

## Ocupantes undertakes the relocation of America Net for future expansion



The landline and high-speed data transmission operator America Net Telecom is headquartered in São Paulo, with offices in the Northeast, Mid-West, Southeast and South Brazil. The company operates with cutting edge technology and infrastructure based on fibre optics and radio frequency, offering data and voice solutions for small, mid-size and large corporations and service providers.

The company has national and international coverage. With an ever expanding coverage area, exceeding 100 cities using America Net communication network and support in the states of São Paulo, Rio de Janeiro, Distrito Federal, Bahia and Rio Grande do Sul.



Castelo Branco Office Park - Barueri, SP

As a result of strong growth, the offices located on the Avenida Brigadeiro Faria Lima, in the Pinheiros region of São Paulo, no longer offered sufficient space to accommodate its staff and, hence, new offices were required and, at the same time, had to allow for future expansion.

Ocupantes Corporate Real Estate was contracted to locate a site according to America Net requirements. The team led by Alan Roger faced a few challenges to locate a well suited site for lease.

The targeted space had to convey an adequate corporate image, suitable technical specifications and located in a region where tax incentives were available to reduce the company's overall tax burden.

After detailed research, two corporate office space markets were compared: São Paulo and the city of Barueri, where suitable alternatives were selected to meet America Net expectations and requirements.

After presenting reports, a visit programme was organized and the Edifício Castelo Branco Office Park, in Barueri was selected as the most suitable option.

A total office space of 1,094 m<sup>2</sup> was rented at this well positioned site alongside Alphaville on the Castelo Branco Highway, with easy access through Tamboré and Araguaia avenues.

The tax incentives offered by the city of Barueri attract many companies to this region. The ISS, or service tax, is 2% compared to São Paulo which is 5%. This significant monthly cost reduction potential, available to a large company, was a contributing factor for the decision, considering the company's expansion plans.

Upon concluding negotiations and signing the contracts with all the client's requests met, America Net conveyed their appreciation, recommending Ocupantes to a business partner, praising the great job carried out. One of the top executives taking part in the process commented: "They advised us on the alternatives for the new location of America Net headquarters, rendering an excellent service". ■

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## Class A vacancy on the rise in São Paulo



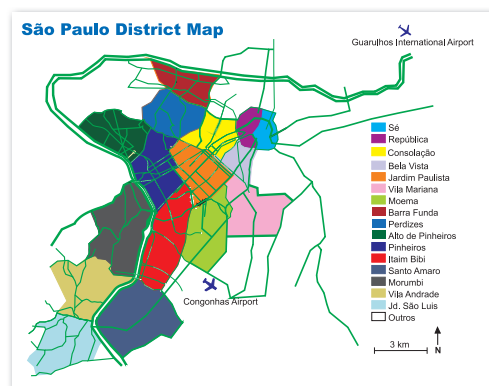
Vacancy levels in São Paulo have risen for the second quarter running. Currently, 3.30% of the corporate office space in São Paulo in the Class A\* and the Others segments are vacant. Vacancy levels are on the rise from 3.01% in the previous quarter and 2.68% back in the third quarter 2011.

There are two main reasons for this rise in vacancy levels. The first is a result of an elevated delivery rate of new developments totalling 177,907 m<sup>2</sup>, of which 140,363 m<sup>2</sup> in the Class A segment. The following deliveries deserve particular mention: the C Tower of the Rocheverá, the Crystal Tower, with 52,875 m<sup>2</sup> and the Infinity Tower, in Itaim Bibi, with 32,616 m<sup>2</sup>. The other reason is that the absorption rate in the quarter was lower than deliveries, even though these reached their highest level since 2006 at 149,141 m<sup>2</sup>.

A significant proportion of the deliveries expected for this quarter were postponed to the following quarter, such as the Pátio Malzoni and the WTorre towers, likewise on the Juscelino Kubitschek as on the Av. Paulista.

The vacancy rates increased under 0.5%, however in some districts this increase was much greater. In Morumbi, the vacancy level rose from 7.40% to 33.18% in both segments, as a result of the delivery of Cidade Jardim Corporate Center – Park Tower totalling 16,878 m<sup>2</sup>. In Vila Andrade this percentage increased significantly, from 0.12% to 25.55%, subsequent to the delivery of the Bonaire Business Office with 20.000 m<sup>2</sup>.

