

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



## ASKED LEASE PRICES REMAINS ON DECREASE

<b>Exiting Inventory:</b> 1.65 milion sqm: General 1.21 milion sqm: A+ and A 441 thousand sqm: B	<b>Under          Construction          inventory:</b> 401 thousand sqm	<b>Under project          inventory:</b> 233 thousand sqm	<b>Delivered          in the Quarter:</b> 49 thousand sqm	<b>Availability: 12.0%:</b> General 13.9%: A + and A 6.9%: B	<b>Net absorption:</b> 2,334 sqm: General 8,309 sqm: A+ and A -5,975 sqm: B	<b>Average          asked lease price::</b> R\$ 150/sqm/month: General R\$ 155/sqm/month: A+ and A R\$ 139/sqm/month: B
--	---	---	---	---	--	--

### MARKET OVERVIEW

For 2014, Colliers Brazil will adopt the same classification criteria used in São Paulo, where the main changes refers to the property profile considered for research purposes.

Will be admitted buildings with leasable area by unit greater than 100sqm. The objective is to give a more realistic feeling about the corporate market in Rio de Janeiro.

The economy of Rio de Janeiro is passing through a delicate moment due to problems experienced in the oil and gas sectors (Petrobras and EBX), which is an important base for the growth of the local market.

The first quarter of 2014 was marked by a lack of big scale transactions, which generates results below the expectation. The process that must occur in Rio may be similar to the experienced in São Paulo where companies are migrating from older buildings to modern ones, however, this movement stills low.

The landlords and investors remains reviewing and adjusting asked lease prices. The flexibility that has intensified should be important to any decision taken in 2014, a year that shall be more moderate because of the already mentioned situations tied to economic uncertainties in general.

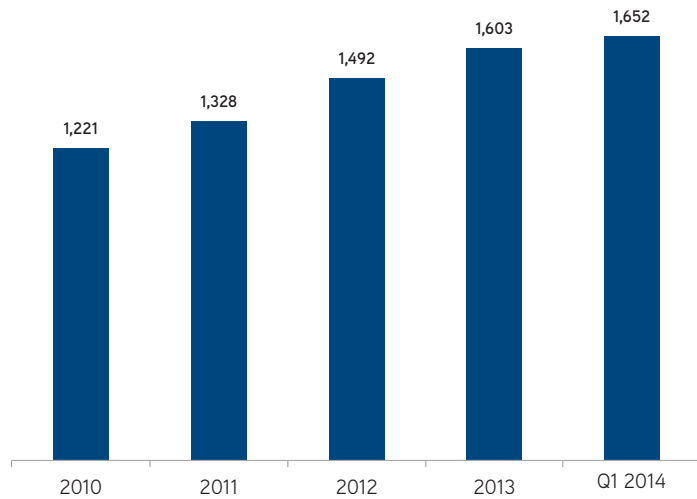


### EXISTING INVENTORY

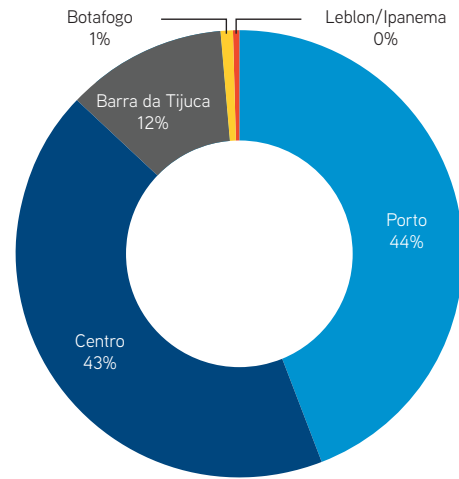
The market received 49,000sqm and ended the first quarter of 2014 with 1.60 million of existing square meters, considering the classes A+, A and B.

The three buildings delivered were CEO – Corporate Executive Offices – North, Seletto Business DOC / Barra da Tijuca and Petrobras Distribuidora / Centro.

