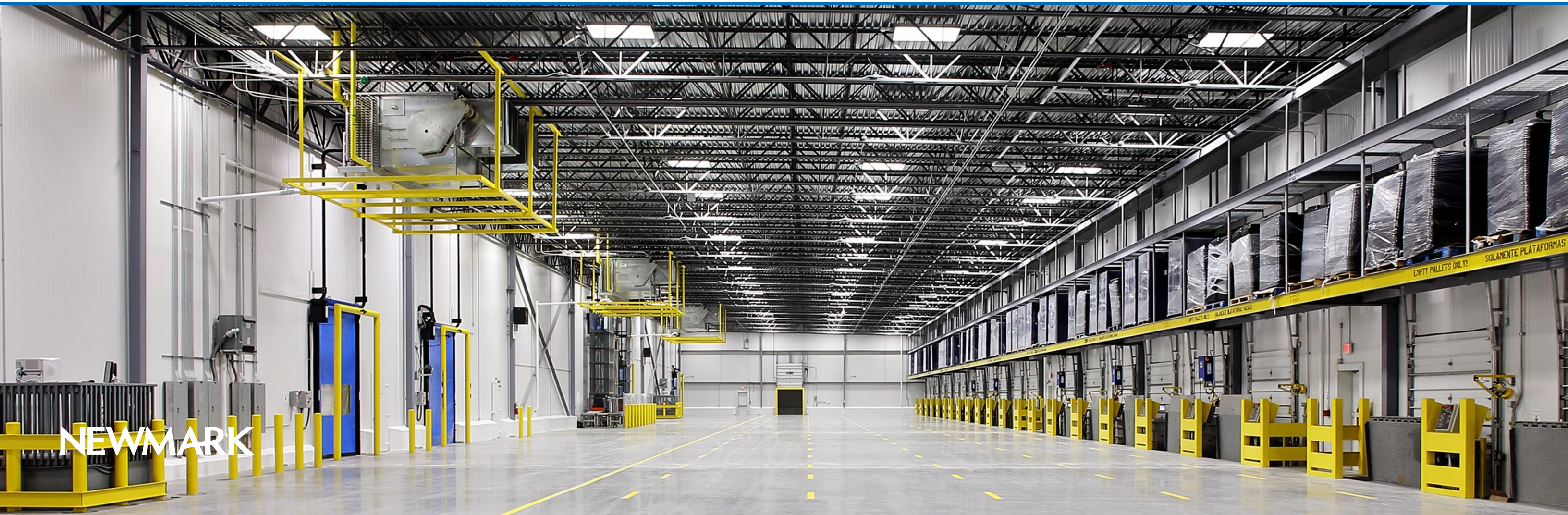


1Q25

Rio de Janeiro Industrial/Logistics Market Report



Market Information

Economy

- Global economic activity remains resilient, with sharper drops in inflation among the more developed economies. The risks to global economic activity revolve around increased protectionism on the part of the US, a sharper slow-down of the Chinese economy, growing geopolitical tensions, and more extreme climate events;
- According to Brazil's Institute for Geography and Statistics (IBGE), the nation's economy grew 3.4% in 2024 driven by services and manufacturing industry;
- However, signs of an economic slow-down, a challenging scenario regarding inflation, foreign exchange, and the job market have caused experts to review the growth expectations for 2025. The Central Bank expects GDP to grow by 2%. The outlook for 2025 is for higher inflation and a worsening exchange rate, along with new adjustments in the basic interest rate, now 14.25% a year and should continue to continue this trend, ending the year at 15.25%;
- As disclosed in early February in the first Monthly Survey of Industry published by the IBGE, Brazil's Institute for Geography and Statistics, manufacturing output increased 3.1% in 2024 compared to 2023, however, the economy slowed down, with a drop in output associated with the drop in consumer and executive confidence, tighter monetary policy, and rising inflation.

Transactions

- Lease industrial/logistics facilities slowed down this year, and demand in Rio de Janeiro dropped significantly. Furthermore, one of the largest lessees in the state from retail industry, reduced the size of its premises by 35%, and another manufacturing player also reduced its premises, resulting in net absorption of 13 thousand m², far below the previous year;
- Most transactions in the quarter with known participants involved players in transportation, distribution, and logistics

Market Indicators

- The market for leasing industrial and logistics warehouses in Rio de Janeiro started the year quite sluggish, with a drop in gross absorption;
- Nevertheless, the vacancy rate dropped to 9.3%;
- Average asking rent continues going up and was R\$ 23,20/m².

