OCUPANTES
Corporate Real Estate

MARKET BULLETIN

4th QTR 2019 • SÃO PAULO | RIO DE JANEIRO

OFFICES

	SÃO PAULO		RIO DE JANEIRO	
	↘ VACANCY RATE	↘ AVERAGE ASKING PRICE	↗ VACANCY RATE	↘ AVERAGE ASKING PRICE

INDUSTRIAL

	STATE OF SÃO PAULO		STATE OF RIO DE JANEIRO	
	↘ VACANCY RATE	↘ AVERAGE ASKING PRICE	↘ VACANCY RATE	— AVERAGE ASKING PRICE

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

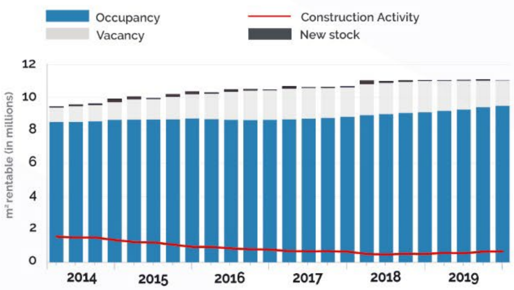
OFFICES

CONSTRUCTION ACTIVITY 654,671 m²
NEW STOCK 2,818 m²
NET ABSORPTION 91,203 m²
GROSS ABSORPTION 252,769 m²
VACANCY RATE 13.97 %
AVERAGE ASKING PRICE R$ 58.98 / MONTH

Considering corporate office buildings only (Class A and Others)

SÃO PAULO

OCCUPANCY/VACANCY/CONSTCRUTION ACTIVITY/NEW STOCK



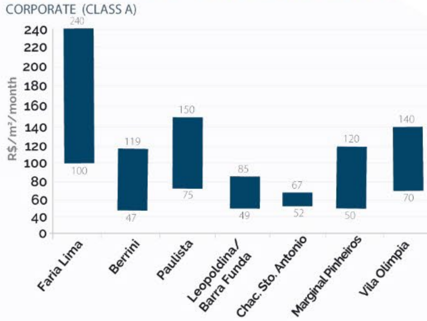
The total stock of office space in the city of São Paulo was 10.9 million m² which 2.8 thousand m² was new stock. The vacancy rate in the period fell slightly to 13.97% of which represents 1.5 million m² of vacant space. In turn, construction activity increased to 655 thousand m².

The asking rental prices in the Faria Lima district ranged between R\$100/m²/month and R\$240/m²/month. In the Berrini district they ranged from R\$47/m²/month to R\$119/m²/month, and in the Vila Olímpia district asking prices ranged from R\$70/m2/month to R\$140/m²/month.

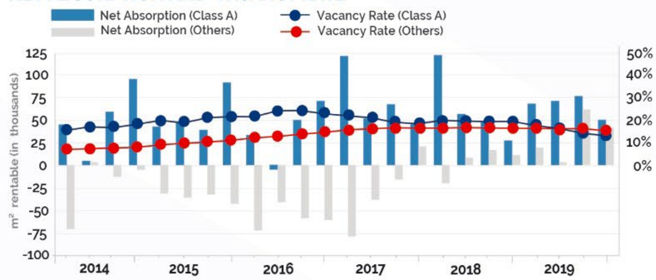
The stock of corporate Class A office buildings of the city in São Paulo recorded a positive net absorption of 49.7 thousand m² and a vacancy rate of 12.82%. The stock of corporate buildings Class "Others" recorded a positive net absorption of 41.4 thousand m² and a vacancy rate of 14.61%.

RANGE OF LEASE ASKING PRICES BY DISTRICT

CORPORATE (CLASS A)



NET ABSORPTION AND VACANCY RATE

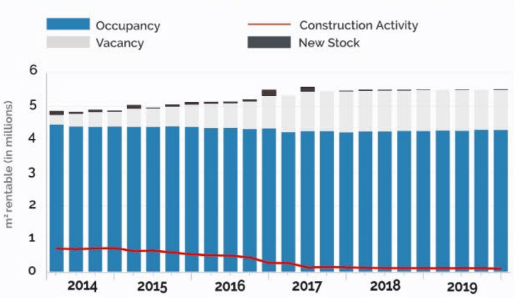


CONSTRUCTION ACTIVITY 92,377 m²
NEW STOCK 8,379 m²
NET ABSORPTION -6,105 m²
GROSS ABSORPTION 65,302 m²
VACANCY RATE 22.18 %
AVERAGE ASKING PRICE R$ 68.10 / MONTH

