



RealtyCorp Analytics

Office and Industrial

1st Quarter 2019



SERVICES

(Office, Retail and Industrial)

LEASE



Concluding excellent deals by identifying and connecting demand with the product, swiftly and efficiently.

- Lease Administration, identifying potential tenants;
- Management of Build-to-Suit Projects;
- Up-to-date database of landlords, tenants, offers and transactions;
- Coordinating property lease in partnership with real estate brokers;
- Strategy for identifying demand in the market;
- Representing companies for property search, analysis and negotiation.

SALE & ACQUISITION



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

- Divestment of Real Estate Assets;
- Direct or Bid Process sale;
- Relationship with brokers and key market players;
- Representing investors and/or developers in the acquisition of property for development;
- Marketing Strategy;
- Managing Sale & Leaseback Transactions;
- Representing investors and companies in property acquisition for income or for occupation;

VALUATION & CONSULTANCY



High-level real estate valuation, undertaken by professionals with extensive experience and credibility, certified by first class Brazilian institutions and primarily by international institutions such as RICS - Royal Institution of Chartered Surveyors.

- General property valuation services and the valuation of real estate portfolios;
- Feasibility analysis of industrial, commercial and retail developments;
- Real estate development studies;
- Best use analysis - real estate vocation;
- Property valuation for accounting purposes

STRATEGIC MANAGEMENT OF REAL STATE ASSETS



Intelligent management of real estate portfolios, constantly seeking efficiency in the management and monitoring of the real estate market.

- Real Estate Management - Control of payables, inspection survey reports, documentation, representation in general meetings and public bodies.
- Management of Opportunities - Comparative analysis of market rents to identify opportunities and negotiation strategies;
- Critical Dates Management - Inflation adjustment, revisions, renewals, guarantees and insurance cover;
- Negotiation - Representing clients in rental revisions, lease agreement renewals, terminations, lease acquisitions, sale and purchase of properties.

DEVELOPMENT & INVESTMENT



Structuring and management of investments in the real estate market, consultancy and development in real estate by creating specific solutions which bring value to the client, through transparent and sustainable processes.

- Real Estate Investment Consulting and Management - Product formatting, investment quality analysis, investment vehicle structuring and management of the entire investment and divestment cycle. Structuring and managing new products by partnering with investors, investment funds and developers;
- Structuring of Investments - Structuring of real estate investment funds (FIs) and acting as real estate consultancy for FIs;
- Strategic and Operational Management for Real Estate Development - Project implementation in diverse market segments. Monitoring every step, including the definition of the commercial and marketing strategies, legal approvals, project and works management, monitoring of economic and financial performance through to the implementation of risk management and monitoring policies;

BUSINESS IN USA



New Real Estate business in the USA - Consultancy and Business Development - Property finance, property search and new business opportunities in the US market. Partnerships with law firms, accountants and financial agents specialized in the American real estate market.



Keyrus/WeWork

Paulista
São Paulo/SP

Expansion completed in **June/2018**, process coordinated by RealtyCorp.

After successfully completing a search process and the relocation for Keyrus, one of the largest consultancies in Data Intelligence into WeWork's Paulista district, they approached us yet again for support to accommodate their rapidly expanding team. The solution encountered was to lease an additional 104 work stations in the same site.

Business Space Tower

Lapa
São Paulo/SP

Relocation completed **June/2018**, process coordinated by RealtyCorp.

The MRV Group, a market leader in the Brazilian construction industry for low-income housing was seeking to lower their monthly fixed costs without sacrificing the standard of their occupation. The solution was to lease one and a half floors in the BST (Business Space Tower) building, which generated significant savings in fixed costs, monthly rent, common area maintenance charges and property tax.



Torres Empresariais Ibirapuera

Moema
São Paulo/SP

Relocation completed in **November/2018**, process coordinated by RealtyCorp.

