

YOY Change 12-Mo Forecast

10.49%
Vacancy Rate (%)



151,104
Net Absorption (sq.m)



BRL 24.28
Asking Rent (BRL sq.m)



(Class A)

ECONOMIC INDICATORS 2023

QOQ Change 12-Mo Forecast

2.9%
2023Q4 GDP -
Accumulated Year



7.4%
Unemployment Rate
(2023Q4)



4.5%
CPI Inflation Nov (12 months)



3.6%
Industrial Production YOY



Source: LCA

Economic Scenario

• In 2023, GDP increased 2.9% compared to 2022, maintained stability (0.0%) compared to the third quarter and increased by 2.1% compared to the fourth quarter of 2022. From the perspective of production: Agriculture, Services and Industry, increased 15.1%, 2.4% and 1.6%, respectively. From an expenditure perspective, Government Consumption grew 1.7% and Family Consumption, 3.1%. GFCF (Gross Fixed Capital Formation) fell 3.0%, while Exports of Goods and Services and Imports of Goods and Services varied 9.1% and -1.2%, respectively. • The IPCA (Broad National Consumer Price Index) registered an increase of 0.83% in February, and accumulated an increase of 4.50% in 12 months. The result was above market expectations, but confirmed the downward trend in inflation. • The job market remains strong. According to PNAD (Continuous National Household Sample Survey), unemployment was 7.8% in the quarter ending in February. • The basic interest rate of the Brazilian economy (Selic), which had its flexibility cycle started in August 2023, is currently 10.75%. • In the USA, inflation data surprised upwards, and the FED signaled a more cautious stance in relation to the cycle of interest cuts, which should begin in mid-2024.

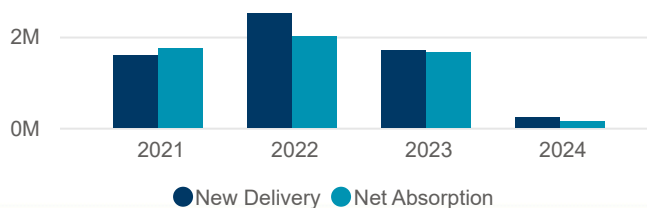
Market Overview Brazil

The first quarter of 2024 continued to show positive results, although more moderate than previous periods. The first three months of the year totaled 151,104 sq.m absorbed, 58% of which came from São Paulo (88,114 sq.m). In turn, Rio de Janeiro ended the quarter with 14,230 sq.m in net absorption, following the same pace as the previous quarter. Bahia stood out with 36,113 sq.m, with all occupations registered in a single project. Rio Grande do Sul received strong occupation at GLP – Gravataí by an important company in the commercial sector. It is worth mentioning that, when analyzing only the exits registered during the first quarter in the country, this number totaled 171,280 sq.m, or 28% less than the previous period. Concerning new deliveries, the country totaled 222,047 sq.m, coming mainly from São Paulo (122,337 sq.m), Guarulhos, Embu, Campinas, Capital – SP, and Jundiaí. Minas Gerais totaled 55,164 sq.m, divided into Betim and Sul de Minas. Finally, Bahia received a new development of 44,546 sq.m, with a large part of the areas pre-leased. In general, Brazil continues to present pre-leases throughout its territory. In the first quarter of 2024, the number of pre-leases reached 32% of the new inventory delivered in São Paulo alone. When considering Brazil as a whole and including the state of São Paulo, the percentage rises to 36%, with emphasis on Bahia with 88%.

