

YOY  
Chg

12-Mo  
Forecast

**0.1%**  
GDP 2023Q3 ( QOQ )



**7.7%**  
Unemployment Rate  
2023Q3



**4.68%**  
IPCA (12 months)



**5.64%**  
NTN-B 2035



Source: LCA

YOY  
Chg

12-Mo  
Forecast

**8.46%**



Average Cap Rate

**5.0bn**



Total Volume (BRL)

**28**

Total Properties Sold



**663.8K**

Area (sq.m)



(all classes)

## ECONOMIC SCENARIO

• In 2023, the Brazilian economy showed a positive performance with GDP advancing in the first three quarters of the year. In the third quarter, GDP registered a variation of 0.1%, above expectations, but confirming the slowdown in activity, with some sectors losing strength. • The IPCA (Broad National Consumer Price Index) registered an increase of 0.28% in November, and accumulates an increase of 4.28% in 12 months. Throughout the year, the pressure on the general price level was mainly due to the behavior of administered prices, although these have shown less pronounced variations in recent months, reflecting the fall in the price of gasoline. Furthermore, the performance of free goods prices has contributed to the downward trend in inflation, reflecting the improvement in food and durable consumer goods. • With the economy's ongoing disinflation process, unemployment fell from 8.8% in the first quarter of the year to 7.7% in the quarter ended in October, according to PNAD (Continuous National Household Sample Survey). • The basic interest rate of the Brazilian economy (Selic), which began its easing cycle in August, is currently 11.75%. • With American inflation showing signs of falling, the FED signaled that it will begin the interest rate cut cycle in mid-2024, which should benefit emerging currencies, enabling the anticipation of cuts in these economies and a longer easing cycle. Currently the American interest rate is between 5.25% and 5.50%, and the expectation for the end of 2024 is that the rate will be between 4.75% and 5%.

## MARKET OVERVIEW

In this fourth quarter of 2023, 28 transactions were recorded, totaling BRL 4,969,224,530.43 in financial volume and 663,830.35 sq.m of transacted area. The average capitalization rate was 8.46% p.a. In the same period last year, 18 transactions were recorded, which totaled a value significantly lower than that of the current quarter, BRL 992,247,287.70, confirming the process of gradual recovery of the real estate market amid the resumption of economic activity and the confidence of firms and entrepreneurs in relation to the business environment, strengthening investment. Furthermore, interest cuts and the inflationary decompression process can be included as factors that contribute to this greater dynamism in the real estate sector, which occurred, mainly, from the second half of 2023 onwards. The retail segment was the main highlight of the quarter, with 19 transactions, 13 of which were in shopping malls. This movement reflects that, despite the crisis faced by some large retailers throughout 2023, the shopping mall market continues to show resilient growth, and with this, new acquisitions tend to continue in progress.

## MARKET STATISTICS

PROPERTY TYPE	TRANSACTIONS	SALES VOLUME (BRL)	TOTAL SQ.M	PRICE/SQ.M	CAP RATE
Retail	19	2,583,274,017.95	218,756.71	10,191.20	8.40%
Industrial	5	1,212,200,000.00	432,702.48	2,801.46	9.30%
Office	4	1,173,750,512.48	12,371.16	33,848.93	7.68%
<b>Total</b>	<b>28</b>	<b>4,969,224,530.43</b>	<b>663,830.35</b>	<b>5,815.26</b>	<b>8.46%</b>

### Office

During this quarter, four transactions took place in the office market, totaling BRL 1,173,750,512.48 in 12,371.16 sq.m of area transacted. The assets are located in the city of São Paulo. The average cap rate for transactions was 7.68% p.a., driven by the 8% cap rate for the sale of five assets carried out by the real estate fund BTG Pactual Corporate Office (BRCR11) to Valora Investimentos.

