Ocupantes locates and secures ideal warehouse for Lincoln Electric at very competitive prices

The search for an industrial condominium is very demanding, especially when the industrial warehouses on offer in the market do not quite meet the specific requirements set by the client. Lincoln Electric (LECO), a world leader in the brazing and soldering alloys market, was faced with the challenge of locating a warehouse in the region of Campinas for their operations.

The company, headquartered in Cleveland, Ohio, USA, specializes in the development and manufacture of arc welding products, robotic arc welding systems, plasma and oxy-fuel cutting equipment. The target set by LECO was to locate an industrial warehouse, observing their detailed specifications, including the location within the outskirts of Campinas, warehouse height clearance of 10 meters, support for a 10-ton rolling gantry crane, four docking stations for direct truck loading from the warehouse, high tension electrical supply, parking spaces for at least 20 cars and set within a closed industrial estate condominium.

However, the high docking stations in the new warehouses block the entrance of trucks into the manufacturing facilities. LECO approached Ocupantes Corporate Real Estate for their expertise, the first corporate real estate consultancy to operate exclusively on behalf of commercial and industrial users in Brazil and, therefore, best suited to defend their clients' interests in all negotiations.

To reach a solution to this problem, Ocupantes would have to negotiate for the installation of an access ramp into the warehouse, in addition to other requirements. After an extensive search in all the adjacent cities of Campinas, a total of 25 alternatives were listed and individually discussed and analyzed, then subsequently reduced to eight possible options.

Among the possible sites, Ocupantes located a target site that met nearly all required characteristics, although the installation of a gantry crane would be necessary. The company negotiated directly the installation of the gantry crane and additional supports, as well as increased electrical supply and air conditioning units to provide Lincoln Electric Company with the necessary tools to undertake its logistical operations.

In addition to negotiating the necessary changes for the company set-up, Ocupantes was also able to secure a very competitive lease value, as well as an acceptable grace period. As a result, all the objectives set by the client were achieved, and considerable cost-savings were attained with equipment installation. ■


Warehouse's façade

For offices, industries or retail, our services are:

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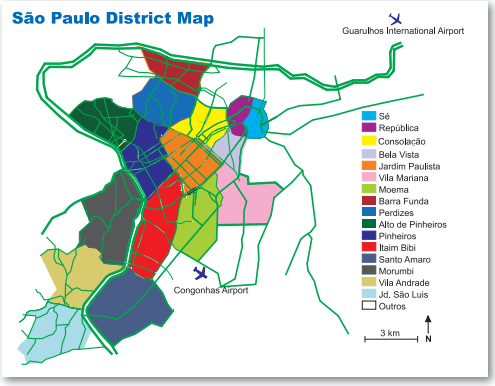
In spite of New Stock, vacancy rates raised only slightly

Market Indicators	Vacancy Rate	Net Absorption	Construction Activity	New Stock
	↗	↗	↘	↗

The forecasted net absorption indicated in the previous Market Bulletin was overtaken by 30 thousand m². Total net absorption for 1Q 2013 had been forecasted at 110 thousand m², but reached close to 140 thousand m². The reason for this higher level can be attributed to the delivery of large-scale corporate office buildings, with a large majority already occupied.

With the delivery of these large corporate office buildings, including the two towers of the WTorre JK (32,987 m²), the Tower Bridge Corporate - Cenu IV (52,800 m²), the WTorre Nações Unidas - III (23,095 m²), the Sky Corporate (38,570 m²), among other developments, a rising trend in vacancy levels would have been expected, however this has not occurred. The result was only a slight increase in the vacancy rates, from 12.03% to 13.07% in Class A buildings. For buildings classified as Others, the increase was even less significant from 3.98% to 4.66%.

