

RIO DE JANEIRO  
**MARKET REPORT OFFICE**  
 CLASSES A+, A AND B OFFICE MARKET REPORT



## ASKED AVERAGE LEASE PRICES START TO DECREASE FOR COPORATE MARKET

Existing Inventory: 2,37 million sqm	Under Construction Inventory: 606 thousand sqm	Under Project Inventory: 303 thousand sqm	Delivered in the quarter: 27 thousand sqm	Availability: 12.3%	Net Absorption: -1,1 thousand sqm	Average Asked Lease Price: R\$ 134/sqm/month General R\$ 164/sqm/month A+ and A
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### ECONOMIC OVERVIEW

According to the data released by Brazilian Central Bank, the forecast growth for Brazilian GDP in 2013 is 2.5%. The recent indexes indicates a slowdown in the national economy, however, in a lower proportion than was expected.

In general terms, there is a positive expectative with coming World Cup and Olympic Games, which will benefit real estate market due to infrastructure projects being realized simultaneously in several regions. Some sectors as the tertiary should feel positive effects, mainly telecommunications, pharmaceutical and technology.

Rio de Janeiro corporate market has been characterized for many years by an old inventory being not adaptive to the current tenant requirements, a fact that tend to an opposite situation due to the delivery of modern buildings. Signs of a changing market behavior regard to prices start to appear and in this quarter, the asked lease prices presented a decrease. Other features such as the increasing availability rate and greater flexibility of landlords in terms of delivery conditions shall be prevalent in the coming quarters.

The development of submarket Porto remains accelerated being the first large private office new building completed in the first quarter of 2014.

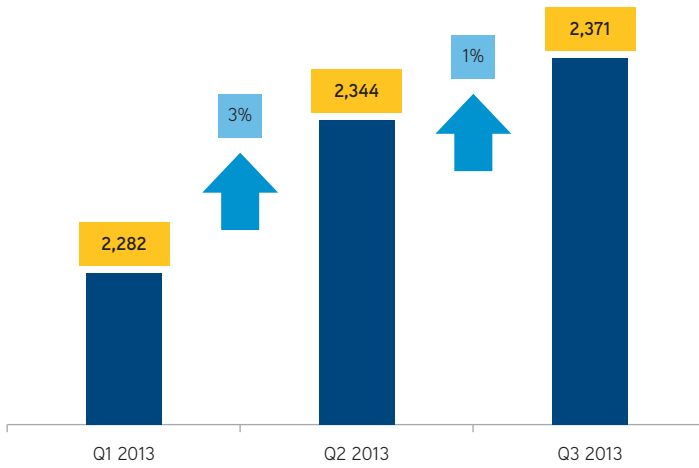


### EXISTING INVENTORY

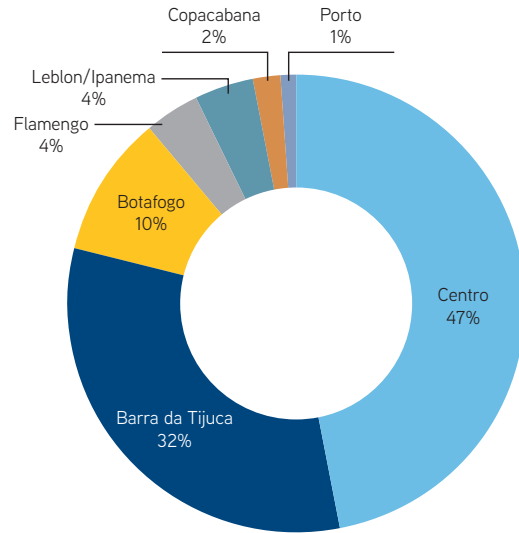
Due to the 27,000sqm received in Q3, the existing inventory for corporate market including classes A +, A and B is 2,37 million sqm. The main deliveries occurred in the submarkets of Barra da Tijuca with the building Corporate Executive Offices Torre South and Centro with the building Cine Vitoria.

