



RealtyCorp

Analytics

1st quarter 2018 – Office & Industrial



SERVICES

(Office, Retail e Industrial)



Lease

Achieving excellent business transactions by swiftly and effectively hooking-up demand with the property.

- Lease management, identifying potential occupants;
- Build-to-Suit project management;
- Updated database of landlords, tenants, offers and transactions;
- Coordination of property leases in partnership with brokers;
- Strategy for identifying market demand;
- Representation of companies for property search, analysis and negotiation.



Sale and Acquisition

Market intelligence, information and efficiency in search of business opportunities which meet the needs of our clients.

- Demobilizing real estate assets;
- Direct Sale or Bid Process;
- Representation of investors and/or developers for the acquisition of properties for development;
- Marketing Strategy;
- Management of Sale & Leaseback transactions;
- Representation of investors on the acquisition of properties for income;
- Representation of companies in general for the acquisition of properties for their own occupation.



Valuation and Consultancy

High-level property valuations undertaken by well-experienced and credible professionals, certified by first-class Brazilian institutions and international institutions such as RICS - *Royal Institution of Chartered Surveyors*.

- General property valuation services, including portfolio valuations;
- Viability analysis of industrial, commercial and service developments;
- Real estate development studies;
- Best use analysis – property vocation;
- Asset valuations for accounting purposes.



Strategic Management of Real Estate Assets

Intelligent management of real estate portfolios and the constant pursuit of management efficiency and monitoring of the real estate market.

- Property administration – Accounts payable, inspection reports, documentation, representation at condominium meetings and with public authorities;
- Management of business opportunities – Market rent comparables aimed at identifying market opportunities and negotiation strategies;
- Management of Critical dates – Inflationary adjustments, revisions, renewals, guarantees and insurance;
- Negotiation – Representation for the revision of rental values, lease renewals, terminations, lease acquisitions, sales and purchase of property



Investment Consultancy and Development Studies

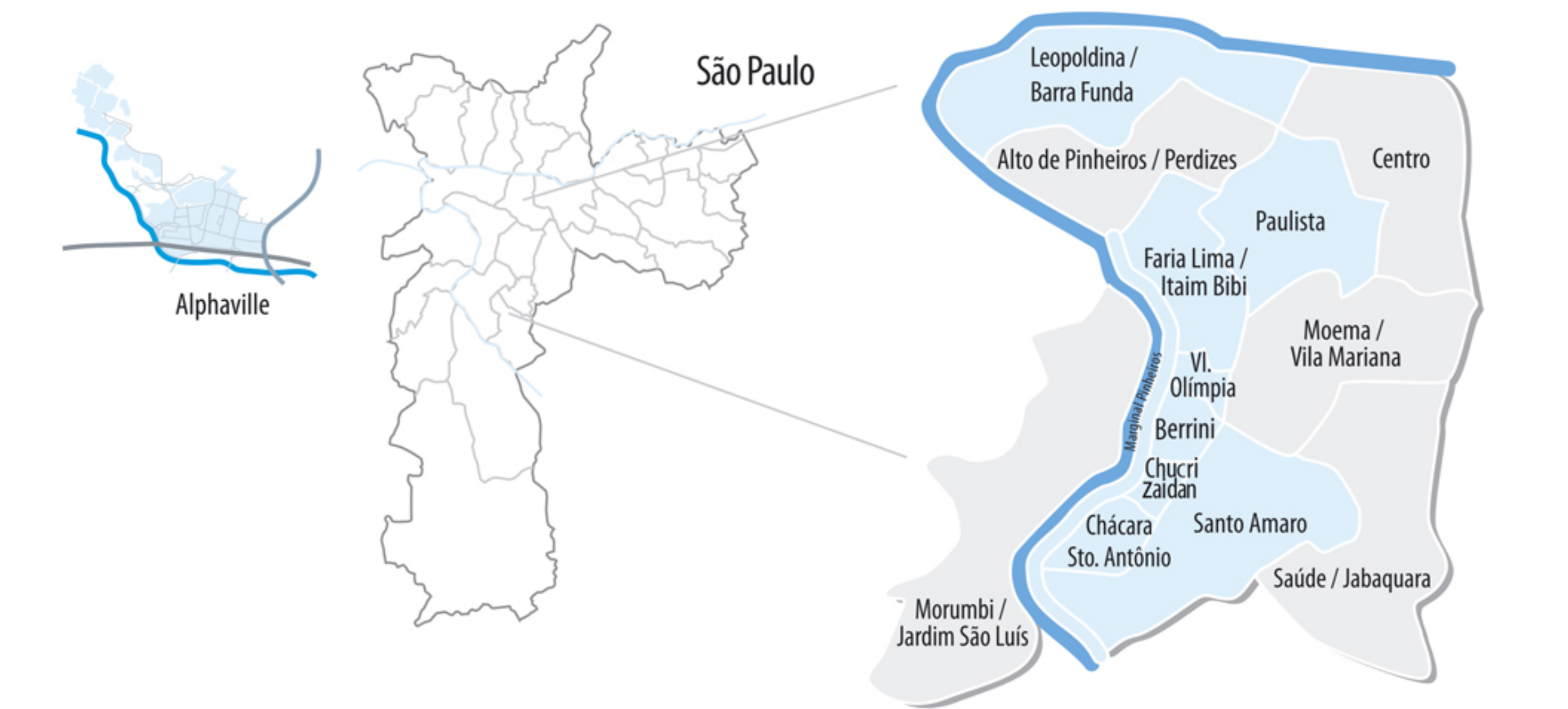
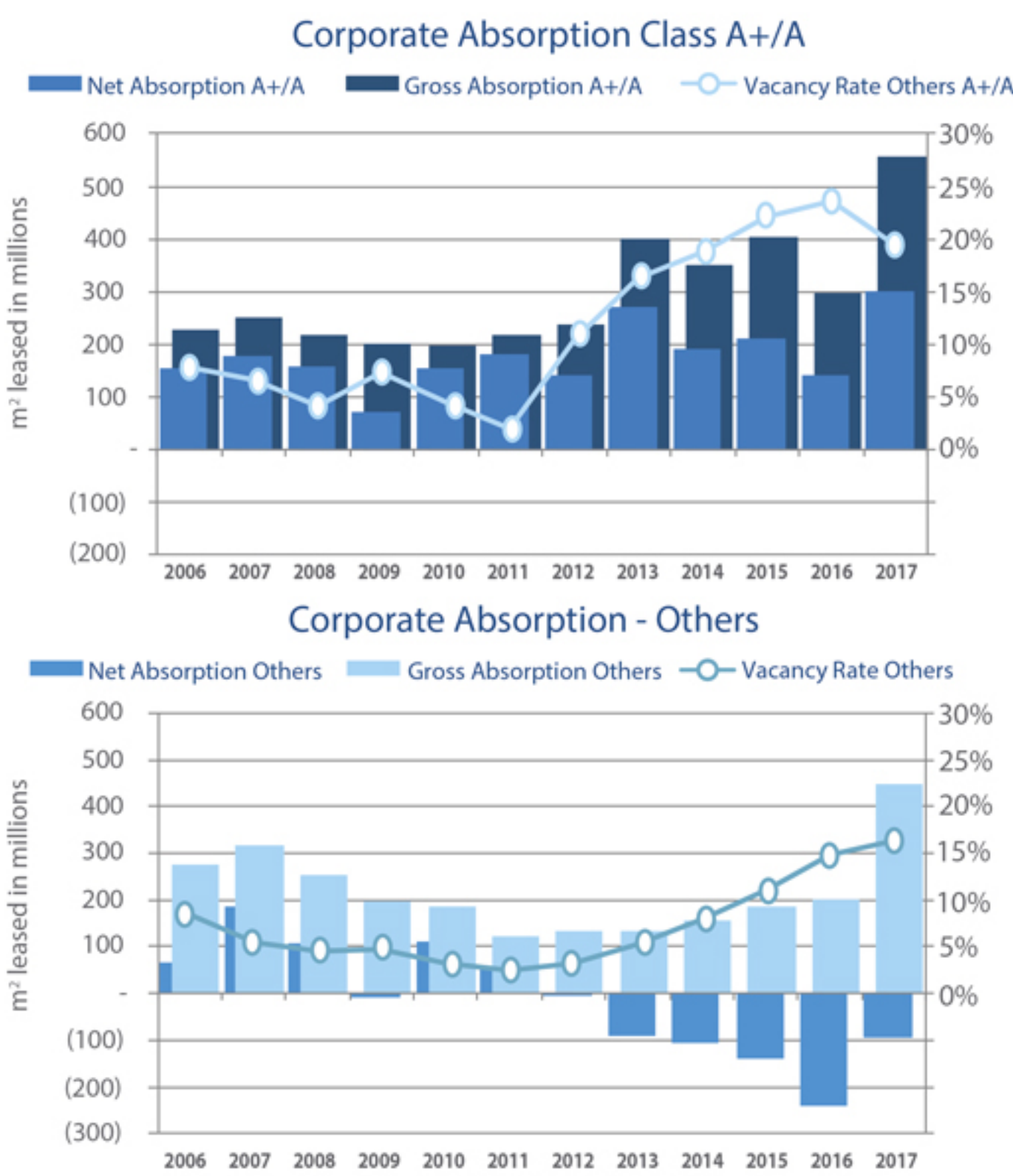
Structuring and management of real estate investments, real estate consultancy and business development, creating specific solutions aimed at adding value for the client, in a transparent and sustainable manner.

