BRAZIL

INVESTMENTS Q4 2025

CUSHMAN & WAKEFIELD

ECONOMIC INDICATORS

	YOY Chg	12-Mo Forecast
0.1% GDP (2025Q3- Quarterly Variation)	▼	—
5.6% Unemployment Rate (2025Q3)	▼	▼
4.3% IPCA (12 months)	▼	▲
7.4% NTN-B 2035	▲	▲

Source: LCA

	YOY Chg	12-Mo Forecast
8.6% Average Cap Rate	▼	—
14 Bn Total Volume (BRL)	▲	▲
64 Total Properties Sold	▲	▲
2.2 Mi Area (sq.m)	▲	▲

(all classes)

ECONOMIC SCENARIO

•In Q3 2025, GDP rose by 0.1%, slowing after increasing 0.3% in Q2. From the supply side, Industry posted the strongest expansion (+0.8%), followed by Agriculture (+0.4%), while Services grew 0.1%. From the demand side, Household Consumption increased 0.1% and Government Consumption rose 1.3%. Gross Fixed Capital Formation (investment) advanced 0.9%, while Exports of Goods and Services grew 3.3% and Imports of Goods and Services increased 0.3%.

•The labor market remains tight, with the unemployment rate steady at 5.2% in the quarter ending in November,the lowest level in the historical series that began in 2012. The market remains resilient, still reflecting high formal employment and rising real wages. Average real usual earnings continue to grow, supporting household income, albeit at a more moderate pace than in previous quarters.

•On a 12-month basis, inflation as measured by the IPCA ended 2025 at 4.26%, remaining within the tolerance band of the target, although still above the 3% midpoint. Inflation expectations for 2025 showed some moderation over the period, but remain unanchored across all relevant horizons. The disinflation process was driven mainly by prices of food consumed at home and industrial goods, reflecting the appreciation of the Brazilian real and the decline in commodity prices. In contrast, services inflation remains elevated, reflecting inertial pressures, a positive output gap, and a still tight labor market.

•The policy rate (Selic) has been held at 15.00% since June, and in its latest meeting, COPOM signaled that rates should remain in contractionary territory for an extended period. The decision reflects a backdrop of de-anchored inflation expectations, resilient activity - albeit with some moderation, and a dynamic labor market. In addition, the external environment remains adverse, shaped by uncertainty around U.S. economic policy and geopolitical tensions.

•In the United States, GDP accelerated in Q3 2025, expanding 4.3% at an annualized rate. Activity signals have been mixed: while growth remains positive, the labor market weakened gradually toward late 2025, with unemployment at 4.6% and more modest job creation. Consumer inflation remains above target at 2.7%. Against this backdrop, in its latest meeting, the FOMC - showing greater sensitivity to labor market weakness - delivered another 25 bps cut in the Fed Funds rate to the 3.50%-3.75% range, while discussions around additional cuts have continued into early 2026.

MARKET OVERVIEW

The fourth quarter of 2025 recorded a sharp acceleration in real estate transaction activity, with 64 deals and a financial volume of BRL 13,862,771,888. The transacted area surpassed 2,168,624 sq.m, with an average price of BRL 6,293/sq.m. The average capitalization rate stood at 8.6% per year, with wide dispersion across assets. Properties located in secondary regions continued to trade at higher cap rates, while core assets posted more compressed yields. This movement reflects investors' willingness to pay higher multiples on NOI for assets with lower operational risk, contracted income, and consolidated locations - even in a high general cap-rate environment. Throughout the quarter, real estate funds remained the leading players. Most transactions involved stabilized assets, often under atypical lease agreements or with top-tier tenants, highlighting the market's preference for predictable income streams and lower vacancy risk. High liquidity and assertiveness in capital allocation reinforce the selective stance of investors, who continue to prioritize strong operational fundamentals, despite rising competition for quality assets.

