



# RealtyCorp Analytics

**Office & Industrial**  
2nd Quarter 2021



# 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



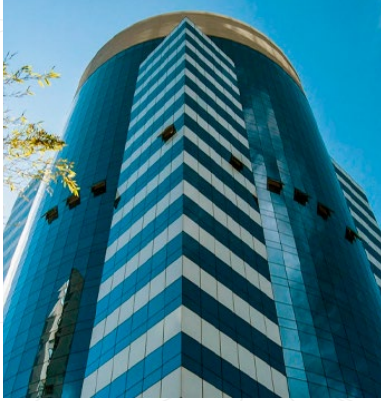
Structuring and management of investments in the real estate market, consultancy and development in real estate by creating specific solutions which bring value to the client, through transparent and sustainable processes.

- 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.



## C. E. C. João Domingues de Araújo

Berrini

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

Process coordinated by RealtyCorp.

ICL is a multinational chemical company that develops, produces and commercializes fertilizers, metals and other chemicals for special purposes. The company sought RealtyCorp for a consultancy on its real estate occupation.

As the landlord was totally inflexible to negotiate the value, even in the face of the pandemic and the high level of rent practiced and the company was divided into two floors, the solution was to find a property of the same standard that met all the expectations of ICL and with values that would fit in the budget. The solution was to find an option where the company could be all on a single floor, reducing the rentable area, increasing efficiency and bringing the breakeven to before the 3rd year of the contract.

## Torre Sul

Berrini

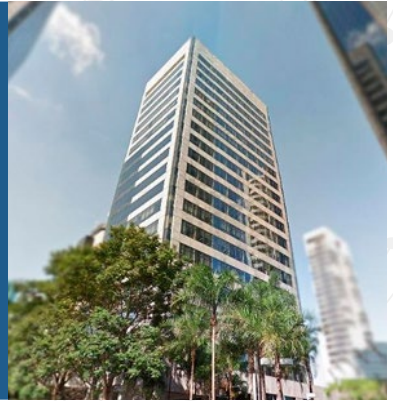
São Paulo/SP

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

Process coordinated by RealtyCorp.

ContourGlobal is a growth platform company for the acquisition and development of power generation diversified in fuel types and geographies. With the health/economic crisis and the implementation of the home office, there was a need to reduce the occupancy costs, as they were paying a lot for idle spaces.

The first step was to understand with the client the size that would make sense for a reduction. After defining the area, the second aspect was the definition of the region of interest since the current region - Itaim - served very well. With the definition of the regions, we presented several potential buildings and started the process of tours and elimination. Finally, we started negotiations with the landlord of the chosen building and reached the commercial bases that the client wanted.



## Ed. G. Leblon

Leblon

Rio de Janeiro/RJ

Real Estate Appraisal concluded in **September/2020**.

Process coordinated by RealtyCorp.

Due to the market moment and long-standing relationship between the lessor and lessee, the Geriatric Clinic Leblon was granted several discounts and advantages throughout the lease agreement. In order to adjust the value of the lease, Vescon engaged RealtyCorp to evaluate the Property.

We carried out the property valuation, verifying the rental market value range, conditions of the property in general in relation to the local market, comparing it with other options (competitors) in the region and submitting the evaluation report with the result and with our suggestion of strategy.

Vescon was successful in dealing with the lessee using the document and strategy presented.

## Grand Station

Pinheiros

São Paulo

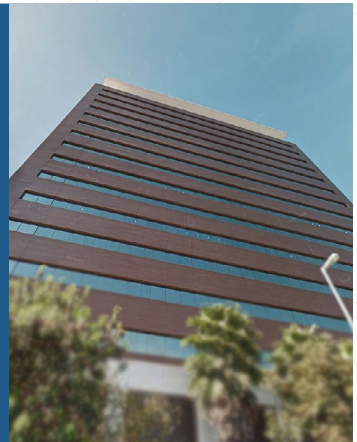
Lease acquisition concluded in **September/2020**.

