Ocupantes relocates a traditional advertising industry giant

CUBOCC, founded in 2004, is a digital marketing advertising company, recently acquired by Interpublic Group, one of the main global providers of advertising and marketing services. The agency is headquartered in São Paulo with a team of 106 associates. The agency operates mainly with multinational clients including Unilever, PepsiCo and Google and manages both regional and global projects for their client portfolio.

CUBOCC start-up was located on Avenida Nova Independência, in Brooklin, São Paulo. As time went by, the building became too small to accommodate the company's growth, in addition to the need to allocate space for the agency's front office.

As a reflection of the country's strong economic growth the company required more office space to meet short and midterm expansion needs, in addition to the desire of presenting a good corporate image, to be located within the same region and meet the budget costing amounts preset by CUBOCC.

After unsuccessful contacts with other real estate brokers, CUBOCC turned to Ocupantes Corporate Real Estate. Shortly before the introductory meeting the advertising agency's expectations was a similar repeat of previous meetings with other real estate brokers with the presentation of real estate portfolios.



Alan Roger

Alan Roger is a Consultant and Real Estate Market Analyst at Ocupantes since 2005. His main task is leading real estate transaction teams in Relocation, Expansion, Leaseback, Contract Renewal/Revision and strategic management of retail expansion. He has a bachelor's degree in Business Administration and is currently studying Real Estate Law at FGV.

At the opening meeting, Ocupantes was given the opportunity to set aside CUBOCC's scepticism and demonstrate that all requirements could be met unlike they had previously experienced.

Hence, Ocupantes team led by Alan Roger presented a detailed market research, supported by its fully encompassing database on all existing commercial sites in São Paulo.

The market report presented included all the options to meet the requirements set by CUBOCC. A key factor was the presentation of the reports in English as these had to be submitted to the Board of Directors in the USA. The time gain in the process allowed the local team to focus its efforts on speeding up negotiations.

Visits were carried out to several corporate sites until setting foot on Nações Unidas Tower (TNU), located on the Avenida Nações Unidas, in the Brooklin Novo region. Qualitative and financial analyses were carried out showing that this was the best site for negotiation. Contract execution was a success, leaving the customer satisfied with contractual conditions and amounts. The outcome of this transaction was an excellent negotiation with extremely satisfactory results.

According to CUBOCC's financial director Marcelo Bueloni, Ocupantes carried out an excellent job, especially Alan Roger, consultant and real estate analyst, as project leader. ■



Torre Nações Unidas, São Paulo - SP

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Optimistic forecast for the corporate market in the state capital

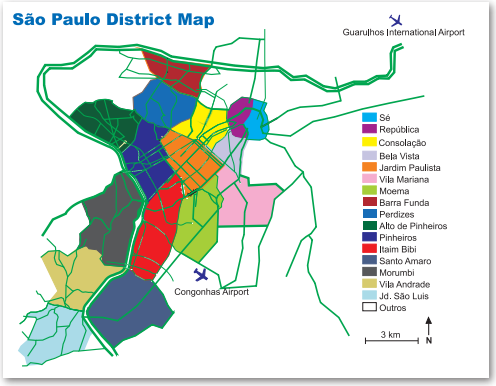
Market Indicators	Vacancy Rate	Net Absorption	Construction Activity	New Stock
	↘	↗	↗	↘

The demand for office space in the São Paulo capital continues strong with total net absorption of 142,524 m² in Class A* and Others segments during this period.

As a result of the delivery of new stock totalling 62,018 m² in São Paulo, represented by 31,098 m² Class A and 30,098 m² in Others segments, vacancy rates had a small drop from 3.22% down to 2.68% in both segments. The reason for this drop in vacancy rates is primarily due to the delivery of pre-leased buildings, such as Acqua Faria Lima with 22,800 m² in Pinheiros and the ECO Berrini in Itaim Bibi with 47,824 m², already leased to Telefonica, the telephone company from Spain.

Bela Vista district had the highest vacancy rate in the period from 0% to 7.39% in the Class A segment as a result of new lease availability in Paulista 500 building. In contrast, Santo Amaro district suffered the largest drop in vacancy rates in the last few months, from 8.16% to 4.82% (Class A) due to occupancy in Morumbi Office Towers. Additionally, another building in Chácara Santo Antonio previously occupied by Dow Chemical, a pharmaceutical company, is now occupied by Banco do Brasil with 5,299 m² (Rua Antonio das Chagas, 1657).

