

MARKETBEAT

SÃO PAULO

Office Q3 2024



YOY Chg 12-Mo Forecast

18.20%
Vacancy Rate



44,584
Net Absorption (sq.m)



BRL130.19
Asking Rent (BRL sq.m)



(CBD Class A) - From 2024 office buildings will be classified according to Cushman & Wakefield's new methodology

ECONOMIC INDICATORS

QOQ Chg 12-Mo Forecast

1.4%
2024 Q2 GDP -
Accumulated year



6.9%
Unemployment Rate
(2024Q2)



4.2%
CPI Inflation June (12
months)
Source: LCA



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.

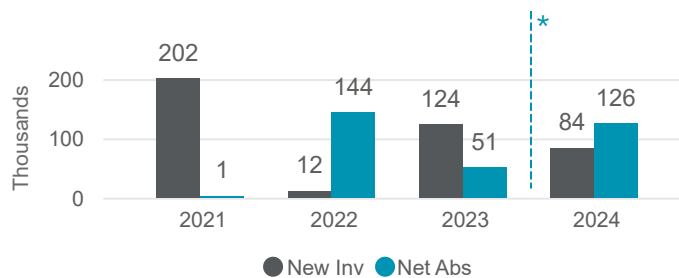
DEMAND

São Paulo's CBD class A office market recorded the highest net absorption of 2024 in the third quarter, 44,584 sq.m, with Rebouças, Berrini and Faria Lima being the main regions responsible for this outcome, with 8,792 sq.m, 8,129 sq.m and 7,720 sq.m, respectively. JK, Chucrri Zaidan and Marginal Pinheiros also stood out, with absorptions exceeding 5,000 sq.m each. On the other hand, Chácara Santo Antonio, Pinheiros and Vila Olímpia did not present positive results. So far, all quarters of the year have recorded net absorption above 40,000 sq.m, totaling more than 126,000 sq.m absorbed throughout the year.

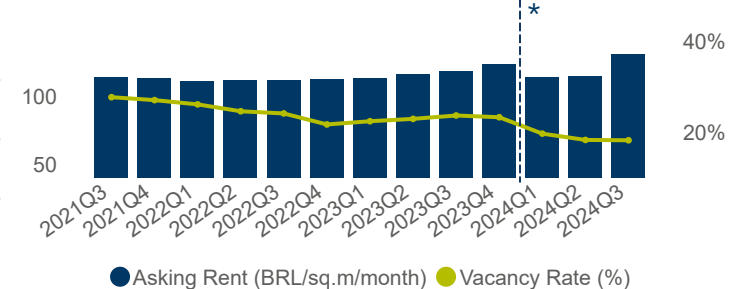
PRICING

The average asking price per square meters increased by 13.66% compared to the last quarter, reaching BRL 130.19 sq.m/month. This growth was mainly driven by the delivery of JK Square, with a value above the market average. Faria Lima had the highest asking price, closing at BRL 286.20 sq.m/month, while Chácara Santo Antonio recorded the lowest price, BRL 83.29 sq.m/month. In addition to Faria Lima, Itaim and JK also stand out as the most expensive regions in the city.