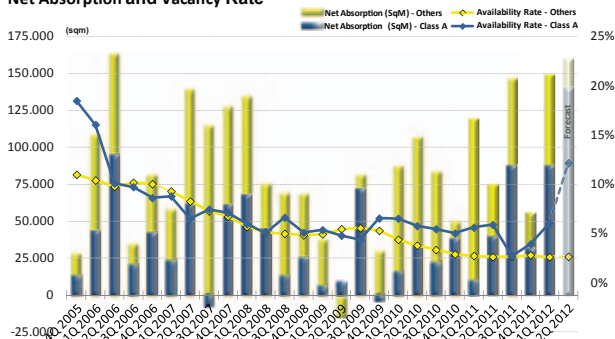
After a period of considerable downfall in the vacancy rates, now expectations are for a gradual rise, particularly as a result of the delivery of new developments. The forecast for the next quarter of 323.670 m<sup>2</sup> - if sustained - will be one of the largest in the history of São Paulo.



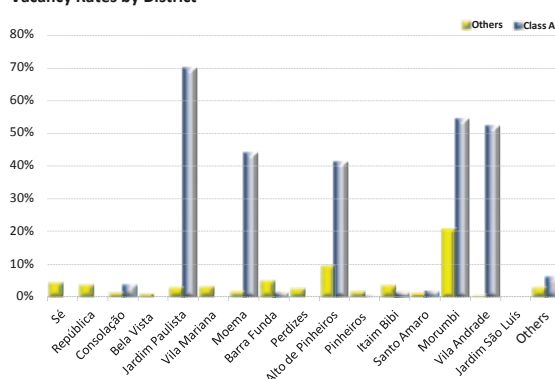
### Strong construction activity continues in São Paulo

Despite the delivery of 170,000 m<sup>2</sup>, there are still many developments under construction in São Paulo. The districts with the highest investment levels in new developments are Itaim Bibi and Pinheiros, with particular emphasis to the Faria Lima and Luis Carlos Berrini avenues. Currently there are 53 Class A buildings and 99 in the Others segment under construction in São Paulo, totalling 951,424 m<sup>2</sup> and 551,269 m<sup>2</sup>, respectively. \*\*

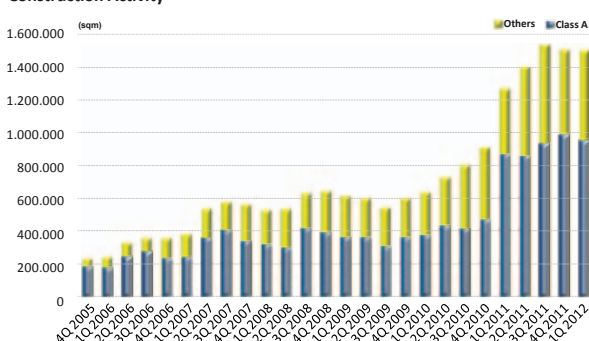
**Net Absorption and Vacancy Rate**



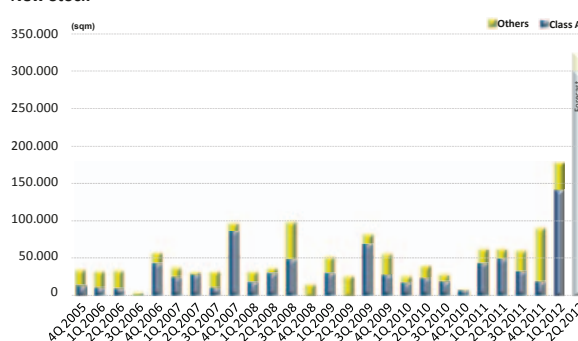
**Vacancy Rates by District**



**Construction Activity**



**New Stock**



\* Class A: Buildings delivered after 1991, with a leasable area of 700 m<sup>2</sup> per floor-plate, and high technical standards.

\*\* Ocupantes works with information supplied by constructors and developers.