- Real Estate Investment Management and Consultancy – Product formatting, analysis of the quality of the investment, structuring investment vehicles and management of the entire investment and divestment cycle. Acting in the structuring and management of new products in partnership with investors, investment funds and developers;
- Investment Structuring – Structuring real estate investment funds (FII's) and acting as real estate consultants for FII's;
- Operational and Strategic management for real estate developments - Implementation of developments in diverse markets segments, with close follow-up of all stages of the process, including the definition of the commercial and marketing strategy, legal approvals, project and works management, monitoring of economic and financial performance, all the way through to the implementation of risk management policies and monitoring.

OFFICES

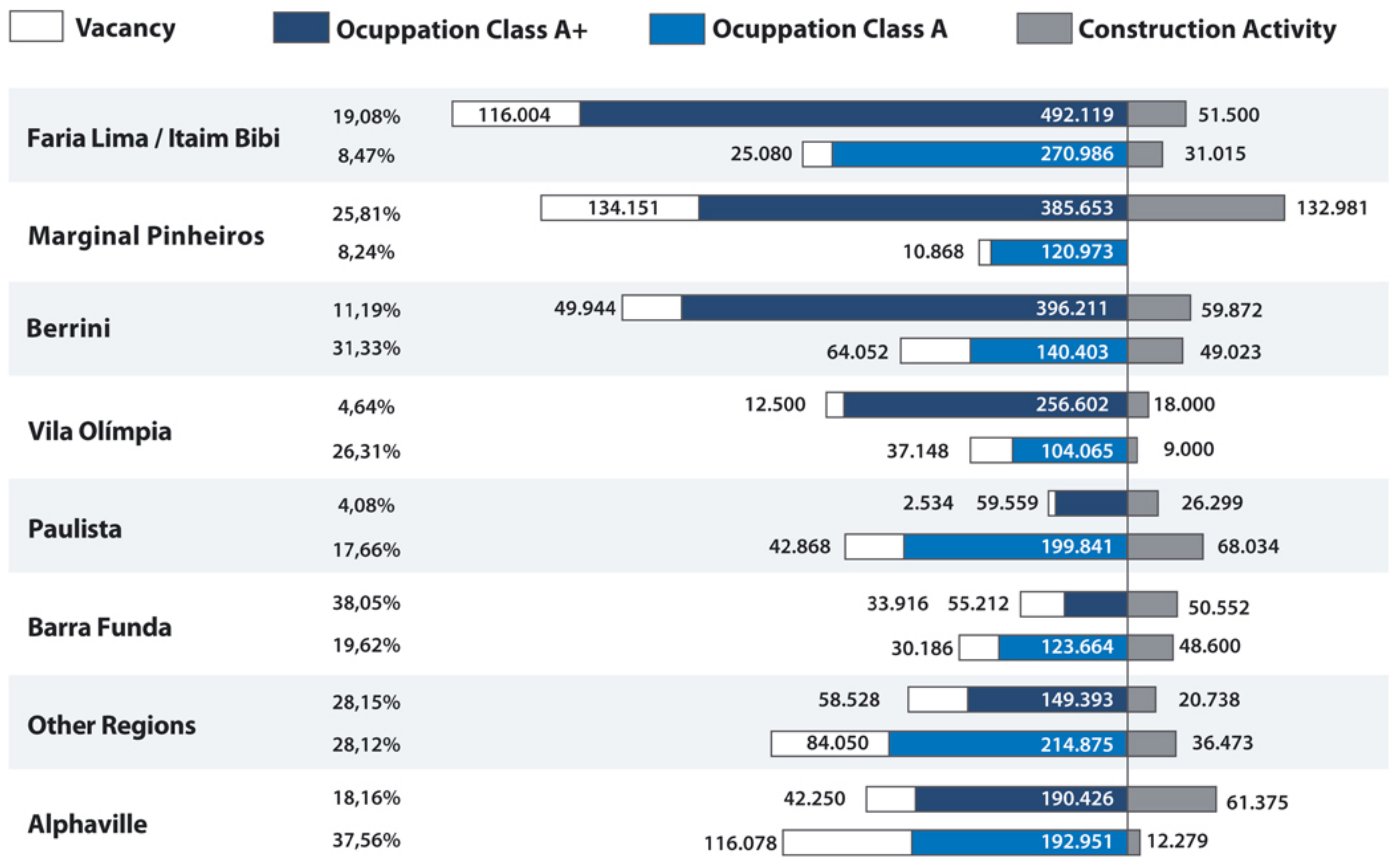
São Paulo³

- The total stock of corporate office space (Corporate¹) in the City of São Paulo is 10.577 million m², which represents 68% of the total office stock in the State Capital. Out of the total stock, 14% consist of Corporate A + buildings, 10% Corporate A developments and 44% in Corporate Classes B and C (Others). The remaining 32% are represented by Office¹ (small commercial suites) buildings.
- The graphs alongside shows the behavior of the gross and net absorption over the last 12 years in the city of São Paulo for the Corporate Classes' A+/A and B/C (Others) universe of buildings. An important aspect to highlight is that 2017 recorded the highest ever gross absorption, equally in Class A+/A as well as in the segment of Class Others. When both universes are added together, gross absorption exceeded 1 million m² in 2017. Furthermore, we also note that the so-called Flight-to-Quality movement continues. It started back in 2012, reaching its peak during the years of 2015 and 2016.



Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)



The data in this table refers to the universe of corporate buildings. (m² leased)

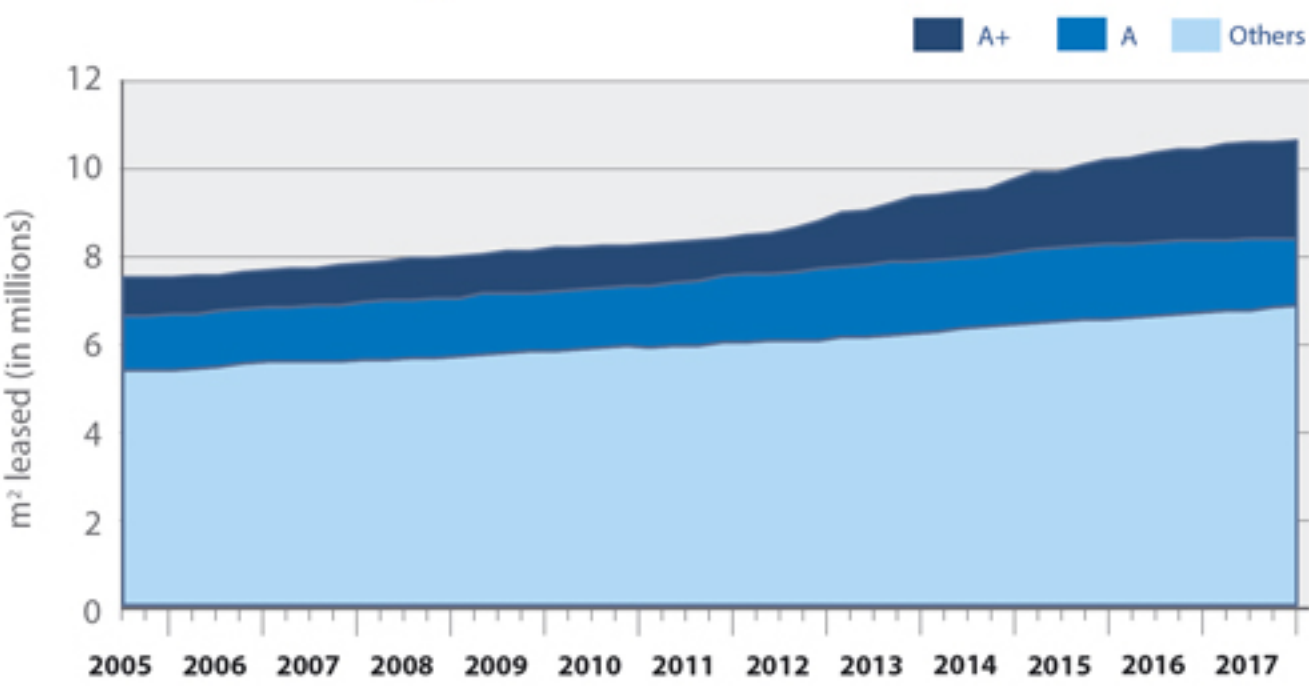
¹ The classification methodology used by RealtyCorp for office buildings is based on the Buildings classification, namely: Office: buildings with
² The statistical data on Alphaville are not included in the data for the City of São Paulo.

