

YOY Chg 12-Mo Forecast

30.92%

Vacancy Rate



24.3K

Net Absorption (sq.m)



BRL 85.05

Asking Rent (BRL sq.m)



(CBD Class A)

ECONOMIC SCENARIO

In the sphere of commerce, data from the Monthly Survey of Commerce for October 2022 show a drop of 0.4% compared to the previous month in the volume of retail sales in the seasonally adjusted series. Regarding the unemployment rate, the latest National Continuous Household Sample Survey (PNAD) registered a rate of 8.3% for the moving quarter ended in October 2022, a decrease of 0.8 p.p. compared to the previous quarter and 3.8 p.p. in the annual comparison. Regarding inflation, after monthly variation of 0.59% in October, the IPCA (CPI) ended November with an increase of 0.41%. In the last 12 months, the index accumulates an increase of 5.90% and in the year of 5.13%. The National Construction Cost Index (INCC - M) increased by 0.27% in December and closed the year up by 9.40%. Finally, Brazilian GDP increased by 0.4% in the third quarter in the seasonally adjusted series. Compared to the same period in 2021, GDP grew by 3.6%.

DEMAND

Rio de Janeiro's CBD class A office market registered in the fourth quarter of 2022 the highest net absorption of the year, 24,251 sq.m. The highlight was Centro with 18,001 sq.m, followed by Cidade Nova, with 6,272 sq.m absorbed. This result was mainly due to the occupation of companies in the financial sector and the public sector in Centro.

ECONOMIC INDICATORS

QOQ Chg 12-Mo Forecast

0.4%

2022 Q3 GDP QOQ



8.7%

Unemployment Rate (2022Q3)



5.9%

CPI Inflation (12 months)

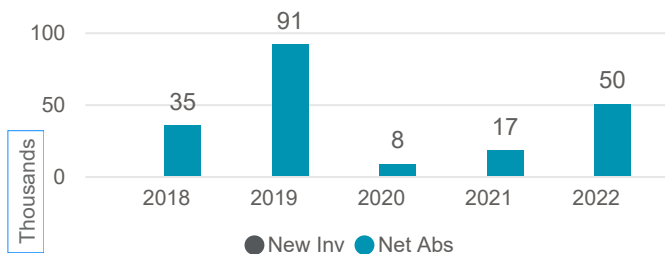


Source: LCA

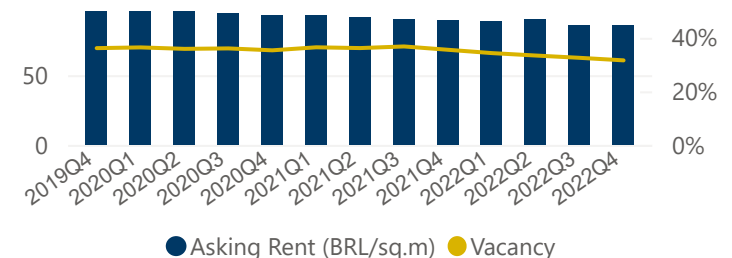
PRICING

The asking price dropped by 1.19% compared to the previous quarter, ending at BRL 85.05 sq.m /month. Zona Sul closed with the highest asking price, R\$ 208.06 sq.m/month, while Orla recorded the highest negative variation, 7.12%, closing at BRL 102.56 sq.m/month.