Process coordinated by RealtyCorp.

Our client, landlord of Ed. Grand Station, is one of the largest construction companies in São Paulo, with over 3 million m<sup>2</sup> constructed. Knowing our work, the quick, ethical and professional way we mediate leases and sales, contacted us the moment he learned that he would have a space delivered back in the building.

RealtyCorp not only mediated the new lease, but also helped the landlord in the process of returning the property by the former tenant, making an analysis of whether the improvements they would leave could help or not for the future lease, this consultancy was fundamental to the success of the lease.

The challenge was to find a company to occupy the fully furnished property, in the shortest possible time with commercial market conditions, amid the pandemic. The work was fast and efficient, managing to rent the property to the company Vórtx, the fastest transaction carried out by RealtyCorp, only 7 days from the first tour, validation of technical aspects, negotiation and contract signing.

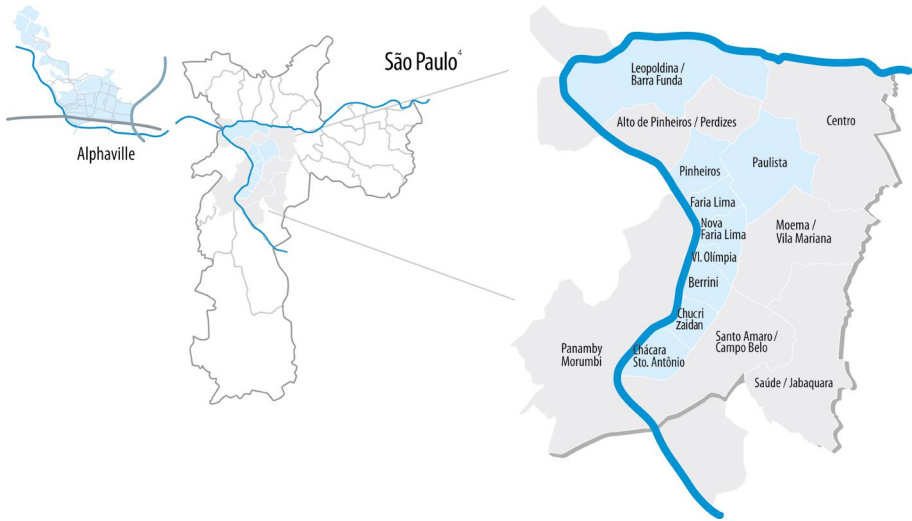
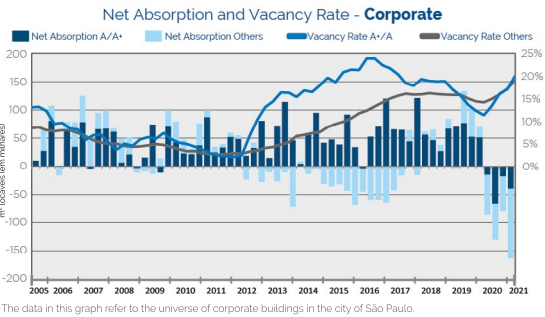


# OFFICE

## São Paulo<sup>3</sup>

The city of São Paulo has 11.40 million square meters of office space in 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, 15.30% are in Corporate<sup>1</sup> A+ buildings, 9.77% in Corporate<sup>1</sup> A buildings and 44.27% in Corporate<sup>1</sup> Classes B and C buildings (known as Others), totaling 69.34% of Corporate<sup>1</sup> offices in the city of Sao Paulo. The remaining 30.66% are in Office<sup>1</sup> buildings.

With the closing of the 1st quarter of 2021 data, we can analyze a full year of the real impact of the pandemic on the office market in the city of São Paulo. If we consider the last 4 quarters of the year, we add 140 thousand square meters of negative net absorption to the universe of Corporate A/A+ buildings and 320 thousand square meters of negative net absorption to the universe of Corporate Others (B and C). Therefore, we have a total of negative 460 thousand square meters during a pandemic year for the entire universe of Corporate buildings. As shown in the graph on the right, this movement of office return caused a significant increase in the vacancy rate: in Corporate A/A+ it jumped from 11.34% in the 1st quarter of 2020 to 20.12% in the 1st quarter of 2021; in the Corporate Others buildings (B and C), the jump was 14.17% to 19.07% in the same period.