A market leader in technology projects, Star IT is a specialized consultancy providing IT solutions focusing on business management and development for the retail industry. The company's objective was to consolidate their commercial and operating departments into a single space. A key driver was to remain in the Moema region, with an additional challenge for a speedy solution to identify a new space and start planning the office fit-out. As customary, RealtyCorp focused on delivering a swift service by obtaining accurate information – a key factor for success. The result was the transaction process was completed approximately 40 days after Star IT's initial contact with RealtyCorp.

Atrium IX

Vila Olímpia
São Paulo/SP

Relocation completed **December/2018**, process coordinated by RealtyCorp.

After selling part of its business, Aditus – a consultancy firm specialized in the Brazilian capital markets, particularly high-risk investments, needed to reduce its existing occupation. The client's briefing to achieve the desired cost reductions was to relocate into a structured space, minimizing fit-out costs and delivery lead times. Additionally, the client did not wish to relocate outside their existing region and desired to maintain a corporate image similar to their existing occupation. The space occupied by Heineken in the Atrium IX building was selected as the best solution. RealtyCorp acted swiftly and was able to negotiate price, terms, corporate image and usable area desired by the client.

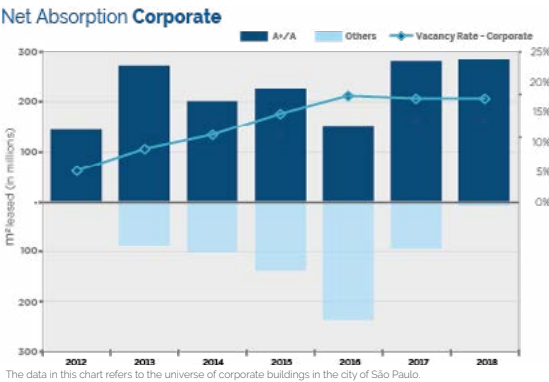


OFFICE

São Paulo³

The City of São Paulo currently has 10.85 million m² of Corporate office space (Corporate¹) and 5.03 million m² of small sized office suites referred to as Office¹. Of the total stock, 14% consist of Corporate A+ buildings, 10% Corporate A buildings and 44% Corporate Classes B and C buildings (referred to as Others), totaling 68% of the Corporate office market in the City of São Paulo.

Net absorption in the City of São Paulo at year-end 2018 in Corporate Class A and A+ buildings was positive by 285 thousand m² - the largest net absorption ever recorded for this market segment. As the graph depicts, in contrast to the 2013 - 2017 period when most of the absorption in Class A and A+ originated from a Flight-to-Quality trend, in 2018 net absorption was the result of the upturn in the Brazilian economy, represented by company growth and drop in unemployment levels. Net absorption is expected to remain positive in 2019 and achieve record breaking levels. For the Corporate Class B and C buildings (Others) universe, expectation is that net absorption will also be positive.