SPACE DEMAND / DELIVERIES - CBD A



ASKING RENT / VACANCY - CBD A

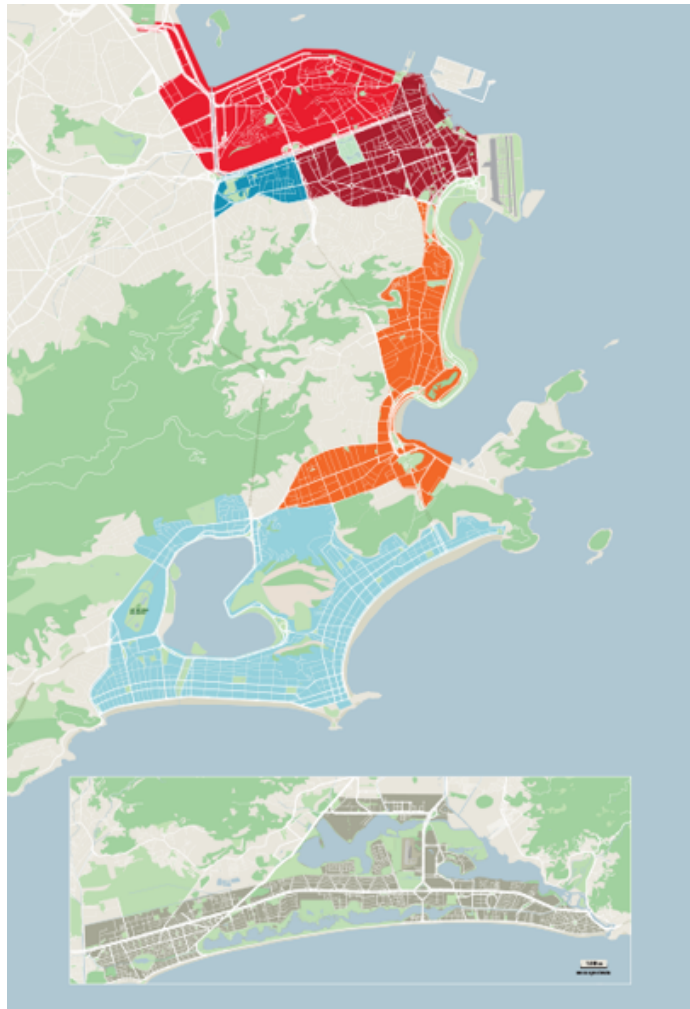


Market Overview

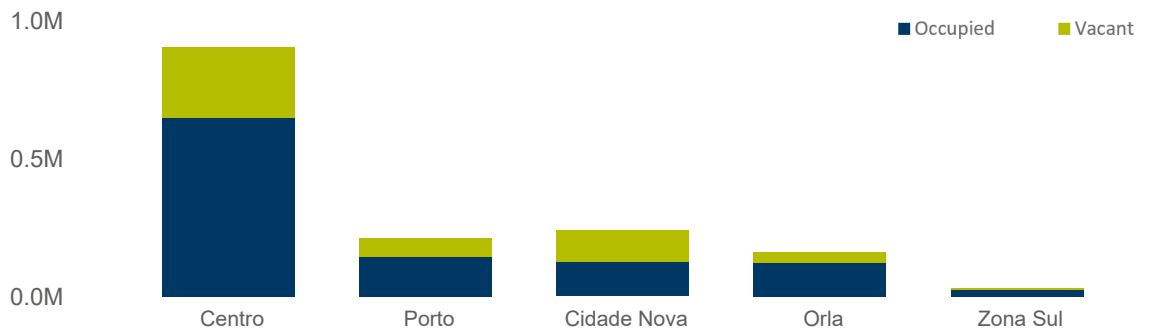
The positive results of net absorption in the quarter led to a drop of 1.57 p.p. in the vacancy rate, which closed at 30.92%, the lowest value since the first quarter of 2016. Centro, Cidade Nova and Orla also presented a decrease, while Zona Sul was the only region that suffered an increase, closing at 16.80%. In Porto, the vacancy rate remained at the level of the previous quarter, that is, 31.10%.

Pipeline

Rio de Janeiro has not presented new deliveries since 2018, and there is still no forecast for the next periods, which will contribute to the reduction of the vacancy rate.



