

## Industrial Q4 2020

	YoY Chg	12-Mo. Forecast
<b>13.5%</b> Vacancy Rate	▼	▲
<b>757.5K</b> Net Absorption, sq.m	▲	▲
<b>BRL18.95</b> Asking Rent (BRL/sq.m)	▼	▬

(Classes A and A+)

### ECONOMIC INDICATORS 2020

	YoY Chg	12-Mo. Forecast
<b>10.3%</b> Q3 GDP (QoQ)	▲	▼
<b>4.52%</b> CPI Inflation 12-Mo	▲	▲
<b>0.3%</b> Industrial Production (YoY)	▲	▲

### Economic

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 10.3%. 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](#).

### Market Overview Brazil

The results regarded this year exceeded all the positive forecasts predictions for supply and demand for the Brazil's logistic market, with a high number of new completions and absorptions, as well as significant drop in the vacancy rate throughout 2020.

The country delivered 1.1 million sq.m of new logistics parks which is almost two times higher than what was registered in 2019, with 308,000 sq.m in the fourth quarter. The Southeast was the region with the highest deliveries, with 974,000 sq.m, or 87% of the total sq.m. delivered. Most of these modern logistic buildings were occupied by retail and wholesale companies that saw demand grow, especially after the big increase of online shopping, as people had to adapt to the e-commerce business and consumer expectations.

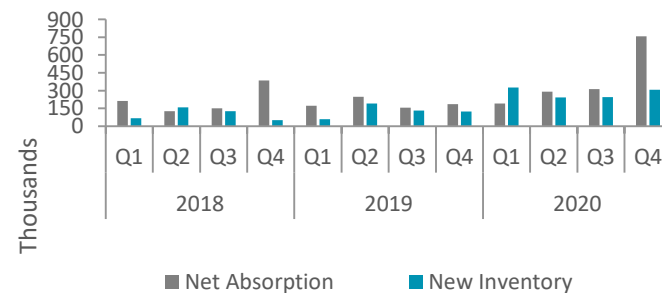
Thus, the net absorption this year was the highest ever recorded, with a positive 1.5 million sq.m, doubling last years. The last quarter was responsible for 50% of the total absorption, at 757,000 sq.m, four times higher in an YoY comparison. The Southeast and Northeast regions performed the best and contributed to the increase in lease activity in Brazil in 2020.

### Vacancy and Asking Rent

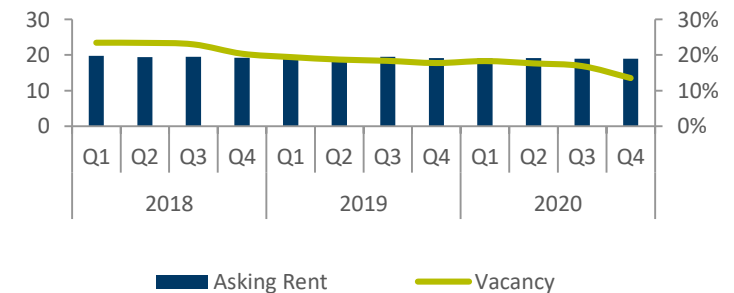
The constant decline in the vacancy rate in 2020 pushed the value to the lowest level ever registered, finishing the year at 13.5%; a drop of 4.5 p.p. (YoY). The highlight was the Northeast region which came from a vacancy rate of 12.2% in the end of 2019 to close out 2020 at 8.6%.

However, the asking price closed the year at a low point of BRL 18.95 sq.m/month, a decrease of 1% (YoY). The North region still has the highest asking price in Brazil - BRL 22.15 sq.m/month – while South region works with the lowest level in the country, at BRL 16.54 sq.m/month.

