



RealtyCorp

Analytics

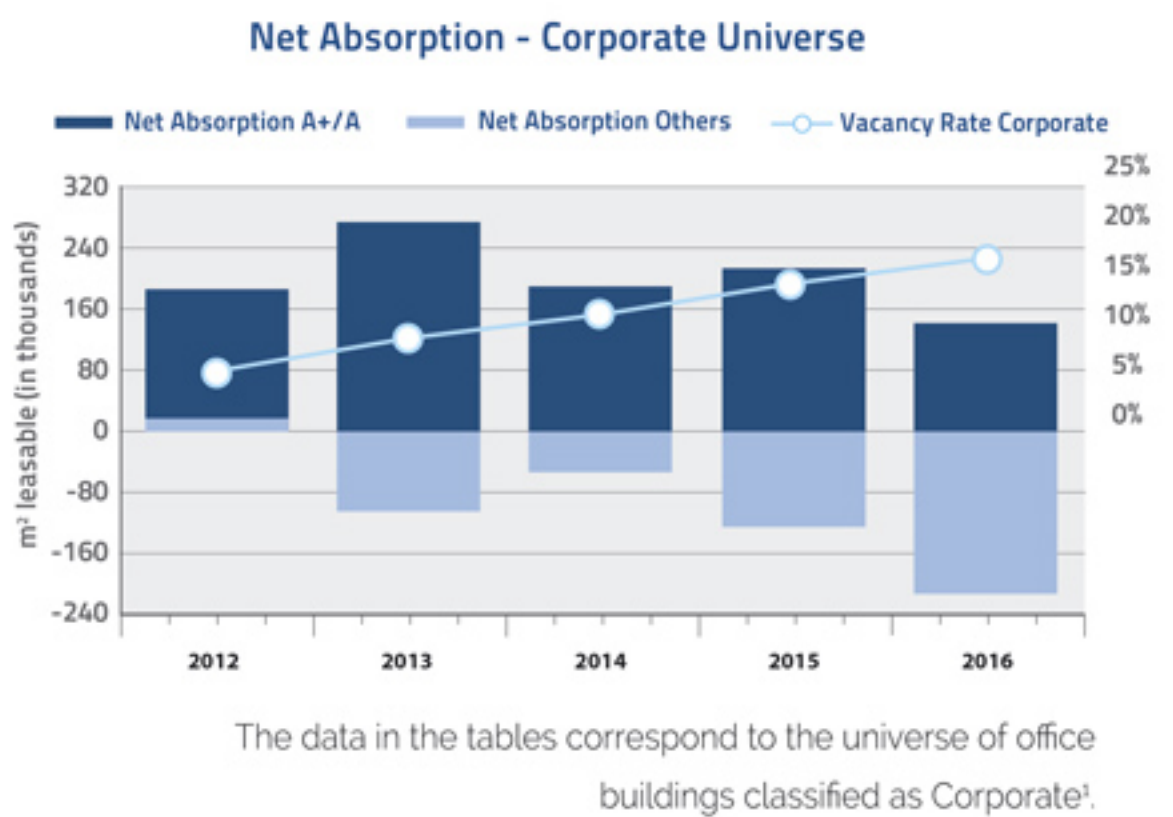
4th Quarter 2016 - Office & Industrial



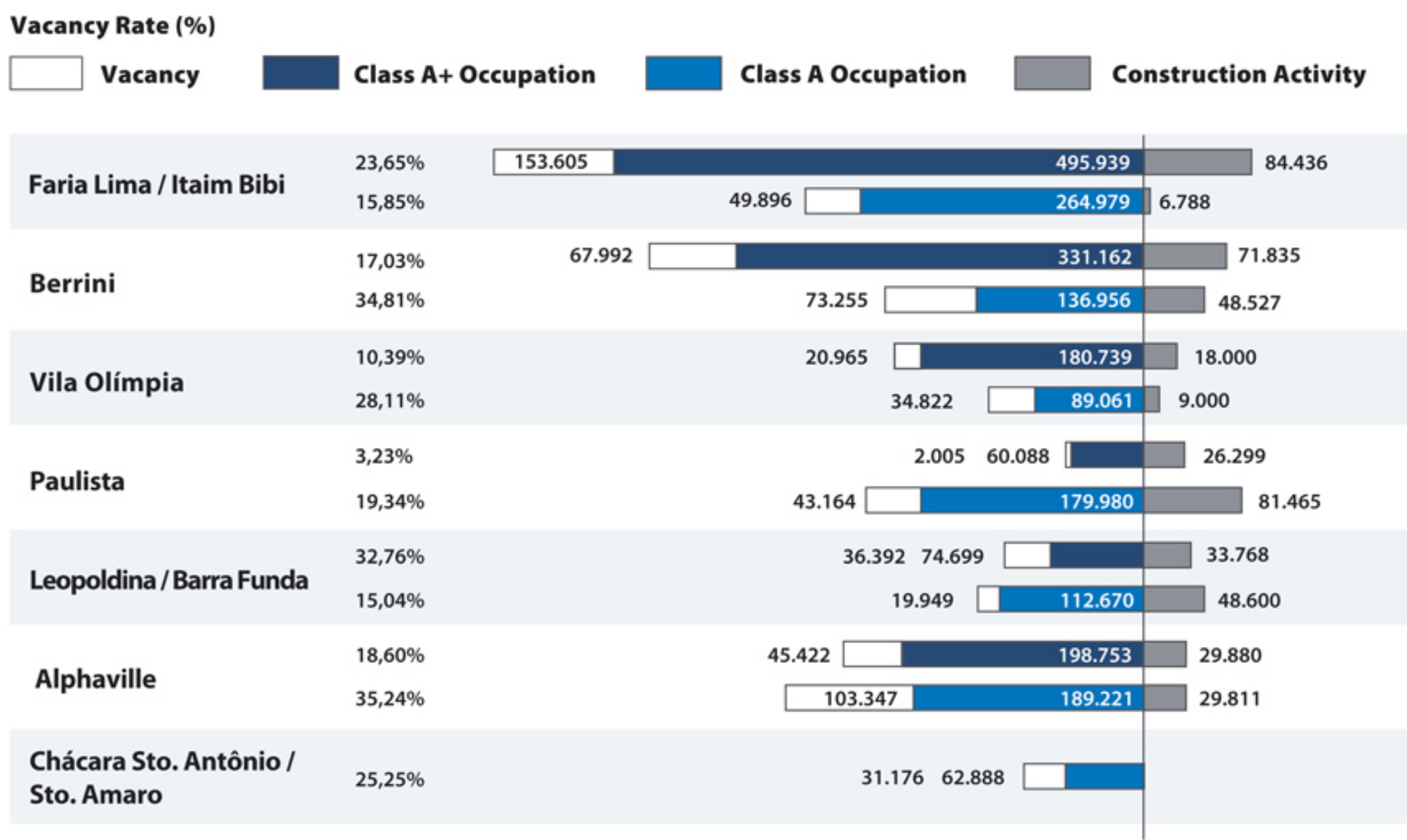
OFFICES

São Paulo

- The stock of office space in corporate buildings (Corporate universe) in the city of São Paulo increased by 0.05% over the previous quarter, closing the year at 10.428 million m², representing 68% of the total inventory. Of this universe, 20% are Class A + buildings, 15% of A buildings and the remaining 65% in class B and C buildings (Others).
- The net absorption in the city of São Paulo for corporate Class A and A + buildings closed the year of 2016 with a positive balance, exceeding 140 thousand square meters. However, this is the lowest net absorption of the past 5 years. Much of this absorption, has come from the so-called flight-to-quality movement, as shown in the adjacent chart. The net absorption of Class B and C (Others) was negative in more than 190 thousand square meters, evidencing the migration of several companies to more modern