

3Q2025

Rio de Janeiro Offices Market Report



NEWMARK

Market Information

Economy

- The external environment remains challenging, with geopolitical tensions and adjustments in trade policies increasing uncertainty and inflation volatility. While the US shows resilience, Europe and China are experiencing a slowdown, partly due to the impact of reduced commercial activity;
- Brazil's GDP grew by 0.4% in the second quarter, reflecting a loss of momentum across all sectors. Consumption and retail have cooled, but the labor market remains strong, with unemployment at 5.7%;
- Accumulated inflation fell to 5.13%, still above the target. The Central Bank's Monetary Policy Committee (Copom) kept the Selic rate at 15% per year and projects inflation of 4.8% in 2025 and 4.3% in 2026, with estimated GDP growth of 2.0% in 2025 and 1.5% in 2026, and an exchange rate projected at R\$ 5.40/US\$.

Transactions

- Although with a slight improvement in this quarter's performance, leasing activity for high-end office buildings in Rio de Janeiro has remained slow this year;
- Year-to-date demand metrics remain below 2024, highlighting the lack of momentum for high-end office market in Rio de Janeiro,
- Except for the South Zone and Barra da Tijuca, all regions saw an increase in occupied space, with Cidade Nova and Centro standing out for the highest net absorption this quarter.

Market Indicators

- Gross absorption closed the quarter at 51,000 sqm—the best of the year—and positive net absorption of 28,000 sqm, despite an increase in returns;
- The vacancy rate fell to 25.8%, but still reflects oversupply in the market;
- The average asking rental rates closed the quarter at R\$ 77.53/sqm/month, about 3% higher than the previous quarter

Outlook

- Leasing activity improved this quarter, with the best performance of the year for both gross and net absorption. Despite this progress, year-to-date demand metrics remain below those of the same period in 2024, indicating that recovery in Rio's corporate market still faces challenges;
- The vacancy rate dropped, ending the quarter at 27.2%, which interrupted the downward trend in average asking rents, which rose 3% during the quarter and 5% year-over-year;
- In the macroeconomic environment, weaker economic growth forecasts, persistently high interest rates, and ongoing inflationary pressure are likely to continue influencing corporate demand and new developments

