

# RIO DE JANEIRO MARKET REPORT OFFICE

## CLASSES A+, A AND B OFFICE MARKET REPORT



### FIRST SEMESTER HAD A WEAK PERFORMANCE COMPARED TO THE PREVIOUS YEARS

<b>Existing Inventory:</b> 1.19 million sqm: A+ and A 853 thousand sqm: B	<b>Under Construction Inventory:</b> 454 thousand sqm	<b>Under Project Inventory:</b> 368 thousand sqm	<b>Delivered in the Quarter:</b> 10 thousand sqm	<b>Availability:</b> 16.5%: A+ and A 8.9%: B	<b>Net Absorption:</b> -15 thousand sqm: A+ and A -13 thousand sqm: B	<b>Average Asking Lease Price:</b> R\$ 156/sqm/month: A+ and A R\$ 137/sqm/month: B
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#### EXISTING INVENTORY AND AVAILABILITY RATE

After the end of the first semester, the corporate office market in Rio de Janeiro showed a lower performance related to that experienced in the previous years.

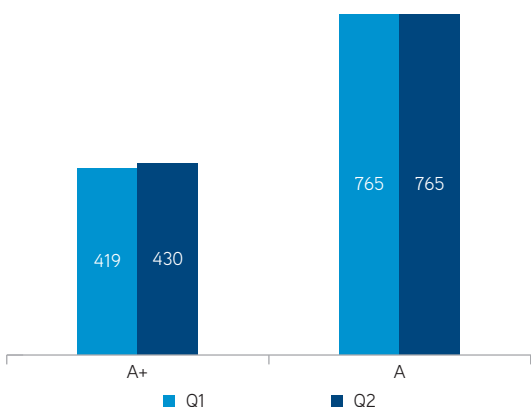
For Q3, the expectative is to have a better scenario, with the return of the demands and the completion of business transactions.

Many deliveries expected for Q2 were postponed to Q3. The building Barra Trade Prime in the submarket Barra da Tijuca with 10,000sqm obtained the occupancy permit, being the only one of this period. The first semester ended with 1.19 million sqm considering only high-end properties.

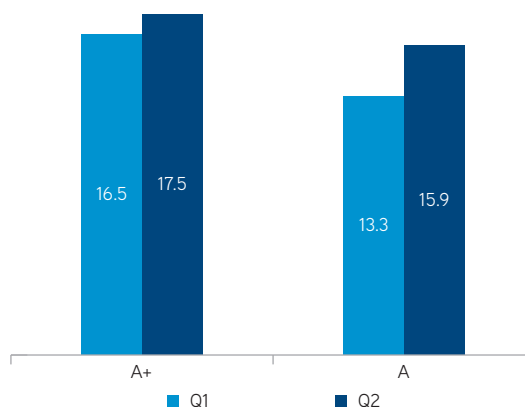
By the end of 2014, other 117,000sqm should be added to the inventory. The availability rate, however, will be increasing due to high supply and lower demand.



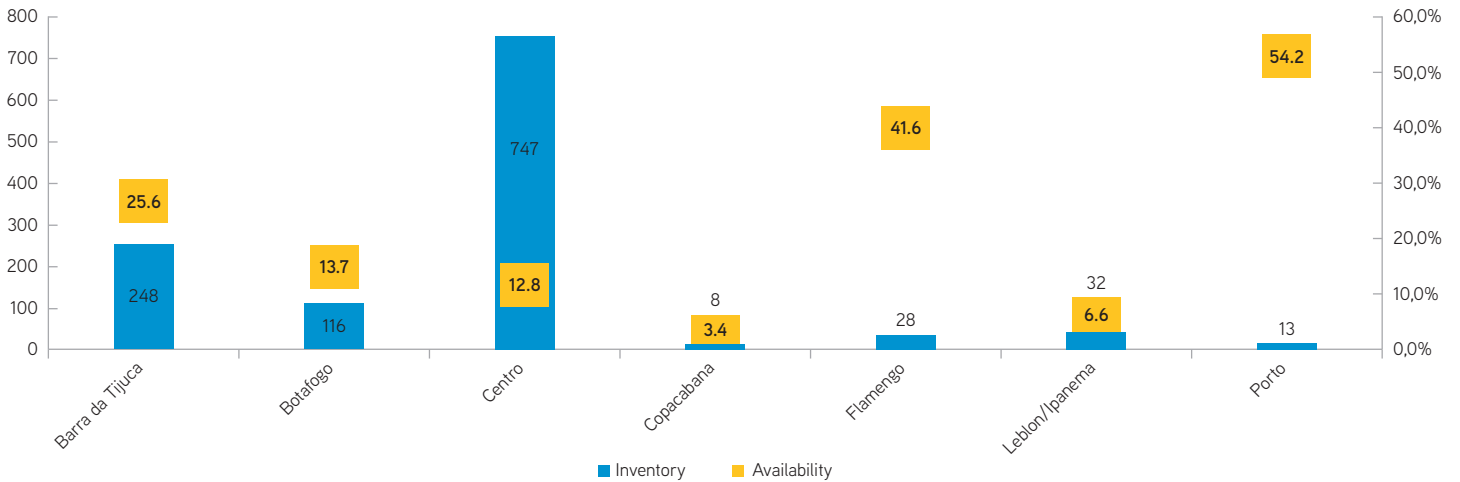
EXISTING INVENTORY BY CLASS (THOUSAND SQM)