buildings at very competitive commercial terms, such as, Johnson & Johnson's relocation to the JK Complex, IBOPE to CGD Corporate Towers, KPMG to EZ Towers and PepsiCo to the JK 180, among others.



Occupation, Vacancy and Construction Activity



The data in the tables correspond to the universe of office buildings classified as Corporate¹. (leasable m²)

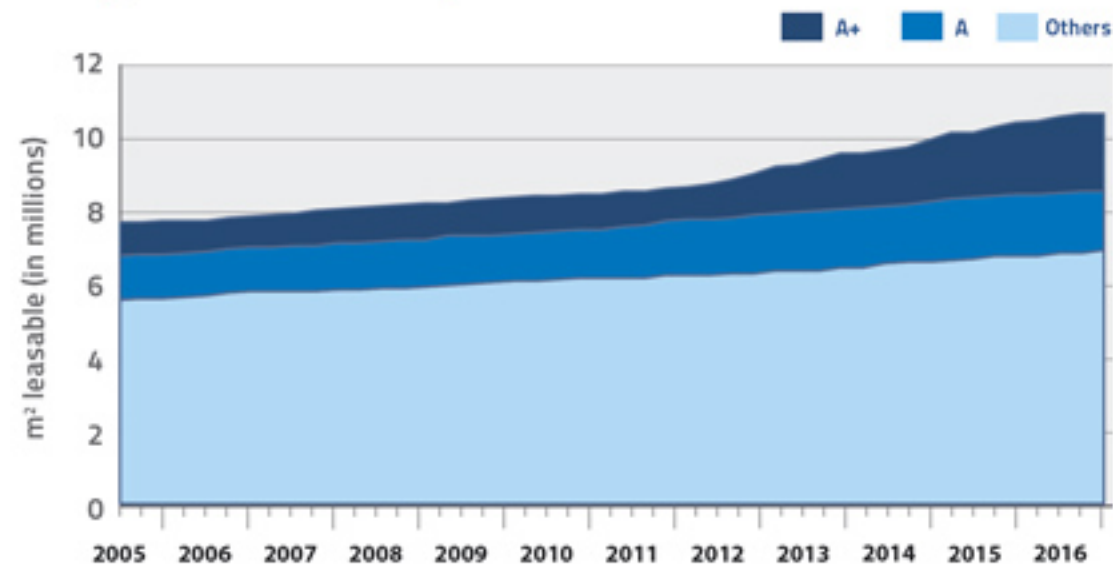
¹ The classification methodology adopted by RealtyCorp for office buildings is based on the classification used by Buildings, namely: Office: build
² The statistical data on Alphaville has not been included with the data of the city of São Paulo.

Trend Painei²

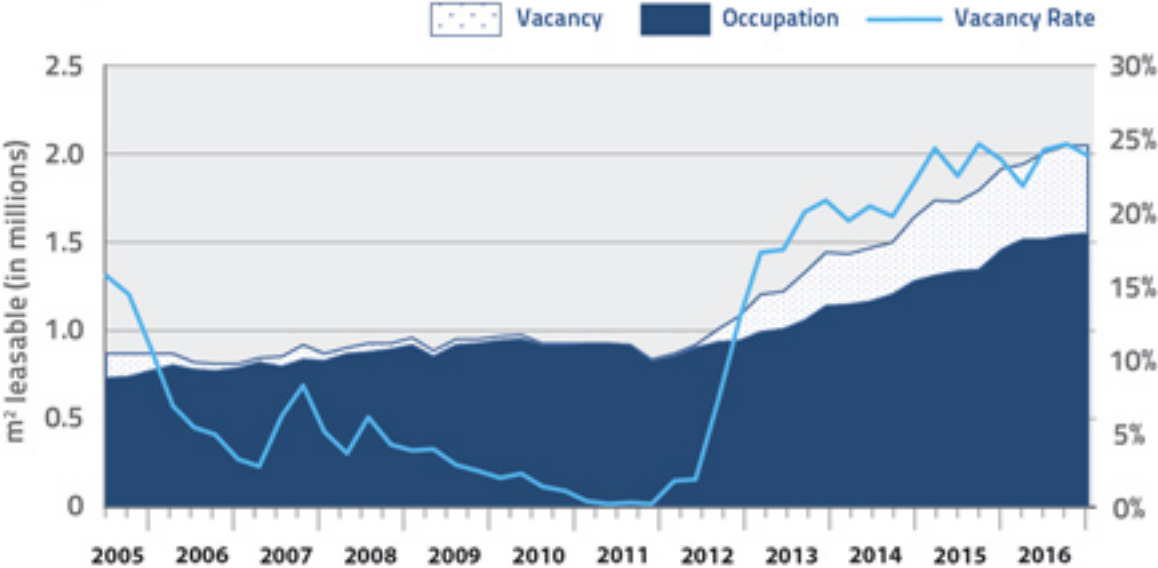
Corporate Office Market	A+			A			OTHERS		
	3 rd QTR/2016	4 th QTR/2016		3 rd QTR/2016	4 th QTR/2016		3 rd QTR/2016	4 th QTR/2016	
Vacancy Rate	25,01%	24,28%	↘	24,67%	21,97%	↘	13,77%	14,33%	↗
Occupation (m ²)	1.558.594	1.573.823	↗	1.219.798	1.228.867	↗	5.799.758	5.804.244	↗
New Stock (m ²)	45.785	-	↘	29.767	-	↘	10.294	7.744	↘