New inventory was below the developer’s expectations, who attributed the delay to issues regarding the conclusion of works and the obtaining of occupancy permit certificate. The current projection for next two years is the market receiving 440,000sqm.

EXISTING INVENTORY (THOUSAND SQM) - CLASSES A+, A AND B



EXISTING INVENTORY (% BY SUBMARKET)

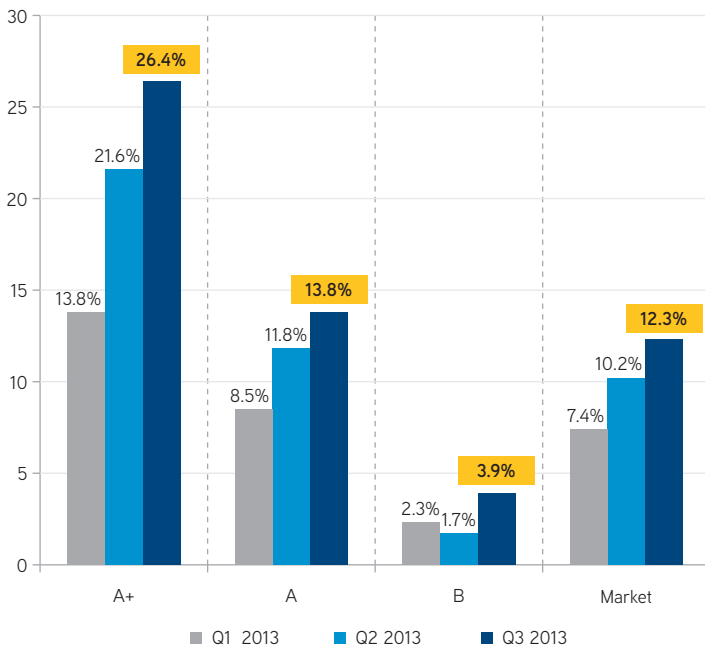


The existing inventory is divided with these respective percentages: 47% in Centro, 32% in Barra da Tijuca and 21% in remaining submarkets.

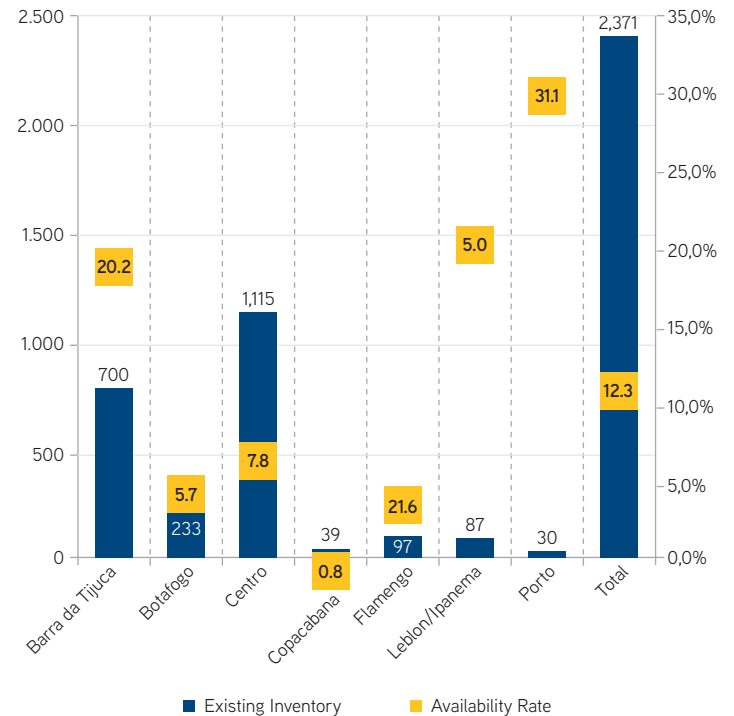
### AVAILABILITY RATE

Availability rate presented a gradual increase during the year of 2013. The total up to third quarter was 12.3% and represents 290,000sqm available. This increase is explained mainly by recent buildings that have not been occupied entirely.

