

## Ocupantes completes 5 years and leaves its mark in the Corporate Real Estate Market

Near the end of 2004 we were six colleagues. Now we are 50, present in 10 Brazilian cities. In each of the last three years we have doubled the volume of our business, including in 2009, a year that suffered with the global economic crisis.

We are proud to share this history of success and to have worked with clients who have helped us along the way.

We were born from a dream of a few experienced real estate professionals who were active in real estate advisory services and who perceived that the market lacked the presence of a company that was specialized in Corporate Real Estate Consulting and that was 100% Brazilian. These professionals, Bruce Lorimer, Marcos Alves, Cláudio Lisias, Haroldo Lopes, Thomas Govier and Fabio Talero have been able to attract the best professionals in the market as well as to train internally a large number of consultants. They were able to form an excellent research team that holds a vast database of several office markets in several Brazilian cities and growing databases in retail and industrial. In São Paulo, for example, we have complete database the over 2000 Office buildings in the market.

The secret of success in our humble opinion does not digress from what is expected of a serious company:

- Happy, dedicated and trained team;
- Hard work, with quality and detail;
- Advisory approach, analytical and proactive;
- Honesty, transparency and agility;
- Respect to our Professional colleagues and other real estate firms;
- Respect and attention to the needs of the client;
- Capacity to attend international clients in fluent English.

With all this, there was little need to divulge our name by advertising. The vast majority of our clients is recommended by word of mouth and many return year after year.

A great example of this is Europ-Assistance. When they moved from Rio de Janeiro to São Paulo in 2006, Europ-Assistance retained Ocupantes to identify and negotiate 2,200 m<sup>2</sup> in Al-

phaville. In 2009, the client needed to expand and they did not hesitate to call Ocupantes. As there was no immediate expansion space in the same building, Ocupantes researched for the "hidden" options, shadow space, contacting every single tenant in the same building until one who was willing to consider a move was identified. The expansion occurred successfully.

The Brazilian Real Estate Market is very active in practically all sectors and regions. In 2009 we undertook work in many locations around the country as well as in all sectors of real estate: Office, retail, logistics and industrial. In the retail market alone our teams closed 66 leases in 2009, holding work orders for double this amount over the next year.

In 2009, our Project & Construction Management arm became fully established, with a total of nine projects, of which 5 have been delivered. This is a lot of work for a team that only started in 2008.

### Corporate Real Estate Course: Ocupantes innovates and leads

Yet, Ocupantes goes beyond. It is not enough to work hard; in order to further the abilities of our team, in 2009 we launched an internal Corporate Real Estate Course that is continuing and improving through 2010.

Once a week, for 32 weeks of 2009, the firm's directors shared and even improved their knowledge by giving classes to Ocupantes' teams, and will continue doing so in 2010. Some of the topics covered are:

- Real Estate Law;
- Investments;
- Team Leadership and Project Coordination;
- Marketing and selling services;
- Effective negotiations;
- Property Valuation;
- Industrial;
- Retail;
- Report writing.

We aim to maintain a high quality of service and above all attain satisfaction at having delivered a job that surpasses our clients' expectations. ■

## OCUPANTES

Corporate Real Estate



Bruce Lorimer



Marcos Alves



Cláudio Lisias



Haroldo Lopes



Thomas Govier



Fabio Talero

## HIGHLIGHTS

### SÃO PAULO

The Net Absorption is negative and the Vacancy Rate increases in the Class A sector.

### RIO DE JANEIRO

With over 90% of the total stock located in Centro, retrofits become an excellent alternative to the recovery of the corporate market in the region.

### ABCD e ALPHAVILLE

With the delivery of Block I of the Castelo Branco Office Park, the vacancy rate in Alphaville rises to 39%.

## SUCCESS STORIES

Ocupantes Project Management closes 2009 with excellent growth.