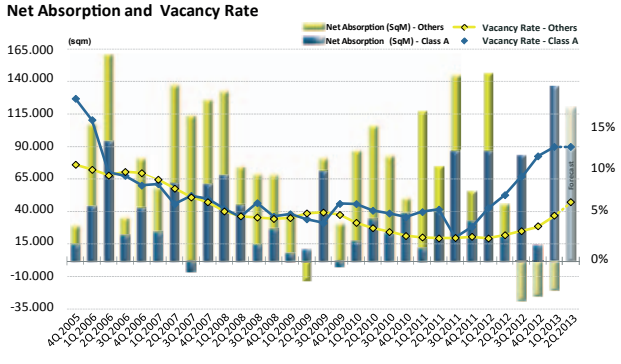
In the 1Q 2013 an all-time high of 245 thousand m² of new office stock was delivered. The forecast for new stock in the 3rd quarter 2013 continues on the rise, overtaking the 250 thousand m² mark. However, differently to this 1st quarter 2013, the majority of buildings forecasted for delivery are not considered Class A*.



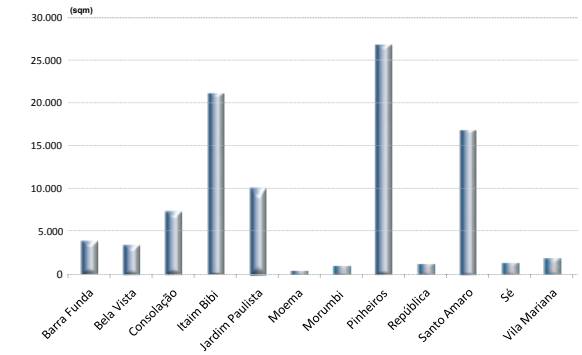
Construction activity slows down due to the trend of rising vacancy rates

After substantial deliveries of office buildings, a fall in construction activity would appear quite natural. For the following quarter, the forecast continues on the same trend. As a result of all these deliveries, the current construction activity is at its lowest level since the end of 2010, at 1.2 million m², of which practically 50% are considered Class A buildings. **

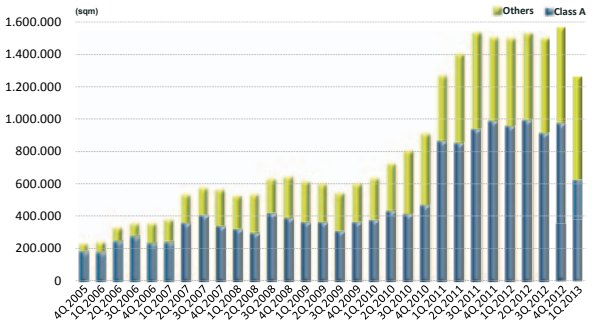
Net Absorption and Vacancy Rate



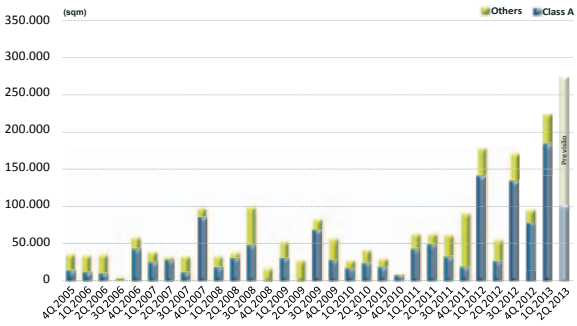
Vacancy Rates by District



Construction Activity



New Stock



** Class A: Buildings delivered after 1993, with a leasable area of 700 m² per floor-plate, and high technical standards.* *** Ocupantes works with information supplied by constructors and developers.*

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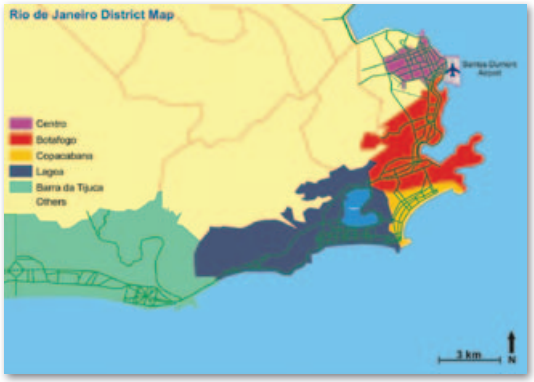
Record Net Absorption rate and New Stock

