MARKETBEAT

BRAZIL

Industrial Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Change	12-Mo Forecast
10.30% Vacancy Rate (%)	▼	▼
197,376 Net Absorption (sq.m)	▲	▲
BRL 25.26 Asking Rent (BRL sq.m) *(Class A)*	▲	▲

ECONOMIC INDICATORS 2025

	QOQ Change	12-Mo Forecast
0.2% 2024Q4 GDP - Quarterly Variation	▼	▼
6.2% Unemployement Rate (2024Q4)	▼	▲
5.1% CPI Inflation Fev/25 (12 months)	▲	▼
1.4% Industrial Production YOY (Jan/2025)	▼	▼

Source: LCA

ECONOMIC SCENARIO

In 2024, GDP grew by 3.4% compared to the previous year, totaling BRL 11.7 trillion. Compared to the third quarter of 2024, GDP grew by 0.2%. The IPCA (Broad National Consumer Price Index) accumulated an increase of 5.06% over 12 months, with pressures mainly coming from food, industrial goods, and services.

The labor market remained strong, but with recent signs of cooling. The unemployment rate rose to 6.8% in the quarter ending in February. The basic interest rate (Selic) is 14.25% per year, after a 1.00 p.p. increase in the last Copom meeting. In the U.S., the Federal Reserve maintained the basic interest rate in the range of 4.25% to 4.50%.

MARKET OVERVIEW BRAZIL

The first quarter of 2025 continued to show positive results, although less expressive than previous quarters. The first period of the year recorded 197,376 sq.m of net absorption in Brazil in class A developments. São Paulo, in turn, represented only 10% of the total absorptions in the country, a lower result than previous quarters, with Guarulhos being the region that performed best among the others in the state. Following, Rio de Janeiro represented 9.3% of the total absorbed in Brazil, with Washington Luiz being the region with the best results. Minas Gerais deserves special attention during the period in question, as it totaled 182,151 sq.m net absorbed, with more than 75,000 sq.m in the Sul de Minas region.

Regarding the gross absorption in the country, the first quarter of 2025 totaled 326,085 sq.m. Among the leases in which tenants were identified, the logistics sector had the highest number, with 156,941 sq.m leased, followed by the wholesale and retail trade sector with 80,905 sq.m. Additionally, companies in the automotive and non-automotive segments received 23,392 sq.m in leases. Chemical/ pharmaceutical companies, information/communication, and administration and security totaled 20,199 sq.m together.

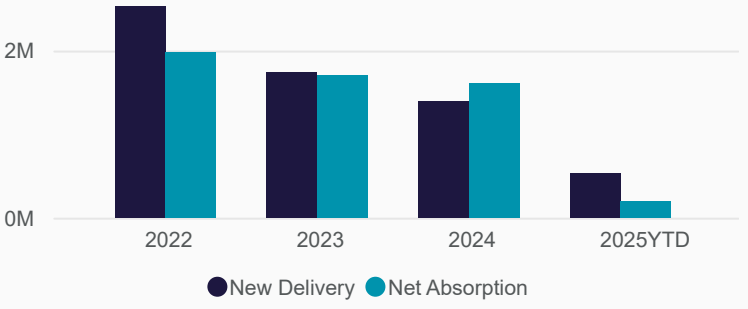
The new developments totaled 528,988 sq.m, with São Paulo responsible for 345,233 sq.m and Minas Gerais 115,180 sq.m. Pernambuco also received a new development, with 68,575 sq.m.

VACANCY AND ASKING RENT

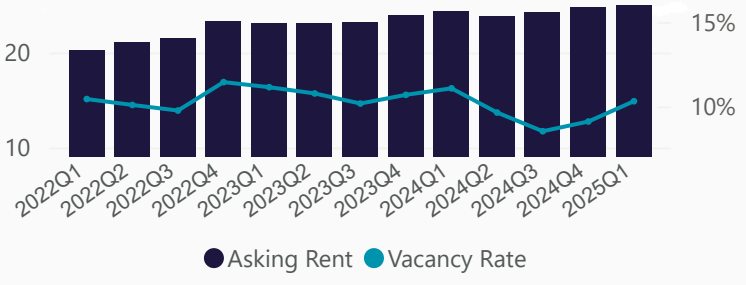
The vacancy rate for class A developments in Brazil closed the first quarter of the year at 10.30%, a slight increase compared to the previous quarter, as new deliveries were higher than net absorption. Analyzing the country's regions separately, the Northeast had the highest increase in its vacancy rate, as it not only recorded a negative net absorption of 16,768 sq.m but also received 68,575 sq.m of new developments. Meanwhile, the Southeast, despite showing no significant change in its vacancy rate, stands out due to Minas Gerais, which received 115,180 sq.m of new deliveries and 182,151 sq.m in net absorption.

