

YoY
Chg

12-Mo.
Forecast

34.2%

Vacancy Rate

**30K**

Net Absorption, 2019Q4

**R\$95.11**

Asking Rent, (sq.m/month)



(CBD Class A and A+)

ECONOMIC INDICATORS Q4 2019

YoY
Chg

12-Mo.
Forecast

0.6%Brazil Q3 GDP
(QoQ%)**4.3%**

CPI Inflation 2019.

**11.8%**Brazil
Unemployment Rate
(Nov/19)

Source: IBGE; LCA

ECONOMIC

Moving forward, the Brazilian economic market will continue to improve following an unpromising first half of the year. At the end of 2019Q3, GDP was predicted to grow 1%, and after December, was revised to 1.1%. As well as the GDP, the CPI Inflation also had its forecasts revised upwards, from 3.5% to 4.31%, signaling an improvement in consumers' appetite. This coincided with the confidence Index which has started to increase again in the last quarter of 2019.

The interest rate was forecasted to be 5.25% for the end of the year, but after the pensions reform approval, COPOM started to cut the rate even faster, and it closed out the year at 4.5%.

Furthermore, the exchange rate was one of the indicators that didn't improve last quarter. The forecast went from R\$3.95 to R\$4.10, mainly due to the trade war between the USA and China.

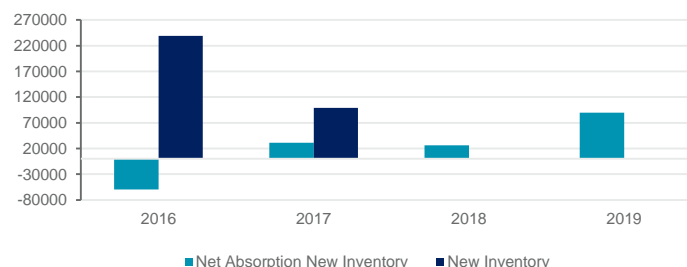
DEMAND: Highest net absorption since 2013

Rio de Janeiro's classes A and A+ CBD Market had, in 2019, the highest net absorption since 2013, with a total of 88.9K sq.m absorbed by the end of the year. In comparison to the same period last year, the current value was about four times higher. This activity was centered in Porto, with 61.1K sq.m, followed by Centro, with 26.7K sq.m. The growth in the Porto region comparing the end of current year to the last year was about eight times while in Centro, the net absorption by the end of last year, showed a negative value of about 11K sq.m. In Centro, Caixa and Stone together occupied 7.5K sq.m in Passeio Corporate – Torre B just in October, being the most responsible for the growth in the net absorption in the region. Yet, in Porto, Amil was a great player, occupying more than 14K sq.m in Vista Guanabara building in 2019

PRICING: Asking Rents are Decreasing

Rio de Janeiro's average asking rent has dropped since first quarter of 2018, mainly due to the high vacancy rate in the city. This environment tends to favor tenants, once they have bargaining power and can choose the best regions and buildings of the city. Average asking rents in Rio de Janeiro's classes A and A+ CBD market drop 0.39% in the end of the year comparing to previous quarter, reaching at R\$ 95.11. In a period of 12 months, this retraction was 6.75%, once ended 2018 with R\$ 101.99.

NET ABSORPTION / DELIVERIES – CBD A and A+



VACANCY & ASKING RENT - CBD A and A+



MARKET STATISTICS

SUBMARKET	NUMBER OF BUILDINGS	INVENTORY (SQ.M)	AVAILABLE SPACE (SQ.M)	VACANCY RATE	CURRENT QTR NET ABSORPTION (SQ.M)	YTD OVERALL NET ABSORPTION (SQ.M)	YTD LEASING ACTIVITY (SQ.M)	UNDER CNSTR (SQ.M)	OVERALL AVG ASKING RENT (ALL CLASSES)	OVERALL AVG ASKING RENT (CLASS A AND A+)
Centro	37	921,329	274,857	29.8%	15,678	26,749	56,892	-	R\$ 71.0	R\$ 103.9
Cidade Nova	7	239,880	120,168	50.1%	1,498	(10,502)	1,849	-	R\$ 69.3	R\$ 70.0
Orla	13	181,348	35,898	19.8%	3,953	8,986	13,320	-	R\$ 95.0	R\$ 101.7
Porto	8	200,990	101,794	50.7%	8,456	61,195	43,434	-	R\$ 81.7	R\$ 95.8
Zona Sul	4	19,567	3,227	16.5%	0	2,473	423	-	R\$ 134.6	R\$ 240.2
Rio de Janeiro CBD AA+	69	1,563,114	535,945	34.3%	29,585	88,901	115,121	-	R\$ 74.7	R\$ 95.1

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)
Aqwa Corporate	Porto	Icatu Seguros	19,207
Ventura Corporate Towers	Centro	Allianz Seguros	8,003
Aqwa Corporate	Porto	Your Studio Tishman Speyer	3,382
Centro Administrativo Cidade Nova	Cidade Nova	AeC Contact Center	2,951
Edifício Manchete	Orla	-	2,789

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE/\$ PSQ.M
Edifício Serrador	Centro	Rede Windsor de Hotéis / Grupo Sued	17,641	R\$ 8,502.92
Rio Branco 115	Centro	BR Properties S.A. / Allianz Investimentos Imobiliarios	12,068	R\$ 8,163.97
Vivo Barra	Barra da Tijuca	BR Properties / FDO INV IMOB – FII UBS (BR) RECEB IMOB	6,964	R\$ 11,471.21
Ouvidor 107	Centro	BR Properties S.A. / Allianz Investimentos Imobiliarios	6,237	R\$ 6,195.38
Centro Empresarial Presidente Castelo Branco	Centro	OSHER & OSHER Participações / APPAI- Associação Beneficente dos Professores do Estado do Rio de Janeiro	900	R\$ 9,422.22

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