MARKET STATISTICS

PROPERTY TYPE	TRANSACTIONS	SALES VOLUME (BRL)	TOTAL SQ.M	PRICE/SQ.M	CAP RATE
Retail	29	6,535,764,295	573,396	11,398	8.08%
Office	11	2,023,046,088	141,216	14,326	9.55%
Industrial	24	5,303,961,505	1,454,012	3,500	9.20%
Total	**64**	**13,862,771,888**	**2,168,624**	**6,293**	**8.62%**

Office

The office segment recorded 11 transactions in the fourth quarter of 2025, with a financial volume of BRL 2,023,046,088 and a transacted area of 141,216 sq.m. The average price reached BRL 14,326/sq.m, the highest among the monitored segments, while the average capitalization rate stood at 9.5% per year. Transactions involved assets located in the cities of São Paulo (SP), Brasília (DF), and Belo Horizonte (MG). The main highlight of the quarter was the divestment of a portfolio comprising WT Morumbi and Work Bela Cintra, both located in São Paulo, totaling approximately 31,000 sq.m of transacted area. The deal, valued at around BRL 557 million, was carried out by BTG Pactual Logística FII (BTLG11).

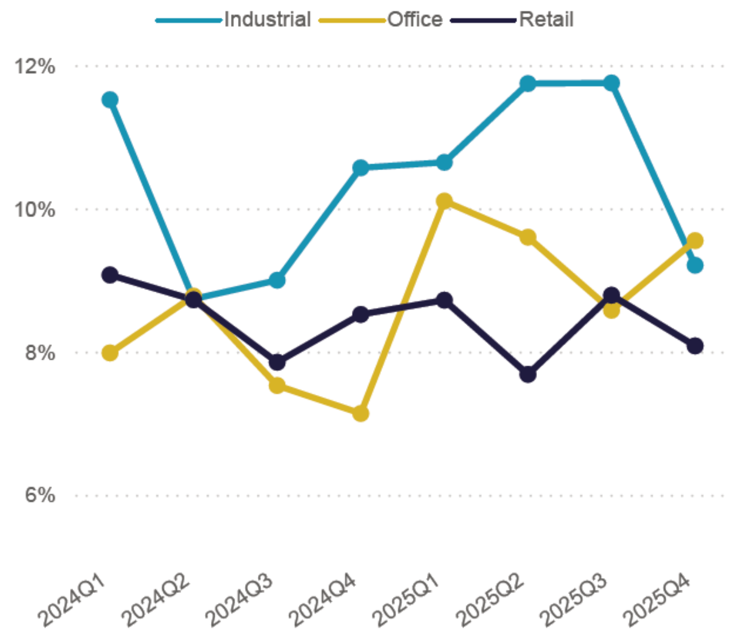
Industrial

The industrial segment accounted for 24 transactions in the fourth quarter of 2025, totaling BRL 5,303,961,505 in financial volume and 1,454,012 sq.m of transacted area - figures that may still increase depending on the outcome of an asset currently under due diligence. The average price was BRL 3,500/sq.m, while the average capitalization rate stood at 9.2% per year. Transactions were spread across a broad range of logistics and industrial hubs, with assets located in the states of São Paulo, Minas Gerais, Paraná, Bahia, Pernambuco, Espírito Santo, Rio de Janeiro, Rio Grande do Sul, Ceará, Goiás, and Rio Grande do Norte. The main highlight of the quarter was the acquisition of a logistics portfolio by Pátria Log FII (HGLG11), totaling approximately BRL 851 million and 235,000 sq.m of gross leasable area.