Occupancy, Vacancy and Construction Activity³

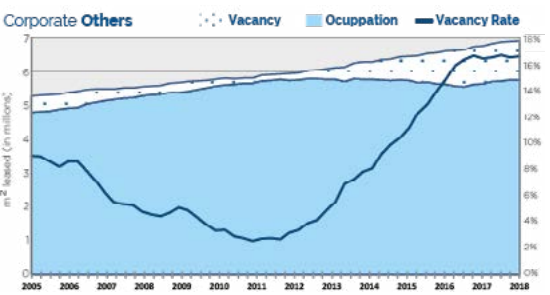
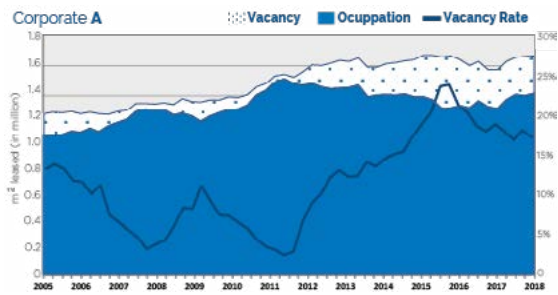
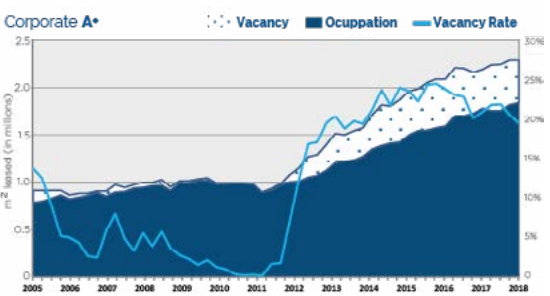
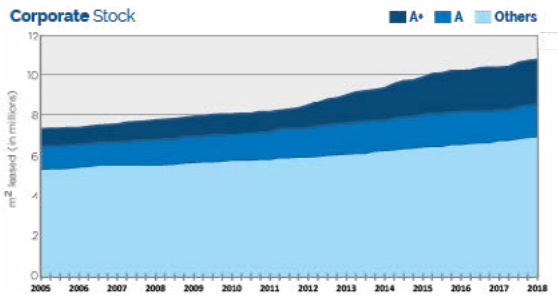
Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
Faria Lima/ Itaim Bibi	8,06%	47.321	539.984	51.499
	12,69%	40.170	276.308	11.846
Marginal Pinheiros	40,54%	262.452	384.978	109.680
	9,74%		11.823	109.540
Vila Olímpia	3,29%	8.163	239.590	0
	5,14%		8.113	149.611
Paulista	4,58%	2.938	61.207	38.636
	8,53%	22.817	244.559	20.060
Leopoldina/ Barra Funda	28,14%		33.016	06.370
	22,62%		59.572	135.549
Chácara Santo Antônio	0,00%		0	0
	27,71%		15.466	40.341
Others Regions	26,77%	60.337	165.040	29.518
	27,33%	79.978	212.645	47.355
Alphaville	20,42%	56.360	219.680	68.100
	37,81%	113.094	186.056	12.278

The data in this table refers to the universe of corporate buildings.¹ (m² leased)

Trend Panel²

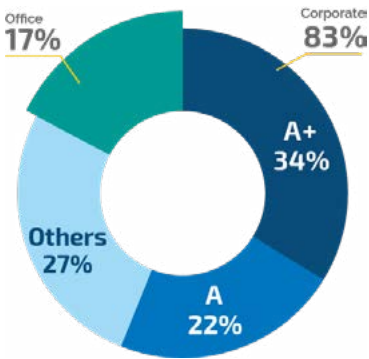
Corporate Market	A+			A			OTHERS		
	Q3/2018	Q4/2018		Q3/2018	Q4/2018		Q3/2018	Q4/2018	
Vacancy Rate	20,60%	20,24%	↘	18,19%	17,19%	↘	16,55%	16,62%	↗
Occupation (m²)	1.817.816	1.844.339	↗	1.345.557	1.365.178	↗	5.766.082	5.769.364	↗
New Stock (m²)	41.689	22.360	↘	9.656	12.380	↗	11.833	1.331	↘
Construction Activity (m²)	294.663	295.304	↗	206.665	194.285	↘	37.647	37.996	↗

(m² leased)



Berrini³

- The stock in the Berrini region totals 1.17 million m² in 136 office Buildings. Of this universe 83% consist of Corporate buildings and 17% in buildings classified as Office. Looking specifically at the Corporate universe, 34% consist of Class A+ buildings, 22% Class A and 27% Class Others (B and C) buildings.
- A total of 425 thousand m² of Corporate buildings were delivered over the past six years in the Berrini region - extending from the Avenida dos Bandeirantes until the Morumbi Shopping Mall on the Av. Dr. Churci Zaidan. Despite this large volume of new stock, vacancy in the region stands at a mere 7.58% for the universe of Corporate Class A+ buildings, while the vacancy rate for the entire corporate universe, including all office building classifications is 16.90%, seven percentage points lower than at the start of 2016 when the region's corporate office vacancy rate exceeded 23%.

