

YOY Change 12-Mo Forecast

8.62% Vacancy Rate (%)	▼	▼
336,533 Net Absorption (sq.m)	▼	▲
BRL 24.36 Asking Rent (BRL sq.m)	▲	▲

(Class A)

Economic Scenario

• GDP grew 1.4% in the second quarter of the year, totaling BRL 2.9 trillion. From the production perspective, Industry showed the greatest expansion, with 1.8%, followed by the Services sector with 1.0%, while Agriculture fell 2.3%. From the expenditure perspective, Government Consumption and Household Consumption both grew 1.3%. Investments (Gross Fixed Capital Formation), Exports of Goods and Services, and Imports of Goods and Services showed variations of 2.1%, 1.4% and 7.6%, respectively. • The IPCA (Broad National Consumer Price Index) has accumulated an increase of 4.24% in 12 months, reflecting an inflationary scenario aggravated by the intensification of free prices and new pressures on administered prices, which raise inflation expectations. • The labor market remains buoyant. According to the PNAD (Continuous National Household Sample Survey), unemployment was 6.6% in the quarter ending in August. • The Brazilian economy's basic interest rate (Selic) is at 10.75% after an increase made this quarter by the Monetary Policy Committee (Copom). • In the US, the FED (Federal Reserve), aiming to maintain price stability and promote economic growth, announced a 50-basis point reduction in the interest rate, which is now between 4.75% and 5%. This measure follows the recent drop in inflation, which reached 2.5%, approaching the 2% target.

Market Overview Brazil

The third quarter of 2024 continued to show positive and constant results, reaching a net absorption of 336,533 sq.m. Cumulatively for the year 2024, the net absorbed area is 1,153,818 sq.m. Once again, São Paulo was responsible for more than half of the total, with 83% of the value. Minas Gerais and Rio de Janeiro, while showing positive results, faced a decrease compared to the previous period, representing only 1% and 10% of Brazil's total, respectively. It is worth highlighting the gross absorption of 500,475 sq.m in the quarter, where the Wholesales, Retail Trade, and Manufacturing segment was the leader in transacted area, reaching 174,592 sq.m, followed by the logistics sector with 43,578 sq.m. Regarding new developments, Brazil totaled 150,218 sq.m, coming from Embu, Guarulhos, Salvador, Porto Alegre, Seropédica/Queimados, and Sul de Minas. The volume of pre-leased areas reached 18% of the new deliveries, lower level than in other periods, but reinforces this constant characteristic in the logistics market. Specifically in this quarter, São Paulo did not record any occupancies coming from a pre-leased area. In contrast, all the occupied area in Rio de Janeiro came from a pre-lease.

ECONOMIC INDICATORS 2024

QOQ Change 12-Mo Forecast

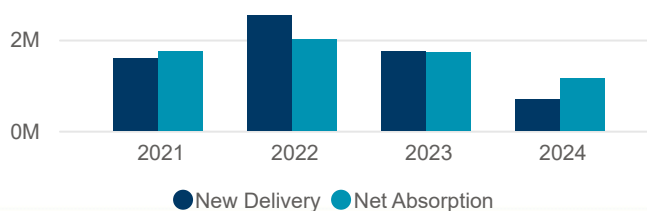
1.4% 2024Q2 GDP - Accumulated Year	▲	▼
6.9% Unemployment Rate (2024Q2)	▼	▲
4.2% CPI Inflation June (12 months)	▼	▲
6.1% Industrial Production YOY (July 2024)	▲	▼

