

Flight-To-Quality Drives Demand; Year Closes with Positive Net Absorption

Summary of the Year 2022

248,237 SF

Annual Accumulated
Net Absorption

1,002,743 SF

Annual Accumulated
Gross Absorption

26.4 USD

Asking Rent

15,6%

Vacancy

During 2022, the market showed a more favorable outlook, with positive indicators that were placed on the tenants' side. The vacancy continued with a slight downward trend, while prices seem to have reached stability, closing without major variations at \$26.40/SF, stopping the fall that started at the beginning of the pandemic.

The year ended with positive net absorption of 248,237 square feet. During the year, over 1 million square feet were transacted, showing a growth rate of 30.5% compared with 2021, which gives indications that the market may be starting to recover. It remains to be seen how this will play out during the early months of 2023.

The presidential election will occur in 2023. Supply and demand will depend on the results of the election. The market could see a delay in corporate decision-making, with more companies taking a wait-and-see approach.

In turn, it is expected that purchase and sale transactions will be expedited, especially by companies with cash liquidity, as a capital protection strategy, given the scarce supply of products that protect them from the devaluation of the Argentinian peso.

Current Conditions

During 2022, demand set the pace of the market. Some developers offered new services. At the end of the year, positive absorption continued, following the pattern of the previous quarter.

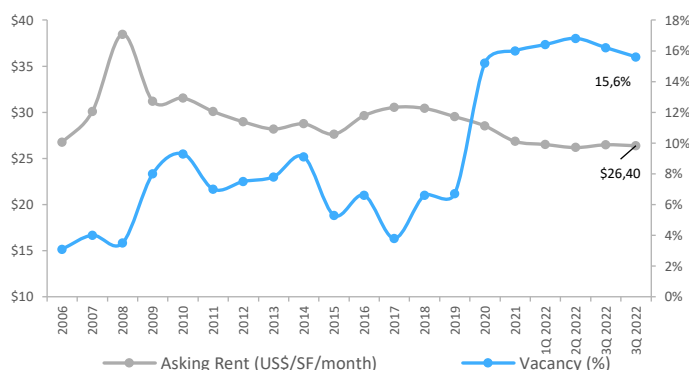
Driven by price stability, flight to quality continued throughout 2022, allowing companies to migrate to higher-category buildings. Outside the Central Business District, the northern area continues to drive demand, highlighting the CABA Northern Corridor; within the city, the Palermo submarket, which closed with vacancy values well below the average. At the same time, Catalinas continues to rapidly regain prominence both for purchase and sale operations and the rental of office space.

Market Summary

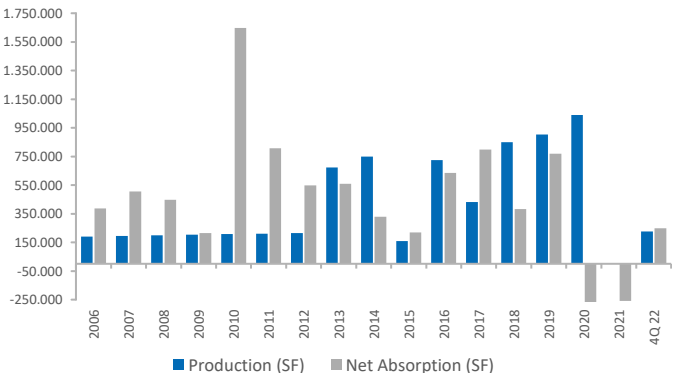
	Current Quarter	Prior Quarter	Year Ago Period	12 Month Forecast
Total Stock (Lettable) (*)	18,7 MSF	18,7 MSF	17,8 MSF	↗
Availability Rate	15.6%	16.2%	16,6%	↗
Quarterly Net Absorption	197,690 SF	123,645 SF	12,534 SF	↗
Average Asking Rate	\$26,4	\$26,5	\$26.9	↔
Under Construction	2.8 MSF	2.8 MSF	2.5 MSF	↘

Market Analysis

AVERAGE RENT AND VACANCY. 2006- 4Q 2022



ANNUAL NET ABSORPTION AND PRODUCTION. 2006- 4Q 2022



Demand

The quarter ended with positive absorption, closing at 197,690 square feet. The submarkets of Puerto Madero (103,742 square feet) and Catalinas (102,688 square feet) presented the highest absorptions. Catalinas continues to be the most attractive area within the CBD, as shown in the previous period.