## Rio de Janeiro registers the largest net absorption in recent years

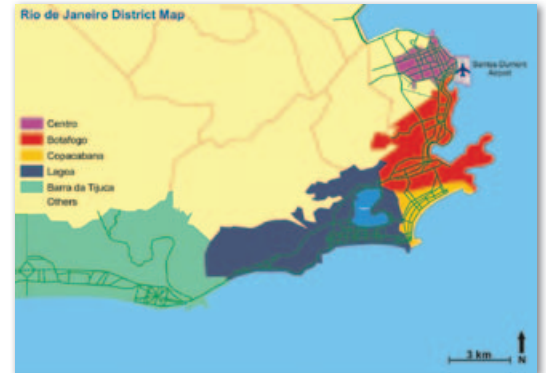


Market activity for corporate office space was heated up in the 1st quarter 2012 in Rio de Janeiro. After the rise in vacancy levels during the 4th quarter 2011 – resulting from newly added stock – the market reacted quickly and prompted the largest net absorption of the last decade. An impressive 111,339 m<sup>2</sup> of positive net absorption took place in the city of Rio de Janeiro this quarter.

As a consequence of the large occupation levels and the postponing of a large proportion of the scheduled deliveries, the total vacancy level in Rio de Janeiro fell by 0.75% relative to the previous quarter, ending the first part of the year with 1.95% of vacant space. There was also a drop in the vacancy of the Class A\* segment, from 9.51% down to 8.83%.

Of the total 219,000 m<sup>2</sup> forecasted for delivery in the first quarter 2012, only 52,645 m<sup>2</sup> was delivered. Many developments had their delivery dates postponed, such as, for example, the Presidente Business Center with 40,800 m<sup>2</sup>.

One of the significant reasons for the increased absorption levels was the retrofitting carried out in the Manchete building with 26,439 m<sup>2</sup>, fully occupied by Oil & Gas companies, such as BP Energy and Statoil Brasil Óleo e Gás.

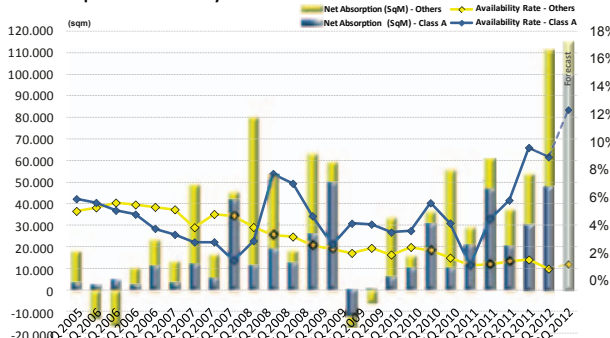


### Deliveries in Rio de Janeiro are merely starting

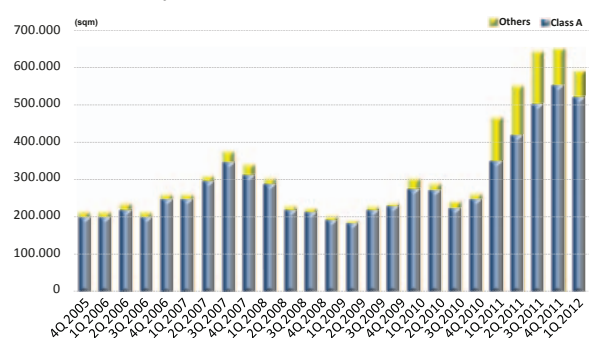
Nine buildings were delivered in the first three months of 2012. Additionally to the Edifício Manchete, mentioned above, the Barra Business Center complex was delivered on the Barra da Tijuca with 18,516 m<sup>2</sup> spread over five towers.

There are currently 84 buildings under construction in Rio de Janeiro, 52 in Barra da Tijuca alone, the district with the greatest construction activity with 281.668 m<sup>2</sup>. \*\*