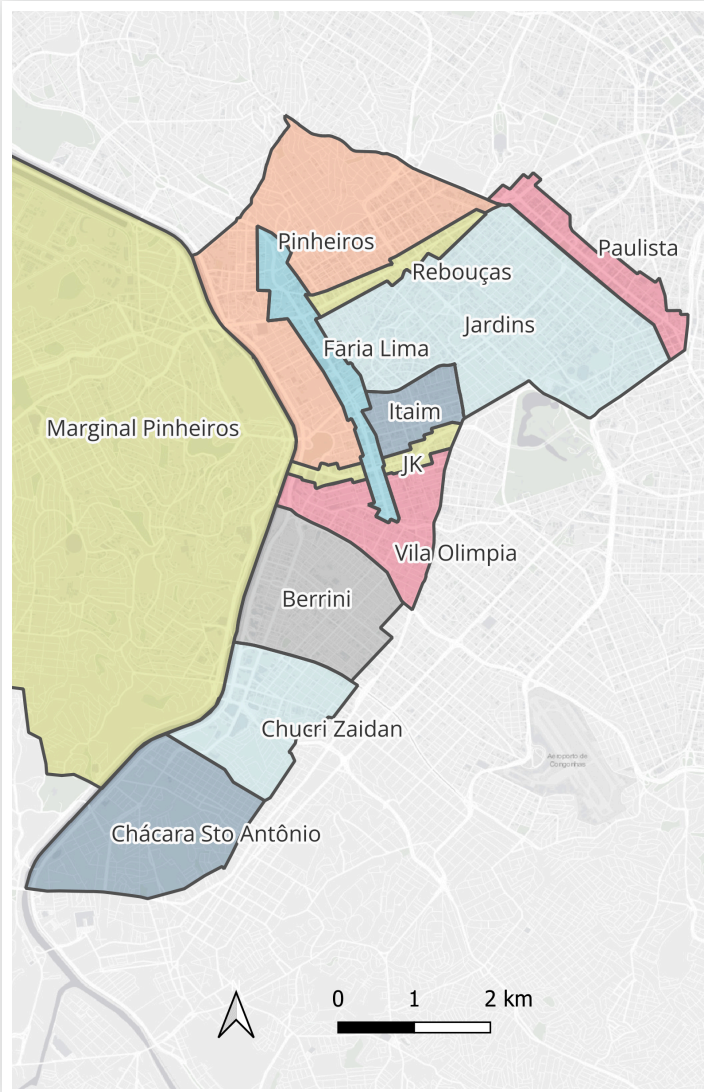
SPACE DEMAND / DELIVERIES - CBD A



ASKING RENT / VACANCY - CBD A



**To continue with assertive and updated market analyses. Cushman & Wakefield has reconfigured its mapping of regions and its absorption and vacancy methodology to better reflect the real estate evolution of São Paulo.*



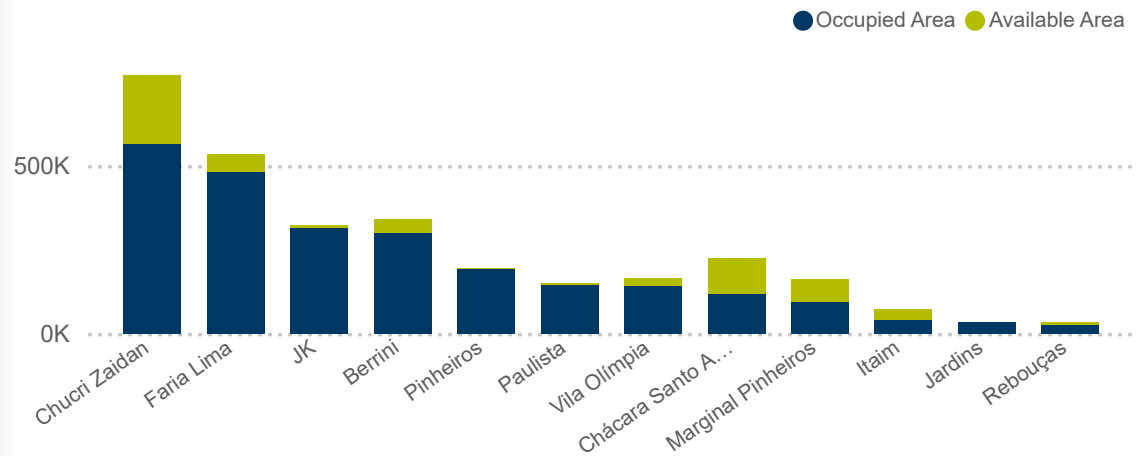
Market Overview

The significant net absorption recorded in the third quarter, as in the other quarters of the year, is a clear indication that the market is heated. This growth in demand for spaces demonstrates confidence on the part of companies and investors. As a result, the vacancy rate reached one of the lowest levels since the beginning of 2020, closing at 18.20%, which represents a drop of 5.37 p.p. compared to the same period of the previous year. However, Chácara Santo Antonio has the highest vacancy rate in the city, at 47.43%, followed by Itaim at 43.64% and Marginal Pinheiros at 41.70%. In the case of Itaim, the high rate is due to the volume of new inventory delivered to the region.