AVAILABILITY RATE BY CLASS (%)



EXISTING INVENTORY (THOUSAND SQM) X AVAILABILITY RATE (%) BY SUBMARKET AND CLASSES A+ AND A



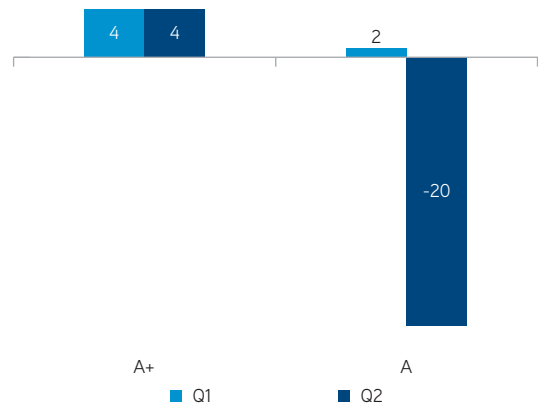
NET ABSORPTION

The net absorption of Q2 was -15,000sqm considering just the classes A+ and A. The absorption level of class A+ remained stable compared to the first quarter. The expectation is an increase in the next semester, since the forecast still being the migration to buildings with better characteristics.

Absorption for classes A and B were negative, a fact that should remain throughout the course of the year.

The main devolutions occurred in the buildings Serrador (class A) and Contax (class B), both in the submarket Centro.

NET ABSORPTION BY CLASS (THOUSAND SQM)



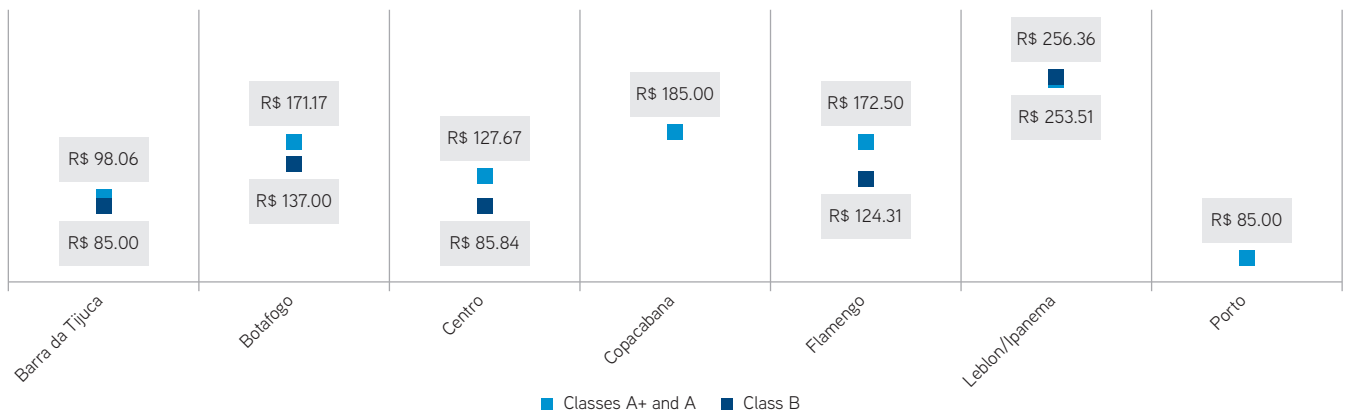
PRICES

The asking average lease prices keeps the decreasing trend. The high-end properties ended the second quarter at R\$ 156.13. For class B, the asking price was R\$ 137.72.