The average asking price in the country was BRL 25.26/sq.m, 2.0% higher than the previous quarter and 4.0% higher than the same period last year. This increase is mainly due to new developments with higher prices and incrises by the landlords. São Paulo and Rio de Janeiro were the two regions where new deliveries had prices exceeding BRL 35/sq.m, with a special highlight on Guarulhos, which had over 25,000 sq.m of new delivery with an asking price of BRL 42/sq.m. Among all regions, the Southeast has the highest asking price, driven mainly by São Paulo, which reached the highest value in its historical series at the end of the first quarter of the year.

NET ABSORPTION / DELIVERIES



ASKING RENT (BRL/sq.m/mo) / VACANCY



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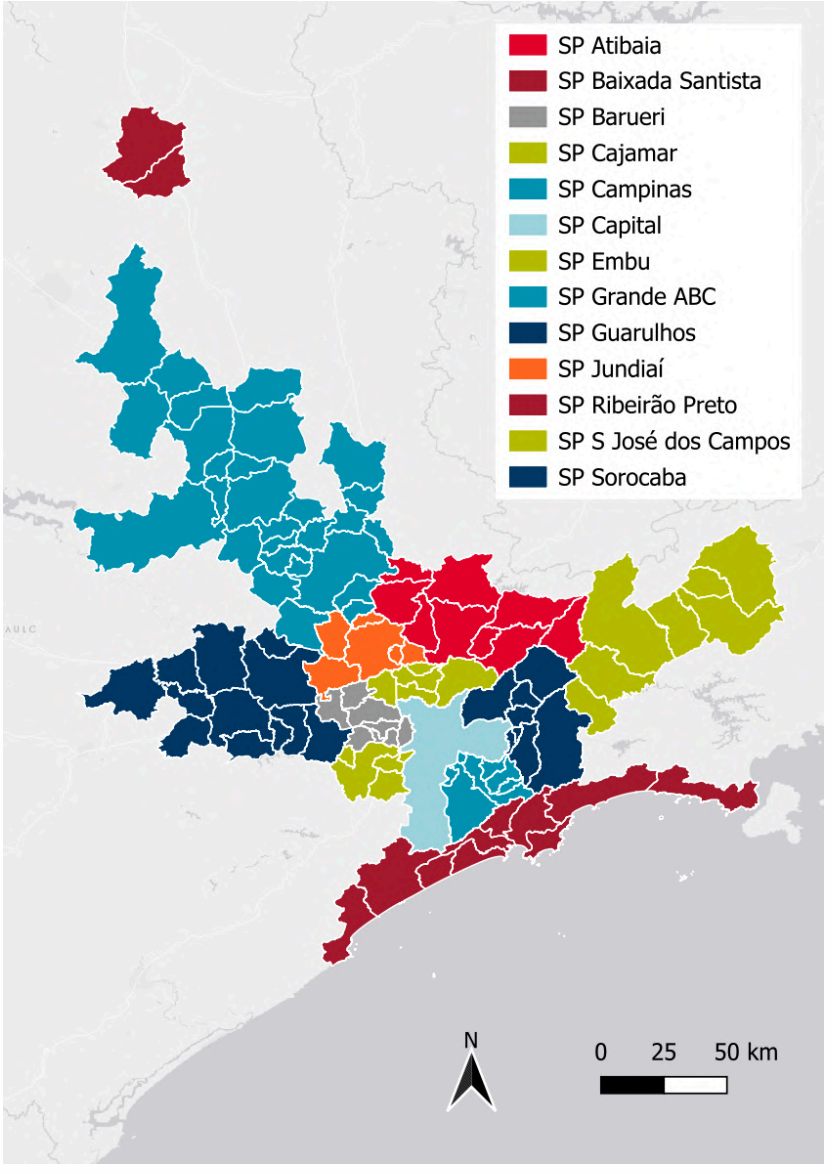
MAJOR MARKETS*



MARKET OVERVIEW

The class A logistic market in the state of São Paulo recorded 19,765 sq.m of net absorption at the end of the first quarter of 2025. This result is unusual for the state of São Paulo, which has a history of high absorption values. On the other hand, when analyzing only the leases within the city, this number reaches 80,549 sq.m, showing the constant demand for new spaces. In addition, the state received a delivery of 345,233 sq.m in new developments, divided between Guarulhos (238,100 sq.m), Cajamar (93,422 sq.m), and Grande ABC (13,711 sq.m).