3Q2025

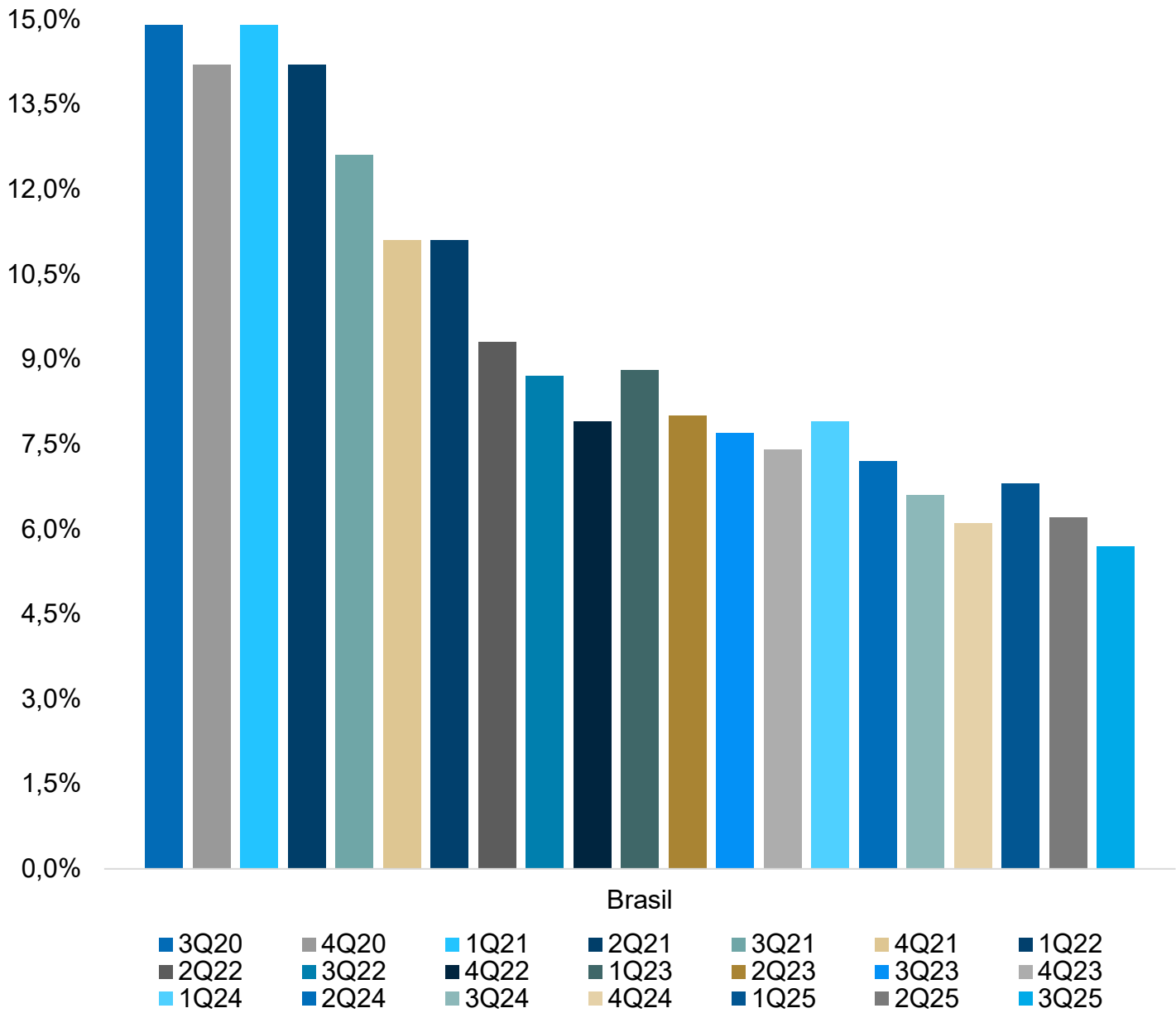
Economy



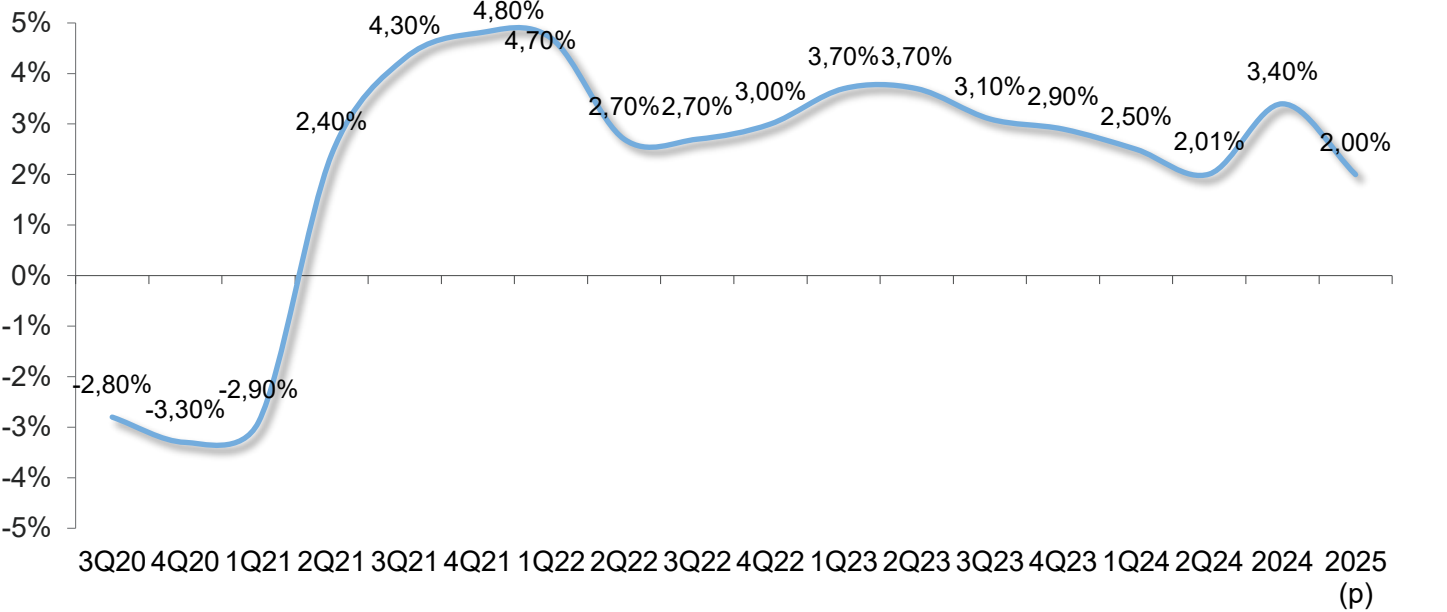
Economy

Domestic economic activity slowed as anticipated. GDP grew by 0.4% in the second quarter, following a 1.3% increase in the previous quarter, influenced by weaker momentum in agriculture, industry, and services. The labor market remains strong, with the unemployment rate reaching a historic low of 5.7%. Household consumption also decelerated, with declines in retail trade and more moderate growth in services, likely resulting in a retreat in accumulated inflation, though it remains above target