Despite the historical of reductions in the recent past quarters, the incidence has been occurring moderately. The expectation is the accomplishment of projected deliveries raising the availability rate, which will boost the flexibility on commercial conditions for the short term.

The submarket of Leblon / Ipanema has the highest asking average price of Rio de Janeiro market considering all classes, being the only one to exhibit an increase. Barra da Tijuca had a slightly increase due to deliveries of the period.

AVERAGE ASKING LEASE PRICE BY SUBMARKET (R\$/SQM/MONTH)



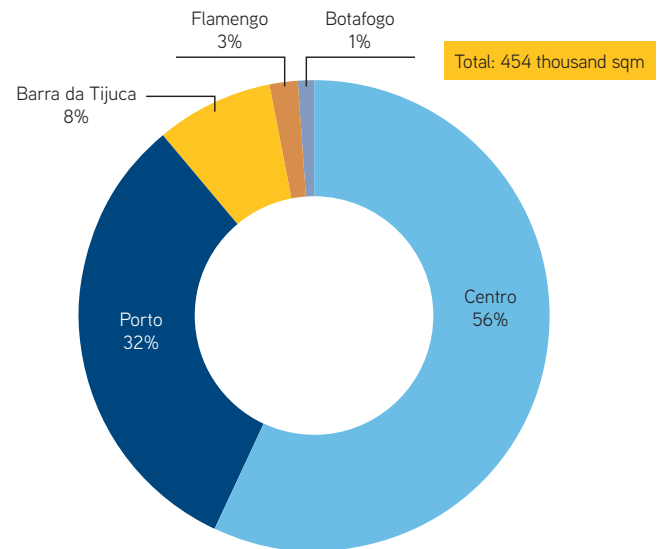
## FUTURE INVENTORY

During the first semester the market received approximately 59,000sqm and other 117,000sqm are expected in the course of the year.

The largest amount of square meters under construction is present in the submarkets of Centro and Porto, which should have their availability rates oscillating in the coming quarters.

The buildings to be delivered on the third quarter are: Casa Corporate in Barra da Tijuca, Centro Administrativo Cidade Nova in Centro and Port Corporate in Porto.

## INVENTORY UNDER CONSTRUCTION BY SUBMARKET (%)



## STATISTICS TABLE

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

SUBMARKET	INVENTORY A+ AND A	INVENTORY B	AVAILABILITY RATE A+ AND A	AVAILABILITY RATE B	AVERAGE ASKING LEASE PRICE A+ AND A	AVERAGE ASKING LEASE PRICE B	NET ABSORPTION A+ AND A	NET ABSORPTION B	UNDER CONSTRUCTION AND PROJECT
Barra da Tijuca	248,820	68,767	25.6%	3.0%	R\$ 98.06	R\$ 85.00	1,471	-622	56,875
Botafogo	116,654	145,081	13.7%	5.6%	R\$ 171.17	R\$ 137.00	806	370	3,600
Centro	747,185	563,702	12.8%	10.9%	R\$ 127.67	R\$ 85.94	-17,441	-13,255	276,974
Copacabana	8,288	-	3.4%	-	R\$ 200.00	-	0	-	0
Flamengo	28,874	57,398	41.6%	5.2%	R\$ 172.52	R\$ 124.31	-95	690	17,817
Leblon / Ipanema	32,734	18,058	6.6%	4.7%	R\$ 253.51	R\$ 256.36	-289	-200	1,655
Porto	13,092	-	54.2%	-	R\$ 85.00	-	0	-	466,153
<b>Total</b>	<b>1,195,647</b>	<b>853,006</b>	<b>16.5%</b>	<b>8.9%</b>	<b>R\$ 158.27</b>	<b>R\$ 137.72</b>	<b>-15,548</b>	<b>-13,017</b>	<b>823,074</b>



MAP OF RIO DE JANEIRO SUBMARKETS



COLLIERS OPPORTUNITIES



Porto Maravilha

Lease  
Total Area: 8,737sqm  
Ref: 2023

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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- . Real Estate Valuation for Leasing, Acquisition, Sale and Guarantee
- . Market and Technical-Financial studies, Highest and Best use studies
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- . Research and Market Intelligence
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