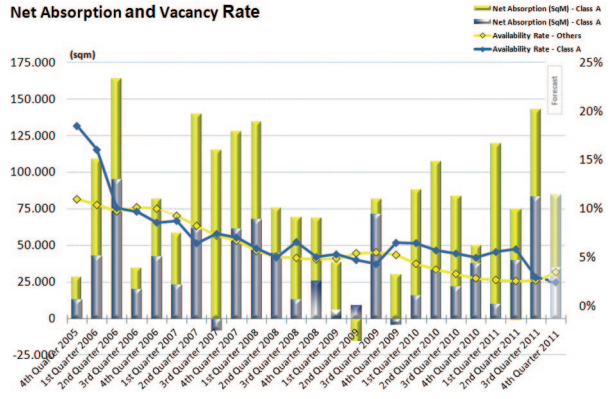
According to developers, forecast for the next quarter is the delivery of 170 thousand m², of which 128 thousand m² in Others segment and 42 thousand m² in Class A. If this forecast is in fact confirmed it will be the largest delivery over the past 5 years.

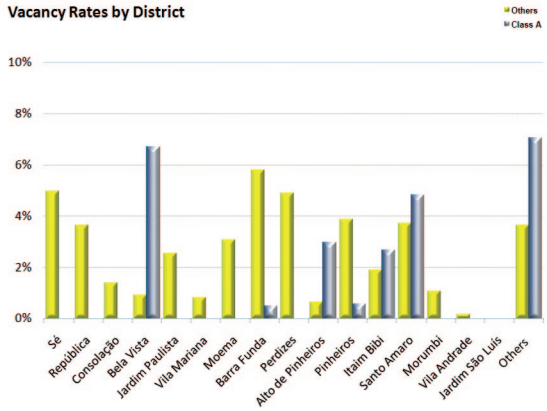


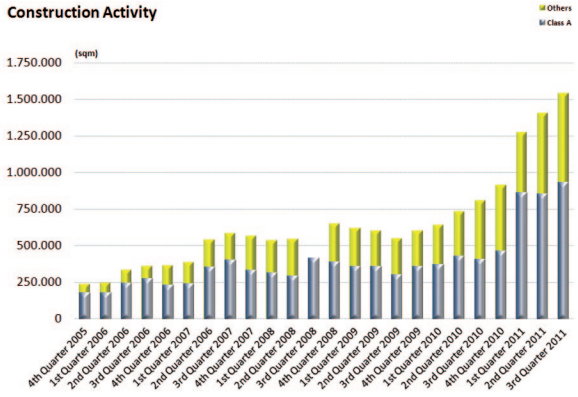
Itaim Bibi remains at the height of construction activity

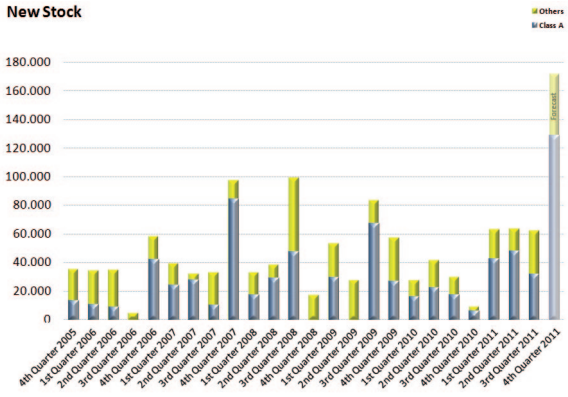
Investments in the corporate office market continue to rise in São Paulo during 3rd quarter, reflecting an increase in construction activity to 1,539,961 m² in segments Class A and Others. Out of this grand total, 74,986 m² are related to buildings which have started construction in this period.

Itaim Bibi is still the district with the highest investments in corporate office development with construction activity of 465,726 m² over the last three months. **









** Class A: Buildings delivered after 1990, 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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Market Bulletin

3rd Quarter 2011

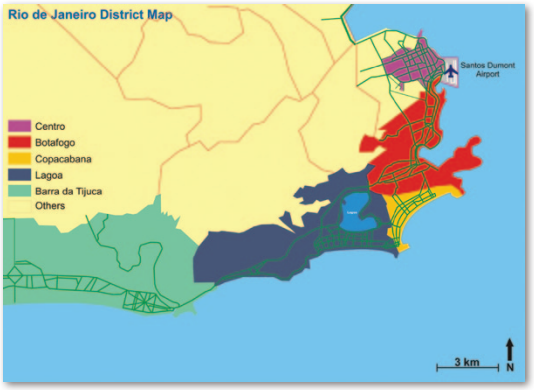
Rio de Janeiro

Heated up Corporate market in Rio de Janeiro

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

Vacancy rates increased significantly in Rio de Janeiro as shown in the graphs below, especially in Class A* segment, from 4.26% in last quarter to 5.67% in this 3rd quarter. This is as a result of the delivery of two corporate developments in Centro (Downtown): Buenos Aires building with 9,100 m² and Rio Office Tower with 19,054 m². Additionally, Vision Office with 9,898 m² in Barra da Tijuca, totalling 38,052 m² in Class A segment. With the delivery of Barra Prime Office with 7,728 m² and the Madureira Centro Empresarial with 7,280 m², segment Others totalled 15,008 m².