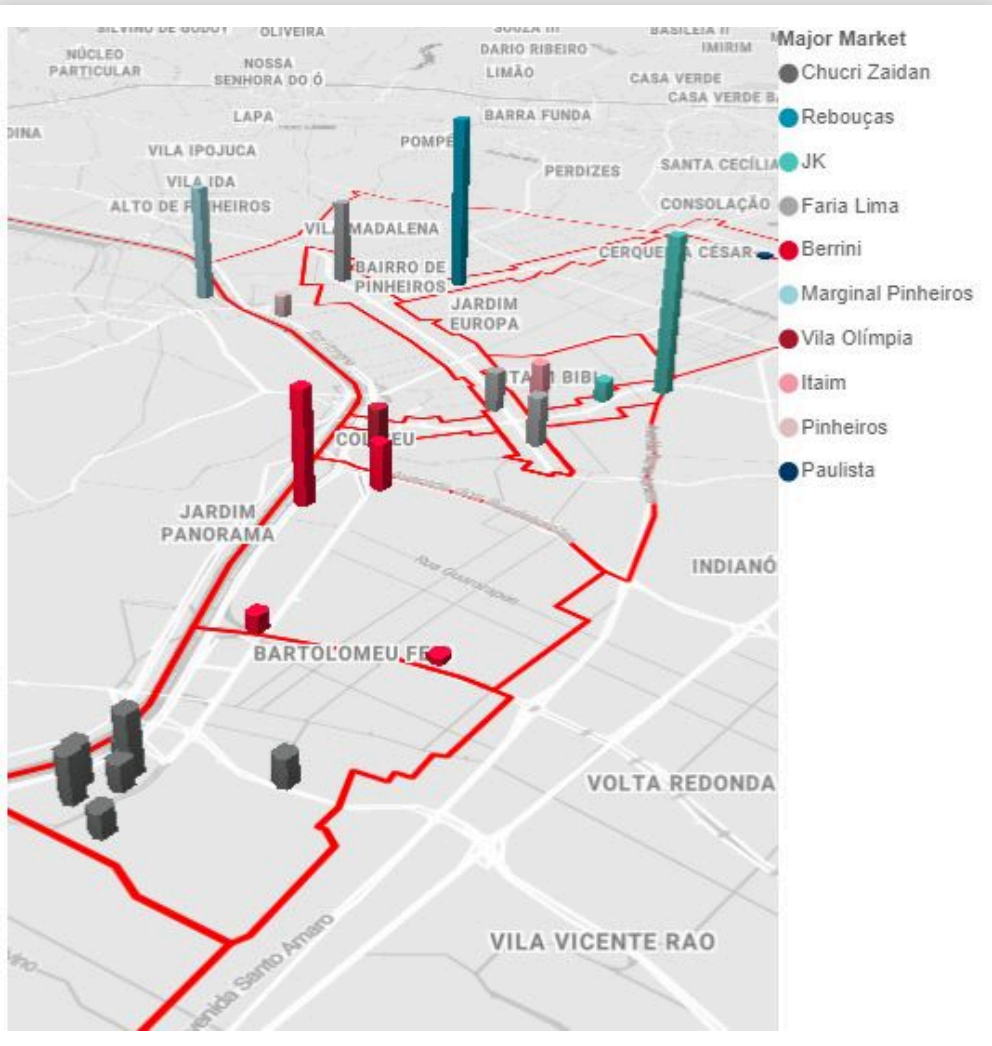
Pipeline

In the third quarter of 2024, a total of 51,674 sq.m of new inventory was recorded. The largest delivery occurred in the Itaim region, with 31,306 sq.m coming from JK Square. In Rebouças, 12,954 sq.m were delivered, while in JK the total was 7,414 sq.m. By the end of the year, more than 25,000 sq.m are expected to be delivered in Pinheiros.

