



RealtyCorp Analytics

Office & Industrial

2nd 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.



Business Space Tower

Lapa
São Paulo/SP
Lease executed in **November/2018**. Process coordinated by RealtyCorp.

Katun is a one of the world's leading providers of OEM (Original Equipment Manufacturer) imaging supplies and other imaging equipment. Katun was seeking to expand its occupation which was limited to half a floor. Expanding into the neighboring half-floor would create an excess of rentable space, and also, the building was considered too aged. The solution was to relocate Katun onto an entire floor plate in the Ed. Business Space Tower building where the company's operations could be perfectly accommodated and provide additional space to allow for future growth.

Paulista 500

Paulista
São Paulo/SP
Relocation performed in **December/2018**. Process coordinated by RealtyCorp.

Advanced is a company that operates in the financial and foreign exchange markets since 1999, currently employing around 100 people. The company had a desire to expand, however, its key premise was to continue in the Paulista region and not to exceed the stipulated budget. RealtyCorp prepared a report of available options based on the premises outlined by Advanced. The Paulista 500 Building was identified as the ideal solution. Advanced had the intention to conclude the lease acquisition still in 2018 and in order to meet the relocation time schedule, securing all the property information was critical and, in particular, reaching an agreement on key commercial terms.



Urbanity

Marginal Pinheiros/Chácara Santo Antônio
São Paulo/SP
Relocation completed in **January/2019**. Process coordinated by RealtyCorp.

Agency focusses on shopper experience. It is known for creating and planning campaigns inspired by buying environments. The company desired a new office space that could meet its expansion requirements for its operations, while providing a modern environment consistent with the company's image. The options on the table were: expand into the same building or relocate to a new address. As a first step it was necessary to identify an option within budget and the same region where the company was established. Using its comprehensive database, RealtyCorp conducted a market research and mapped all the options within the region of interest. The option that most pleased the customer was Ed. Urbanity building.

Condomínio Logístico LOG Juiz de Fora

Juiz de Fora/MG
Lease executed in **November/2018**, process coordinated by RealtyCorp.

As part of Hyundai Group, Glovis Brazil is a logistical company which operates across different segments including the auto, steel, export and import industries. As a move to establish an improved strategic positioning, Glovis decided to rent a warehouse in the city of Juiz de Fora in the State of Minas Gerais. RealtyCorp presented the entire Juiz de Fora market to the client who received all the support to reach the best outcome. The negotiation process relied on the constant interaction between RealtyCorp and the client, driving towards the best commercial terms.



OFFICE

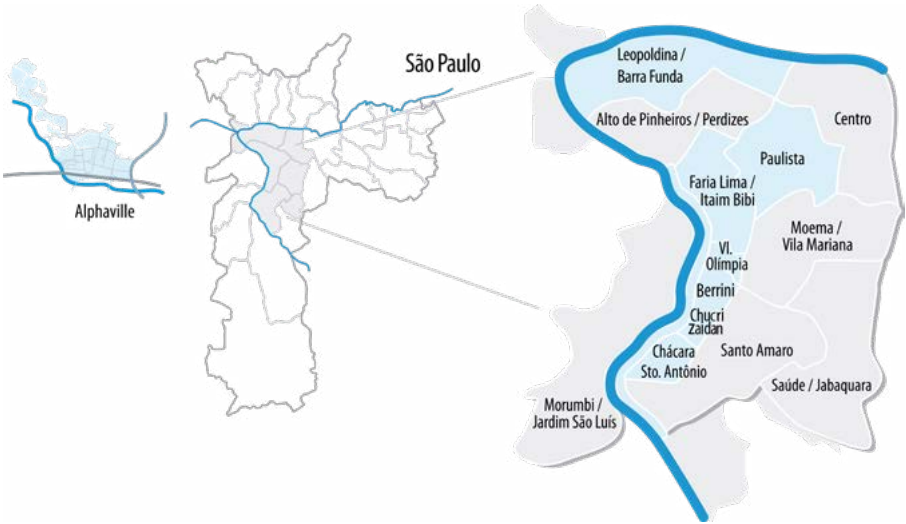
São Paulo³

The city of São Paulo has 10,91 million m² of office space in corporate buildings (Corporate¹) and 5.47 million m² of office space in Office buildings (small commercial suites). Of the total inventory, 14,46% consist of Corporate A + buildings, 10,40% in Corporate A buildings and 43,53% in Corporate Class B and C buildings (known as Others), totaling 68,39% of Corporate offices in the city from São Paulo.