For the rented area (278,376 square feet) within the CBD, Puerto Madero and Catalinas represented 74.0% of the space. The largest movements occurred in the Madero Riverside buildings (44,552 square feet), which were occupied due to the purchase and sale. It is expected that they will be occupied mostly by the purchaser. Also added to this submarket is 39,654 square feet of office space in Madero. In the case of Catalinas, the largest transaction occurred in the Republica Building with 71,354 square feet. Demand is mainly for Class A buildings, both due to owner occupancy and tenant occupancy.

As for the released area, the period closed at 80,686 square feet. Contrary to what was previously observed, the non-CBD areas released more space than the CBD.

Offer

Vacancy showed a slight decrease of 0.6 percentage points, contrary to what has been observed since 2020. Time will tell whether this behavior consolidates or shows variations.

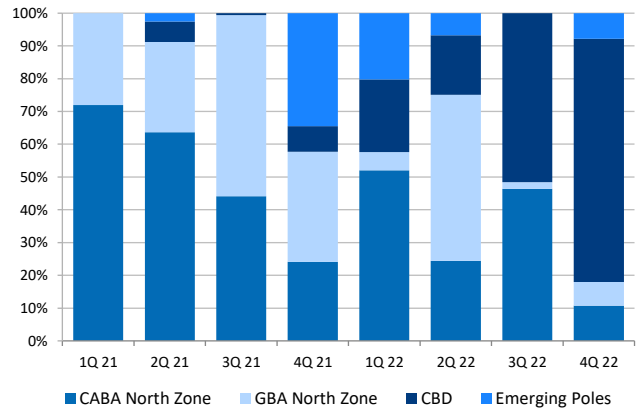
Regarding the available meters, the period closed with just over 2.9 million square feet, 3.9% less than the previous quarter. The greatest variation occurred in Palermo, with 79.9% less than the third quarter of 2022, closing with 4,865 square meters available, contrary to 9 de Julio, which showed an increase of 56.1% due to the release of spaces and the entry into the market of the Lex Tower building.

It is expected that during 2023, over 1.9 million square feet will enter the Pan-American Corridor and the CABA North Corridor.

Rental values remained stable, at \$26.40/SF. North Zone CABA continues to maintain the highest rental values, in opposition to GBA Panamericana, which presents the lowest values outside the CBD, closing at \$23.20/SF.

Quarterly Gross Absorption by Submarkets

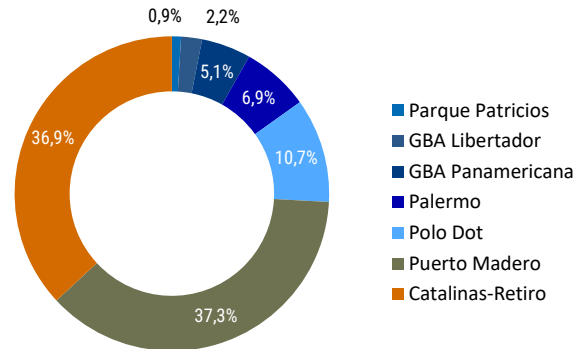
1Q 2021 – 4Q 2022. SQUARE FEET



CABA North Zone: Polo DOT. Corredor Libertador CABA.
GBA North Zone: GBA Panamericana. GBA Libertador.
CBD: Catalinas-Retiro. Puerto Madero. Microcentro. 9 de Julio. Zona Sur.
Emerging Poles: Palermo. Parque Patricios.