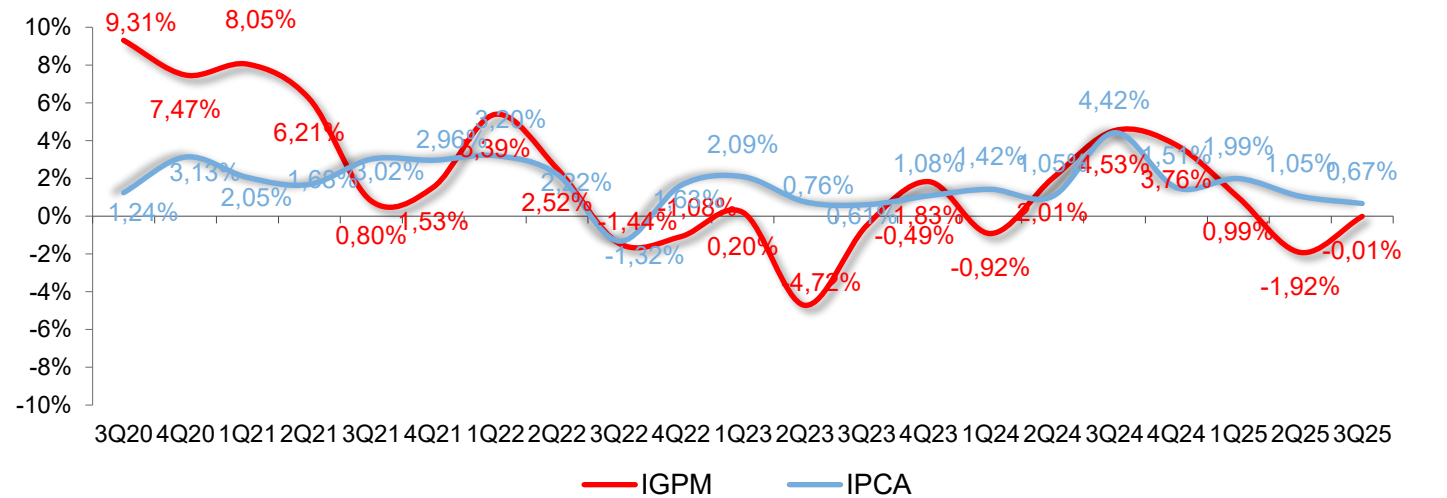
Unemployment rate



GDP –at market prices – YTD in 4 quarters (%)



IPCA (quarter) x IGPM (quarter) Variation (Inflation rate)



Source: IBGE, Banco Central do Brasil, FGV

3Q2025

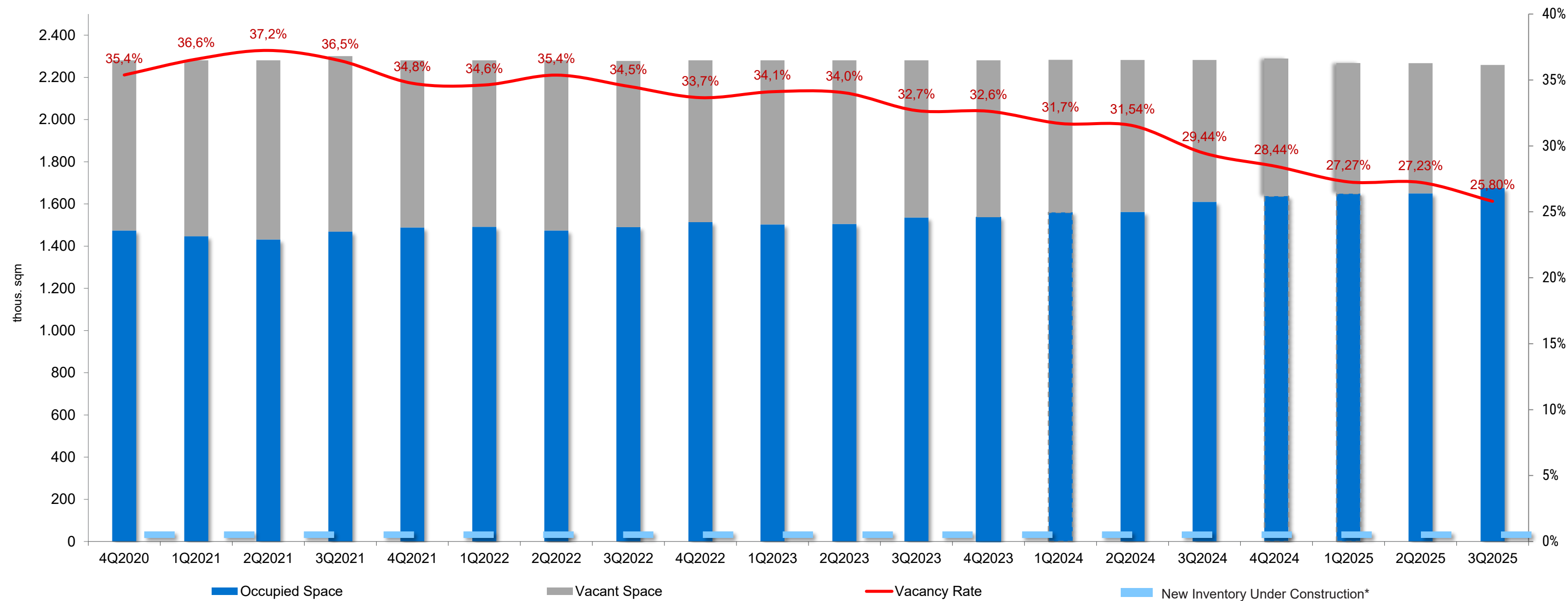
Market Indicators



Rio's office market show signs of recovery

Leasing activity gained momentum this quarter, increasing the volume of occupied space. As a result, the vacancy rate dropped to 25.8%

Occupied and Vacant Space, Under Construction vs. Vacancy Rate – Class A, AA and AAA