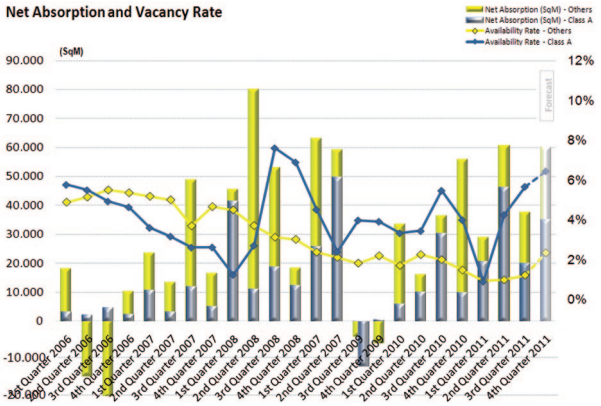
Net absorption in Rio de Janeiro also continues positive totalling 37 thousand m² in both segments. Out of the total 95 thousand m² forecast for delivery in 3rd quarter only 53 thousand m² have been in fact delivered, the remaining postponed for future quarters. With this postponement added to the delivery forecast, prospects are that 4th quarter stock will reach 114 thousand m², causing vacancy rates to remain at their current levels in Rio de Janeiro.

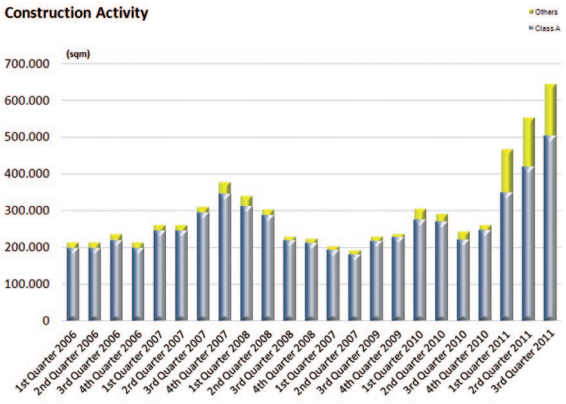


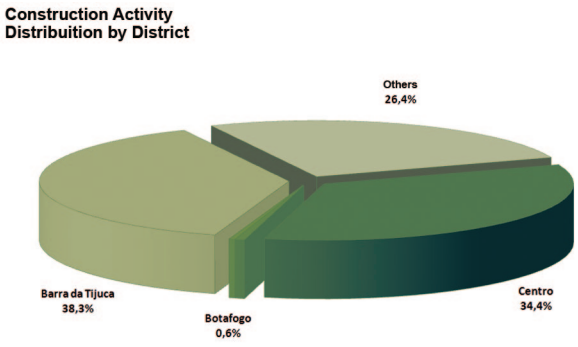
Barra da Tijuca returns to the top of construction activity

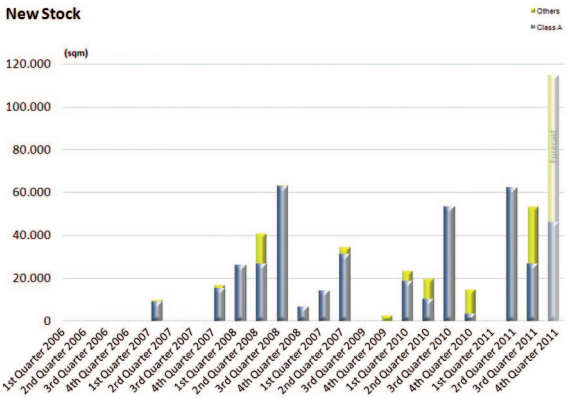
The proximity of the Olympic Games and the World Cup continue to attract investors to Rio and more construction is underway. 3rd quarter registered the largest construction activity in the past five years with a total of 643,748 m² in both Class A and Others segments.