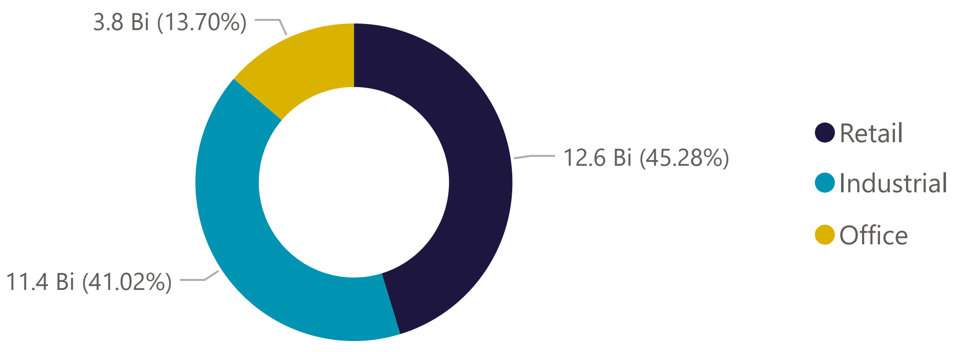
Retail

The retail segment recorded 29 transactions in the fourth quarter of 2025, totaling BRL 6,535,764,295 in financial volume and 573,396 sq.m of transacted area. The average price was BRL 11,398/sq.m, while the average capitalization rate stood at 8.1% per year. Transactions were spread across a wide range of states, with notable concentration in São Paulo, Minas Gerais, Rio de Janeiro, Goiás, Bahia, Acre, Maranhão, Ceará, and Rio Grande do Norte. The Mall subsegment accounted for 16 transactions, totaling BRL 5,527,315,923 in financial volume and 324,629 sq.m of transacted area. The average price was BRL 17,027/sq.m, with an average cap rate of 7.9% per year. One of the quarter's highlights was the sale by XP Malls FII (XPML11) and Neomall FII of a portfolio comprising stakes in nine shopping centers located in São Paulo, Rio de Janeiro, Amazonas, and Bahia, including assets such as Grand Plaza, Tietê Plaza, Partage Santana, and Metropolitano Barra. The transaction was acquired by FII Atria (a vehicle managed by Riza Real Estate) for a total of BRL 1.65 billion. The Store subsegment accounted for 13 transactions, moving BRL 1,008,448,372 in financial volume and 248,768 sq.m of transacted area. The average price was BRL 4,054/sq.m, with an average cap rate of 8.6% per year - a higher level that reflects the more fragmented risk profile, often involving locations outside major urban centers. A key highlight was the acquisition of seven properties leased to Atacadão S.A. by TRX Real Estate FII (TRXF11) for approximately BRL 297 million. The assets are located across Alagoas, Pernambuco, Mato Grosso, Rio de Janeiro, Ceará, and Rio Grande do Norte, totaling 101,000 sq.m of gross leasable area.