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

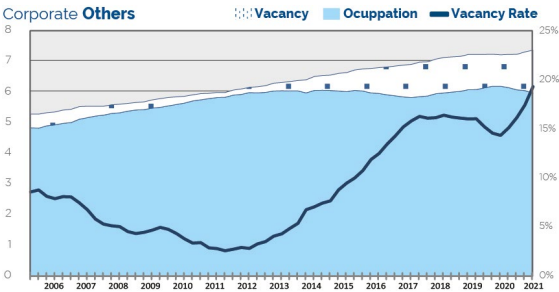
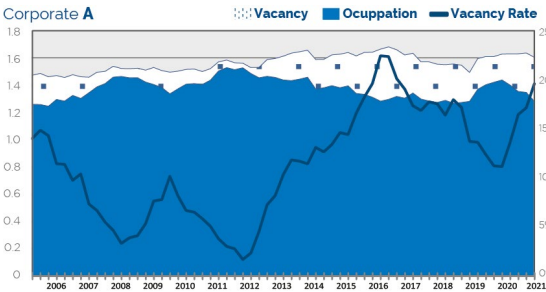
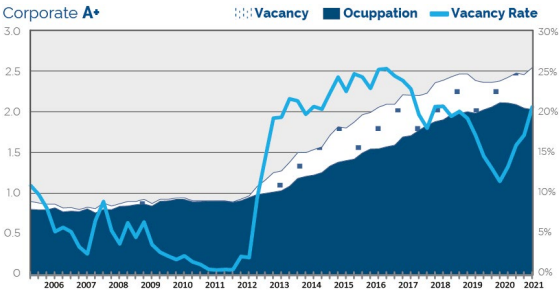
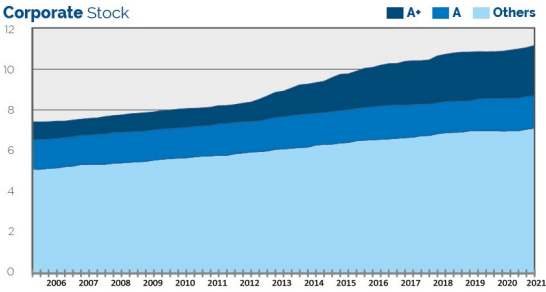
Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
<b>Nova Faria Lima</b>	6,32%	42.817	635.061	0
	6,71%	19.274	267.798	10.083
<b>Pinheiros/ Faria Lima</b>	19,42%	30.072	124.791	40.841
	14,82%	18.976	109.083	12.624
<b>Chucrí Zaidan</b>	33,34%	243.212	486.309	85.817
	12,78%	14.670	100.127	18.086
<b>Berrini</b>	9,16%	17.822	176.830	0
	26,14%	53.421	150.971	9.792
<b>Paulista</b>	9,62%	14.098	132.400	0
	27,58%	72.358	190.032	32.602
<b>Leopoldina/ Barra Funda</b>	28,18%	36.383	92.738	32.124
	29,16%	51.321	124.707	48.600
<b>Chácara Sto. Antônio</b>	37,38%	46.827	78.436	30.000
	38,99%	19.635	30.720	0
<b>Other Regions</b>	28,27%	57.853	146.823	53.663
	21,43%	60.867	223.185	41.036
<b>Alphaville (Barueri)</b>	19,21%	42.752	179.780	63.100
	41,62%	150.481	211.040	12.279