With the delivery of buildings in Centro (Downtown), Barra da Tijuca becomes once again the region with the largest corporate construction activity with 246,511 m², while Centro (Downtown) has 221,235 m² under construction. The main reason for this being the beginning of the construction of the seven towers at Universe Empresarial Complex with a total of 26,563 m². Barra currently represents 38% of the building corporate office spaces under construction in Rio de Janeiro.**







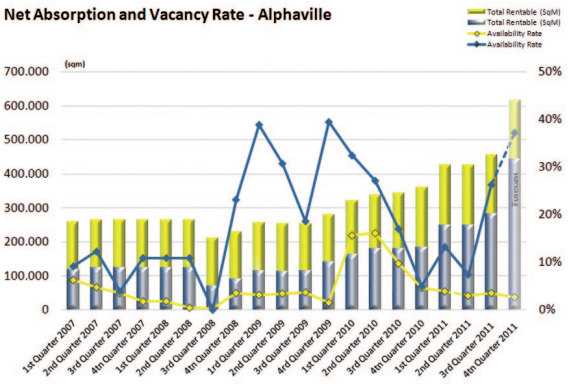


Information contained in this document is a result of research undertaken by Ocupantes, with the aim of estimating trends in the corporate real estate market. It does not constitute a legal document

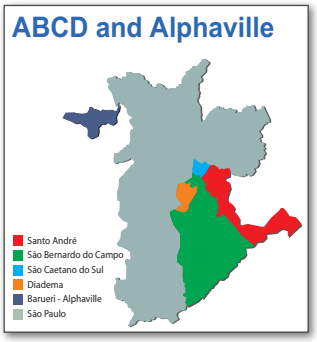
OCUPANTES is the first Brazilian Real Estate consulting firm to exclusively represent corporate end users in Brazil. It is composed of highly skilled professionals with ample experience representing Brazilian and multinational companies.

Vacancy rates in Alphaville shoot up

After the drop in the vacancy rates in Alphaville region over the 2nd quarter, vacancy rates have shot up in 3rd quarter, rising from 5.53% to 17.54% in both segments. This is a reflection of the large increase in vacancy rates in Class A segment from 7.40% to 26.27%. This was impacted by new stock of 51,790 m² with the delivery of two towers of the Alpha Square Complex – London and The City, totalling 35,251 m² and also Medical Life Alphaville building with 12,778 m². In the Others segment the Eight Private Corporate building with 3,760 m² was delivered.



Alphaville has a total stock at 456,876 m² in segments Class A and Others and continues to grow. However, delivery of corporate office space was greater than corporate office space that has been categorized as being under construction, such that the total currentamount of space under construction stands at 308,815 m².



The ABCD region is also growing with total stock levels at 277,680 m² and construction activity increased from 67,554 m² in the previous quarter to 106,162 m² in the 3rd quarter.

The forecast of new stock in Alphaville over the next quarter is 160 thousand m² in Class A segment and 26 thousand m² in ABCD for Others segment, totalling 186 thousand m², causing vacancy rates in Greater São Paulo and Alphaville to continue to rise.

Success Stories - A portfolio in excess of 250 retail contracts throughout Brazil

OCUPANTES
Corporate Real Estate

Ocupantes Corporate Real Estate, in addition to being one the main corporate real estate consultancies in Brazil within the diverse specialized services provided in office and industrial sectors, has invested in prospecting and negotiation commercial sites for the installation of retail bank branches and retail shops all over Brazil. This particular type of service is known as Retail Tenant Representation.

This is a process which should follow several steps. Firstly, to understand the clients' needs and when identifiable the characteristics and location of the ideal site. This is followed by the mapping of sites in line with pre-defined assumptions.

In order to execute a feasibility study of a real estate transaction, Ocupantes analyzes all documentation pertaining to the site and its owners, in addition to an architectural appraisal and financial analysis. This enables the client to be a position to quickly approve (or not) the proposed site.

To finalize, Ocupantes negotiates and concludes the purchase or lease contract. Here the aim is to minimize financial costs and conclude commercial negotiations within market price levels, and additionally drafting the contract according to the clients' requirements.

Confidentiality is paramount in order to achieve satisfactory results in all projects. For this reason, Ocupantes protects and defends its clients in all project phases aiming not to inflate the market in the prospecting region and to avoid any kind of speculation amongst competitors relative to the clients' expansion plans.

With a highly specialized team, Ocupantes operates all over Brazil, having concluded in excess of 250 lease or purchase contracts in the Retail segment. Large corporations such as Bradesco, Walmart, Autozone, Medial Saúde, NET, Adidas, Unibanco, Citibank, among others, are part of the client portfolio. The map shows the cities where Ocupantes has concluded successful Retail business.