### NET ABSORPTION / DELIVERIES



### ASKING RENT (BRL/sq.m/mo) / VACANCY



## Industrial Q4 2020

Classes A and A+

SUBMARKET	INVENTORY (SQ.M)	AVAILABLE SPACE (SQ.M)	VACANCY RATE (%)	CURRENT QTR NET ABSORPTION (S.QM)	YTD OVERALL NET ABSORPTION (S.QM)	YTD LEASING ACTIVITY (S.QM)	UNDER CNSTR (S.QM)	YTD CNSTR COMPLETIONS (S.QM)	AVG ASKING RENT (ALL CLASSES)*	AVG ASKING RENT (CLASS A)*
Amazonas	307,454	126,513	41.1%	21,800	12,511	27,390	-	-	BRL 21.66	BRL 22.12
Bahia	86,557	-	0.0%	-	39,576	39,576	-	38,142	BRL 16.80	BRL 16.80
Paraná	669,998	68,169	10.2%	16,804	36,352	42,695	5,625	27,752	BRL 16.68	BRL 16.40
Pernambuco	795,015	70,563	8.9%	38,834	58,793	77,203	-	38,021	BRL 17.36	BRL 18.05
Rio Grande do Sul	294,951	89,762	30.4%	17,646	28,230	64,825	-	41,146	BRL 16.04	BRL 17.40
Minas Gerais	962,028	56,902	5.9%	97,348	227,537	270,962	-	205,679	BRL 21.83	BRL 21.89
Ceará	113,439	15,323	13.5%	-1,733	4,304	8,431	28,842	-	BRL 14.97	BRL 14.97
Pará	53,995	4,545	8.4%	-	-4,545	-	-	-	BRL 23.00	BRL 23.00
Santa Catarina	135,377	14,900	11.0%	-	2,100	11,645	-	-	BRL 15.61	BRL 12.00
<b>Other Regions</b>	<b>3,418,813</b>	<b>446,677</b>	<b>13.1%</b>	<b>190,699</b>	<b>404,858</b>	<b>542,727</b>	<b>34,467</b>	<b>350,740</b>	<b>BRL 18.18</b>	<b>BRL 19.02</b>
Campinas	1,318,427	164,401	12.5%	11,209	66,119	90,470	-	-	BRL 15.89	BRL 16.94
Jundiaí	1,663,562	293,690	17.7%	116,872	66,417	179,528	-	156,600	BRL 17.39	BRL 17.37
Cajamar	1,635,289	86,723	5.3%	169,963	292,046	348,278	149,000	281,172	BRL 21.55	BRL 21.55
Guarulhos	1,402,330	129,365	9.2%	27,021	136,399	186,781	-	99,977	BRL 20.89	BRL 20.94
Barueri	846,834	136,753	16.1%	49,110	84,576	116,338	-	32,813	BRL 21.02	BRL 20.71
Embu	759,335	55,575	7.3%	40,164	66,263	89,324	-	-	BRL 20.19	BRL 19.11
Capital - SP	107,082	2,700	2.5%	-	-2,700	-	-	-	BRL 22.51	BRL 28.00
Atibaia	361,529	57,364	15.9%	-2,477	17,075	35,594	8,954	-	BRL 13.28	BRL 19.24
Vale do Paraíba	252,277	109,981	43.6%	-	-	3,908	-	-	BRL 16.34	BRL 15.00
Sorocaba	346,065	87,018	25.1%	75,125	86,010	91,504	-	45,000	BRL 17.35	BRL 17.66
Grande ABC	357,364	-	0.0%	15,074	43,933	47,302	-	-	-	-
Ribeirão Preto	138,677	1,674	1.2%	-178	-178	4,194	-	-	BRL 15.25	BRL 17.00
Piracicaba	143,313	68,996	48.1%	-	-	-	-	-	BRL 16.73	BRL 16.73
<b>São Paulo</b>	<b>9,332,084</b>	<b>1,194,240</b>	<b>12.8%</b>	<b>501,883</b>	<b>895,960</b>	<b>1,193,221</b>	<b>157,954</b>	<b>615,562</b>	<b>BRL 18.00</b>	<b>BRL 18.36</b>
Duque de Caxias	912,396	230,479	25.3%	46,803	176,764	189,013	-	100,000	BRL 21.72	BRL 21.70
Pavuna	338,512	33,658	9.9%	5,525	31,374	31,374	30,000	30,000	BRL 22.82	BRL 22.81
Queimados / Seropédica	240,975	89,272	37.0%	3,584	17,387	17,387	41,816	-	BRL 18.07	BRL 18.07
Santa Cruz / Campo Grande	337,746	-	0.0%	10,435	10,435	12,037	28,710	10,435	-	-
Belford Roxo / Nova Iguaçu	-	-	-	-	-	-	-	-	BRL 22.00	-
Vale do Paraíba Fluminense	211,395	11,054	5.2%	-1,440	1,495	4,475	-	-	BRL 16.00	BRL 16.00
Campos	36,718	-	0.0%	-	12,184	12,184	-	12,184	BRL 14.00	-
Avenida Brasil	34,580	1,148	3.3%	-	-1,148	1,148	-	-	BRL 38.29	BRL 40.00
<b>Rio de Janeiro</b>	<b>2,112,321</b>	<b>365,611</b>	<b>17.3%</b>	<b>64,907</b>	<b>248,491</b>	<b>267,618</b>	<b>100,526</b>	<b>152,619</b>	<b>BRL 21.24</b>	<b>BRL 20.77</b>
<b>Brazil</b>	<b>14,863,219</b>	<b>2,006,528</b>	<b>13.5%</b>	<b>757,489</b>	<b>1,549,309</b>	<b>2,003,566</b>	<b>292,947</b>	<b>1,118,921</b>	<b>BRL 18.55</b>	<b>BRL 18.95</b>

## KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	S.QM	TYPE
DVR Business Park	Sorocaba	Ford	76,143	Lease
BTLG Jundiaí	Jundiaí	Ceva Logistics	25,481	Lease
3SB Parque Logístico	Porto Alegre	Amazon	17,646	Lease

## KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	S.QM	PRICE/BRL P S.QM
Goodman Viracopos	Jundiaí	Goodman /Hedge Logistca	138,871	BRL341M / BRL2.4k
BTLG Jundiaí	Jundiaí	GLP Properties/ BTG Pactual	100,028	BRL270M / BRL2.7k
Caxias Park	Duque de Caxias	SPE Brindisi RJ Empreendimentos/ Vinci Real Estate	76,601	BRL223M / BRL2.9k

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