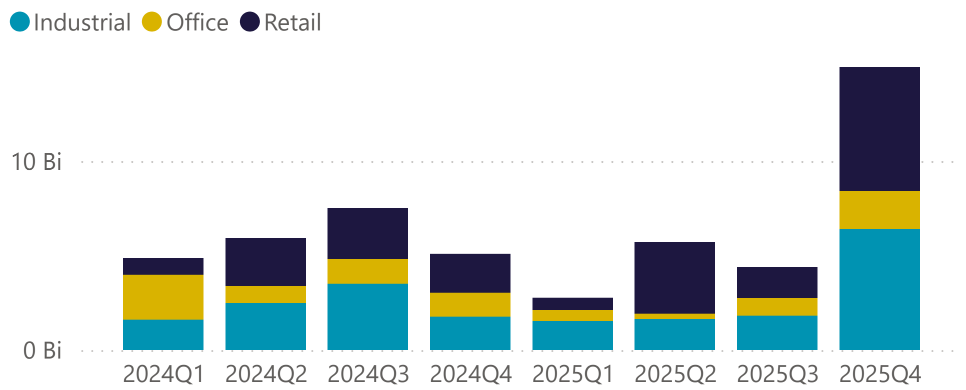
CAP RATE TRENDS BY SECTOR



2025 YTD CAPITAL VOLUME BY PROPERTY TYPE



CAPITAL VOLUME (BRL) BY PROPERTY TYPE



MAIN TRANSACTIONS

NAME	PROPERTY TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	REGION
4 Imóveis Mateus Supermercados	Retail	TRX Real Estate FII (TRXF11)	Mateus Supermercados / Novo Atacado / Terceiros	61,613	379,291,730	6,156	Cametá, Carpina, Imperatriz, Salvador
7 Imóveis Atacadão	Retail	TRX Real Estate FII (TRXF11)	Atacadão S.A.	100,983	297,159,091	2,943	Arapiraca, Camaragibe, Tangará da Serra, Duque de Caxias, Resende, Sobral, Mossoró
Grand Plaza (20%); Tietê Plaza (45%); Partage Santana (15%); Caxias (17,5%); Metropolitano Barra (40%); Ponta Negra (39,99%); Campinas (25%); Bela Vista (14,31%); Lojas do Shopping Downtown (100%)	Retail	FII Atria (veículo da Riza Real Estate)	XP Malls FII (XPML11) + Neomall FII	96,968	1,651,579,979	17,032	SP, RJ, AM, BA
Midway Mall Shopping Center	Retail	Midway Mall FII / Capitânia Investimentos	Lojas Riachuelo S.A. (Guararapes Confecções S.A. - GUAR3)	66,200	1,610,000,000	24,320	Natal
Praia de Belas (10%), Metrô Tatuapé (4,53%), Metrô Boulevard Tatuapé (15%), Iguatemi Bosque (5,5%)	Retail	Capitânia Shoppings FII (CPSH11)	XP Malls FII (XPML11) via Internacional Guarulhos FII	13,581	344,947,305	25,399	Porto Alegre, São Paulo, Fortaleza
5 Galpões Logísticos Multilocatários (HBRMultipark; HBRÁguaChata; HlogCabreúva; HlogGaleão; CLJJaguaré)	Industrial	TRX Real Estate FII (TRXF11)	HIRE FII (HIRE11) e outros vendedores	107,100	402,831,000	3,761	Guarulhos, Cabreúva, Rio de Janeiro e São Paulo
Parque Logístico Osasco; Porto Canoa Log; Fernão Dias Business Park; CD Privalia; Betim Business Park (fração ideal de 72%)	Industrial	Pátria Log FII (HGLG11)	-	235,459	850,720,360	3,613	Osasco, Serra, Extrema e Betim
Portfólio logístico - Parque Logístico Guarulhos, Galpão Embu e Galpão PQNM	Industrial	Pátria Log FII (HGLG11)	-	185,709	807,850,551	4,350	Guarulhos,Embu das Artes e São Paulo
Portfólio Logístico AAA (LOG Jundiaí, LOG Ribeirão Preto e LOG Natal)	Industrial	BTG Pactual LOGCP FII (BTLC11)	LOG Commercial Properties e SPEs	110,690	366,396,285	3,310	Jundiaí; Ribeirão Preto; Natal
Parque Logístico - Confins	Industrial	Guardian Real Estate FII (GARE11)	-	24,625	86,813,844	3,525	Confins

MAIN TRANSACTIONS

NAME	PROPERTY TYPE	BUYER	SELLER	TOTAL SQ.M	PURCHASE PRICE (BRL)	PRICE / SQ.M	REGION
HY Pinheiros	Office	-	Hire Properties I FII	12,954	300,000,000	23,159	São Paulo
Sede MRV&CO	Office	Guardian Real Estate FII (GARE11)	-	13,000	126,408,000	9,724	Belo Horizonte
Top Center	Office	Tellus Properties FII (TEPP11)	TOP CENTER FII	13,463	167,430,000	12,436	São Paulo
Torre 3 - Continental Tower - Cidade Jardim Corporate Center (25 unidades autônomas)	Office	Hedge JHSF Capital Prime Offices (HJCT11)	Fundação Valia	23,759	260,100,000	10,947	São Paulo
WT Morumbi e Edifício Work Bela Cintra	Office	-	BTG Pactual Logística FII (BTLG11)	30,989	557,008,840	17,975	São Paulo