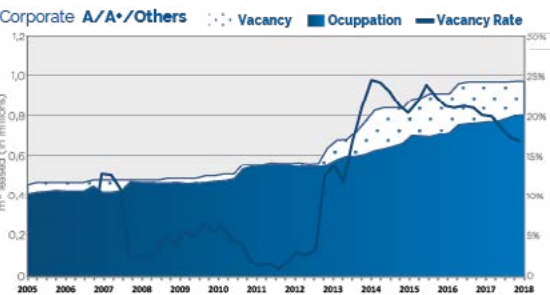
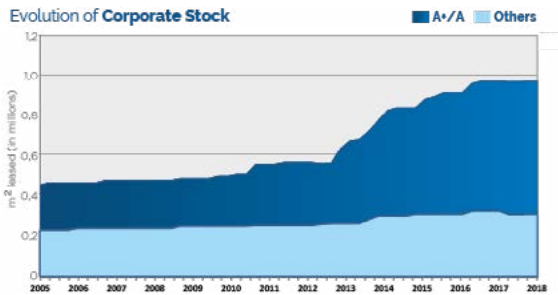


Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Occupation Outros	Construction Activity
Berrini	7,58%	30.095	367.169	36.994	
	24,93%		65.358	196.824	49.023
	22,01%		68.990	244.467	0

The data in this table refers to the universe of corporate buildings.¹

(m² leased)



Corporate Market	A+ / A		OTHERS	
	Q3/2018	Q4/2018	Q3/2018	Q4/2018
Vacancy Rate	43,96%	43,71%	12,27%	12,59%
Occupation (m²)	998.943	1.003.556	3.146.890	3.139.895
New Stock (m²)	-	-	4.412	5.200
Construction Activity (m²)	77.765	77.765	24.590	19.390

(m² leased)



Ocupação, Vacância e Atividade Construtiva³

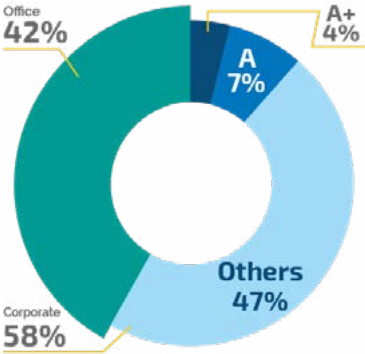
Vacancy Rate (%)	Vacancy	Occupation Class A/A+	Occupation Class Others	Construction Activity
Barra da Tijuca	39,95%	133.137	200.141	20.297
	19,26%	20.632	86.489	0
Port	49,41%	108.550	111.144	49.089
	21,77%	19.450	69.889	3.801
Downtown	46,59%	499.097	572.186	8.379
	11,90%	318.847	2.360.501	10.000

The data in this table refers to the universe of corporate buildings.¹

(m² leased)

Zona Sul³

- The total office stock in the Zona Sul district of Rio de Janeiro is 1.29 million m², of this total 58% consist of Corporate buildings (Corporate¹) and the remaining 42% of Office¹ (small commercial suites) buildings. The total stock is distributed as follows, 4% Corporate Class A+, 7% Corporate Class A buildings and 47% Corporate Class B and C (Others), totaling 58% of the Corporate office stock.
- The Zona Sul region of the City of Rio de Janeiro is mainly constituted by old stock. Only 14 buildings are dated under 20 years old and constitute the Corporate Class A and A+ market in the region. However, the region is the most valued in the City of Rio de Janeiro, with an average rental of R\$ 94.65/m² for the universe of corporate buildings (Corporate¹), peaking at R\$ 260/m² for the high-end buildings in the Zona Sul region, coupled with outstanding views.
- Reduced availability of land for new construction and development in the Zona Sul region of the city and the improved demand for office space has a direct impact on vacancy which currently stands at 138 thousand m² of corporate office space (Corporate¹) – one of lowest in Rio de Janeiro, equivalent to a vacancy rate of 18.50% for the entire Corporate universe compared to the city average of 23.04%.

