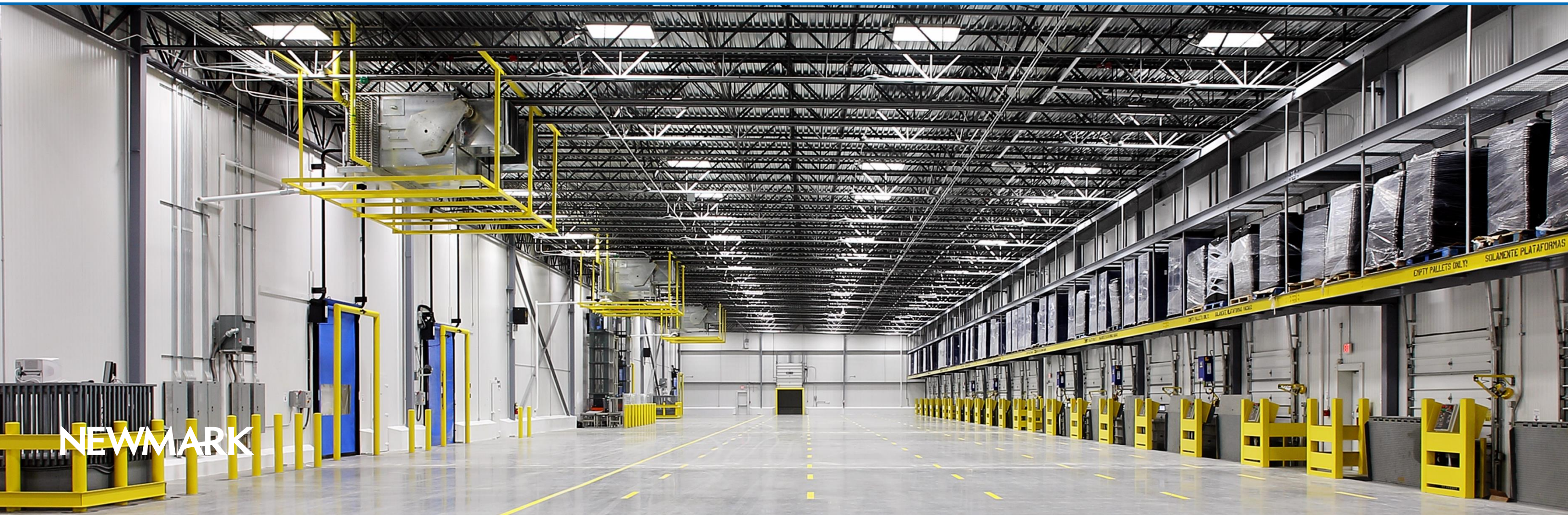


1Q24

# Rio de Janeiro Industrial/Logistics Market Report



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# Market Information

## Economy

- In 2023, the GDP grew 2.9%, ending the year at R\$ 10.9 trillion. However, results for the first quarter of the year reveal a slower economy, with a GDP growth projection of only 1.9% in 2024.
- The labor market is dynamic and active, with unemployment dropping to 7,8%, and increasing wages. Household spending is slowly recovering, thus driving up the use of services and purchases of non-durable goods, in particular food.
- According to the National Federation of Industry (CNI), most manufacturing industry indicators improved compared to December, 2023. Although actual turnover and installed capacity utilization remained stable, the total number of manufacturing hours worked increased. The job market is also on the rise, along with salaries and average manufacturing worker productivity.

## Transactions

- The largest transactions in the quarter were by players in e-commerce and wholesale segment, confirming the predominance of this industry in the state's occupation.
- Pavuna/Belford Roxo and Duque de Caxias were the regions with the largest net absorption this quarter.

## Market Indicators

- Although lease activity is essentially unchanged compared to the previous quarter, returns of high-end industrial and logistics spaces in Rio de Janeiro slowed this quarter, leading to an increase of net absorption, ending the quarter at 36 thousand sqm.
- The vacancy rate dropped from 15.7% to 14.4%.
- Asking rents are stable, at R\$ 20,90 per sqm per month.

## Outlook

- The segment of industrial and logistics condominiums in Rio de Janeiro remains challenging, with significant supply and sluggish demand.
- All indications are that the market this year should be relatively stable across the country, as major tenants have or are about to complete their transactions.
- First quarter results suggest that the vacancy rate could drop mor significantly this yar as construction has slowed down.
- One must bear in mind that the economy is likely to slow down in 2024, which will impact corporate real estate decisions.

