



# RealtyCorp Analytics

**Office & Industrial**

1st Quarter 2021



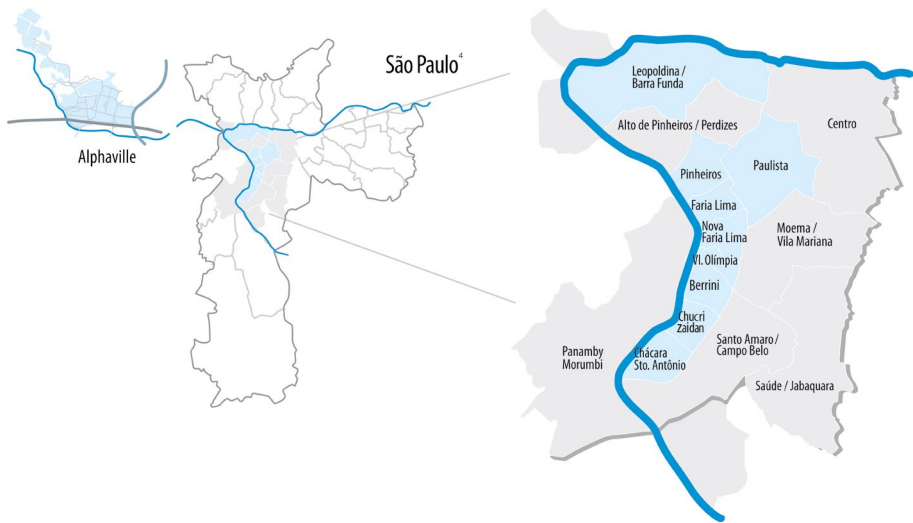
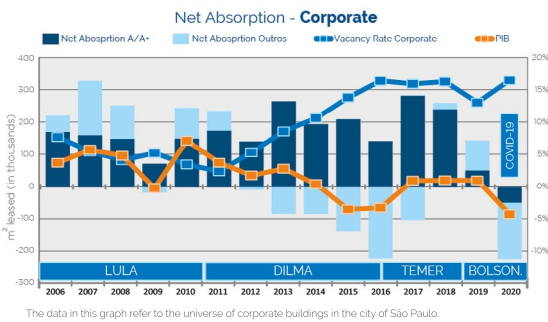
# OFFICE

## São Paulo<sup>3</sup>

The city of São Paulo has 11.23 million square meters of office space in corporate buildings (Corporate<sup>1</sup>) and 5.03 million square meters of office space in Office buildings (small commercial suites). Of the total inventory, 14.89% are in Corporate<sup>1</sup> A+ buildings, 10.06% in Corporate<sup>1</sup> A buildings and 44.12% in Corporate<sup>1</sup> Class B and C buildings (known as Others), totaling 69.07% of Corporate<sup>1</sup> offices in the city of São Paulo. The remaining 30.93% are in Office<sup>1</sup> buildings.

Due to the impact caused by the Covid-19 pandemic, we ended 2020 with the largest negative net absorption in the history of the city of São Paulo. In the chart on the side, we see a negative net absorption of almost 232 thousand m<sup>2</sup> in the universe of Corporate<sup>1</sup> buildings throughout 2020. The Corporate<sup>1</sup> A/A+ vacancy rate, which at the beginning of the year was 11.36%, closed the year 2020 by 17.15%. While the Corporate<sup>1</sup> B and C (Others) vacancy rate went from 14.23% in the 1st quarter to 17.37% in the 4th quarter of 2020.

As we can see in the chart above, there is a correlation between the behavior of the GDP growth rate and the rate of evolution of office occupation. Therefore, if we consider a GDP growth for 2021, as economists point out, we can have a probable scenario of growth in the occupancy rate in the offices, even though we are not yet sure what the impact of the home office will be after the pandemic.