The weighted average of rent asking prices in Corporate buildings in the city of São Paulo increased from R\$ 62,95/m²/month at the end of 2018 to R\$ 63,46 in the 1st quarter 2019, an increase of 0,81 %. In the same period, inflation measured by the IGPM - the customary index for rental adjustments - was 2,16%, which indicates that the recovery of rent prices is still below inflation and market expectations for the beginning of the year. While analyzing more specific segments of the market we noticed that, in some cases, rent prices have already exceeded inflation. This has occurred in the high-end developments in prime locations. The expectation for 2019 is a continued rise in rent prices and decline in the vacancy rates across all segments in the Corporate buildings universe.

Preços Pedidos Médios de Locação/m ² /mês (Média Ponderada)			
Classe	4º TRI/2018	1º TRI/2019	↑ ↓
A+ (AAA & AA)	R\$ 88,43	R\$ 89,42	↑
A	R\$ 71,35	R\$ 72,83	↑
Outros (B & C)	R\$ 50,71	R\$ 52,12	↑
Universe Corporate Total	R\$ 62,95	R\$ 63,46	↑

The data in this chart refers to the universe of corporate buildings in the city of São Paulo.



Occupancy, Vacancy and Construction Activity³

Taxa Vacância (%)	Vacância	Ocupação Classe A+	Ocupação Classe A	Atividade Construtiva
Faria Lima/ Itaim Bibi	7,14%	41.960	545.709	92.399
	5,48%	17.345	299.132	11.846
Marginal Pinheiros	38,35%	238.403	383.191	109.680
	8,52%		10.344	111.019
Berrini	7,39%	29.378	367.886	36.994
	23,05%	60.431	201.751	46.873
Paulista	33,24%		43.824	88.007
	8,70%	23.259	244.117	28.664
Leopoldina/ Barra Funda	22,50%		27.039	93.147
	17,42%		30.472	144.449
Chácara Santo Antônio	0,00%		0	0
	26,81%		14.962	40.844
Demais Regiões	29,96%	60.337	141.040	62.583
	23,05%	70.077	233.887	17.435
Alphaville	20,51%	56.622	219.417	89.700
	37,84%	113.094	186.056	12.278

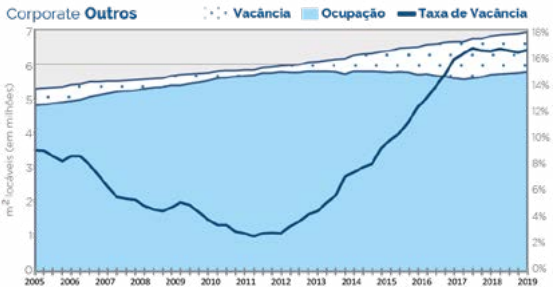
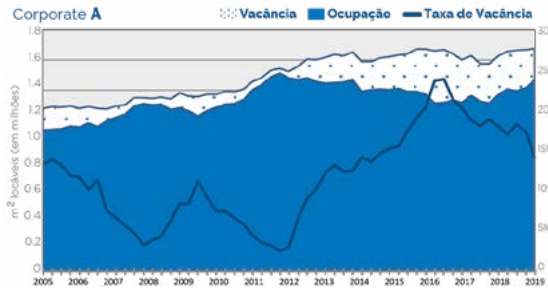
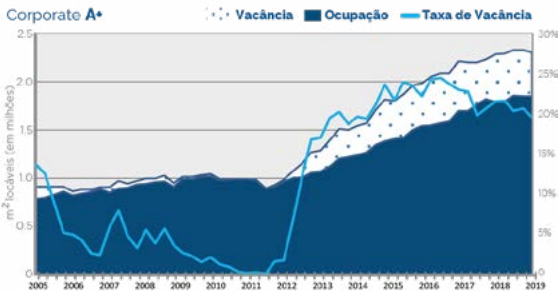
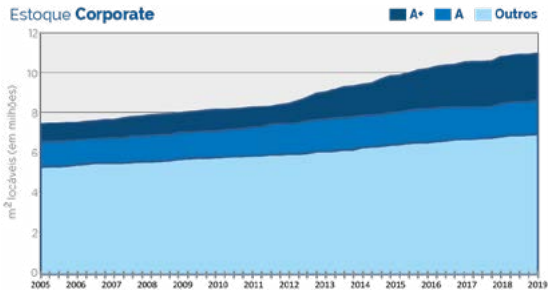
The data in this table refers to the universe of corporate buildings.¹