PROJECTIONS AND TRENDS

Economic activity is expected to continue expanding in the coming years, with GDP projected to grow by 2.2% in 2025 and 2.0% in 2026. Growth remains driven by the agricultural sector, with an estimated increase of 11.0% in 2025, though stabilizing in 2026 (-0.1%) due to a strong base effect. Industry is expected to grow by 1.6% in 2025 and 2.0% in 2026, supported by the solid performance of the extractive industry. The services sector maintains a positive trajectory, with projected growth of 1.7% in 2025 and 2.1% in 2026, sustained by resilient consumption and employment. From the demand side, household consumption is expected to rise 1.4% in 2025 and 2.2% in 2026, driven by recovering real incomes and a continued tight labor market. Government consumption is expected to grow more modestly, by 0.6% in 2025 and 0.9% in 2026, while investment (Gross Fixed Capital Formation) is projected to expand 4.0% in 2025 and 1.4% in 2026, reflecting a combination of lower real interest rates and improved macroeconomic predictability. Exports are expected to grow 4.5% in 2025 and 3.5% in 2026, in line with the recovery of trade partners and increased agro-industrial production. Imports, in turn, are projected to grow by 5.1% and 2.7%, respectively, supported by domestic demand.

In the credit market, the credit-to-GDP ratio for free resources is expected to remain stable in 2025, ending the year at 32.0%, the same level as in 2024. This stability reflects opposing movements: while household credit rises from 18.4% to 19.2% of GDP, corporate credit declines from 13.6% to 12.8%. In 2026, the ratio is projected to decrease slightly to 31.8%, with a decline in household credit (to 17.7%) and a recovery in corporate credit (to 14.1%).

The labor market is expected to maintain positive momentum through the end of 2025, with the unemployment rate projected at 5.9% and a 1.9% increase in the employed population, totaling 103.7 million people. The average real wage is expected to grow 3.6% compared to 2024. In 2026, unemployment is projected to decline further to 5.5%, with 1.8% job growth and a 2.2% increase in real wages. Inflation, as measured by the IPCA, is projected to end 2026 at 4.4%, with rising free prices but some relief from administered prices. In this context, the Selic rate is expected to close 2026 at 12.5% per year. Regarding the exchange rate, the USD/BRL is projected to end 2026 at 5.65.

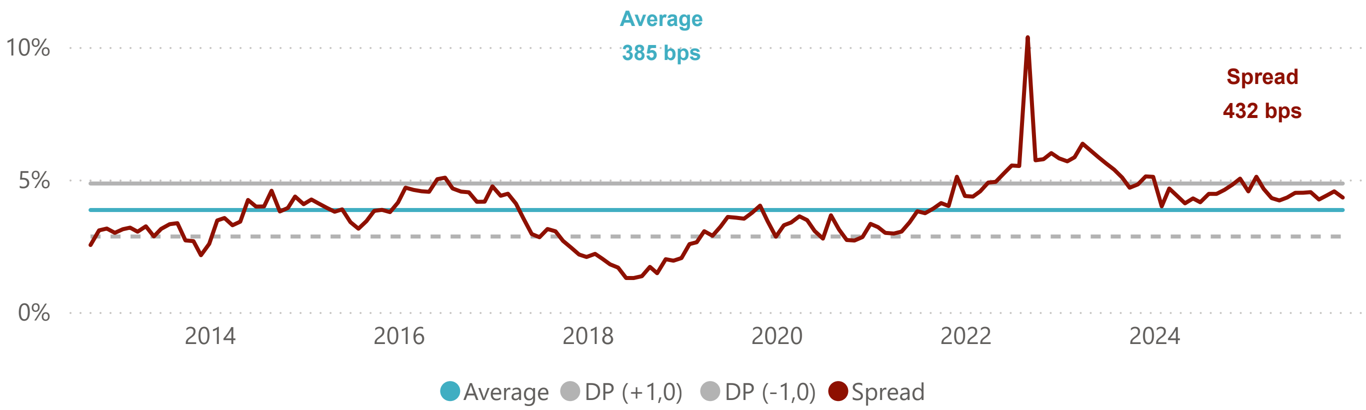
For the external accounts, the current account deficit is expected to remain high, reaching USD 71.7 billion in 2025 (3.1% of GDP) and improving to USD 61.6 billion (2.5% of GDP) in 2026. Foreign Direct Investment (FDI) inflows are expected to remain strong, with USD 84.2 billion in 2025 and USD 70.0 billion in 2026, helping to finance the external gap. Meanwhile, the trade balance is expected to post surpluses of USD 65.0 billion in 2025 and USD 68.4 billion in 2026. On the fiscal front, the primary balance is projected to remain negative at 0.5% of GDP in both years, while the nominal deficit is expected to rise from 8.4% of GDP in 2025 to 8.8% in 2026, driven by nominal interest payments estimated at 8.3% of GDP in 2026. In this context, gross public debt (DBGG) is expected to reach 79.3% of GDP in 2025 and 83.9% in 2026, while net public debt (DLSP) should increase from 65.8% to 70.2% over the same period.