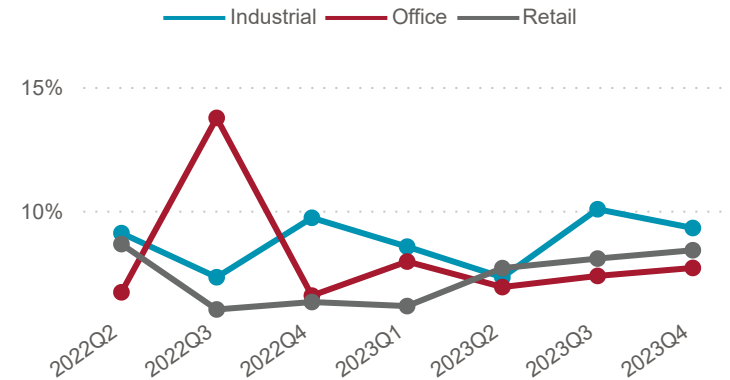
### Industrial

The Industrial market had five transactions this quarter, involving assets in São Paulo, Paraná and Espírito Santo, totaling 432,702.48 sq.m transacted and a financial volume equivalent to BRL 1,212,200,000. The average cap rate was 9.30% p.a. It is worth highlighting the history of higher capitalization rates for logistics and industrial warehouses, which have been on an expansion trajectory that has been consolidated for some years.

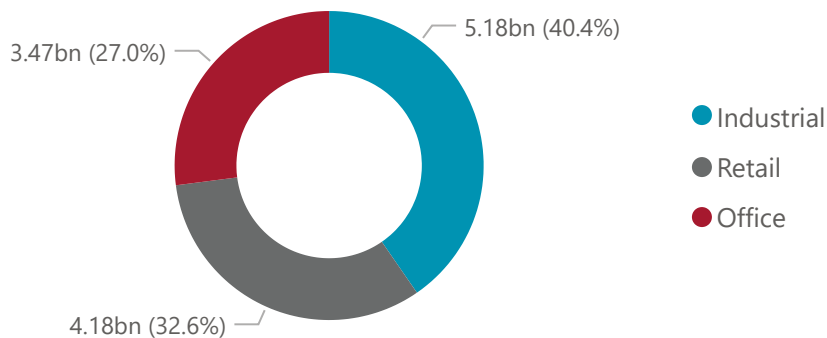
### Retail

The retail segment presented a significant number of transactions in the fourth quarter, 19 transactions were carried out, totaling 218,756.71 sq.m and BRL 2,583,274,017.95. The assets are located in São Paulo, Bahia, Distrito Federal, Rio Grande do Norte, Ceará, Tocantins, Santa Catarina, Paraná, Alagoas, Espírito Santo, Rio de Janeiro, Sergipe, Pernambuco and Paraíba. The average cap rate was 8.40% p.a. With emphasis on the shopping mall sector, representing 68% of total transactions.