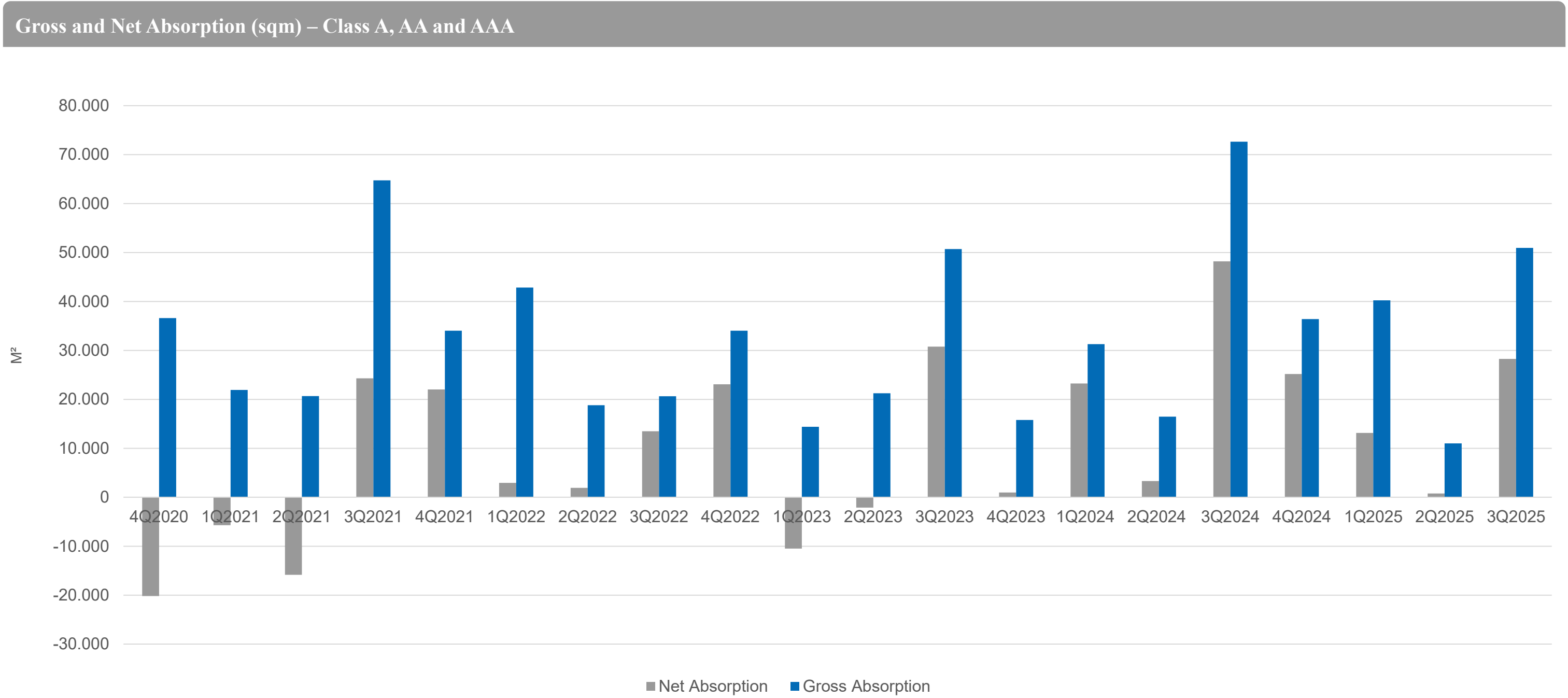


Source: Newmark Brasil – Market Research

*works have started, but no estimated date for conclusion

Quarterly performance improved, but demand remains slow

Demand indicators were the highest of the year this quarter. However, the year-to-date totals remain below 2024, underscoring weak demand for prime offices in Rio de Janeiro