Trend Panel²

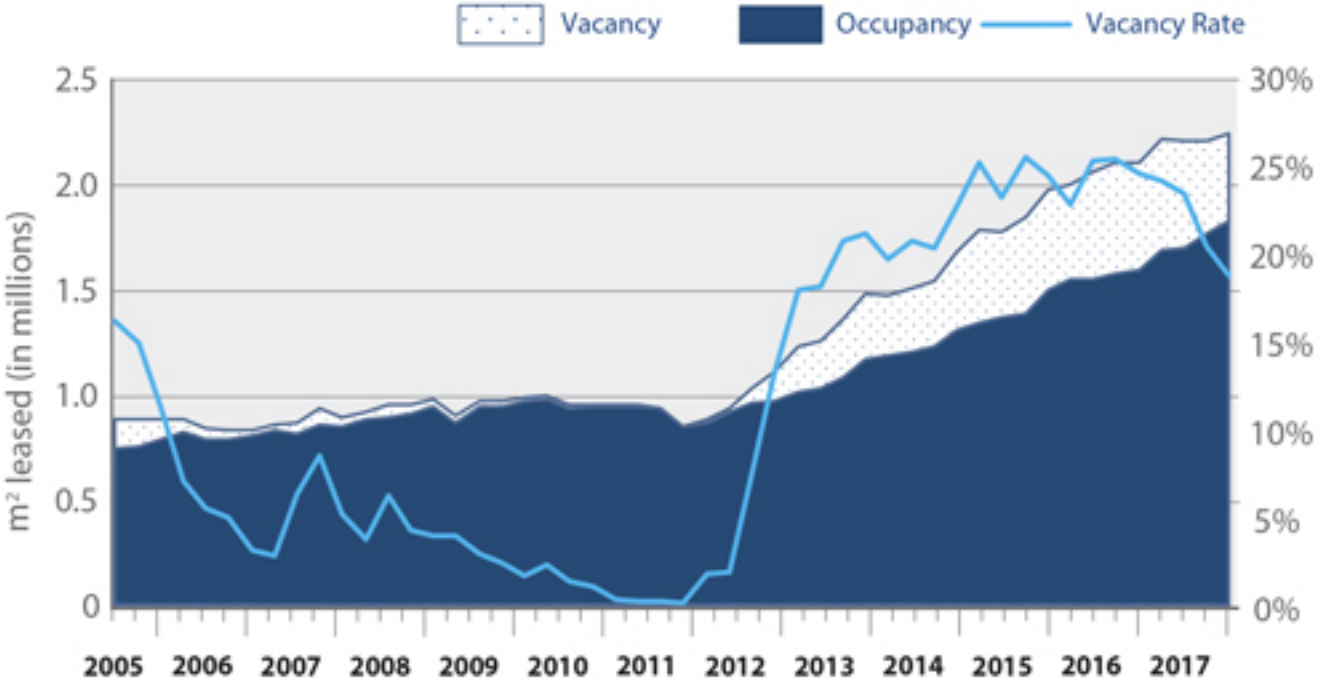
Corporate Market	A+			A			OTHERS		
	3º QTR/2017	4º QTR/2017		3º QTR/2017	4º QTR/2017		3º QTR/2017	4º QTR/2017	
Vacancy Rate	20,11%	18,51%	↘	19,39%	20,18%	↗	16,43%	16,27%	↘
Occupation (m²)	1.735.989	1.794.748	↗	1.240.358	1.228.122	↘	5.692.007	5.710.943	↗
New Estock (m²)	-	29.248	↗	-	-	↔	2.139	9.714	↗
Constrution Activity(m²)	367.220	358.472	↘	245.864	245.864	↔	62.248	54.214	↘