Progression²

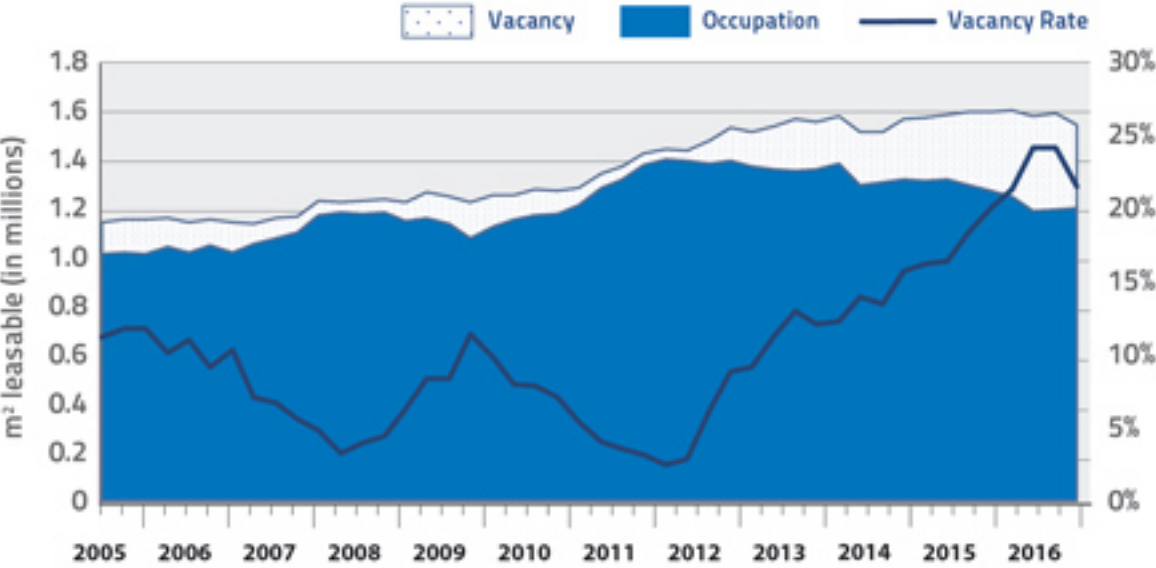
Progression of Corporate Stock



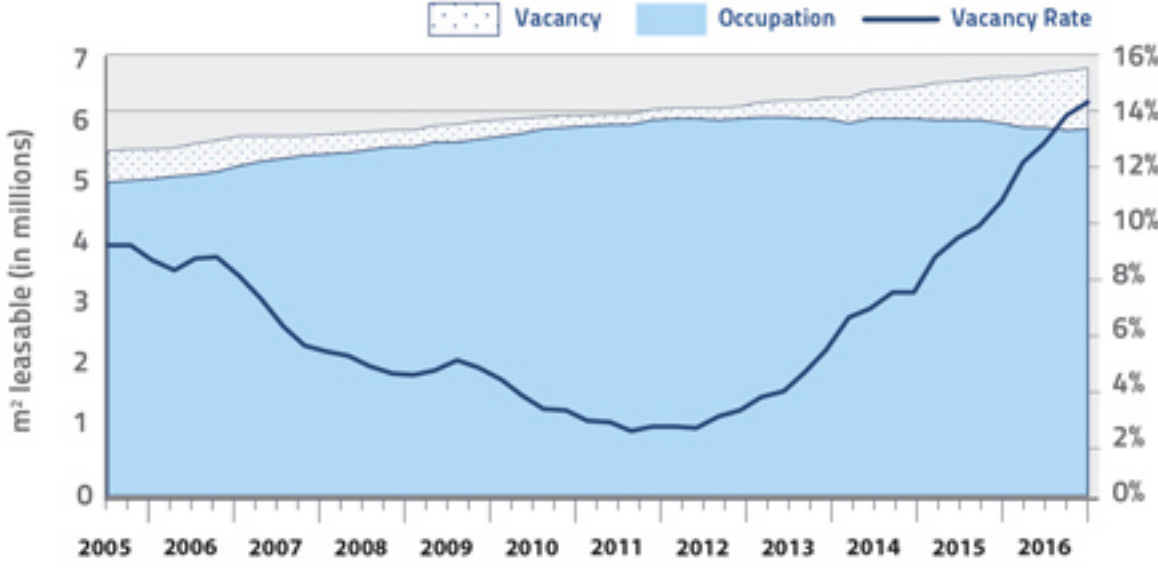
Corporate A+



Corporate A

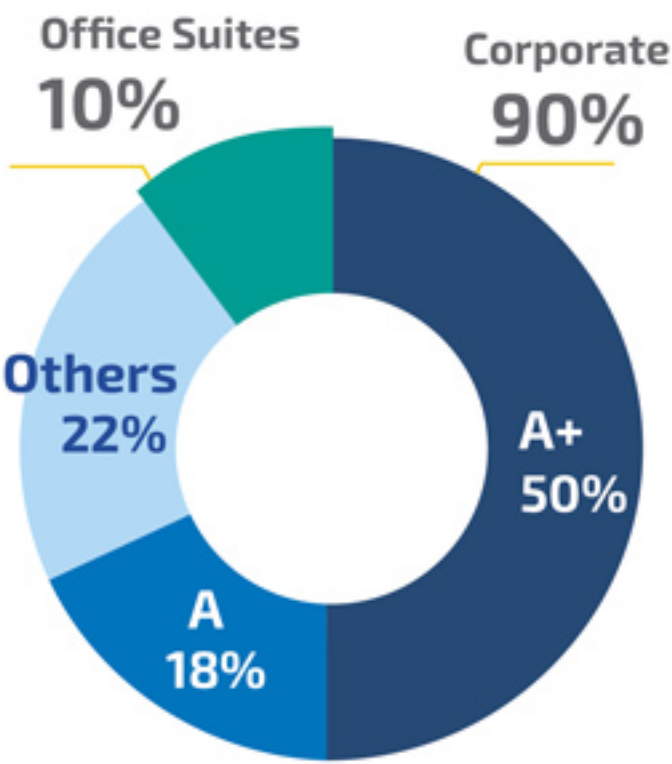


Corporate Others

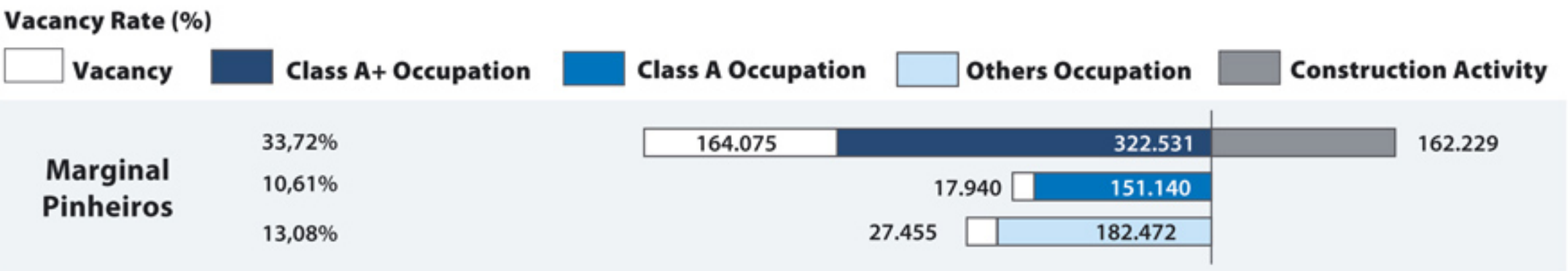


Marginal Pinheiros

- The total stock of office space in the Marginal Pinheiros region is 963 thousand m². Of this total, Corporate buildings are predominant, representing 90% of the inventory and distributed as follows: 50% of Corporate Class A + buildings; 18% of Corporate Class A buildings; and 22% of Corporate Others (B and C). The remaining 10% are classified as Office (commercial suites, under 100 m² in size).
- The Nações Unidas Avenue, otherwise known as the Marginal Pinheiros, is one of the main expressways in the city of São Paulo, which, due to its easy