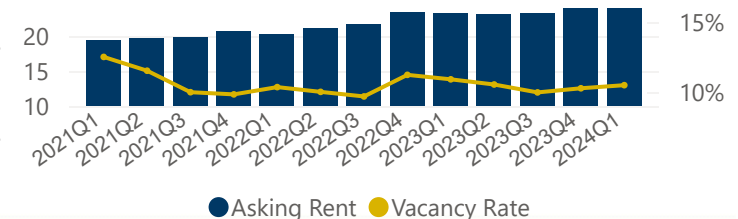
Vacancy and Asking Rent

The vacancy rate for classes A in Brazil closed at 10.49% in the first quarter of 2024, a slight increase (0.2 p.p.) compared to the previous period, as new deliveries exceeded absorptions. Analyzing the regions of the country separately, the South recorded a drop of 0.8 p.p. in the vacancy rate, while the Southeast increased by 0.3 p.p. and the Northeast by 0.4 p.p. The North, in turn, recorded no changes in comparison with the close of 2023, as there was no movement at the beginning of the year. In this first quarter, occupations that originated from pre-leases in Brazil totaled 78,940 sq.m, demonstrating that the search for new and high-standard properties remains heated, leaving certain obsolete assets vacant for longer in certain regions. The average asking price in Brazil was BRL 24.28/sq.m at the end of the first quarter of the year, 1.5% above the end of 2023, mainly due to the prices of some new developments exceeding the market average for the country. Analyzing the regions separately, the Northeast was the one that showed the highest increase (20.6%), since the asking price for the new project is higher than the average of the region and it has not yet been 100% occupied. The other regions did not record significant variations in the asking price.

