

Celebrating 10-years of growth and success

10
Years

Just over 10 years ago, two friends who had already been working in the real estate market had an idea of creating a real estate consulting company focused on servicing tenants occupying corporate spaces - end users. Both friends were already experienced in the real estate market, gained in their previous companies. Shortly thereafter, in 2004, out of this partnership a new venture emerged - **Ocupantes**.

With the determination and perseverance that any successful entrepreneur must possess to do business in Brazil, the partners started their activities in a small office in the district of Chácara Santo Antonio, São Paulo. Ocupantes enjoyed strong growth and the company's staff increased, and the company soon had to move into new offices. By 2009, the consultancy already had reached 60 employees.

Such a degree of success was, however, no mere accident. From the very beginning, the founders directed their efforts on providing a differentiated consulting service. "**Ocupantes** intends to represent the end user and not force them to rent in any given development," explains Bruce Lorimer, founder and Managing Director of Corporate Services. Along with this strong tenant-oriented mindset, the company also managed office and industrial implementation projects with the same philosophy, through **Ocupantes Project Management**, a division designed to assist and act in consulting and project management. In summary, the goal is to get customers to find what they look for in relation to standards of occupation, prices and suitability to their requirements, relieving the client of the need to perform this encumbrance or face the many inconveniences involved.

Achieving this portfolio takes hard and consistent teamwork of all those involved. Right from the very beginning the company's human resources profile was to actively train people, through internal and external training courses. In other words, many professionals - including some who now occupy positions of middle and upper management - who started off without any specialized real estate knowledge, grew with the company, with competence and a great



Bruce Lorimer
Founder and partner-director of Ocupantes

willingness to learn. This continues to be our people strategy. The company continues to operate in the same way, including that of providing valuable opportunities for trainees and interns.

Among the services offered by **Ocupantes** are relocations, reviews, renewals, industrial services, management of opportunities, critical-date management, reviews, broker opinion of value, demobilization, research for retail outlets, build-to-suit, Sale & Leaseback and Project Management.

Ocupantes' customer base consists of major national and multinational companies, including banks, car manufacturers, pharmaceutical companies, software, technology companies, and law firms, among many others. In order to measure customer satisfaction in all the services offered, the consultancy established a system that allows for a simple and effective client evaluation. In this evaluation process, the tenant serviced by Ocupantes has the ability to select from a list of five options, excellent, very good, good, fair and poor. As a reflection of the competent efforts put in over the past 10-years the company has never been appraised by any client as fair or poor. The sum of excellent and very good ratings reached 97% of customer satisfaction.

Over a decade, **Ocupantes** showed remarkable growth, servicing clients closely and adapting to market conditions, in addition to developing several successful international partnerships. The consultancy has a long term strategy for growth, with the reliance on strong teamwork orientation, and looking forward to more success stories in the future. ■



Party 10 years of Ocupantes



For office, industrial and retail work, our services include:

- Strategic Consultancy
- Portfolio Management Services
- Space Planning
- Location and Financial Analysis
- Market Surveys and Comparative Analysis
- Transaction Management (including BTs and Sale & Leaseback operations)
- Project and Construction Management
- Contract Management
- Valuations, Dispositions and Deliveries of Spaces upon Lease Terminations
- Rent Reviews, Lease Renewals and Terminations

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Absorption in the 4th QTR 2014 reaches an all-year high



* Comparing 4th quarter 2014 with 3rd quarter 2014

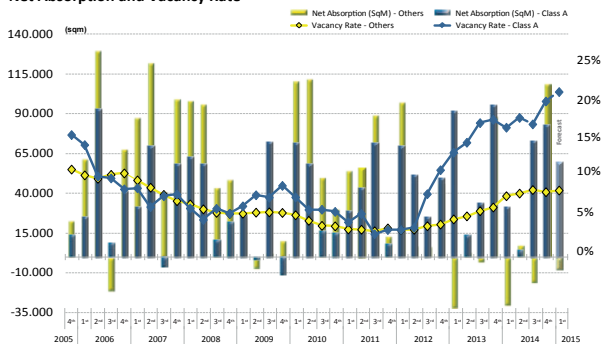
Although the 4th QTR 2014 recorded the highest net absorption of the year, vacancy rose in Class A* buildings reaching the 20% level, due to the large volume of new stock of Corporate Class A buildings delivered in the 4th QTR 2014, which was approximately 215,000 m². In parallel, the net absorption of Corporate buildings classified as Others also achieved an excellent level, about 25 thousand square meters. It was the largest net absorption in the Others segment since the 1st QTR 2012. Gross absorption in Corporate Class A buildings was 124 thousand square meters, while the Corporate Others was 65 thousand square meters.

The high volume of new stock in the 4th QTR 2014 reflected the construction activity of corporate office buildings, declining from 1.2 million to just under 1,000,000 m² under construction in the city of São Paulo. It is the first time in four years that less than one million square meters of office buildings are being built.