EXISTING INVENTORY Q1 2014 (THOUSAND SQM)



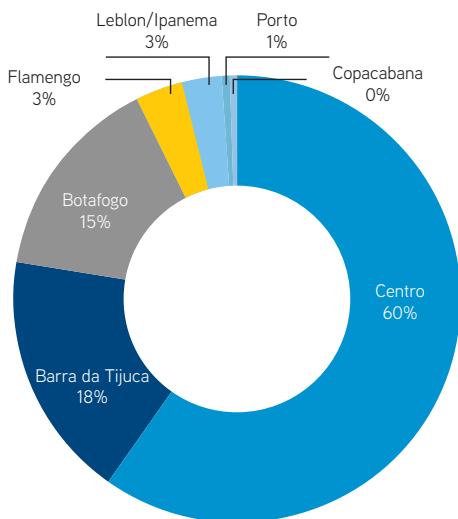
DISTRIBUTION OF UNDER CONSTRUCTION INVENTORY Q1 2014 (% BY SUBMARKET)



The concentration of existing inventory is higher in the submarket Centro with 60% of the total, followed by Barra da Tijuca with 18%.

Regarding the amount under construction, most of the total is concentrated in the submarket of Porto followed by Centro with 43%.

DISTRIBUTION OF EXISTING INVENTORY Q1 2014 (% BY SUBMARKET)

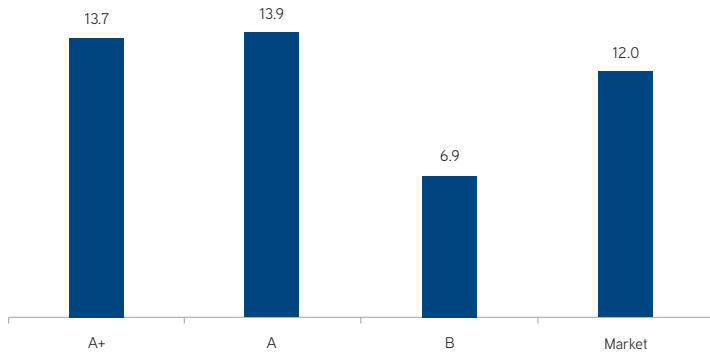


### AVAILABILITY RATE

The availability rate of 12% is balanced considering both supply and demand factors. In the first quarter, no major devolutions were verified as occurred in the previous period.

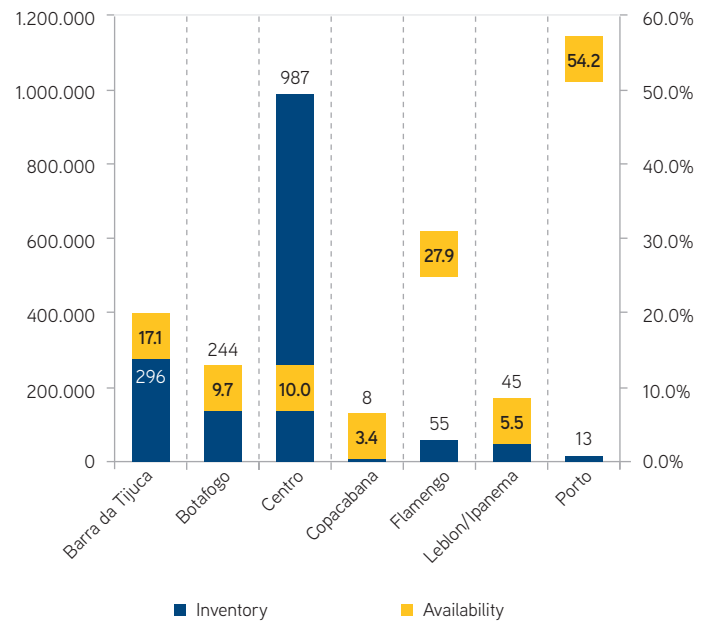
The percentage available for classes A+ and A is 13.9% and 6.9% for class B.

AVAILABILITY RATE BY CLASS Q1 2014 (%)



The submarket of Centro has 10% of availability with the largest amount of square meters on supply. In other submarkets, the situation is similar to that observed previously, with a trend of percentage increases in the subsequent periods due to the supply, which will enter during the course of 2014.

