



# RealtyCorp Analytics

**Office & Industrial**  
4th Quarter 2020

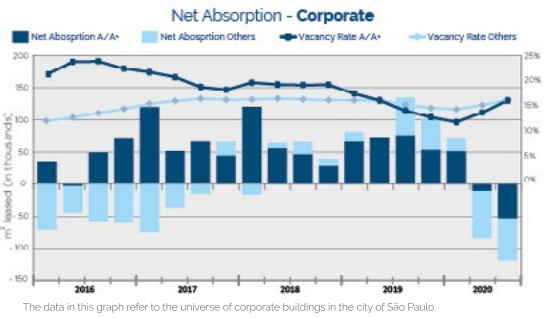


# OFFICE

## São Paulo<sup>3</sup>

Office space in the city of São Paulo totals 11.16 million square meters, consisting of corporate buildings (Corporate<sup>1</sup>) and 5.04 million square meters of office space in Office buildings (small commercial suites). Of the total inventory, 15.14% are in Corporate<sup>1</sup> A + buildings, 9.99% in Corporate<sup>1</sup> A buildings and 43.78% in Corporate<sup>1</sup> Classes B and C buildings (known as Others), totaling 68.90% of Corporate<sup>1</sup> offices in the city of São Paulo. The remaining 31.10% are in Office<sup>1</sup> buildings.

Due to the impact caused by the Covid-19 pandemic, in the 2nd and 3rd quarters of 2020, we had a negative net absorption in the universe of corporate buildings in the city of São Paulo. As the chart on the side shows, if we add the 2nd and 3rd quarters, we see a negative net absorption of 206 thousand m<sup>2</sup> in the Corporate universe<sup>1</sup> in the last 06 months. The Corporate<sup>1</sup> A/A + vacancy rate, which at the beginning of the year was 11.67%, has now reached 16.08% in the 3rd quarter of 2020. While the vacancy rate of Corporate<sup>1</sup> - Others - went from 14.28% in the 1st quarter to 16.05% in the 3rd quarter of 2020. If we consider the GDP projection for the end of 2020 and the high unemployment rate, we can reach the end 2020 with a vacancy rate of around 20% for the entire Corporate universe (A+/A/B/C).



## Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

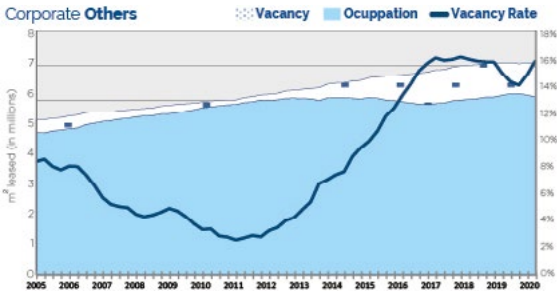
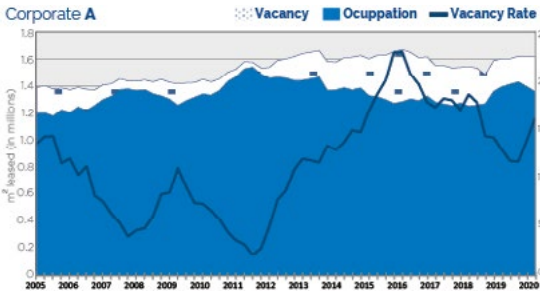
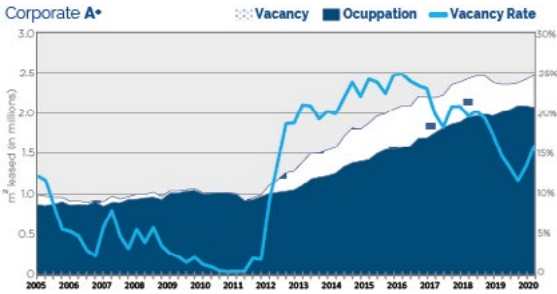
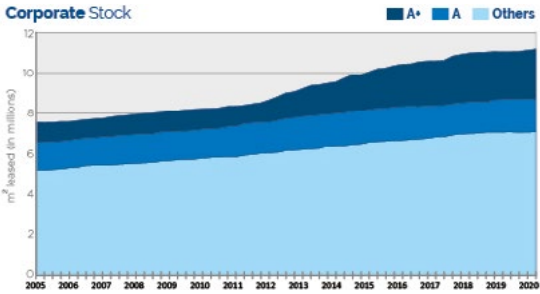
Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
<b>Nova Faria Lima</b>	5,28%	35.786	642.091	0
	6,49%	18.628	268.444	0
<b>Pinheiros/ Faria Lima</b>	6,74%	10.245	141.681	40.900
	6,53%	8.009	114.630	6.977
<b>Chucrí Zaidan</b>	20,52%	123.233	477.418	175.681
	12,34%	14.168	100.629	17.383
<b>Berrini</b>	15,74%	40.380	216.082	0
	23,53%	48.135	156.474	9.792
<b>Vila Olímpia</b>	6,75%	10.373	143.226	0
	9,31%	9.249	90.084	17.400
<b>Leopoldina/ Barra Funda</b>	34,54%	49.370	93.551	32.124
	22,00%	37.187	131.850	54.543
<b>Chácara Santo Antônio</b>	50,34%	63.059	62.204	30.000
	32,95%	18.391	37.416	0
<b>Others</b>	27,74%	54.743	142.631	28.704
<b>Regions</b>	23,67%	69.886	225.370	29.077
<b>Alphaville (Barueri)</b>	20,36%	47.667	186.415	63.100
	36,64%	132.450	229.070	12.279