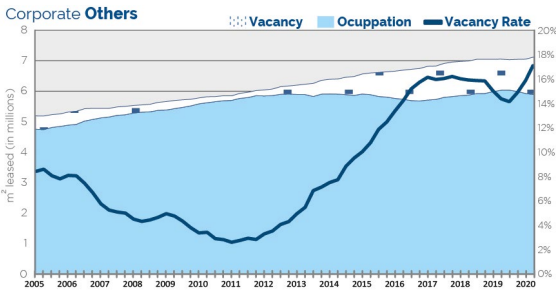
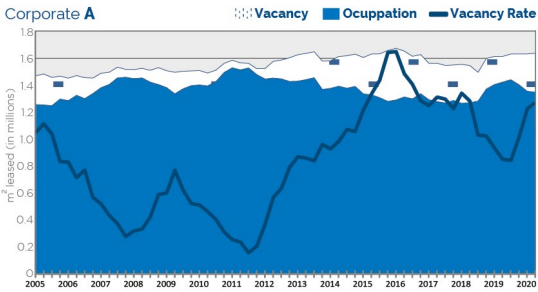
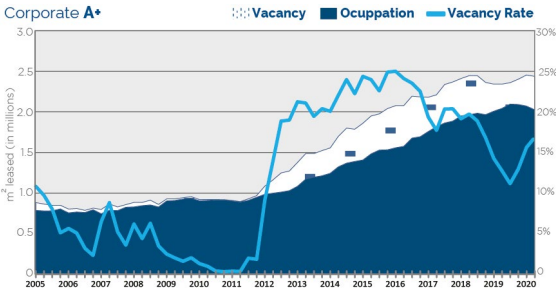
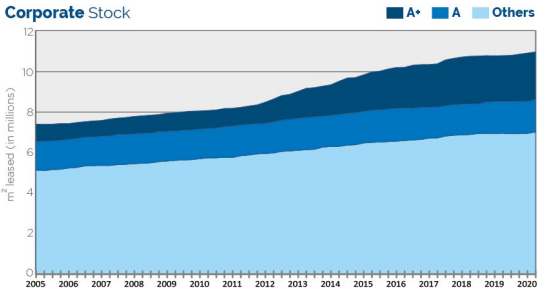
## Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
<b>Nova Faria Lima</b>	6,13%	41.548	636.329	0
	5,79%	16.633	270.439	0
<b>Pinheiros/ Faria Lima</b>	17,27%	26.244	125.681	40.900
	10,19%	13.049	115.003	12.624
<b>Chucui Zaidan</b>	23,94%	154.737	491.592	149.198
	12,11%	13.899	100.898	17.383
<b>Vila Olímpia</b>	8,73%	13.409	140.189	0
	10,78%	10.704	88.629	17.400
<b>Paulista</b>	3,50%	5.121	141.376	0
	19,21%	54.011	227.157	53.739
<b>Leopoldina/ Barra Funda</b>	28,18%	36.383	92.738	32.124
	26,04%	45.570	129.410	48.600
<b>Chácara Sto. Antônio</b>	48,70%	61.005	64.258	30.000
	35,09%	19.585	36.221	0
<b>Other Regions</b>	17,23%	23.364	112.200	53.663
	21,55%	62.461	227.391	29.077
<b>Alphaville (Barueri)</b>	15,44%	36.150	197.931	63.100
	36,57%	132.214	229.360	12.279

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

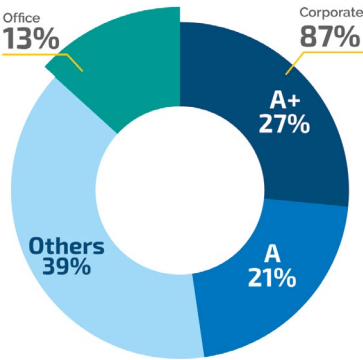
Corporate Market	A+			A			OTHERS		
	Q3/2020	Q4/2020		Q3/2020	Q4/2020		Q3/2020	Q4/2020	
Vacancy Rate	15,54%	16,80%	↗	16,98%	17,67%	↗	16,00%	17,37%	↗
Occupation (m²)	2.059.840	2.015.730	↘	1.352.840	1.346.474	↘	5.966.163	5.930.064	↘
New Stock (m²)	50.707	45.678	↘	-	5.943	↗	4.661	9.840	↗
Construction Activity (m²)	351.563	305.885	↘	194.558	188.615	↘	63.025	53.185	↘

(m² leased)