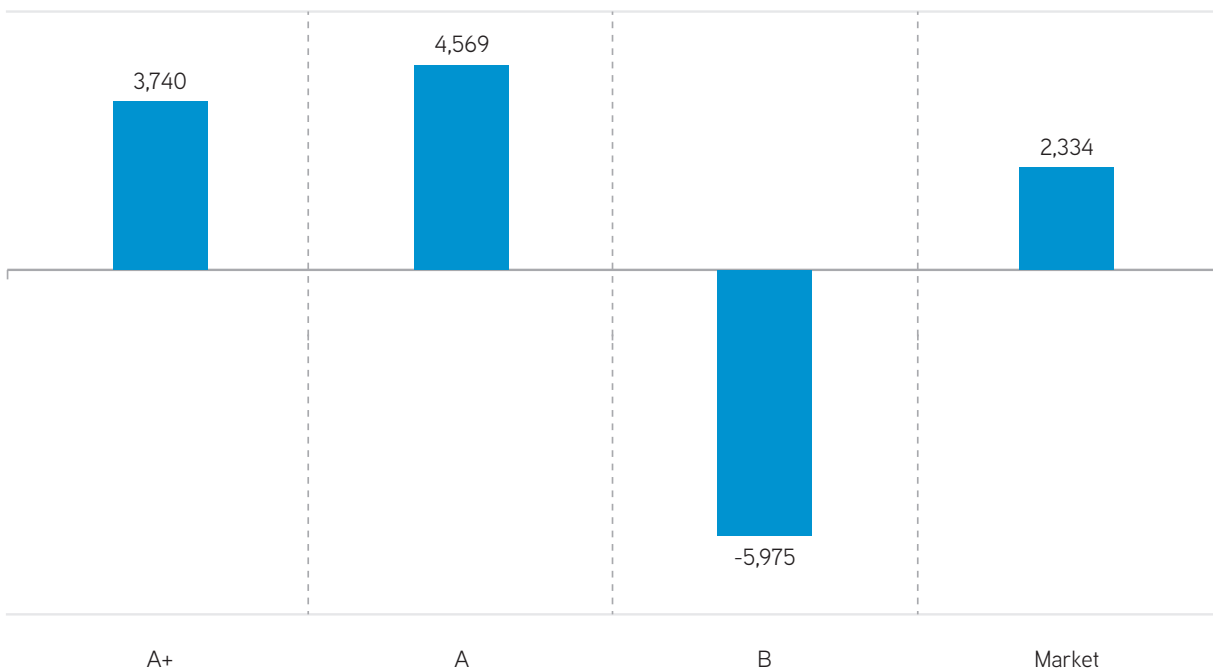
EXISTING INVENTORY (THOUSAND SQM) X AVAILABILITY RATE (%)



NET ABSORPTION

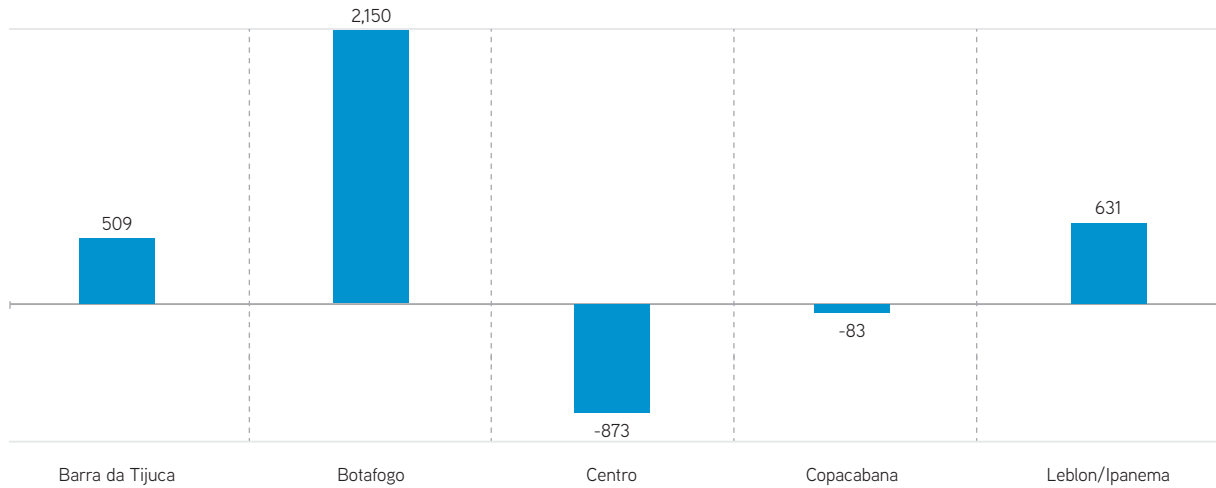
The net absorption of 2,300sqm demonstrates the slow movement of the market during the quarter. For classes A + and A, the total was positive with 8,300sqm. In contrast, class B presented absorbed 5,900sqm.