The data in this table refers to the universe of corporate buildings.<sup>1</sup> (m<sup>2</sup> leased)

Trend Panel<sup>2</sup>

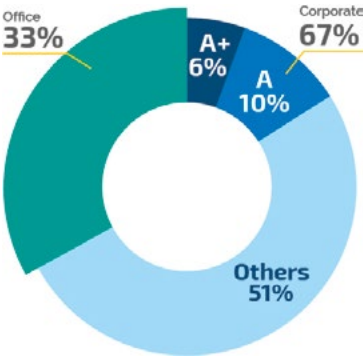
Corporate Market	A+			A			OTHERS		
	Q2/2020	Q3/2020		Q2/2020	Q3/2020		Q2/2020	Q3/2020	
Vacancy Rate	13,41%	15,93%	↗	14,06%	16,30%	↗	15,09%	16,08%	↗
Occupation (m²)	2.079.786	2.061.926	↘	1.400.308	1.363.711	↘	6.017.877	5.951.232	↘
New Stock (m²)	43.632	50.707	↗	28.752	-	↘	4.960	4.661	↘
Construction Activity (m²)	358.115	307.409	↘	182.599	182.599	↔	43.972	39.311	↘

(m² leased)



Paulista<sup>3,4</sup>

- The total office stock in the Paulista district is 2.62 million rentable m². Of this total, 32,92% is in Office<sup>1</sup> buildings, 5,57% in Corporate<sup>1</sup> Class A + buildings, 10,44% in Corporate<sup>1</sup> A buildings and 51,07% in Corporate<sup>1</sup> B and C buildings (Other), resulting in 67,08% of the total stock in Corporate<sup>1</sup> buildings.
- The Paulista Avenue, one of the most important avenues in the city of São Paulo, is also known for having large offices, specially banks, service companies and law firms. Although the vast majority of the Paulista buildings are older, many companies value the address and remain in the region. The vacancy rate in Corporate<sup>1</sup> buildings during the pandemic rose from 11,17% at the beginning of the year to 12,63% in the 3rd quarter of 2020. The A/A+ vacancy rate rose from 5,9% to 9,61%.
- The average rental asking prices for Corporate<sup>1</sup> A and A + buildings in the Paulista region closed the 3rd quarter of 2020 at R\$ 122,30/m², registering a decrease of 1,12% in relation to the 1st quarter of 2020. For the Corporate<sup>1</sup> Others universe, which currently has an average price of R\$ 72,39/m², the decrease was even more expressive, from 1,91% in relation to the 1st quarter of 2020.

