



RealtyCorp Analytics

Office & Industrial
2nd Quarter 2023

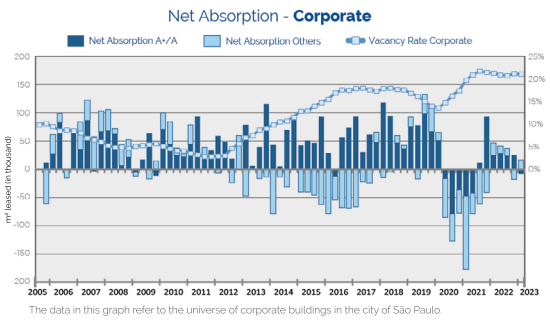
(Data reference: 1Q2023)



OFFICE

São Paulo³

- The city of São Paulo currently has 11.797 million of rentable m² of offices in Corporate¹ buildings (corporate buildings) and 5.069 million of rentable m² of offices in Office¹ buildings (small commercial suites). This totals 16.866 million m² in office buildings in the city of São Paulo. Of the total stock, 16.09% are in Corporate¹ A+ buildings, 12.25% in Corporate¹ A buildings and 41.61% in Corporate¹ Class B and C buildings (known as Others), totaling 69.95% of Corporate¹ offices in the capital of the state; with the remaining 30.05% being in Office¹ buildings.
- As we can see in the graph on the side, in the 1st quarter of 2023 the numbers show that the net absorption in the Corporate¹ A+/A office market in the city of São Paulo was negative for the first time after the post-pandemic recovery. However, in the Corporate¹ B/C universe, net absorption was positive, reversing what happened in 4Q2022.
- When we analyze the Corporate market as a whole, that is, all classes (A+/A/B/C), we have a positive net absorption in the 1st quarter of 2023. It is, however, very small (only +8,105 m²). And a total gross absorption of 192 thousand m², 25% lower than the gross absorption of a year ago (256 thousand m² - 1Q2022). These figures point to a slowdown in the pace of office occupation resumption in the city of São Paulo, which was stronger until the end of 2022. We have noticed that companies in general have adapted and adopted the hybrid model of office occupation, in called the post-pandemic new normal. In this way, they are demanding less new office space.



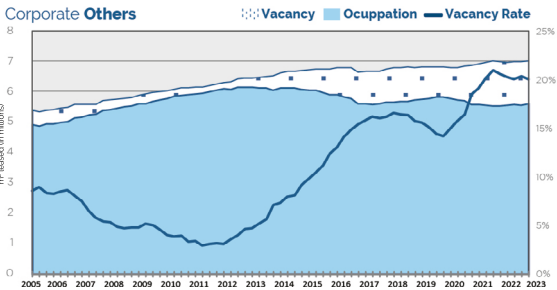
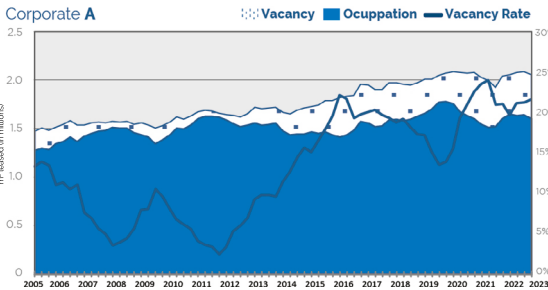
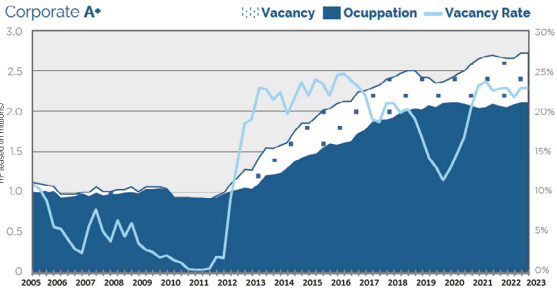
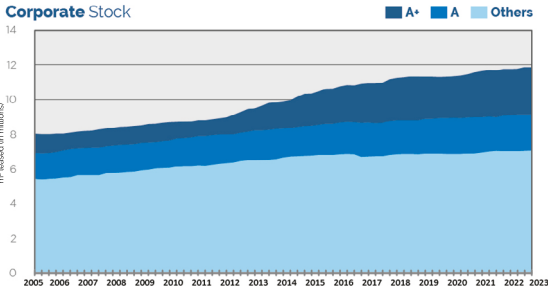
Occupancy, Vacancy and Construction Activity^{3, 4}