Evolution²

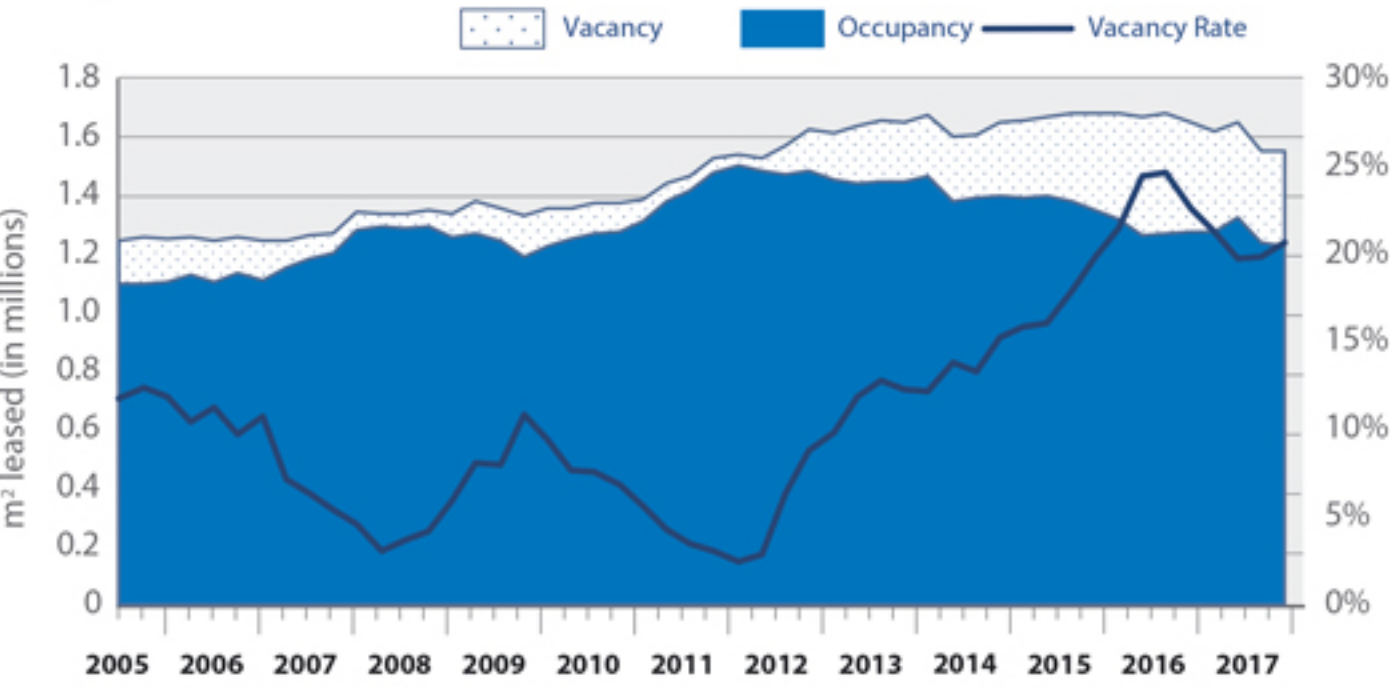
Evolution of Corporate Stock



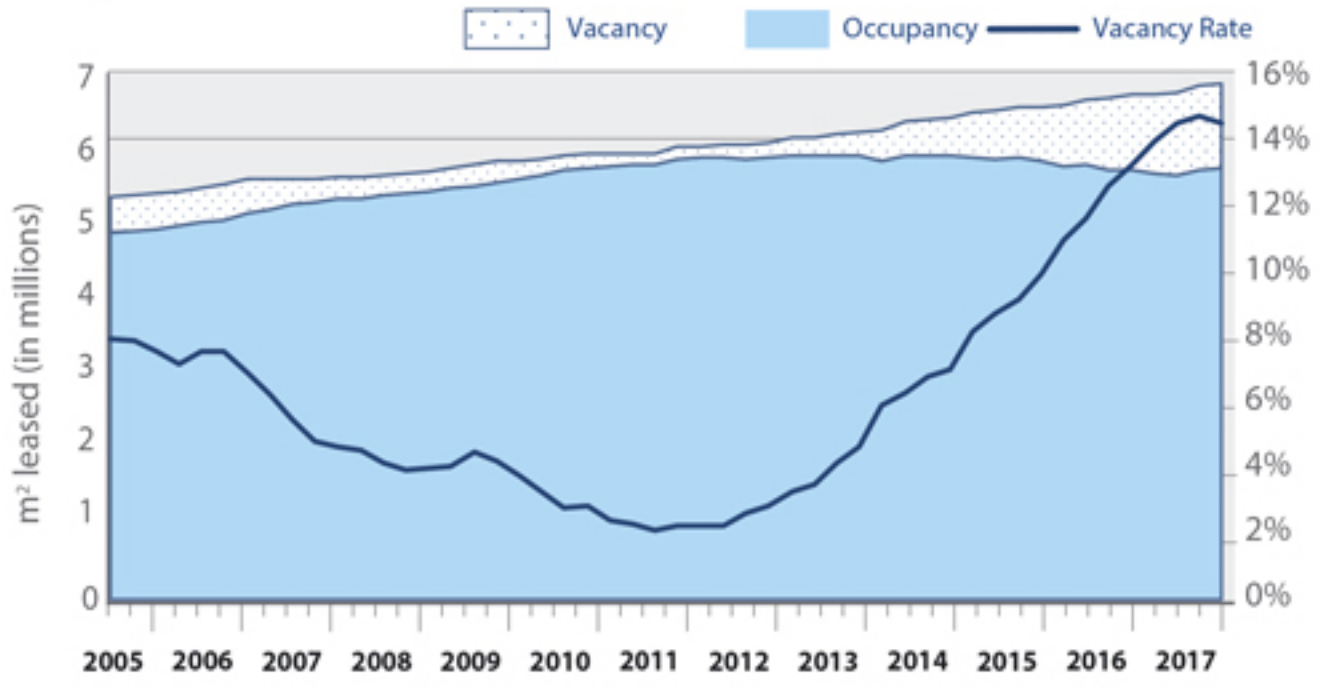
Corporate A+



Corporate A

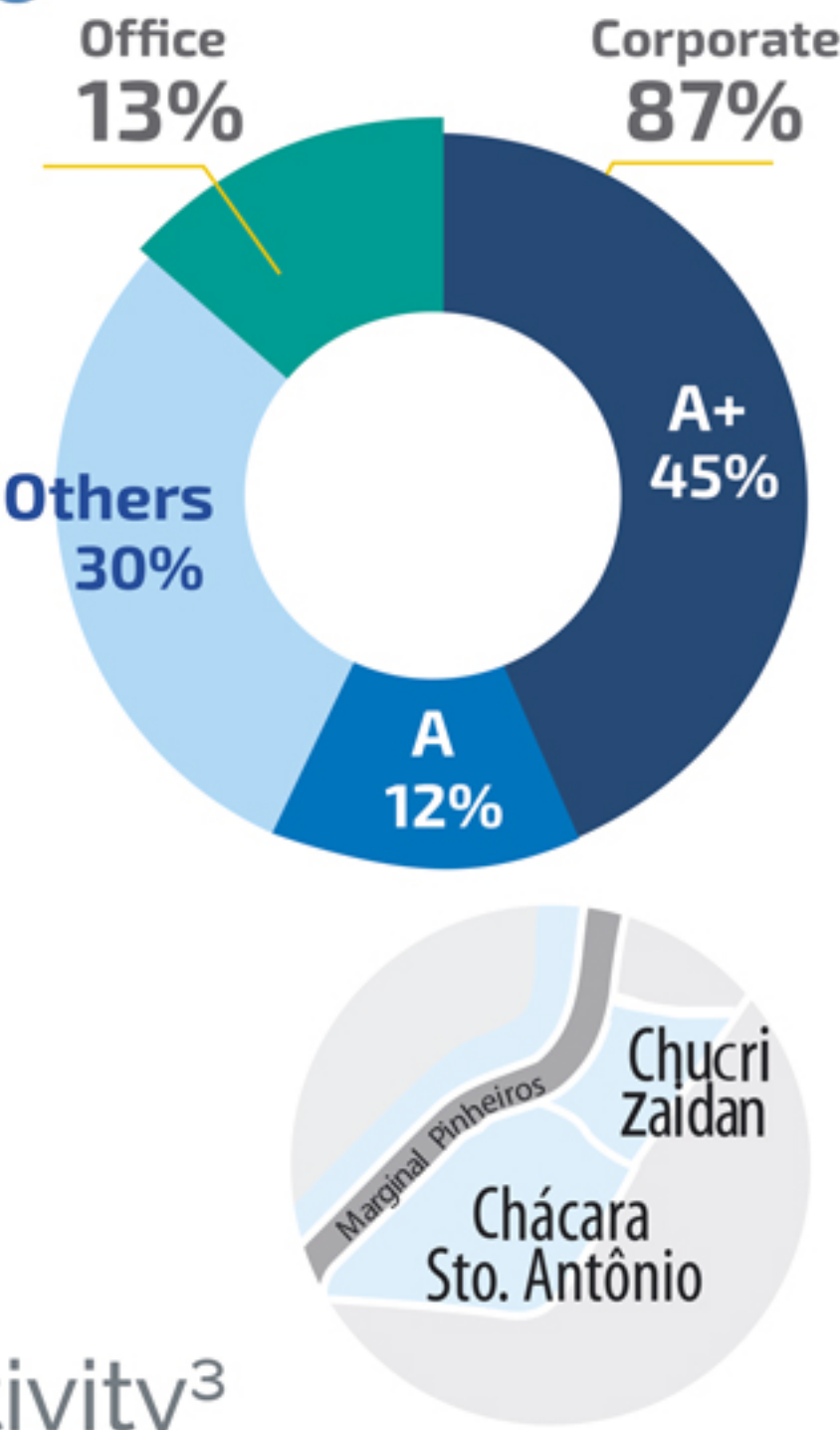


Corporate Others



Chucri Zaidan/Chác. Sto. Antônio³

- The total stock in the Chucri Zaidan/Chác. Sto. Antônio region reached 1.335 million m². Of this total stock, 12.97% consists of Buildings classified as Office¹ (small commercial suites), 44.45% in Corporate¹ Class A+ buildings, 12.14% in Corporate A buildings and 30.45% in Corporate B and C (Others), resulting in 87.03% of the total Corporate stock of office space.
- The stock of Corporate office space in the Chucri Zaidan/Chác. Sto. Antônio region grew by 82% between 2011 and 2017. The growth is concentrated mainly in the neighboring region of the Morumbi Shopping Mall and Market Place Mall. Currently, there is 190 thousand m² under construction in the region, signaling a growth of more than 16.5% over the next six months.
- The growth in the rate of occupation over the past five years has not kept up with the growth in new stock, mainly because of the serious political and economic crisis affecting Brasil and the very high volume of new stock added during that period. As a result, the vacancy rate increased from 0.54% in 2011 to 27% in 2016, and then receded in 2017 to 22.48%.

