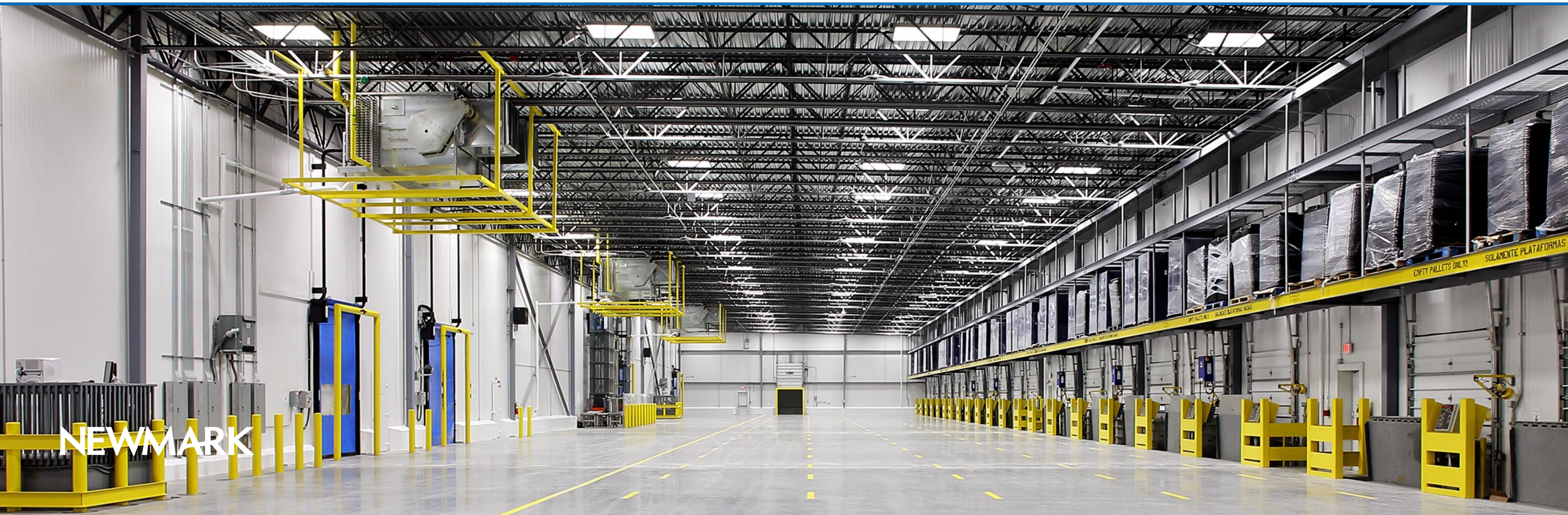# Rio de Janeiro Industrial/Logistics Market Report

NEWMARK

Market Information

Economy

– The world economy has shown itself resilient, given restrictive monetary policies, with a decrease in inflation. This scenario resulted in moderate growth of the global economy. Following the US presidential elections, the economic policies of the president-elect such as an expansionist and more protectionist fiscal policy, have already influenced the price of goods and assets. Thus, the US Dollar has increased in value all over the world. Wars wage on in both Europe and the Middle East, with no end in sight, making the international scenario even more challenging;

– The 9M GDP (through September) was R$ 2.99 trillion, accumulating a 3.3% increase compared to the same period in 2023, but there was a slowdown in the 3rd quarter; Brazilian manufacturing also slowed in 4Q24. Output in November dropped 0.6% compared to October, this is the second consecutive dropped, leading to an accumulated 0.8% in the period. Manufacturing output dropped in 19 of the 25 sectors, in particular automotive vehicles (11.5% drop), and crude oil deliveries (3.5% drop).

– The labor market has been quite active, with an increase in the percent population employed and a decrease in unemployment to 6.1%. The trade balance was positive, reaching record levels, primarily due to exports to China. However, loss of confidence due to the fiscal policy, high levels of public debt, and growing inflation all have a strong impact on the nation's economic performance.

Transactions

– Leases of high-end industrial and logistics warehouses in Rio de Janeiro picked up quite a bit late in 2024, with gross absorption of 240 thousand m², and net absorption of 223 thousand. These results contributed to record annual numbers;

– Most transactions in the quarter involved players in e-commerce, which accounted for 53% of the transactions with known players.