AVAILABILITY RATE BY CLASS (%)



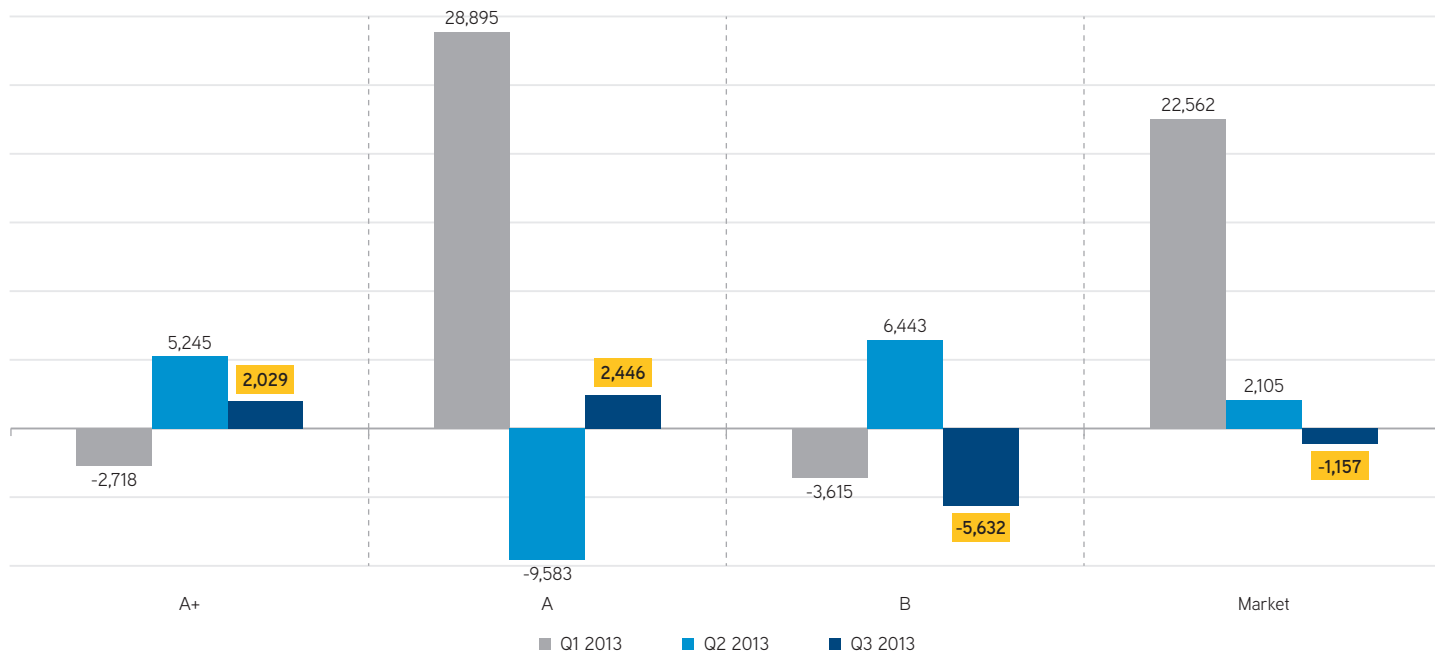
EXISTING INVENTORY (THOUSAND SQM) X AVAILABILITY RATE (%) - Q3 2013



## NET ABSORPTION

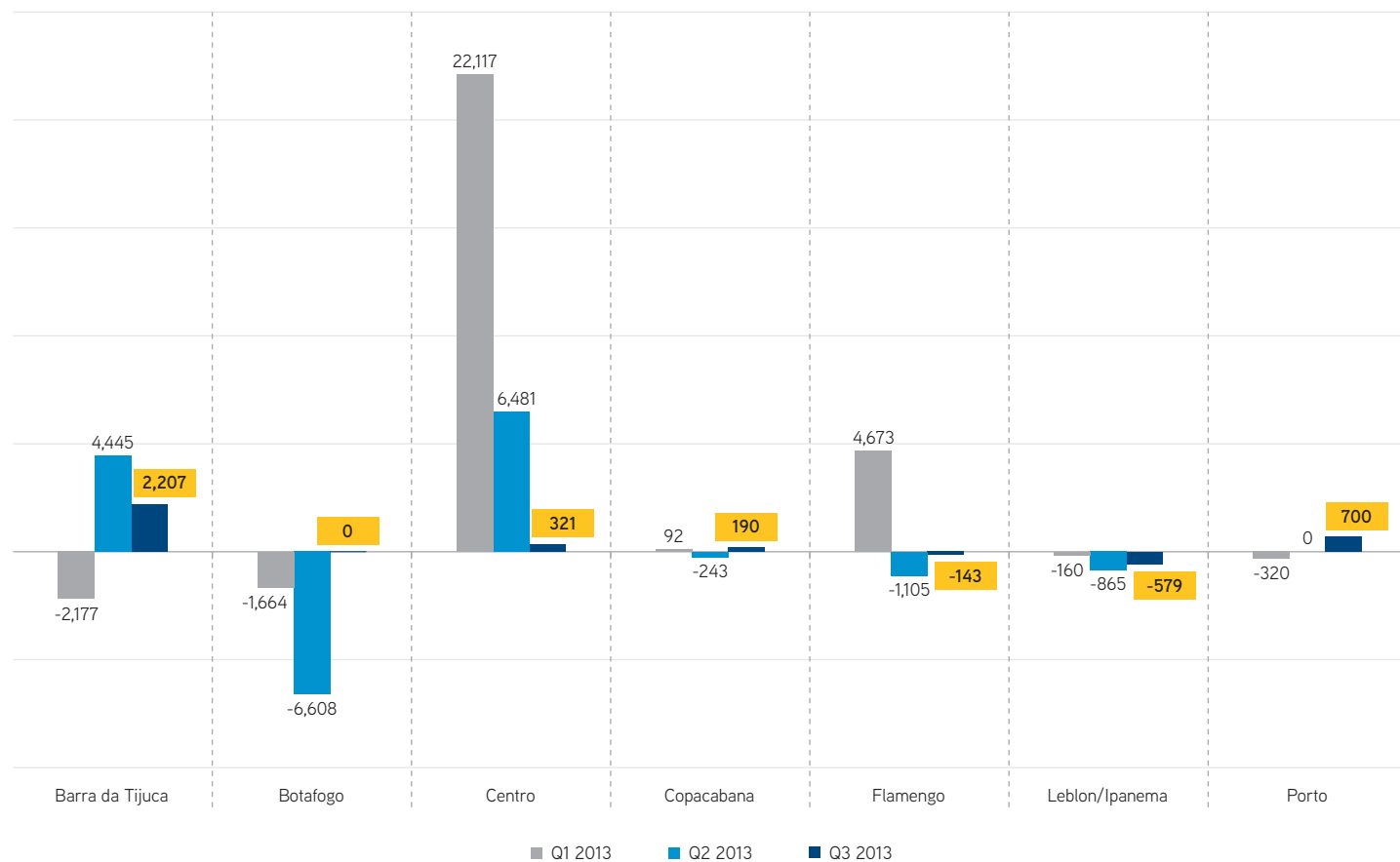
Net absorption of third quarter was – 1,157 and although negative, indicates a similar situation compared to the previous period. The expectation is a decrease of asked lease prices in most of new available buildings.

### NET ABSORPTION BY CLASS (SQM)



Positive net absorptions were verified in the submarkets of Barra da Tijuca, Centro, Copacabana and Porto.