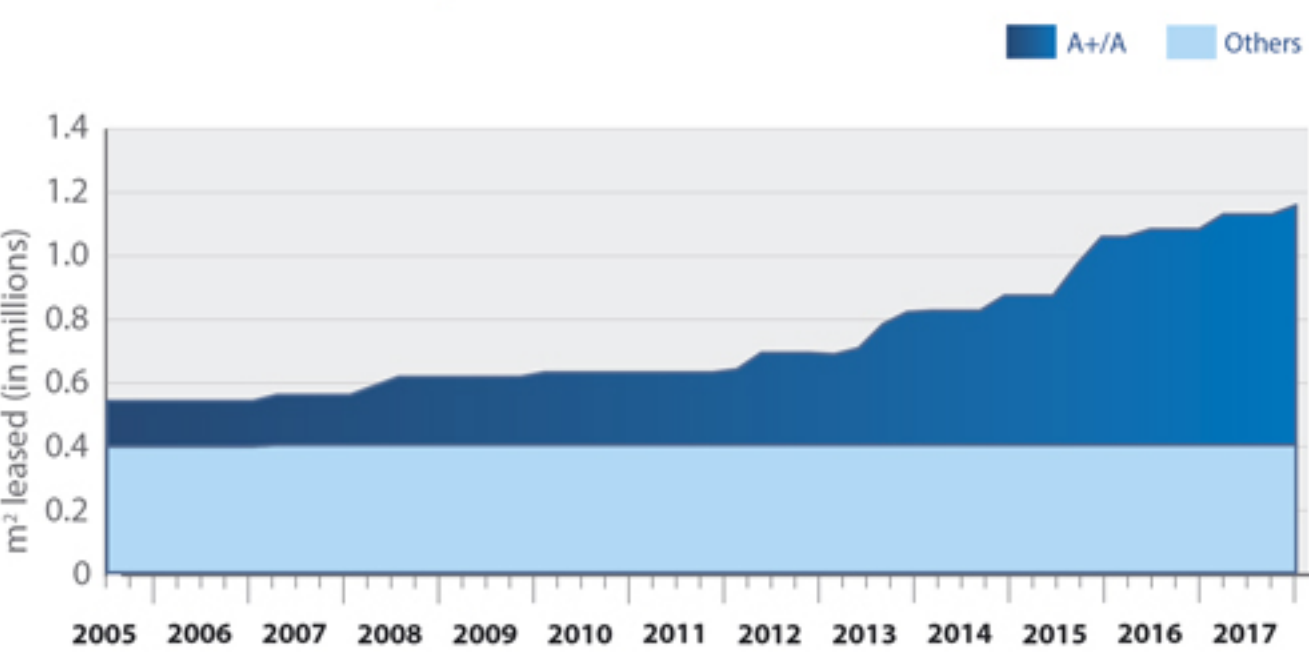


Occupancy, Vacancy and Construction Activity³

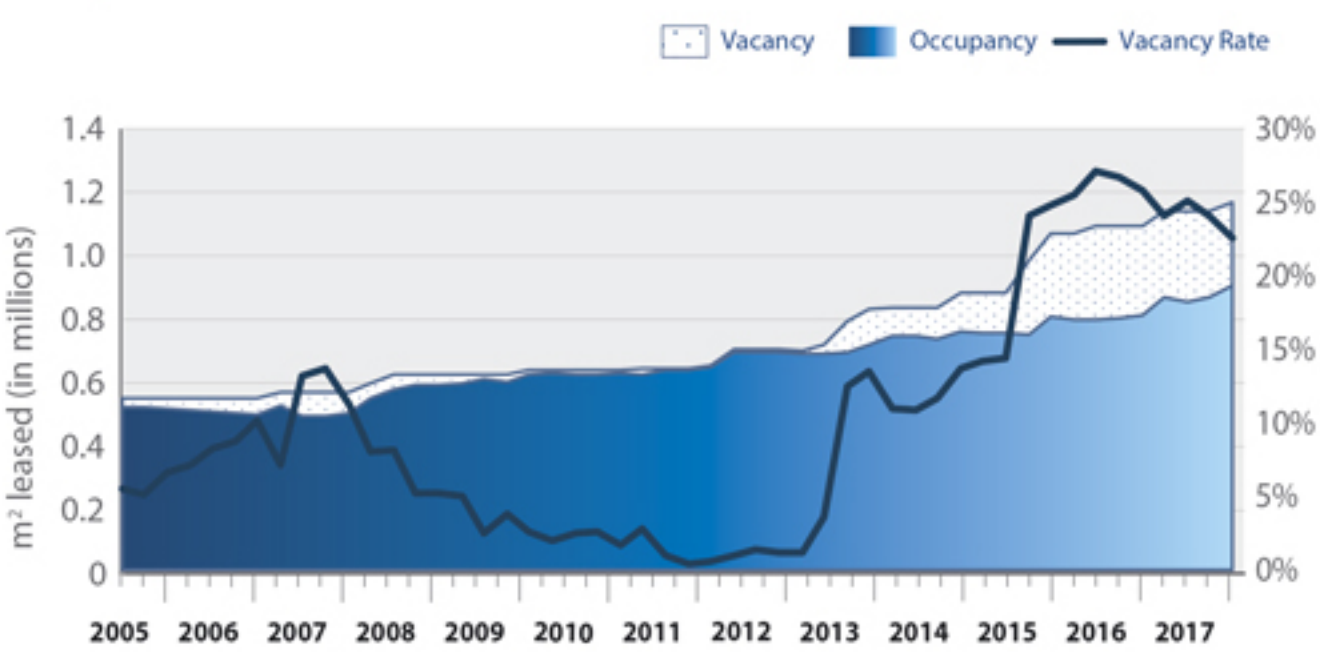
Vacancy Rate (%)									
		Vacancy	Occupation Class A+	Occupation Class A	Occupation Others	Construction Activity			
Chucri Zaidan / Chac. Sto. Antônio	20,65%	122.559	471.002			170.883			
	29,38%		47.631	114.487		20.938			
	22,40%	91.082		315.532					

The data in this table refers to the universe of corporate buildings. (m² leased)

Evolution of Corporate Stock



Corporate (A+/A/Others)



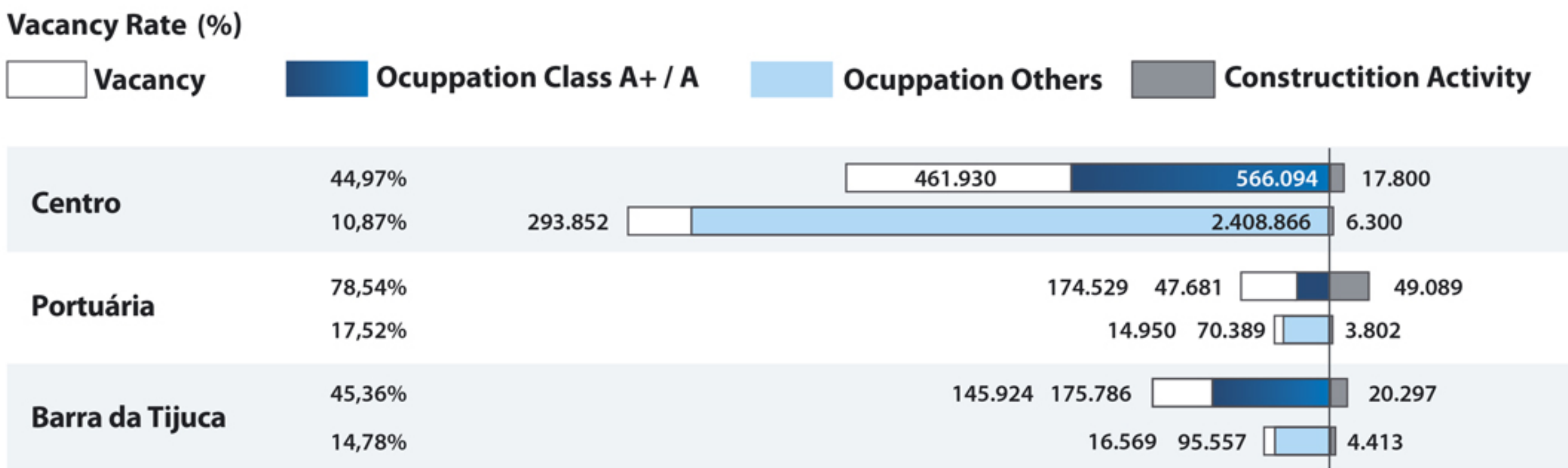
office suites smaller than 100 m²; Corporate: buildings with office suites equal to or larger than 100 m²; A+: Buildings equivalent to AAA and AA of the Buil

³ The statistical data of this Analytics refer to 4th quarter 2017 and were consolidated on December 30, 2017.

Corporate Market	A+ / A			OTHERS		
	3º QTR/2017	4º QTR/2017		3º QTR/2017	4º QTR/2017	
Vacancy Rate	47,52%	47,39%	↘	10,23%	11,50%	↗
Occupation (m²)	926.162	924.557	↘	3.236.400	3.204.733	↘
New Stock (m²)	-	7.830	↗	-	-	↔
Constrution Activity (m²)	95.016	87.186	↘	20.888	20.888	↔