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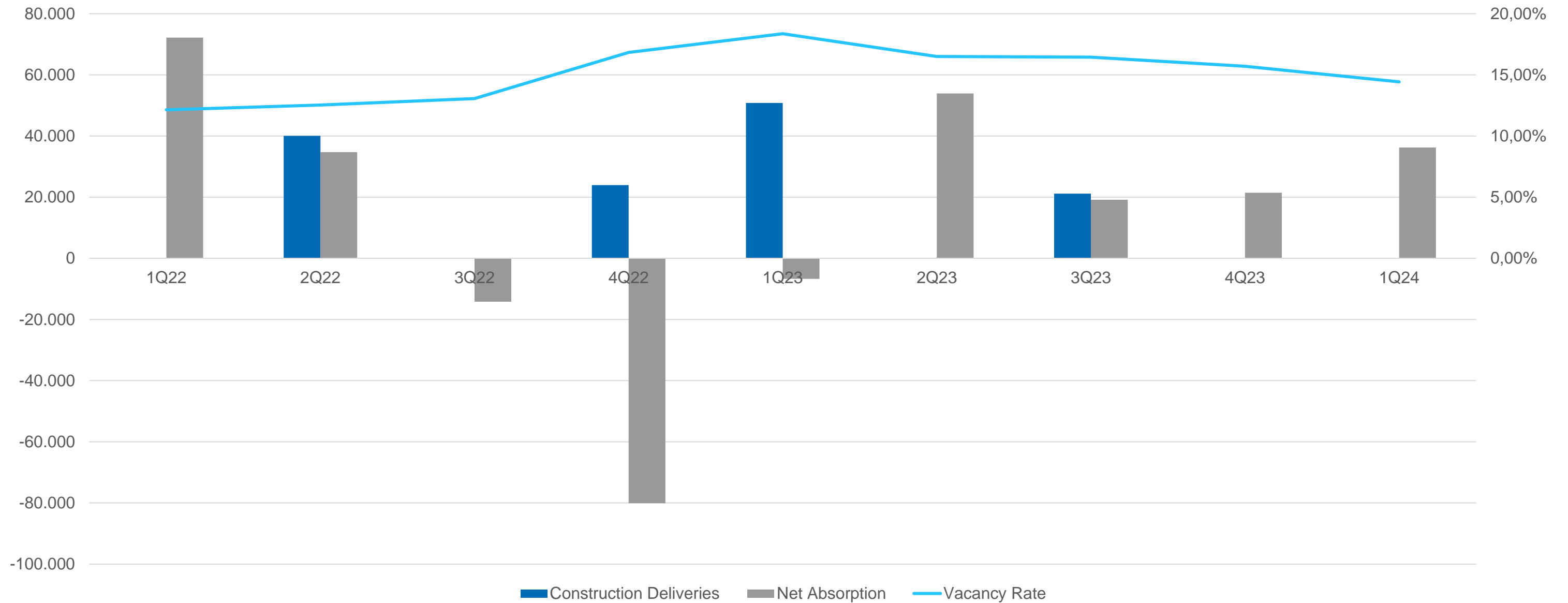
# Market Indicators



# The Volume of New Stock Delivered Is Low, As Is the Drop in Vacancy

The industrial and logistics market has been challenging in the State of Rio de Janeiro, with instability in demand and a high volume of vacant supply, but the last few quarters have shown to be more promising, with a slight drop in vacancy rates