The regions of São Paulo with the highest net absorptions recorded in the period were Guarulhos and Grande ABC, which together totaled 26,492 sq.m. In contrast, Campinas had a negative net absorption of 13,855 sq.m, with only 1,543 sq.m leased. The three sectors that received leases (among those with identified tenants) in São Paulo during the first quarter of 2025 were wholesale and retail trade with 25,725 sq.m, the automotive and non-automotive vehicle sector with 23,392 sq.m, and finally, the logistics sector with 3,075 sq.m. These three transactions where located in Guarulhos by three different tenants.

The regions of São Paulo with the lowest vacancy rates are Atibaia (1.40%), São Paulo Capital (1.53%), and São José dos Campos (1.55%). On the other hand, the regions with the highest rates are Embu (27.31%), Grande ABC (20.19%), and Guarulhos (14.21%). The state's avarege rate is 10.61%. Regarding the most expensive regions, São Paulo Capital is the number one, with BRL 41.23/sq.m, followed by Grande ABC with BRL 29.95/sq.m and Guarulhos with BRL 29.94/sq.m. The less expensive regions are Campinas (BRL 18.92/sq.m), Jundiaí (BRL 20.59/sq.m), and Atibaia (BRL 20.78/sq.m).

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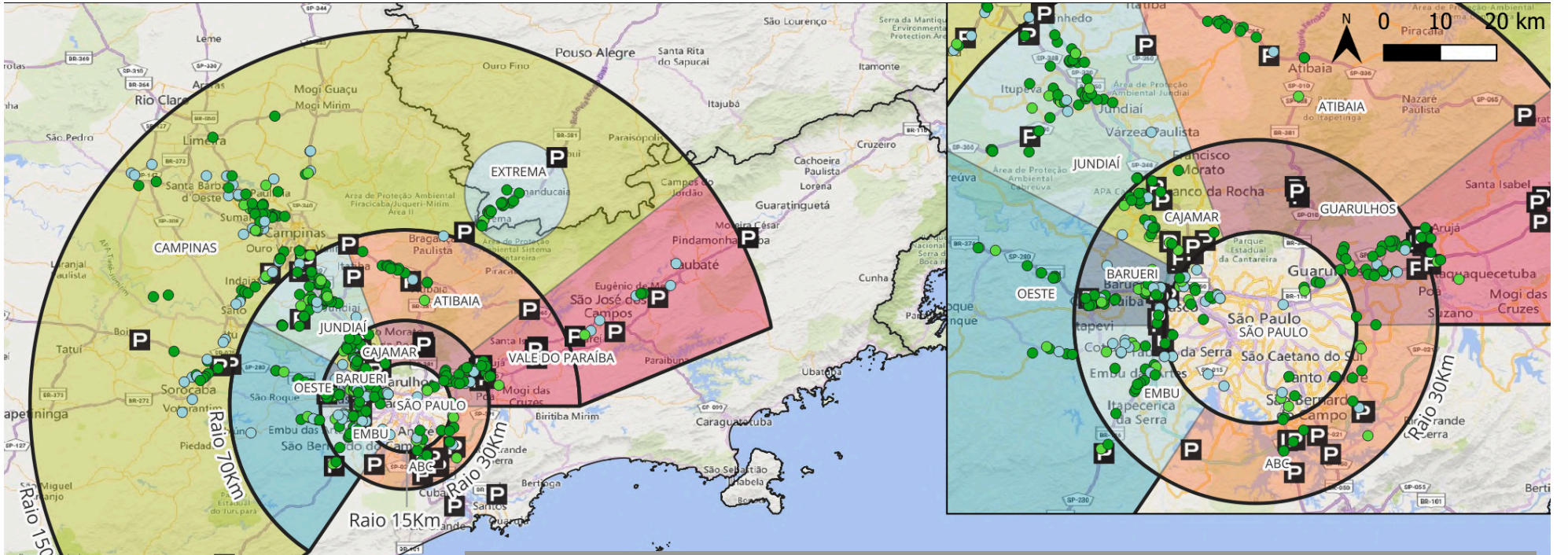
SÃO PAULO RADIUS AND AXES



Radius segment the analyzed regions by distance / logistics costs, while **axes** analyze the logistic market by its own characteristics