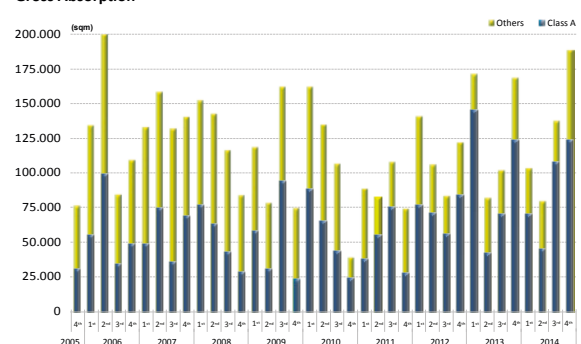
New stock should remain high in the beginning of 2015

Similarly to the trend seen at the end of 2014, the beginning of 2015 also shows signs of a high volume of new stock. The forecast is 130 thousand square meters in Corporate Class A buildings will be delivered in 1st QTR 2015. As a result, there is an upward trend in vacancy levels, despite a still positive net absorption.

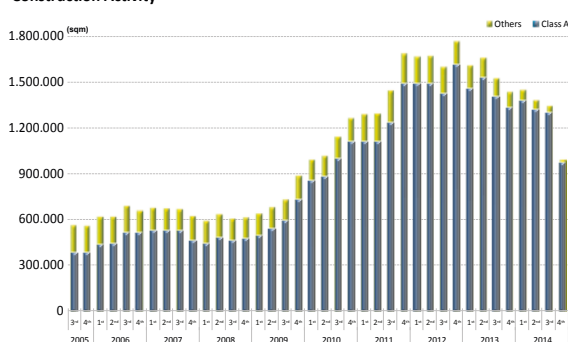
Net Absorption and Vacancy Rate



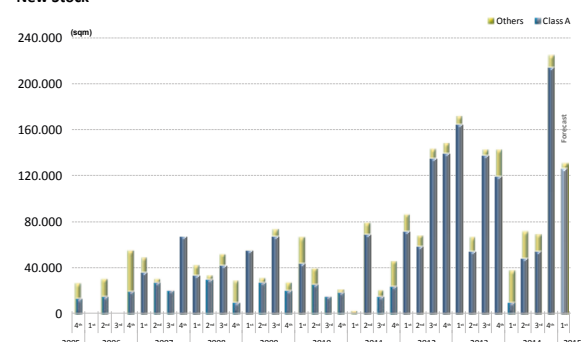
Gross Absorption



Construction Activity



New Stock



* Occupantes uses the following methodology for classifying office buildings: Office: Buildings consisting of small office units less than 100 m²; Corporate: Buildings with office units greater than or equal to 100m²; Class A: Buildings with high quality technical specifications. This report has considered only Corporate Buildings

Vacancy in Class A drops after eight consecutive quarters and signals an upward trend



* Comparing 4th quarter 2014 with 3rd quarter 2014

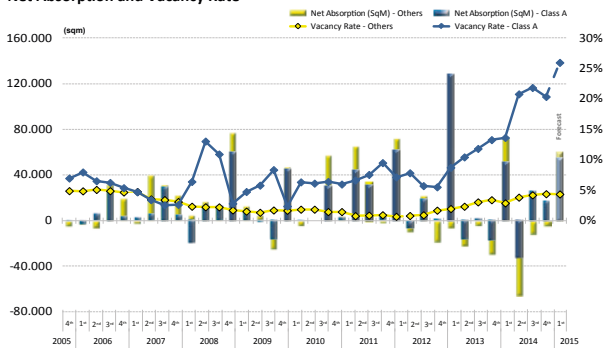
With a positive net absorption in Class A buildings in 4th QTR 2014 –of 17,000 m² - the vacancy rate for Corporate Class A buildings has dropped after eight quarters of successive and consecutive increases, closing 2014 at 20%. The net absorption of Corporate buildings classified as Others was negative (- 5,600 m²), but this had hardly any impact on the vacancy rate, which remained stable at around 4.3%.

Low net absorption does not signify that the market was any less active. Proof of this is that gross absorption in Corporate buildings closed a transacted volume in the 4th QTR 2014 of 45,000 m², and of this total, 23,000 m² were in Corporate Class A buildings.

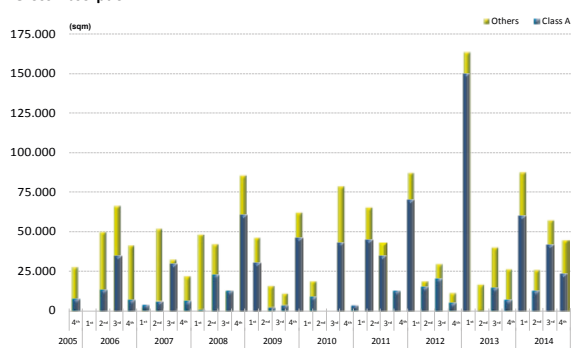
Deliveries will accumulate in 2015

A factor that contributed to block the rise in the vacancy rate was that the delivery of new stock planned for end 2014, was delayed. There weren't any new deliveries in Rio de Janeiro in the 4th QTR. With deliveries postponed to 2015, the forecast now, subject to confirmation, is that more than 165,000 m² will be delivered in 1st QTR 2015, of with 160,000 m² are Corporate Class A buildings. This should lead to a more pronounced rise in Class A vacancy rates, that could in effect, reach a level of 25%.

