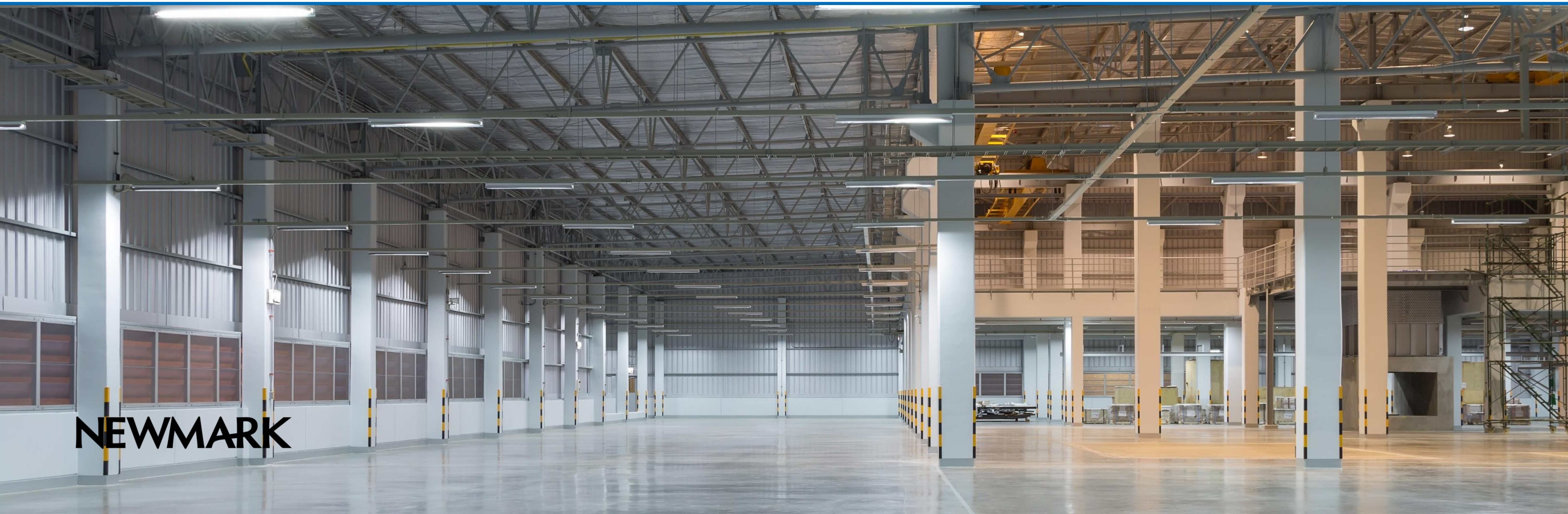
3Q25

# São Paulo Industrial/Logistics Market Report



# 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$;

- Industrial production in Brazil declined by 0.2% in July, marking four months without growth but still posting a 1.0% gain year-to-date. Weakness was seen in petroleum, vehicles, and metallurgy, while food and extractive industries performed better. With high interest rates and moderate domestic demand, expansion prospects for 2025 are limited, estimated between 1.3% and 2.1%. Nevertheless, the industrial and logistics real estate market remains robust, supported by steady demand and new deliveries throughout Brazil

## Transactions

- After a quarter of strong demand performance, the industrial and logistics warehouse condominium market showed stabilization in expansion;

- Leasing activity and net absorption were slightly below the previous quarter, but year-to-date figures still surpass the same period in 2024

## Market Indicators

- Gross absorption for the quarter reached 454,000 sqm, with net absorption at 351,000 sqm, marking another dynamic period for the segment in São Paulo;

- New inventory delivered totaled 232,000 sqm, and despite the increase in inventory, the vacancy rate fell to 7.5%;

- The average asking rent remained virtually unchanged for the quarter, at R$ 30.1/sqm/month

## Outlook

- Third-quarter performance reinforces the strength of the industrial and logistics warehouse condominium market in São Paulo. Even with signs of stabilization in demand and price growth, fundamentals remain strong, with declining vacancy rates and new developments sustaining the sector’s dynamism;

- However, the maintenance of this cycle will depend on a more favorable macroeconomic environment, including a gradual recovery in confidence, consistently lower interest rates, and sustained investment flows from major industry players