Axes	Inv. (sq.m)	Vacancy	Price (BRL/sq.m)	Net Abs. (sq.m) 2025Q1	Const. (sq.m)	Proposed (sq.m)
15km São Paulo	539,205	1.29%	39.39	38,849	289,296	498,384
30km Anchieta-Imigrantes	617,533	22.62%	29.82	0	0	0
30km Anhanguera-Bandeirantes	2,671,884	17.09%	27.35	0	315,225	1,108,104
30km Castelo Branco	955,269	3.71%	25.00	1,638	0	130,117
30km Dutra-Senna	2,201,679	14.47%	31.20	-1,215	349,154	148,983
30km Raposo-Régis	834,298	26.78%	30.47	0	0	338,913
70km Anhanguera-Bandeirantes	2,529,116	9.22%	22.68	-1,070	52,570	345,841
70km Castelo-Régis	809,811	9.19%	23.93	0	93,483	0
70km Fernão Dias	446,838	1.40%	20.78	0	0	807,630
150km Campinas-Sorocaba	1,770,730	8.78%	20.19	-10,285	170,633	2,790,394
150km Dutra-Senna	614,439	10.17%	25.39	-8,152	0	28,569
150km Extrema	1,166,032	13.64%	28.36	75,377	174,823	232,008

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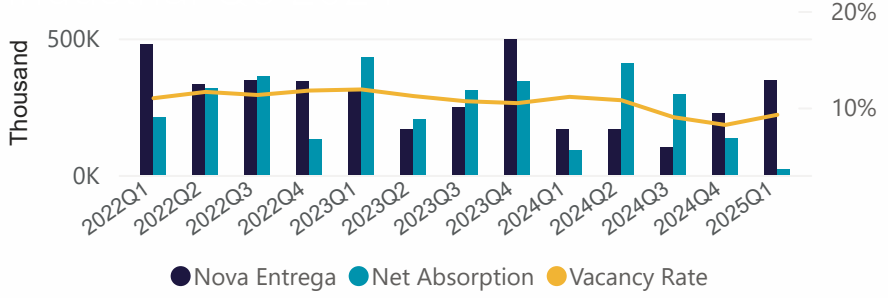
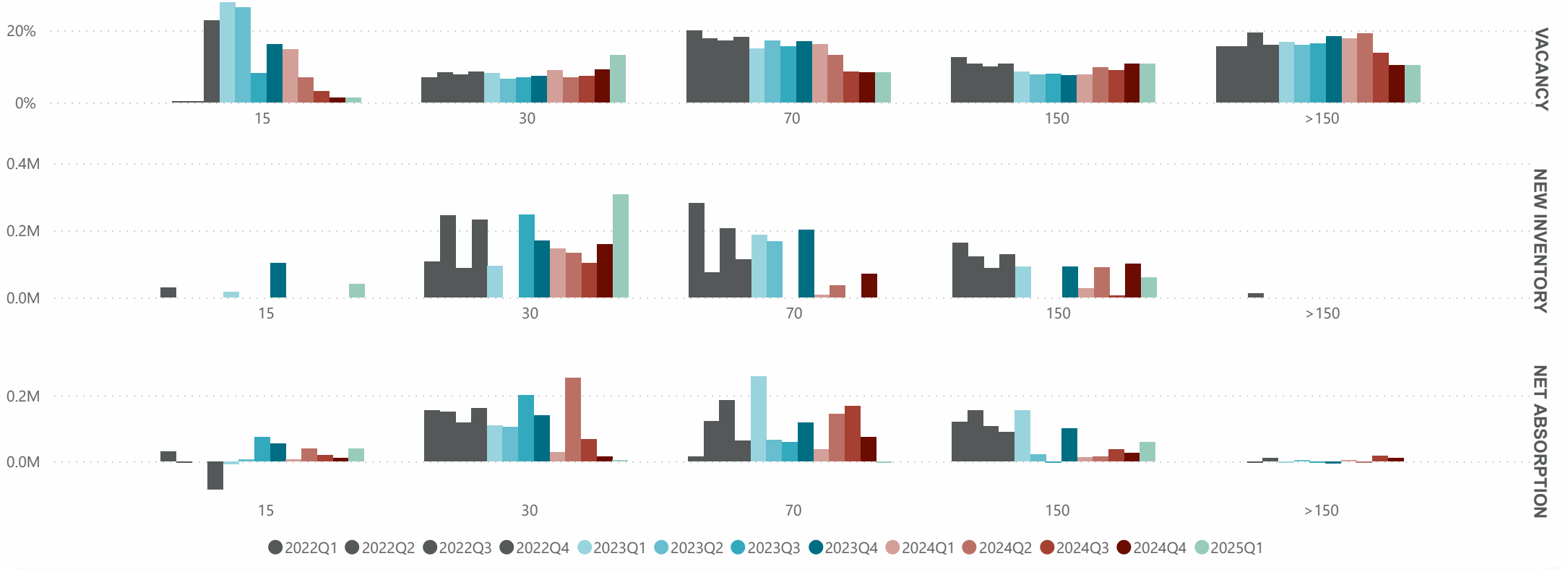
Net Absorption/New Inventory/Vacancy