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.
- Limited new inventory is expected for delivery this year, which may help control the vacancy rate, assuming absorption does not slow down further.
- With limited supply and adjustments in demand, changing prices should reflect this new dynamic, with higher values concentrated in strategic regions such as the city of RJ itself and Duque de Caxias. Much of the market's performance in 2025 will depend on recovering demand and returning confidence, factors that are sensitive to the macroeconomic scenario and investments in the state

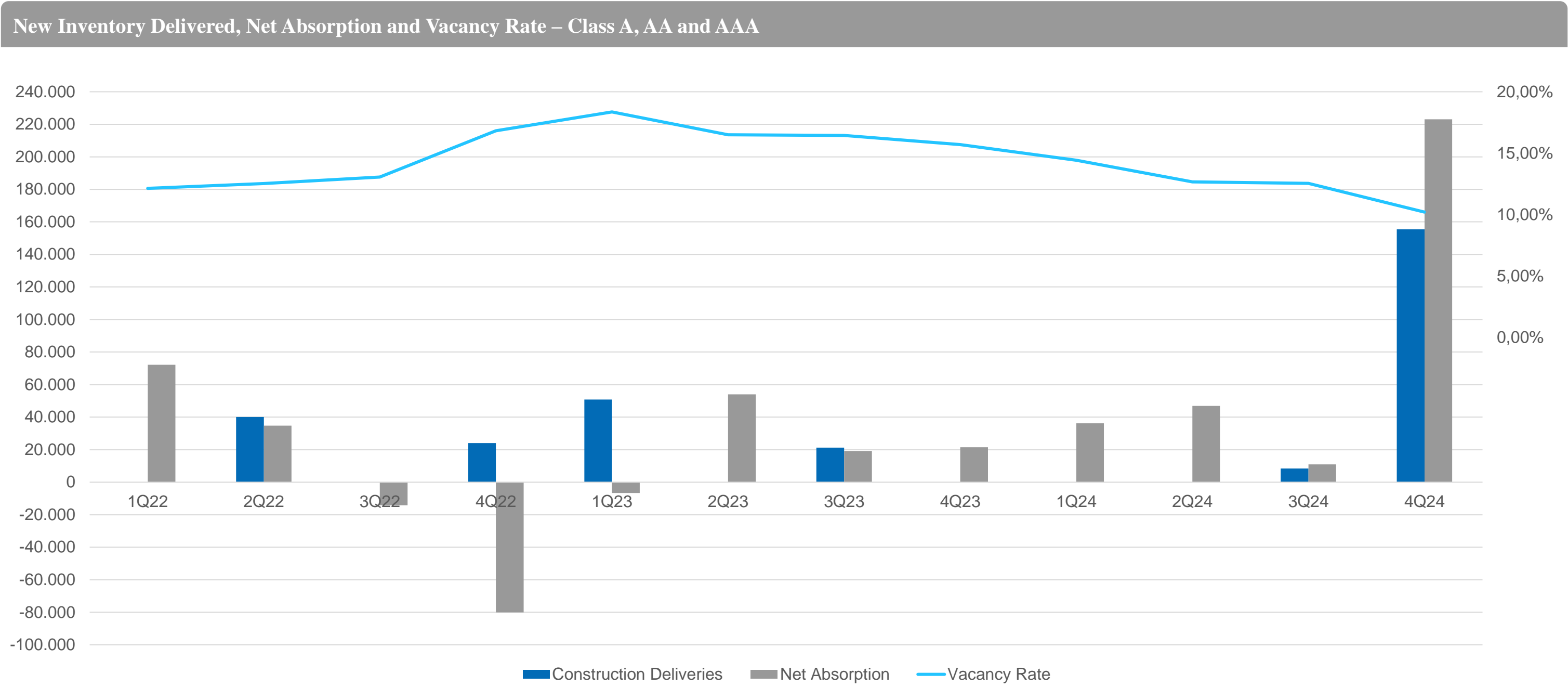
1Q25

Market Indicators



After record numbers in 2024, signs of slowing down

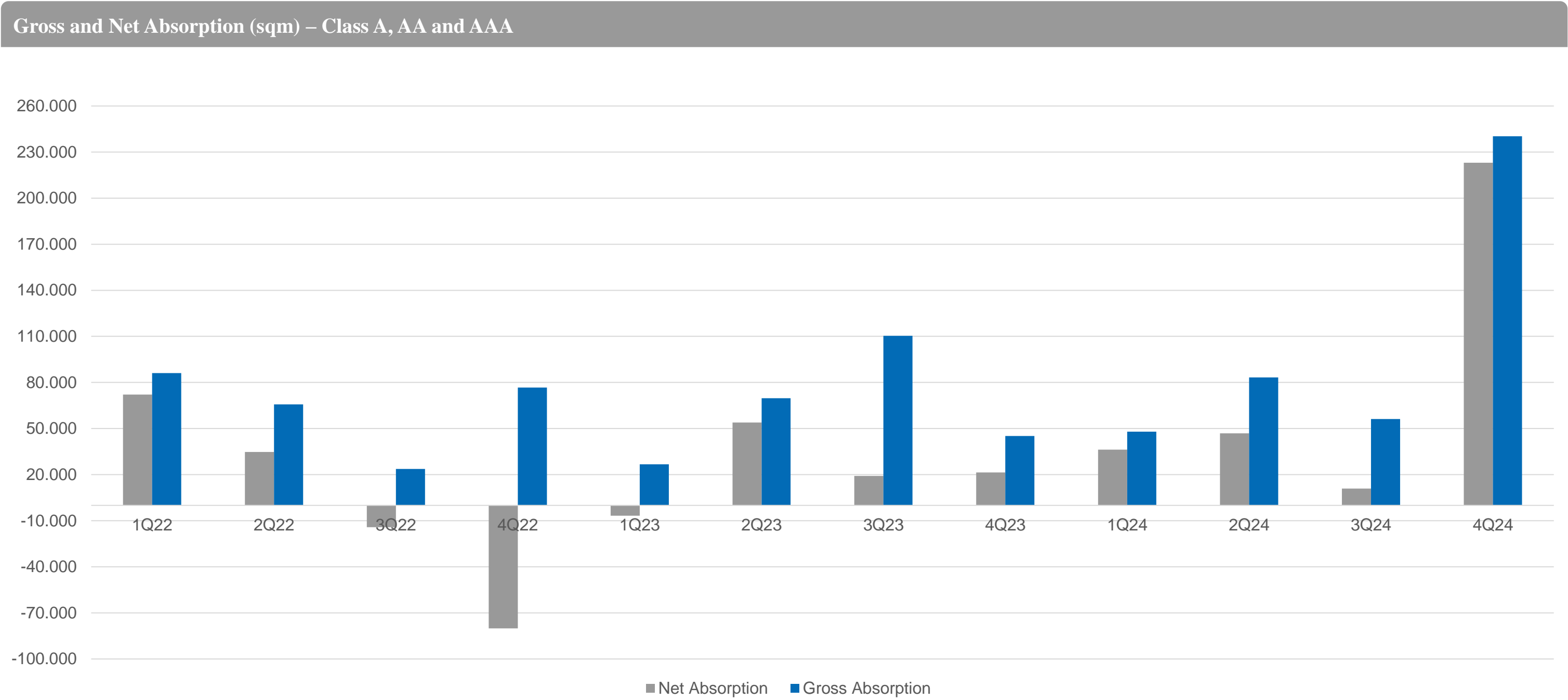
The high-end industrial and logistics market in Rio de Janeiro began 2025 with a loss in dynamism, a drop in net absorption and no new inventory delivered