Market Indicators

– The gross absorption was 240 thousand m² and the net absorption was 223 thousand m² in the quarter, both above the 3rd quarter;

– The vacancy rate dropped from 12.5% to 10.2%

– The average asking rent price remained virtually stable in the quarter, closing at R$ 22.6 /m²/month

Outlook

– The market for high end industrial and logistics warehouses in Rio de Janeiro reached record numbers in 2024, with significant net absorption and a decline in the vacancy rate. Strong demand, primarily driven by e-commerce players, shows the segment continues to have potential, even considering developments already delivered.

– The drop in new deliveries expected in 2025 could limit supply, contributing to a declining vacancy rate should demand remain consistent.

– If high occupancy rates continue, it is possible that rents will adjust to new values, especially in areas with higher demand such as the city of Rio de Janeiro and Duque de Caxias. We continue to monitor supply and demand, along with the economic outlook, all of which are key elements that can impact company growth and investment plans, influencing the performance of the real estate market.

Market Indicators

Acceleration in industrial and logistics leasing activity

Demand indicators this year exceeded the year-to-date records of the historical series. The new inventory delivered in the quarter was 155 thousand m², the largest volume of the year in a single period, which attracted higher demand and resulted in a decrease in vacancy

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

Legend: Construction Deliveries, Net Absorption, Vacancy Rate
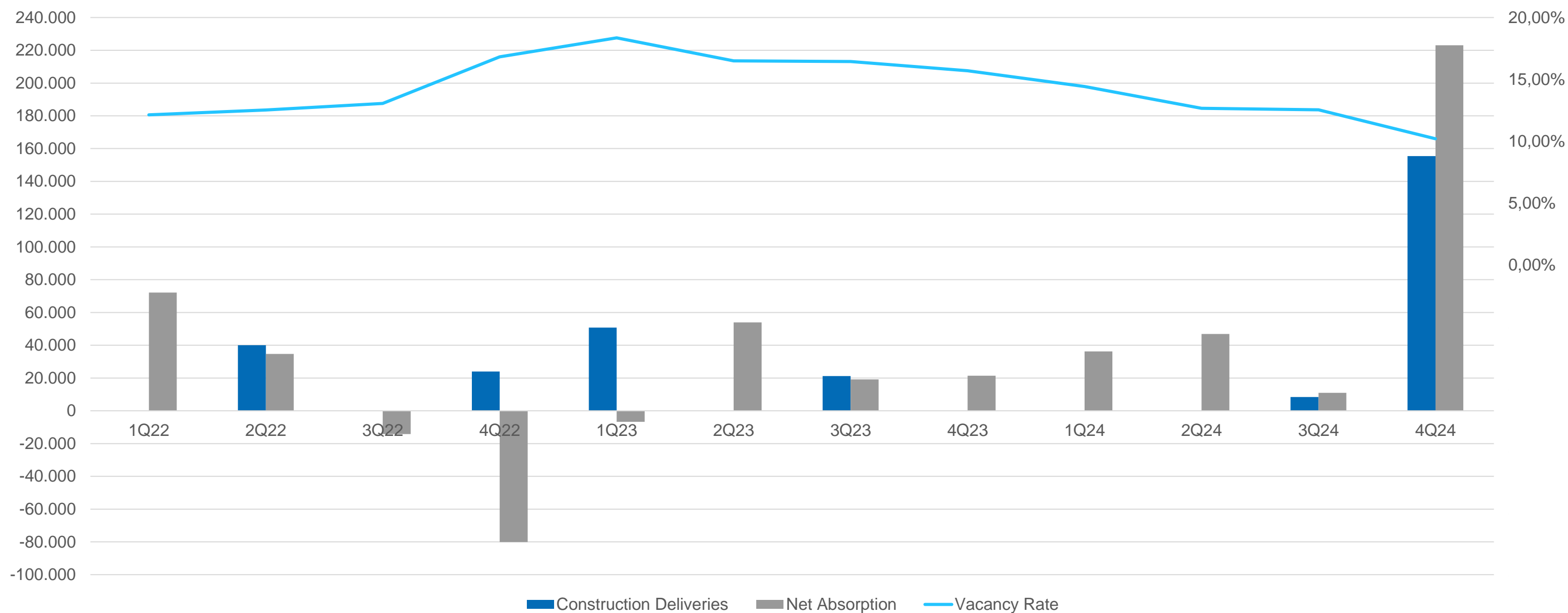
Source: Newmark Brasil – Market Research

