



RealtyCorp Analytics

Office & Industrial

3rd Quarter 2019

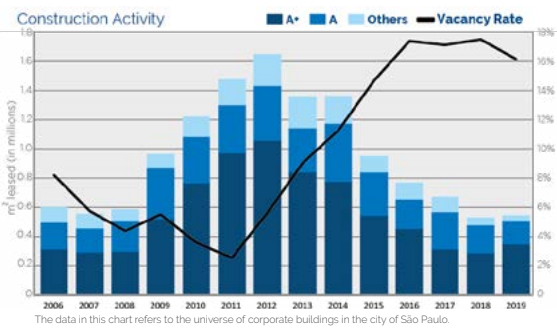


OFFICE

São Paulo³

The city of São Paulo has 10.95 million m² of offices in corporate buildings (Corporate¹) and 5.04 million m² of offices in office buildings (small commercial rooms). Of the total inventory, 14.27% is in Corporate A + buildings, 10.42% in Corporate A buildings and 43.79% in Corporate Class B and C buildings (known as Others), totaling 68.48% of Corporate offices in the city. from Sao Paulo.

The city of São Paulo reached the peak of its Construction Activity in 2012, when it reached 2.80 million m² of offices under construction - of which 1.65 million m² in Corporate buildings alone. Since then, Construction Activity has continued to decline, reaching 540 thousand m² under construction in the Corporate universe in 2018, the lowest Construction Activity in the historical series. In 2019, growth expectations have resumed with the decrease in vacancy rates, leading to an upturn in the Construction Activity after six years of decline, as shown in the chart below. Construction Activity in Corporate Buildings in the city of São Paulo is currently at 555 thousand m².



Occupancy, Vacancy and Construction Activity³

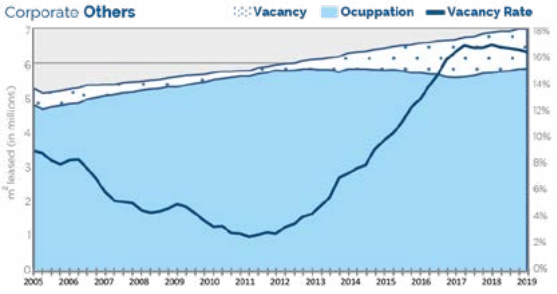
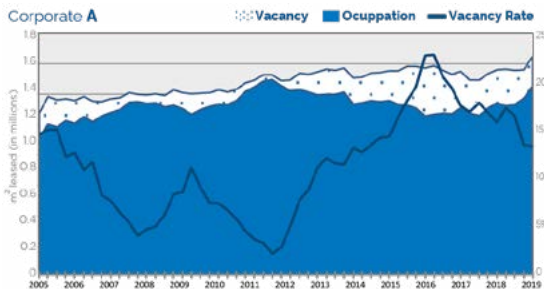
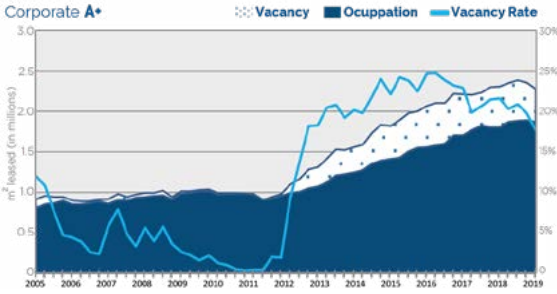
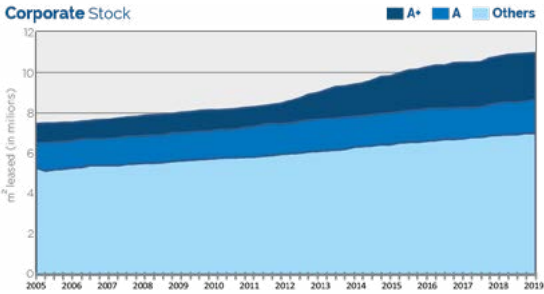
Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
Faria Lima/ Itaim Bibi	5,56%	30.121	511.245	92.399
	5,01%	17.657	335.090	17.846
Marginal Pinheiros	36,37%	209.133	365.900	109.680
	8,82%		10.701	110.662
Berrini	6,53%	25.960	371.304	16.494
	21,56%	56.765	206.553	45.163
Vila Olímpia	4,02%	9.964	237.789	0
	3,65%	5.550	146.584	17.400
Paulista	9,52%	14.233	135.255	16.266
	12,99%	31.405	210.275	20.104
Chácara Santo Antônio	0,00%		0	0
	27,95%	15.595	40.211	0
Others Regions	31,35%	63.961	140.060	46.317
	19,24%	60.081	252.142	23.177
Alphaville	19,86%	56.622	221.212	84.100
	39,21%	117.288	181.862	12.278