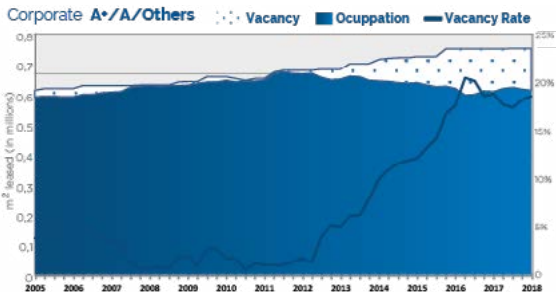
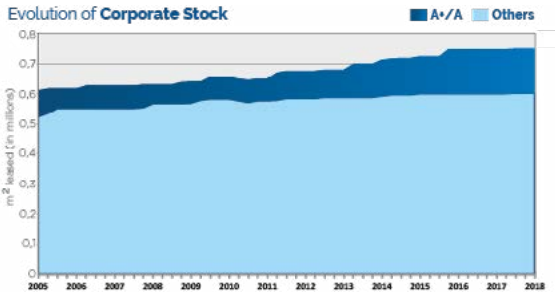


Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Occupation Outros	Construction Activity
South Zone	31,04%	15.776	55.056		0
	30,44%	29.712	67.911		0
	15,51%	93.402	508.769		5.589

The data in this table refers to the universe of corporate buildings.¹

(m² leased)



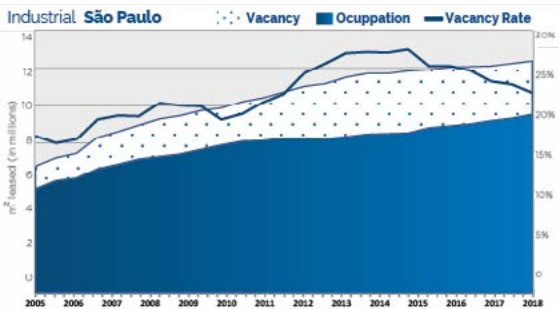
INDUSTRIAL

State of São Paulo³

- Brazil has 20.80 million m² in gated industrial and logistical condominiums. The State of São Paulo alone has 12.37 million m² of this stock, almost 60% of the total Brazilian stock. The second largest market is the State of Rio de Janeiro with 2.36 million m² or 11.35% of the total Brazilian stock.
- The vacancy rates declined in the State of São Paulo from 23.83% in 3rd quarter 2018 to 22.91% in 4th quarter 2018. Average asking rental prices for the entire State stand at R\$ 17.82/m², while asking rents range from R\$ 9.36/m²/month to R\$ 32.40/m²/month, depending on the region and technical specifications of the warehouses.
- Average rent prices for gated industrial and logistical condominiums declined along the Fernão Dias (City of São Paulo), Dutra (São Paulo), Castelo Branco and Bandeirantes/Anhanguera axis. In contrast, along the Anchieta/Imigrantes e Regis Bittencourt axis, average rental prices increased as reflected in the table below.
- The largest stock of gated logistical condominiums in the State of São Paulo is along the Bandeirantes/Anhanguera axis with 5.59 million m² which represents 45.2% of the total stock of gated condominiums in the State of São Paulo and vacancy rate stands at 23.68% in Class A and A+ gated parks and 21.36% in Class B and C (Others).

