

MARKETBEAT

## SÃO PAULO

Office Q4 2023


**23.47%**  
Vacancy Rate

 YOY  
Chg

 12-Mo  
Forecast

**22,724**  
Net Absorption (sq.m)

**BRL109.76**  
Asking Rent (BRL sq.m)


(CBD Class A)

## ECONOMIC SCENARIO

• In 2023, the Brazilian economy showed a positive performance with GDP advancing in the first three quarters of the year. • The IPCA (Broad National Consumer Price Index) registered an increase of 0.28% in November and accumulates an increase of 4.28% in 12 months. • Unemployment fell from 8.8% in the first quarter of the year to 7.7% in the quarter ended in October, according to PNAD (Continuous National Household Sample Survey). • The basic interest rate of the Brazilian economy (Selic), which began its easing cycle in August, is currently 11.75%. • The FED has already signaled that it will begin the interest rate cut cycle in mid-2024, which should benefit emerging currencies. Currently the American interest rate is at a level of 5.25% and 5.50%, and the expectation for the end of 2024 is that the rate will be between 4.75% and 5%.

## DEMAND

São Paulo's CBD class A office market recorded the highest net absorption of the year in the fourth quarter of 2023, 22,724 sq.m, with Chucuri Zaidan, Paulista and Berrini being the main regions responsible for this result, with 14,889 sq.m, 6,186 sq.m and 6,131 sq.m, respectively. It is worth highlighting that in 2023, different from the previous year, São Paulo presented positive net absorptions in all quarters, ending with 54,979 sq.m absorbed, a result higher than 2021, but lower than 2022.

## ECONOMIC INDICATORS

**0.1%**

2023 Q3 GDP QOQ

 QOQ  
Chg

 12-Mo  
Forecast

**7.7%**

Unemployment Rate (2023Q3)


**4.7%**

CPI Inflation Nov (12 months)