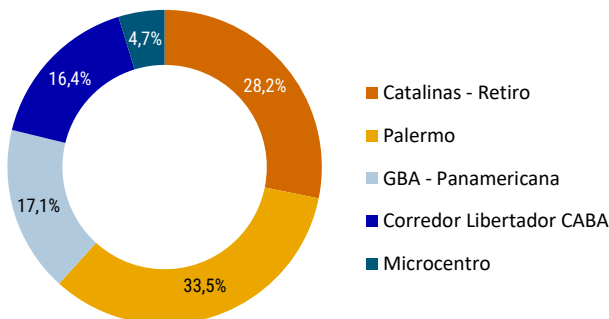
Leased Area by Submarkets: 278,376 SF

4Q 2022. SQUARE FEET



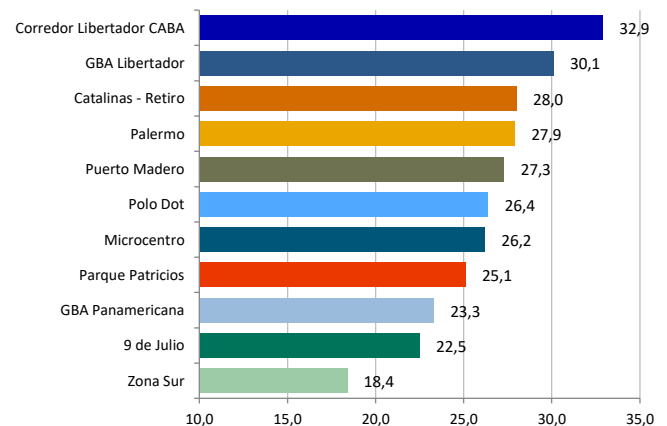
Area Under Construction: 2,841,035 SF

4Q 2022. SQUARE FEET



Average Asking Rent

4Q 2022. (U\$S/SF/MES)