### NET ABSORPTION BY SUBMARKET (SQM) - 2013



PRICES

Comparing the average asked price with Q4 2012 there was a decrease for classes A+ and A. Considering class B and despite the increase verified in the first quarter been influenced in part by reclassification process, it is possible now to observe an adjustment of prices. The general average (classes A +, A and B) at Q3 was R\$ 134.27/sqm/month.

AVERAGE ASKED LEASE PRICE BY CLASS (R\$/SQM/MONTH) - 2010/2013



The highest average price remains in Leblon / Ipanema with R\$ 257.56. In Centro, the average considering only high-end buildings is R\$ 146.21 and R\$ 91.89 in Barra da Tijuca.

AVERAGE ASKED LEASE PRICE BY CLASS AND SUBMARKET (R\$/SQM/MONTH) - Q3 2013





## STATISTICS TABLE

## TOTAL A+ A AND B (EXISTING MARKET)

SUBMARKET	TOTAL AREA (SQM)	PRICE A+ A (R\$/SQM/MONTH)	PRICE B (R\$/SQM/MONTH)	MARKET PRICE (R\$/SQM/MONTH)	AVAILABLE AREA (SQM)	AVAILABILITY (%)
Barra da Tijuca	769,908	R\$ 91.89	R\$ 72.89	R\$ 85.55	155,816	20.24%
Botafogo	232,726	R\$ 173.40	R\$ 141.59	R\$ 157.50	13,268	5.70%
Centro	1,114,825	R\$ 146.21	R\$ 69.54	R\$ 120.65	86,573	7.77%
Copacabana	39,140	R\$ 220.00	R\$ 43.75	R\$ 131.88	300	0.77%
Flamengo	97,421	R\$ 172.50	R\$ 99.08	R\$ 148.03	21,050	21.61%
Leblon/Ipanema	86,803	R\$ 257.56	R\$ 168.77	R\$ 213.16	4,367	5.03%
Porto	30,448	R\$ 90.00	R\$ 76.25	R\$ 83.13	9,483	31.14%
<b>Total</b>	<b>2,371,271</b>	<b>R\$ 164.51</b>	<b>R\$ 95.98</b>	<b>R\$ 134.27</b>	<b>290,859</b>	<b>12.27%</b>



COLLIERS OPPORTUNITIES



**Building in Barra da Tijuca**

Lease  
Total Area: 1,600 sqm  
LEED Certification  
Ref: 2022



**Porto Maravilha**

Lease  
Total Area: 7,960 sqm  
Floor Plate with 1,680 sqm  
- 5 Floors and 95 Parking Spots  
Ref: 2023

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CONTACTS

**Sao Paulo**  
R. Olimpíadas, 205  
04551-000 Sao Paulo SP  
TEL +55 11 3323 0000

**Rio de Janeiro**  
Av. Almirante Barroso, 63  
20031-003 Rio de Janeiro RJ  
TEL +55 21 2524 4242

**Recife**  
Av.Gov. Agamenom Magalhães, 4.575  
50070-160 Recife PE  
TEL +55 81 3037 2222

**Fortaleza**  
Av. Dom Luis, 807  
60160-230 Fortaleza CE  
TEL +55 11 8171 2727

More information:

**RESEARCH AND MARKET INTELLIGENCE**  
[research@colliers.com.br](mailto:research@colliers.com.br)

**OFFICE**  
[office.rj@colliers.com.br](mailto:office.rj@colliers.com.br)



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REAL ESTATE MARKET

VOCABULARY

- . **Absorption:** Amount of sqm occupied in the previous period
- . **Development Category:** Real estate properties are classified as A+, A, B and C
- . **Stock / Inventory:** Amount of usable constructed area in square meters
- . **Availability Rate:** Ratio between area available area and total area
- . **Ceilings Height:** Space between the finished flooring and the 1st structure ceiling interference
- . **Build-to-Suit:** Customized construction

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