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

Trend Panel²

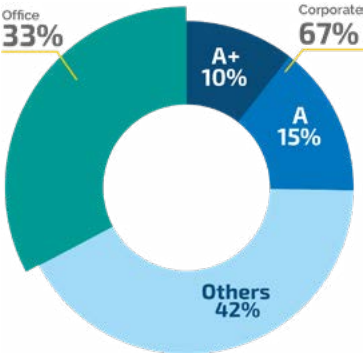
Corporate Market	A+			A			OTHERS		
	Q1/2019	Q2/2019		Q1/2019	Q2/2019		Q1/2019	Q2/2019	
Vacancy Rate	19,83%	17,57%	↘	13,77%	13,63%	↘	16,48%	16,34%	↘
Occupation (m ²)	1.894.826	1.842.480	↘	1.348.887	1.439.161	↗	5.847.502	5.859.600	↗
New Stock (m ²)	-	-	↔	29.920	20.286	↘	11.736	2.632	↘
Construction Activity (m ²)	353.005	353.005	↔	182.786	162.500	↘	42.339	39.707	↘

(m² leased)



Leopoldina/Barra Funda³

- The total stock of office space in the Leopoldina / Barra Funda region is 113 million m². Of this total, 32.74% consists of Office¹ (small office suites) buildings, 10.57% in Corporate¹ Class A + buildings, 14.69% in Corporate A buildings and 42.00% in Corporate B and C (Others) buildings, resulting in 67.26% of the total inventory in Corporate buildings.
- The stock of Corporate buildings in the Leopoldina / Barra Funda region has grown by 51.87% over the last 10 years and currently there are still 100,000 m² under construction in the region, which projects a 10% growth in total stock for the following 2 years.
- At the end of 2018 the vacancy rate for the Corporate Buildings universe in the Leopoldina / Barra Funda region reached 22.96%. However, the vacancy rate began to decline in early 2019, reaching 21.03% at the end of 2nd quarter 2019.

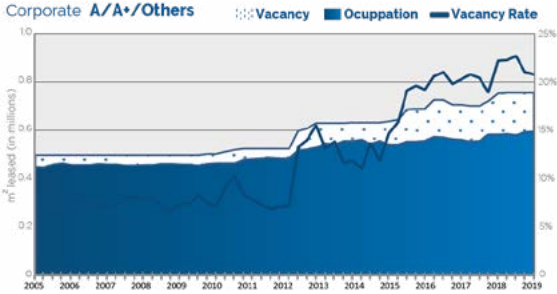
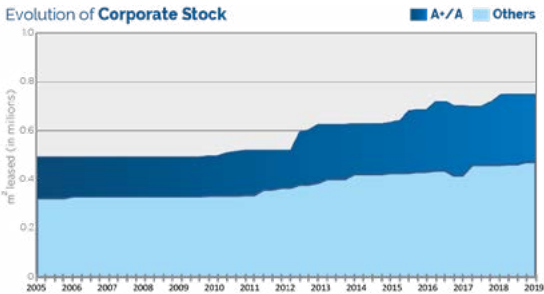


Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
Leopoldina/ Barra Funda	32,67%	39.259	80.927	51.346
	17,57%	29.339	137.645	48.600
	19,30%	92.167	385.290	0

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

(m² leased)



Corporate Market	A+ / A			OTHERS		
	Q1/2019	Q2/2019		Q1/2019	Q2/2019	
Vacancy Rate	42,37%	42,27%	↘	12,64%	12,92%	↗
Occupation (m²)	1.045.945	1.047.793	↗	3.141.620	3.132.335	↘
New Stock (m²)	-	-	↔	-	-	↔
Construction Activity (m²)	93.355	93.355	↔	7.402	7.402	↔

(m² leased)



Occupancy, Vacancy and Construction Activity³

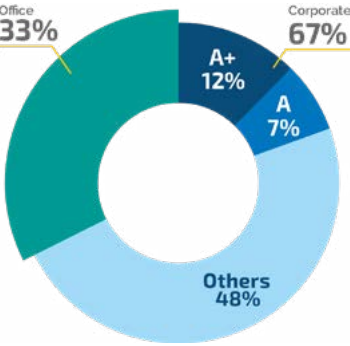
Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
Barra da Tijuca	40,16%	135.217	201.491	20.297
	19,85%	22.467	90.691	0
South Zone	26,13%	39.015	110.284	5.589
	16,08%	99.488	519.280	0
Port	48,75%	107.102	112.590	49.089
	21,09%	19.450	72.789	3.801

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

(m² leased)