Source: LCA

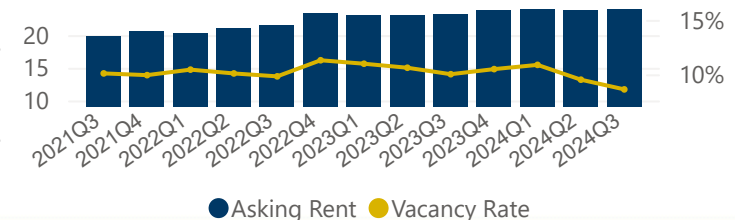
Vacancy and Asking Rent

The vacancy rate for class A properties in Brazil closed at 8.62% in the third quarter, drop of 0.9 p.p. compared to the previous period, as absorption outpaced deliveries. Analyzing the regions separately, Northeast recorded a slight increase in its vacancy rate by 0.4 p.p., while South saw an increase of 0.9 p.p. In Northeast region, the increase was due to the delivery of 20,171 sq.m, which exceeded the region's net absorption. In South, net absorption was negative, impacted by a departure of over 20,000 sq.m in Porto Alegre. In the third quarter, pre-leasing occupations in Brazil totaled 26,835 sq.m, demonstrating that demand for new and high-standard properties remains strong, leaving some obsolete assets vacant for longer periods in certain regions. The average asking price in the country was BRL 24.36/sq.m in the third quarter, 2.4% higher than the previous one. This increase is mainly due to new deliveries with higher prices above the average. Additionally, there were departures from buildings with higher rental values and occupations in lower-priced ones, increasing more expensive vacant space and decreasing the areas with lower prices.