### OUR SERVICES

For offices, industries or retail, our services are:

- Relocations
- Rent Reviews and Lease Renewals
- Lease Terminations
- Management of Opportunities and Critical Dates
- Valuations
- Divestments
- Build-to-Suit
- Sale & Leaseback
- Project Management

## PRESENCE IN:

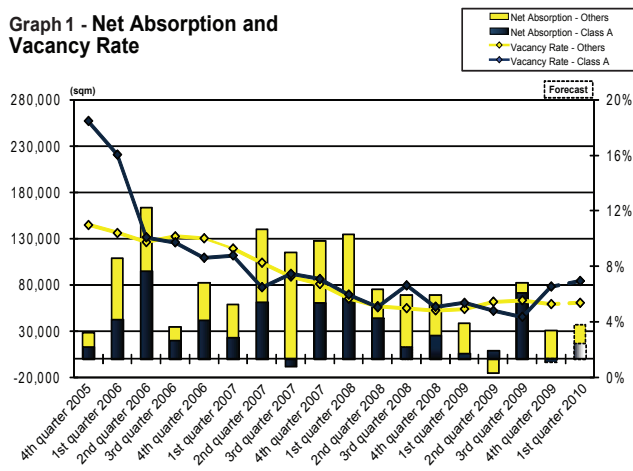
SÃO PAULO	SALVADOR
RIO DE JANEIRO	RECIFE
BELO HORIZONTE	ARACAJU
GOIÂNIA	JOÃO PESSOA
CURITIBA	MACEIÓ

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**THE NET ABSORPTION IS NEGATIVE AND THE VACANCY RATE INCREASES IN THE CLASS A SECTOR.**

**Graph 1 - Net Absorption and Vacancy Rate**

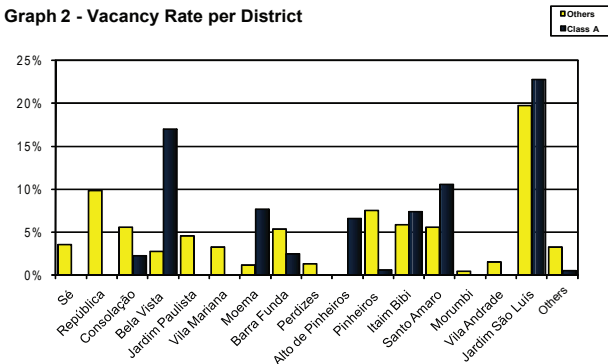


**Net Absorption and Vacancy Rate (Graph 1)** – Net Absorption in the Class A\* segment was negative in the 4th quarter by slightly more than 4,000 m<sup>2</sup>. In addition to all the typical movement in the market, this number is due mainly to the handing back of almost half of the 20,000 m<sup>2</sup> Morumbi Office Tower. Banco Votorantim, the tenant, moved to the Rochaverá complex. As a result, the vacancy rate of this market segment has risen from 4.36% to 6.54%. The numbers for the “Others” segment, the non-class A buildings, have remained practically stable, with negligible moves.

**Market Indicators**

- Vacancy Rate ↗
- Net Absorption ↘
- New Stock ↗
- Construction Activity ↘

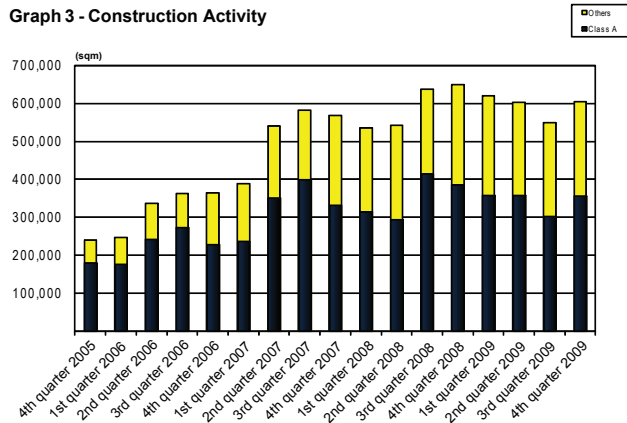
**Graph 2 - Vacancy Rate per District**



**Vacancy Rate by District (Graph 2)**

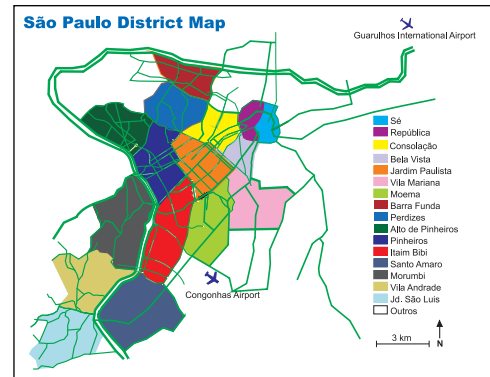
Five points are worth mention in the 4th quarter 2009. In the Others segment, the vacancy rate fell in the Barra Funda district due to the total take-up of the Lex Office. In the Class A segment, there are four highlights: in the district of Bela Vista, the Edifício Paulista 500 is totally vacant; in Alto de Pinheiros, part of the vacant space of Edifício Villa Lobos has been leased, as well as in the WT Nações Unidas and The One, both in Pinheiros. In the Santo Amaro district, the Morumbi Office Tower was partially vacated – Votorantim Bank, who occupied more than de 9,000 m<sup>2</sup>, moved to the Rochaverá complex.