Source: Newmark Brasil – Market Research

Slower pace, but positive signs

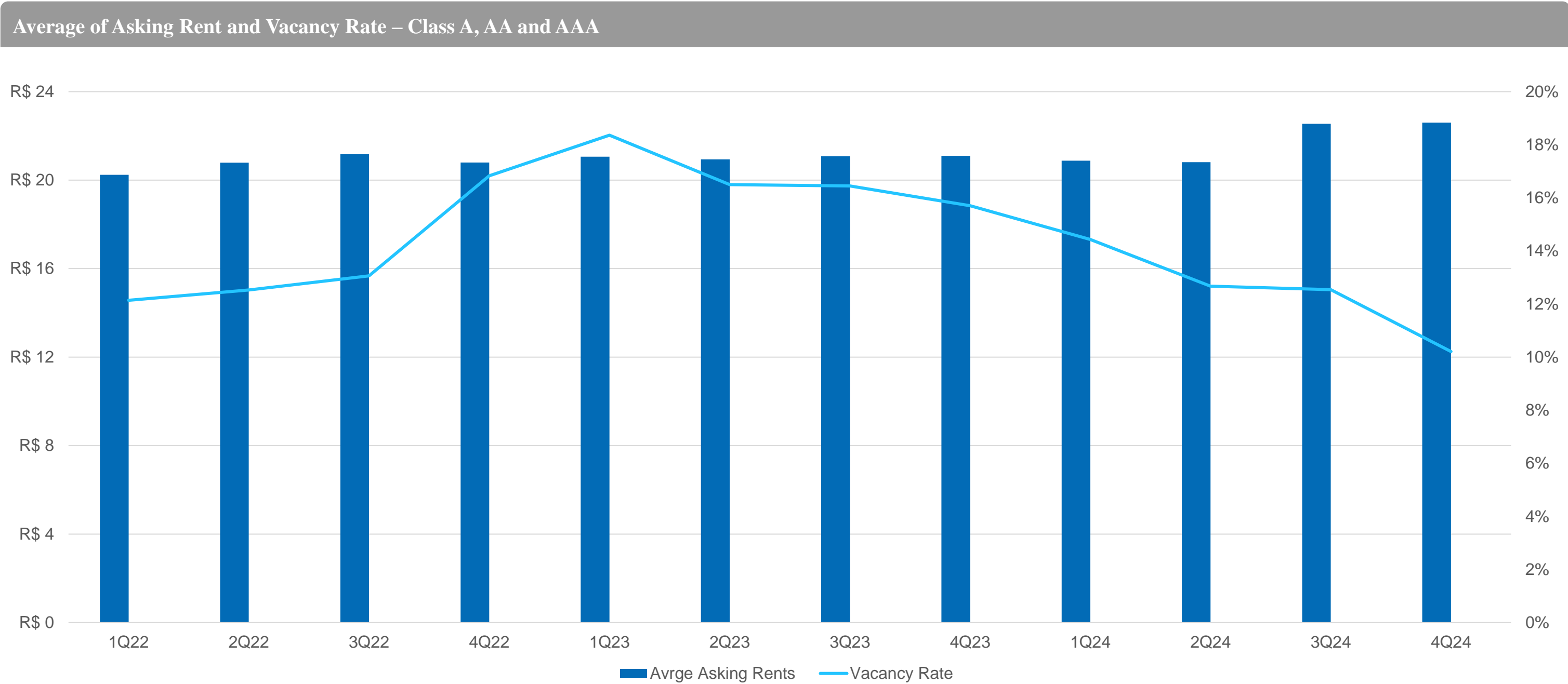
There was a drop in demand indicators. Added to this, there was an increase in returns, but vacancy is decreasing