access, is place to important business complexes such as CENU, Rochaverá Corporate Towers, WTorre Morumbi, and others still under construction, such as the City Park and 17.007 Nações.
- With new deliveries forecasted to reach 162 thousand square meters, the inventory of Corporate Class A and A + buildings in the region is expected to increase considerably in 2017. This will put an upward pressure on the vacancy rate in the region, which currently stands at 24.2% for the Corporate universe, one of the highest in the city of São Paulo.

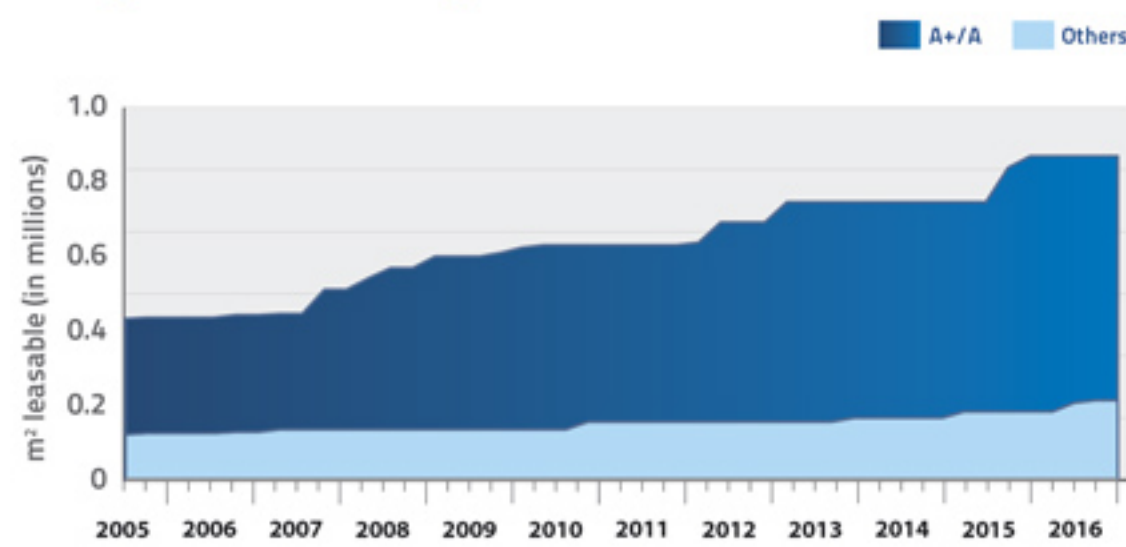


Occupation, Vacancy and Construction Activity



The data in the tables correspond to the universe of office buildings classified as Corporate¹. (leasable m²)

Progression of Corporate Stock

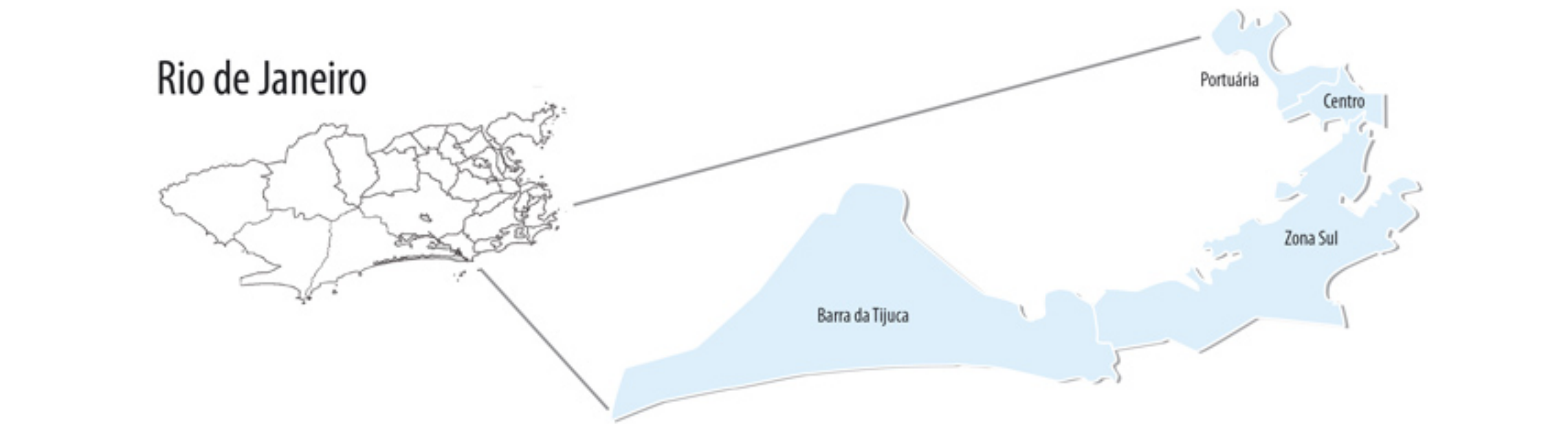


Corporate (A+/A/Others)