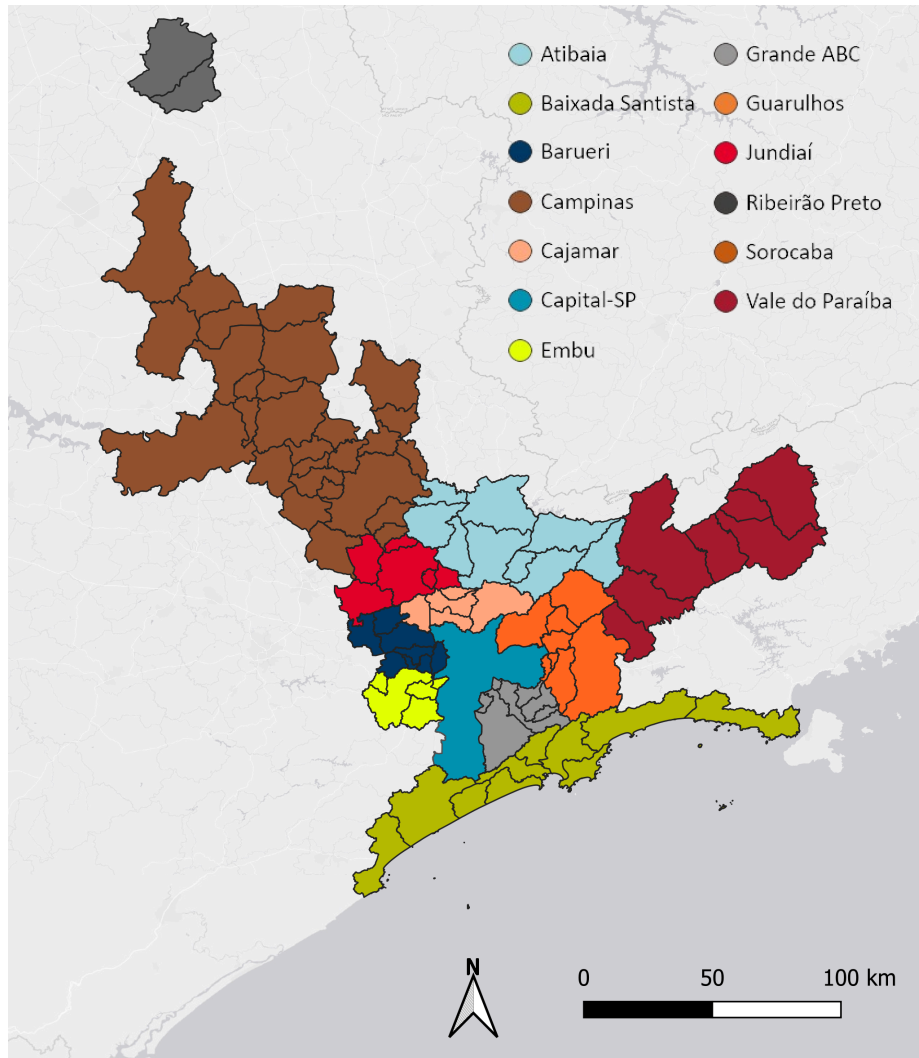
NET ABSORPTION / DELIVERIES



ASKING RENT (BRL/sq.m/mo) / VACANCY



Major Markets*



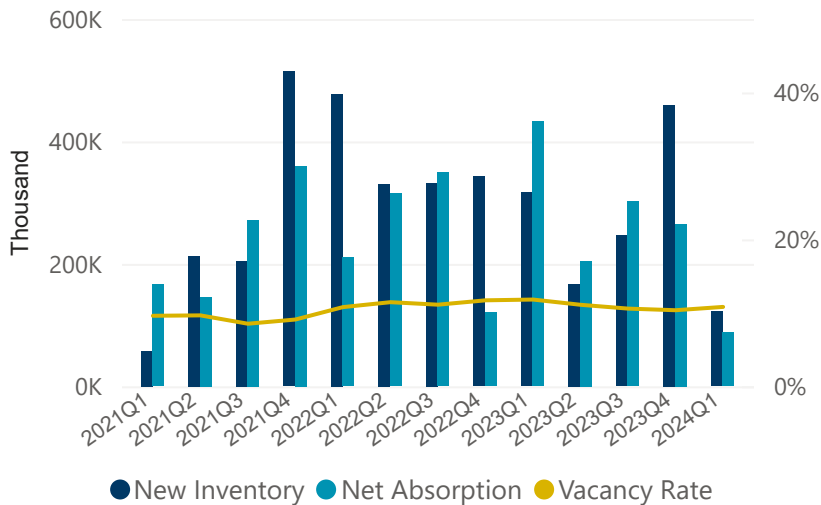
Market Overview

The class A logistics market in the state of São Paulo recorded 88,114 sq.m net absorbed in the first quarter of 2024. After the number of new developments exceeded absorptions, the vacancy rate registered a slight increase (0.2 p.p.) and reached 10.92%. Among the regions monitored, those with the highest net absorptions in the period were Jundiaí (35,135 sq.m), Embu (22,631 sq.m), Campinas (16,023 sq.m), Barueri (11,487 sq.m) and Guarulhos (11,170 sq.m). Atibaia, Grande ABC, São José dos Campos, and Ribeirão Preto together totaled 15,019 sq.m. Sorocaba, Capital, and Cajamar recorded negative net absorptions, being -3,522 sq.m, -5,459 sq.m, and -14,370 sq.m, respectively. As mentioned previously, among the country's states, São Paulo is the one with the highest volume of pre-leases, totaling 39,713 sq.m in this quarter. When analyzing the outputs separately, the regions with the greatest impact in the state were Guarulhos (-34,523 sq.m), Barueri (-18,289 sq.m), Capital - SP (-15,144 sq.m) and Cajamar (-14,370 sq.m). Among the regions analyzed, the one with the highest vacancy rate in the state is the Capital – SP, which in addition to receiving new deliveries, presented negative net absorption, triggering an increase of 3.72 p.p. in the rate, and reaching 25.3%. Despite this, it is the region with the highest asking price in the state (BRL 35.90/sq.m), with only 81,556 sq.m of vacant area in a total stock of 322,228 sq.m. Followed by the Capital – SP, Grande ABC has the second highest price in the state, reaching BRL 32.00/sq.m – an increase of 13.7% compared to the last quarter. Guarulhos also has an asking price above the state average of BRL 25.67/sq.m, reaching BRL 30.73/sq.m. Among the regions with the lowest vacancy rates are São José dos Campos (1.5%), Barueri (3.2%), Grande ABC (4.4%), and Ribeirão Preto (4.5%). Finally, among the new deliveries recorded in the quarter, Guarulhos totaled 74,028 sq.m, Embu totaled 17,330 sq.m, Campinas 15,000 sq.m, Capital – SP 8,335 sq.m and Jundiaí 7,644 sq.m.

