

	YoY Chg	12-Mo. Forecast
7.85% Average Cap Rate*	▼	▼
\$ 6.25 bn. Total Volume (BRL)	▼	▼
133 Total Properties Sold	▲	▼
2,578.7 Area (Thousands sq.m)	▲	▼

(All Property Classes)

ECONOMIC INDICATORS 2020

	YoY Chg	12-Mo. Forecast
10.3% Q3 GDP (QoQ)	▲	▼
14.6% Unemployment Rate (September/20)	▲	▼
4.52% CPI Inflation (12 months)	▲	▼
6.88% 10-Yr Fixed Rate Bond	▼	▲

Source: LCA; World Government Bonds

ECONOMY OVERVIEW:

The expansionary fiscal and monetary policies adopted in 2020 helped to minimize the social and economic crisis during the year. However, Brazil has a high debt which limits social aid. Thus, mismanagement of the public spending tends to hurt the country in long run.

Despite of the Consumer Confidence Index presenting a small drop in November, in comparison to October, the formal jobs balance registered a record level, with an increase of 414,500 jobs in November. Therefore, the economy followed the recovery trend in the last quarter with an expected GDP for 2020 at -4.26%. On the other hand, driven mainly by pressure from food and fuel prices, the inflation rate accelerated again in the last quarter and IPCA closed 2020 above the target of 4%, at 4.52%. Finally, the cautious speech regarding the Selic interest rate remained, standing at its current lowest record level of 2.0%, stimulated economic activity. In conclusion, the second semester of the year eased the impacts of the pandemic, so that economic recovery in 2021 will depend on the fiscal balance and the distribution of Covid-19 vaccination, in a scenario where reforms and privatizations planned by the government could help the economy.

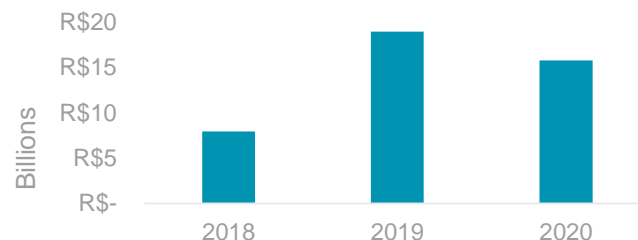
Access the most recent information specific to COVID can be found [here](#).

INVESTMENT OVERVIEW:

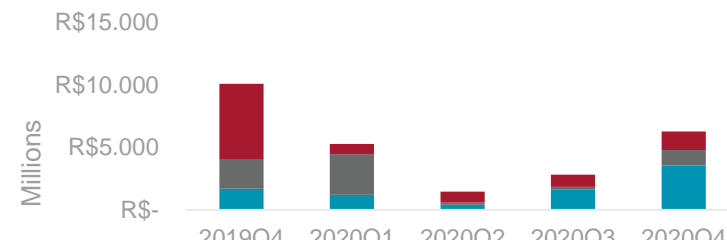
Real estate investments performed poorly in 2020 mainly due to sanitary measures, such as the closure of malls and the implementation of the home office. However, driven by retail digitization and increase of online sales, the logistic sector was the highlight of the year. Furthermore, the fourth quarter trended upwards, showing an increase in the number of transactions of about 147.6% QoQ. In addition, other indicators also followed the recovery, such as the number of property transactions, which increased by 411.5%, and the transaction volume BRL 121.8%. In turn, the cap rate again showed a drop, starting in 7.89% in Q3 and going to 7.85% in Q4.

Moreover, real estate funds are gaining more space for expansion in Brazil. According to Anbima data, there were 3.42 Million of REIT's investors through September 2020, which means more liquidity in this market. In addition, important instruments for the efficiency of the financial market were implemented for REIT's investors, such as the quota rent and the creation of the first ETF of IFIX.

INVESTMENT SALES VOLUME



INVESTMENT SALES VOLUME BY SECTOR



Source: Cushman & Wakefield

■ Industrial ■ Retail ■ Office

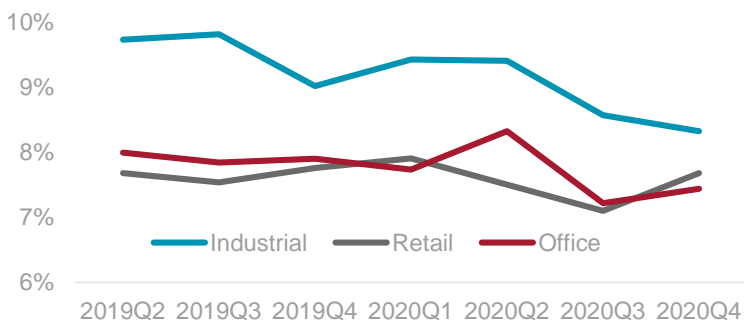
INVESTMENT ACTIVITY

PROPERTY TYPE	TRANSACTIONS	SALES VOLUME (BRL)	TOTAL SQ.M	PRICE / SQ.M	CAP RATE*
Office	11	1,462,686,666	116,178	BRL12,590	7.44%
Industrial	26	3,547,446,915	2,359,746	BRL 1,503	8.33%
Retail	15	1,243,628,804	102,806	BRL 12,096	7.68%
TOTAL	52	6,253,762,387	2,578,731	R\$ 2,425	7.85%

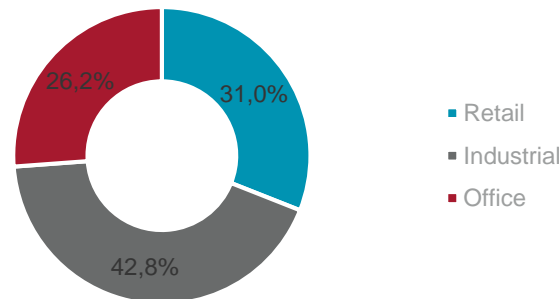
SIGNIFICANT SALES

PROPERTY NAME	TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	MARKET
WTorre Morumbi - Torre A e B	Office	Santander Renda de Alugueis FII	Fundo de Investimento Imobiliário TM - FII	35,112	436,314,554	BRL 12,426.37	Chucri Zaidan / SP
River One	Office	BRL Trust	Tellus	23,625	420,000,000	BRL 17,777.78	Marginal Pinheiros/ SP
Casas Pernambucanas	Retail	CSHG Renda Urbana	Arthur Lundgren Tecidos S.A. - Casas Pernambucanas	91,143	450,300,000	BRL 4,940.59	SP/MG/SC/PR
Goodman Viracopos	Industrial	Hedge Logística FII	Goodman	138,871	340,840,943	BRL 2,454.37	Jundiaí / SP
Terreno Ford São José Construtora	Industrial	Construtora São José	Ford	1,072,000	565,000,000	BRL 527.05	São Bernardo do Campo / SP

CAP RATE* TRENDS BY SECTOR



2020 CAPITAL VOLUME BY PROPERTY TYPE



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