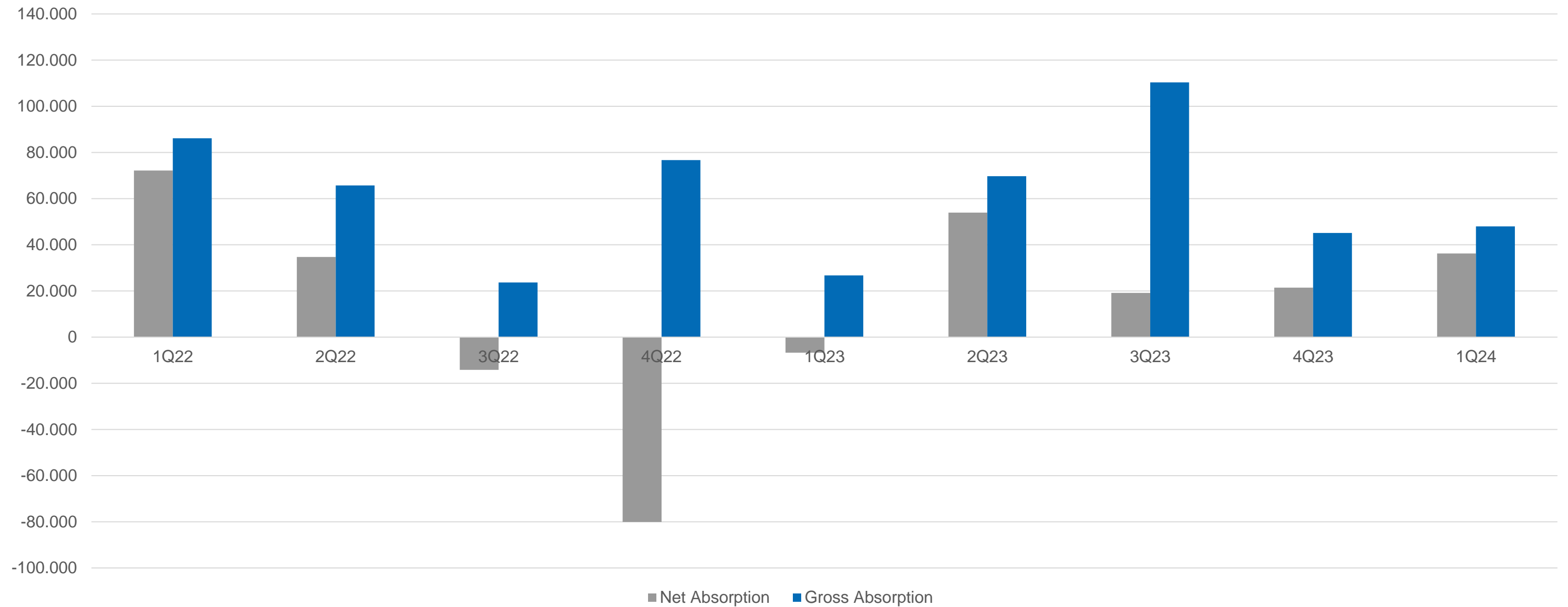
## New Inventory Delivered, Net Absorption and Vacancy Rate – Class A, AA and AAA



# Leasing Activity is Positive, Although Modest in Recent Months

Although the net absorption has been positive since the 2<sup>nd</sup> quarter of 2023, demand remains unstable and with low rental activity