Record absorption in 2024

The strong demand, driven primarily by the e-commerce sector, showed the continued potential of the segment

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

Legend: ■ Net Absorption ■ Gross Absorption
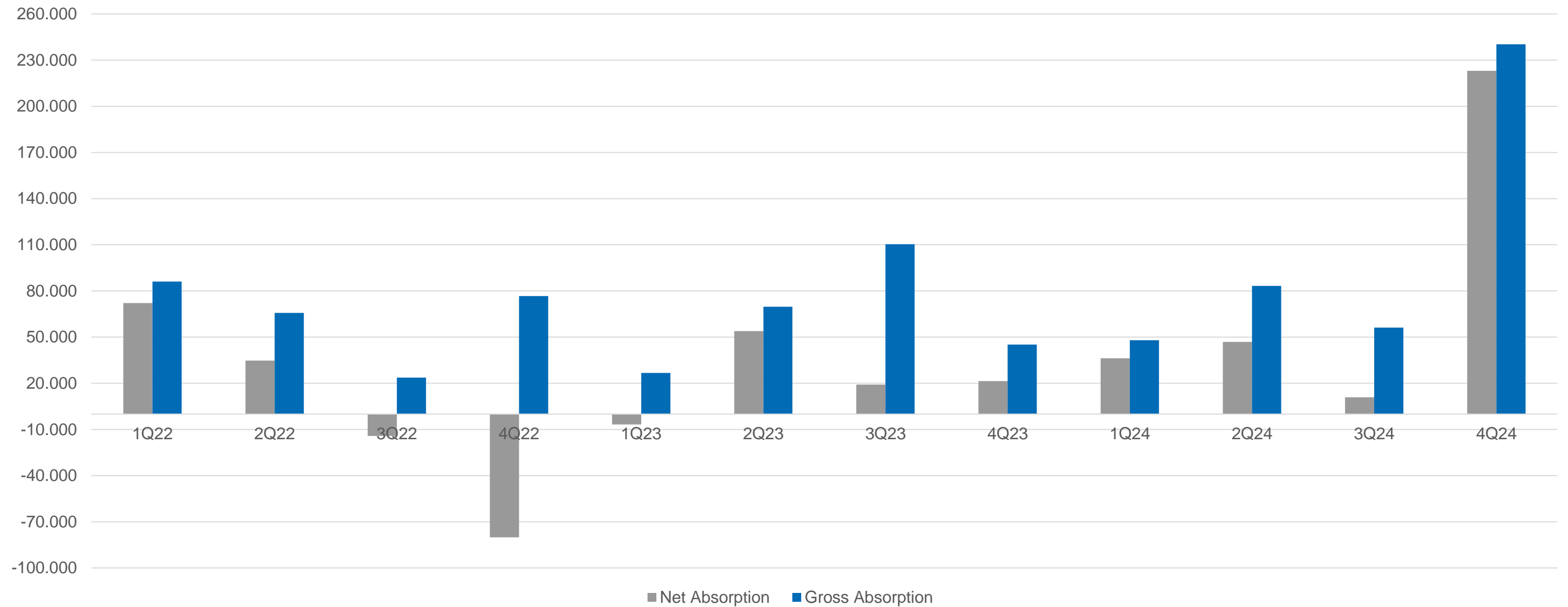
Source: Newmark Brasil – Market Research

Vacancy rate falls to the lowest historical level

The vacancy rate dropped by nearly 2 percentage points in the quarter, closing at 10.2% – the lowest percentage in the analyzed historical series. Prices remained stable