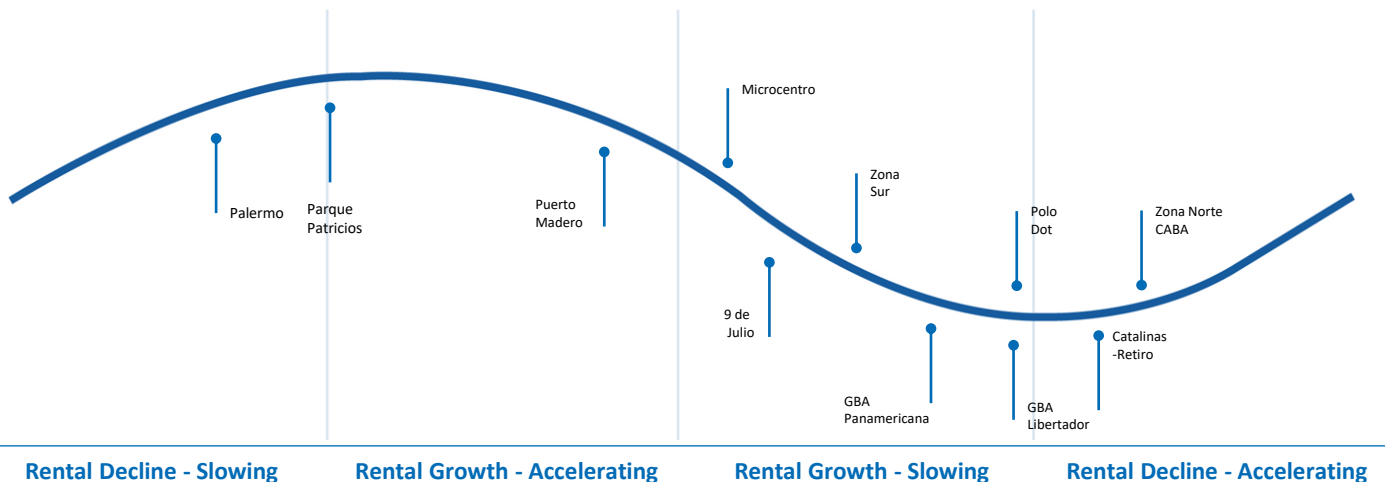


RESEARCH 4Q 2022

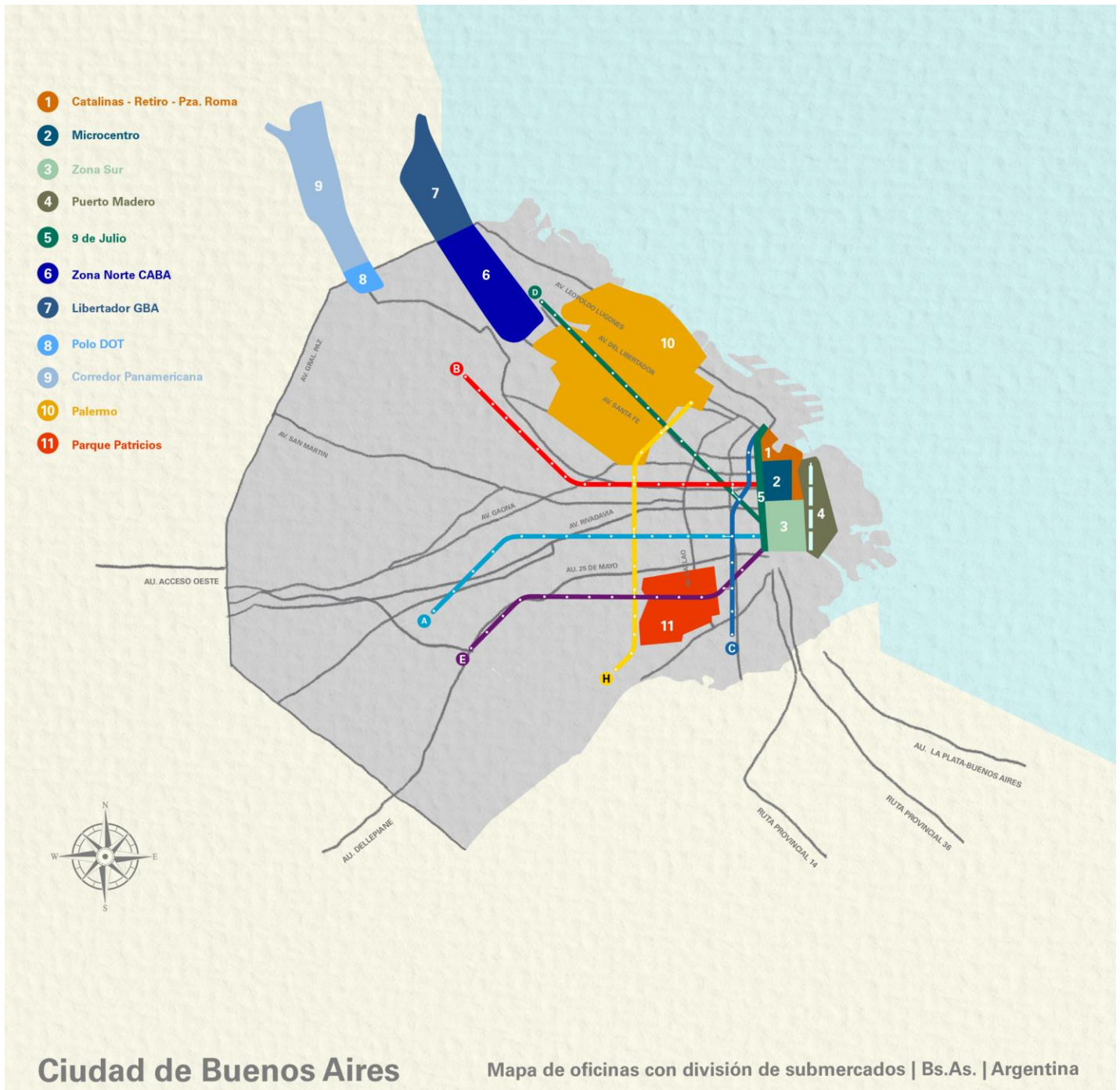
Market Statistics

By Submarket	Total Inventory (SF)	Under Construction (SF)	Projects (SF)	Total Availability Rate (%)	Qtr. Absorption (SF)	YTD Absorption (SF)	Direct Asking Rent (\$/SF/YR)
CABA							
Puerto Madero	3,232,141	-	-	14.70%	103,742	88,307	27.3
Zona Sur	1,098,725	-	199,692	22.50%	-	-	18.4
Microcentro	934,134	134,947	-	28.60%	-6996.535	60,116	26.2
Catalinas-Retiro. Pza. San Martín. Pza. Roma	5,308,454	800,834	3,096,774	12.60%	102,688	-7,309	28.0
9 de Julio	974,391	-	80,514	24.70%	-21,915	-52,442	22.4
Zona Norte CABA	863,738	467,325	2,237,061	8.80%	-11,969	68,641	32.9
Polo Dot	1,240,453	-	1,295,586	18.80%	-9967.3714	46,866	26.4
GBA							
Corredor Panamericana	2,148,539	485,603	822,254	22.80%	14,176	-24,445	23.2
Corredor Libertador	966,900	-	342,873	16.40%	5995.4923	-25,607	30.1
Subtotal	16,767,476	1,888,709	8,074,755	18.90%	175,753	154,118	26.1
Emergent Poles							
Parque Patricios	1,855,524	-	704,939	2.00%	2594.0999	-9,139	25.1
Palermo	171,846	952,325	-	2.80%	19,343	103,258	27.9
Subtotal	2,027,370	952,325	704,939	2.40%	21,937	94,120	26.5
TOTAL	18,794,846	2,841,035	8,779,693	15.60%	197,690	248,237	26.4

Class A office market cycle by submarkets



Office market by submarket – Buenos Aires



Economic Outlook