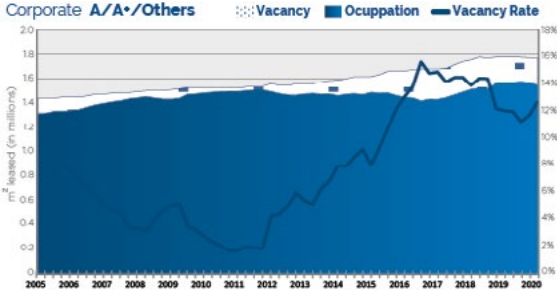
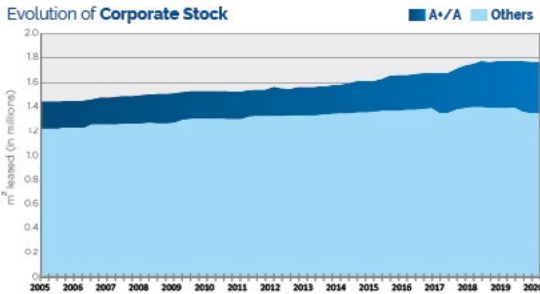


Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Occupation Class Others	Construction Activity
Paulista	2,56%	3.454	143.044	0	
	14,95%	41.962	238.804	47.427	
	13,33%	178.062	1.158.201	8.333	

The data in this table refers to the universe of corporate buildings.<sup>1</sup>

(m² leased)



Corporate Market	A+ / A		OTHERS		
	Q2/2020	Q3/2020	Q2/2020	Q3/2020	
Vacancy Rate	38,96%	38,84%	14,50%	15,15%	↗
Occupation (m²)	1.099.789	1.082.552	3.139.726	3.142.830	↗
New Stock (m²)	-	-	1.521	-	↘
Construction Activity (m²)	109.776	109.766	7.402	7.402	↔



Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A+/A	Occupation Class Others	Construction Activity
Barra da Tijuca	38,02%	127.073	207.157	20.297
	32,52%	34.019	70.591	0
Botafogo	21,68%	18.010	65.066	5.589
	18,16%	97.930	441.207	0
Centro	42,43%	346.220	469.030	34.800
	13,92%	342.451	2.117.409	3.600
Others Regions	43,22%	137.903	181.178	0
	14,08%	69.090	421.482	0

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

Portuária<sup>3,4</sup>

The total stock of offices in the Portuária district in Rio de Janeiro totals 385 thousand m², with 84,86% of this total consists of Corporate<sup>1</sup> buildings and the other 15,14% of the inventory made up of Office<sup>1</sup> buildings (small commercial suites). Of the total stock, 45,74% are of Corporate<sup>1</sup> Class A + buildings, 10,64% of Corporate<sup>1</sup> Class A buildings and 28,48% of Corporate<sup>1</sup> Class B and C buildings (Others), totaling 84,86% of the total inventory in Corporate<sup>1</sup> buildings.

The Porto Maravilha district, still under development and with 24 Corporate<sup>1</sup> buildings ready and it represents only 6% of the entire Corporate market in the city of Rio de Janeiro. The revitalization of the district and government incentives drove investors and developers to invest heavily in the region between 2013 and 2017, causing the stock of Corporate<sup>1</sup> buildings to more than double during this period.

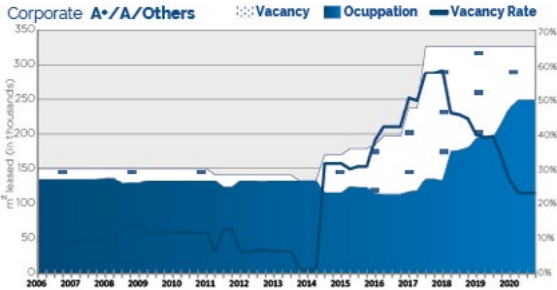
The pandemic impact has not yet been perceived in the Corporate vacancy rate in the Portuária district, as it remained stable in the last 3 quarters at 23,23%, on the other hand, the average rental asking prices dropped from R\$85,32/m² in the 1st quarter of 2020 to R\$75,44 in the 3rd quarter of 2020, a decrease of 11,5%. If we consider only the universe of Corporate<sup>1</sup> A and A+ buildings in the Portuária region, we notice an interesting drop in the vacancy rate in the last 4 years, from 83,30% at the end of 2016 to 26,77% in the 3rd quarter of 2020.