Vacancy Rate (%)	Vacancy	Occupation Class A+	Occupation Class A	Construction Activity
Nova Faria Lima	5,24%	34.455	623.446	31.342
	6,15%	21.707	331.310	29.127
Pinheiros/ Faria Lima	10,77%	23.695	196.241	11.795
	17,40%	34.159	162.204	39.347
Chucui Zaidan	35,18%	260.041	479.135	66.000
	14,74%	23.534	136.171	0
Berrini	10,33%	20.101	174.552	0
	27,85%	102.722	266.168	9.792
Paulista	29,53%	61.131	145.896	0
	24,67%	88.888	271.434	9.290
Leopoldina/ Barra Funda	29,80%	54.587	128.621	0
	52,46%	60.984	55.268	60.500
Chácara Sto. Antônio	33,11%	41.473	83.790	128.996
	53,95%	37.589	32.090	0
Other Regions	43,12%	100.403	132.459	71.867
	22,05%	72.744	257.121	32.768
Alphaville	24,20%	49.943	156.457	63.100
	37,86%	150.425	246.889	12.279

Trend Panel²

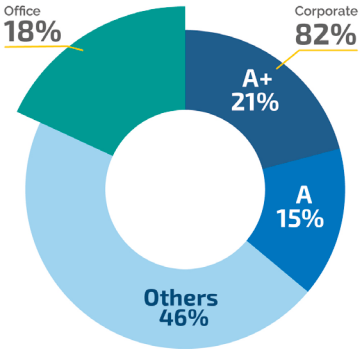
Corporate Market	A+			A			OTHERS		
	Q4/22	Q1/23		Q3/22	Q1/23		Q4/22	Q1/23	
Vacancy Rate	22,80%	22,82%	↗	21,37%	21,73%	↗	20,34%	20,07%	↘
Total Stock (m²)	2.713.626	2.713.626	↔	2.096.176	2.065.941	↘	6.991.697	7.017.819	↗
New Stock (m²)	66.837	-	↘	6.467	-	↘	3.480	-	↘
Construction Activity (m²)	323.960	323.960	↔	189.825	189.825	↔	35.456	35.456	↔

(m² leased)