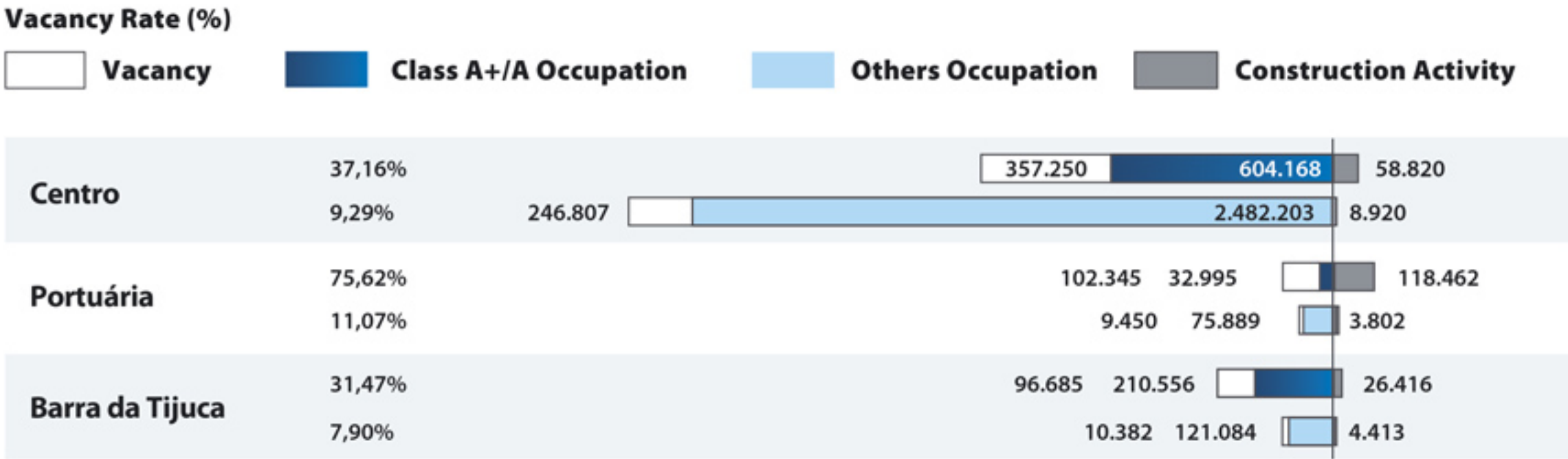


Buildings with suites smaller than 100 m²; Corporate: buildings with suites equal to or greater than 100 m²; A+: buildings equivalent to AAA and AA in the Building Classification System

Corporate Office Market	A+/A			OTHERS		
	3 rd QTR/2016	4 th QTR/2016		3 rd QTR/2016	4 th QTR/2016	
Vacancy Rate	35,31%	38,33%	↗	8,40%	9,49%	↗
Occupation (m²)	981.209	985.944	↗	3.340.915	3.366.339	↗
New Stock (m²)	56.648	128.434	↗	-	25.388	↗



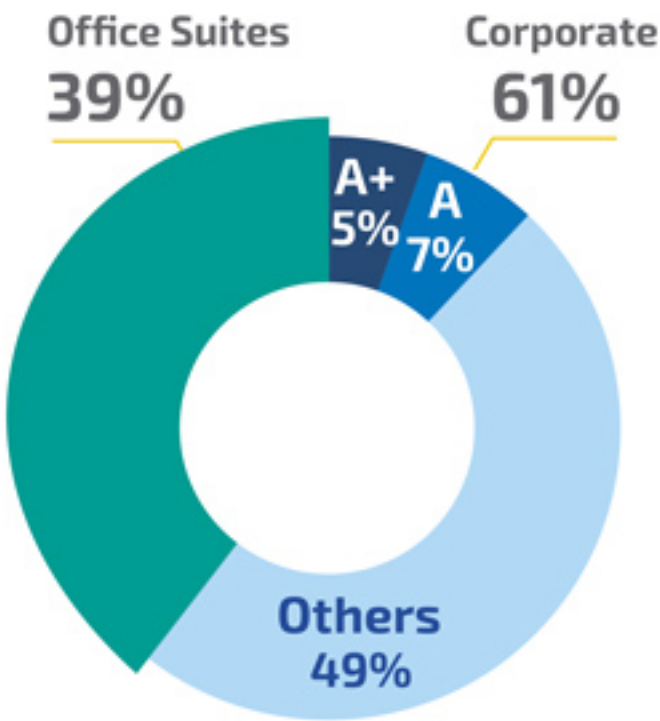
Occupation, Vacancy and Construction Activity



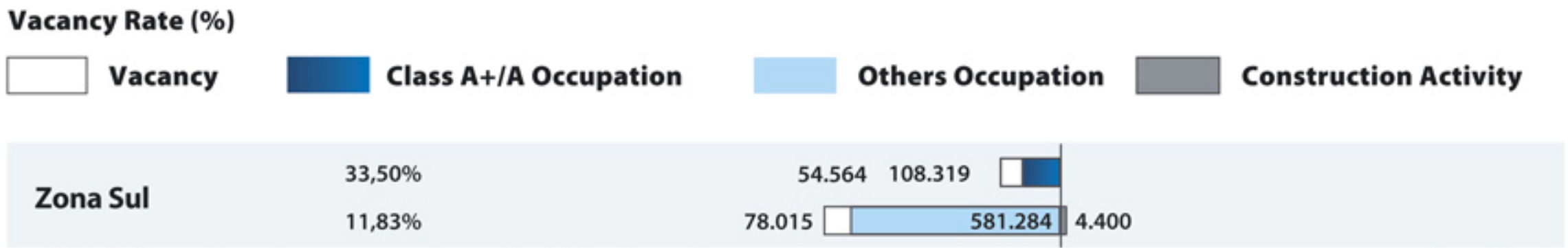
The data in the tables correspond to the universe of office buildings classified as Corporate¹. (leasable m²)

Zona Sul

- The total stock of office space in the Zona Sul of Rio de Janeiro consists of 1.357 million m², of which 61% of this total is made up of Corporate buildings and 39% for buildings classified as Office. (small commercial suites). The 61% of the Corporate universe is divided as follows: 5% are Corporate Class A + buildings, 7% Corporate Class A buildings and 49% Corporate Class Other buildings.
- The Zona Sul consists predominantly of old buildings. Currently, there are only 15 developments under 20 years old, the same ones that make up Class A and A + in the region. However, the Zona Sul region is the most valued in the city of Rio de Janeiro, with average lease asking prices of R\$ 118 / m², with peaks of up to R\$ 220 / m² for the superior buildings in the Zona Sul and which have a privileged view of the sea.
- Due to the scarcity of land for construction of new developments and the good demand for office space, the region currently has one of the lowest vacancy rates in Rio de Janeiro. There are 132 thousand m² available for lease in corporate buildings, which represents a vacancy rate of 16.13% for the entire Corporate universe.