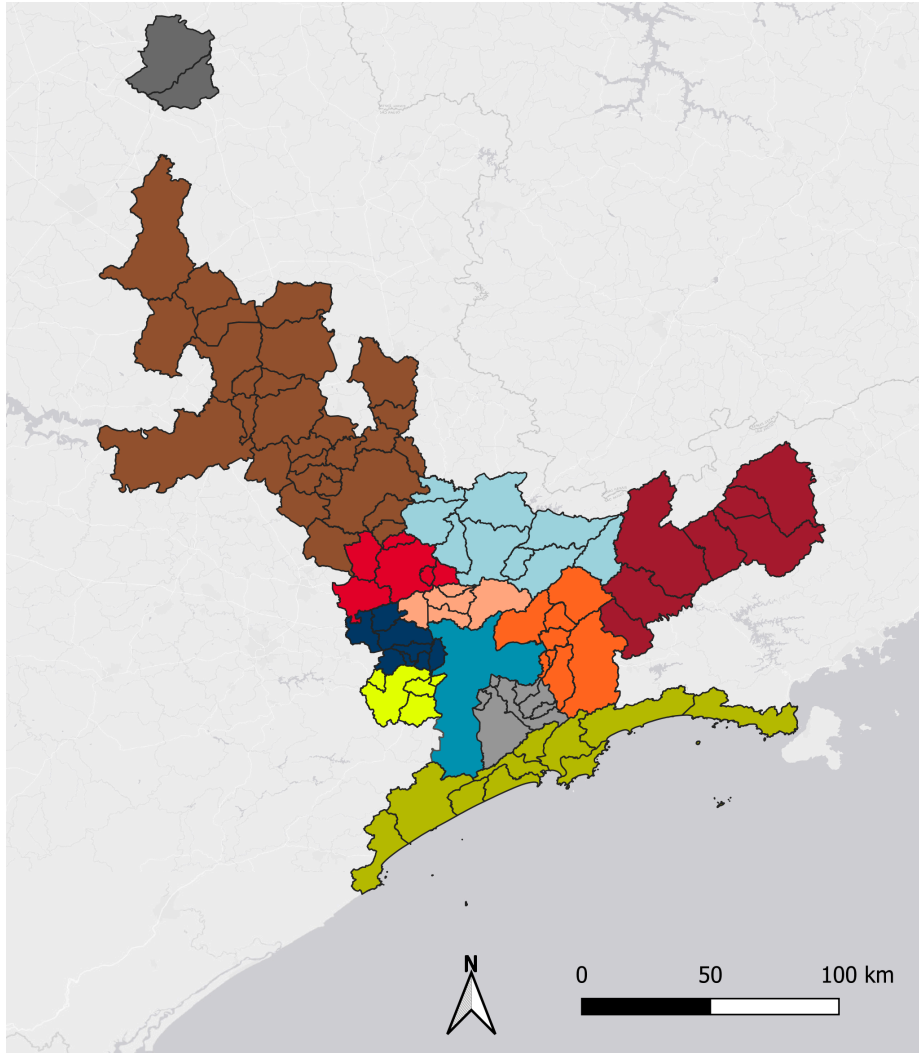
NET ABSORPTION / DELIVERIES



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



Major Markets*

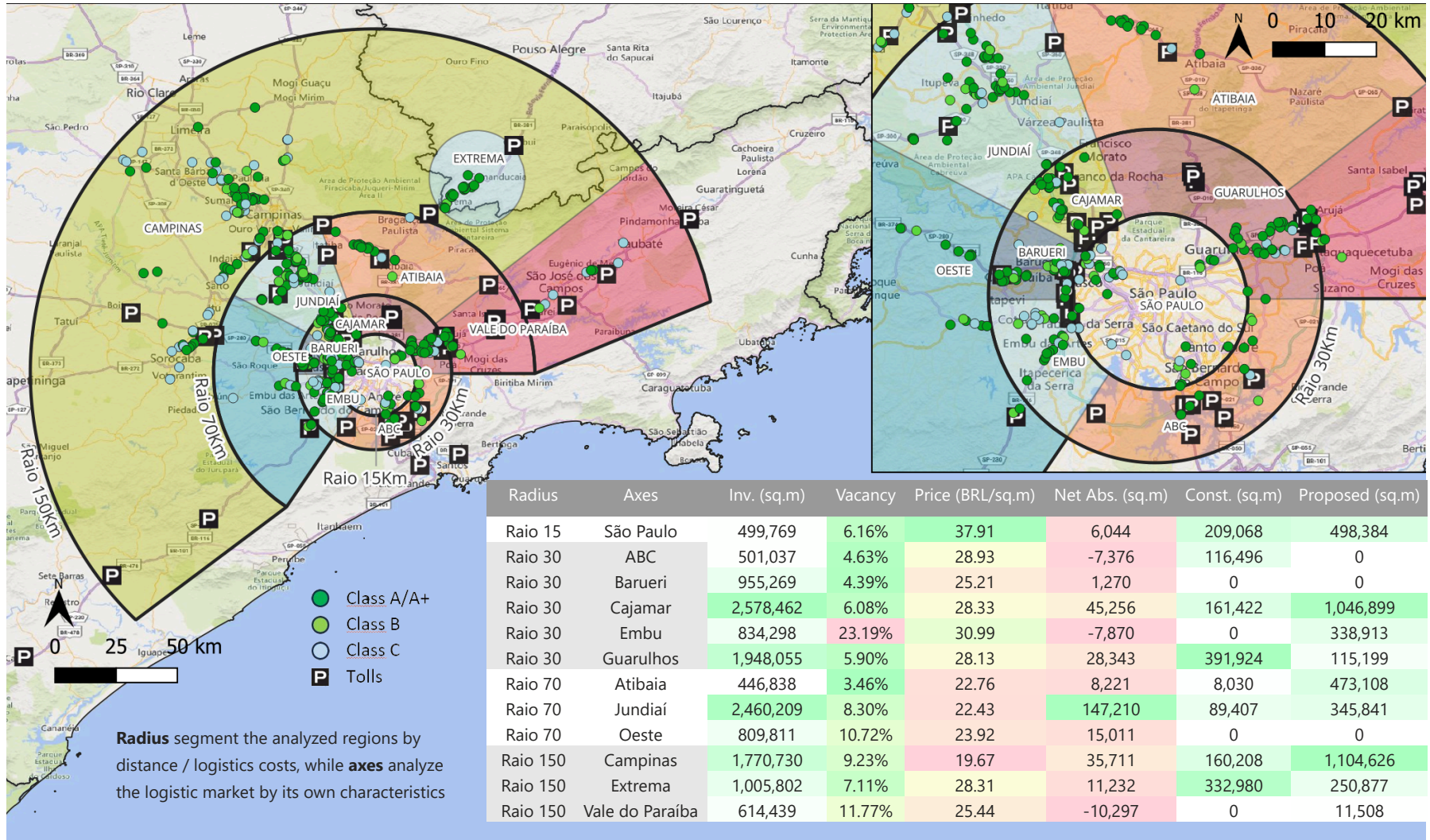


Market Overview

The class A logistics market in the state of São Paulo recorded 278,023 sq.m of net absorption in the third quarter of 2024. Among the monitored regions, those with the highest net absorptions during the period were Cajamar (131,655 sq.m), Jundiaí (60,811 sq.m), and Campinas (52,211 sq.m). Only Grande ABC and Barueri reported negative net absorptions, reaching -7,376 sq.m and -10,631 sq.m, respectively. The sectors that received leases in the quarter were Wholesales and Retail Trade, with 131,476 sq.m leased, Logistics with 35,613 sq.m, and Construction and Waste Management with 26,192 sq.m. Regarding new deliveries, São Paulo received two new developments, one of which is in Embu divided into three blocks (totaling 71,425 sq.m) and one in Guarulhos (30,780 sq.m). Among the analyzed regions, the one with the highest vacancy rate in the third quarter is Embu, with 25.2%, due to the delivery of new inventory sq.m. Capital-SP, which used to be one of the highest rates in the state at the beginning of the