Centro³

- The total stock of office space in the Centro region of Rio de Janeiro is 5.52 million m², of which 67.60% of this total consists of Corporate¹ buildings and the other 32.40% of Office¹ (small office suites) buildings. Of the total inventory, 12.33% are Corporate Class A+ buildings, 7.15% Corporate Class A buildings and 48.12% Corporate Class B and C (Other) buildings, totaling 67.60% of the total building inventory corporate.
- The Centro region concentrates most of the corporate office market in the city of Rio de Janeiro and consists predominantly of Corporate¹ buildings. In total, there are 394 Corporate¹ buildings out of a total of 658 buildings across the city, i.e. 60% of the corporate buildings are located on the Centro region of Rio de Janeiro.
- Even with the prospect that economic growth will resume in 2019, the Corporate¹ vacancy rate in the Centro region - currently at 21.54% - no signs of diminishing and still remains at 2017 levels. In addition to the economic crisis that affected the entire market, increased competition from the Centro region with new developments and delivery of new corporate buildings in the Port region, in close proximity to the Centro region has attracted the large companies who are relocating from the Centro region to the developments in the Port region. This is highlighted by the decline of 4.1% in the region's occupation in the last three years, leading to a negative net absorption of 123 thousand m².

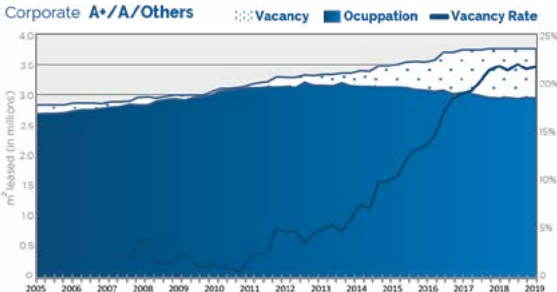
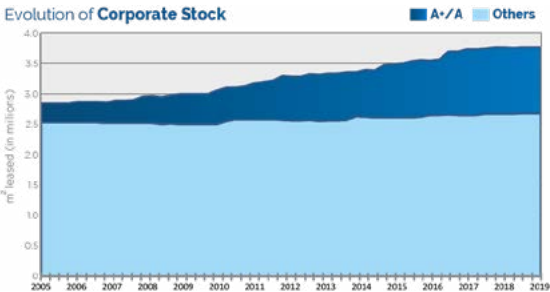


Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
Downtown	35,84%	244.346	437.403	10.000
	60,80%	240.456	155.014	8.379
	12,03%	320.112	2.339.828	3.600

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

(m² leased)



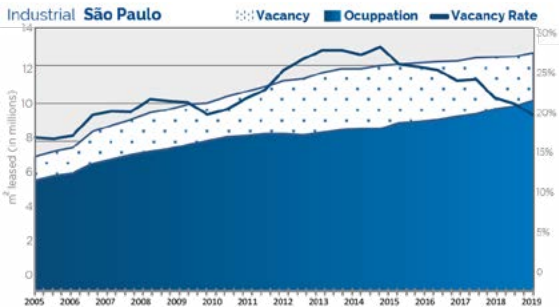
INDUSTRIAL

State of São Paulo³

- Brazil has 21.76 million m² in gated industrial warehouses and/or logistical condominiums, where the Southeast region alone accounts for 16.79 million m² of this stock, or 77.16% of the total Brazilian inventory. The state of São Paulo has 58.26% of the total stock of Brazil, Rio de Janeiro has 11.37% and Minas Gerais State has 6.52%.
- The vacancy rate in the State of São Paulo fell from 21.34% in the 1st quarter 2019 and down to 20.05% in the 2nd quarter 2019. Average rent asking prices for the entire state is R\$ 18.27/m²/month, an increase of 2.07% over the previous quarter. Rental prices range from R\$ 9.53/m² / month to R\$ 32.40/m²/month, depending on the region and the technical specifications of the sheds.
- Average asking rent prices for gated industrial and / or logistical condominiums declined in São Paulo (Capital) and along the Dutra SP axis, while for the Anchieta / Imigrantes, Fernão Dias, Regis Bittencourt and Bandeirantes / Anhanguera axes the average rent prices rose as shown in the table below.
- The Bandeirantes / Anhanguera axis has the largest inventory in gated industrial and / or logistical condominiums in the state of São Paulo with a stock of 5.72 million m², which represents 45.13% of the total inventory in the state of São Paulo. Paulo. Vacancy rate in gated industrial and logistical condominiums along this axis is 20.46%.