The year 2022 closed with many expectations regarding economic and political development for the 2023 election year. The International Monetary Fund maintained economic projections for Argentina, which estimated a growth rate of 2.0% in 2023, with context of a strong global slowdown.

Despite this, Argentina grew more than projected for 2022, reaching 5.9% per year, so it could meet the payment commitments set for 2022.

2023 is expected to be a year of transition in the market. Electoral years often generate uncertainties regarding the future, in addition to concerns around debt and payment commitments. The rise in inflation has translated into a loss of purchasing power and a slowdown in the general economy, leading the population to seek protection against this scenario.

This combination of risk factors makes it difficult to forecast the short-term future of the country's economy, especially because of the proximity of an election year. Expect the market to enter a wait-and-see period.

The exchange rate continues to increase by approximately 6.5% per month, slightly above inflation, with a year-over-year increase of 72.1%, closing the period at 184.75 pesos per BNA dollar.

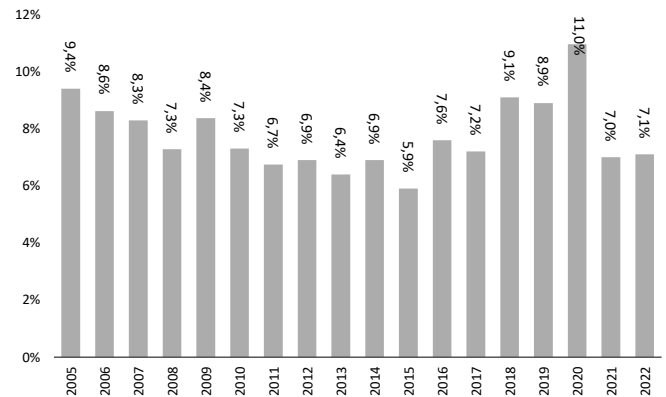
In addition, new adjustments in taxes on the rates of the different exchange rates are expected.

Economic indicators 4Q 2022

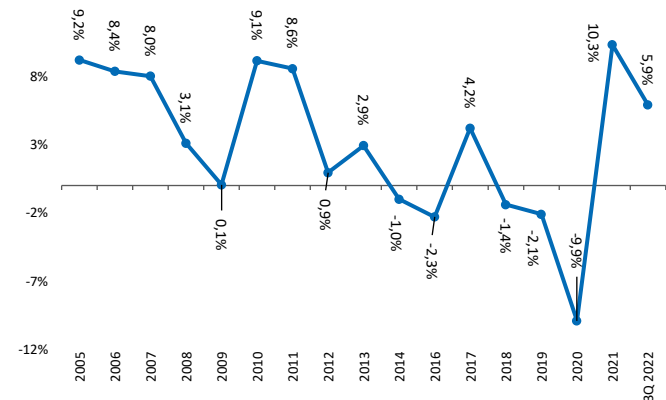
Capital City	Buenos Aires
Population (estimated 2022)	46.234.830
GDP MM	US\$ 585.621
GDP per capita MM	US\$ 12.666,24
Currency	Peso
Unemployment Rate	7,1 %