In 2026, the real estate investment market is expected to remain active. Recent experience shows that transaction volumes depend mainly on price adjustments, financial structure, and asset risk profile. Over the year, the trend is toward a selective environment, in which investors continue to prioritize well-located assets with predictable income and controlled risk. The outlook also favors opportunistic deals, with greater bargaining power for buyers - especially in transactions involving portfolio recycling, deleveraging, or the sale of non-core assets. The logistics and industrial segment remains focused on assets with high liquidity, strategic locations, and solid operating fundamentals. In the office segment, transactions continue to concentrate on high-quality buildings. In retail, investors remain selective, targeting consolidated assets with a consistent track record of cash flow generation.

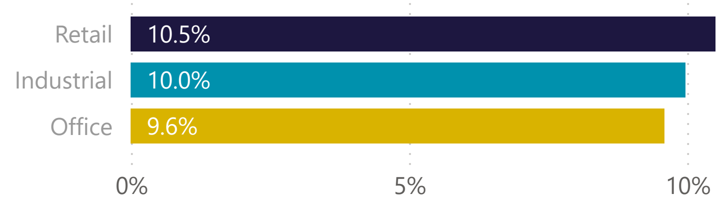
REAL ESTATE INVESTMENT TRUST

According to B3 data, the IFIX posted a cumulative gain of +21.1% in 2025. In the most recent period, the index rose +5.2% in the fourth quarter of 2025. On a monthly basis, IFIX increased +0.1% in October, +1.9% in November, and +3.1% in December. The IFIX average dividend yield reached 11.72% at the end of December. Compared with long-term real interest rates, represented by the NTN-B 2035, this implies a risk premium of approximately 432 bps. Relative to September, the spread widened by 8 bps, remaining above the recent historical average of 385 bps. Regarding the indexation of contracts across the monitored REITs, based on third-quarter 2025 data, IPCA is the most relevant indexer, serving as the reference for 59.6% of contracts, followed by IGP-M, used in 29.4%. In terms of contract maturities, 60.5% have terms longer than 36 months, i.e., maturing from the fourth quarter of 2028 onward.

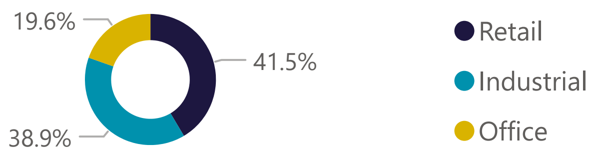
Spread NTN-B 2035 & Dividend Yield IFIX



Dividend Yield by sector



Market Cap by sector



REITs by sector

QoQ Chg

4.09% ▲
Average 3 months DY (2025Q3)

13.15% ▲
Average 12 months DY(2025Q3)

0.86 ▲
MC/Net Worth (2025Q3)

9.19% ▲
Average profitability (2025Q3)

Note: 221 brick REITs were considered in this report

DENNYS ANDRADE
Head of Market Research & Business Intelligence
South America

RENATO PAGLARIN
Coordinator of Market Research & Business Intelligence
South America

RAÍSSA ANDRADE
Market Research & Business Intelligence Economist
research.brazil@cushwake.com

CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of $9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional…

cushmanwakefield.com