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

Legend: ■ Avrge Asking Rents — Vacancy Rate
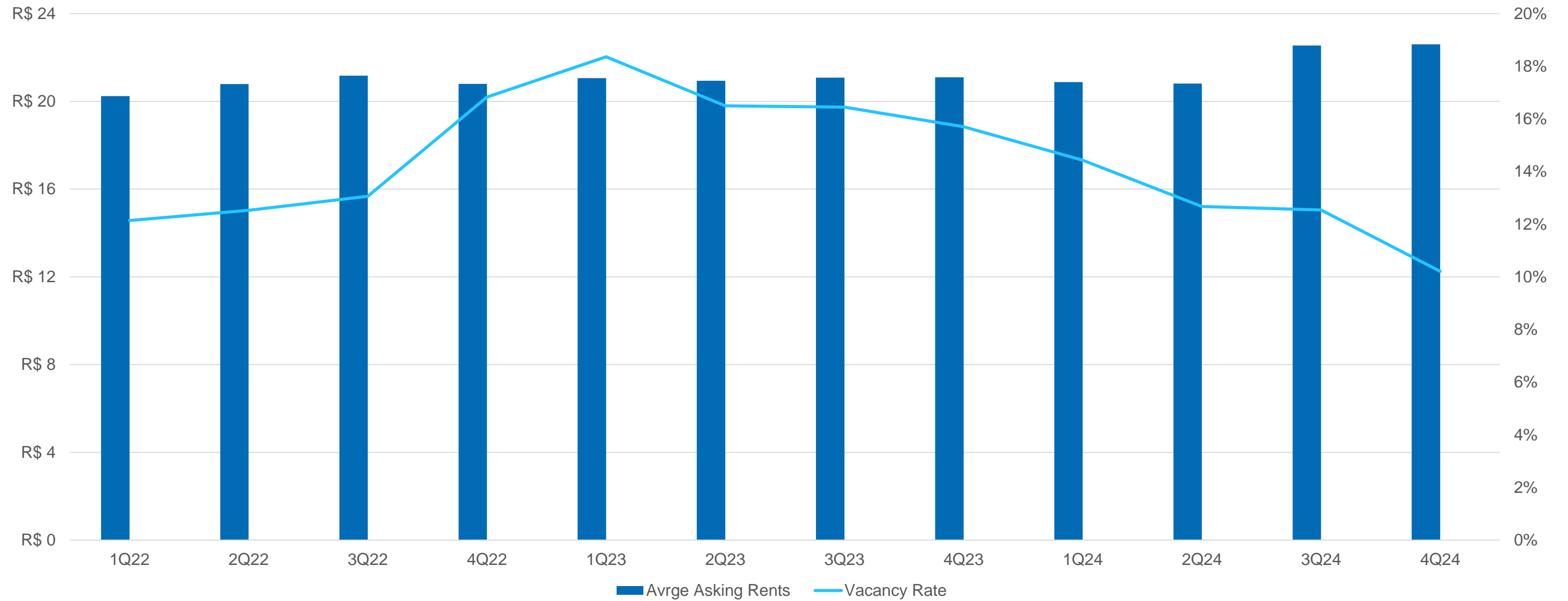
Source: Newmark Brasil – Market Research

New inventory forecasted to 2025

The volume under construction is significantly lower than the currently available vacant area, which should not pose a risk of oversupply, especially if demand follows the trend of this year

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

Legend: ■ New Inventory Under Construtction ■ Existing Vacant Area
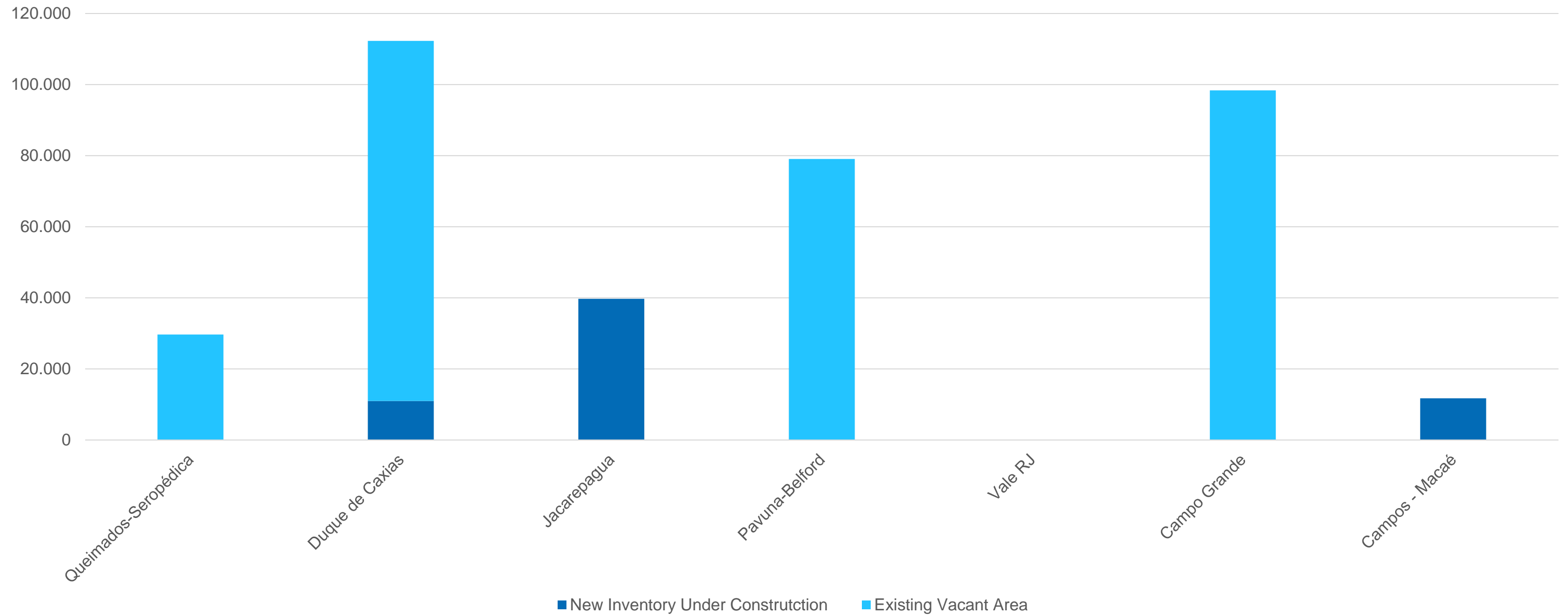
Source: Newmark Brasil – Market Research