*In 2024 some regions were geographically adjusted, with no impact on historical analysis.

Net Absorption/New Inventory/Vacancy

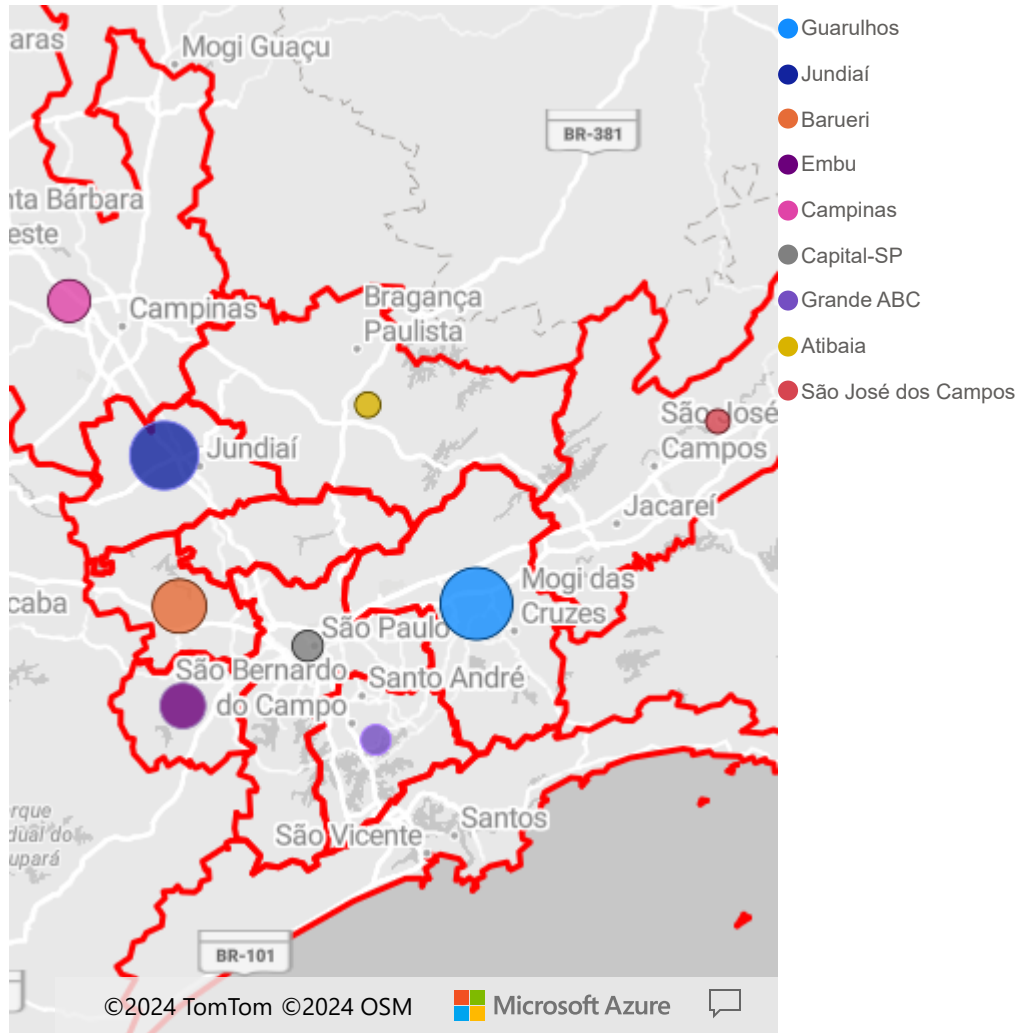
Source: Cushman & Wakefield



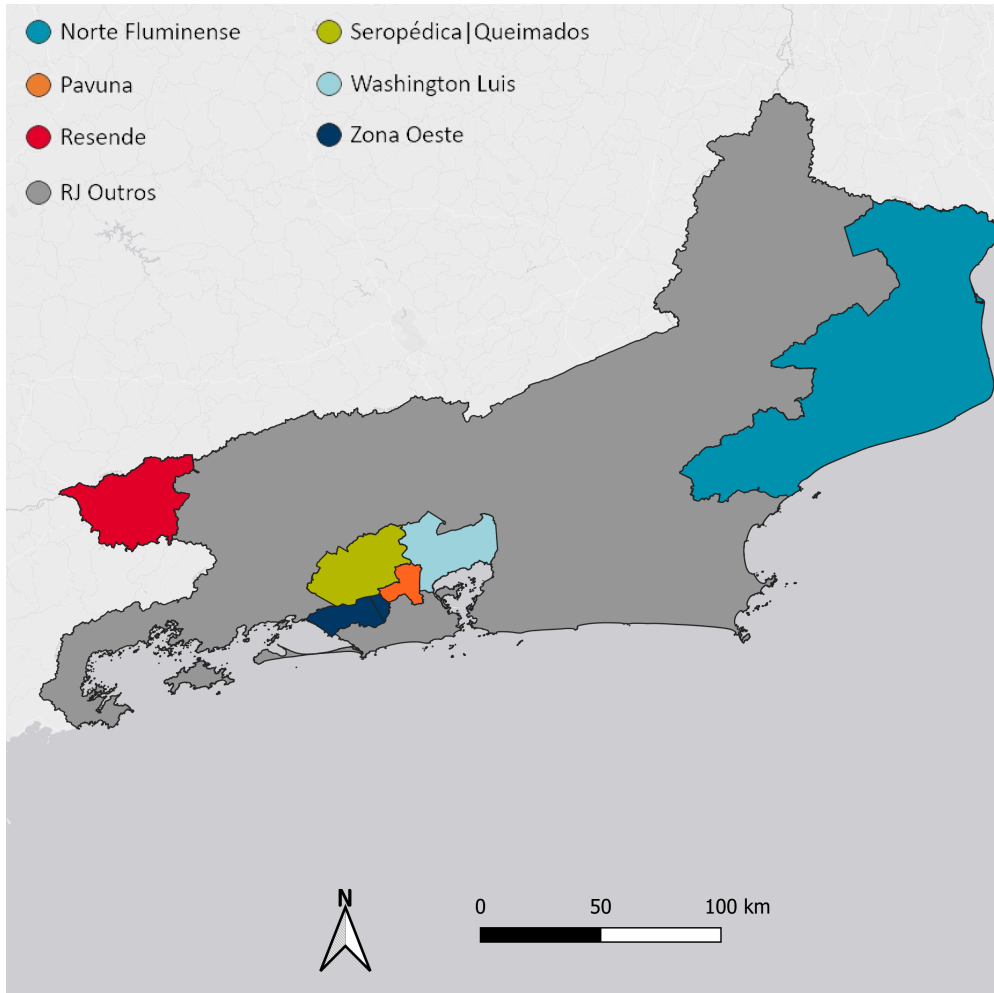
Absorptions

Among the largest occupations in the state are companies in the Wholesale, Retail and Manufacturing sectors, totaling approximately 50,000 sq.m. Jundiaí and Barueri once again appeared in the regions that occupied the most in the quarter, reemphasizing the constant focus they have received in the last 2 years. The number of exits from this same sector totaled almost 9,000 sq.m. Next, the transport sector registered more than 35 thousand sq.m occupied and just under 18 thousand sq.m of exits. For the logistics sector, just over 17 thousand sq.m were registered, but almost 24 thousand sq.m were unoccupied, a negative balance that differs from previous quarters, when logistics operators occupied considerable areas, especially in Cajamar and Guarulhos.