year, had strong net absorption in the second and third quarters, resulting in a decrease of 17.3 p.p. compared to the end of March and 2 p.p. from the previous quarter, reaching 7.5% in the current period. The regions with the lowest rates are São José dos Campos (1.5%), Atibaia (3.5%), and Barueri (3.7%). Lastly, Guarulhos also experienced a slight increase in the vacancy rate due to the new delivery of 30,780 sq.m being higher than the net absorption (17,734 sq.m). The asking price in the state ended at BRL 25.51/sq.m, a slight increase compared to the previous period, largely related to new deliveries with higher prices. Among the more expensive regions are Capital-SP (BRL 36.79/sq.m) with only 24,319 sq.m available. Next, Embu recorded an average asking price of BRL 29.29/sq.m. Grande ABC stands out at BRL 28.93/sq.m and Guarulhos at BRL 27.49/sq.m. Among the less expensive regions are Campinas (BRL 18.48/sq.m) and Jundiaí (BRL 19.37/sq.m).

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

São Paulo Radius and Axes

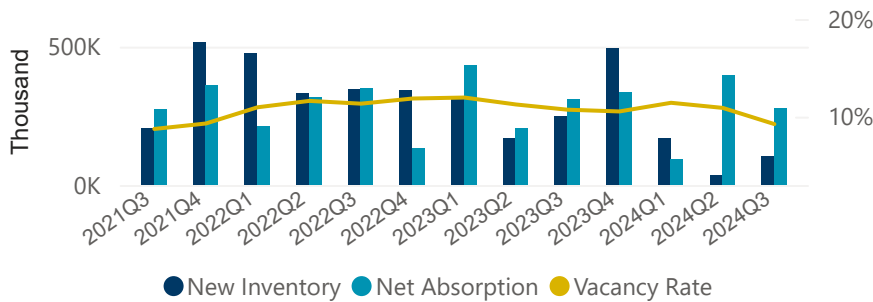


Radius segment the analyzed regions by distance / logistics costs, while **axes** analyze the logistic market by its own characteristics