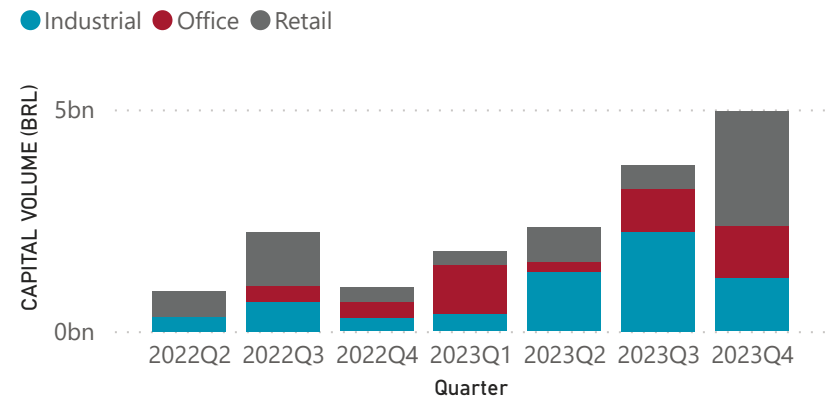
### CAP RATE TRENDS BY SECTOR



### 2023 YTD CAPITAL VOLUME BY PROPERTY TYPE



### CAPITAL VOLUME (BRL) BY PROPERTY TYPE



MARKETBEAT

## BRAZIL

Investments Q4 2023



## MAIN TRANSACTIONS

NAME	PROPERTY TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	REGION
BIG	Retail	-	CSHG Renda Urbana - FII	24,511.02	94,000,000.00	3,835.01	São Paulo
Boulevard Shopping Bauru	Retail	Genial Malls FII	ALLOS S.A.	12,145.00	81,895,379.00	6,743.14	São Paulo
Boulevard Shopping Bauru	Retail	Hedge Brasil Shopping FII	Vértico Bauru Empreendimento Imobiliário/ALLOS S.A.	22,555.00	152,091,418.48	6,743.14	São Paulo
Capim Dourado	Retail	Hedge Brasil Shopping FII		23,520.00	181,273,301.00	7,707.20	São Paulo
Carrefour - Jabaquara	Retail	TRX Real Estate Fundo de Investimentos Imobiliário	-		73,000,000.00		São Paulo
Casas Pernambucanas	Retail	-	CSHG Renda Urbana - FII	3,165.59	37,000,000.00	11,688.18	São Paulo
GPA Pão de Açúcar Atibaia	Retail	-	VBI Consumo Essencial FII	5,822.00	40,500,000.00	6,956.37	São Paulo
Madureira Shopping	Retail	Vinci Shopping Centers FII	Genial Malls FII	0.00	70,080,000.00		São Paulo
Mateus Supermercados (Guarabira, Patos, Aracaju e Caruaru)	Retail	TRX Real Estate FII	Grupo Mateus	59,745.63	234,777,460.88	3,929.62	São Paulo
Neumarkt Shopping/Garten Shopping/Norte Shopping/Continente Shopping/Nações Shopping/Balneário Shopping	Retail	AJ Malls FII	-	22,883.50	299,465,644.93	13,086.53	São Paulo
Pátio Maceió	Retail		HSI Malls FII	13,194.90	213,200,000.00	16,157.76	São Paulo
PBKids Rebouças	Retail	V2 Renda Imobiliária FII		455.62	7,000,000.00	15,363.68	São Paulo
Ribeirão Shopping	Retail	-	Vinci Shopping Centers - FII	3,749.40	0.00	0.00	São Paulo
Rio Design Leblon	Retail	JGP	Servenco	5,375.00	160,000,000.00	29,767.44	São Paulo
Shopping Boulevard Vila Velha	Retail	Legatus Shoppings FII			39,900,000.00		São Paulo
Shopping Conjunto Nacional/Natal Shopping/Via Sul Shopping	Retail	Vinci Shopping Centers FII		0.00	283,800,000.00	0.00	São Paulo
Shopping da Bahia	Retail	XP MALLS FUNDO DE INVESTIMENTO IMOBILIÁRIO – FII	Salvador Empreendimentos e Participações Ltda	4,124.28	115,159,351.66	27,922.29	São Paulo
Terreno Cabo de Santo Agostinho	Land	NE Logistic FII	XP LOG FII	2,558.30	9,200,000.00	3,596.14	São Paulo

## MAIN TRANSACTIONS

NAME	PROPERTY TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	REGION
Shopping Estação	Retail	Vinci Shopping Centers FII	Aliansce Sonae		156,300,000.00		São Paulo
Shopping Jardim Sul	Retail	Hedge Brasil Shopping FII	FII Shopping Jardim Sul	17,509.77	343,831,462.00	19,636.55	São Paulo
Brazilian Financial Center, Burity, Cidade Jardim, Transatlântico e Volkswagen	Office	Valora	FII BTG Pactual Corp Office Fund	0.00	755,000,000.00		São Paulo
OF - Oscar Freire Office	Office	Corporate Office Properties FII	Tishman	4,745.77	125,000,000.00	26,339.25	Jardins
Pátio Malzoni - Bloco A	Office	-	Catuaí VBI Triple A FII	1,610.00	96,211,209.60	59,758.52	Faria Lima
The One	Office	VBI Prime Properties - FII	Fundo de Investimento Imobiliário The One	6,015.39	197,539,302.88	32,838.99	Faria Lima
CD Scania	Industrial	VBI Logístico FII	SBC FII	65,024.00	279,200,000.00	4,293.80	Grande ABC
CD Tagia Comércio e Importação	Industrial	ZAVIT REAL ESTATE FUND – FUNDO DE INVESTIMENTO IMOBILIÁRIO	Tagia Comércio e Importação	7,637.00	18,000,000.00	2,356.95	Espírito Santo
GLP Cajamar / GLP Cajamar III / GLP Campinas	Industrial	BTG Pactual Logística Fundo de Investimento Imobiliário	GLP	307,000.00	760,000,000.00	2,475.57	Cajamar/Campinas
Rizobacter	Industrial	GGR Covepi Renda FII	Empreendimentos Imobiliário Ind PR Spe	28,513.95	61,000,000.00	2,139.30	-
VBI Guarulhos	Industrial	-	VBI Real Estate Gestão de Carteiras Ltda.	24,415.89	94,000,000.00	3,849.95	Guarulhos