Source: Newmark Brasil – Market Research

Vacancy hits lowest level

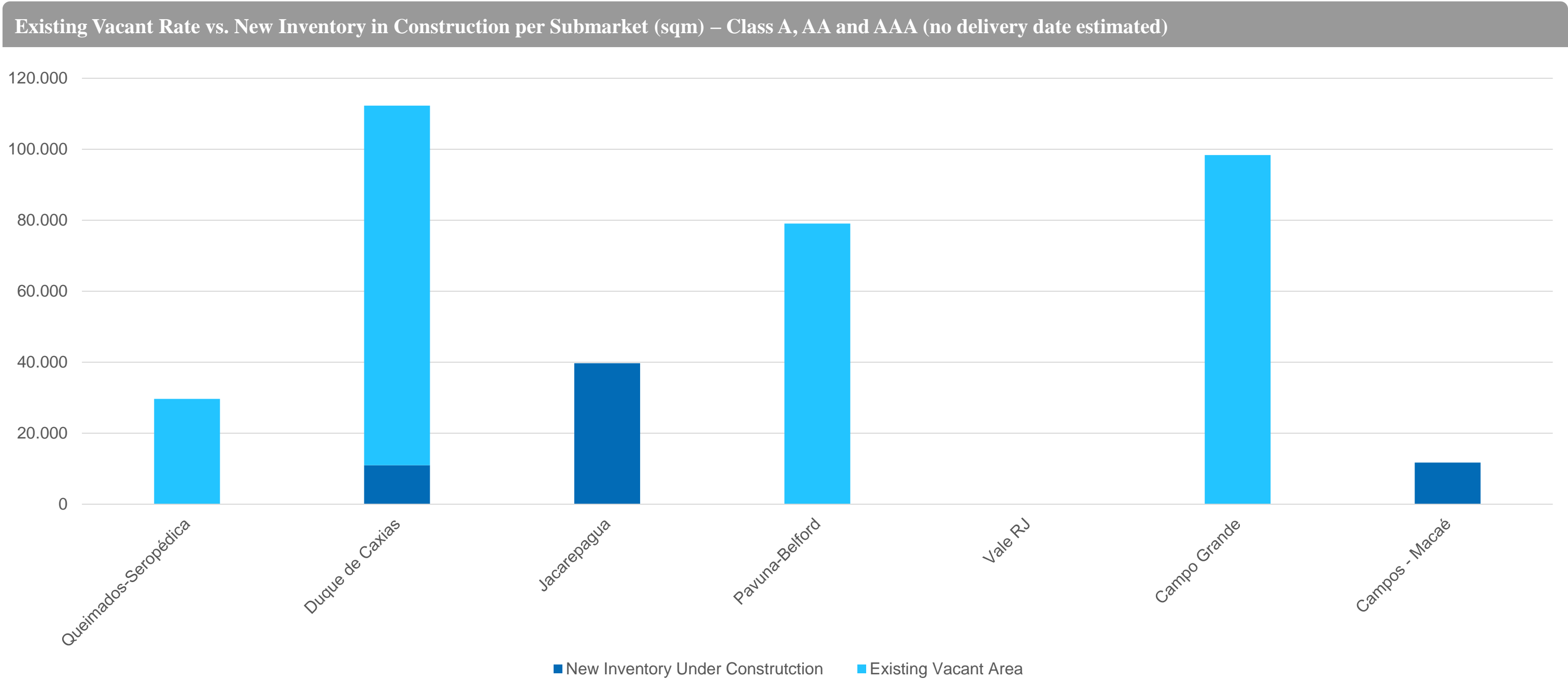
Limited new inventory expected for delivery this year is helping control the vacancy rate which is reducing. Average asking rent continues to increase slightly, and is currently R\$ 23,20/m², varying according to location and technical specifications