Gross Absorption



Major Markets*



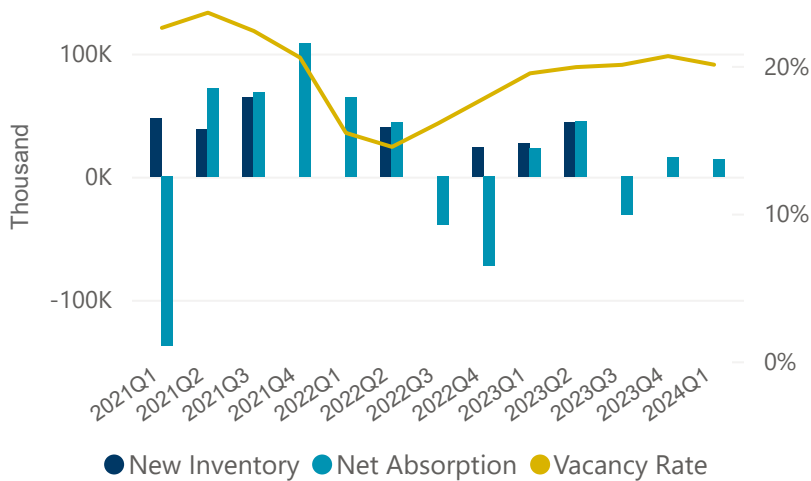
Market Overview

The class A and A+ logistics market in the state of Rio de Janeiro recorded a net absorption of 14,230 sq.m, triggering a slight drop of 0.5 p.p. in the state's vacancy rate. The Washington Luis region recorded negative absorption of -5,771 sq.m, while Seropédica/Queimados of -3,505 sq.m. Resende, in turn, totaled 2,908 sq.m net positive absorption. The highlight of the quarter was a project that registered an entry of 13,913 sq.m in the vicinity of Parque Colúmbia, being largely responsible for the net absorption of the quarter. The first three months of the year recorded no new deliveries. As a result, positive absorptions had a direct impact on the vacancy rate. On the other hand, a pre-lease of 17,007 sq.m was recorded in part of a project that already had an asking price of BRL 40.00/sq.m even before it was delivered. It is worth mentioning that Rio de Janeiro has an important characteristic when analyzing leases, even though it still has more than 500 thousand sq.m vacant, with a part with low rental prices, tenants tend to look for new developments with better infrastructure characteristics, even that have higher asking prices. Great examples are projects that have approximately 80% of vacant space asking for between BRL 17.00 and BRL 21.00/sq.m. Finally, the average asking price in the state ended the year at BRL 20.48/sq.m.

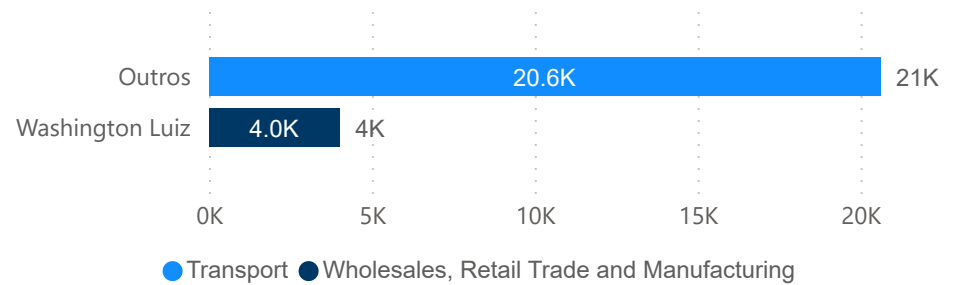
**In 2024 some regions were geographically adjusted, with no impact on historical analysis.*