NET ABSORPTION BY CLASS (THOUSAND SQM)



The largest amount of square meters was absorbed in the submarket of Botafogo, followed by Leblon / Ipanema and Barra da Tijuca. Centro and Copacabana had negative net absorption.

NET ABSORPTION BY SUBMARKET (THOUSAND SQM) (%)



PRICES

The average asked lease prices remains on decrease as occurred in previous quarters. For A +, A and B, the average is R\$150.18. Considering only high-end buildings, the average was R\$ 155.45 and R\$139.64 for class B.

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

PRICE A+ AND A  
R\$ 155.45

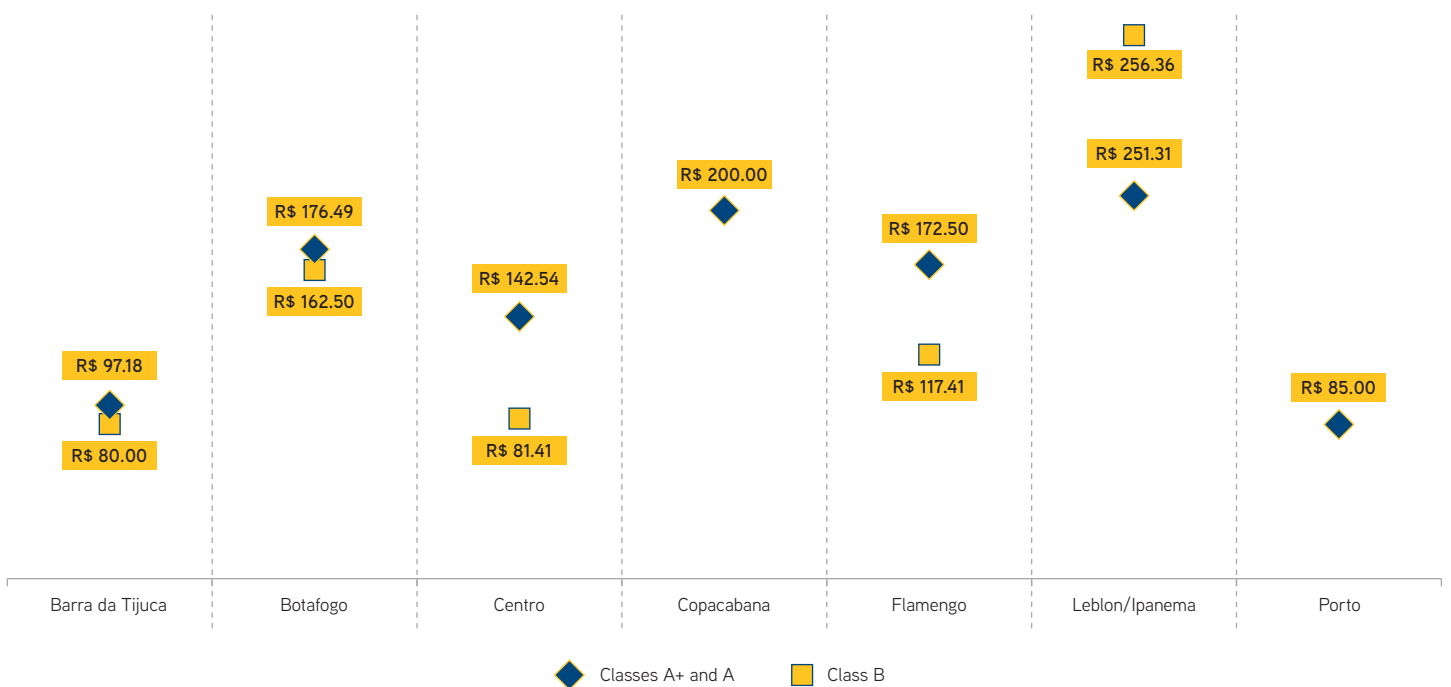


PRICE B  
R\$ 139.64



PRICE MARKET  
R\$ 150.18

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



STATISTICS TABLE

TOTAL A+ A AND B (EXISTING MARKET)						
SUBMARKET	TOTAL AREA (SQM)	AVG PRICE A+ A (R\$/SQM/MONTH)	AVG PRICE B (R\$/SQM/MONTH)	AVG PRICE MARKET (R\$/SQM/MONTH)	AVAILABLE AREA (SQM)	AVAILABILITY (%)
Barra da Tijuca	296,527	R\$ 97.18	R\$ 80.00	R\$ 91.46	50,715	17.1%
Botafogo	244,825	R\$ 176.49	R\$ 162.50	R\$ 169.49	23,780	9.7%
Centro	987,738	R\$ 142.54	R\$ 81.92	R\$ 122.33	98,453	10.0%
Copacabana	8,288	R\$ 200.00		R\$ 200.00	283	3.4%
Flamengo	55,772	R\$ 172.50	R\$ 117.41	R\$ 154.14	15,556	27.9%
Leblon/ Ipanema	45,822	R\$ 251.31	R\$ 256.36	R\$ 253.84	2,522	5.5%
Porto	13,092	R\$ 85.00		R\$ 85.00	7,092	54.2%
<b>Total</b>	<b>1,652,064</b>	<b>R\$ 155.45</b>	<b>R\$ 139.64</b>	<b>R\$ 150.18</b>	<b>198,401</b>	<b>12.0%</b>

MAP OF RIO DE JANEIRO SUBMARKETS



COLLIERS OPPORTUNITIES



Porto Maravilha

Lease  