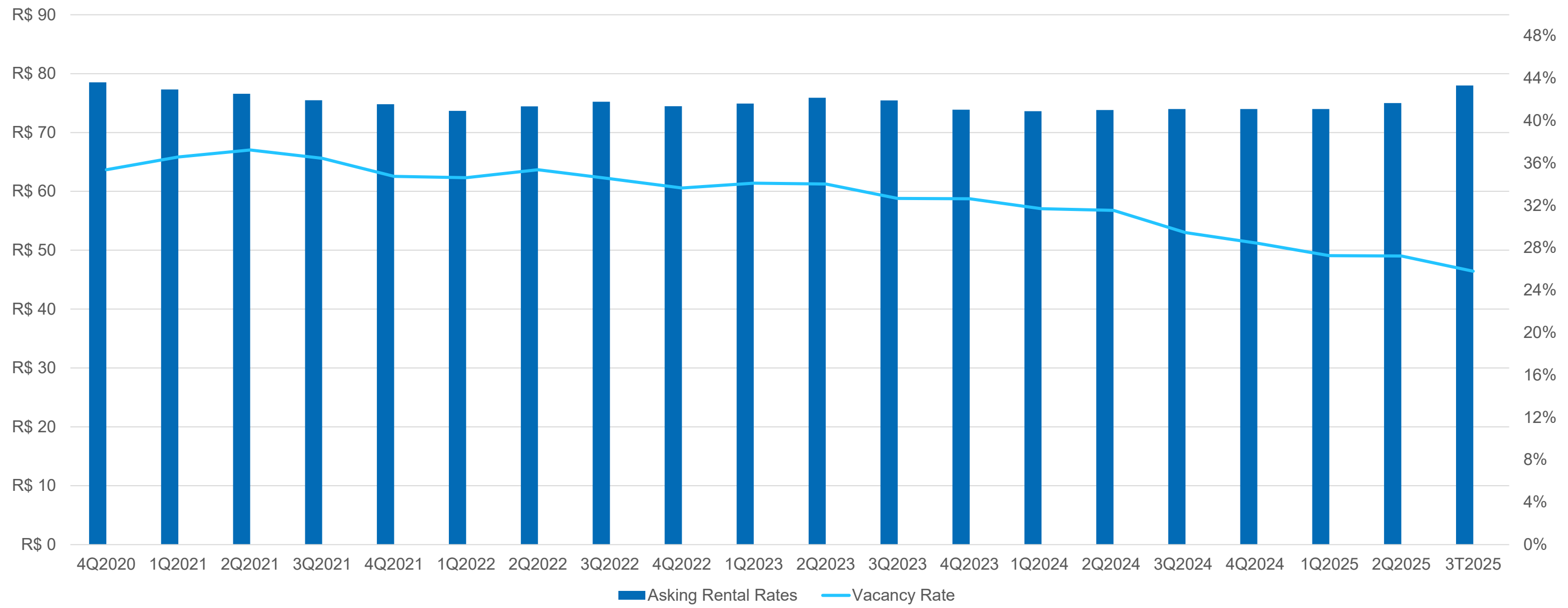


Source: Newmark Brasil – Market Research

Vacant spaces are reducing and signaling the beginning of rental appreciation

Despite a high volume of vacant office space still putting pressure on the market, asking rents—which have been declining since 2012—are starting to show signs of an increase

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

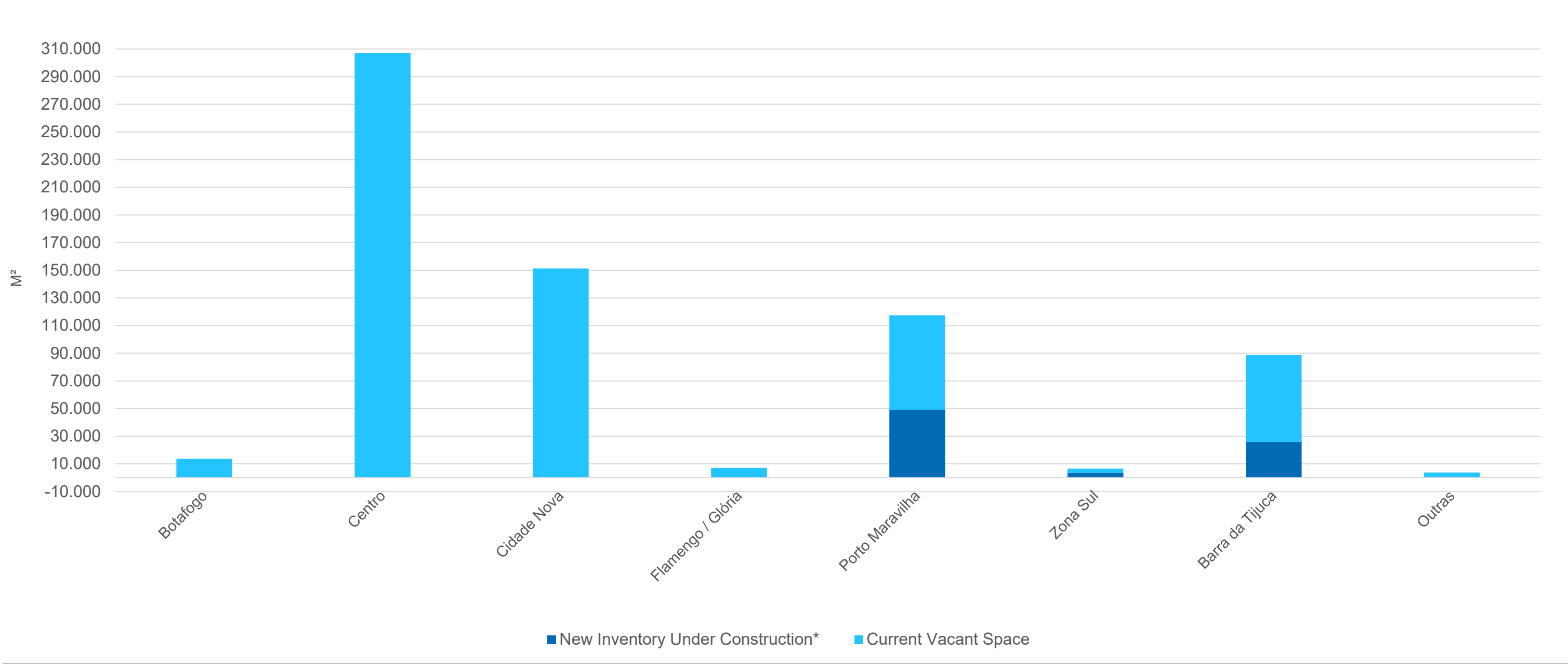


Source: Newmark Brasil – Market Research

Stagnation in construction activity

Porto Maravilha and Barra da Tijuca are the areas with buildings under construction, though no delivery dates are set; low construction activity in Rio has been positive, given the city's high vacancy levels

Current Vacant Space vs. New Inventory Under Construction per Submarket (sqm) – Class A, AA and AAA forecasted to 2024