Office 15%  
Corporate 85%  
A+ 46%  
A 11%  
Others 28%

Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Occupation Class Others	Construction Activity
Portuária	28,55%	50.392	126.101		49.089
	19,09%		7.859	33.220	0
	16,24%	17.850		92.061	5.802

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





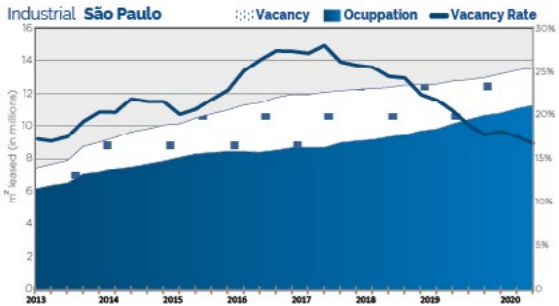
# INDUSTRIAL

## State of São Paulo<sup>3</sup>

- Brazil has 23.69 million rentable m<sup>2</sup> of warehouses spaces in gated industrial and/or logistical condominiums, with the Southeast region alone having 18.05 million m<sup>2</sup> of rentable inventory, that is, 76.19% of the total stock in Brazil. The state of São Paulo alone has 56.98% of the total Brazilian stock, Rio de Janeiro 10.80% and Minas Gerais 6.92%.
- The vacancy rate in the state of São Paulo dropped from 18.13% in the 1st quarter of 2020 to 16.75% in the 3rd quarter of 2020. The current average rental asking prices for the entire state is R\$17.84/m<sup>2</sup>, a decrease of 2.21% in relation to the previous quarter. The asking rents range from R\$8.51/m<sup>2</sup>/month to R\$36.50/m<sup>2</sup>/month, depending on the region and the technical specifications of the warehouses.
- Average rental asking prices for warehouses in gated industrial and/or logistical condominiums dropped along the Anchieta/Imigrantes, Regis Bittencourt, Castelo Branco and Bandeirantes / Anhanguera axes, while on the Fernão Dias, São Paulo (capital) and Dutra SP axes the average rental asking 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 6.34 million rentable m<sup>2</sup> of inventory, which represents 46.72% of the total inventory in the state of São Paulo. The vacancy rate for the axis reaches 18.88%, 0.78% lower compared to the previous quarter.

Average Asking Price Lease m<sup>2</sup>/month

AXIS	Gated Parks		
	Q2/2020	Q3/2020	↑ ↓
Anchieta Imigrantes	R\$ 22.63	R\$ 21.80	↓
Fernão Dias	R\$ 17.43	R\$ 17.59	↑
Regis Bittencourt	R\$ 21.74	R\$ 21.48	↓
São Paulo (Capital)	R\$ 18.44	R\$ 18.71	↑
Dutra SP	R\$ 16.58	R\$ 16.72	↑
Castelo Branco	R\$ 19.23	R\$ 19.20	↓
Bandeirantes/Anhanguera	R\$ 17.68	R\$ 17.07	↓
State of São Paulo	R\$ 18.23	R\$ 17.84	↓



## Trend Panel - Industrial SP

Logistics Condominiums	A+ / A		OTHERS	
	Q2/2020	Q3/2020	Q2/2020	Q3/2020
Vacancy Rate	18,48%	17,48%	15,46%	15,15%
Occupation (m <sup>2</sup> )	7.459.673	7.638.645	3.593.509	3.606.638
New Stock (m <sup>2</sup> )	230.470	106.550	-	-
Construction Activity (m <sup>2</sup> )	1.034.448	1.128.192	162.189	162.189

(m<sup>2</sup> leased)

## Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A/A+	Occupation Class Others	Construction Activity
Anchieta Imigrantes	4,69% 9,81%	15.068 24.149	306.379 222.082	153.900 1.689
Fernão Dias	69,99% 16,16%	55.869 36.959	23.953 191.197	0 0
Regis Bittencourt	1,18% 19,24%	46.447 14.510	550.246 60.957	59.029 0
São Paulo (Capital)	10,02% 9,30%	46.382 29.111	416.532 284.051	0 0
Dutra SP	13,23% 10,98%	219.198 67.995	1.438.236 551.092	125.649 6.300
Castelo Branco	25,56% 15,01%	301.733 206.815	878.727 1.171.412	154.175 34.833
Bandeirantes/Anhanguera	18,83% 19,02%	933.865 264.469	4.024.573 1.125.847	655.440 119.367

The data in this table refers to the universe of corporate buildings.<sup>1</sup>

(m<sup>2</sup> leased)

[1] RealtyCorp's classification methodology for office buildings is based on the Buildings classification, which is: Office: buildings with suites smaller than 100 m<sup>2</sup>; Corporate: buildings with suites larger or equal to 100 m<sup>2</sup>; 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 for Alphaville are not included together with the statistical data for the city of São Paulo;  
[3] The statistical data for this Analytics refer to the 3rd quarter 2020 and were consolidated on September 30, 2020.  
[4] RealtyCorp has adopted Buildings' new regional division, known as Buildings 2.0 Regions. We believe that this segmentation is more consistent with the market reality of the office regions in the cities of São Paulo and Rio de Janeiro. In the case of the city of São Paulo.

\*Past trends should not be used and indicative of future results.  
\*RealtyCorp shall not be responsible for decisions taken based on the information contained in this bulletin.



## Ventura Corporate Tower

Centro  
Rio de Janeiro/RJ

Lease acquisition concluded in **April/2020**. Process coordinated by RealtyCorp.

EDF – Électricité de France is one of the largest French electric power generators in the world. It is present on five continents, and is a champion in growth with low carbon emissions. The company aimed to temporarily change its operation in order to renovate the office that was located in Linneo de Paula Machado Building. Due to some specific needs, the CEO envisioned obtaining a new, more modern space, that would meet the premises of the company's operation.

From the aligned needs and premises, some properties were presented. Among them, Ventura Corporate Towers, where RealtyCorp has exclusivity in commercializing some floors. After RealtyCorp conducted the entire negotiation process with excellence in the Ventura, EDF leased 1.260 m<sup>2</sup> on the 6th floor.

## Fujitsu

Bela Vista  
São Paulo/SP

Lease acquisition concluded in **June/2020**. Process coordinated by RealtyCorp.

Sempre Engenharia has over 26 years of market experience, serving the areas of Civil Construction and Industry Services. The company had been located in the North Zone of São Paulo for many years, but needed to find a new headquarter, closer to its client, in the South Zone of São Paulo. After preparing some research reports, tours on some occasions, Fujitsu Building was chosen as the best option. RealtyCorp managed the transaction and managed to get a very interesting deal for Sempre Engenharia.

The company could choose any consulting firm to represent them, but for knowing RealtyCorp for many years, it felt confident that it was the right company to represent them in this important and strategic relocation decision.



## 17007 - Torre Alpha

Chácara Santo Antônio  
São Paulo/SP

Lease acquisition concluded in **September/2020**. Process coordinated by RealtyCorp.

A company in the financial segment. Asset Bank was located in the countryside of São Paulo, in Araraquara, and sought to bring the operation to the capital. Initially, they sought various options in the market, as the office needed to be located in a building with a great corporate image, easily accessible and located with a variety of services and transportation, preferably in a AAA class building. RealtyCorp presented the floor where we have exclusivity in the Alpha Tower.

After a few rounds, we were able to conclude the negotiation, finalizing the lease of 716 m<sup>2</sup>.

## KSM LOG

Extrema/MG

Lease acquisition concluded in **September/2020**. Process coordinated by RealtyCorp.

A highly relevant company in the footwear segment in Brazil, Vulcabras was looking for an opportunity to buy a land for the construction of a DC in Extrema - MG, and sought the services of RealtyCorp for this challenge.

Faced with the difficulties of land acquisition, RealtyCorp suggested to the company to lease a warehouse in a gated condominium. Vulcabras agreed and we presented several options for analysis, concluding the lease negotiation of 11.343 m<sup>2</sup> in the KSM LOG project.



# 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 ESTATE 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 (FIIs) 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.

# 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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