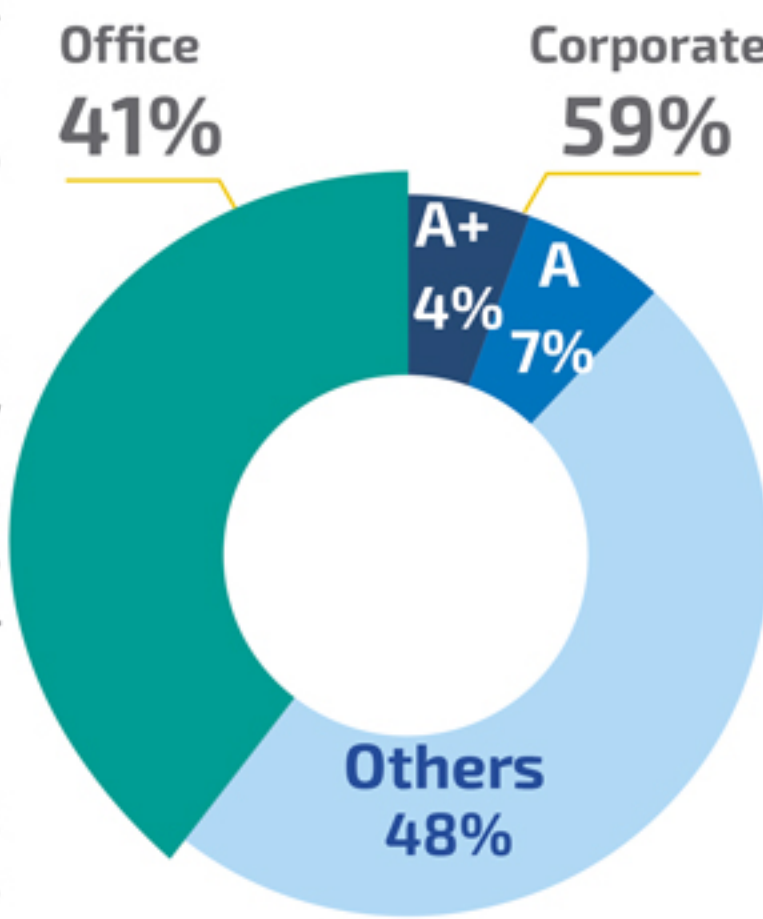
Occupancy, Vacancy and Construction Activity³



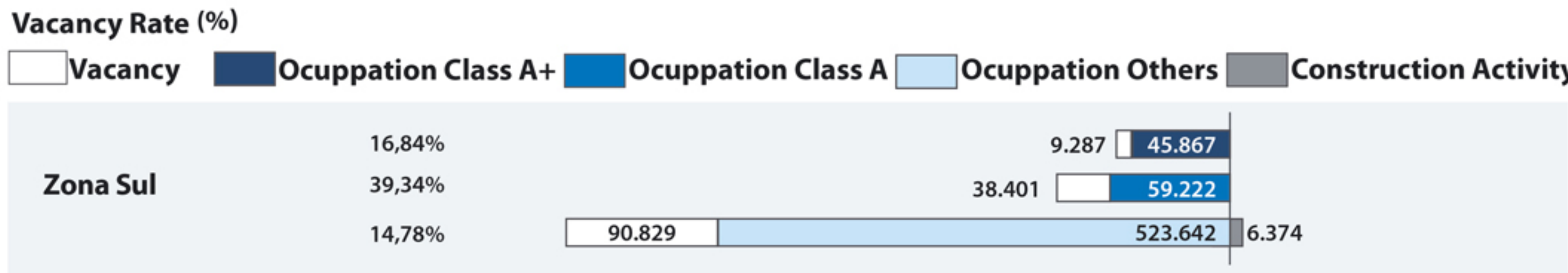
Os dados deste quadro são referentes ao universo de edificios Corporate¹.

Zona Sul³

- The total stock of office space in the Zona Sul region reached 1.303 million m². Out of this total stock, 41.14% consists of buildings classified as Office¹ (small commercial suites), while 4.23% consist of Corporate¹ Class A+ buildings, 7.49% as Corporate A and 47.14% as Corporate B and C (Others) buildings, resulting in a total of 58.86% in Corporate office buildings.
- The vacancy rate in the Corporate universe in the Zona Sul region increased from 1.63% in 2012 to 18.05% at the close of 2017, despite the stock having increased only by 10% in the same period. This can be explained by the most severe crisis inflicted on Rio de Janeiro, especially after all the euphoria brought about by the World Cup and the Olympics, compounded by the corruption scandals that took over mainstream news.
- The existing stock in the Zona Sul region is made up of very aged corporate buildings, with 80% of the Corporate stock made up of Class B and C buildings. However, it remains as one of the most expensive regions of Rio de Janeiro, with the highest office rental prices, for its beautiful beach views and excellent location of its buildings.

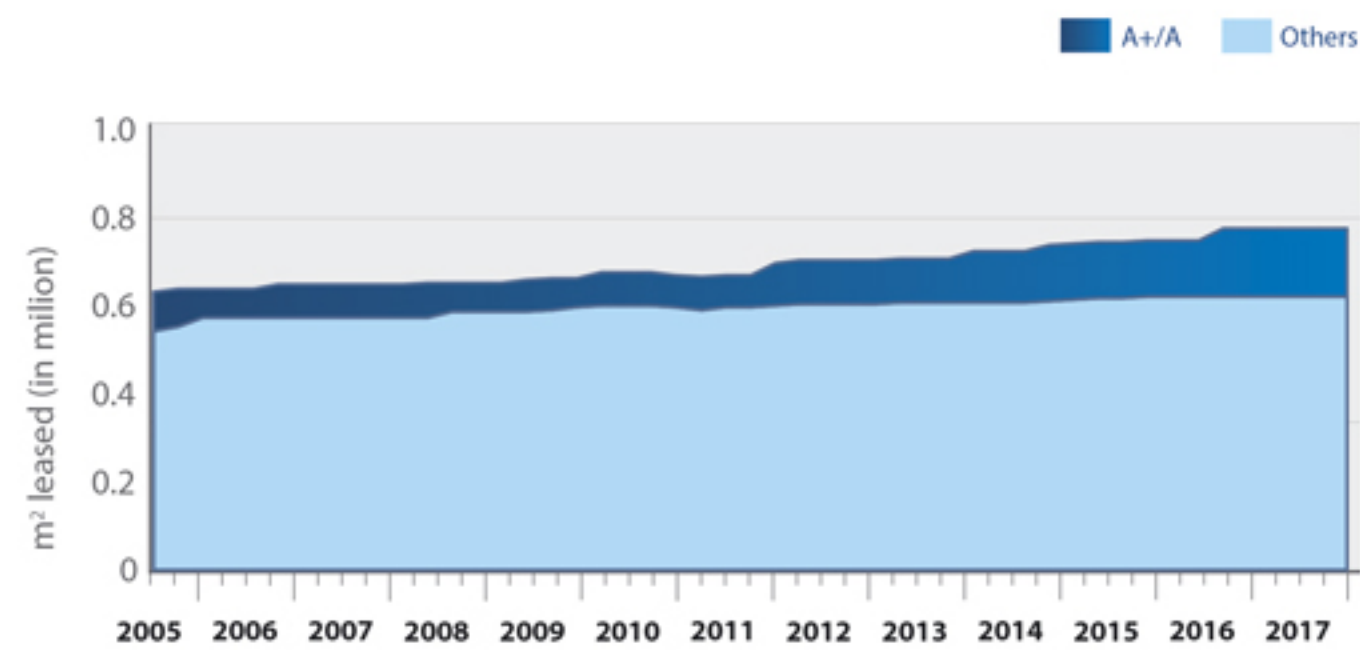


Occupancy, Vacancy and Construction Activity³

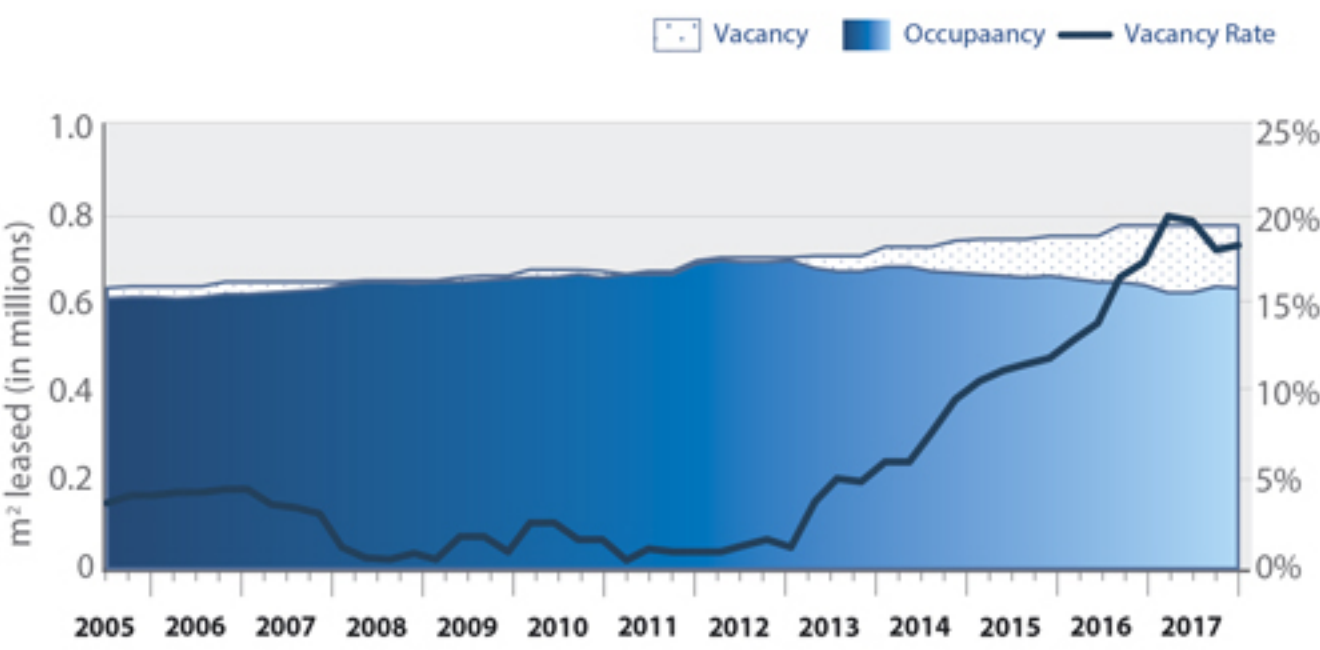


Os dados deste quadro referem-se ao universo de edificios Corporate¹.