- Class A/A+
- Class B
- Class C
- P Tolls

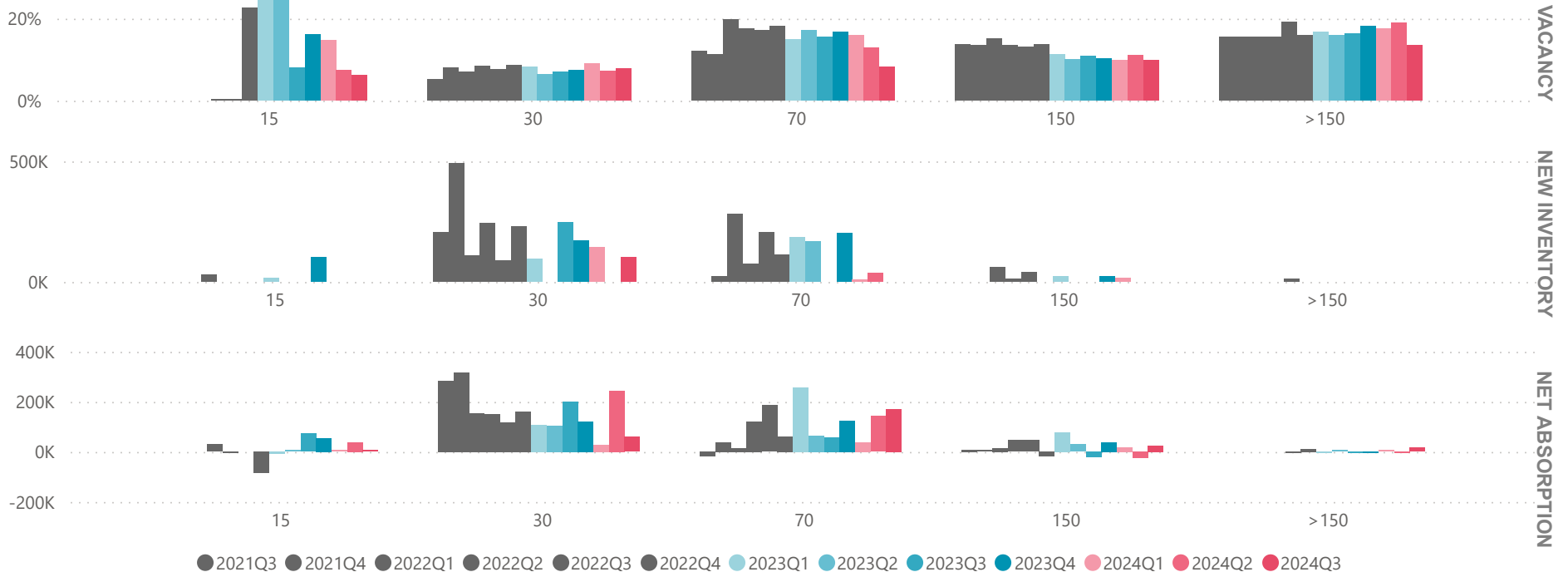
Net Absorption/New Inventory/Vacancy

Source: Cushman & Wakefield

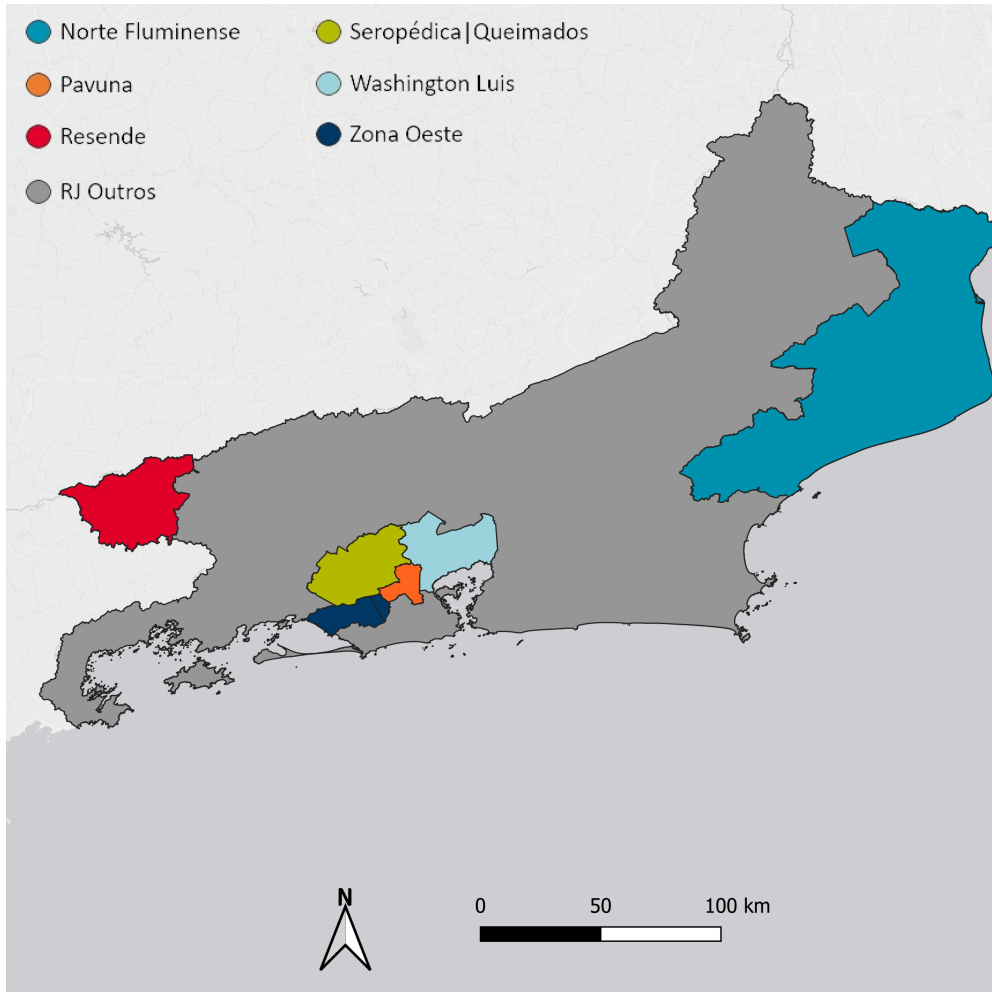


Absorptions

São Paulo recorded strong net absorption in the current period, as previously mentioned. The regions that is worth highlighting were Cajamar (131,655 sq.m), Jundiaí (60,811 sq.m), Campinas (52,211 sq.m), Guarulhos (17,734 sq.m), and Sorocaba (16,317 sq.m). In terms of gross absorption, São Paulo recorded 366,248 sq.m. Regarding departures, Guarulhos had the highest number (-32,100 sq.m), followed by Barueri (-19,037 sq.m) and Capital-SP (-11,850 sq.m). It is notable that Cajamar and Guarulhos were the two regions that received the greatest diversity of leases. The first one recorded demand in the Wholesales and Retail Trade (54,197 sq.m), Logistics (18,382 sq.m), Administration and Security (15,050 sq.m), and Food (14,370 sq.m) sectors. The second one registered demand in Wholesales and Retail Trade (10,508 sq.m), Construction and Waste Management (10,128 sq.m), Logistics (5,855 sq.m), and Extractive and Farming Industry (2,176 sq.m).