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

Trend Panel<sup>2</sup>

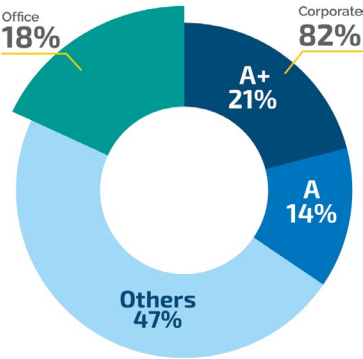
Corporate Market	A+			A			OTHERS		
	Q4/2020	Q1/2021		Q4/2020	Q1/2021		Q4/2020	Q1/2021	
Vacancy Rate	16,70%	20,09%	↗	18,24%	20,49%	↗	17,19%	19,04%	↗
Occupation (m²)	2.026.529	2.010.643	↘	1.349.726	1.286.846	↘	5.980.222	5.893.012	↘
New Stock (m²)	45.678	83.198	↗	5.943	21.137	↗	14.704	3.650	↘
Construction Activity (m²)	325.643	242.445	↘	201.277	190.223	↘	44.112	40.462	↘

(m² leased)



Vila Olímpia<sup>3,4</sup>

- The Vila Olímpia region is composed of 125 buildings, with a total inventory of 733 thousand square meters. Of this stock, 81.88% is in corporate buildings (Corporate<sup>1</sup>) and only 18.12% is in Office<sup>1</sup> buildings (small commercial suites). Of the total stock, 20.93% are of Corporate Class A+ buildings, 13.57% of Corporate Class A buildings and 47.38% of Corporate Class Other buildings (B and C), totaling 81.88% of the stock in Corporate buildings.
- The net absorption of the universe of Corporate buildings in Vila Olímpia in 2020 was 44 thousand negative square meters, while in 2019 the net absorption was 18 thousand positive square meters. This sharp drop in demand due to the pandemic caused the vacancy rate in Corporate buildings in Vila Olímpia to rise from 7.25% in the first quarter of 2020 to 16.66% in the first quarter of 2021. This number more than doubled in just a year. This shows that even consolidated regions like Vila Olímpia have suffered from the impact of the health crisis in the office sector.
- If we consider only the universe of Corporate A/A+ buildings, the vacancy rate increased from 2.94% in the first quarter of 2020 to 11.61% in the first quarter of 2021. As for the average asking prices, it fell from R\$118.65/m² to R\$106.95/m² in the same period, that is, a decrease of almost 10% in the average asking prices in a considered consolidated region in Sao Paulo city.

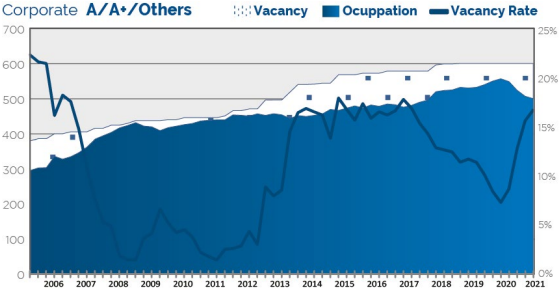
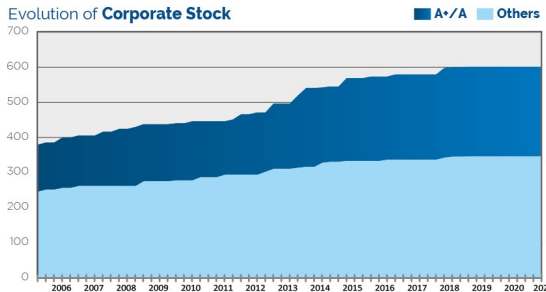


Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Occupation Class Others	Construction Activity
10,64%	16.344	137.255	0		
Vila Olímpia 13,11%	13.056	86.527	17.400		
20,33%	70.690	277.804	0		

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

(m² leased)



Corporate Market	A+ / A			OTHERS		
	Q4/2020	Q1/2021		Q4/2020	Q1/2021	
Vacancy Rate	39,72%	40,46%	↗	16,45%	18,34%	↗
Occupation (m²)	1.067.284	1.054.147	↘	3.098.053	3.030.000	↘
New Stock (m²)	-	-	↔	-	2.639	↗
Construction Activity (m²)	109.776	109.776	↔	10.041	7.402	↘