Evolution of Corporate Stock



Corporate (A+/A/Others)



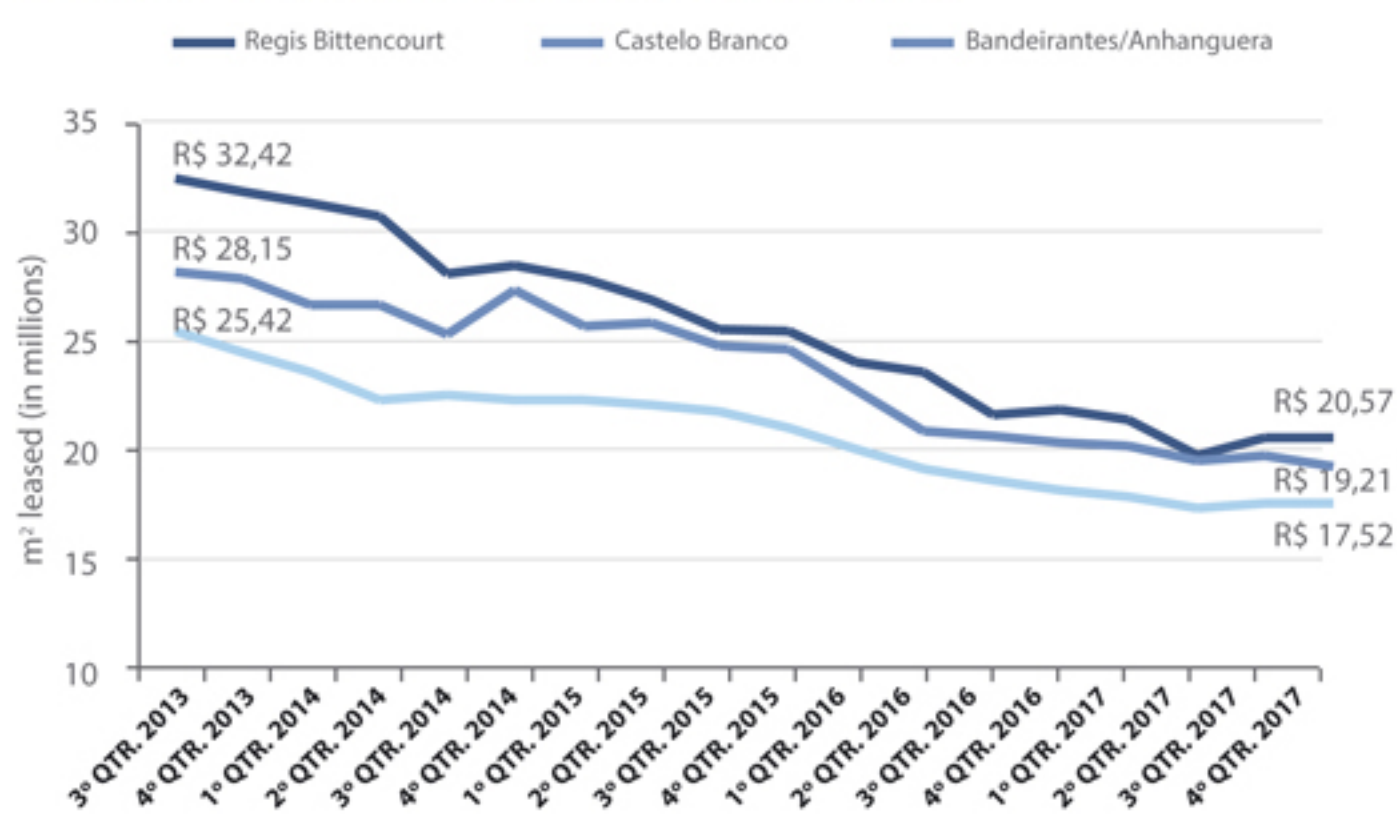
Buildings Classification; A: buildings equivalent to A of the Buildings Classification; Others: buildings equivalent to BB, B and C in the Buildings Classification.

INDUSTRIAL

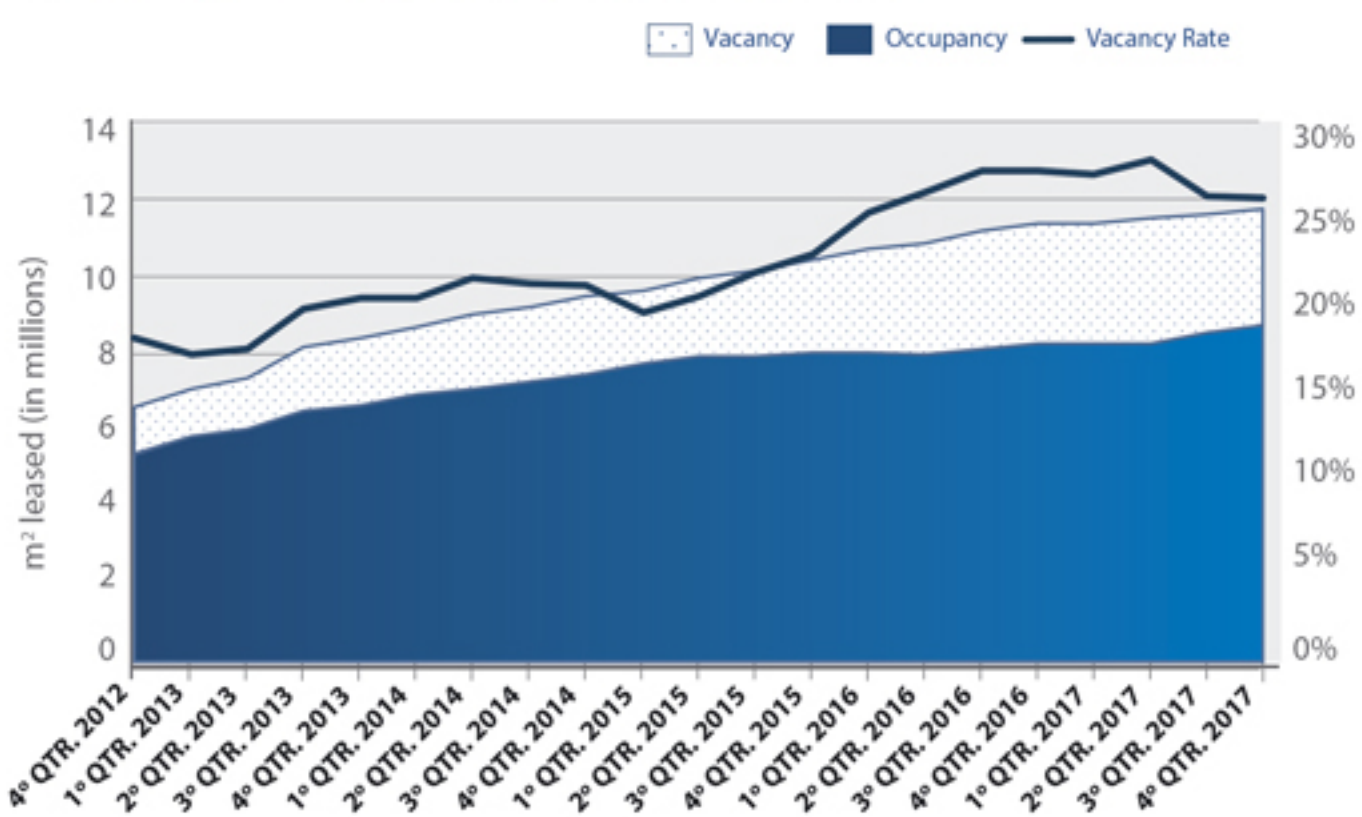
State of São Paulo³

- Brazil has approximately 19.827 million m² of gated industrial and logistical warehouses throughout the country. The State of São Paulo alone accounts for 11.889 million m² of this stock, which represents 60% of the total stock in the Brazilian market.
- The vacancy rate fell from 26.19% in the State of São Paulo in the 3rd quarter 2017 down to 26.08% in the 4th quarter 2017 – a second consecutive drop. The average asking rent for the State of São Paulo, as a whole, currently stands at R\$ 18.37/m². Asking rents vary between R\$ 8.62/m² and R\$ 32.40/m², depending on the geographical region and the warehouse spec.
- The average asking rent for warehouses in gated industrial and logistical condominiums on the Bandeirantes/Anhanguera highway axis fell from R\$ 20.56/m² in the 3rd quarter 2013 (adjusted to the IGPM index) down to R\$ 17.24/m² in the 4th quarter 2017, as shown on the graph below. The graph also shows the behavior of the rental prices on the Regis Bittencourt and Castelo Branco highway axes, both with a similar trend to that found in the Bandeirantes/Anhanguera highway axis.
- Vacant space in the Bandeirantes/Anhanguera axis has reached 1.487 million m², with a vacancy rate at 29.36% in Class A+ and A gated condominiums and 20.15% in Class B and C (Others).