## Berrini<sup>3,4</sup>

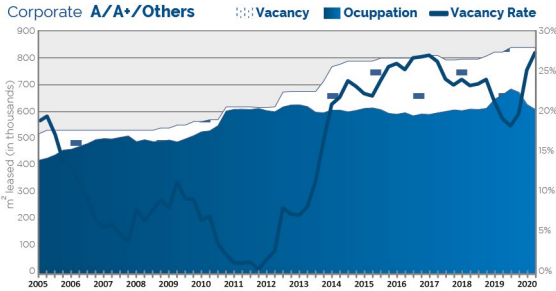
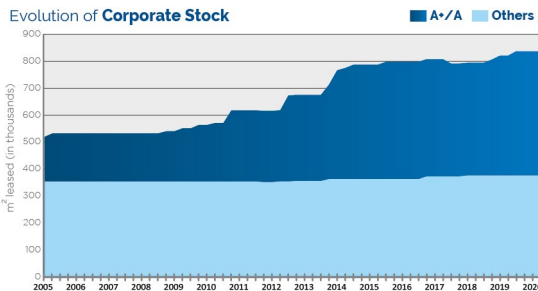
- The Berrini region is composed of 111 buildings, with a total inventory of 966 thousand m². Of this stock, 13,25% is in Office<sup>1</sup> buildings, 26,55% in Corporate Class A+<sup>1</sup> buildings, 21,26% in Corporate A<sup>1</sup> buildings and 39,06% in Corporate B and C buildings (Others)<sup>1</sup>, resulting in 86,75% of the total stock in Corporate<sup>1</sup> buildings.
- Between 2008 and 2015, the office inventory in the Berrini region jumped from 600 thousand m² to 900 thousand m², a 50% increase in inventory in 7 years. Since then, the region's vacancy rate has hovered around 20%, but this scenario began to change in 2019, when the vacancy rate finally fell below 20%, but with the arrival of the pandemic, this downward trend stopped quickly and vacancy increased again, as we can see in the charts below.
- If we analyze only the Corporate<sup>1</sup> universe, we notice a sharp increase in the vacancy rate between the years 2012 and 2017, when then the vacancy rate starts to fall with the resumption of the economy, after the impeachment of President Dilma. However, since the 2nd quarter of 2020, the vacancy rate has risen sharply again due to the pandemic, but also due to the strong competition from the new corporate buildings delivered in recent years in the Chucui Zaidan region, which has attracted some tenants.



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

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Occupation Class Others	Construction Activity
Berrini	17,58%	45.095	211.366	O	O
	25,96%	53.067	151.326	9.792	
	34,59%	130.472	246.732	O	

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



Corporate Market	A+ / A			OTHERS		
	Q3/2020	Q4/2020		Q3/2020	Q4/2020	
Vacancy Rate	38,89%	39,98%	↗	15,10%	16,43%	↗
Occupation (m²)	1.081.013	1.061.773	↘	3.145.473	3.097.990	↘
New Stock (m²)	-	-	↔	-	-	↔
Construction Activity (m²)	109.776	109.776	↔	7.402	7.402	↔



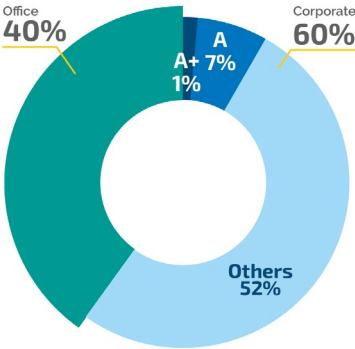
Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A/A+	Occupation Class Others	Construction Activity
Barra da Tijuca	39,39%	131.219	201.904	20.297
	27,69%	28.962	75.648	0
Portuária	26,77%	58.231	159.321	49.089
	16,24%	17.850	92.061	3.802
Centro	43,98%	358.351	538.964	34.800
	14,55%	2.104.625	457.177	3.600
Other Regions	44,09%	67.168	140.697	0
	13,69%	423.405	178.384	0

