MARKETBEAT

RIO DE JANEIRO

Office Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Mo Forecast
28.89% Vacancy Rate	▼	▼
2,846 Net Absorption (sq.m)	▼	▲
BRL 78.36 Asking Rent (BRL sq.m)	▼	▲

ECONOMIC INDICATORS

	YOY Chg	12-Mo Forecast
0.2% GDP (2024Q4 - Quarterly Variation)	▼	▼
6.2% Unemployment Rate (2025Q1)	▼	▲
5.1% IPCA (12 months)	▲	▼

Source: LCA

ECONOMIC SCENARIO

• In 2024, GDP grew by 3.4% compared to the previous year, totaling BRL 11.7 trillion. From the production perspective: Agriculture, Industry, and Services varied by -3.2%, 3.3%, and 3.7%, respectively. From the expenditure perspective, Government Consumption increased by 1.9% and Household Consumption by 4.8%. Investments (Gross Fixed Capital Formation) rose by 7.3%, while Exports of Goods and Services increased by 2.9% and Imports of Goods and Services grew by 14.7%. 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. Inflation remains widespread across different groups, with price increases both in items more sensitive to the labor market and in components influenced by regulatory factors. • The labor market remained strong, but with recent signs of cooling. The unemployment rate rose to 6.8% in the quarter ending in February, partly due to seasonal factors. Nevertheless, the growth in formal employment and real average income supports the wage bill at a high level, contributing to sustained domestic demand and making it difficult for inflation to slow down. • The basic interest rate (Selic) is at 14.25% per year, after a 1.00 p.p. increase in the last Copom meeting. The decision was made in a context of unanchored inflation expectations, resilient economic activity, and a still tight labor market. • In the U.S., the Federal Reserve maintained the basic interest rate in the range of 4.25% to 4.50%. The monetary authority adopted a cautious stance, assessing that the current level is adequate while monitoring data developments and uncertainty regarding the economic outlook.

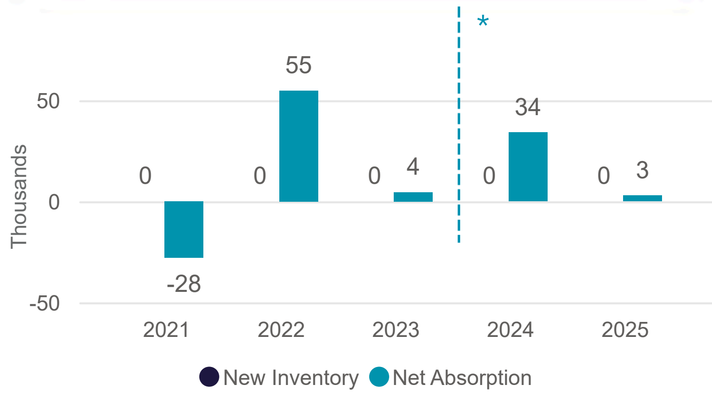
DEMAND

The first quarter of 2025 ended with a vacancy rate of 28.89% in class A and A+ office buildings in Rio de Janeiro's CBD, reflecting a net absorption of 2,846 sq.m. The Centro (-478 sq.m) was the only region to register negative net absorption, with a slight increase of 0.07 p.p. in its vacancy rate, maintaining the highest available space (182,285 sq.m). On the other hand, Barra da Tijuca (2,768 sq.m) and Porto (556 sq.m) recorded positive net absorption, contributing to the reduction of vacancy rates, which decreased by 1.49 p.p. and 0.26 p.p., respectively. The other regions did not register significant movements, and Cidade Nova remains with a vacancy rate above the city's average.