Major Markets*



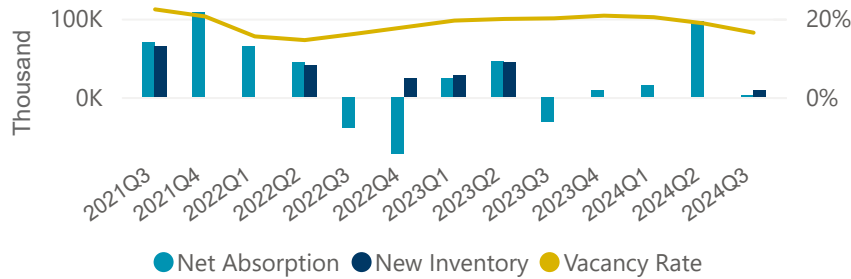
Market Overview

The class A logistics market in the state of Rio de Janeiro recorded a net absorption of only 1,891 sq.m. Despite the lease of 17,006 sq.m in Zona Oeste, the departure of 29,065 sq.m by a company in the healthcare sector and the departure of 8,258 sq.m from a company in the transport sector were the main reasons for the decrease. Additionally, the city received a new development of 8,372 sq.m in Seropédica/Queimados kept the vacancy rate in the same level as previous period, reaching 16.5%. It is worth mentioning that a great part of the absorption came from the Zona Oeste (17,006 sq.m) and Seropédica/Queimados (9,549 sq.m). Among the leases recorded that the tenants were mentioned, the sectors that stood out were Wholesales, Retail Trade, and Logistics. The new delivery in Seropédica/Queimados, which was an expansion, has already received pre-leasing in the entire delivered area. Rio de Janeiro has a notable characteristic that follows the same trend over the years, which is, even with over 435,000 sq.m available area in the city and some of them with low rental values, new tenants prefer newer developments with better infrastructure features - even if with higher prices.

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

Net Absorption/New Inventory/Vacancy

Source: Cushman & Wakefield



Absorptions

Rio de Janeiro recorded a net absorption of 1,891 sq.m and a gross absorption of 40,027 sq.m. This difference is mainly due to the significant departure (-29,065 sq.m) in the Washington Luiz region and the departure of 8,258 sq.m in Pavuna. Among the leases with mentioned companies, the Logistics sector registered 2,391 sq.m and the Wholesales, Retail Trade sector 2,051 sq.m.



Class A

MAJOR MARKET	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	3,724	1.21%	12,308	2,676	28,021	11,200	0	25.00	25.00
Bahia	374,705	24,000	6.41%	10,060	51,492	0	28,584	64,717	21.27	26.68
Paraná	785,866	9,252	1.18%	0	1,263	0	0	0	21.69	17.91
Pernambuco	1,080,656	12,341	1.14%	2,665	46,392	0	124,666	49,233	19.97	20.46
Rio Grande do Sul	422,968	47,717	11.28%	-6,911	35,306	0	12,846	13,896	19.67	22.68
Minas Gerais	2,351,826	215,304	9.15%	31,937	138,644	0	441,275	247,909	26.06	26.07
Ceará	311,950	2,640	0.85%	0	0	0	63,305	0	18.00	18.00
Pará	116,460	4,203	3.61%	1,589	-3,177	0	0	0	22.24	22.24
Santa Catarina	390,646	39,686	10.16%	4,971	4,971	0	0	0	18.43	19.94
Other Regions	6,142,436	358,867	5.84%	56,619	277,567	28,021	681,876	276,045	22.78	24.39
Atibaia	446,838	15,474	3.46%	8,221	32,892	32,892	8,030	12,083	19.49	22.76
Campinas	1,628,006	166,627	10.24%	52,211	88,123	84,468	68,000	15,000	18.09	18.48
Embu	974,772	245,304	25.17%	2,725	13,531	55,859	0	88,755	27.86	29.29
Barueri	1,532,736	56,028	3.66%	-10,631	39,687	68,772	0	0	23.76	26.87
Jundiaí	2,065,391	92,836	4.49%	60,811	95,048	109,267	121,851	7,644	19.31	19.37
Guarulhos	2,364,024	187,759	7.94%	17,734	185,881	269,484	495,017	149,496	27.30	27.49
Cajamar	2,865,679	268,088	9.36%	131,655	186,126	277,129	161,422	0	26.51	26.51
São José dos Campos	252,277	3,908	1.55%	0	3,885	0	0	0	20.77	24.00
Ribeirão Preto	111,894	9,201	8.22%	0	-2,683	0	48,086	0	19.79	26.00
Grande ABC	579,448	23,189	4.00%	-7,376	6,969	26,137	227,126	0	29.01	28.93
Baixada Santista	0	0		0	0	0	0	0		
Capital - SP	322,228	24,319	7.55%	6,356	50,128	60,824	0	8,335	40.84	36.79
Sorocaba	547,112	50,738	9.27%	16,317	64,611	73,683	109,268	23,276	20.03	21.41
Outros - SP	26,783	0	0.00%	0	0	0	0	0		
São Paulo	13,717,188	1,143,471	8.34%	278,023	764,198	1,058,515	1,238,800	304,589	24.66	25.51
Pavuna	162,488	8,258	5.08%	-8,258	-8,258	0	0	0	26.27	42.00
Norte Fluminense	36,718	0	0.00%	0	0	0	0	0	14.00	
Zona Oeste	450,163	149,582	33.23%	17,006	17,006	17,006	0	0	17.27	17.27
Washington Luiz	1,031,751	172,362	16.71%	-22,916	44,462	95,125	0	0	23.79	23.76
Seropédica/Queimados	291,310	40,067	13.75%	9,549	28,827	22,783	57,371	8,372	21.47	21.47
Resende	237,424	0	0.00%	0	2,908	0	0	0		
Outros - RJ	425,459	65,719	15.45%	6,510	27,108	27,108	126,048	0	22.46	20.59
Rio de Janeiro	2,635,313	435,988	16.54%	1,891	112,053	162,022	183,419	8,372	21.56	21.25
Brazil	22,494,937	1,938,326	8.62%	336,533	1,153,818	1,248,558	2,104,095	150,218	23.66	24.36