Market Indicators	Vacancy Rate	Net Absorption	Construction Activity	New Stock
	↗	↗	↘	↗

In Rio de Janeiro, similarly to São Paulo, the forecasted net absorption rates were exceeded as well. After several slow quarters, the 1st quarter 2013 recorded the highest net absorption rate of the last several years. Total net absorption in Class A* buildings almost reached 160 thousand m² in the quarter. Evidently, a vast majority resulting from the delivery of the Centro Empresarial Senado, where 107 thousand m² were delivered with a pre-lease agreement signed with Petrobrás to occupy the entire building.

Thanks to this enormous absorption, the vacancy rates did not rise that much, considering this was the highest ever recorded new stock. A total of 493 thousand m², of which 484 thousand m² in Class A buildings, were delivered in the capital of Rio de Janeiro. The vacancy rate increased only slightly from 8.63% to 9.32% in Class A buildings. For buildings classified as Others the variation in vacancy rates was even smaller, from 1.33% to 1.64%.

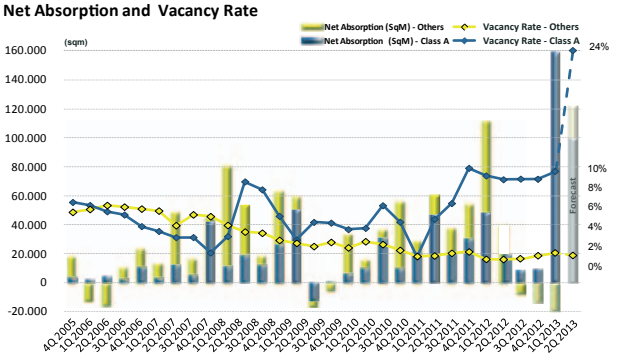
The forecast is that vacancy levels continue an upward trend, mainly due to the large deliveries expected over the next quarter, at approximately 400 thousand m², of which 60 thousand m² refer to one development only, the CEO located in the Barra da Tijuca.



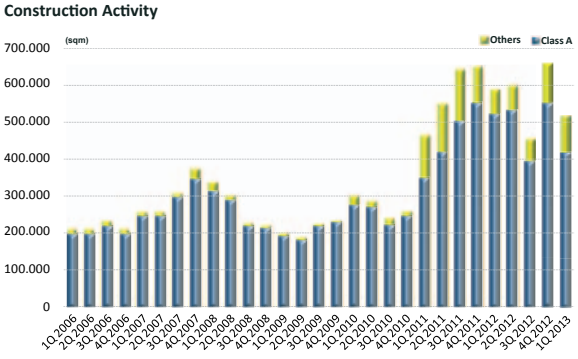
Slight drop in the construction activity

The construction activity in Rio de Janeiro dropped in response to the large volume of deliveries taking place in this 1st quarter 2013. This figure should continue to drop as further large deliveries are expected over the following quarter. Despite all the activity undergone in the port region of Rio de Janeiro, the Barra da Tijuca region still displays the largest stock under development, with a total of 251 thousand m² of construction activity. **