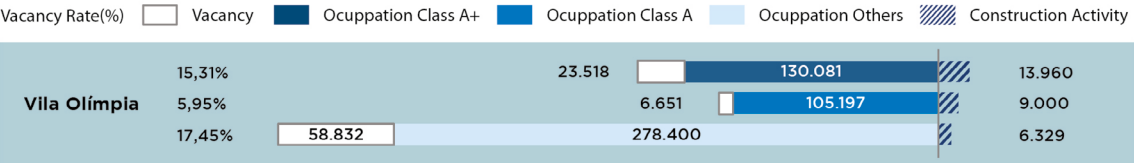


Vila Olímpia^{3,4}

- The Vila Olimpia region comprises 125 buildings, with a total stock of 735,000 of rentable m². Of this universe, 81.93% is made up of corporate buildings (Corporate¹) and only 18.07% of Office¹ buildings (small commercial suites). Of the total stock, 20.88% are Corporate Class A+ buildings, 15.20% are Corporate Class A buildings and 45.84% are Corporate Class Other buildings (B and C). This totals 81.93% of the stock in Corporate buildings.
- The net absorption of the universe of Corporate buildings in Vila Olimpia in the sum of the years 2020, 2021 and 2022 was 34.8 thousand m² negative, while in 2019 alone, the net absorption had been 18 thousand m² positive. This sharp drop in demand due to the pandemic caused the vacancy rate in Corporate buildings in Vila Olimpia to rise from 7.23% in the 1st quarter of 2020 to 16.04% in the 1st quarter of 2022. A small decrease came now, that is, in 2022 it was already possible to perceive a small recovery in the demand for occupancy of offices in Vila Olimpia.
- If we consider only the universe of Corporate A/A+ buildings, the vacancy rate rose from 3.24% in the 1st quarter of 2020 to 13.63% in the 1st quarter of 2022. It also decreased a little now in the 1st quarter of 2023, to 11.37%. When we add the net absorption of the Corporate A/A+ universe in the last three years (2020, 2021 and 2022), we also have a negative net absorption of 19 thousand m².

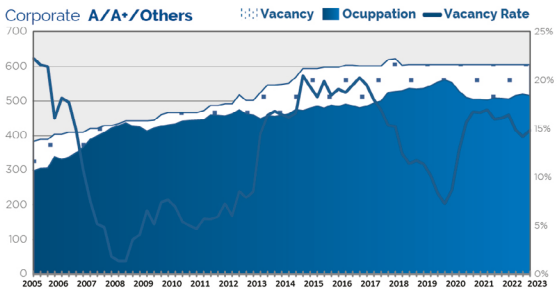
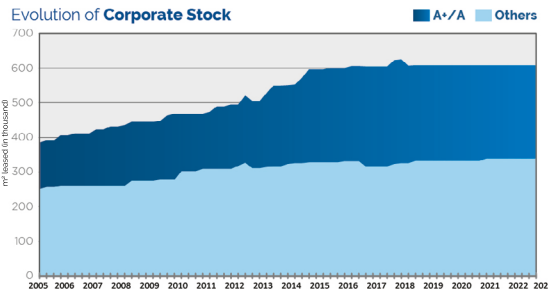


Occupancy, Vacancy and Construction Activity^{3,4}



The data in this table refers to the universe of corporate buildings.^{1,4}

(m² leased)



Corporate Market	A+ / A			OTHERS		
	Q4/22	Q1/23		Q4/22	Q1/23	
Vacancy Rate	37,20%	37,70%	↗	19,69%	19,90%	↗
Total Stock (m²)	1.831.635	1.831.635	↔	3.691.479	3.691.479	↔
New Stock (m²)	-	-	↔	-	-	↔
Construction Activity (m²)	90.541	90.541	↔	7.016	7.016	↔

(m² leased)



Occupancy, Vacancy and Construction Activity^{3,4}

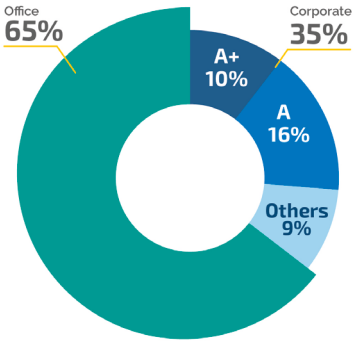
Vacancy Rate(%)	Vacancy	Occupation Class A/A+	Occupation Class Others	Construction Activity
Portuária	27,81%	60.153	156.133	49.089
	21,46%	25.495	93.311	0
Zona Sul	22,10%	33.562	118.302	5.589
	20,41%	128.363	500.566	3.416
Centro	38,13%	318.481	516.722	10.000
	21,05%	522.533	1.960.199	3.600
Other Regions	56,70%	172.536	131.745	0
	6,31%	22.125	328.492	0

The data in this table refers to the universe of corporate buildings. ^{1,4}

(m² leased)