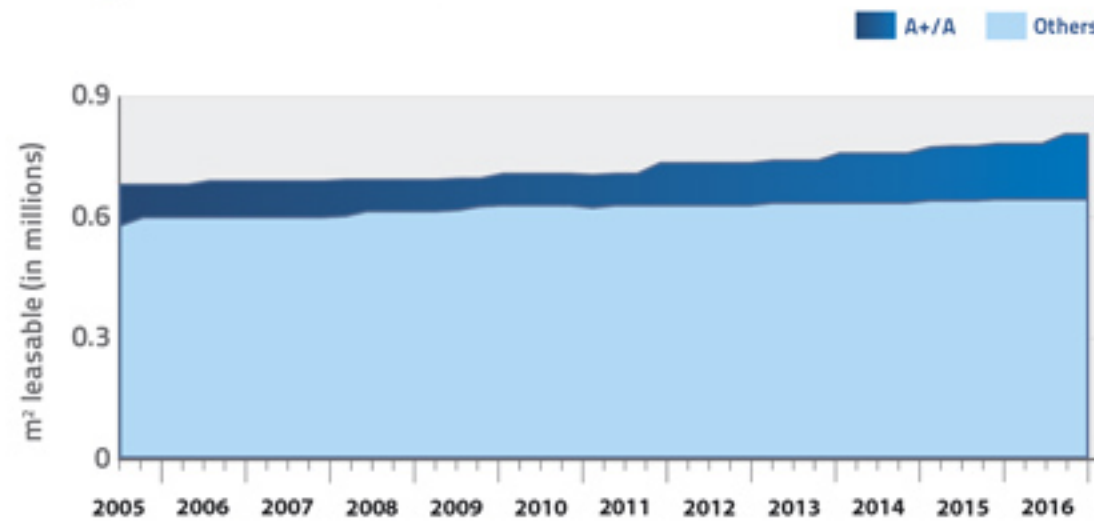
Occupation, Vacancy and Construction Activity



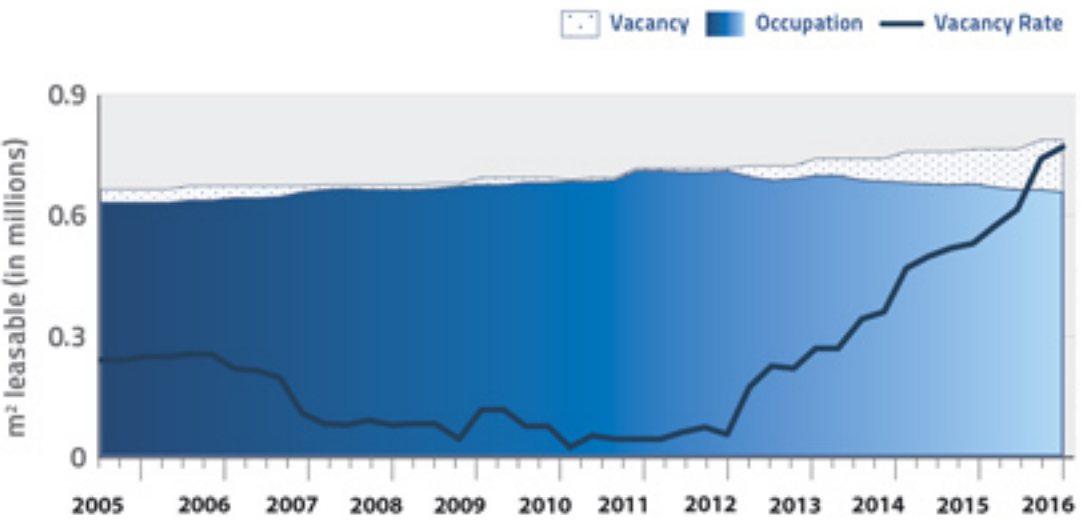
Os dados deste quadro referem-se ao universo de edificios Corporate¹.

(leasable m²)

Progression of Corporate Stock



Corporate (A+/A/Others)



Buildings Classification; A: buildings equivalent to A of Buildings Classification; Others: buildings equivalent to BB, B and C in the Buildings Classification.