Source: Cushman & Wakefield



ABSORPTIONS

The class A logistic market in the state of São Paulo recorded 19,765 sq.m of net absorption at the end of the first quarter of 2025. In terms of leases, this number reaches 80,549 sq.m. The regions with the highest net absorption during the period were Guarulhos (16,358 sq.m) and Grande ABC (10,134 sq.m). Additionally, 3,570 sq.m were recorded in Sorocaba, 2,990 sq.m in Capital-SP, and 1,638 sq.m in Barueri. The regions of Campinas and Jundiaí had negative absorptions, with -13,855 sq.m and -1,070 sq.m, respectively. Despite not expressive numbers, the delivery of over 340,000 sq.m in the state demonstrates the market's optimistic perspective to reach the constant demand in more saturated markets.



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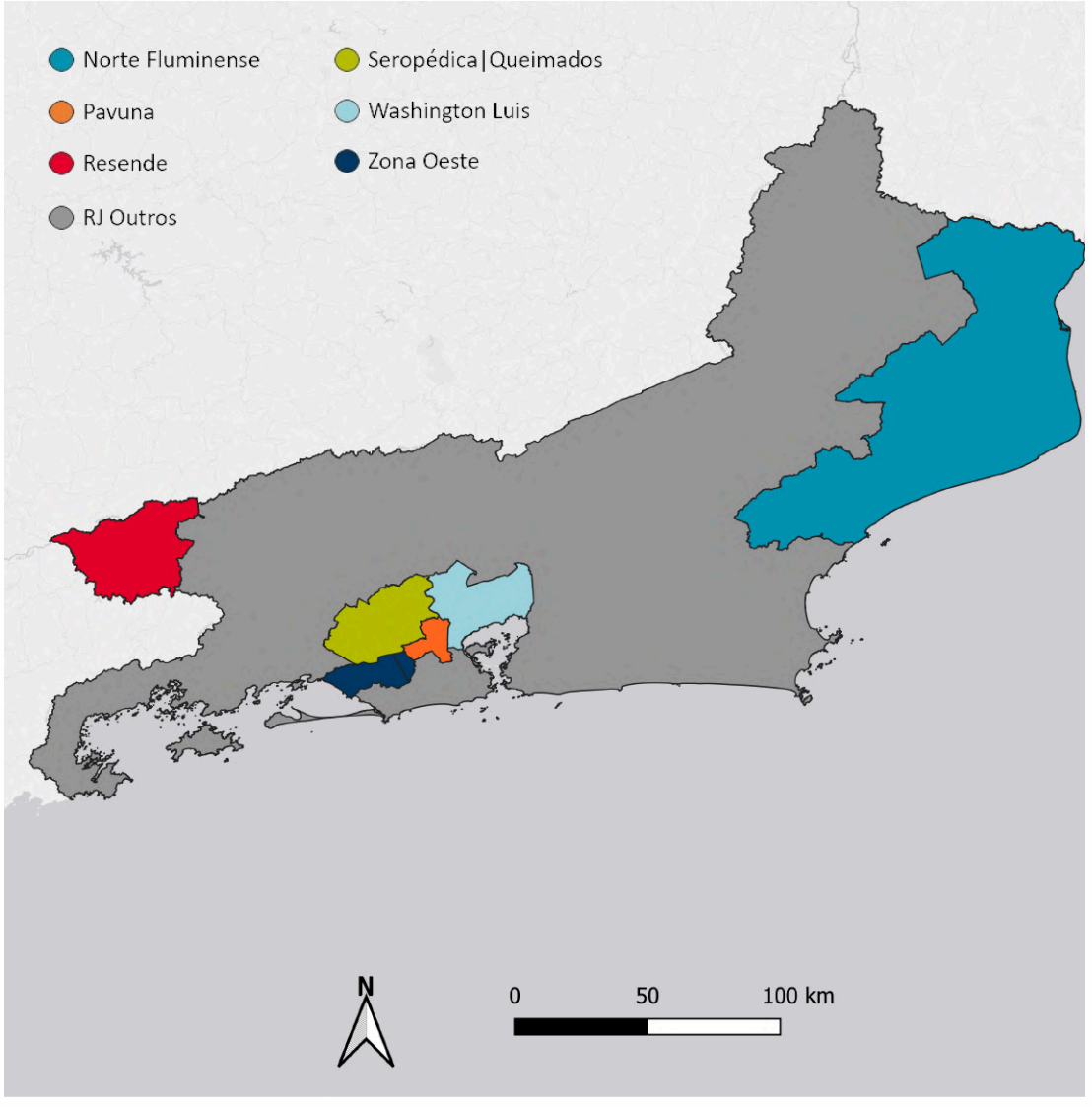
MAJOR MARKETS*