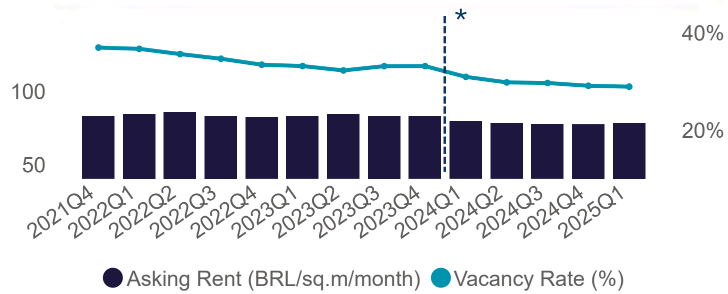
PRICING

In the first quarter of 2025, the asking price for class A and A+ office buildings in Rio de Janeiro was BRL 78.36/sq.m, reflecting a 1.4% increase compared to the previous quarter. Barra da Tijuca (8.17%) and Porto (4.66%) were the regions with the highest price appreciation, while Centro (-0.12%) was the only region to see a decrease. Zona Sul continues to have the highest prices, with an asking price of BRL 160.00/sq.m, followed by Porto (BRL 84.15/sq.m) and Centro (BRL 83.17/sq.m), both above the city's average.

SPACE DEMAND / DELIVERIES - CBD A



ASKING RENT / VACANCY - CBD A



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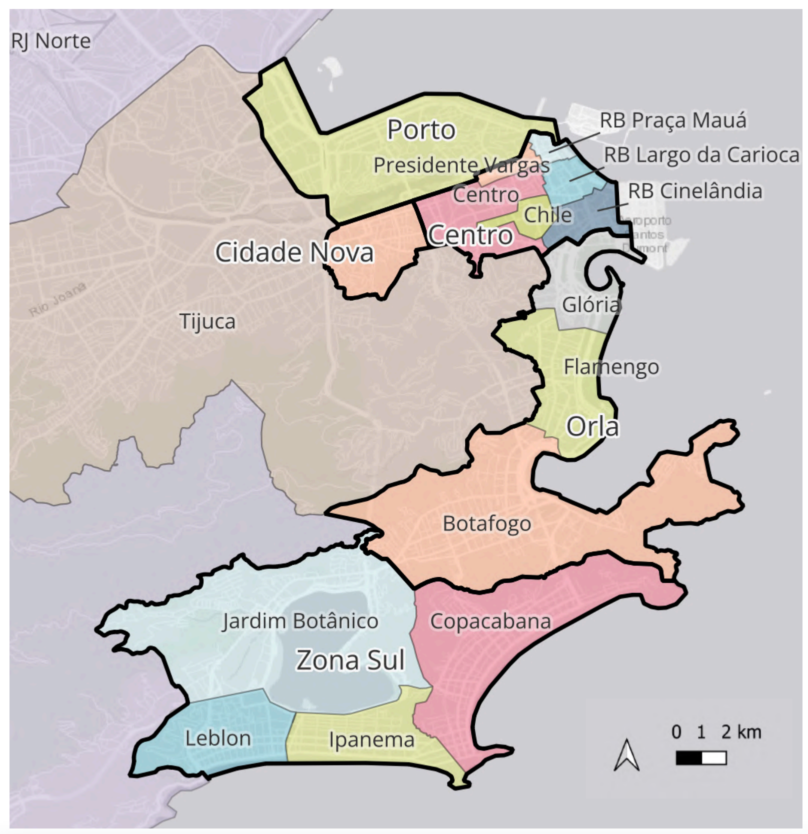
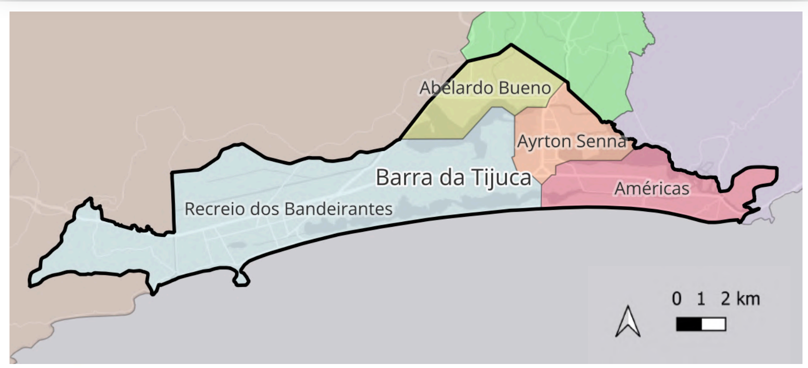