Considering corporate office buildings only (Class A and Others)

RIO DE JANEIRO

OCCUPANCY/VACANCY/CONSTRUCTION ACTIVITY/NEW STOCK



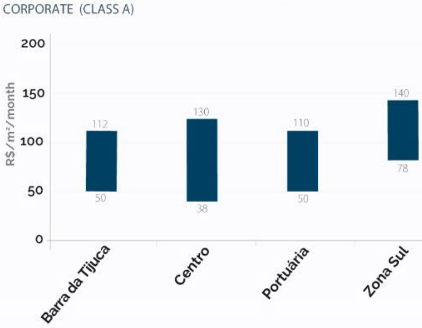
The total office stock in the city of Rio de Janeiro reached 5.5 million m² of which 8.4 thousand m² was new stock. The vacancy rate in the quarter fell slightly to 22.18% which represents 1.2 million m² vacancy. In turn, construction activity decreased to 92.4 thousand m².

The asking rental prices for Barra da Tijuca district ranged between R\$50/m²/month and R\$112/m²/month. In the Centro district they ranged between R\$38/m²/month and R\$130/m²/month, and in the Portuária district asking prices ranged from R\$50/m²/month and R\$110/m²/month whilst in the Zona Sul district they ranged between R\$78/m²/month and R\$140/m²/month.

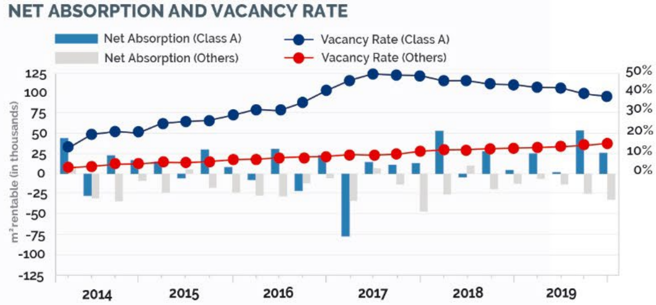
The stock of corporate Class A buildings in the city of Rio de Janeiro recorded a positive net absorption of 26.1 thousand m² and a vacancy rate of 38.31%. The stock of corporate buildings Class "Others" recorded a negative net absorption of 32.2 thousand m² and a vacancy rate of 14.21%.

RANGE OF LEASE ASKING PRICES BY DISTRICT

CORPORATE (CLASS A)



NET ABSORPTION AND VACANCY RATE



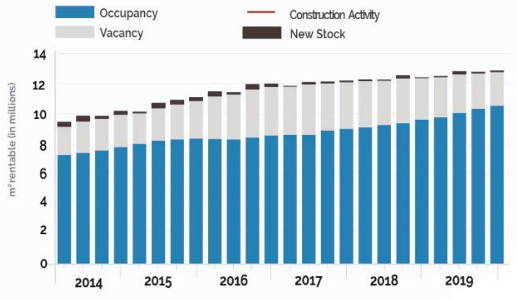
*The methodology for classification adopted by Ocupantes for office buildings is as follows: "Office" type buildings have office suits under 100 m², "Corporate" type buildings have office suits greater than or equal to 100 m². Class A: buildings with high technical standards.

INDUSTRIAL

CONSTRUCTION ACTIVITY 1,229,971 m²
NEW STOCK 138,845 m²
NET ABSORPTION 208,562 m²
GROSS ABSORPTION 404,053 m²
VACANCY RATE 18.00 %
AVERAGE ASKING PRICE R$ 17.58 / MONTH

STATE OF SÃO PAULO

OCCUPANCY/VACANCY/CONSTRUCTION ACTIVITY/NEW STOCK



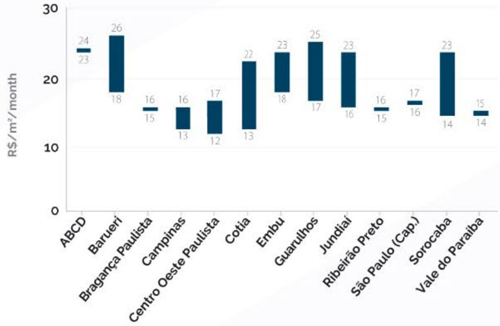
The total stock of gated industrial and logistical condominiums in the state of São Paulo was 12.8 million m² of which 138.8 thousand m² was new stock. The vacancy rate in the quarter declined slightly to 18.00% which represents 2.3 million m² of vacant space. In turn, construction activity increased to 1.2 million m².