 Total Area: 9,163 sqm  
 Floor Plate with 1,680 sqm  
 - 5 Floors and 95 Parking Spots  
 Ref: 2023

**Colliers International**  
 More than 482 offices  
 in 62 countries  
 in 6 continents

USA: 140  
 Canada: 42  
 LATAM: 20  
 Asia: 38  
 ANZ: 157  
 EMEA: 85

- US\$ 1,95 billion in annual revenue
- More than 104 millions sqm under management
- More than 13,500 professionals

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)



Accelerating success.

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

COLLIERS INTERNATIONAL DO BRASIL

REAL ESTATE CONSULTANCY FOR INDUSTRIAL, OFFICE, RETAIL, LAND, RURAL, HOTELS,  
 HOSPITALS AND EDUCATIONAL INSTITUTIONS

- . Real Estate Investments
- . Tenant and Landlord Representation - Leasing, Acquisition and Sale
- . Advisory and Disposals for real estate assets and/or portfolios
- . Build-to-Suit and Sale & Leaseback Operations
- . Lease Administration and Property Management
- . Real Estate Valuation for Leasing, Acquisition, Sale and Guarantee
- . Market and Technical-Financial studies, Highest and Best use studies
- . Advisory for Investment Funds and Private Investors
- . Research and Market Intelligence
- . Green Consulting for LEED® certification

This document was prepared by Colliers International Brazil. All information in this material may be changed without prior notice. Colliers International is a worldwide affiliation of independently owned and operated companies. This publication is the copyrighted property of Colliers International and /or its licensor(s). © 2013. All rights reserved.