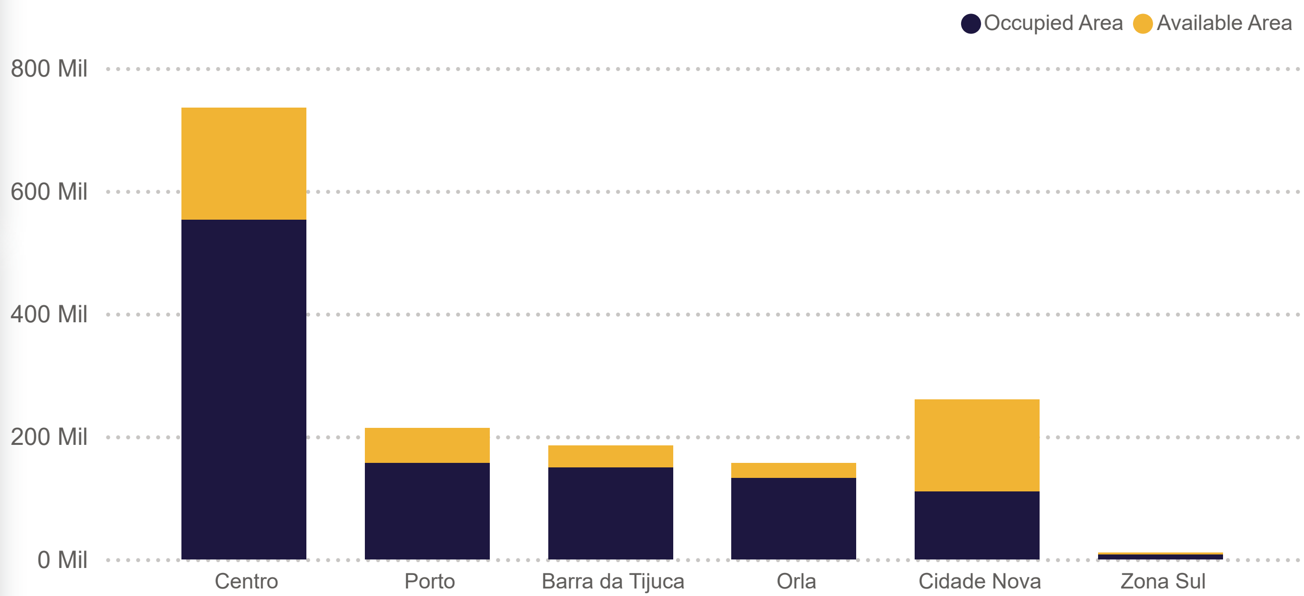


MARKET OVERVIEW

The office market in Rio de Janeiro faces a dynamic characterized by the lack of new class A and A+ developments since 2018, resulting in small fluctuations in vacancy rates driven by natural market movements, such as new leases or vacancies. In the first quarter of 2025, with an available space of 451,153 sq.m — the lowest since 2016 — there was a slight decrease in both vacancy rates (-0.18 p.p.) and net absorption (-68.19 p.p.) compared to the previous quarter.

Zona Sul, Orla, and Cidade Nova did not experience significant movements. Centro, despite the negative net absorption and slight increase in vacancy rate, saw a slight price increase of BRL 0.10/sq.m. Porto, on the other hand, recorded a 0.26 p.p. decrease in vacancy and maintained net absorption similar to the previous quarter. The major highlight was Barra da Tijuca, which accounted for 83.7% of the negotiated space, with a significant 1.49% reduction in vacancy and a price increase of BRL 3.74/ sq.m.

