

	YOY Chg	12-Mo Forecast
2.9% GDP 2023Q4 (Annual rate)	▲	▼
7.4% Unemployment Rate 2023Q4	▼	▬
4.50% IPCA (12 months)	▼	▼
5.81% NTN-B 2035	▼	▼

Source: LCA

	YOY Chg	12-Mo Forecast
9.39% Average Cap Rate	▼	▬
4.5bn Total Volume (BRL)	▲	▲
31 Total Properties Sold	▼	▲
651.7K Area (sq.m) (all classes)	▲	▲

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

In the first quarter of 2023, 31 transactions were accounted for, totaling BRL 4,522,784,482 of financial volume and 651,745 sq.m of transacted area. The average capitalization tax was 9.39% p.a., bid for the Industrial segment. In the same period last year, 101 transactions were recorded that had a significantly lower value than the current quarter, BRL 1,708,829,444, reflecting the greater dynamism of the real estate market by regaining confidence and improving the perspectives of firms and entrepreneurs regarding the sector for 2024. In this sense, it is worth highlighting the debt cutting cycle and the inflation deceleration process as factors that contribute to this trend. The office market was the main highlight of this quarter, with the largest transaction involving a single building in the history of Brazil. O Faria Lima 3500, class A+ building that houses the headquarters of Itaú BBA, was purchased by the bank for BRL 1,458,870,160, equivalent to BRL 64,024/sq.m, with an estimated capitalization tax of 8.4% p.a. In addition to this transaction, other relevant movements occurred in the quarter, reflecting the recovery of the corporate office segment, especially in premium regions of São Paulo, and, as a result, new acquisitions tend to continue.

MARKET STATISTICS

PROPERTY TYPE	TRANSACTIONS	SALES VOLUME (BRL)	TOTAL SQ.M	PRICE/SQ.M	CAP RATE
Retail	13	879,039,458	80,060	10,980	8.69%
Office	11	2,379,445,024	62,184	38,264	7.98%
Industrial	7	1,264,300,000	509,501	2,481	11.52%
Total	31	4,522,784,482	651,745	6,939	9.39%

Office

During this quarter, there were 11 transactions in the office market, totaling BRL 2,379,445,024 in 62,184 sq.m of area transacted. The assets are located in the city of São Paulo. The average cap rate for transactions was 7.98% p.a. Highlight for transactions involving the buildings: Faria Lima 3500, Vera Cruz II, E-Tower and Condomínio Edifício São Luiz.

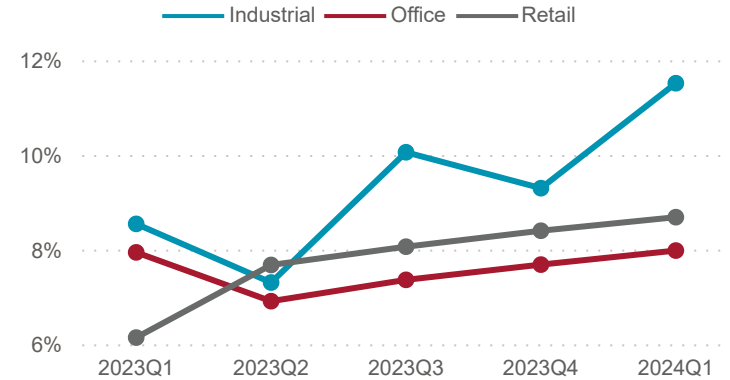
Industrial

The Industrial market had 7 transactions this quarter, involving assets in São Paulo, Rio Grande do Sul, Bahia and Ceará, totaling 509,500 sq.m transacted and a financial volume equivalent to BRL 1,264,300,000. The average cap rate was 11,52% 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. Highlights include two transactions involving Galpão SBC, purchased entirely by Prologis, through Cosmic REIT.

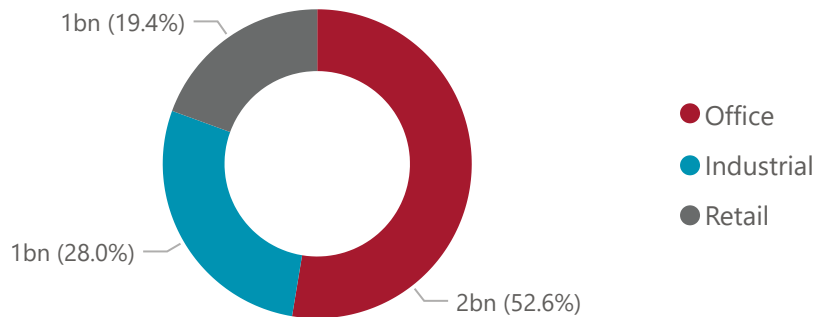
Retail

The retail segment recorded 13 transactions this quarter, which amounted to 80,060 sq.m and BRL 879,039,458. The assets are located in São Paulo, Bahia, Distrito Federal, Rio Grande do Sul, Minas Gerais, Paraná, Alagoas, Rio de Janeiro. Or average cap rate of 8.69% p.a. It stands out for the shopping sector, representing more than 70% of total transactions.