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

Zona Sul<sup>3,4</sup>

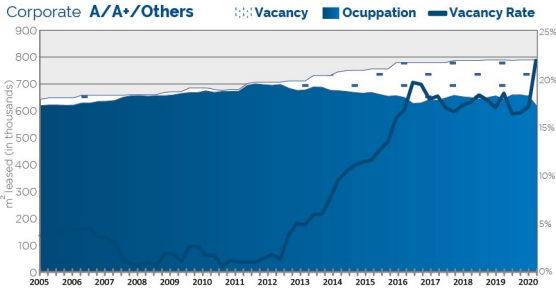
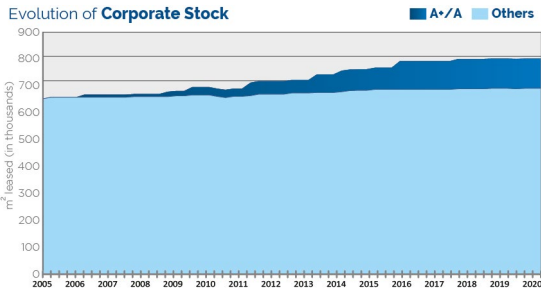
- The total office inventory in the Zona Sul region in Rio de Janeiro consist of 257 buildings with 1.32 million m², with 59,92% of this total consists of Corporate<sup>1</sup> buildings, and the other 40,08% stock by Office<sup>1</sup> buildings (small commercial suites). Of the total inventory, only 1,44% are of Corporate Class A + <sup>1</sup> buildings, 6,83% of Corporate Class A<sup>1</sup> buildings and 51,65% of Corporate Classes B and C buildings (Others), totaling 59,92% of total inventory in Corporate<sup>1</sup> buildings.
- The Zona Sul of the capital of Rio de Janeiro is predominantly made up of old buildings and/or low and medium standard buildings. There are only 11 corporate buildings that make up the region's Corporate Class A and A+ market. However, this is the most valued location in the capital of Rio, with an average asking price of R\$ 83,48/m² for the universe of corporate buildings (Corporate<sup>1</sup>), with peaks of up to R\$255/m² for the best buildings in the Zona Sul, including those that offer a privileged view.
- The vacancy rate in the Zona Sul region, which before the pandemic was around 16,50% for the universe of corporate buildings (Corporate<sup>1</sup>), increased significantly in the 2nd semester of 2020: jumped from 16,47% in the 2nd quarter of 2020 to 21,92% in the fourth 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
Zona Sul	9,83%		1.870	17.164	0
	22,85%		20.605	69.574	5.589
	22,14%	150.992		531.075	0

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





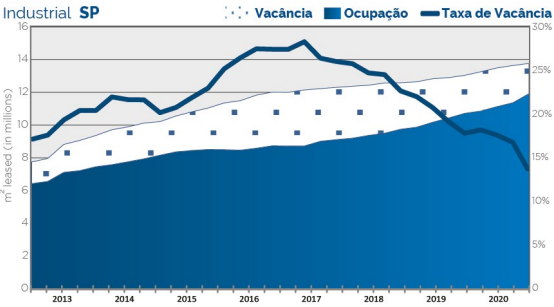
# INDUSTRIAL

## State of São Paulo<sup>3</sup>

- Brazil has 24.02 million m<sup>2</sup> rentable in warehouses in industrial and/or logistical condominiums, with the Southeast region alone having 18.05 million m<sup>2</sup> rentable inventory, that is, 76,60% of the Brazilian total stock. The state of São Paulo has 56,91% of the total Brazilian stock, Rio de Janeiro 10,74% and Minas Gerais 7,53%.
- The vacancy rate in the state of São Paulo fell from 18,09% in the 1st quarter of 2020 to 13,42% at the end of 2020. The current average rental asking prices for the entire state is R\$17,75/m<sup>2</sup>, a decrease of 0,56% in relation to the 3rd quarter of 2020. The rental prices range from R\$8,51/m<sup>2</sup>/month to R\$40,00 m<sup>2</sup>/month, depending on the region and technical specifications of the warehouses.
- Average rental asking prices for warehouses in industrial and/or logistical condominiums dropped in almost all regions of the state (Anchieta/Imigrantes, Regis Bittencourt, Dutra SP, Castelo Branco and Bandeirantes/Anhanguera), while on the Fernão Dias axis and São Paulo (capital) the average asking rental prices rose, as shown in the table below.
- The Bandeirantes / Anhanguera axis is the one that has the largest inventory in industrial and/or logistics condominiums in the state of São Paulo, with 6.46 million rentable m<sup>2</sup>. This represents 47,30% of the total inventory. The axis vacancy rate ended 2020 at 15,07%, 3.64 percentage points lower than the rate for the third quarter of 2020.

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

AXIS	Gated Parks		
	Q3/20	Q4/20	↑ ↓
Anchieta Imigrantes	R\$ 21,80	R\$ 14,80	↓
Fernão Dias	R\$ 17,49	R\$ 18,25	↑
Regis Bittencourt	R\$ 21,48	R\$ 20,75	↓
São Paulo (Capital)	R\$ 19,01	R\$ 20,42	↑
Dutra SP	R\$ 16,69	R\$ 16,01	↓
Castelo Branco	R\$ 19,19	R\$ 19,08	↓
Bandeirantes/Anhanguera	R\$ 17,08	R\$ 17,05	↓
State of São Paulo	R\$ 17,85	R\$ 17,75	↓



### Trend Panel - Industrial SP

Logistics Condominiums	A+ / A		OTHERS	
	Q3/2020	Q4/2020	Q3/2020	Q4/2020
Vacancy Rate	17,46%	13,17%	14,98%	13,97%
Occupation (m <sup>2</sup> )	7.658.930	8.162.901	3.631.172	3.674.640
New Stock (m <sup>2</sup> )	148.550	121.862	-	-
Construction Activity (m <sup>2</sup> )	1.652.794	1.720.603	89.373	89.373