Net Absorption/New Inventory/Vacancy

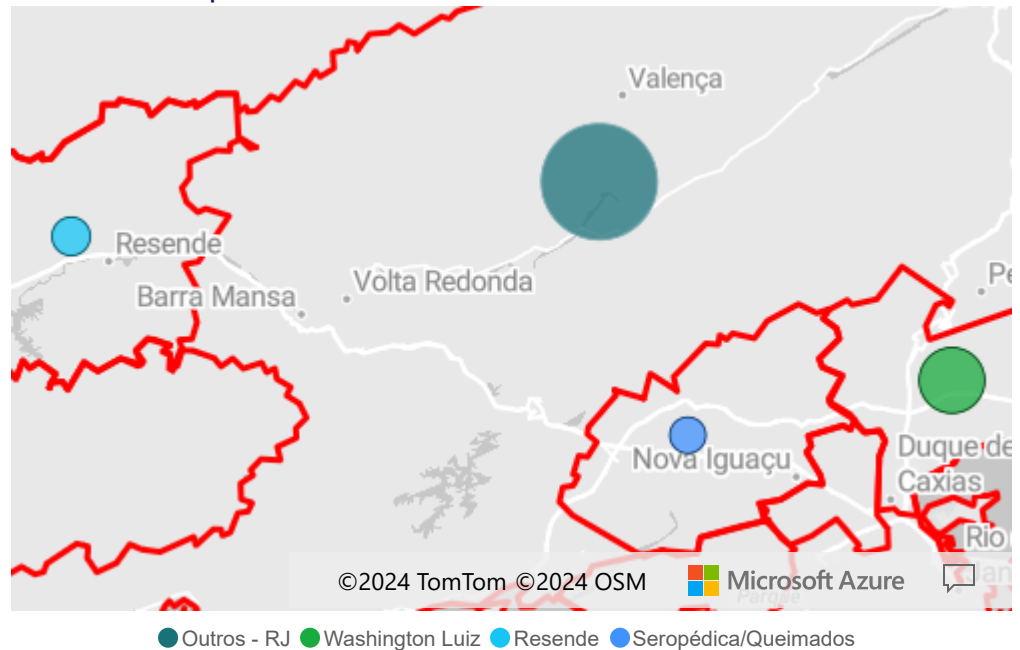
Source: Cushman & Wakefield



Leased Area by Market Segment



Gross Absorption



Absorptions

Rio de Janeiro recorded a net absorption of 14,230 sq.m, with leases coming from different sectors, such as transport absorbing almost 14 thousand sq.m, commerce with 4,000 sq.m, medical and health care with an output of 4,000 sq.m, and Wholesale and Retail with a net value of -5,800 sq.m. This characteristic of greater diversification of tenants is becoming more and more recurrent throughout the quarters in the state.