Submarket Analysis

Inventory vs. Vacancy Rate

Vacancy Rate: 10,2%

Legend: Inventory Class A, AA e AAA (thous. sqm) — Vacancy Rate (%)
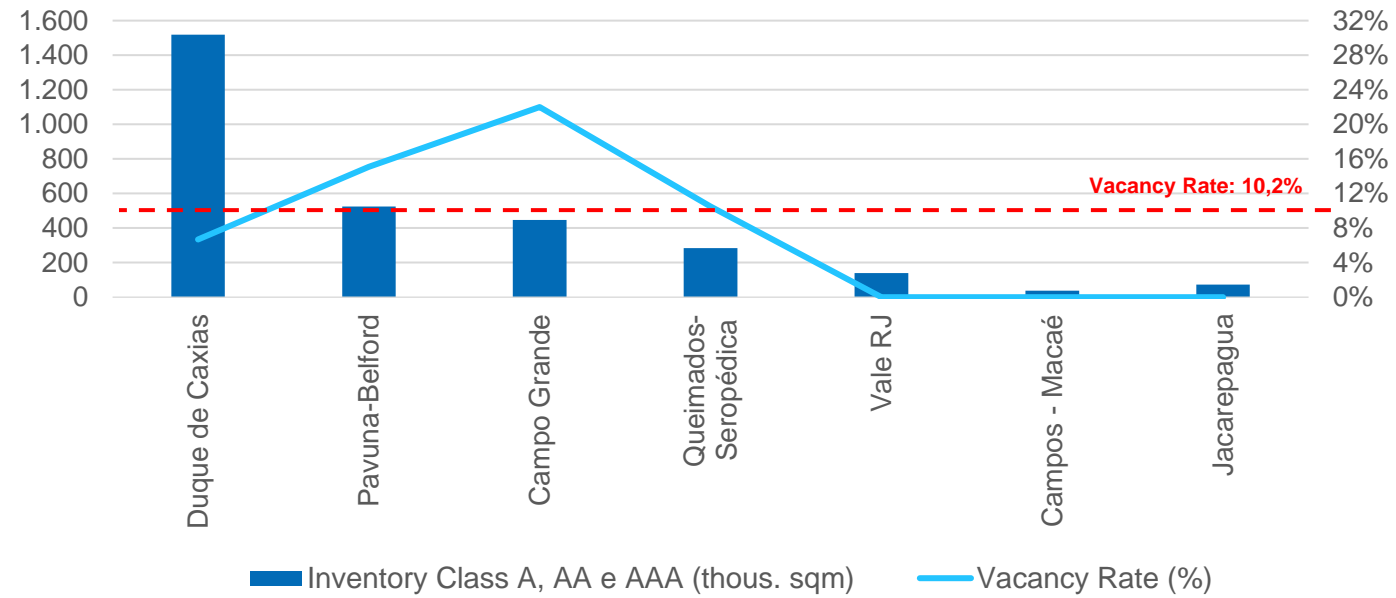
Net and Gross Absorption per Submarket