CBD SUBMARKET COMPARISON



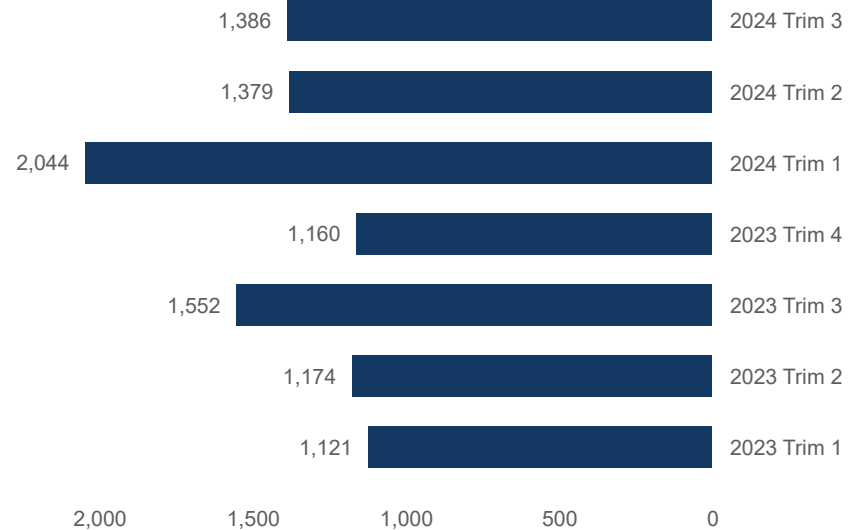
Transactions - 2024Q3



Main Leased Segments - 2024Q3

São Paulo's CBD region recorded a high number of leases, totaling 54,055 sq.m. Chucri Zaidan had the highest volume, reaching 9,639 sq.m, followed by Rebouças with 8,792 sq.m and JK with 8,386 sq.m leased. The financial sector, with a strong presence in JK, was the one that stood out the most in this quarter, followed by the technology sector, especially in Faria Lima, and by the communications sector in Marginal Pinheiros.

Average of Leased Area (sq.m)



MARKET STATISTICS

SUBMARKET	NUMBER OF BUILDINGS	INVENTORY (SQ.M)	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	CURRENT QTR NET ABSORPTION (SQ.M)	CURRENT QTR GROSS ABSORPTION (SQ.M)	UNDER CONSTRUCTION (SQ.M)	AVG ASKING RENT (BRL/MONTH)
Berrini	13	339,264	38,808	11.4%	8,129	8,129	0	97.37
Chácara Santo Antonio	9	223,754	106,128	47.4%	-1,120	0	85,178	83.29
Chucri Zaidan	23	768,236	203,954	26.5%	6,865	9,639	112,077	102.55
Faria Lima	27	533,610	52,517	9.8%	7,720	8,262	0	286.20
Itaim	3	71,735	31,306	43.6%	1,792	1,792	0	250.00
JK	10	322,291	8,572	2.7%	7,414	8,386	0	244.10
Marginal Pinheiros	9	160,809	67,053	41.7%	5,844	5,844	0	92.77
Paulista	9	149,445	4,776	3.2%	196	196	0	135.18
Pinheiros	10	196,682	2,966	1.5%	-923	1,096	8,227	163.93
Rebouças	5	35,781	8,542	23.9%	8,792	8,792	39,229	160.00
Jardins	2	34,632	0	0.0%	0	0	0	
Vila Olímpia	10	165,349	21,776	13.2%	-125	1,919	0	138.94
São Paulo CBD AA+	130	3,001,588	546,398	18.2%	44,584	54,055	244,711	130.19

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)
Omni	JK	Banco Omni	7,414
River One	Marginal Pinheiros	Editora Globo	5,844
Faria Lima Plaza	Faria Lima	Uber	4,235
Rochavera Plaza- Torre D (Diamond Tower)	Chucri Zaidan	Smurfit	2,380
HY Pinheiros	Rebouças	Bulla Meios de Pagamento	2,198
Faria Lima Square	Faria Lima	Multipla Investimentos	1,799
Infinity Tower	Itaim	UBS	1,792

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE(BRL)/SQ.M
Rochaverá Plaza - Torre C (Crystal Tower)	Chucri Zaidan	Autonomy Investimentos / KNRI11 Kinea Renda Imobiliária	30,438	18,753
Edifício Faria Lima Plaza	Faria Lima	XP Properties FII (XPPR11) / CPOF11 - Capitânia Office	12,438	30,002

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