INDUSTRIAL

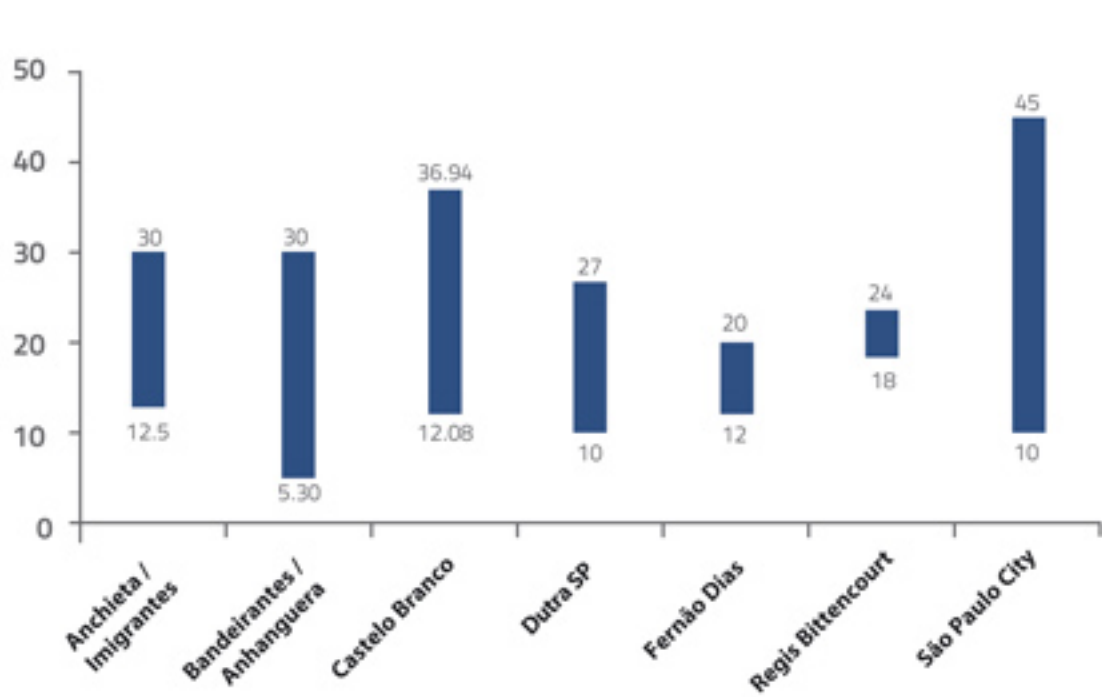
State of São Paulo

- The total stock of warehouse space in industrial and logistical gated parks in Brazil grew by 1.5 million m² in 2016, compared to 2015, representing an increase of 11.60% in the Brazilian stock in a single year. This increase in supply has pushed the vacancy rate from 20.50% in 2015 to 24.5% at the end of 2016.
- The Southeast Region of Brazil accounted for 82% of the 1.5 million m² delivered in 2016. The deliveries in State of São Paulo accounted for 56% of this total and Rio de Janeiro 25%, while Minas Gerais accounted for only 1%. The Southern and Northern regions of Brazil also contributed to the increase in total stock.
- In the State of São Paulo, the vacancy rate at 2016 year-end reached 27.4%, an increase of 4.2 percentage points compared to 2015, when the rate was 23.2%. The increase in the vacancy rate in 2016, forced a drop in rental asking prices throughout the State of São Paulo. However, in some regions the impact on prices was not as significant as those along the Bandeirantes / Anhanguera axis, which represents the largest concentration of industrial and logistic gated parks in the state, where the average asking rental prices remained stable at R\$ 18.00 / m².

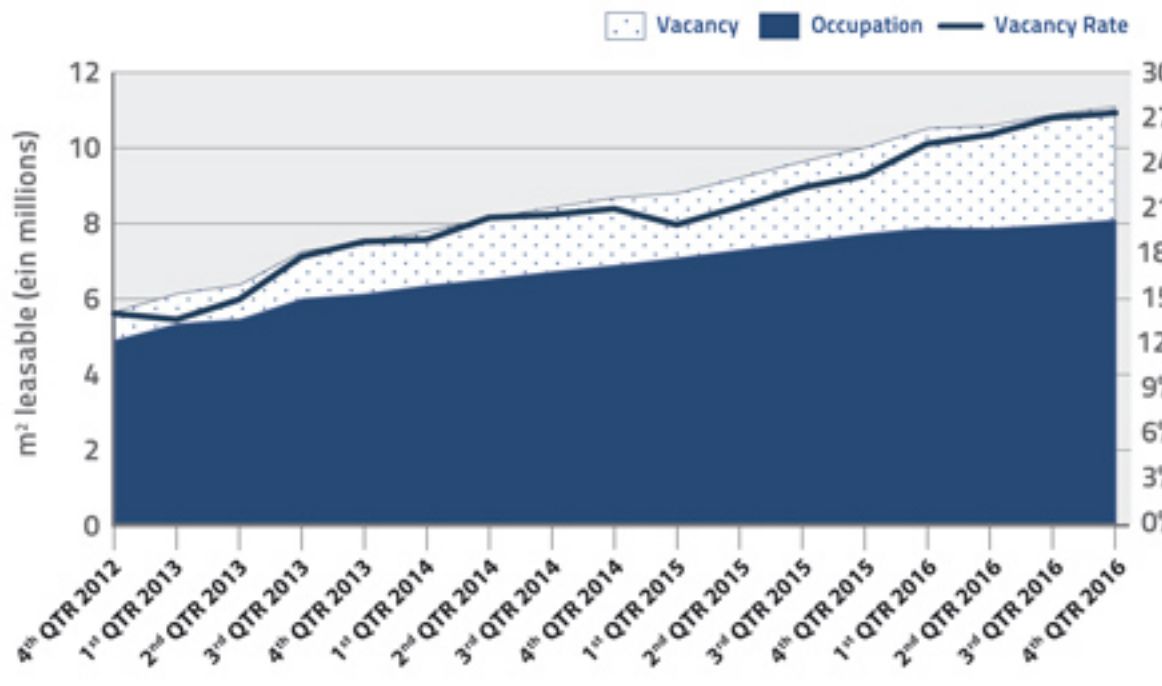
Occupation, Vacancy and Construction Activity



Price Asking Rent/Region (R\$/m²/month)



