

YoY  
Chg

12-Mo.  
Forecast

**8.74%**

Average Cap Rate\*

**\$1.32 bn.**

Total Volume (BRL)

**16**

Total Properties Sold

**122.2**

Area (Thousands sq.m)



(All Property Classes)

### ECONOMIC INDICATORS 2020

YoY  
Chg

12-Mo.  
Forecast

**-1.5%**

Q1 GDP (QoQ)

**13.2%**Unemployment Rate  
(May/20)**1.88%**

CPI Inflation (12 months)

**6.51%**

10-Yr Treasury Yield



Source: Tesouro Direto

### ECONOMY OVERVIEW:

Regional economic indicators fell sharply during the second quarter. The labor market increased by 0.7 percentage points between April and May, the consumer confidence index registered its worst historical performance in April (59.3) but recovered 20% in June. In turn, prices accumulated during the year registered a deflation of 0.16% and the forecast for second-quarter GDP is a drop of approximately 10% compared to the first quarter of the year.

As noted, the COVID-19 pandemic struck Brazil in March 2020, late in the quarter, but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the Brazilian economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID can be found [here](#).

### INVESTMENT OVERVIEW:

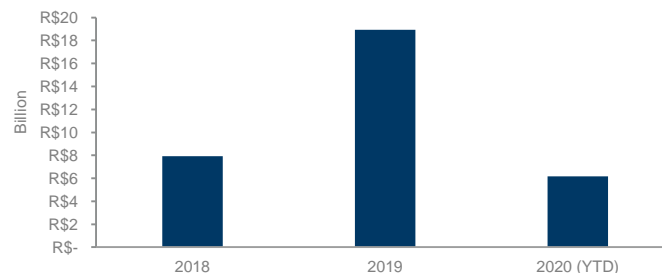
The second quarter had the highest number of public interventions that, while imposing restrictions on the operations of establishments, and consequently, the retraction of the economy, there was also an increase in fiscal and monetary incentives.

As real estate investments were heavily impacted, the number of transactions decreased 60% compared to the previous quarter. Other indicators also decelerated during the second quarter, including the number of property transactions that decreased 56% and the financial volume that decreased 75%.

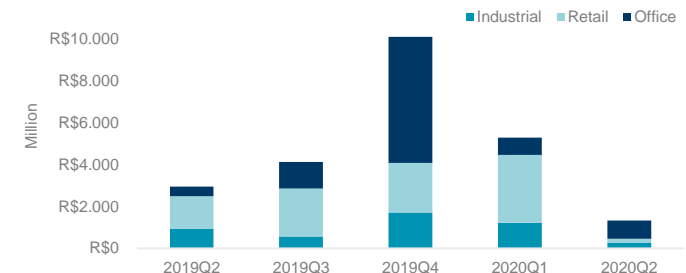
Real estate funds that injected great liquidity into the real estate market in 2019 registered sharp drops in their market values because of the freezing of yield distributions. Given this scenario, there was a halt in the fundraising process by the funds and, consequently, less real estate investments.

On the other hand, cap rates for second quarter increased, with the average of the three sectors being 8.74%, inversely to the reduction of the interest rate, that ended the quarter at 2.25%.

### INVESTMENT SALES VOLUME



### INVESTMENT SALES VOLUME BY SECTOR



Source: Cushman &amp; Wakefield

# MARKETBEAT BRAZIL

## Investment Q2 2020



### INVESTMENT ACTIVITY

| PROPERTY TYPE | TRANSACTIONS | SALES VOLUME (BRL)   | TOTAL SQ.M SOLD     | PRICE / SQ.M      | CAP RATE*    |
|---------------|--------------|----------------------|---------------------|-------------------|--------------|
| Office        | 8            | 866,300,000          | 41,298 SQ.M         | BRL 20,977        | 8.33%        |
| Industrial    | 4            | 275,223,052          | 80,966 SQ.M         | BRL 3,399         | 9.58%        |
| Retail        | 1            | 183,100,000          | -                   | -                 | -            |
| <b>TOTAL</b>  | <b>13</b>    | <b>1,324,623,052</b> | <b>122,264 SQ.M</b> | <b>R\$ 10,834</b> | <b>8.74%</b> |

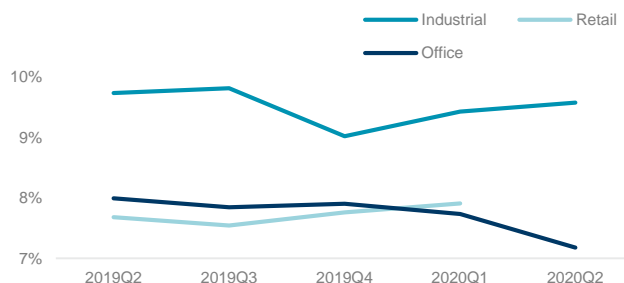
### SIGNIFICANT SALES

| PROPERTY NAME                     | TYPE       | BUYER                    | SELLER                          | TOTAL SQ.M | PURCHASE PRICE (BRL) | PRICE / SQ.M | MARKET            |
|-----------------------------------|------------|--------------------------|---------------------------------|------------|----------------------|--------------|-------------------|
| Morumbi Corporate - Diamond Tower | Office     | BTG Corporate Office FII | Multiplan                       | 36,918     | 810,000,000          | BRL 21,940   | Chucui Zaidan/ SP |
| CENU – Torre Oeste                | Office     | Blue Macaw FII           | -                               | 1041       | 11,150,000           | BRL 10,710   | Berrini/ SP       |
| Parque Paulista                   | Office     | -                        | Rio Bravo Renda Corporativa FII | 576        | 11,900,000           | BRL 20,674   | Paulista/ RJ      |
| Extrema Business Park             | Industrial | Vinci Logística FII      | Fulwood                         | 44,736     | 146,357,700          | BRL 3,271    | Extrema/ MG       |
| GLP - Pirituba                    | Industrial | VBI Logístico FII        | GLP                             | 12,340     | 68,639,350           | BRL 5,5562   | São Paulo/ SP     |

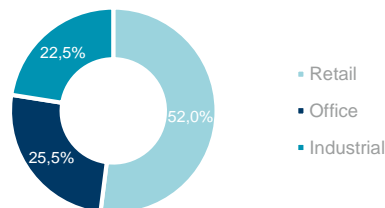
Sources: Cushman & Wakefield Research, Public Companies

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

### CAP RATE\* TRENDS BY SECTOR



### 2020 (YTD) CAPITAL VOLUME BY PROPERTY TYPE



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