KEY LEASE TRANSACTIONS Q3 2024

Property	State	Sub-Market	Tenant	Area
Syslog Cajamar	São Paulo	Cajamar	Mercado Livre	54,197
CitLog Viracopos	São Paulo	Jundiaí	Unilever	43,053
Bresco Contagem	Minas Gerais	Contagem/Betim	Magazine Luiza	19,688
Especulativo Cajamar XP LOG	São Paulo	Cajamar	Grupo VIP	15,050
Prologis Cajamar I	São Paulo	Cajamar	Coca-cola	14,370
CitLog Viracopos	São Paulo	Jundiaí	Belenus	12,436
BRPR Logistic Center Cajamar I	São Paulo	Cajamar	Yusen Logistics	12,312

KEY DELIVERIES Q3 2024

Property	State	Sub-Market	Owner	New Inventory
CLE - Embu 3	São Paulo	Embu	Sanca Galpões	71,425
CL Guarulhos II	São Paulo	Guarulhos	Sanca Galpões	30,780
LOG Salvador	Bahia	Salvador	Log Commercial Properties	20,171
3SB Parque Logístico F3	Rio Grande do Sul	Nova Santa Rita	Salvadori Incorporações e Participações	13,896
Cargo Center Dutra V	Rio de Janeiro	Queimados	GB Armazéns	8,372
BBP - Extrema	Minas Gerais	Extrema	BBP	5,574

KEY EXPECTED NEW DELIVERIES FOR 2024

Delivery Quarter	Property	State	Sub-Market	New Inventory
2024Q4	Parque Logístico Extrema	Minas Gerais	Extrema	147,506
2024Q4	Prologis Dutra RJ II	Rio de Janeiro	RJ Outros	126,048
2024Q4	BWDiase Business Park 2	Minas Gerais	Extrema	117,800
2024Q4	Golgi Mauá II	São Paulo	Mauá	116,496
2024Q4	Golgi Cajamar	São Paulo	Cajamar	93,422
2024Q4	LOG - Recife II	Pernambuco	Recife	68,575

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