## Gross and Net Absorption (sqm) – Class A, AA and AAA

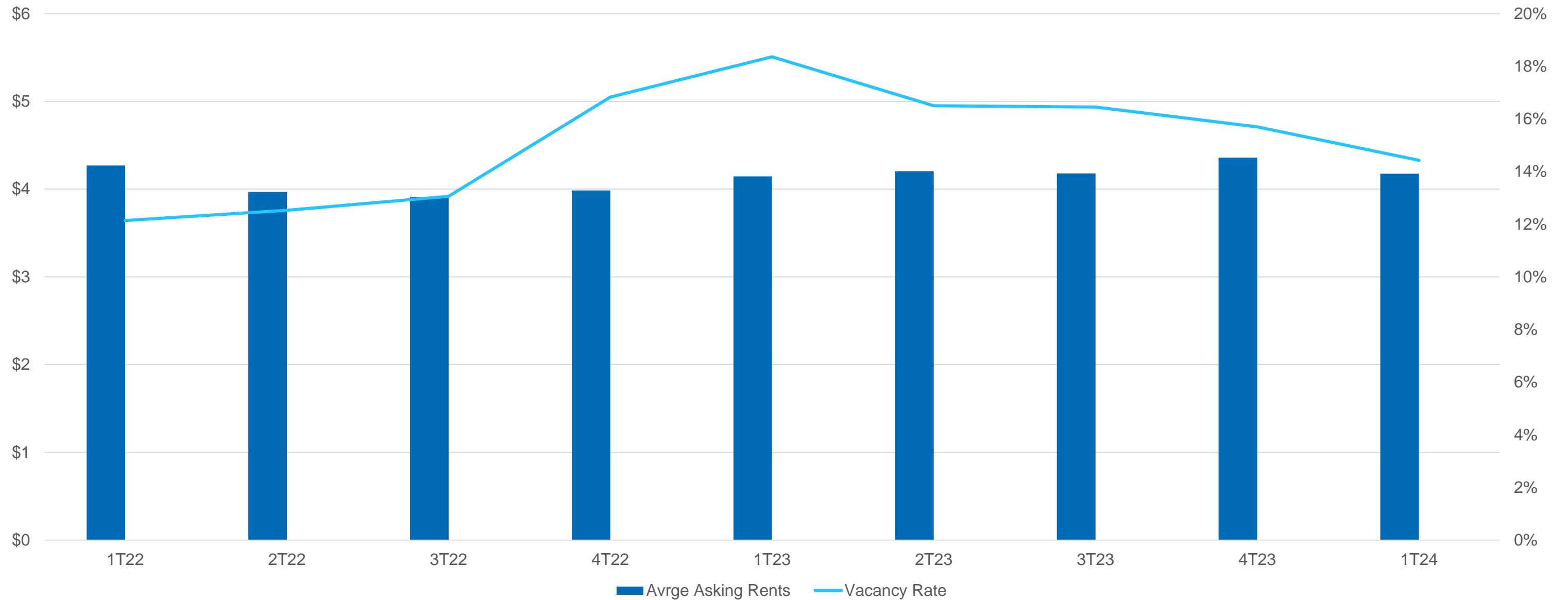


Source: Newmark Brasil – Market Research

# Stability in Average Asking Rents, Even With Fluctuations in Supply

The average asking rents remains practically unchanged, despite of the variations in vacancy rate (even with exchange rare fluctuations).