Class A

SUBMARKET	INVENTORY (SQ.M)	AVAILABLE SPACE (SQ.M)	VACANCY RATE	CURRENT QTR NET ABSORPTION (SQ.M)	YTD OVERALL NET ABSORPTION (S.QM)	YTD LEASING ACTIVITY (S.QM)	UNDER CNSTR (S.QM)	YTD CNSTR COMPLETIONS (S.QM)	AVG ASKING RENT (ALL CLASSES)*	AVG ASKING RENT (CLASS A)*
Amazonas	307,359	6,400	2.08%	0	0	0	0	0	28.00	28.00
Bahia	354,534	19,208	5.42%	36,113	36,113	39,227	28,584	44,546	20.62	26.60
Paraná	748,058	13,155	1.76%	-2,640	-2,640	23,891	0	0	20.49	19.13
Pernambuco	1,031,423	9,500	0.92%	0	0	0	68,575	0	19.88	20.45
Rio Grande do Sul	409,072	54,371	13.29%	14,756	14,756	18,209	0	0	19.69	22.34
Minas Gerais	2,156,424	160,672	7.45%	531	531	16,164	582,527	55,164	25.31	25.37
Ceará	311,950	2,640	0.85%	0	0	0	0	0	18.00	18.00
Pará	116,460	1,026	0.88%	0	0	0	0	0	23.00	23.00
Santa Catarina	390,646	44,657	11.43%	0	0	0	0	0	19.50	21.06
Other Regions	5,825,925	311,629	5.35%	48,760	48,760	97,491	679,686	99,710	22.11	23.82
Atibaia	434,755	32,812	7.55%	5,005	5,005	5,005	12,083	0	20.17	22.36
Campinas	1,548,605	208,867	13.49%	16,023	16,023	19,885	51,073	15,000	18.15	18.53
Embu	906,638	164,779	18.17%	22,631	22,631	22,631	71,425	17,330	24.61	25.82
Barueri	1,496,764	48,256	3.22%	11,487	11,487	29,776	0	0	24.73	28.60
Jundiaí	2,065,390	159,201	7.71%	35,135	35,135	42,687	0	7,644	20.12	20.24
Guarulhos	2,288,557	288,758	12.62%	11,170	11,170	45,693	159,106	74,028	30.73	30.73
Cajamar	2,733,602	336,507	12.31%	-14,370	-14,370	0	436,863	0	26.57	26.57
São José dos Campos	252,277	3,908	1.55%	3,885	3,885	3,885	0	0		
Ribeirão Preto	111,894	5,022	4.49%	1,496	1,496	1,496	0	0	18.26	26.00
Grande ABC	579,448	25,525	4.41%	4,633	4,633	9,169	261,656	0	32.00	32.00
Baixada Santista	0	0		0	0	0	0	0		
Capital - SP	322,228	81,556	25.31%	-5,459	-5,459	9,685	0	8,335	38.31	35.90
Sorocaba	523,836	95,595	18.25%	-3,522	-3,522	0	0	0	38.31	35.90
Outros - SP	26,783	0	0.00%	0	0	0	36,109	0	0.00	0.00
São Paulo	13,290,777	1,450,786	10.92%	88,114	88,114	189,912	1,028,315	122,337	24.91	25.67
Pavuna	162,488	0	0.00%	0	0	0	0	0	25.00	
Norte Fluminense		0		0	0	0	0	0	14.00	
Zona Oeste	450,163	166,588	37.01%	0	0	0	0	0	17.29	17.29
Washington Luiz	1,031,750	215,133	20.85%	-5,771	-5,771	9,095	0	0	23.23	23.13
Seropédica/Queimados	282,938	64,027	22.63%	-3,505	-3,505	2,380	41,816	0	19.85	19.85
Resende	237,424	0	0.00%	2,908	2,908	2,908	0	0		
Outros - RJ	425,459	72,229	16.98%	20,598	20,598	20,598	0	0	22.02	20.57
Rio de Janeiro	2,626,940	517,977	19.72%	14,230	14,230	34,981	41,816	0	20.84	20.48
Brazil	21,743,643	2,280,392	10.49%	151,104	151,104	322,384	1,749,816	222,047	23.67	24.28

KEY LEASE TRANSACTIONS Q1 2024

Property	State	Sub-Market	Tenant	Area
GLP - Louveira 08	São Paulo	Jundiaí	Shopee Brasil	29,680
Parque Logístico Aero I	São Paulo	Guarulhos	Anjun Brasil	24,713
LOG Salvador	Bahia	Salvador	Shopee Brasil	16,553
Parque Industrial São Lourenço II - Nova Odessa	São Paulo	Campinas	Grupo SC Medicamentos	15,000
GLP - Gravataí	Rio Grande do Sul	Porto Alegre	Shopee Brasil	13,927
Unilogística Business Park Rio II	Rio de Janeiro	Outros	Blue Logística	13,913
LOG Salvador	Bahia	Salvador	Logic Soluções Logísticas	11,142

KEY DELIVERIES Q1 2024

Property	State	Sub-Market	Owner	New Inventory
LOG Salvador	Bahia	Salvador	Log Commercial Properties	44,546
Betim Business Park	Minas Gerais	Betim	Fulwood	44,164
Parque Logístico Aero I	São Paulo	Guarulhos	Brookfield	43,248
CL Guarulhos II	São Paulo	Guarulhos	Sanca Galpões	30,780
Distribution Park - Embu I	São Paulo	Embu	Hines	17,330
Parque Industrial São Lourenço II - Nova Odessa	São Paulo	Nova Odessa	Grupo São Lourenço	15,000
Voke Log Extrema	Minas Gerais	Extrema	Voke	11,000

KEY EXPECTED NEW DELIVERIES FOR 2024

Delivery Quarter	Property	State	Sub-Market	New Inventory
2024Q2	GLP Bandeirantes I	São Paulo	Franco da Rocha	132,078
2024Q3	Golgi Mauá II	São Paulo	Mauá	116,496
2024Q3	Parque Logístico Extrema	Minas Gerais	Extrema	97,411

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