SUBMARKET COMPARISON

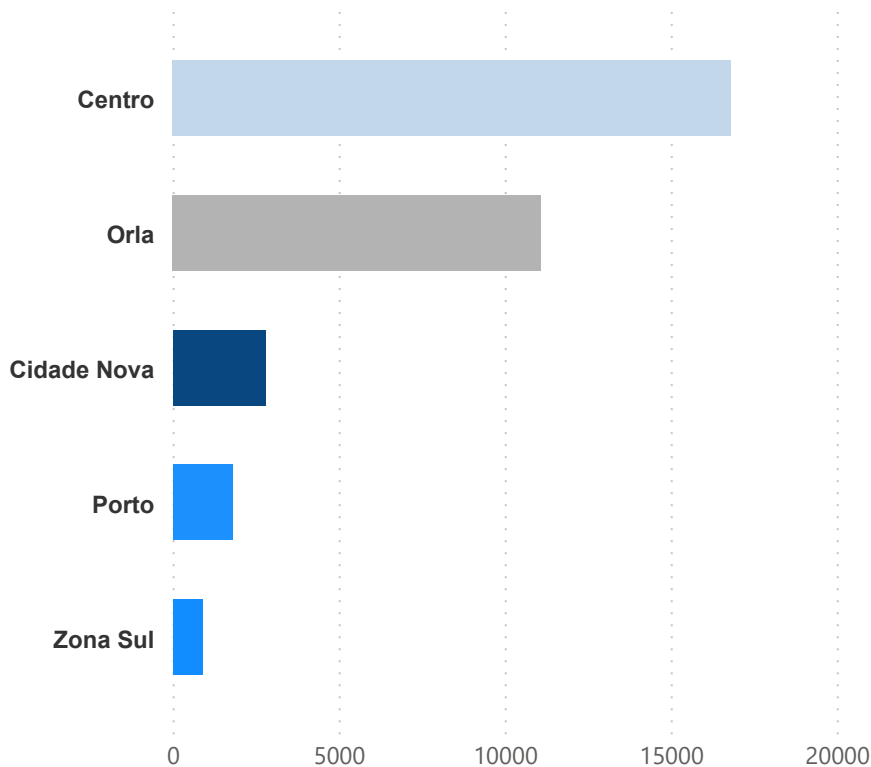


SUBMARKETS



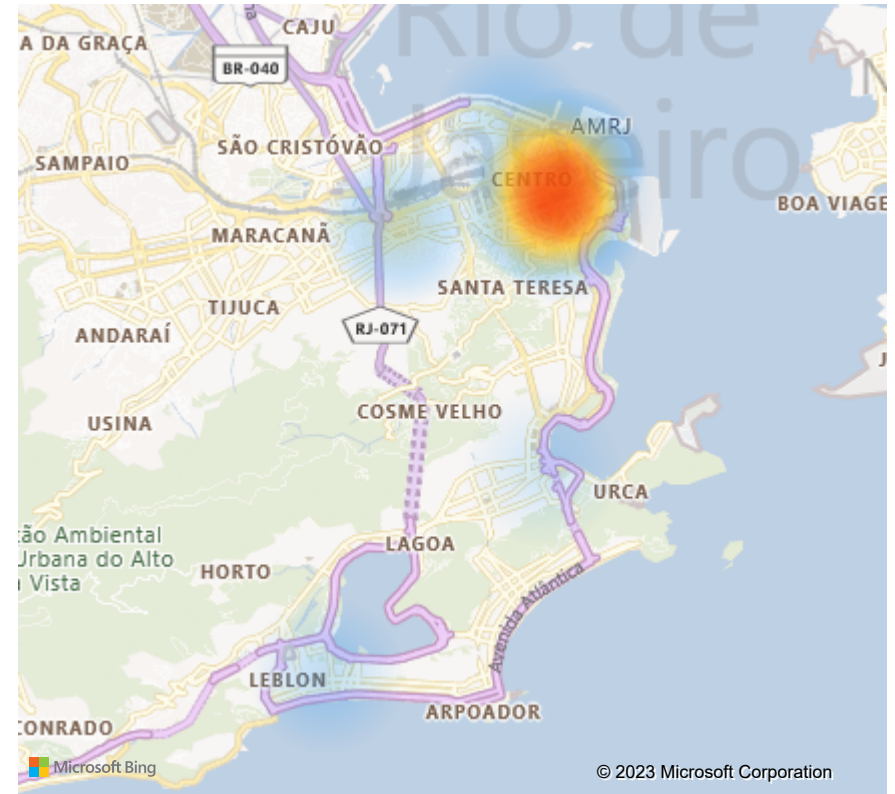
*The vacancy rate is calculated and established by Cushman & Wakefield, which takes into account the effective occupation, resulting in a vacancy of 30.92%. However, the commercial vacancy rate is considered by the leases in Rio de Janeiro CBD class A, closing the fourth quarter at 28.88%.

Leases to Occupy - 2022Q4



Rio de Janeiro has already accumulated 33,426 sq.m to be occupied in the coming quarters. Of these, 16,824 sq.m are in Centro, 11,102 sq.m in Orla and 2,795 sq.m in Cidade Nova.

Heat Map - 2022Q4



The heat map shows the total area transacted in the fourth quarter of 2022 by region. Center received the highest number of leases, totaling 12,142 sq.m. Then Cidade Nova with 2,795 sq.m and then Porto with 1,804 sq.m leased.

MARKET STATISTICS

SUBMARKET	NUMBER OF BUILDINGS	INVENTORY (SQ.M)	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	CURRENT QTR NET ABSORPTION (SQ.M)	CURRENT QTR GROSS ABSORPTION (SQ.M)	LEASING ACTIVITY (SQ.M)	UNDER CONSTRUCTION (SQ.M)	AVG ASKING RENT (ALL CLASSES)	AVG ASKING RENT (CLASS A)
Centro	36	902,834	253,748	28.1%	18,001	25,216	13,121		55.11	81.75
Cidade Nova	7	241,604	115,180	47.7%	6,272	6,272	2,795		75.32	81.31
Orla	12	158,576	37,926	23.9%	517	1,977	502		80.81	102.56
Zona Sul	5	30,745	5,166	16.8%	-539	0	901		121.29	208.06
Porto	8	211,256	65,692	31.1%	0	0	1,804		66.79	87.40
Barra da Tijuca	30	194,388	54,494	28.0%	1,233	3,834	2,762		52.78	79.69
Total CBD A	68	1,545,016	477,712	30.9%	24,251	33,465	19,123	0	61.58	85.05

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)
Ventura Corporate Towers - Torre Leste	Centro	IRB Brasil RE	2,476
Passeio Corporate - B	Centro	Undisclosed	2,097
Edifício Galeria	Centro	Souza, Monteiro e Brito Advogados Associados	2,070
Vista Guanabara	Porto	Undisclosed	1,804

KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE / BRL / SQ.M
Torre Rio Sul	Orla	CSHG Real Estate FII / -	1,717	14,996.94

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