Source: Newmark Brasil – Market Research

New inventory forecasted to 2025

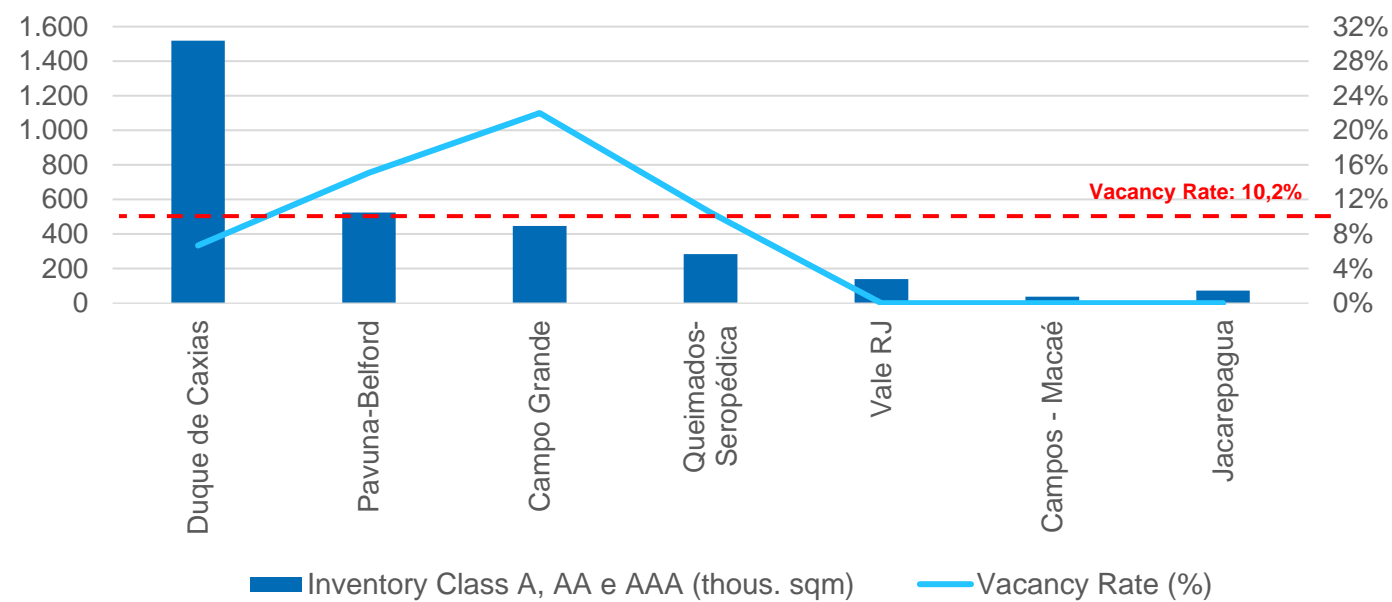
The volume under construction is lower than the currently available vacant area, which should not pose a risk of oversupply, assuming absorption does not slow down further



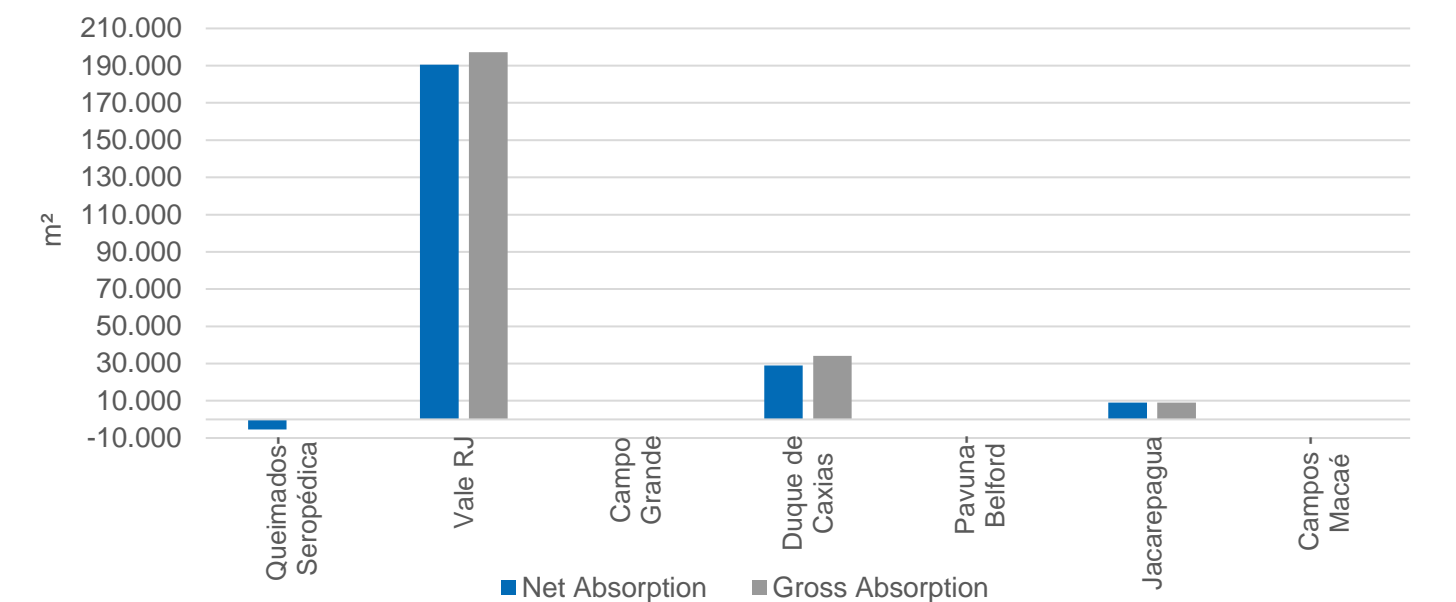
Source: Newmark Brasil – Market Research