## PROJECTIONS AND TRENDS

The effects of restrictive monetary policy are expected to remain present until mid-2024, limiting the advancement of the economy's cyclical activities. Furthermore, a drop in the added value of agriculture is expected, which should show a negative growth in the year, due to climate adversities, contributing negatively to GDP growth and putting pressure on food inflation. Even so, there is a more favorable credit outlook, with a reaction from the industrial sector and advances in public and private investments in infrastructure. Given this scenario, the expectation is for a weaker economic growth, 1.52%, and a negative supply shock for the year. Furthermore, it is expected that the disinflation process will continue and that the exchange rate will remain relatively stable. The market consensus predicts IPCA at 3.9% and exchange rate at USD/BRL5.00 at the end of 2024. Fiscal uncertainties, however, remain high for next year, mainly with regard to fiscal sustainability. Regarding the job market, moderate growth is expected. Finally, the expectation is that COPOM will continue with the monetary easing cycle in the short term, and the basic interest rate (Selic) will end 2024 at 9.00%. Regarding the real estate market, there is a more optimistic scenario for the logistics and shopping malls sectors. As for the office segment, the expectation is that the movement of new occupations will persist amid companies' renewed emphasis on the relevance of these spaces in preserving work effectiveness and corporate identity among their employees.

YOY  
Chg

1.78%

Average 3 months DY (2023Q4)



7.21%

Average 12 months DY(2023Q4)



1.05

MC/Net Worth (2023Q4)

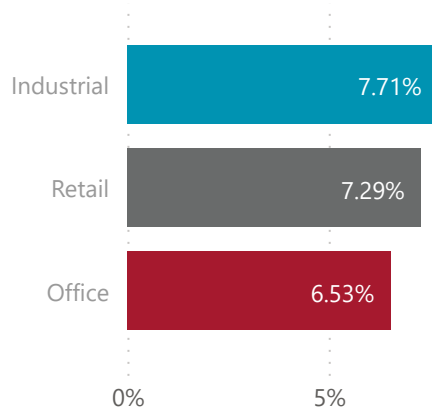


2.01%

Average profitability (2023Q4)



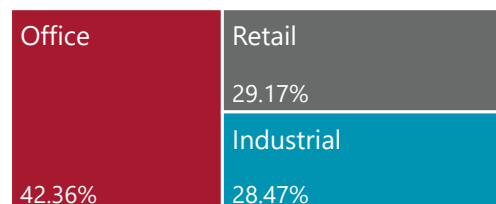
## Dividend Yield by sector



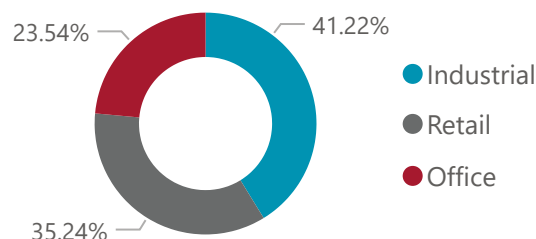
## REAL ESTATE FUNDS

According to data from B3, the Brazilian real estate investment fund market includes 509 listed FIIs and approximately 2.453 million investors. The accumulated variation of the IFIX index in the fourth quarter of 2023 was 2.93%, and 14.87% in the year. In the monthly comparison, in October, the index changed -1.97%, followed by 0.66% in November, and 4.25% in December. At the beginning of 2023, paper REITs were preferred by investors in a scenario of high interest rates and higher inflation, as they allow for greater return predictability and mitigation of credit and vacancy risk compared to brick REITs. With the start of monetary easing in August, brick REITs once again became more prominent. With lower interest rates, property values tend to increase in value and, consequently, the equity and, mainly, the market value of this type of REIT. Still, despite the interest rate cut, fixed income continued to be the main focus of investor demand. The year 2024 is expected to be more attractive for variable income and for REITs, especially brick ones. Regarding the indexation of REITs contracts that are monitored, according to data referring to the third quarter of 2023, the IPCA is the most relevant indexer, being used as a reference in 51.31% of contracts, followed by the IGP-M, used in 37.11%. Compared to the second quarter of 2023, there was a 1.79% drop in the number of contracts indexed to the IGP-M, compared to a 1.17% growth in the number of contracts indexed to the IPCA.

## REITs by sector



## Market Cap by sector



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