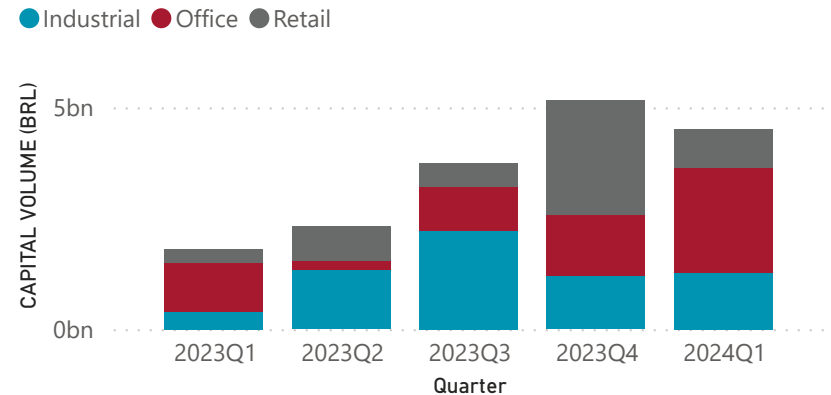
CAP RATE TRENDS BY SECTOR



2024 YTD CAPITAL VOLUME BY PROPERTY TYPE



CAPITAL VOLUME (BRL) BY PROPERTY TYPE



MAIN TRANSACTIONS

NAME	PROPERTY TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	REGION
Condomínio Edifício Faria Lima	Office	TEPP11	HGRE11	4,757.40	95,000,000.00	19,968.89	Faria Lima
Condomínio Edifício São Luiz	Office	KNHF11	TEPP11	13,178.74	215,000,000.00	16,314.15	Itaim
Ed. Amauri 305	Office	-	RBRP11	2,545.00	62,000,000.00	24,361.49	Itaim
Ed. Mykonos	Office	-	RBRP11	572.00	6,640,000.00	11,608.39	Vila Olímpia
Ed. Pravda	Office	-	RBRP11	502.00	6,430,000.00	12,808.76	Alphaville
E-Tower	Office	BRPR Corporate FII	BRPR E-Tower FII	8,944.00	216,000,000.00	24,150.27	Vila Olímpia
Faria Lima 3500	Office	Itáu BBA	Brookfield	22,786.00	1,458,870,160.00	64,024.85	Faria Lima
Mario Garnero - Sul	Office	-	RBR PROPERTIES - FII	362.98	7,560,000.00	20,827.59	Faria Lima
Mario Garnero - Sul	Office	-	RBR PROPERTIES - FII	1,088.94	14,000,000.00	12,856.54	Faria Lima
Platinum Tecnum	Office	-	DRIT11	245.00	4,100,000.00	16,734.69	Paulista
Vera Cruz II	Office	VBI Prime Properties - FII	Jaguar Capital	7,202.08	293,844,864.00	40,800.00	Faria Lima
Agência Juiz de Fora	Retail	-	TVRI11	6,587.20	52,326,000.00	7,943.59	Juiz de Fora
Atacadão Dia a Dia - Planaltina	Retail	RZAT11	Vila Alfenas Empreendimentos Imobiliários Ltda	7,524.75	31,000,000.00	4,119.74	Planaltina
Casas Pernambucanas	Retail	-	HGRU11	1,213.75	5,600,000.00	4,613.80	Campo Largo
Caxias Shopping	Retail	MALL11	XPML11	4,935.00	65,887,227.00	13,351.01	Duque de Caxias
Iguatemi Fashion Outlet Novo Hamburgo	Retail	CPSH11	-	2,130.10	27,464,642.89	12,893.59	Novo Hamburgo
Plaza Sul Shopping	Retail	XPML11	Allos S.A	1,175.00	30,000,000.00	25,531.91	São Paulo
Shopping Estação	Retail	XPML11	Allos S.A	9,695.00	156,256,344.53	16,117.21	Curitiba
Shopping Jardim Sul	Retail	CCME11	-	2,841.30	57,305,243.67	20,168.67	São Paulo
Shopping Metropolitano Barra	Retail	MALL11	-	8,800.00	81,000,000.00	9,204.55	Rio de Janeiro
Shopping Paralela	Retail	VISC11	-	98.29	1,560,000.00	15,871.34	Salvador
Shopping Paralela Salvador	Retail	HSML11	-	468.77	7,440,000.00	15,871.34	Salvador