CBD SUBMARKET COMPARISON

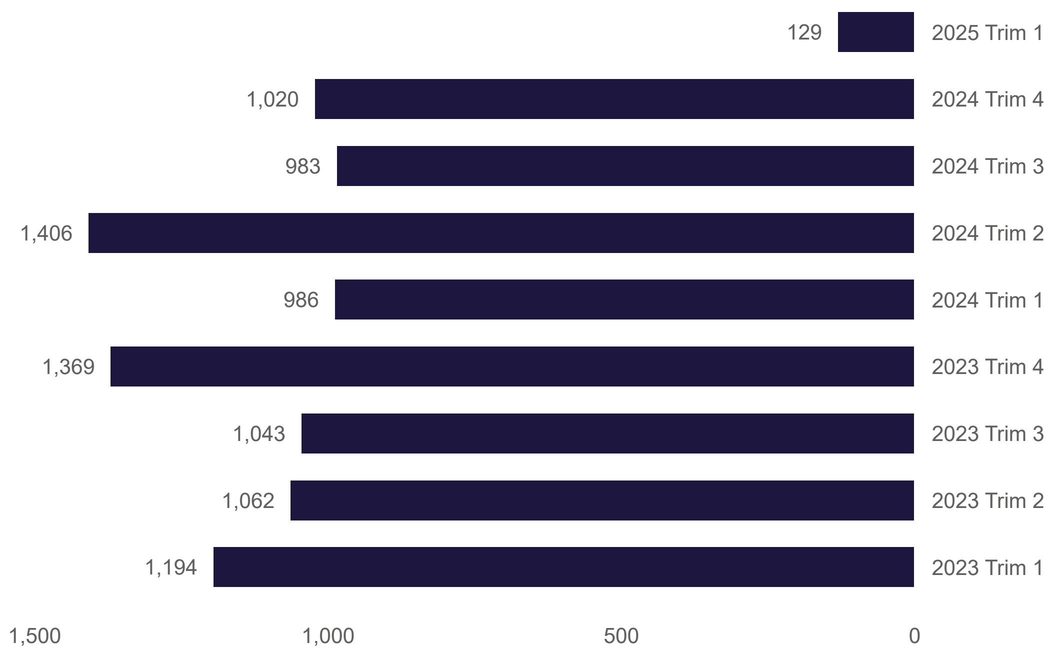


TRANSACTIONS - 2025Q1

MAIN LEASED SEGMENTS - 2025Q1

In the first quarter of 2025, Rio de Janeiro's CBD recorded a total of 5,814 sq.m in leases. Barra da Tijuca led the transactions with 4,867 sq.m, followed by Porto with 556 sq.m and Centro with 391 sq.m leased. The quarter also saw entries and exits in the food, medical and healthcare sectors, with a particular focus on Barra da Tijuca.

AVERAGE OF LEASED AREA (SQ.M)



MARKET STATISTICS Q1 2025

SUBMARKET	NUMBER OF BUILDINGS	INVENTORY (SQ.M)	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	CURRENT QTR NET ABSORPTION (SQ.M)	CURRENT QTR GROSS ABSORPTION (SQ.M)	UNDER CONSTRUCTION (SQ.M)	AVG ASKING RENT (BRL/MONTH)
Centro	31	735,272	182,285	24.8%	-478	391	0	83.17
Cidade Nova	7	259,620	149,206	57.5%	0	0	0	72.04
Orla	10	156,756	23,787	15.2%	0	0	0	74.37
Zona Sul	1	10,938	3,071	28.1%	0	0	0	160.00
Porto	8	213,799	56,995	26.7%	556	556	0	84.15
Barra da Tijuca	21	185,417	35,809	19.3%	2,768	4,867	0	69.95
Total CBD A	78	1,561,802	451,153	28.9%	2,846	5,814	0	77.62

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)
Rio Office Park - Bloco 4	Barra da Tijuca	Undisclosed	3,919
Mário Henrique Simonsen - Bloco 2	Barra da Tijuca	Undisclosed	834
Vista Guanabara	Porto	Undisclosed	556
City Tower - Citibank	Centro	Undisclosed	391
Rio Office Park - Bloco 4	Barra da Tijuca	Le Gourmet	75
Rio Office Park - Bloco 4	Barra da Tijuca	Vikel	39

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