(m² leased)

Trend Panel²

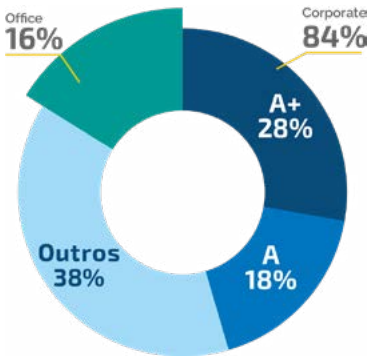
Mercado Corporate	A+			A			OUTROS		
	4º TRI/2018	1º TRI/2019		4º TRI/2018	1º TRI/2019		4º TRI/2018	1º TRI/2019	
Taxa de vacância	20,70%	19,60%	↘	17,27%	14,08%	↘	16,35%	16,55%	↗
Ocupação (m²)	1.850.498	1.855.366	↗	1.353.778	1.426.044	↗	5.771.471	5.798.269	↗
Novo Estoque (m²)	22.370	-	↘	12.380	29.920	↗	2.910	11.736	↗
Atividade Construtiva (m²)	295.305	353.005	↗	192.135	170.820	↘	39.307	26.655	↘

(m² leased)



Vila Olímpia³

- The region of Vila Olímpia consists of 131 buildings, with a total inventory of 891 thousand m². Of this universe, 83,85% consist of corporate buildings (Corporate³) and only 16,15% in Office buildings (small commercial suites). Of the total inventory, 27,79% consist of Corporate Class A + buildings, 17,69% Corporate Class A buildings and 38,37% Corporate Class Others buildings (B and C), totaling 83,85% of Corporate buildings inventory.
- The net absorption of the Corporate universe in Vila Olímpia in 2018 was 37 thousand m², which represented an increase of 5,78% in the Corporate occupation of the region. This increase in demand in real terms, placed Vila Olímpia as one of the regions with the lowest vacancy rate in the city of São Paulo. For example, the vacancy rate for the entire Corporate universe is 9,46%, and for the Corporate A + segment (AAA and AA) alone, the vacancy rate is only 4,59%. Positive economic indicators boosted the increase in rent asking prices, mainly in the Corporate A / A + segment, which increased from R\$ 88,43/m² in 4th quarter 2017 to R\$ 99,03/m² in 1st quarter 2019 (weighted average).

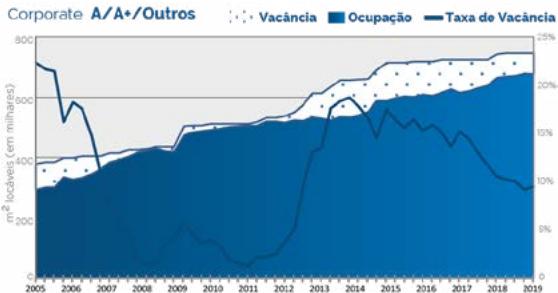
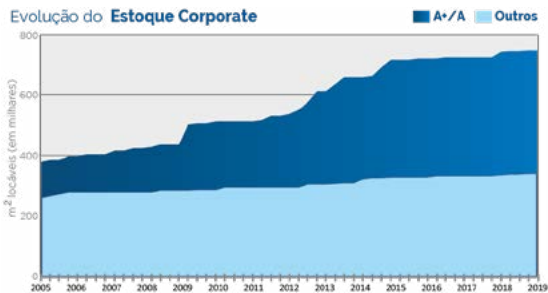


Occupancy, Vacancy and Construction Activity³

Taxa Vacância (%)	Vacância	Ocupação Classe A+	Ocupação Classe A	Ocupação Outros	Atividade Construtiva
Vila Olímpia	4,59%	11.367	236.386	0	O
	4,36%	6.880	150.845	17.400	O
	15,35%	52.491	289.579	0	O

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

(m² leased)



Mercado Corporate	A+ / A			OUTROS		
	4º TRI/2018	1º TRI/2019		4º TRI/2018	1º TRI/2019	
Taxa de vacância	43,55%	42,21%	↘	12,33%	12,44%	↗
Ocupação (m²)	1.022.966	1.044.104	↗	3.121.093	3.118.860	↘
Novo Estoque (m²)	-	-	↔	5.200	-	↘
Atividade Construtiva (m²)	77.765	77.765	↔	23.235	26.835	↗