Average Asking Price Lease m²/month

AXIS	Gated Parks		
	Q3/2018	Q4/2018	↑ ↓
Anchieta Imigrantes	R\$ 23.47	R\$ 23.68	↑
Fernão Dias	R\$ 19.17	R\$ 18.57	↓
Regis Bittencourt	R\$ 21.24	R\$ 21.31	↑
São Paulo (Capital)	R\$ 22.37	R\$ 21.37	↓
Dutra SP	R\$ 18.23	R\$ 18.04	↓
Castelo Branco	R\$ 18.79	R\$ 18.40	↓
Bandeirantes/Anhanguera	R\$ 16.79	R\$ 16.59	↓
State of São Paulo	R\$ 18.11	R\$ 17.82	↓



Trend Panel - Industrial SP

Logistics Condominiums	A+ / A			OTHERS		
	Q3/2018	Q4/2018		Q3/2018	Q4/2018	
Vacancy Rate	25,18%	23,91%	↓	21,58%	20,27%	↓
Occupation (m ²)	5.783.234	5.918.409	↑	3.551.956	3.620.837	↑
New Stock (m ²)	111.419	54.343	↓	38.516	-	↓
Construction Activity (m ²)	356.026	323.532	↓	224.418	225.418	↑

(m² leased)

Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)	Vacancy	Occupation Class A/A+	Occupation Class Others	Construction Activity
Anchieta Imigrantes	14,34%	38.186	228.119	55.111
	14,53%	33.213	195.335	4.250
Fernão Dias	07,75%	40.209	5.612	34.000
	13,19%	29.945	197.071	0
Regis Bittencourt	12,12%	13.686	505.607	0
	5,90%	4.403	70.226	0
São Paulo (Capital)	14,87%	55.568	318.196	0
	12,81%	46.716	317.856	0
Dutra SP	22,95%	296.477	995.258	21.850
	30,84%	253.739	569.047	26.300
Castelo Branco	36,63%	455.119	787.258	17.060
	17,33%	218.253	1.041.318	34.832
Bandeirantes/Anhanguera	23,68%	955.235	3.078.360	195.509
	21,36%	334.019	1.229.985	160.034

The data in this table refers to the universe of corporate buildings.¹

(m² leased)

[1] RealtyCorp's classification methodology for office buildings is based on the Buildings classification, which is: Office: buildings with suites smaller than 100 m²; Corporate: buildings with suites larger or equal to 100 m²; A+: buildings equivalent to AAA and AA of the Buildings classification; A: buildings equivalent to A in the Buildings classification; Others: buildings equivalent to BB, B and C of the Buildings classification;

[2] The statistical data relating to Alphaville have not been consolidated in the data for the City of São Paulo;

[3] The statistical data of this Analytics refers to the 3rd quarter 2018 and were consolidated on 31/12/2018.

*Trends should not be taken as indicative of future results.

*RealtyCorp is not responsible for decisions taken based on the information contained in this bulletin.

DIFERENTIALS

RealtyCorp has a group of professionals, with great real estate experience, that is focused on assisting investors, developers, owners and companies that use corporate and industrial spaces. **RealtyCorp** is characterized by its clients because of its negotiation skills and market knowledge. It is also known for evidencing business opportunities and for generating long-term relationship bonds. With ethics and professionalism, **RealtyCorp** always seeks, primarily, to meet the interests and needs of its clients.



COMMITMENT

We are committed to the values and mission of our clients. Thus, we actively act as a support for the legal client, so that all the premises, principles and needs of our clients are met and observed in the contracts signed.



ETHICS

Our position in the processes and in the negotiations contemplates all the legal and ethical principles of good governance. We value transparency, equity and corporate responsibility. We reject corruption.



AGILITY

We offer greater agility in the unfolding of the whole process of negotiation and closing of the business.



INTELLIGENCE

We act broadly and strategically, providing our clients with a more transparent view of the real estate market, in addition to opinions and recommendations based on data and research.



EXPERIENCE

Wide and solid experience of our team of professionals in Corporate Real Estate.



RELATIONSHIP

We value a business partnership that is long-lasting, not merely immediate profits.



RealtyCorp



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

RJ: Rua Lauro Müller, 116 - 32º Andar - Sala 3201 - Botafogo, 22290-160 - Rio de Janeiro

+55 11 3199 2930 SP | +55 21 3195 0390 RJ

www.realtycorp.com.br

CRECI: SP: 25548-J | RJ: 007353-J