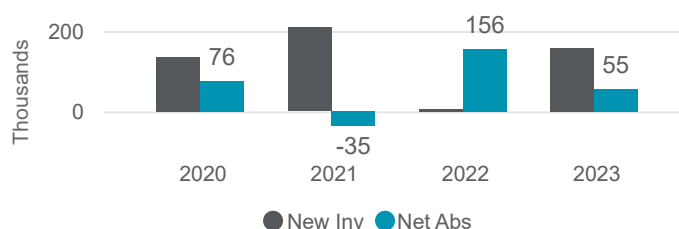


Source: LCA

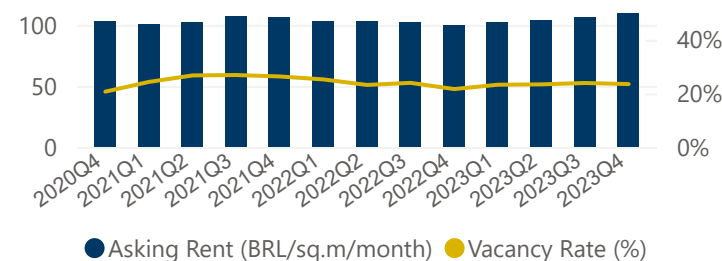
## PRICING

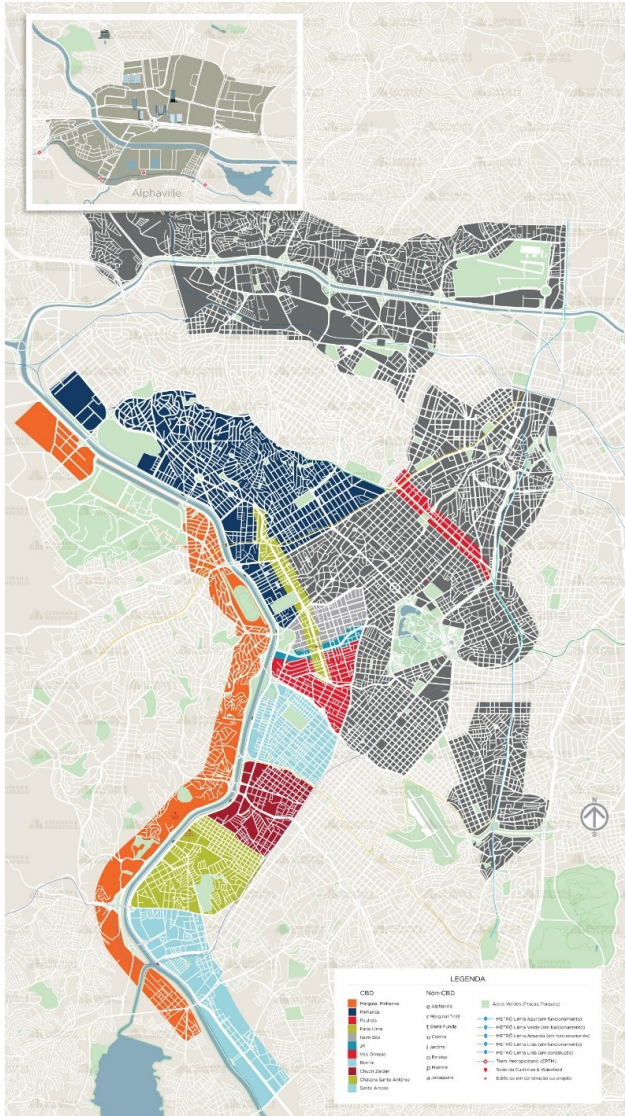
The asking price increased considerably by 10.38% compared to the previous year, ending at BRL 109.76 sq.m/month. In the same comparison, Vila Olímpia was the region that had the biggest positive variation (49.35%), closing at BRL 166.36 sq.m/month, mainly due to the delivery of Auri Plaza Faria Lima in the third quarter of the year, with asking price above average for the region and completely vacant at this time. Itaim closed with the highest asking price, BRL 280.96 sq.m/month, while Santo Amaro closed with the lowest price, BRL 32.43 sq.m/month.

## SPACE DEMAND / DELIVERIES - CBD A



## ASKING RENT / VACANCY - CBD A





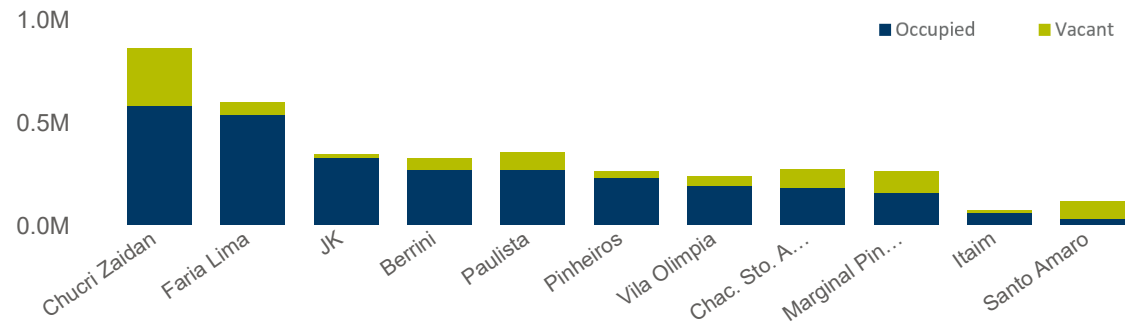
## Market Overview

The delivery of new inventory, added to the net absorption observed in the last quarter of the year, led to a 0.41 p.p. drop in the vacancy rate, which closed at 23.47%. However, in relation to 2022, the rate increased by 1.85 p.p., mainly due to the large volume of new inventory delivered in 2023. In comparison with the previous year, the only regions that had a reduced vacancy rate were Berrini, Churci Zaidan and JK, due to the strong net absorptions they had in the year, 22,944 sq.m, 22,863 sq.m and 8,793 sq.m, respectively.

## Pipeline

The year 2023 presented a large volume of new inventory, 157,148 sq.m, the second highest value since 2019. The largest deliveries occurred in Paulista (46,231 sq.m), Chácara Santo Antonio (33,556 sq.m) and Churci Zaidan (20,345 sq.m). The last quarter of the year registered 10,083 sq.m, coming from Union Faria Lima, with the highest asking price of all deliveries of the year: BRL 320.00 sq.m/month. The expectation for 2024 is that a little more than 100 thousand sq.m will be delivered.

