 71,73	TOTAL STOCK 225.847	CONSTRUCTION ACTIVITY 9.240
SALVADOR	VACANCY RATES 10,30%	AVERAGE ASKING PRICES 49,84	TOTAL STOCK 93.785	CONSTRUCTION ACTIVITY

Information for the universe Corporate (Class A and Others) of each city.

SERVICES

If you require accurate information about the region where your offices or warehouses are located, whether your aim is to review your current rent, or undertake a comparative analysis of other available options in the market, please contact us. Ocupantes has the experience and comprehensive market data available, to assist your company in reaching the best decision.

LOCATION ANALYSIS	RELOCATION, LEASE CONTRACT RENEWALS, RENT REVIEWS, AND TERMINATIONS	INDUSTRIAL SERVICES	ACQUISITIONS AND EXPANSIONS	SALE & LEASEBACK	MANAGEMENT OF OPPORTUNITIES AND CRITICAL DATES	VALUATIONS AND DISPOSITIONS	PROJECT MANAGEMENT (THROUGH OCUPANTES PROJECT MANAGEMENT)

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