

BRAZIL ECONOMIC UPDATE

The arrival of the COVID-19 pandemic has created an economic shock that has likely pushed the global economy and Brazil into recession. Policies initiated to “flatten the curve” of potential infection include the voluntary and mandated shutdown of large sectors and regions of the economy. Retail establishments, restaurants, passenger transportation, schools and leisure activities have almost all grinded to a halt while customers self-quarantine and practice social distancing.

MEASURES TO SUPPORT HOUSEHOLDS AND SMALL BUSINESS

The restrictive isolation scenario implemented by the government against COVID-19 in March impacted the commercial activities of all cities in Brazil. Over the past few weeks, the government has been providing financial assistance to companies and individuals working in informal jobs as a stimulus to consumption and support for sustenance in this period of crisis. The government measures announced so far add up to R\$ 224.6 billion, which is equivalent to 2.97% of GDP. The main impact comes from the aid of R\$ 600 to informal and self-employed workers that represent an expected value of R\$ 98.2 billion (1.3% of GDP). On the other hand to aid companies, was allowed a workday reduction and contract suspension with government assistance in the payment of wages proportional to the reduction. The impact is R\$ 51.2 billion (0.68% of GDP). Another measure to combat COVID-19 and the possible recession will be the withdraw of the FGTS – pension fund. The government allows the withdrawal of a minimum wage, now at R\$ 1045.00, injecting a value of R\$ 36.2 billion into the economy.

According to government projections, the restrictive measures impact negatively the economy that was recovering from the last crisis, changing the positive scenario to a recession in 2020. According to the Focus report, the expected GDP will be -1.18% and inflation will end in December below the target, at 2.7%. Given this negative forecast along with the low demand for exports and interest rate in the lowest level, the economy might show signs of struggle about the recovery capacity given.

To view our latest perspective on the coronavirus and its potential impact on CRE and the economy, access Cushman & Wakefield's [COVID-19 resource page](#).

TRENDS AND INSIGHTS

Cushman & Wakefield Covid-19 Webinar Replay

Learn more on the evolving COVID-19 situation and its implication for **real estate occupiers and investors**.

[Click to Replay](#)

COVID-19: A Wholly Unprecedented Policy Response

On March 27, 2020, an enormous \$2.2 trillion emergency coronavirus stimulus package was signed into law by President Trump. The legislative package—the Coronavirus Aid, Relief and Economic Security (CARES) Act—is the largest rescue package in U.S. history. [Click for Summary](#)

Lessons From Landlords In China's Post Covid-19 Recovery Phase

With local infections down, China is getting back to work. As the lights are turned back on in offices across the country, landlords and tenants alike are inevitably finding themselves in a new paradigm. [Click for Article](#)

2020 Asia Pacific Office Outlook

In this report, you will find detailed but succinct analysis of the trends in each of the region's key Grade A office markets over the next two years that we hope will help refine your organization's CRE strategy.

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WEEKLY COVID-19 UPDATES

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INVESTMENT ACTIVITY

PROPERTY TYPE	TRANSACTIONS	SALES VOLUME (BRL)	TOTAL SQ.M SOLD	PRICE / SQ.M	CAP RATE*
Office	12	813,879,420	85,893 SQ.M	R\$ 9,475.44	7.73%
Industrial	13	1,208,509,865	393,543 SQ.M	R\$ 3,070.84	9.42%
Retail	55	3,245,614,250	434,727 SQ.M	R\$ 7,465.86	7.90%
TOTAL	33	5,268,003,535	914,164 SQ.M	R\$ 5,762.64	8.16%

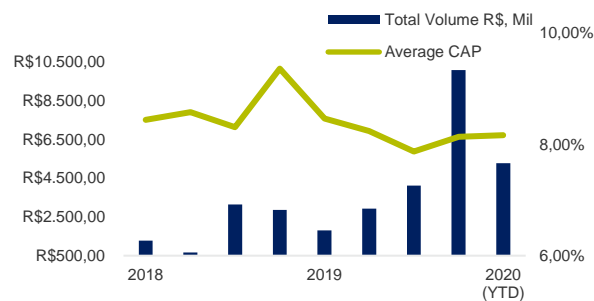
SIGNIFICANT SALES

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	MARKET
Evolution Corporate	Office	XP Properties	HSI	33,614	299,214,781	R\$ 8,901	Alphaville / SP
Birman 20	Office	Rio Bravo Capital Office Income	GTIS Partners	18,133	125,000,000	R\$ 6,893	Santo Amaro / SP
Telemar –General Polidorio	Office	Oi	Alianza Investimentos Imobiliários	14,304	120,500,000	R\$ 8,424	Orla / RJ
Shopping Metro Tucuruvi	Retail	Rec 2016 Empreendimentos	HIS Malls	33,010	576,276,619	R\$ 17,457	Sao Paulo
Shopping Villa Lobos	Retail	BR Malls	-	1,415	48,300,000	R\$ 34,134	Sao Paulo
Air Liquid Campinas	Industrial	-	CSHG Logístico	1,723	18,680,000	R\$ 10,841	Campinas
Warehouse Jundiai	Industrial	SDI	-	91,311	248,159,250	R\$ 2,717	Jundiai

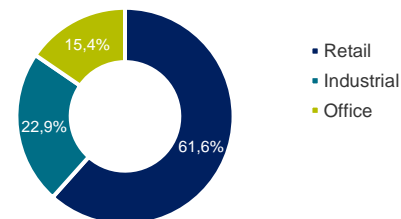
Sources: Cushman & Wakefield Research, Public Companies

*Cap Rates are merely indicative and may not reflect accurately current pricing

SALES VOLUME / CAP RATE



% CAPITAL VOLUME BY PROPERTY TYPE

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