**Graph 3 - Construction Activity**

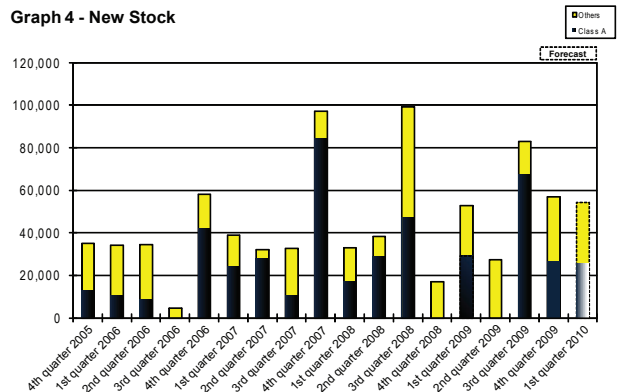


**Construction Activity (Graph 3)**

Construction activity in the city had been showing a declining trend that has reverted in the 4th quarter. In the Class A segment under construction has increased by 81,000 m<sup>2</sup>, totaling approximately 357,000 m<sup>2</sup>. The same has occurred in the Others segment, in which the amount of space under construction is now approximately 31,000 m<sup>2</sup>.



**Graph 4 - New Stock**



**New Stock (Graph 4)** – A great marker of the heating of the market is the combination of the amount of construction with the delivery of new stock. The 3rd and 4th quarters are excellent examples of this, especially in the Class A segment. New stock delivered in the 3rd quarter reached 67,000 m<sup>2</sup> and in the 4th quarter was over 26,000 m<sup>2</sup>. Yet despite these deliveries, the amount of space under construction has still risen. The same has occurred in the Others market segment, having received approximately 30,000 m<sup>2</sup> in the 4th quarter.

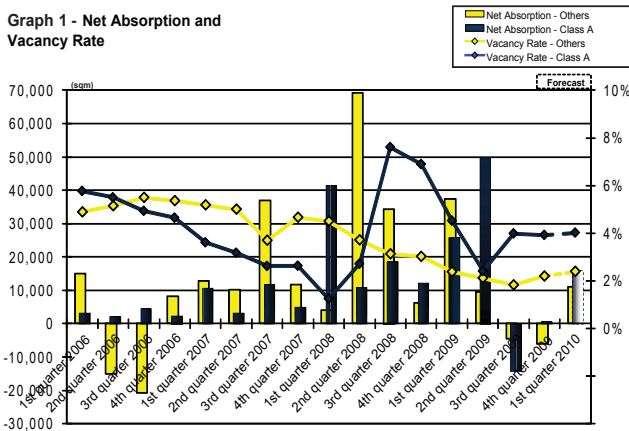
**Yearly review:** Despite all the reflexes of the global financial crisis, 2009 was a good year for São Paulo’s corporate real estate market. In the Class A segment almost 100,000 m<sup>2</sup> was delivered and yet 2009’s closing vacancy rate vacancy is 6.54%, below the 10% mark generally regarded as healthy for the market.

\* Class A: Buildings delivered after 1988, with a leasable area of 700 m<sup>2</sup> per floor-plate, and high technical standards.

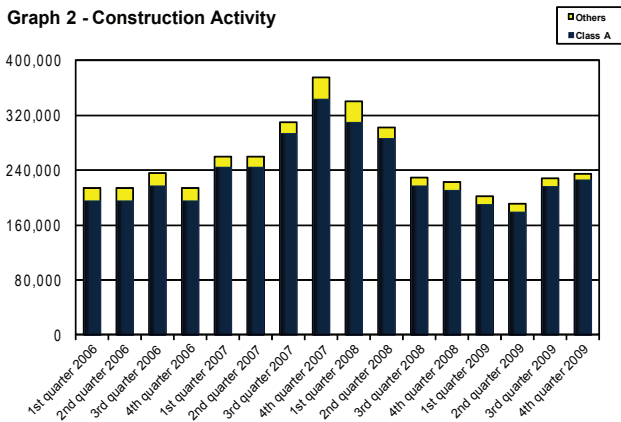
\*\* Ocupantes works with information supplied by constructors and developers.