Legend: Net Absorption — Gross Absorption
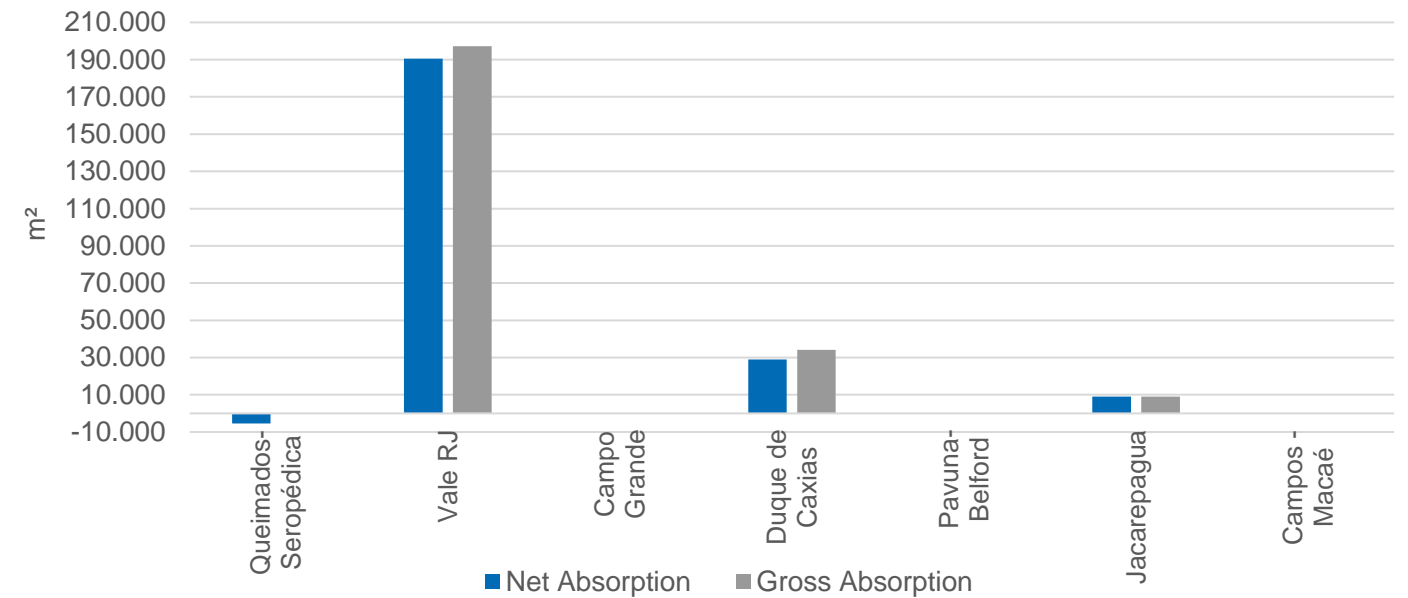
Minimum, Average and Maximum Asking Rent (USD/sqm/month)
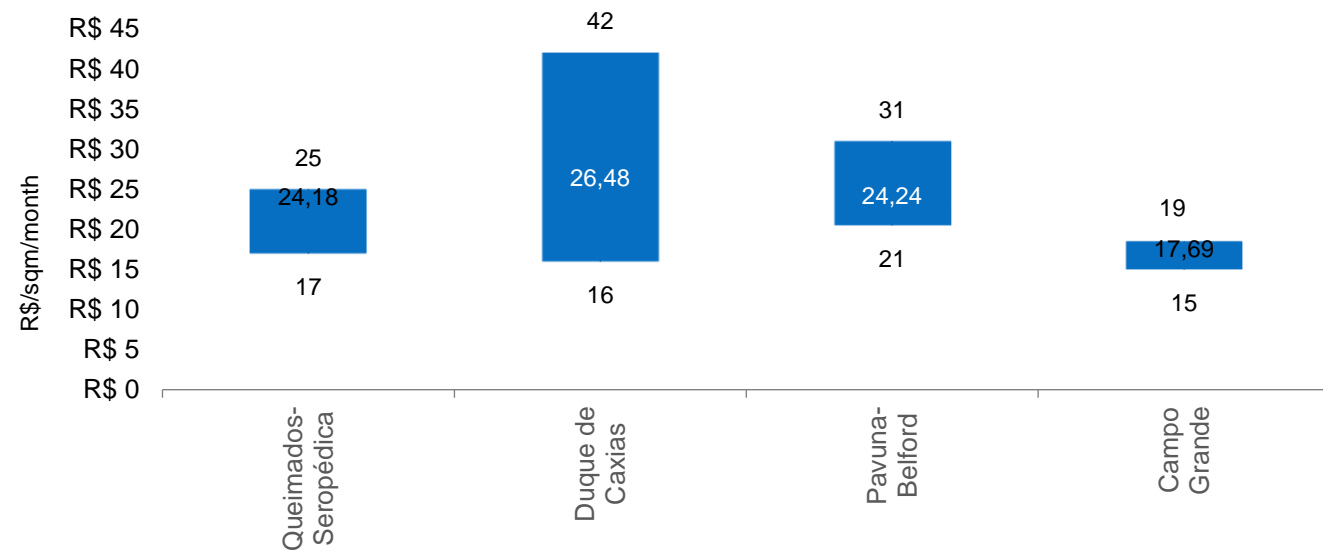
Net Absorption – Y-oY Variation