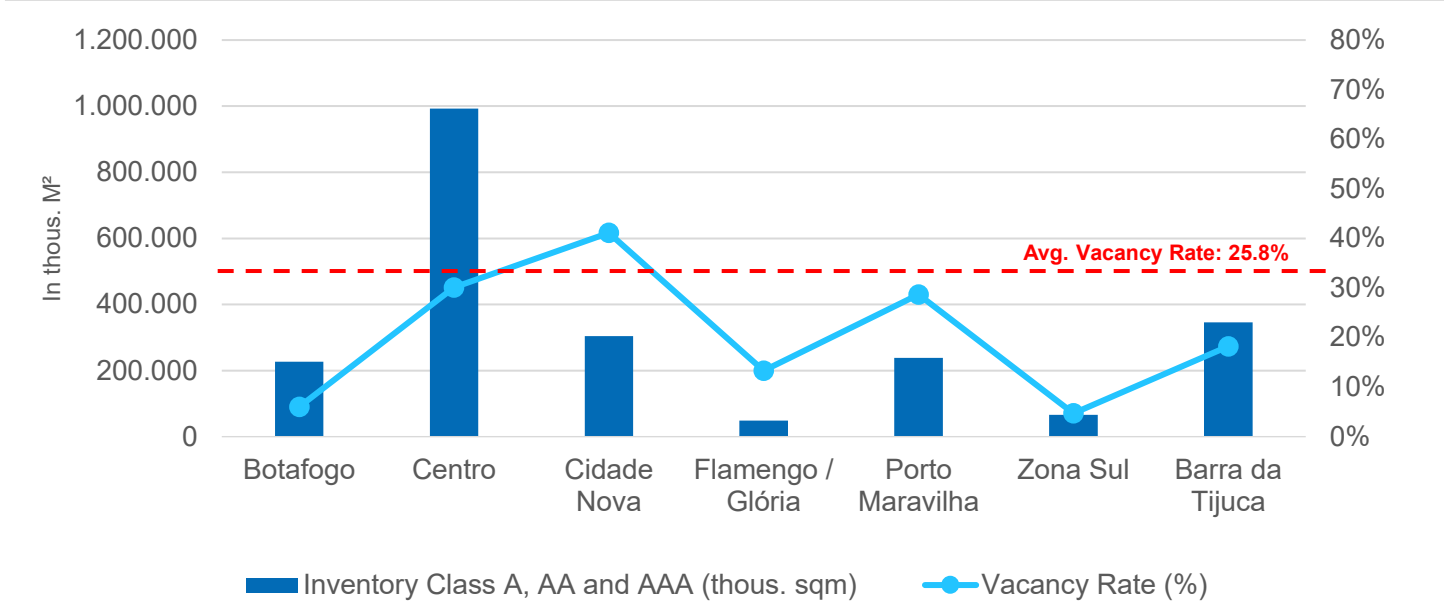


Source: Newmark Brasil – Market Research

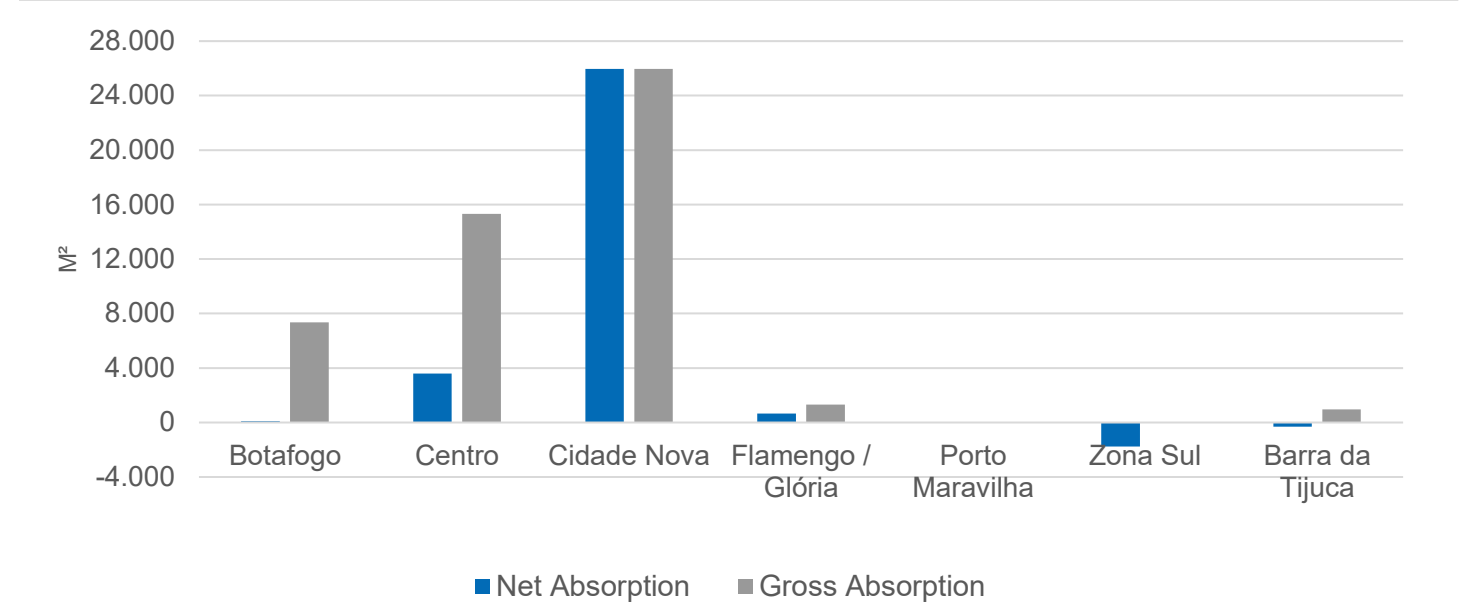
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Comparables per Submarket