MARKET OVERVIEW

The class A logistic market in the state of Rio de Janeiro recorded 18,394 sq.m of net absorption at the end of the first quarter of 2025. When considering only the leases, this number reaches 54,716 sq.m, showing that Rio de Janeiro remains active in attracting new tenants. Although no new deliveries were registered during the current period, the state had 163,774 sq.m delivered last year and expects over 50,000 sq.m during next quarter in 2025.

Disregarding departures, Washington Luiz accumulated 49,092 sq.m in leases in the first quarter of the year, responsible for nearly all of the state's absorption at the beginning of 2025.

The vacancy rate closed at 14.56%. Norte Fluminense is a region that has had no available space since 2017, with no new deliveries in recent years and no developments in construction. Resende has also remained without vacant space since beginning of 2024. Zona Oeste, on the other hand, has the highest vacancy rate in the state, reaching 37.63%, while Washington Luiz has the lowest, at 8.48%.

The average asking price in Rio de Janeiro was BRL 21.34/sq.m. Among the most expensive regions are Pavuna (BRL 42.00/sq.m) and Washington Luiz (BRL 25.08/sq.m). The less expensive regions are Zona Oeste (BRL 17.29/sq.m) and Seropédica/Queimados (BRL 21.17/sq.m).

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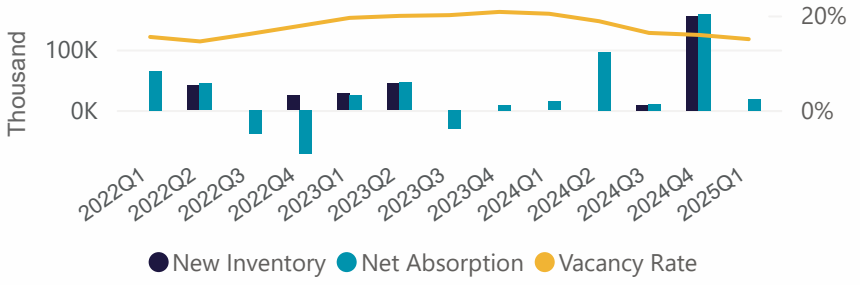
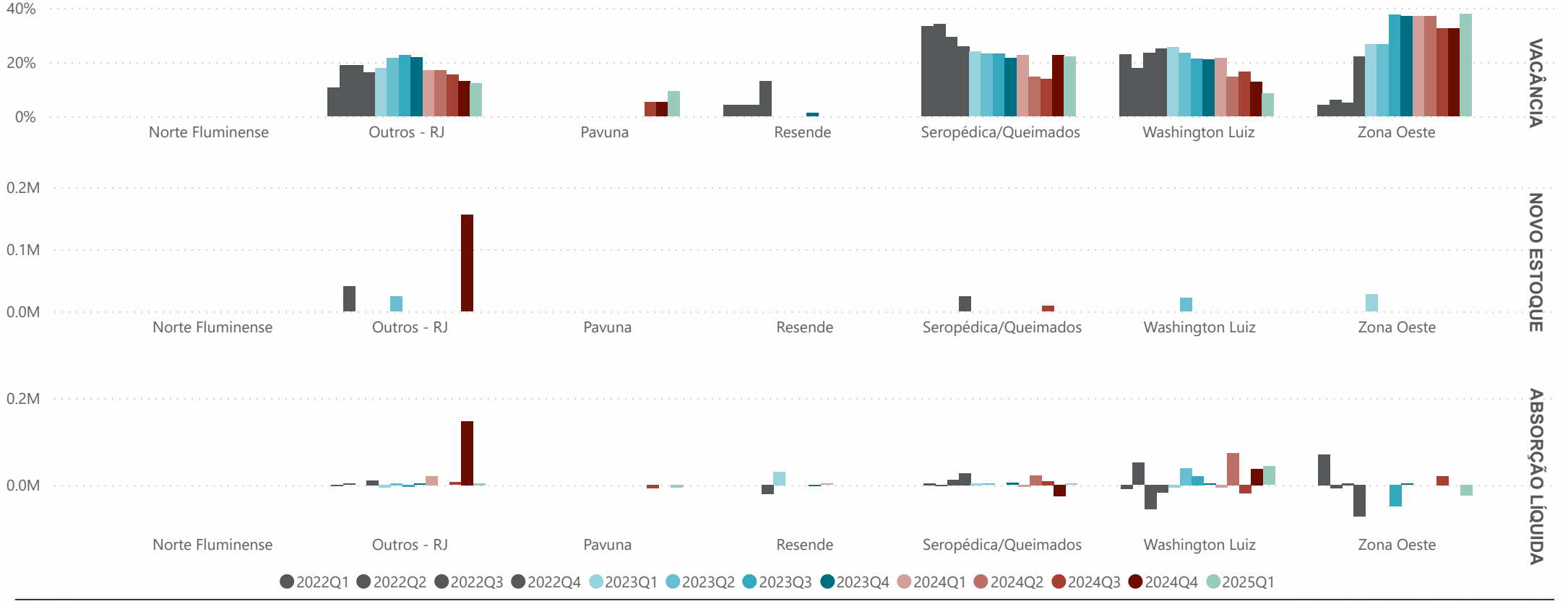
Net Absorption/New Inventory/Vacancy
Source: Cushman & Wakefield