The asking rental prices in the Barueri district ranged between R$18/m²/month and R$26/m²/month. In the Campinas district asking prices ranged between R$13/m²/month and R$16/m²/month and in the district of Guarulhos between R$17/m²/month and R$25/m²/month.

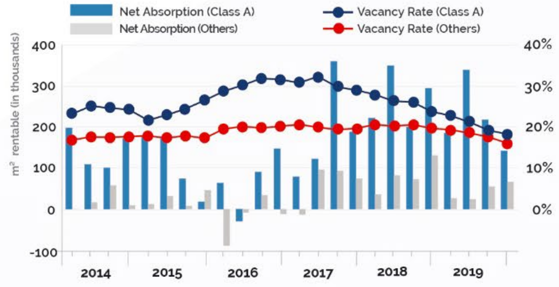
The stock of Class A gated industrial and logistical warehouse condominiums in the state of São Paulo recorded a positive net absorption of 142 thousand m² and a vacancy rate of 18.94%. The stock of Class "Others" recorded a positive net absorption of 66.4 thousand m² and a vacancy rate of 16.09%.

RANGE OF LEASE ASKING PRICES BY DISTRICT

INDUSTRIAL (CLASS A)



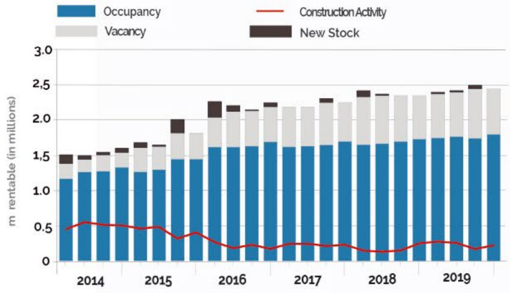
NET ABSORPTION AND VACANCY RATE



CONSTRUCTION ACTIVITY 222,970 m²
NEW STOCK 0 m²
NET ABSORPTION 59,882 m²
GROSS ABSORPTION 124,882 m²
VACANCY RATE 26.41 %
AVERAGE ASKING PRICE R$ 21.37 / MONTH

STATE OF RIO DE JANEIRO

OCCUPANCY/VACANCY/CONSTRUCTION ACTIVITY/NEW STOCK



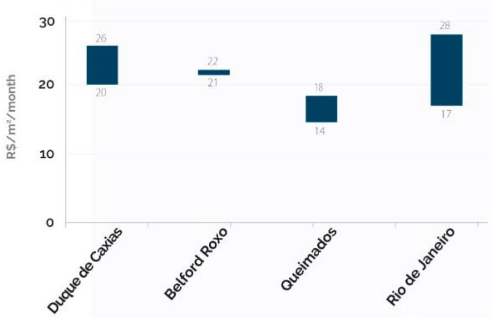
The total stock of gated industrial and logistical condominiums in the state of Rio de Janeiro reached 2.5 million m², there was no delivery of new stock. The vacancy rate in the quarter dropped to 26.41% which represents 653 thousand m² vacancy. In turn, construction activity increased to 222.9 thousand m².

The asking rental prices for Duque de Caxias district ranged between R$20/m²/month and R$26/m²/month and for Belford Roxo district asking prices ranged from R$21/m²/month and R$22/m²/month. In the district of Queimados asking prices ranged from R$14/m²/month to R$18/m²/month, while in the city of Rio de Janeiro they ranged from R$17/m²/month to R$28/m²/month.

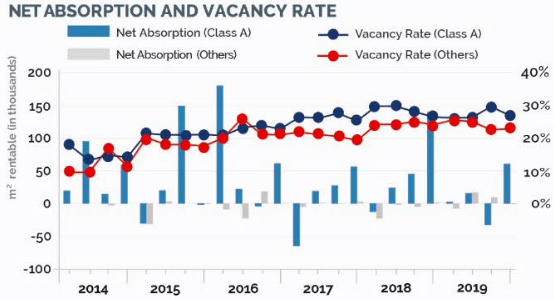
The stock of gated Class A industrial and logistical condominiums in the state of Rio de Janeiro recorded a positive net absorption of 61 thousand m² and a vacancy rate of 27.08%. Gated industrial and logistical condominiums considered Class "Others" recorded a negative net absorption of 11 thousand m² and a vacancy rate of 23.11%.