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

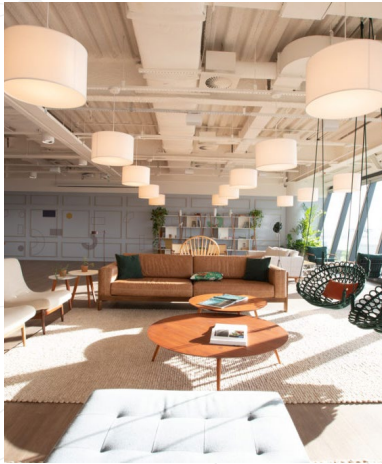
### Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A+/A	Occupation Class Others	Construction Activity
Anchieta Imigrantes	0,00%	0	321.446	153.900
	5,42%	13.343	232.887	1.689
Fernão Dias	69,99%	55.869	23.953	0
	16,27%	37.017	190.543	0
Regis Bittencourt	3,79%	22.610	574.084	130.212
	20,80%	15.698	59.777	0
São Paulo (Capital)	7,29%	33.756	429.159	49.620
	9,12%	28.547	284.615	0
Dutra SP	10,46%	177.021	1.515.184	321.589
	11,18%	70.727	561.701	13.484
Castelo Branco	18,38%	225.075	999.708	176.373
	13,02%	180.309	1.204.755	34.833
Bandeirantes/Anhanguera	14,26%	723.866	4.353.495	834.710
	18,04%	250.921	1.140.362	39.367

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 4th quarter 2020 and were consolidated on December 31, 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.



## Aqwa Corporate

Portuária  
Rio de Janeiro/RJ

Lease acquisition concluded in **November/2020**.

Focusing on intelligent communication and strategic planning, Agência Macro felt the need to consolidate the location of the group, beginning its relationship with RealtyCorp in 2019. After we understood the needs and premises for this unification, was presented an options report, reaching to two feasible possibilities, however, at that moment the Agência Macro preferred to opt for a temporary space, the Lonuma building.

In 2020, still aiming to have a better space for the group to occupy, we resumed the project and achieved excellent conditions at the Coworking Studio located at Aqwa Corporate. Thus, we met all the client's expectations, and we even took the GI Group to the floor that was occupied by the agency in the Lonuma building, taking advantage of even the existing furniture. This generated more savings and satisfaction for both sides.

## São Luis Gonzaga

Paulista  
São Paulo/SP

Lease acquisition concluded in **November/2020**.

A drugstore chain management company present in 24 states in Brazil, Farmarcas is located in the São Luis Gonzaga building, property leased in 2015, coordinated by RealtyCorp. With the continuous growth that has been happening, it was necessary to expand the current space. The solution was to seek another half floor in the same building, negotiating even the output of a former tenant.

RealtyCorp's excellent service and professionalism allows Farmarcas to always consult it to analyze its real estate expansion strategies.



## E-tower

Vila Olímpia  
São Paulo/SP

Lease Renewal concluded in **November/2020**.

RealtyCorp was engaged by the landlord of the top floor of the E-tower building, one of the best and most imposing buildings in the Vila Olímpia region, to renew the lease with the current tenant: the Arystóbulo Law Firm.

The negotiation process managed by RealtyCorp sought to bring balance in the rent values, considering the standard of the property, triple A building, being the top floor (36th floor), exclusive with one of the most beautiful views of the capital of São Paulo.

RealtyCorp updated the rental values, leaving the client very satisfied with the negotiated commercial conditions and agility in finalizing the deal.

## HD873

Chucrí Zaidan/Shopping Morumbi

Lease acquisition concluded in **November/2020**.

Amid the pandemic, 1,000 m² fully furnished in the HD873 building were returned. RealtyCorp reacted promptly and went in search of a potential tenant for the area mentioned, reaching at a large multinational company that had its operation in the Chucrí Zaidan region.

This company sought to reduce its area and monthly cost, matching what we had to offer: ready office, easy to set up, with reduced Capex and close to the old location.

The Vila, as we affectionately call the first floor of the HD873 Corporate building, is a unique space, with the sophistication and technology of a class A corporate building. In addition to a cozy atmosphere, with a square with tables and a cafe in the center, these characteristics were fundamental for the occupant to implement its show room - one of its premises.



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