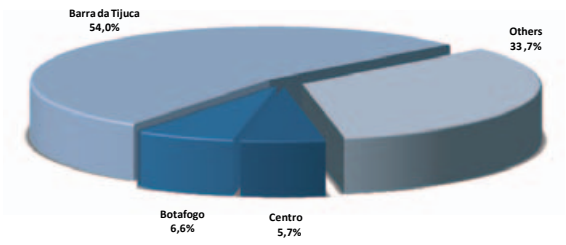
Net Absorption and Vacancy Rate



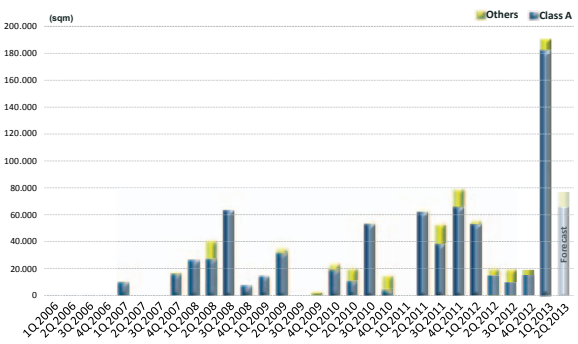
Construction Activity



Construction Activity Distribuition by District

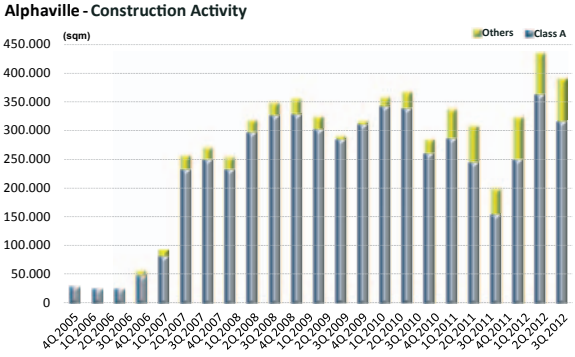


New Stock

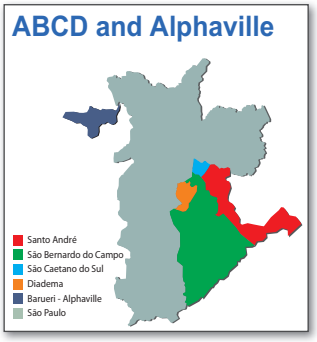


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Vacancy rates remain practically stable in Alphaville



- Only two office buildings were delivered in the first quarter of 2013 in the Greater São Paulo area: Helbor Offices São Caetano (10,635 m²) and Quebec Business Center (8,540 m²), and both are classified as Others.
- As there have been no deliveries of Class A buildings, the vacancy rates in Alphaville remained pretty stable, fluctuating between 26.47% and 26.01%.
- For the next quarter, the forecast is for deliveries just above 24 thousand m², of which 12,300 m² are in Alphaville, 5,700 m² in Diadema and 6,100 m² in São Caetano do Sul.
- The prices for Class A buildings in Alphaville have been fluctuating between R$ 55.00/m² per month and R$ 85.00/m² per month. In the cities of the ABCD region, prices have peaked at R$ 77.00/m² per month.
- Deliveries are forecasted at 120 thousand m² during 2013, whereas by 2014 deliveries should rise to 200 thousand m² for the Greater São Paulo region.



Success Stories - Plastic Omnium occupies Class A building in the Ibirapuera region

While searching for a Class A corporate office building, within the vicinity of the Ibirapuera Shopping Mall, one of the most valued regions of São Paulo, Plastic Omnium secured the services of Ocupantes Real Estate. Plastic Omnium delivers innovative solutions tailored to meet the needs of community residents and road users, including waste containerization products and services, signage and urban equipment.


Suite in the complex Ibirapuera Towers

The desired office space would have to be close to the Ibirapuera Shopping mall, in addition to offering an upscale corporate image for the company. Ocupantes identified two office spaces located in the Torres Ibirapuera complex with the ideal floor space to accommodate all the staff. The shortlisted buildings portrayed an important aspect for the Plastic Omnium brand, which is to be committed to deploying assertive policies that make the workplace safer and which promote responsible behavior.

The rent value of the selected office unit was within the client's expectation and included a privileged view of the city of São Paulo, however, other parties also showed similar interest. Ocupantes, on the other hand, was able to secure the space for the necessary time required by Omnium Plastic to undertake their evaluation and conclude the transaction with considerable occupational cost savings. ■