Average of Asking Rent and Vacancy Rate – Class A, AA and AAA

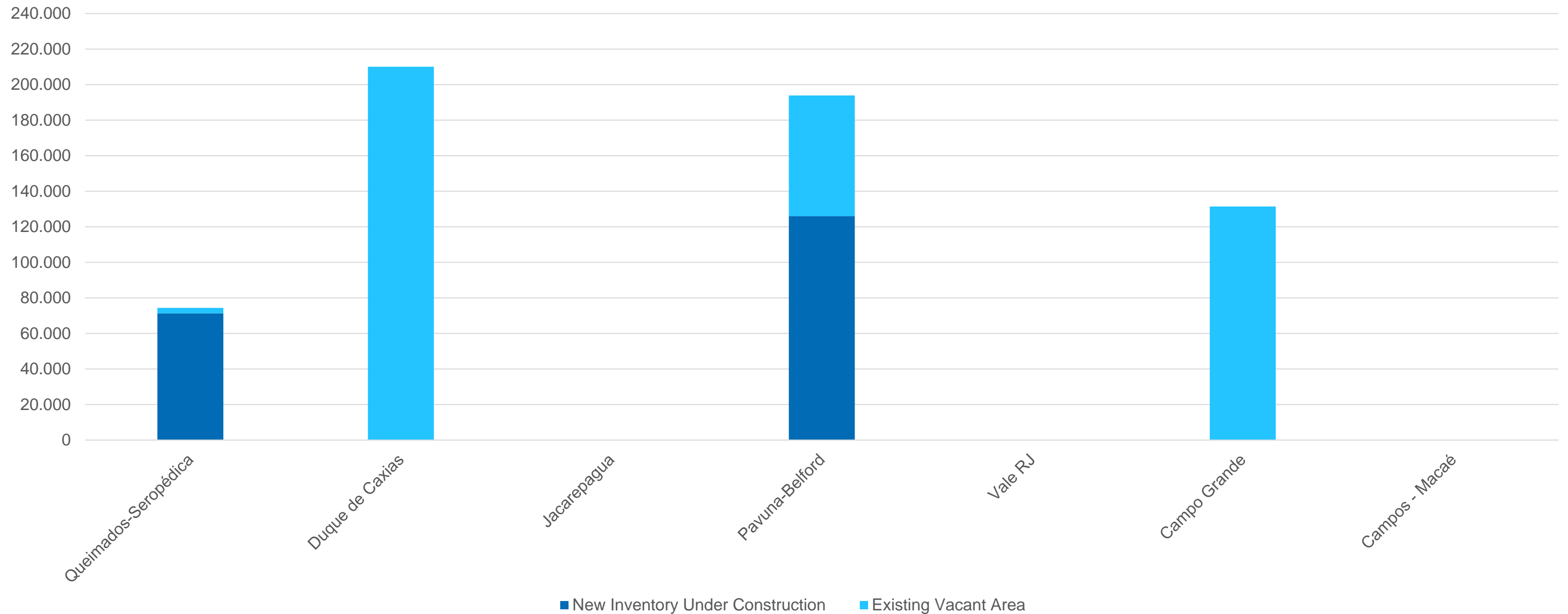


Source: Newmark Brasil – Market Research

# The New Inventory Under Construction May Increase Existing Vacant Area

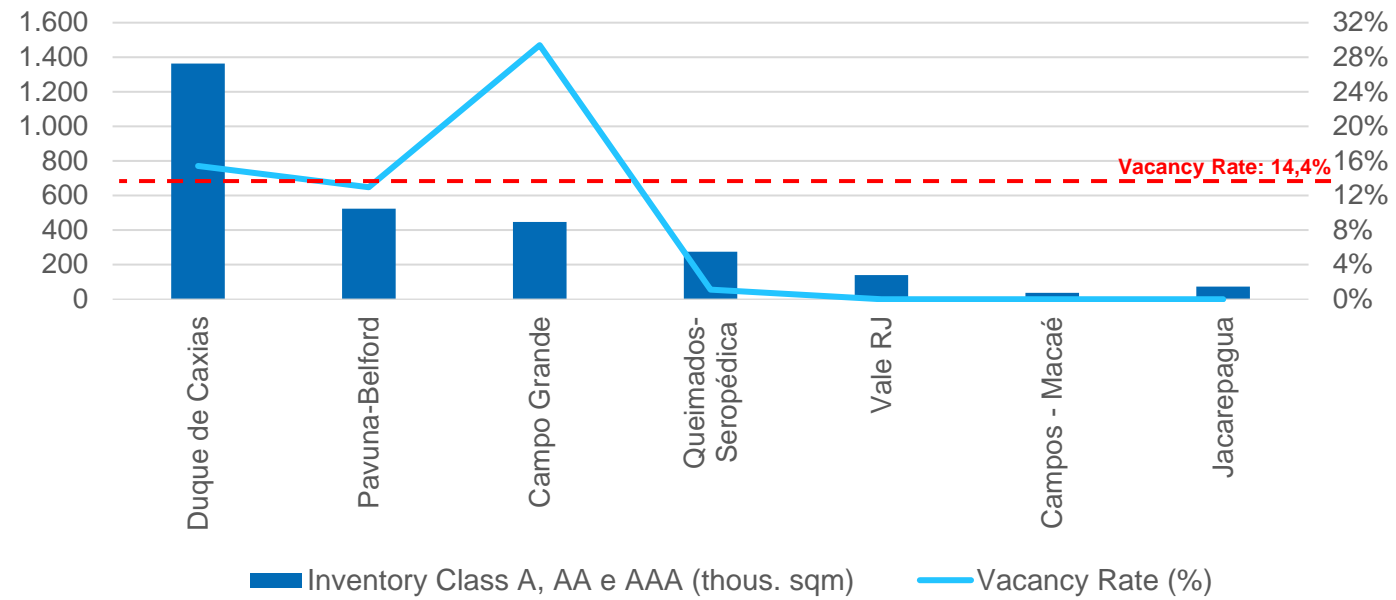
Although the new inventory forecasted does not yet have a precise delivery date, the volume under construction could increase the existing vacant area in the State, especially in the Pavuna-Belford Roxo submarket.