Average Asking Rental Prices/Region



Vacancy/Occupation/Vacancy Rate

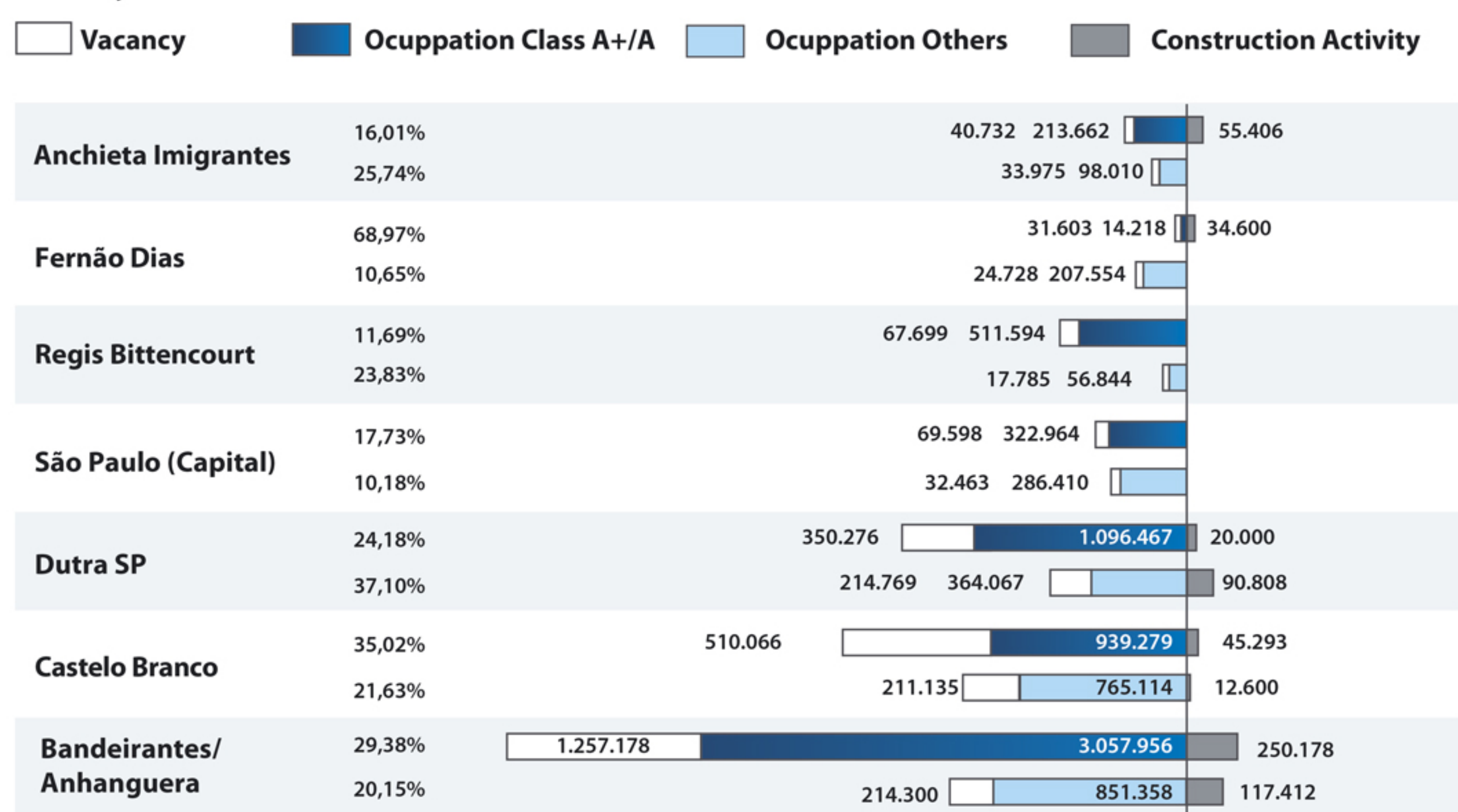


Trend Panel - Industrial SP

Logístical Condominiums	A+ / A		OTHERS	
	3º QTR/2017	4º QTR/2017	3º QTR/2017	4º QTR/2017
Vacancy Rate	28,49%	27,66% ↘	20,55%	22,19% ↗
Occupation (m²)	6.067.869	6.159.356 ↗	2.585.255	2.594.739 ↗
New Stock (m²)	67.218	86.886 ↗	4.975	14.133 ↗
Construction Activity (m²)	399.356	453.220 ↗	147.145	269.163 ↗

Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)



The data in this table refer to the universe of logistic condominiums in the State of São Paulo

(m² leased)

Trends should not be taken as indicative of future results.

RealtyCorp is not responsible for decisions taken based on this information.

DIFERENTIALS

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

EXPERIENCE - Encompassing and solid experience of our team of professionals;

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

ETHICS - Our approach in negotiations bears the interests of our clients;

MARKET INTELLIGENCE - We offer consultancy services, rather than acting as 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 preparing the required contracts and agreements;

INFORMATION - We have a comprehensive database with information on landlords, occupants, asking prices and transactions of corporate and industrial developments.

CASES



Edifício The City - JK 1455

Faria Lima – Itaim Bibi
São Paulo/SP

Lease executed in May/2017, process coordinated by RealtyCorp.

Berkley's occupation was inefficient, while occupying an excess amount of space. One of the world's largest insurance companies specialized in guarantees, Berkley desired to optimize resources and relocate into a single floorplate, as its occupation was spread across two non-contiguous floors. Its other goal was to seek an improved corporate image for the company. RealtyCorp identified the 15th floor in The City - JK 1455 building as a complete solution. This is a AAA building, with a smaller area, but with greater efficiency which allowed the company to fit into a single floorplate and maintain the same cost level of rent + CAM + property tax.



Brazilian Financial Center

Paulista
São Paulo/SP

Lease executed in November/2017, process coordinated by RealtyCorp

The French company Keyrus, one of the largest of the technology companies of its segment, occupied an old building in the region of Saúde with a very poor occupation. Additionally, they had an expectation to place all employees onto a single floorplate, while also ensuring more office space for future expansion needs, with the challenge of having a limited Capex to undertake the office build-out. The solution encountered was to rent a personalized space within WeWork. This enabled a two-way solution: meet growth needs as required and avoid large build-out costs, while ensuring a high quality standard office – key driver for retaining and attracting talents.



Edifício Plaza Centenário

Marginal Pinheiros
São Paulo/SP

Rent review undertaken in June/2017, process coordinated by RealtyCorp.

Allied Tecnologia, the largest distributor of electronic products in Brazil was seeking to reach savings of 30% in its costs of occupation. After several reports and visits – considering that relocation was a more realistic driver, an agreement was reached with their existing landlords and the rent was renegotiated in the space they occupied, hence avoiding all the relocation process and the planned savings was achieved.



Win Work Corporate Center

Chácara Santo Antônio
São Paulo/SP

Lease executed in July/2017, process coordinated by RealtyCorp.

After assisting a group of investors from outside the State of São Paulo in the acquisition of several floors in the Win Work building, RealtyCorp was also able to successfully conclude a lease negotiation of the 7th floor to Leega, a company specialized in Business Intelligence and Big Data. This provided the investors with an immediate return on their

RealtyCorp has a team of professionals with corporate and industrial real estate experience, focused on servicing developers, landlords and investors; built on an extensive relationship network, bringing agility and market knowledge, adding value to your business by highlighting market opportunities and always seeking the best negotiation.



RealtyCorp

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