Barra da Tijuca^{3,4}

- The total office stock in the Barra da Tijuca region, in Rio de Janeiro, comprises 266 buildings with 1.232 million m²; 35.47% of this total comprises Corporate¹ buildings and the other 64.53% of the stock comprises Office¹ buildings (small commercial suites). Of the total stock, 10.42% are Corporate¹ Class A+ buildings, 15.87% are Corporate¹ A buildings and 9.18% are Corporate¹ Class B and C buildings (Others). This is equivalent to 35.47% of the total stock in Corporate¹ buildings.
- Barra da Tijuca is made up predominantly of mid-range Office¹ buildings. Regarding the corporate market, the neighborhood has 41 high-end buildings that make up the Corporate¹ Classes A and A+ market in the region. Barra's corporate market has been characterized by a high vacancy rate for several years, particularly after the 2016 Olympics.
- Barra's vacancy rate, which was 35.45% for the entire Corporate¹ universe in the 1st quarter of 2020, reduced in the 1st quarter of 2023 to 32.60%. When we consider only the vacancy rate in Corporate A+/A buildings, there was a good reduction from 38.59% in the 1st quarter of 2020 to 32.66% in the 1st quarter of 2023.

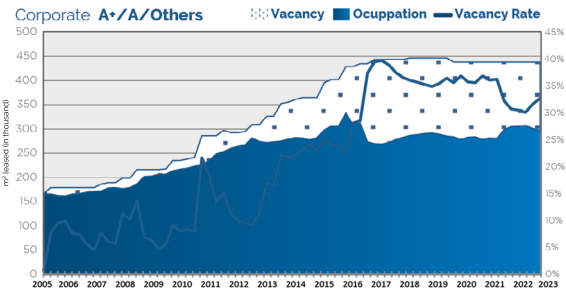
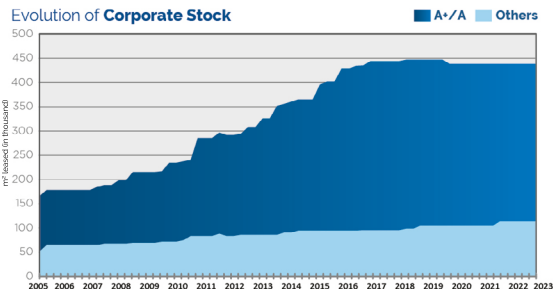


Occupancy, Vacancy and Construction Activity^{3,4}

Vacancy Rate (%)		Vacancy	Occupation Class A+	Occupation Class A	Occupation Others	Construction Activity
Barra da Tijuca	38,50%		49.447	78.993		20.297
	28,83%	56.372		139.188		5.566
	32,41%			36.653	76.442	0

The data in this table refers to the universe of corporate buildings. ^{1,4}

(m² leased)



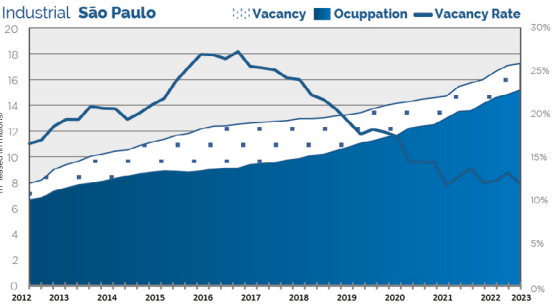
INDUSTRIAL

State of São Paulo³

- Brazil has 32.353 million rentable m² of warehouses in industrial and/or logistics condominiums, with the Southeast region alone holding 24.062 million m² of this stock. This represents 74.37% of the total Brazilian stock; only the state of São Paulo has 53.16% of the national share; Rio de Janeiro 8.90% and Minas Gerais 8.40%.
- The vacancy rate in the state of São Paulo went from 13.09% in 4Q2022 to 11.84% in 1Q2023. The current average rental asking price for the entire state (Warehouses in A/A+ Condominiums) is R\$24.78/m²/month. This represents an increase of 2.18% compared to 4Q2022.
- The average rental asking prices for warehouses in Class A/A+ industrial and/or logistics condominiums rose in all seven (7) regions of the state (Régis Bittencourt, Castelo Branco, Bandeirantes/Anhanguera, Fernão Dias, São Paulo-Capital, Dutra SP and Anchieta/Imigrantes), as shown in the table below:
- The Bandeirantes/Anhanguera axis has the largest stock of industrial and/or logistics condominiums in the state of São Paulo, with 7,924 million rentable m² of space. This represents 46.06% of the total stock. The axis' vacancy rate ended 1Q2023 at 13.27%, lower than the vacancy rate in the previous quarter, which was 15.25% (4Q2022).