ABSORPTIONS

The class A logistic market in the state of Rio de Janeiro recorded 18,394 sq.m of net absorption at the end of the first quarter of 2025. In terms of leases, this number reaches 54,716 sq.m. Washington Luiz stood out as the region with the highest result, totaling 43,066 sq.m. Zona Oeste, on the other hand, registered the highest negative net absorption (-23,777 sq.m). Among the leases with identified tenants, the three sectors present were logistics, information and communication, and administration and security.



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Class A

MAJOR MARKET	INVENTORY (SQ.M)	AVAILABLE SPACE (SQ.M)	VACANCY RATE	CURRENT QTR NET ABSORPTION (SQ.M)	YTD OVERALL NET ABSORPTION (S.QM)	YTD LEASING ACTIVITY (S.QM)	UNDER CNSTR (S.QM)	YTD CNSTR COMPLETIONS (S.QM)	AVG ASKING RENT (ALL CLASSES)*	AVG ASKING RENT (CLASS A)*
Amazonas	307,359	7,448	2.42%	-3,724	-3,724	0	0	0	25.00	25.00
Bahia	374,705	30,117	8.04%	-6,398	-6,398	0	28,584	0	22.26	27.33
Paraná	785,866	7,819	0.99%	-2,442	-2,442	0	0	0	22.37	20.11
Pernambuco	1,171,955	80,035	6.83%	0	0	0	0	68,575	24.04	24.44
Rio Grande do Sul	422,968	60,206	14.23%	0	0	0	12,846	0	20.23	22.75
Minas Gerais	2,567,236	260,248	10.14%	182,151	182,151	190,820	259,550	115,180	27.06	27.02
Ceará	375,255	17,863	4.76%	-10,370	-10,370	0	66,184	0	19.22	19.22
Pará	116,460	4,203	3.61%	0	0	0	0	0	22.24	22.24
Santa Catarina	390,646	39,686	10.16%	0	0	0	44,207	0	18.43	19.94
Other Regions	6,512,450	507,625	7.79%	159,217	159,217	190,820	411,371	183,755	23.30	24.69
Atibaia	446,838	6,268	1.40%	0	0	0	0	0	18.73	20.78
Campinas	1,628,006	161,361	9.91%	-13,855	-13,855	1,543	109,370	0	17.93	18.92
Embu	974,772	266,186	27.31%	0	0	0	213,147	0	27.87	29.15
Barueri	1,532,736	47,339	3.09%	1,638	1,638	3,296	0	0	24.82	26.69
Jundiaí	2,134,298	122,006	5.72%	-1,070	-1,070	0	11,200	0	20.53	20.59
Guarulhos	2,643,373	375,751	14.21%	16,358	16,358	59,016	406,522	238,100	29.70	29.94
Cajamar	2,959,101	341,001	11.52%	0	0	0	315,225	93,422	26.34	26.34
São José dos Campos	252,277	3,908	1.55%	0	0	0	0	0	20.77	24.00
Ribeirão Preto	111,894	0	0.00%	0	0	0	48,086	0	15.00	
Grande ABC	709,655	143,262	20.19%	10,134	10,134	10,134	96,919	13,711	29.95	29.95
Baixada Santista	0	0		0	0	0	0	0		
Capital - SP	322,228	4,914	1.53%	2,990	2,990	2,990	15,345	0	42.70	41.23
Sorocaba	547,112	44,778	8.18%	3,570	3,570	3,570	102,633	0	19.70	21.34
Outros - SP	26,783	0	0.00%	0	0	0	36,109	0		