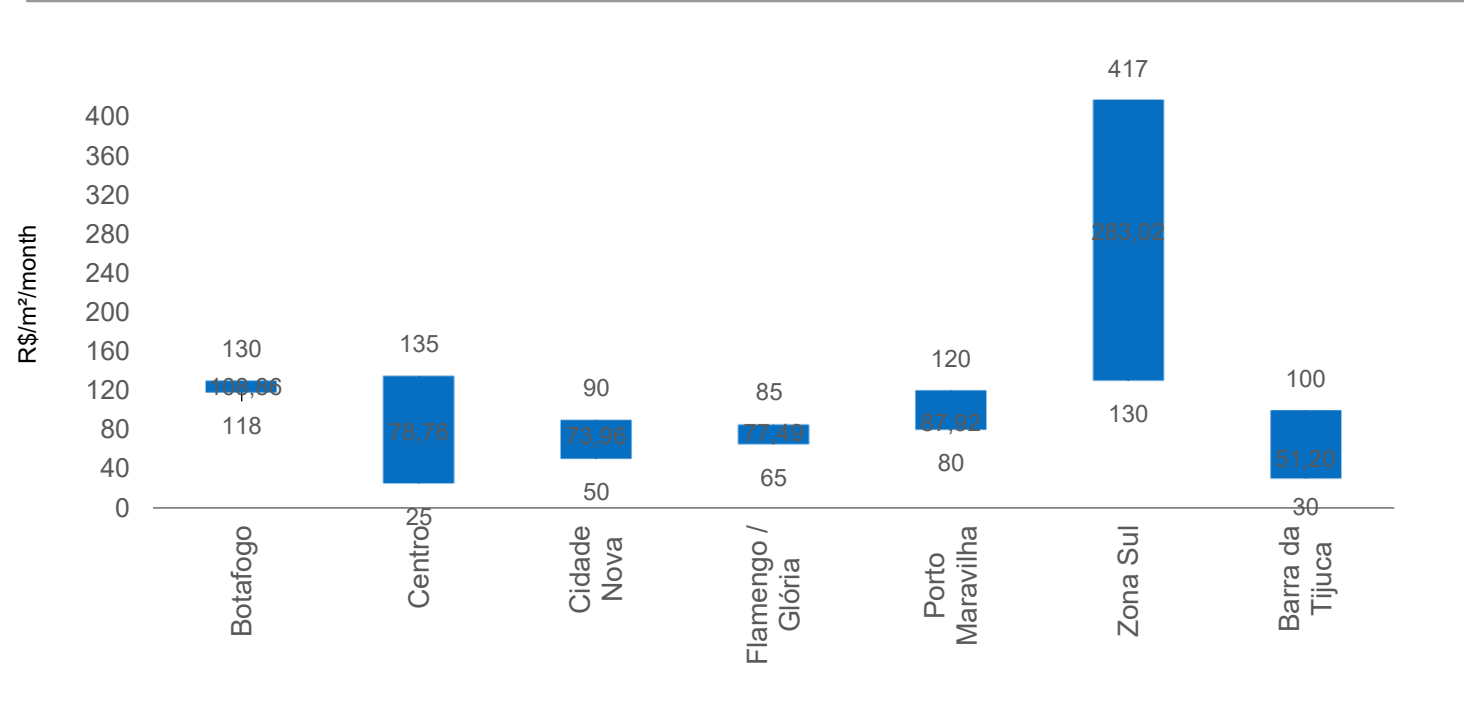
Inventory vs. Vacancy Rate – Class A, AA and AAA



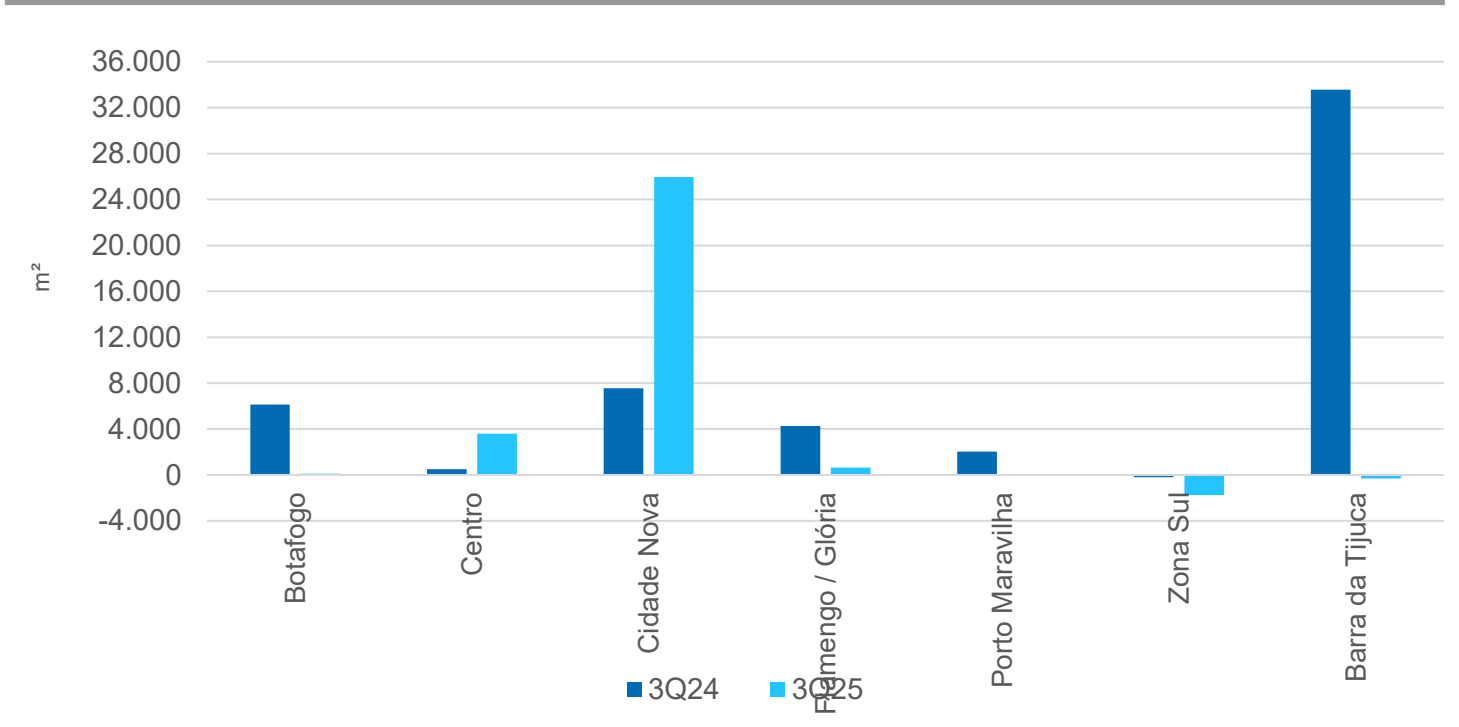
Gross and Net Absorption per Submarket – Class A, AA and AAA