Average Asking Price Lease m²/month

AXIS	Gated Parks		
	4Q2022	1Q2023	↑ ↓
Anchieta/Imigrantes	R\$ 28,37	R\$ 29,29	↑
Fernão Dias	R\$ 13,54	R\$ 14,50	↑
Régis Bittencourt	R\$ 24,00	R\$ 25,34	↑
São Paulo (Capital)	R\$ 35,99	R\$ 36,59	↑
Dutra SP	R\$ 26,79	R\$ 27,27	↑
Castelo Branco	R\$ 26,32	R\$ 27,48	↑
Bandeirantes/Anhanguera	R\$ 20,97	R\$ 21,10	↑
State of São Paulo	R\$ 24,25	R\$ 24,78	↑



Trend Panel - Industrial SP

Logistics Condominiums	A+ / A		OTHERS	
	Q4/22	Q1/23	Q4/22	Q1/23
Vacancy Rate	14,13%	12,51%	9,91%	9,80%
Total Stock (m ²)	12.838.051	12.992.745	4.207.478	4.207.478
New Stock (m ²)	436.985	154.694	22.233	-
Construction Activity (m ²)	2.089.012	2.303.418	51.378	51.378

(m² leased)

Occupancy, Vacancy and Construction Activity^{3,4}

Vacancy Rate (%)	Vacancy	Occupation Class A/A+	Occupation Class Others	Construction Activity
Anchieta/Imigrantes	4,94%	1.573	212.415	254.607
	0,74%			0
Fernão Dias	58,73%	77.727	54.616	0
	18,88%	36.266	155.778	0
Régis Bittencourt	25,75%	186.276	537.043	102.370
	15,38%	11.415	62.811	0
São Paulo (Capital)	17,49%	123.506	582.822	59.677
	5,55%	18.631	316.932	0
Dutra SP	8,41%	185.399	2.018.587	667.524
	14,83%	88.202	506.455	6.300
Castelo Branco	7,65%	154.597	1.865.834	228.627
	4,91%	71.407	1.381.677	0
Bandeirantes/Anhanguera	13,17%	866.477	5.713.402	990.614
	13,75%	184.761	1.159.155	45.078

The data in this table refers to the universe of corporate buildings.^{1,4}

(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 for Alphaville are not included together with the statistical data for the city of São Paulo;
[3] The statistical data in this Analytics refer to the 1st quarter of 2023 and were consolidated on March 31, 2023.
[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 indicatives of future results.
*RealtyCorp shall not be responsible for decisions taken based on the information contained in this bulletin.

Loja Cine Vitória

Centro | RJ

Sale carried out in **March/2023**. Process coordinated by RealtyCorp.

RealtyCorp conducted the sale process for Vitória Store, a historic property located in downtown of Rio de Janeiro. The building, which was erected in 1908, is a cultural heritage of the city and has an eclectic architectural style, characterized by the mixture of different elements. The sale of the Vitória Store is an example of how it is possible to reconcile the preservation of historical heritage with urban and economic development.

RealtyCorp stood out for its expertise in conducting historic property sales processes and for its care in preserving the history and architecture of the property throughout the negotiation process. The sale of Vitória Store is an achievement for the city of Rio de Janeiro, valuing the history of the place.



Ez Towers

Chucris Zaidan | SP

Rent-review carried out in **September/2022**. Process coordinated by RealtyCorp.