## WITH OVER 90% OF THE TOTAL STOCK LOCATED IN CENTRO, RETROFITS BECOME AN EXCELLENT ALTERNATIVE TO THE RECOVERY OF THE CORPORATE MARKET IN THE REGION.

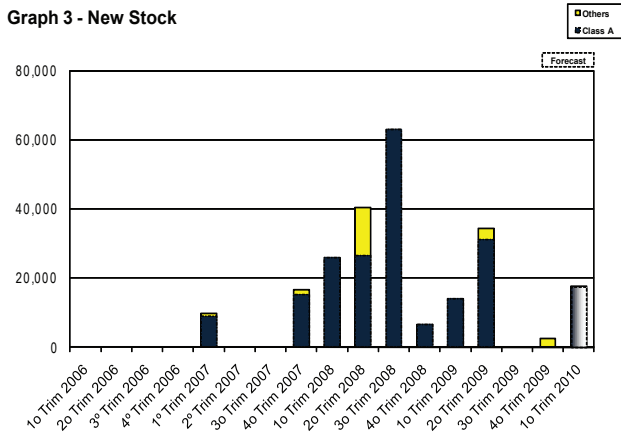
**Graph 1 - Net Absorption and Vacancy Rate**



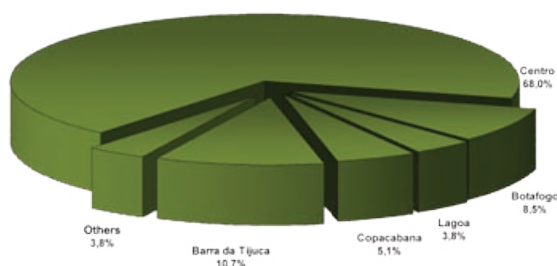
**Graph 2 - Construction Activity**



**Graph 3 - New Stock**



**Graph 4 - Total Stock - Class A (Multi-occupier) Distribution by District**



**Net Absorption and Vacancy Rate (Graph 1)** – The Rio de Janeiro Office Market is almost in a state of immobility. The few spaces available for lease are well disputed.

This said, Net Absorption was negative for the Others segment in the 4th quarter; consequently the vacancy rate is now up to 2.19% from 1.82%. In part, this is a result of the handing back of buildings now being retrofitted. This vacancy rate continues however to be extremely low. The Class A\* segment has a vacancy rate of 3.92%, 0.07 percentage points less than in the 3rd quarter.

**Construction Activity (Graph 2)** – Work has begun on more Class A space during the 4th quarter. The increase has been of 10,026 m<sup>2</sup>, totaling 226,954 m<sup>2</sup> under construction in this segment. Due to several deliveries during the quarter, this number is now less than the total reported for the 3rd quarter. On the other hand, the construction activity in the city remains higher than it was three years ago when the Rio office market began its recovery.

**New Stock (Graph 3)** – There have been no deliveries of Class A stock in the 4th quarter. The news restricts itself to the Others segment, with the delivery of 2,571 m<sup>2</sup>, in the Lagoa region.

**Total Stock (Graph 4)**  
With regards to the Class A segment, the vast majority is located in the Barra da Tijuca district, one of the only locations in the city that still has land available for new developments. On the other hand, if we look at total stock the figures are inverted: 68% of the entire city's stock is located in the Centro district (downtown). For this reason we frequently mention retrofits as one of the best solutions for revitalizing downtown Rio. Of the existing stock in downtown Rio, 92% are buildings delivered before 1960.