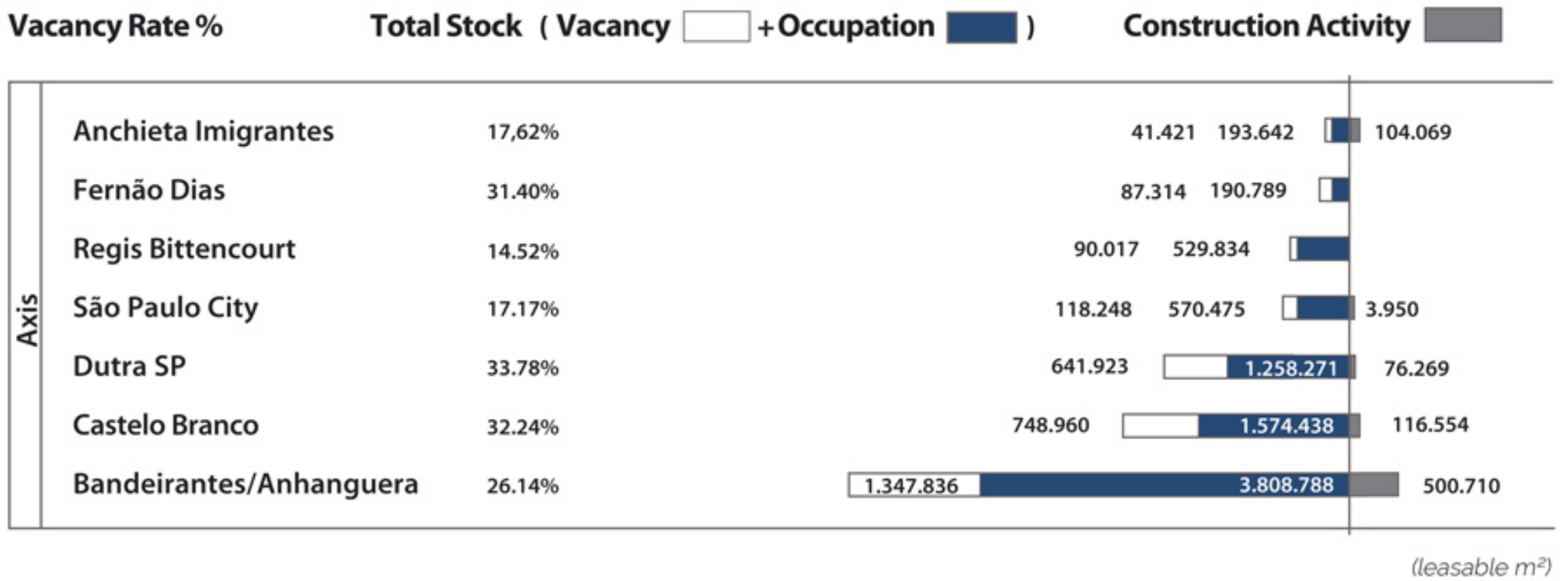
Vacancy/Occupation/Vacancy Rate



Trend Painel

Logistics Parks/Facilitie	3 rd QTR/2016	4 th QTR/2016	Trends
Total Stock (m²)	10.983.453	11.201.956	↗
Vacancy Rate	27.14%	27.46%	↗
Occupation (m²)	8.002.683	8.126.238	↗
Construction Activity (m²)	1.055.002	832.143	↘
New Stock (m²)	253.696	263.503	↗

Total Stock, Vacancy Rate and Construction Activity



Trends should not be taken as indicative of future results.

RealtyCorp shall not be liable for any decisions taken based on the information contained in this bulletin.

SERVICES



Sale and Purchase of Real Estate

(Office, Retail and Industrial)

Market intelligence, information and efficiency in the search for business opportunities that meet our clients' requirements.

- Divestment of real estate assets;
- Direct sale or Bid Process sale;
- Marketing Strategy;
- Management of Sale & Leaseback transactions;
- Strong relationship with market players and real estate brokers;
- Representation of investors for the purchase of properties for income generation;
- Representation of investors and/or developers for the purchase of property for development;
- Representation of companies in general for the purchase of property for occupation.



Lease of Properties

(Office, Retail and Industrial)

Achieving excellent business results by rapidly identifying and connecting demand and product

- Lease management, identification of potential tenants;
- Management of Build-to-Suit projects;
- Coordination of property lease in partnership with brokers in general;
- Strategy for identifying market demand;
- An up-to-date database of landlords, tenants, asking prices and completed transactions;
- Representation of companies for the search, analysis and negotiation of properties.



Strategic Management of Real Estate Assets

(Asset Management)

Intelligent management of real estate portfolios, constantly seeking efficient administrative management and closely monitoring the real estate market, to adjust rents to market levels and identifying business opportunities relating to the purchase and sale of real estate assets.

- Property Management – payment control, surveys, documentation, representation in general meetings and public authorities;
- Critical date management – Inflationary adjustments, revisions, renewals, lease guarantees, and insurance – (Monthly Reports);
- Managing Market Opportunities – Comparative analysis of the market rent identifying business opportunities and developing negotiation strategies. (Quarterly Reports);
- Negotiation – Representation for the review of rent values, lease agreement renewals, terminations, new leases, sale & purchase of property.

DIFFERENTIALS

AGILITY - We bring an agile response to all the stages of the negotiation process until successful conclusion of the business;

EXPERIENCE - Our professional team has an extensive and solid market experience;

RELATIONSHIP - We value long-term business relationships, not short term gains;

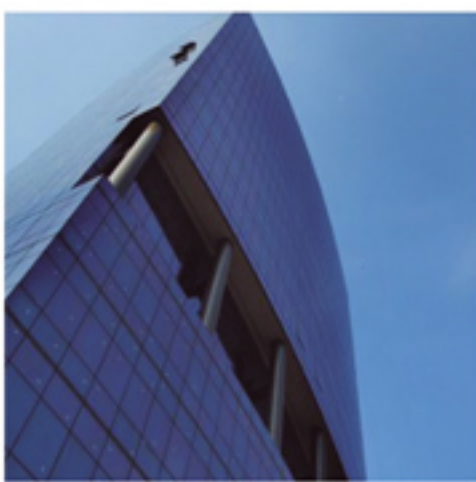
ETHICS - Our approach during negotiations embraces the interests of our clients;

MARKET INTELLIGENCE - We offer consultancy services rather than merely a brokerage service. We are committed to offering a broader and strategic market perspective, providing our clients with our market insight, through well founded opinions and recommendations;

COMMITMENT - We provide valuable support to the client's legal team, obtaining the documentation of buyers and tenants, and elaborating the required contracts and agreements;

INFORMATION - We manage a comprehensive database, with information on landlords, tenants, asking prices, completed transactions on corporate and industrial developments.

CASES



JK 180
Itaim Bibi
São Paulo/SP

Lease executed in August/2016, process coordinated by RealtyCorp.

BMP (Brasil Multisetorial Participações), an asset management company, decided to consolidate its offices in São Paulo into a single office, in a triple A building, LEED Gold certified and included a full view of the Ibirapuera Park.



West Towers
Alphaville
São Paulo/SP

Lease executed in June/2016, process coordinated by RealtyCorp.

Two companies from the same group, Metalsul – specialized in commodity brokerage services – and Vesquis – specialized in logistical operations and commodity trading – relocated their offices to the main business hub in downtown Alphaville.



São Luís Gonzaga
Paulista
São Paulo/SP

Lease executed in April/2016, process coordinated by RealtyCorp.

Farmacas – an Association that manages eight drugstore chains located throughout Brazil – and Febrifar – Drugstore Federation – decided to relocate their headquarters in São Paulo. The selected building was chosen for its modern appeal and corporate image.



Panorama Paulista Corporate
Paulista
São Paulo/SP

Purchase completed in November/2016, process coordinated by RealtyCorp.

Drogaria Onofre is part of CVS Health – the world's largest health care company – a benchmark in the drugstore industry, decided to relocate to the center of the City of São Paulo, in search of a more corporate-based region.

RealtyCorp has a team of professionals with corporate and industrial real estate experience, focused on servicing developers, landlords and investors and companies that occupy industrial and corporate spaces, built on an extensive **relationship** network, bringing **agility** and **market expertise**, adding value to your business by highlighting market opportunities and always seeking to achieve the best deal.



RealtyCorp

SP: Rua Américo Brasiliense, 1.923 - 9º andar - Conj. 906 - Ch. Sto. Antônio, 04715-003 - São Paulo

RJ: Praia de Botafogo, 300 - 5º andar - Conj. 501 - Botafogo, 22250-905 - Rio de Janeiro

MG: Rua Paraíba, 550, 9º andar - Conj. 900 - Funcionários, 30130-140 - Belo Horizonte

+55 11 3199 2930 | negocios@realtycorp.com.br

realtycorp.com.br