(m² leased)

Rio de Janeiro<sup>4</sup>

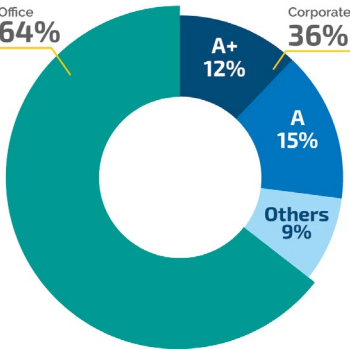


Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A/A+	Occupation Class Others	Construction Activity
Portuária	26,77%	58.231	159.321	49.089
	16,47%	18.100	91.811	3.801
Botafogo	37,11%	30.210	51.188	5.589
	25,52%	135.631	395.887	0
Centro	42,58%	348.903	470.531	34.800
	17,61%	432.954	2.026.194	3.600
Other Regions	43,52%	138.873	138.873	0
	13,88%	70.134	435.278	0

Barra da Tijuca<sup>3,4</sup>

- The total office inventory in the Barra da Tijuca region in Rio de Janeiro consist of 265 buildings with 1.23 million square meters, of which 35.54% of this total is composed of Corporate<sup>1</sup> buildings, and the other 64.46% of stock by Office<sup>1</sup> buildings (small commercial suites). Of the total stock, 12.09% are of Corporate Class A+ buildings, 14.96% of Corporate Class A<sup>1</sup> buildings and 8.49% of Corporate Classes B and C (Others)<sup>1</sup> buildings, totaling 35.54% of total stock in Corporate<sup>1</sup> buildings.
- Barra da Tijuca is formed, predominantly, of medium standard Office buildings. Regarding the corporate market, the neighborhood has 42 high-standard corporate buildings that make up the region's Corporate Class A and A + market. Barra's corporate market has been characterized by a high vacancy rate for several years, especially after the Olympics in 2016.
- Barra's vacancy rate, which previously stood at around 35% for the universe of corporate buildings (Corporate<sup>3</sup>), increased by 02 percentage points in the last five quarters: from 35.09% in the fourth quarter of 2019 to 37.47% in the first quarter of 2021.



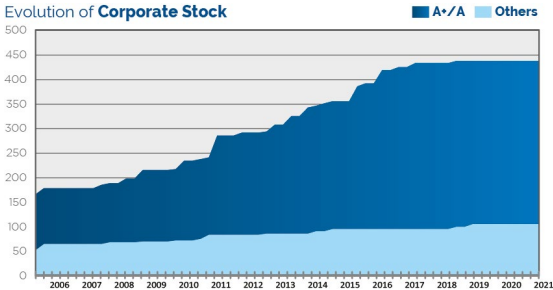
Occupancy, Vacancy and Construction Activity<sup>3,4</sup>

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Occupation Class Others	Construction Activity
Barra da Tijuca	46,91%	69.850	79.039		20.297
	38,20%	70.375	113.860		0
	22,73%	23.779	80.830		0

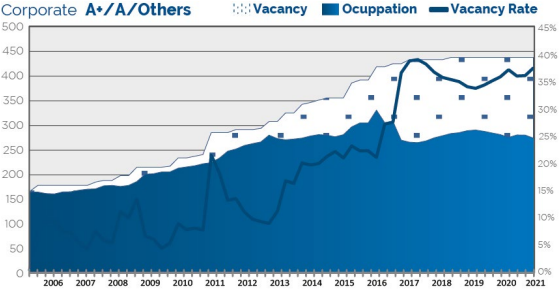
The data in this table refers to the universe of corporate buildings.<sup>1</sup>

(m² leased)