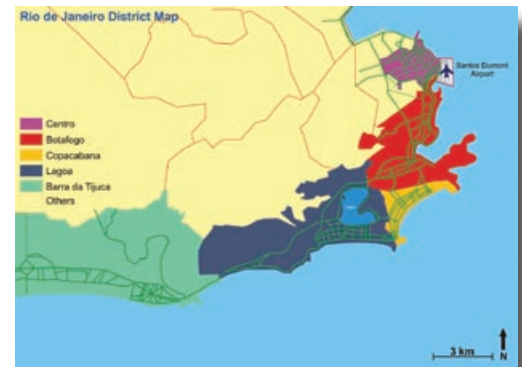
**Yearly Review:** 2009 was a year influenced by the international financial crisis, but we can see an upturn now. Rio received the delivery of the Ventura, a building of international standard that has even received a Gold Category LEED certification for Core & Shell. Another highlight was the delivery of the Francisco Serrador, a 1940's building that has been fully retrofitted and thereby being elevated into the Class A segment. There are other buildings in central Rio that are currently undergoing retrofits, notably the Rio Branco 115 and the Edifício Botafogo.

\* Class A: Buildings delivered after 1988, 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.

**Market Indicators**

- Vacancy Rate
- Net Absorption
- New Stock
- Construction Activity

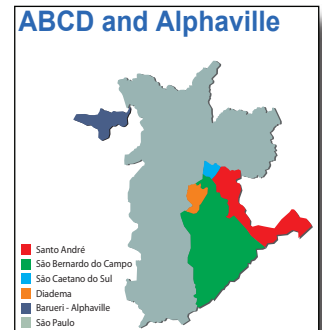
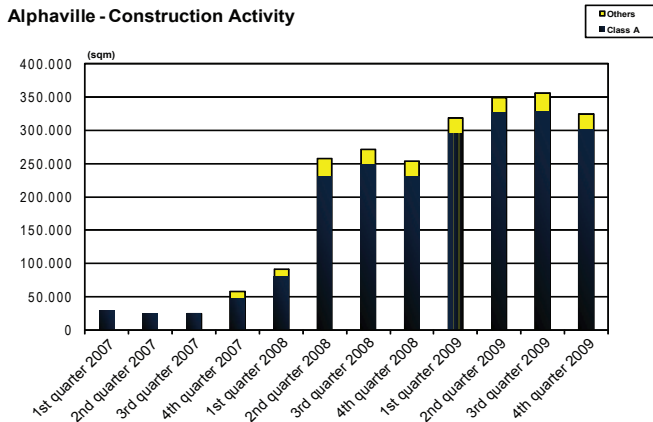


**WITH THE DELIVERY OF BLOCK 1 OF THE CASTELO BRANCO OFFICE PARK, THE ALPHAVILLE VACANCY RATE RISES TO 39%.**

**ABCD** – There have been no novelties during the 4th quarter in the region, for either Class A or Others segments.

**Alphaville** – Construction activity has increased almost threefold in the last 18 months. By the end of the 4th quarter the amount of Class A under construction is equivalent to 214% of the current stock. The vacancy rate for this segment has increased from 18.63% to 39.47%, with the delivery of the 26,600 m<sup>2</sup> Block I of the Castelo Branco Office Park.

**Alphaville - Construction Activity**



**Yearly Review:** Alphaville carries on being an important business Center in greater São Paulo, with a market in strong growth. The outlook for the coming quarters, with the delivery of new stock, is that vacancy shall rise further. The expectation is that the new space can be absorbed, otherwise Alphaville will be over-supplied.

**SUCCESS STORIES**

**OCUPANTES**  
Project Management

**Ocupantes Project Management closes 2009 with excellent growth.**



CENU North Tower, São Paulo

Two recent achievements of our Project Management department are the fit-out for the Canadian Consulate and the delivery of several HSBC projects. Ocupantes was retained by the Canadian Consulate in São Paulo to coordinate the implementation of the new consulate Office space on the 20th floor of the North Tower of the CENU complex. The challenge of this assignment was to attend requests that abided by Canadian construction codes as well as the Brazilian codes. Wherever there were discrepancies between the codes, the chosen route was to follow the more demanding code. The result was the successful fit-out to high technical specifications from the point of view of health, fire safety, equipment safety and accessibility. Another challenge was to work in a multicultural environment. In several instances the view of Canadian technicians would be different than that of the Brazilian planners, being an important management role to administer such differences and reach a solution. Ocupantes' experience in multicultural situations, and the ability to work and prepare technical reports in English, was paramount to resolve situations that arose.

Ocupantes Project Management was retained by HSBC Bank to manage the refurbishment of existing branches to coordinate building of new branches on vacant sites. During November and December Ocupantes delivered three completed projects in the state of São Paulo in the cities of Sertãozinho, Diadema and Alphaville.



HSBC Branch, Sertãozinho - SP