## CBD SUBMARKET COMPARISON



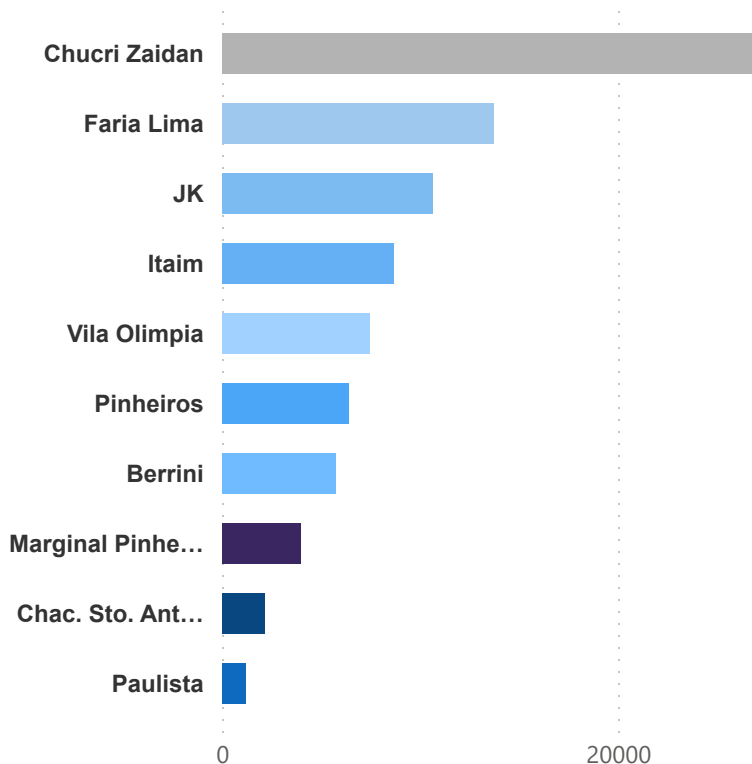
## SUBMARKETS

- Marginal Pinheiros
- Pinheiros
- Paulista
- Faria Lima
- Itaim Bibi
- JK
- Vila Olímpia
- Berrini
- Churci Zaidan
- Chác. Sto Antônio
- Santo Amaro

\*The vacancy rate is calculated and established by Cushman & Wakefield, which considers the effective occupancy, resulting in a vacancy of 23.47%. However, the commercial vacancy rate is considered by the leases in São Paulo CBD class A, closing the fourth quarter of 2023 at 21.68%.