Submarket Analysis

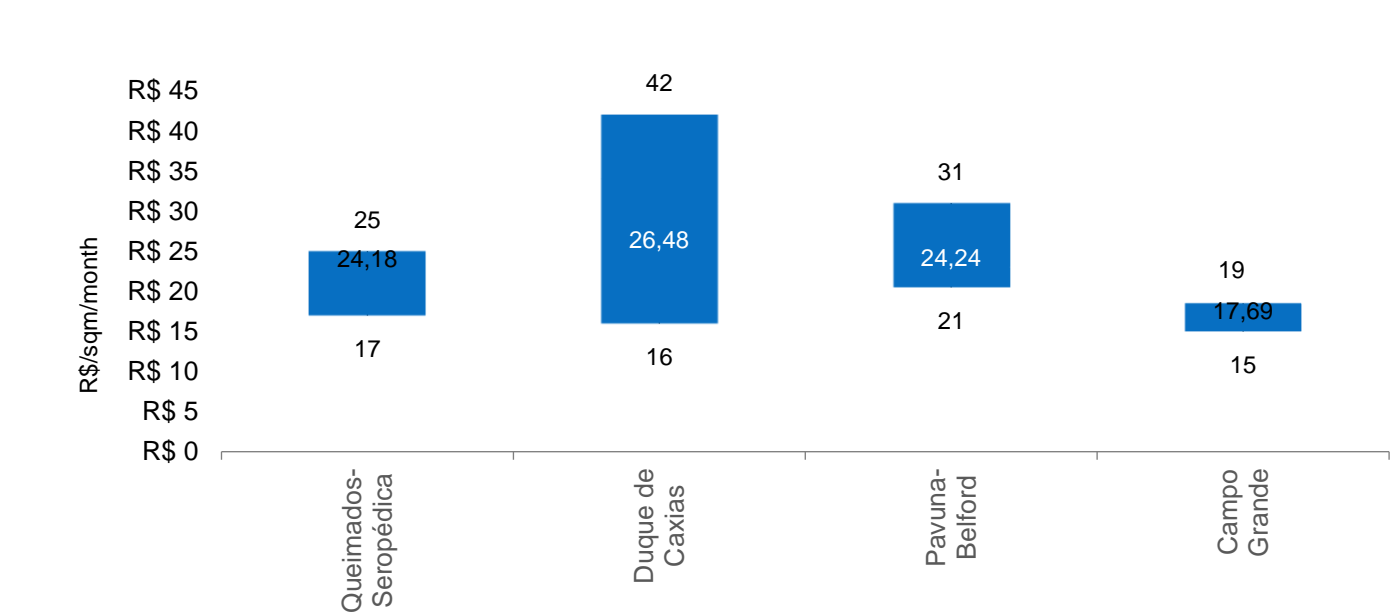
Inventory vs. Vacancy Rate



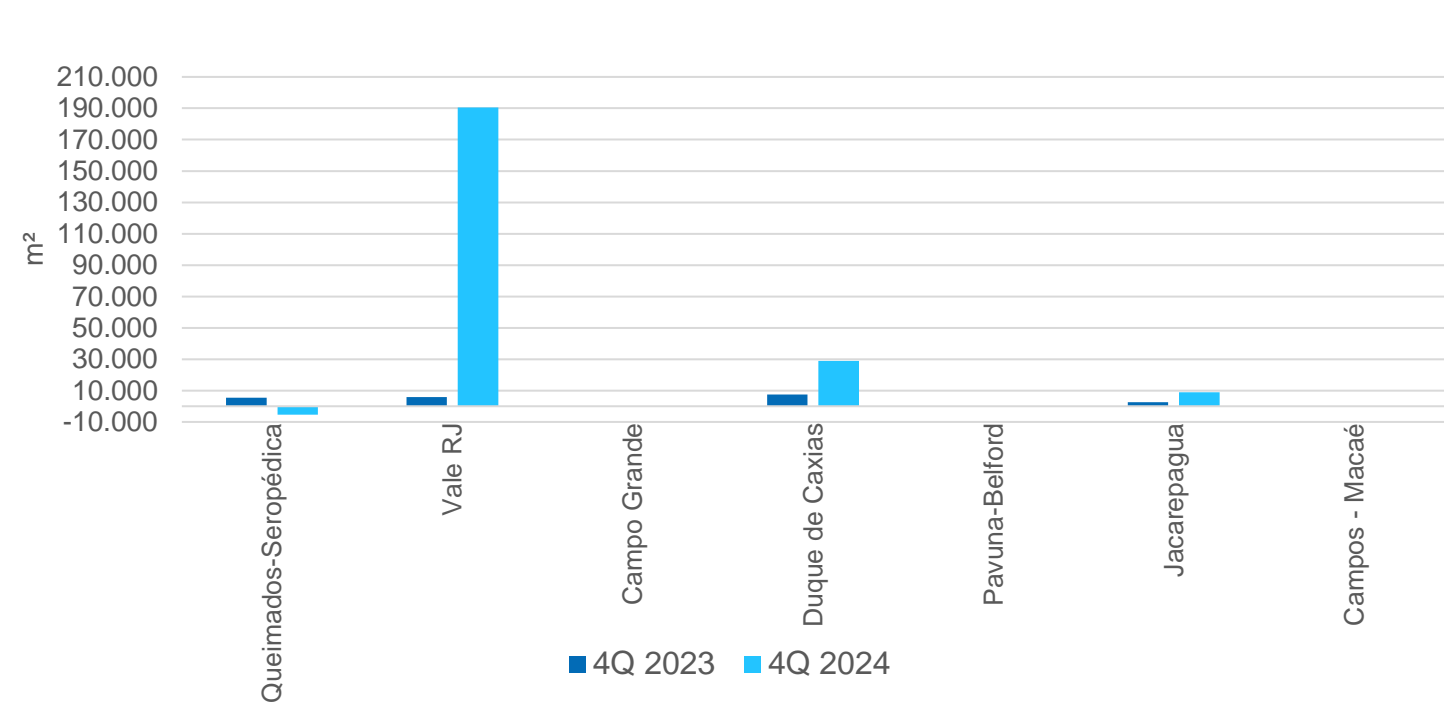
Net and Gross Absorption per Submarket



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



Net Absorption – Y-oY Variation



Source: Newmark Brasil – Market Research

The background of the slide is an abstract architectural photograph. It features large, light-colored concrete beams and walls. Interspersed among the concrete are panels with horizontal slats, some of which are illuminated from within, creating a warm, golden glow. The composition is geometric, with strong lines and angles.

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

For more market research information:

Mariana Hanania

Head of Market Research

Brazil

mariana.hanania@nmrkbrasil.com.br

NEWMARK BRASIL

Av. Dr. Cardoso de Melo, 1460, Cj. 71

Cep. 04548-005

São Paulo, SP, Brasil

t 5511-2737-3130

nmrkbrasil.com.br

Newmark has access to custom databases that meet our classification and scope parameters using our own methodology, which includes the periodic re-classification of some properties. Our data is constantly refined, and therefore there may be adjustment in historical statistics including availability, asking rents, absorption, and actual rents. Newmark research reports are available at nmrk.com/research All of the information contained herein comes from reliable sources. However, Newmark has to checked all of the information; they constitute statements and representations of the source, and not Newmark. Recipients of this publication shall independently check this information and any other information that may prove relevant for any decision that may be made in regards to this publication, and must check professionals of its own choice or all aspects of the decision, including those of a legal, financial, or fiscal nature. No recipient of this publication may distribute, disclose, publish, transmit, copy, upload, download or otherwise reproduce the contents herein without the prior written consent of Newmark. This document is for information purposes only and shall not be construed as advice or recommendation of a specific strategy. It shall not be used to predict market movements, for investments in securities, transactions, investment strategies, or for any other purpose.

NEWMARK