(m² leased)



Occupancy, Vacancy and Construction Activity³

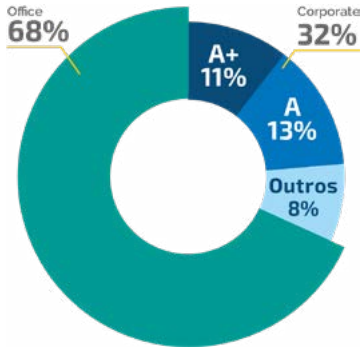
Taxa Vacância (%)	Vacância	Ocupação Classe A/A+	Ocupação Classe Outros	Atividade Construtiva
Zonal Sul	26,98%	41.505	112.349	0
	16,70%	100.889	503.190	0
Portuária	48,20%	105.894	113.800	49.089
	21,77%	19.450	69.889	3.801
Centro	45,15%	483.508	587.474	8.379
	11,68%	310.369	2.347.048	13.600

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

(m² leased)

Barra da Tijuca³

- The total office stock in the Barra da Tijuca region in Rio de Janeiro is 1,38 million m², of which 31,78% of this total consists of corporate buildings (Corporate³) and the remaining 68,22% are classified as Office¹ (small business suites). Of the total inventory, 10,51% are in Corporate Class A+ buildings, 13,12% in Corporate Class A buildings and 8,15% in Corporate Classes B and C (Other) buildings, totaling 31,78% of the inventory in Corporate buildings.
- The Barra da Tijuca region is predominantly made up of Office¹ buildings: with a total of 202 classified as Office¹ buildings and 95 as Corporate¹ buildings. Meanwhile, the Barra da Tijuca is among the regions with the largest growth in the city of Rio de Janeiro over the past decade. This is primarily due to the large amount of available land which boosted construction in the region. With a large stock of available space and the demand for leased space well below expectations because of the political-economic crisis of Rio de Janeiro, the vacancy rate in Barra da Tijuca in 1st quarter 2019 reached 34,61% in the Corporate buildings universe.
- The Barra da Tijuca region still has limited public transport and accessibility when compared to the other regions of the city, which tends to hinder potential interest of companies in the region. Consequently, average rental prices have been falling year-on-year, reaching R\$ 70,98/m² in 1st quarter 2019 (this refers to the average of the entire Corporate universe), while this average in the 1st quarter 2016 was R\$ 101,48/m² (nominal value, not adjusted).

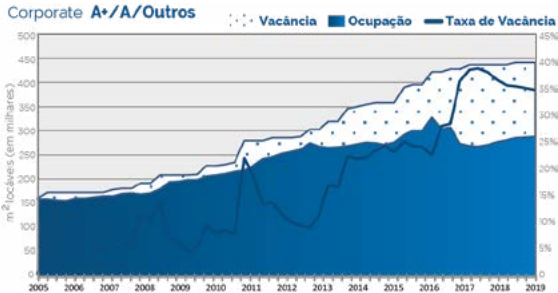
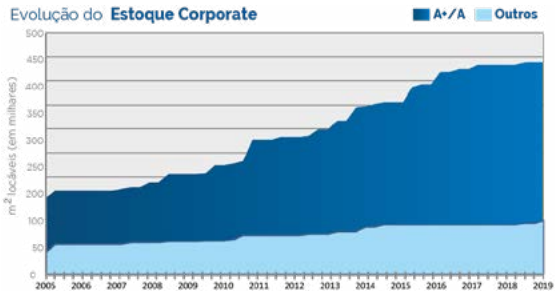


Occupancy, Vacancy and Construction Activity³

Taxa Vacância (%)	Vacância	Ocupação Classe A+	Ocupação Classe A	Ocupação Outros	Atividade Construtiva
Barra da Tijuca	51,12%	74.536	71.267	20.297	
	30,72%	55.934	126.119	0	
	19,59%	22.167	90.991	0	

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

(m² leased)