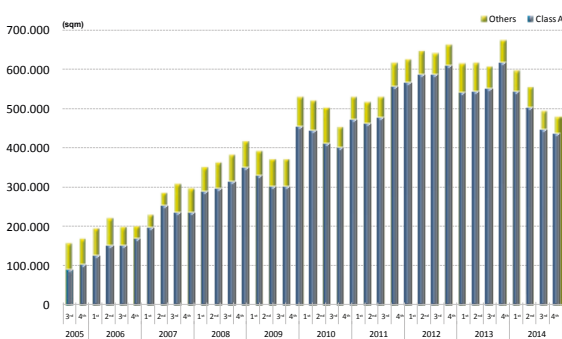
Net Absorption and Vacancy Rate



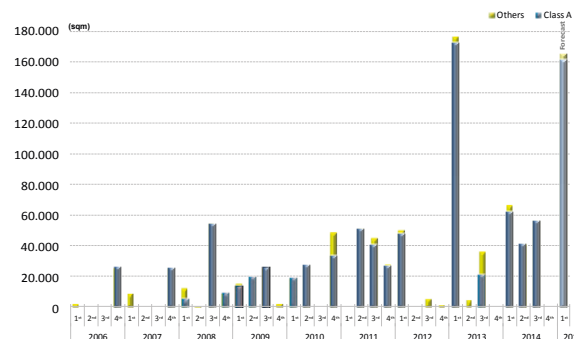
Gross Absorption



Construction Activity



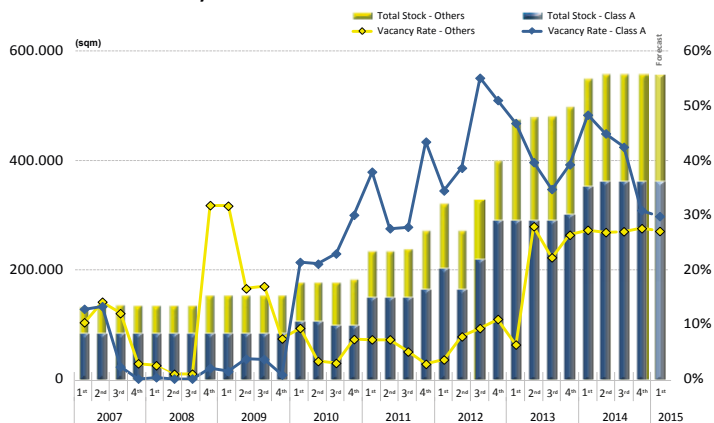
New Stock



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

The upward trend in net absorption of Class A buildings leads to a drop in vacancy

Total Stock and Vacancy Rate



- For the third consecutive quarter, the vacancy rate in Alphaville fell, closing at 30% in 2014. The fall was accentuated by a large net absorption in the 4th QTR 2014, which was approximately 43,000 m². At the same time, no new stock was delivered in the quarter, contributing to a reduction in vacancy.
- The fact that Alphaville reached a very high vacancy rate in recent years (almost 55%) caused developers and investors to curtail the pace of construction of new office buildings in the region. Hence, with the decrease in construction activity and the delivery of new stock, the trend is that the vacant spaces will be gradually

absorbed in the coming years, leading to more acceptable vacancy levels.

Success Stories - Dealing with the unforeseen



Unsurprisingly, healthcare is a segment that should always be taken very seriously. Any professional or company working in this

market should always work on the assumption of taking proper care of the lives at stake. This is the case of the American company IMS Health, which operates as consulting in the health care industry for over 12 years and has operations in Brazil, based in São Paulo.

With the growth of business in Brazil, the company expanded its staff base, and by the end of 2013 the offices it occupied became too small. It was then that **Ocupantes** was contacted. Early in 2014, the property consultancy presented options for the new lease. Among them was the Espaço Empresarial Nações Unidas, chosen by IMS Health. To meet the necessary space requirements, a floor and a half was rented.

Following on, after the lease negotiations were conducted and a few stumbling blocks overcome, the contract was drawn up. However, any transaction can be subject to a hitch, in this case the landlord of the selected floors in question, withdrew at the last moment when only signatures were remaining to conclude the lease agreement.

With a problem now clearly at hand, **Ocupantes** re-engaged the research efforts, even prior to informing IMS of the unfortunate

circumstance. Acting swiftly, an equal space was identified within the same development, and with some added advantages, including lower rent and a much better view.

After all the requirements were thoroughly checked, the real estate consulting informed the client that the first owner had decided to withdraw from negotiations, which prompted the presentation of a new space opportunity. This was an important step as IMS had already informed their previous landlord about their exit, and also all technical investigations and costings had been undertaken.

As a result of the work performed by **Ocupantes**, IMS had their expectations exceeded in relation to deadlines, the leased space and the rent savings achieved. As a company specializing in the Corporate Real Estate Market, **Ocupantes** was able to minimize the customer's concerns and challenges as much as possible, and it was then just a matter of occupying the new space and start operating. ■



Espaço Empresarial Nações Unidas