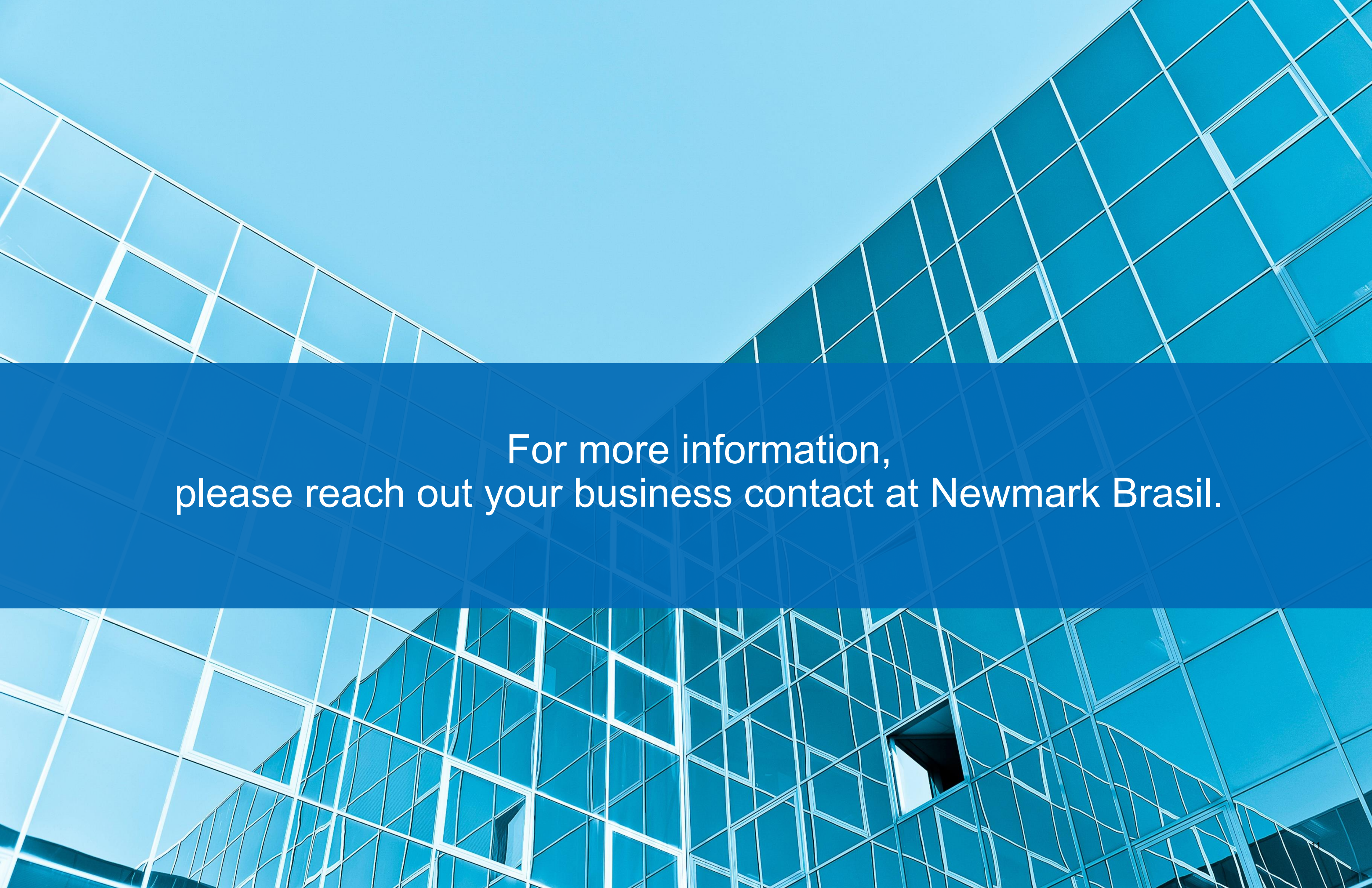
Minimum, Average and Maximum Asking Rent– Classe A, AA e AAA



Net Absorption – Annual Variation – Class A, AA and AAA



Source: Newmark Brasil – Market Research



For more information,
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