Unemployment rate (%)

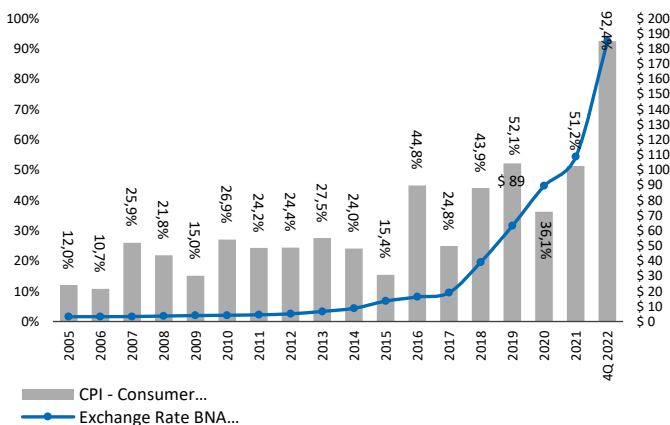


GDP : Percentage Variation











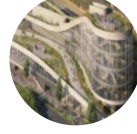




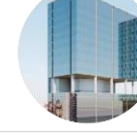



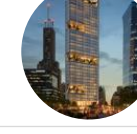

Source: INDEC
2015 = World Bank estimated value. 2021 = World Bank estimated value (June 2021 projection)

Exchange Rate (BNA) – Consumer price index (%)



Source: Banco de la Nación Argentina, INDEC
1999-2007/2015-2021 INDEC. 2008-2014 Calculated using the weighted geometric average of the consumer price indexes provided by the provisional statistics institutes.

Class A Buildings under Construction

	Project	Submarket	Total Area (SF)	Lettable Area (SF)	Date	LEED Certification
	Worko	GBA Panamericana	421.019	4.531.808	1Q 2023	
	Park 10	GBA Panamericana	64.583	695.169	1Q 2023	
	Bureau Diagonal	Microcentro	134.947	1.452.556	2Q 2023	
	Libertador y Pampa	Zona Norte CABA	219.756	2.365.429	2Q 2023	
	Paseo Gigena	Palermo	303.725	3.269.265	2Q 2023	
	Quartier Puerto Retiro	Catalinas Retiro	348.750	3.753.914	2Q 2023	
	Mirabilia 851	Palermo	452.084	4.866.185	4Q 2023	
	Campos Salles	Zona Norte CABA	269.098	2.896.539	2Q 2024	
	Mirabilia Central	Palermo	215.278	2.317.231		
	Alem y Córdoba	Catalinas Retiro	452.084	4.866.185		

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Glossary of Terms

Absorption

Measures the demand in the office market based on the difference between the current occupied area versus the occupied area of the previous quarter.

Availability

Space marketed for lease regardless of when the space will be available or whether the space is vacant or occupied.

Deliveries

The total RBA of properties added to the inventory once construction has been completed.

Direct Space

Available space offered for lease by the building owner, landlord, or owner representative.

Leasing Activity

The volume of leases signed including new leases, direct and sublet leases, extensions and renewals, and leases signed in proposed or under construction buildings.

Occupancy

Any space physically occupied by a tenant, regardless of lease status of the space.

Rentable Building Area (RBA)

A measurement of the total square feet in a building including the tenant and common areas such as the lobby and hallways.

Sublet Space

Available space offered for lease by a building tenant seeking a subtenant to fulfill the remaining lease obligation.

Under Construction

Buildings under construction are defined by the time the foundation is poured through the time the building is certified for occupancy.

Vacancy

Space not physically occupied by a tenant, regardless of the lease status or availability of space.

Weighted Average Rent

The asking dollar amount for the use of available space, weighted by size (the average does not include negotiable or unpublished rates and is reported as full service including operating costs).

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