São Paulo	14,289,073	1,516,774	10.61%	19,765	19,765	80,549	1,354,556	345,233	25.43	26.53
Pavuna	162,488	14,777	9.09%	-6,519	-6,519	0	0	0	34.78	42.00
Norte Fluminense	36,718	0	0.00%	0	0	0	0	0	14.00	
Zona Oeste	450,163	169,415	37.63%	-23,777	-23,777	0	0	0	17.29	17.29
Washington Luiz	1,031,751	87,517	8.48%	43,066	43,066	49,092	0	0	25.11	25.08
Seropédica/Queimados	291,310	64,375	22.10%	1,177	1,177	1,177	41,816	0	21.17	21.17
Resende	237,424	0	0.00%	0	0	0	0	0		
Outros - RJ	580,861	70,167	12.08%	4,447	4,447	4,447	11,003	0	25.29	23.67
Rio de Janeiro	2,790,715	406,251	14.56%	18,394	18,394	54,716	52,819	0	21.75	21.34
Brazil	23,592,238	2,430,650	10.30%	197,376	197,376	326,085	1,818,746	528,988	24.41	25.26

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KEY LEASE TRANSACTIONS Q1 2025

Property	State	Sub-Market	Tenant	Area
BWDiase Business Park 2	Minas Gerais	Sul de Minas	ID Logistics	60,000
LOG - SIM	Minas Gerais	Contagem/Betim	GrupoSC- Santa Cruz Medicamentos- Phanparma	41,458
CLD - Centro Logístico Dutra	São Paulo	Guarulhos	Mercado Livre	25,725
Cy.log Guarulhos	São Paulo	Guarulhos	Tecfil	23,392
CL Especulativo Extrema - WT Extrema	Minas Gerais	Sul de Minas	ID Logistics	15,377
LOG - Juiz de Fora	Minas Gerais	Juiz de Fora	Mercado Livre	13,722

KEY DELIVERIES Q1 2025

Property	State	Sub-Market	Owner	New Inventory
Cy.log Guarulhos	São Paulo	Guarulhos	CY Capital	107,040
Bricklog Guarulhos	São Paulo	Guarulhos	Brick Capital	105,335
Golgi Cajamar	São Paulo	Cajamar	Autonomy Investimentos	93,422
LOG - Recife II	Pernambuco	Recife	Log Commercial Properties	68,575
BWDiase Business Park 2	Minas Gerais	Extrema	Blackwall Partners	60,000
LOG - SIM	Minas Gerais	Betim	Log Commercial Properties	41,458
CLD - Centro Logístico Dutra	São Paulo	Guarulhos	SPX Capital | Sanca	25,725
LOG - Juiz de Fora	Minas Gerais	Juiz de Fora	Log Commercial Properties	13,722
MBigucci Business Park Santo André	São Paulo	Santo André	Mbigucci	13,711

KEY EXPECTED NEW DELIVERIES FOR 2025

Property	State	Sub-Market	New Inventory
KLOG Guarulhos	São Paulo	Guarulhos	98,529
LOG São Bernardo do Campo	São Paulo	São Bernardo do Campo	96,919
LOG Ribeirão Preto	São Paulo	Ribeirão Preto	48,086
XPEX Contagem	Minas Gerais	Contagem	46,723
Braspark Nova Odessa	São Paulo	Nova Odessa	43,000
AQ³LOG - Fase 2	Rio de Janeiro	Queimados	41,816

MARKET RESEARCH AND BUSINESS INTELIGENCE

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