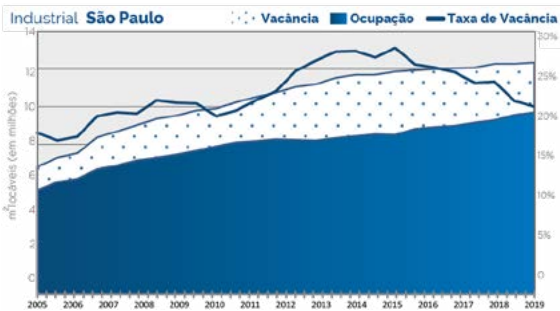


INDUSTRIAL

State of São Paulo³

- Brazil has 21,10 million m² in gated industrial and logistical warehouses with the Southeast region alone making up 16.40 million m² of this stock, or 77,74% of the total Brazilian inventory. The State of São Paulo has 58,5% of the total stock in Brazil, while Rio de Janeiro 11,9% and Minas Gerais 6,26%.
- The vacancy rate in the State of São Paulo fell from 22,13% in the 4th quarter 2018 to 21,43% in 1st quarter 2019. The current average asking rent prices for the entire State is R\$ 17,90/m². Asking rent prices vary from R\$ 9,36/m² to R\$ 32,40/m² depending on the region and the technical specifications of the warehouses.
- As depicted on the table below, the average asking rent prices for gated warehouses in industrial and logistical condominiums for the Anchieta/Imigrantes, Regis Bittencourt, São Paulo (Capital) and Dutra SP highway axes fell, while along the Fernão Dias, Castelo Branco and Bandeirantes / Anhanguera highways, the average asking rent prices rose.
- The Bandeirantes/Anhanguera highway axis has the largest stock of gated industrial and logistical parks in the State of São Paulo with 5,55 million m², which represents 45,02% of the total inventory of the State of São Paulo. The vacancy rate of gated industrial and logistical parks along this axis is 22,05%.

Preços Pedidos Médios de Locação/m ² /mês				
EIXOS	Galpões em condomínios			
	4º TRI/2018	1º TRI/2019	↑ ↓	
Anchieta Imigrantes	R\$ 23,68	R\$ 21,34	↓	
Fernão Dias	R\$ 18,36	R\$ 19,42	↑	
Regis Bittencourt	R\$ 21,30	R\$ 19,94	↓	
São Paulo (Capital)	R\$ 21,33	R\$ 20,33	↓	
Dutra SP	R\$ 18,05	R\$ 17,77	↓	
Castelo Branco	R\$ 18,45	R\$ 19,07	↑	
Bandeirantes/Anhanguera	R\$ 16,49	R\$ 16,69	↑	
Estado de São Paulo	R\$ 17,81	R\$ 17,82	↑	



Painel de Tendências - Industrial SP

Condomínios Logísticos	A+ / A		OUTROS	
	4º TRI/2018	1º TRI/2019	4º TRI/2018	1º TRI/2019
Taxa de vacância	23,18%	22,40%	20,19%	19,79%
Ocupação (m ²)	5.901.502	6.007.013	3.668.904	3.693.016
Novo Estoque (m ²)	14.000	58.939	-	7.250
Atividade Construtiva (m ²)	400.000	514.430	217.418	234.868

(m² leased)

Occupancy, Vacancy and Construction Activity³

Taxa Vacância (%)	Vacância	Ocupação Classe A+/A	Ocupação Classe Outros	Atividade Construtiva
Anchieta Imigrantes	9,75%	25.957	240.348	55.111
	9,62%	22.402	210.396	0
Fernão Dias	87,75%	40.209	5.612	34.000
	14,30%	32.470	194.546	0
Regis Bittencourt	9,20%	53.286	526.007	0
	5,90%	4.403	70.226	0
São Paulo (Capital)	16,56%	61.881	311.882	0
	11,67%	42.641	322.771	0
Dutra SP	18,90%	244.180	1.047.554	125.716
	30,84%	253.739	569.047	26.300
Castelo Branco	33,53%	412.125	817.176	17.060
	17,71%	225.509	1.052.125	34.832
Bandeirantes/Anhanguera	22,67%	896.686	3.058.434	282.540
	20,52%	328.914	1.273.905	173.734

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 1st Quarter 2019 and were consolidated on 31/03/2019.

*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's team of experienced real estate professionals focusses on assisting investors, developers, owners and companies that use corporate and industrial spaces.

RealtyCorp is well recognized by its clients because of its negotiation skills and in-depth market knowledge. **RealtyCorp** is also known for promoting business opportunities and for nurturing long-term relationships. With ethics and professionalism, **RealtyCorp** will always seek, 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



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