Average Asking Price Lease m²/month

AXIS	Gated Parks		
	Q1/2019	Q2/2019	↑ ↓ ↔
Anchieta Imigrantes	R\$ 21.25	R\$ 23.22	↑
Fernão Dias	R\$ 19.42	R\$ 19.66	↑
Regis Bittencourt	R\$ 19.94	R\$ 20.97	↑
São Paulo (Capital)	R\$ 20.33	R\$ 18.63	↓
Dutra SP	R\$ 17.76	R\$ 17.21	↓
Castelo Branco	R\$ 19.07	R\$ 19.07	↔
Bandeirantes/Anhanguera	R\$ 16.69	R\$ 17.39	↑
State of São Paulo	R\$ 17.90	R\$ 18.27	↑



Trend Panel - Industrial SP

Logistics Condominiums	A+ / A		OTHERS	
	Q1/2019	Q2/2019	Q1/2019	Q2/2019
Vacancy Rate	22,38%	20,90%	19,68%	16,65%
Occupation (m ²)	6.078.221	6.325.623	3.730.337	3.796.711
New Stock (m ²)	49.990	166.112	7.250	23.180
Construction Activity (m ²)	495.635	653.161	320.031	308.031

(m² leased)

Occupancy, Vacancy and Construction Activity³

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
Anchieta Imigrantes	25,47%	81.865	239.551	0
	8,29%	20.307	224.670	0
Fernão Dias	84,47%	38.705	7.117	34.000
	14,30%	32.457	194.560	0
Regis Bittencourt	10,52%	62.761	533.932	0
	1,56%	1.163	73.466	0
São Paulo (Capital)	14,10%	60.302	367.226	0
	9,14%	33.435	322.477	0
Dutra SP	15,38%	198.974	1.094.431	125.716
	25,43%	219.373	643.293	6.300
Castelo Branco	32,31%	397.417	832.748	17.060
	17,53%	224.163	1.054.921	34.832
Bandeirantes/Anhanguera	20,37%	831.301	3.250.618	476.384
	21,06%	339.698	1.273.324	266.897

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 2nd Quarter 2019 and were consolidated on 06/31/2019.

*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.

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 (FII's) and acting as real estate consultancy for FIIs;
- 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.



Sky Corporate

Vila Olímpia
São Paulo/SP

Sale completed in **June/2019**. Processo coordenado pela RealtyCorp.

In yet another successful case, RealtyCorp brokered the sale of two floors in the Sky Corporate building in São Paulo. Successful negotiation and buyer and seller satisfaction are the result of RealtyCorp's experience of acting ethically and discretely. The case also proves that RealtyCorp's good relationship with industry players makes a difference in our clients' decision making process.

On the buyer's side they expressed their desire to purchase a triple A or double A space in an upmarket region, that is, where rental values would provide an interesting income. Taking into close consideration the assumptions instructed by our client (buyer), RealtyCorp undertook a thorough market search. The consultancy's discretion as well as the good relationship between the parties was key to keep the necessary confidentiality which could ensure that the information did not reach outside third parties, which in turn could jeopardize the synergy of the interested parties directly involved.

**SUPER
CASE**

HD873

Chucrí Zaidan / Shopping Morumbi
São Paulo/SP

Relocation completed in **January/2018**. Process coordinated by RealtyCorp.

As a unique coworking solution, Netza Publicidade shares the same profile as the rest of its parent group – the Circle Group. One of their key drivers is to locate modern and relaxed spaces. They are in the market since 2018 with an ongoing search for new spaces. In response to these requirements RealtyCorp presented the HD873. This development has an open patio - a common area of the condominium, ideal for decompression space. This feature was a marked differential and key for its selection. After a few negotiation rounds, RealtyCorp's professional team concluded the deal, meeting the expectations of both Netza Publicity and the landlord, despite the target the lessor had established from previous negotiations.



Brazilian Financial Center

Paulista
São Paulo/SP

Relocation completed in **June/2019**. Process coordinated by RealtyCorp.

As the world's leading news channel in the world, founded in 1980 by Ted Turner, CNN was the first channel to broadcast 24-hour news programming, as well as being the first US-only news channel. Understanding the strategic need to establish its operation in Brazil, the desired space would have to accommodate a newsroom, in addition to television studios. This represented an important technical challenge for site selection but was not limited to this. CNN was looking for the ideal location, on Paulista Avenue, and within the established budget. RealtyCorp presented the solution with a space that was occupied by the Attorney General Office (AGU) in the Brazilian Financial Center building on the Paulista Avenue.

**SUPER
CASE**

Mont Blanc

Paulista
Consolação/SP

Relocation completed in **February/2019**. Process coordinated by RealtyCorp.

Operating in São Paulo and Rio de Janeiro, First Tech is a provider of technology services and solutions. After ownership changes, the company was in need to relocate its head office. The key parameters included a wide range of public transport alternatives, a modern building in a consolidated region and total occupational costs (rent, CAM charges and property tax) within the budget restrictions. Making use of its research infrastructure and market expertise RealtyCorp was able to present a full list of market options and recommendations to meet the needs of First Tech. Feedback received from the company who recommended First Tech to RealtyCorp, was very favorable and the results of the consultancy services exceeded the client's expectations.



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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