Existing Vacant Rate vs. New Inventory in Construction per Submarket (sqm) – Class A, AA and AAA (no delivery date estimated)

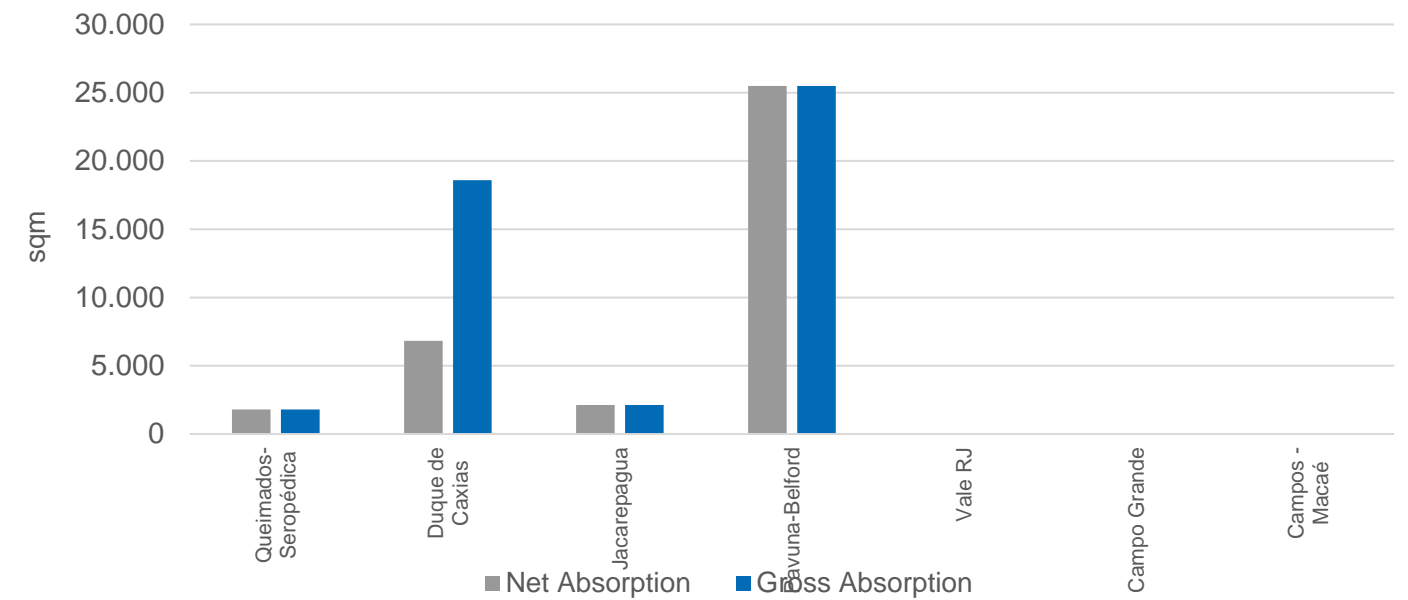


# Submarket Analysis

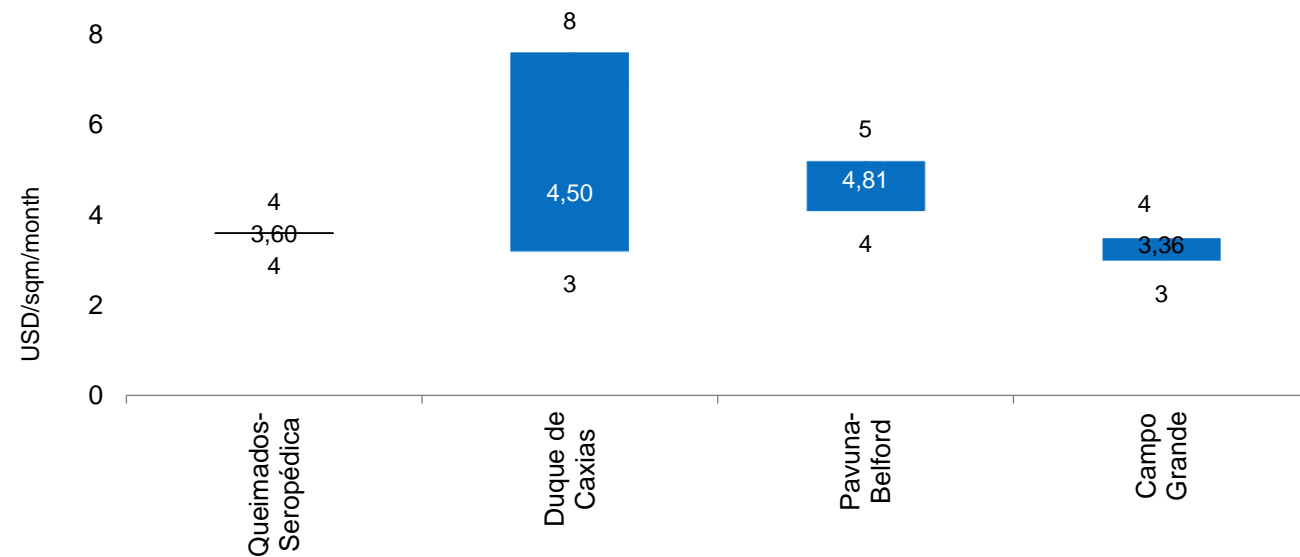
## Inventory vs. Vacancy Rate



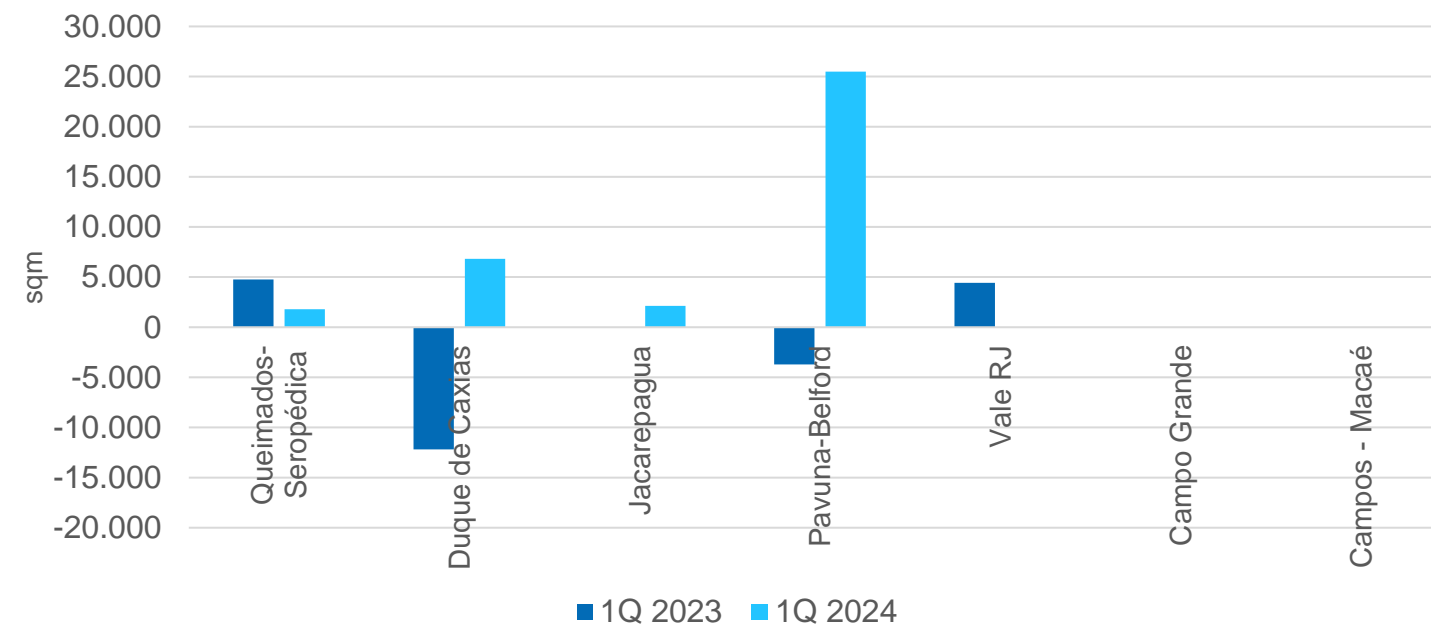
## Net and Gross Absorption per Submarket



## Minimum, Average and Maximum Asking Rent (USD/sqm/month)



## Net Absorption – Y-oY Variation



Source: Newmark Brasil – Market Research



The image shows a low-angle shot of a modern architectural interior. A large, light-colored concrete beam runs diagonally across the upper portion of the frame. Below it, a series of horizontal slats are illuminated from behind, creating a warm, golden glow. The background consists of dark, textured concrete walls and another slatted lighting fixture. The overall atmosphere is industrial and minimalist.

For more information,  
please reach out your business contact at Newmark Brasil.

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