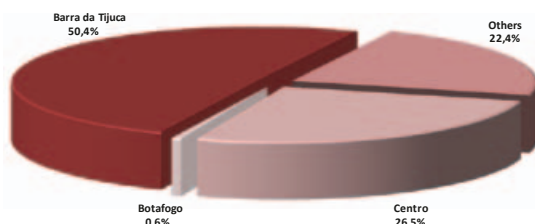
Net Absorption and Vacancy Rate



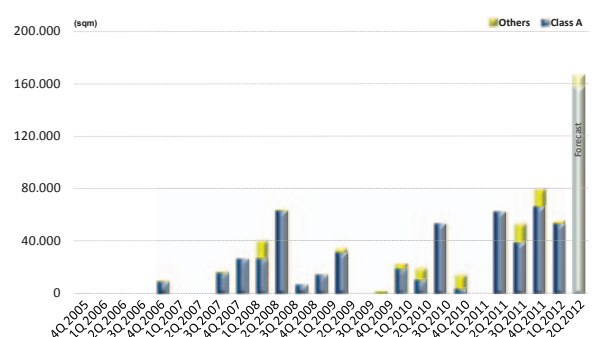
Construction Activity



Construction Activity Distribution by District



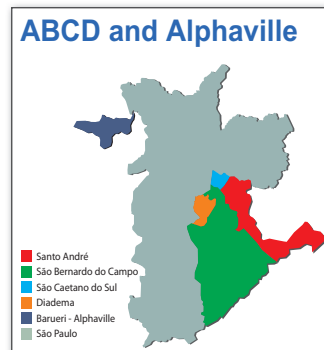
New Stock



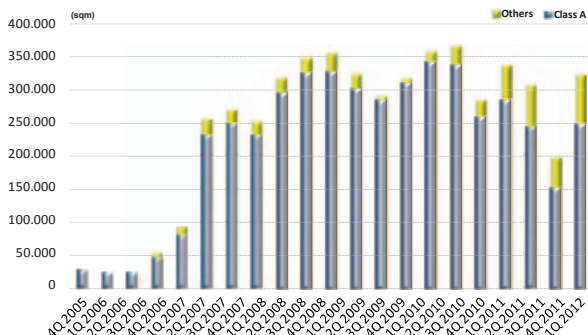
Information contained in this document is a result of research undertaken by Ocupantes, with the aim of estimating trends in the corporate real estate market. It does not constitute a legal document.

## Construction activity on the rise in Alphaville

Despite high vacancy levels of 16.91%, the Alphaville region still remains very attractive for developers and constructors. An interesting availability of sites along with tax incentives offered by the municipality of Barueri, establish an attractive formula for investors who wish to spend less than they would in São Paulo, without necessarily forfeiting top level companies occupying their buildings.



Alphaville - Construction Activity



Despite the delivery of large scale developments over the past few months, the construction industry remains very active in the region, matched by 323,579 m<sup>2</sup> under construction, an increase of 38% relative to the previous quarter. The Class A buildings account for a total of 248,723 m<sup>2</sup> and in the Others segment 74,856 m<sup>2</sup> are under construction.

However, new developments are not exclusive to the Alphaville region. The delivery of new buildings is expected in the ABCD region shortly. For example, in São Bernardo do Campo, 46,640 m<sup>2</sup> will be delivered during the next quarter. São Caetano do Sul is expecting a delivery of approximately 4,500 m<sup>2</sup>.

## Success Stories - Ampleness and a privileged view at the Korn/Ferry new headquarters in Rio



Korn/Ferry International with over 80 offices in 39 countries is a global leader in talent management solutions.

Based in Los Angeles, the company offers a host of solutions that help clients to identify, engage, develop, retain and compensate their respective talents.

Here in Brazil, the company is headquartered in Rio de Janeiro. However, the company was located in temporary offices and had the need to expand rapidly to 200 m<sup>2</sup> in an imposing like building with an excellent view to the city centre and southwards, no further than the district of Botafogo.

The challenge faced by Ocupantes to locate a new space was confronted with low vacancy rates and under two months to execute a lease.

Ocupantes set up a real estate programme to validate the 200 m<sup>2</sup> requirement and proceeded with an in-depth survey of the buildings located in the central and southern districts of Rio, facing the Guanabara Bay, keeping in mind the view aspect as top priority.

Following on from the selection of the alternative sites which met the requirements laid out by Korn/Ferry International, the best suited site was Ed. Brasilia building in downtown Rio. Despite the building's age, it conveyed the soberness desired by the company, in addition to an unobstructed view of Guanabara Bay.

Ocupantes advised the company during the entire lease process, including the negotiations, organizing owner's documentation, support to the client's legal team for the drafting of contracts, conducting a photographic survey of the site, supplying a report on the services and amenities available in the surrounding area and providing additionally, the registration of the lease on the property's real estate records. ■