MAIN TRANSACTIONS

NAME	PROPERTY TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	REGION
Shopping Pátio Maceió	Retail	BTG RE Structured Opportunities Fundo De Investimento Imobiliário – FII	-	13,194.90	213,200,000.00	16,157.76	Maceió
Uberlândia Shopping	Retail	XPML11	-	21,396.00	150,000,000.00	7,010.66	Uberlândia
BRF Salvador	Industrial	-	Guardian Real Estate GARE11	35,690.00	280,000,000.00	7,845.33	Salvador
CEA	Industrial	-	XP Industrial FII XPIN11	7,200.71	20,000,000.00	2,777.50	Atibaia
Galpão SBC	Industrial	Cosmic FII (Prologis)	BTG PACTUAL LOGÍSTICA - FII	102,273.60	212,500,000.00	2,077.76	Grande ABC
Galpão SBC	Industrial	Cosmic FII (Prologis)	SJ AU Logística FII	306,820.79	637,500,000.00	2,077.76	Grande ABC
Imóvel Camaçari	Industrial	Bluecap Renda Logística BLCP11	-	31,031.88	63,000,000.00	2,030.17	Camaçari
Imóvel Pacatuba	Industrial	Bluecap Renda Logística BLCP11	-	22,968.00	43,000,000.00	1,872.17	Pacatuba
Souza Cruz	Industrial	-	Zavit Real Estate Fund ZAVI11	3,516.00	8,300,000.00	2,360.64	Porto Alegre

PROJECTIONS AND TRENDS

The prospects for GDP in this first quarter of 2024 are optimistic, following positive results from the retail, services, and industry sectors, raising the 2024 projection to 1.5%. Still, this improvement in cyclical indicators should be seen with caution. Regarding inflation, the expectation is that it will continue towards the target. The IPCA projection for the end of the year is 3.70% p.a. The cycle of monetary easing should continue, with reservations for upward surprises in activity, developments abroad, the fiscal scenario and core domestic inflation. In this sense, it is worth highlighting the heated labor market and the rise in real wages, which puts pressure on inflation in services and could be a limiting factor for the fall in interest rates. The expectation is that Selic will end the year at 9.0% p.a. Finally, the exchange rate must remain at the level of USD/BRL\$5.00. Regarding the real estate market, better performance is expected this year. The logistics sector should continue to grow in the face of the advancement of e-commerce and the demand by companies for space, especially in class A warehouses. For the corporate office segment, the prospects are favorable, with the return of companies on a broader basis to offices, the search for new areas for lease is expected to continue to increase. As for the shopping mall sector, the expectation is that it will continue with significant revenue and high occupancy rates, reinforcing the more optimistic scenario.

YOY
Chg

2.64%
Average 3 months DY (2024Q1) ▲

9.75%
Average 12 months DY(2024Q1) ▲

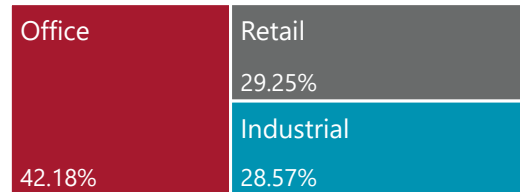
0.83
MC/Net Worth (2024Q1) ▲

2.80%
Average profitability (2024Q1) ▲

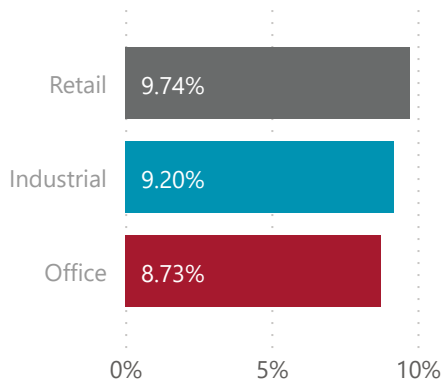
REAL ESTATE INVESTMENT TRUST

According to data from B3, the Brazilian real estate investment trust market includes 534 listed REITs and approximately 2.623 million investors. The accumulated variation of the IFIX index in the first quarter of 2024 was 2.89%. In the monthly comparison, in January, the index changed by 0.67%, followed by 0.79% in February, and by 1.43% in March. With the interest rate cut cycle and the prospect of better performance in the real estate market from now on, properties in brick REITs tend to appreciate in value and, consequently, the market value of these REITs. Regarding paper REITs, performance remains positive, given the still high interest rates and inflation. In this quarter, it is also worth highlighting the new resolution of the National Monetary Council (CMN) which establishes new rules for issuing CRIs, CRAs LCIs, LCAs and LIGs, the main change of which is linked to the reduction of possible collateral used to issue these assets. Regarding the indexation of REITs contracts that are monitored, according to data referring to the last quarter of 2023, the IPCA is the most relevant indexer, being used as a reference in 51.30% of contracts, followed by the IGP-M, used in 34.87%. Regarding the expiration date of contracts, 65.23% have an expiration date of more than 36 months, that is, from the first quarter of 2027 onwards.

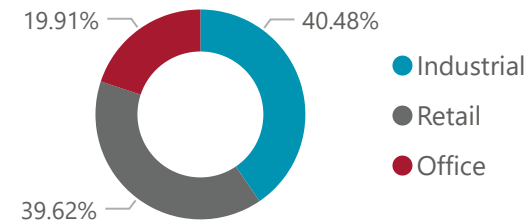
REITs by sector



Dividend Yield by sector



Market Cap by sector



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Note: 299 brick REITs were considered in this report