Evolution of Corporate Stock



Corporate A+/A/Others



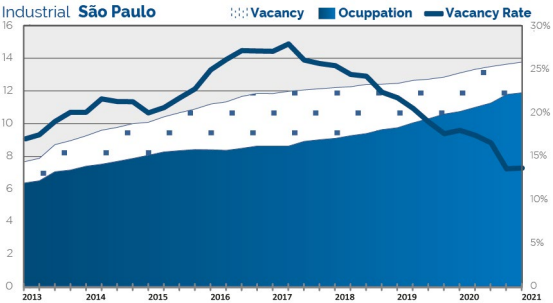
# INDUSTRIAL

## State of São Paulo<sup>3</sup>

- Brazil has 24.58 million m<sup>2</sup> of rentable warehouses in industrial and/or logistical condominiums, with the Southeast region alone having 18.77 million m<sup>2</sup> rentable of this inventory, that is, 76.36% of the total Brazilian stock. The state of São Paulo has 56.34% of the total Brazilian stock, Rio de Janeiro 10.78% and Minas Gerais 7.56%.
- The vacancy rate in the state of São Paulo rose from 13.61% in the fourth quarter of 2020 to 14.10% in the first quarter of 2021. The current average rental asking prices for the entire state is R\$17.46/m<sup>2</sup>, a decrease of 0.40% in relation to the 4th quarter of 2020. The rental asking 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.
- The Average rental asking prices for warehouses in industrial and/or logistical condominiums rose in almost all regions of the state (Anchieta/Imigrantes, Fernão Dias, Regis Bittencourt, São Paulo (capital) and Dutra SP), while on the axis Castelo Branco and Bandeirantes/Anhanguera, the average rental asking prices fell, as shown in the table below.
- The Bandeirantes/Anhanguera axis is the one with the largest inventory in industrial and/or logistics condominiums in the state of São Paulo, with 6.60 million m<sup>2</sup> of rentable space. This represents 47.65% of the total stock in the state of SP. The vacancy rate for the axis ended the first quarter of 2021 at 17.47%, 2.04 percentage points higher than the rate for the fourth quarter of 2020.

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

AXIS	Gated Parks		
	Q4/2020	Q1/2021	↑ ↓
Anchieta Imigrantes	R\$ 14.88	R\$ 22.51	↑
Fernão Dias	R\$ 18.44	R\$ 20.03	↑
Regis Bittencourt	R\$ 20.79	R\$ 20.97	↑
São Paulo (Capital)	R\$ 19.07	R\$ 19.41	↑
Dutra SP	R\$ 16.19	R\$ 17.69	↑
Castelo Branco	R\$ 19.34	R\$ 19.28	↓
Bandeirantes/Anhanguera	R\$ 16.57	R\$ 15.99	↓
State of São Paulo	R\$ 17.53	R\$ 17.46	↓



### Trend Panel - Industrial SP

Logistics Condominiums	A+ / A		OTHERS	
	Q4/2020	Q1/2021	Q4/2020	Q1/2021
Vacancy Rate	13,44%	14,32%	13,98%	13,60%
Occupation (m <sup>2</sup> )	8.220.974	8.295.731	3.638.399	3.654.518
New Stock (m <sup>2</sup> )	139.828	198.143	-	-
Construction Activity (m <sup>2</sup> )	1.824.277	2.120.789	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% 6,76%	0 16.643	321.446 229.587	217.006 1.689
Fernão Dias	55,01% 19,63%	43.907 44.605	35.914 182.579	0 0
Regis Bittencourt	2,83% 21,45%	16.901 16.482	579.792 60.369	130.212 0
São Paulo (Capital)	2,10% 7,96%	9.709 24.925	453.205 288.237	49.620 0
Dutra SP	12,45% 11,08%	214.363 67.624	1.507.471 542.931	294.038 13.484
Castelo Branco	15,62% 11,17%	188.921 155.589	1.020.354 1.237.650	358.780 34.833
Bandeirantes/ Anhanguera	17,26% 18,31%	913.116 4.377.546	249.521 1.113.164	1.071.134 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 1st quarter 2021 and were consolidated on March 31, 2021.  
[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.

<sup>1</sup>Past trends should not be used and indicative of future results.  
<sup>2</sup>RealtyCorp shall not be 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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