Legend: 4Q 2023 — 4Q 2024
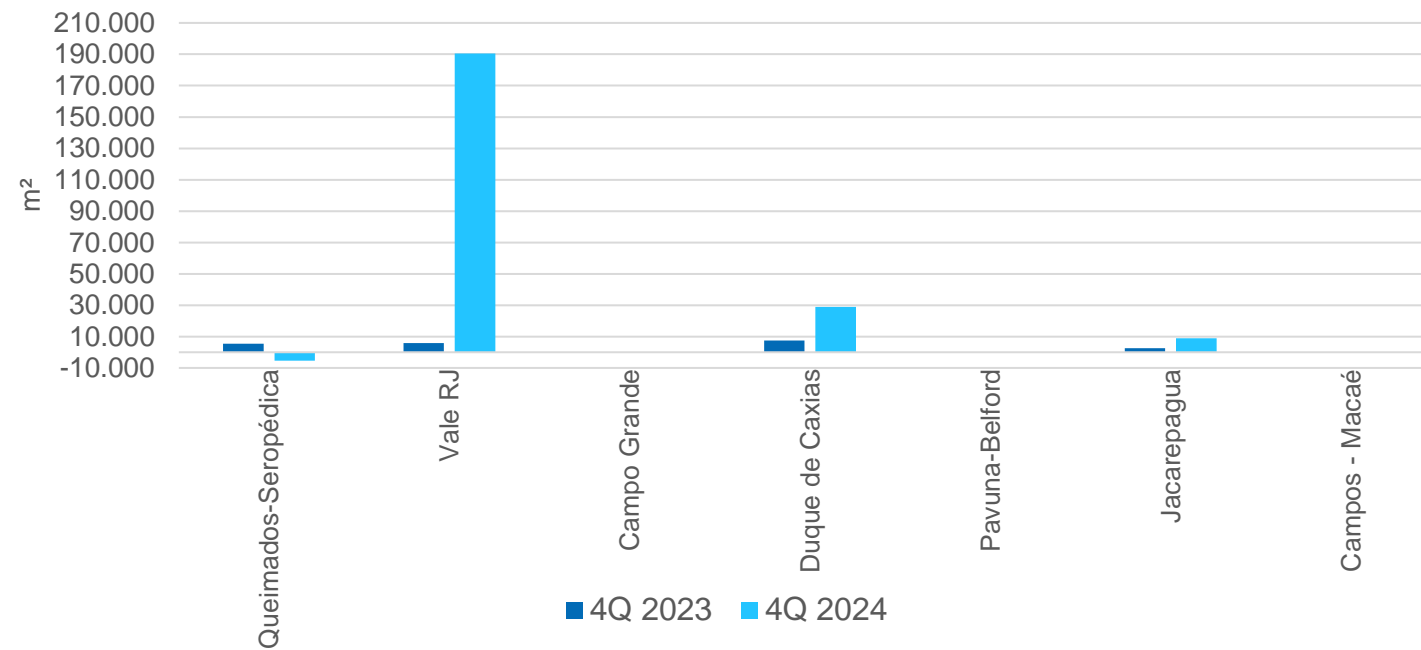
Source: Newmark Brasil – Market Research

For more information,
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