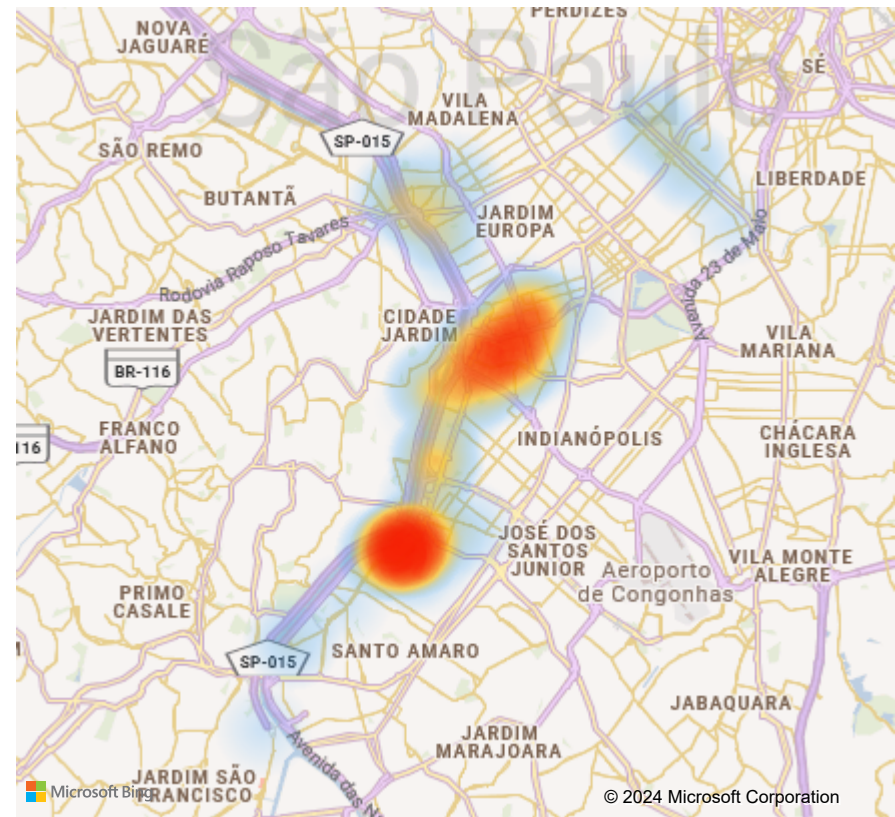


## Leases to Occupy



São Paulo already has 86,993 sq.m to be occupied in the coming quarters. Of these, 27,150 sq.m are in Chucrí Zaidan, 13,693 sq.m in Faria Lima and 10,617 sq.m in JK.

## Heat Map - 2023



The heat map shows the total area transacted in 2023 by region. Chucrí Zaidan, like last year, received the largest number of rentals, totaling 71,150 sq.m. Next, Berrini with 23,396 sq.m and then Faria Lima with 19,139 sq.m leased.

MARKETBEAT

## SÃO PAULO

Office Q4 2023



## 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)
Berrini	11	324,116	54,411	16.8%	6,131	8,016	5,708	0	78.31	92.38
Chac. Sto. Antonio	19	271,167	90,741	33.5%	981	981	0	85,178	73.15	84.43
Chucuri Zaidan	30	857,301	279,795	32.6%	14,889	14,889	20,477	112,077	95.61	101.57
Faria Lima	32	595,863	58,460	9.8%	-3,602	3,632	5,810	15,000	174.84	220.70
Itaim	4	71,261	12,732	17.9%	-968	0	8,638	30,000	150.04	280.96
JK	12	344,920	19,061	5.5%	-882	1,967	2,039	0	152.64	192.12
Marginal Pinheiros	22	260,934	103,033	39.5%	3,460	3,460	1,683	14,777	68.31	88.77
Paulista	21	354,091	87,204	24.6%	6,186	6,186	1,209	0	89.63	127.33
Pinheiros	20	257,961	30,474	11.8%	2,320	2,320	1,341	0	86.75	137.26
Santo Amaro	8	114,455	84,248	73.6%	1,244	1,244	0	0	34.01	32.43
Vila Olímpia	17	234,694	45,216	19.3%	-7,035	4,332	4,032	0	105.31	166.36
São Paulo CBD AA+	196	3,686,763	865,375	23.5%	22,724	47,027	50,937	257,032	90.31	109.76

## KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)
Infinity Tower	Itaim	TikTok	8,638
Parque da Cidade Corporate - Torre B3	Chucuri Zaidan	Dow Quimica	6,759
RiverView Corporate Tower	Chucuri Zaidan	Caixa Vida Previdencia	4,472
Faria Lima Plaza	Faria Lima	Uber	2,041
Centro Empres. Nacoes Unidas Torre Norte	Berrini	Sonda Procwork Informática	1,885
Parque da Cidade Corporate - Torre Jequitibá	Chucuri Zaidan	Motorola Solutions	1,682

## KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE(BRL)/SQ.M
Pátio Malzoni - Bloco A	Faria Lima	Catuaí VBI Triple A FII / -	1,610	59,758.52
The One	Faria Lima	Fundo de Investimento Imobiliário The One / VBI Prime Properties - FII	6,015	32,838.99

## DENNYS ANDRADE

Head of Market Research &amp; Business Intelligence/South America

## RENATO PAGLARIN

Coordinator of Market Research &amp; Business Intelligence

## ADRIANA MONSALVARGA

Market Research &amp; Business Intelligence Analyst

## RENATO ALMEIDA

Manager of Office Transactions

## A CUSHMAN &amp; WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2023 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

[cushmanwakefield.com](http://cushmanwakefield.com)[research.brazil@cushwake.com](mailto:research.brazil@cushwake.com)