RANGE OF LEASE ASKING PRICES BY DISTRICT

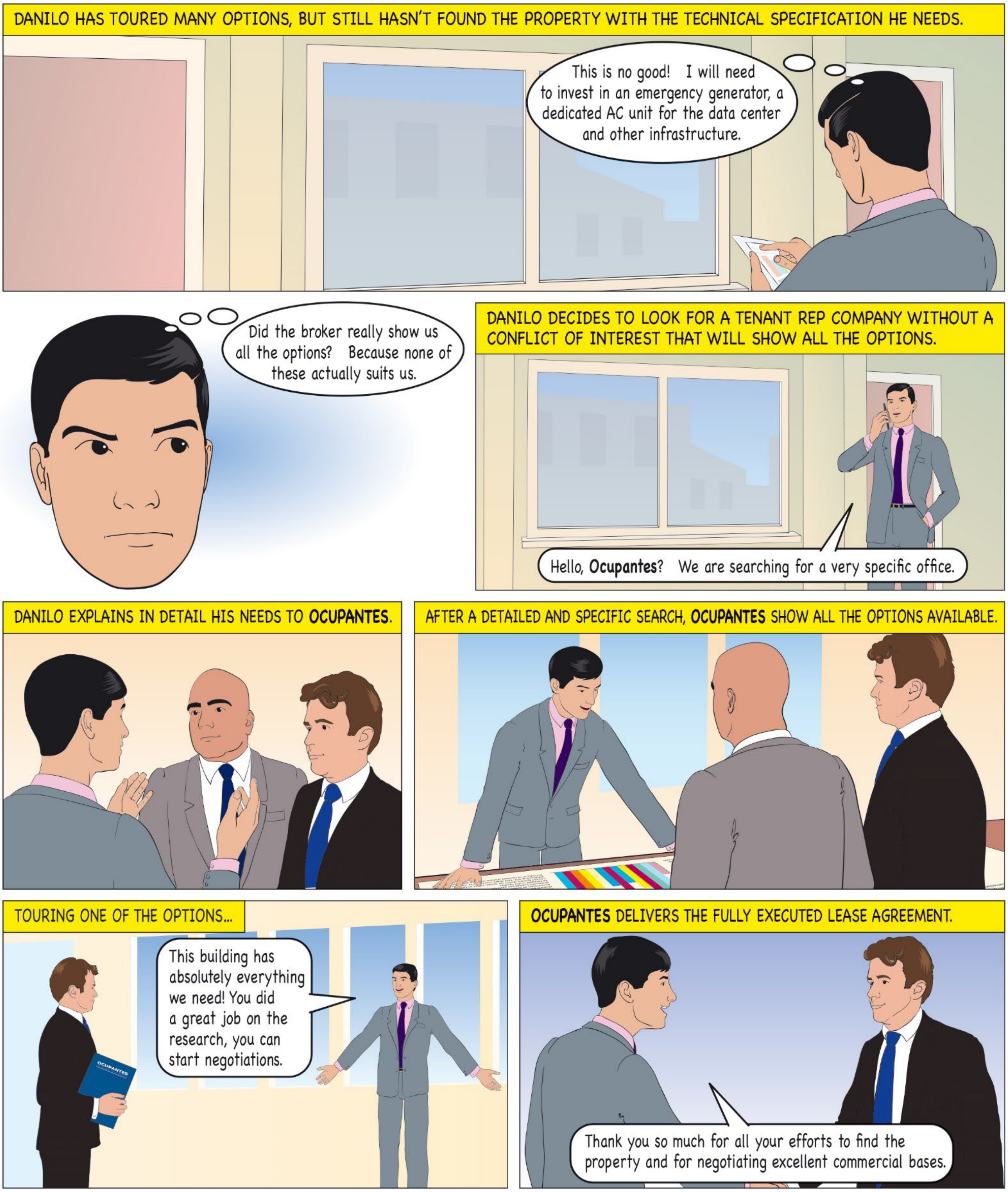
INDUSTRIAL (CLASS A)



NET ABSORPTION AND VACANCY RATE



UNDERSTANDING CLIENT'S NEEDS



Ocupantes' research includes a comprehensive database including actual transaction values in each district or region of São Paulo, Rio de Janeiro and other capitals throughout Brazil. It also includes detailed historical track records of vacancy rates, new stock, absorption and construction activity, all of which provide the necessary knowledge to its consultants and clients in order to forecast future trends and maximise the net benefits of every negotiation.

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