UnitedHealth Group (UHG), one of the world's largest healthcare companies, has invested in technology and research to improve the quality and efficiency of healthcare. In São Paulo, the UHG had to adapt to the pandemic and adopted hybrid work, which made its physical area too large for the new needs. In addition, the lease value was above market rates due to higher-than-normal inflation. To resolve the situation, the company returned half of the floors and renegotiated the contract value, avoiding a legal dispute. In this way, UHG was able to adapt to the new needs of the pandemic and also avoid excessive expenses with leasing its physical space. This demonstrates the importance of adapting and negotiating in times of significant change, such as those caused by the pandemic, especially for companies that need to maintain financial sustainability in a crisis scenario.



C. E. Castello Branco

Centro | RJ

Lease held in **December/2022**. Process coordinated by RealtyCorp.

RealtyCorp helped DNIT, a federal agency linked to the Ministry of Infrastructure, to find the ideal space for its operations. After a complex relocation process that lasted more than two years, we presented two furnished floors in the Castello Branco Building, which would perfectly meet DNIT's needs, generating considerable savings in relation to all the other options analyzed, with the option on the 3rd floor of Castello Branco Building, chosen for having a larger area than the other floor offered.

With the help of RealtyCorp, DNIT was able to find a new space that perfectly met its needs, ensuring a more efficient and cost-effective operation.



Atrium II

Vila Olímpia | SP

Sale carried out in **January/2023**. Process coordinated by RealtyCorp.

Saguia Administração de Bens is an investor in the real estate market, specializing in the purchase, sale, management, leasing and renovation of commercial properties. The company does a lot of business with the ATHENA I Real Estate Investment Fund. Recently, Saguia purchased the penthouse of the Atrium II building, in Vila Olímpia, with the help of RealtyCorp.

RealtyCorp assisted Saguia throughout the entire process, performing a thorough analysis of commercial information and conditions to ensure that the transaction was a success. RealtyCorp's knowledge of the market and its ethical and transparent conduct were fundamental to the conclusion of the deal, which left the client satisfied.



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Access our complete portfolio of cases now and check out our best deals.

SERVICES

(Office, retail and Industrial)

LEASE



Concluding excellent deals by identifying and connecting demand with the product, swiftly and efficiently.

Lease management, identifying potential tenants;

Built-to-Suit project management;

Up-to-date database of landlords, tenants, offers and transactions;

Coordination of property leasing in partnership with other market brokers;

Market demand identification strategy;

Representation of companies in the search, analysis and negotiation of properties;

Digital marketing platform with the integration of the main advertising channels with RealtyCorp portals (Opportunities, Blog and Cases) and social networks.

SALE & ACQUISITION



Market intelligence, information and efficiency in the search of business opportunities which meet our clients needs.

Demobilization of real estate assets;

Direct sales or through a bidding process;

Relationship with real estate agents and market players;

Representation of investors and/or developers in the acquisition of property for development;

Marketing strategy;

Management of Sale & Leaseback operations;

Representation of investors and companies in the acquisition of properties for income or for own occupancy;

Digital marketing platform with the integration of the main dissemination channels.

ASSESSMENT & 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 appraisal services, including portfolio appraisals;

Feasibility analysis of industrial, commercial and service projects;

Real estate development study;

Analysis of best use - real estate vocation;

Equity appraisal for accounting purposes;

Specialized advice for judicial and arbitration proceedings involving knowledge of international appraisal techniques.

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 (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 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



www.realtycorp.com.br

CRECI: SP: 25548-J | RJ: 007353-J



SP: Rua Américo Brasiliense, 1.923 - 9º Andar - Conj. 906 - Ch. Santo Antônio, 04715-003 - São Paulo

RJ: Rua Lauro Müller, 116 - 32º Andar - Sala 3201 - Botafogo, 22290-160 - Rio de Janeiro

+55 11 3199 2930 SP | +55 21 3195 0390 RJ