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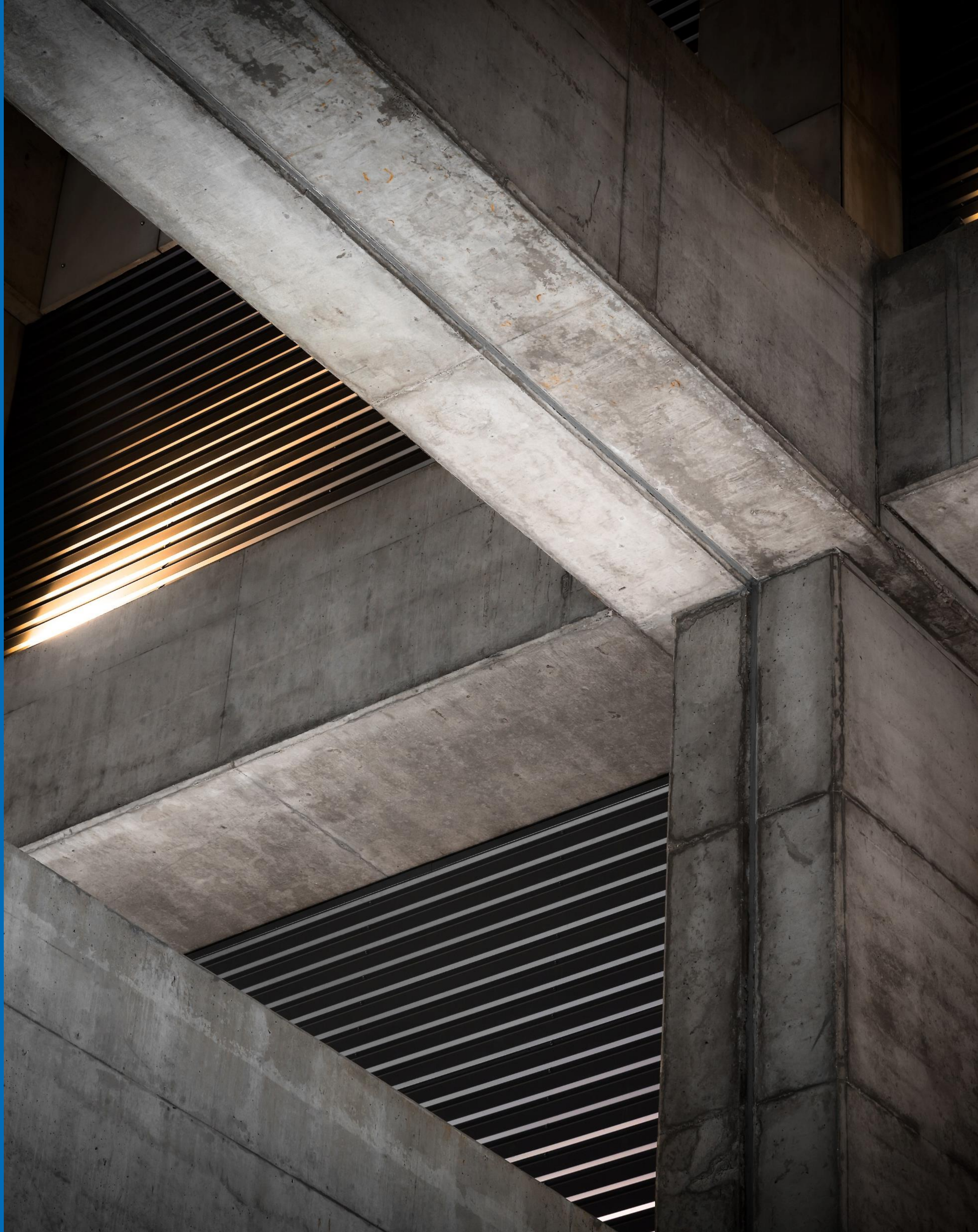
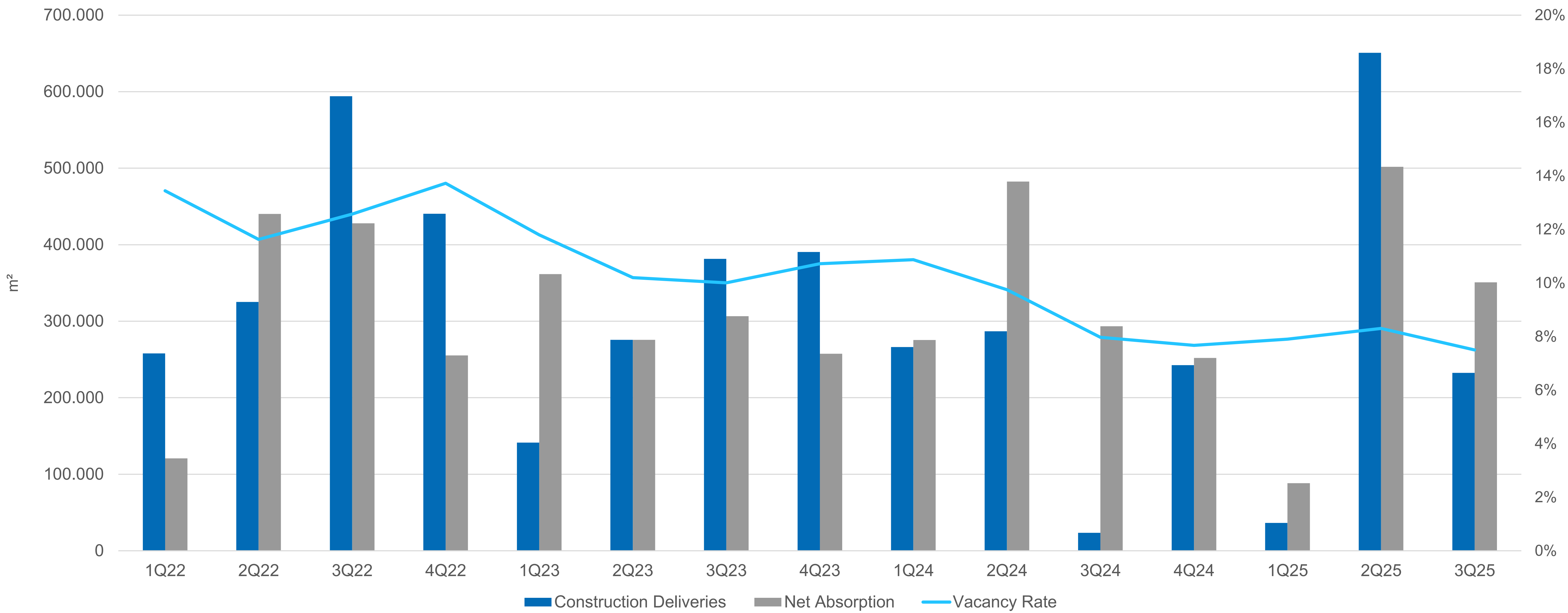
# Market Indicators



# The industrial and logistics sector has maintained a solid pace after a strong first half of 2025

After a period of strong new supply and demand, the industrial and logistics warehouse condominium market saw some slowdown in momentum between July and September, with lower volumes of new inventory delivered and net absorption compared to the second quarter

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

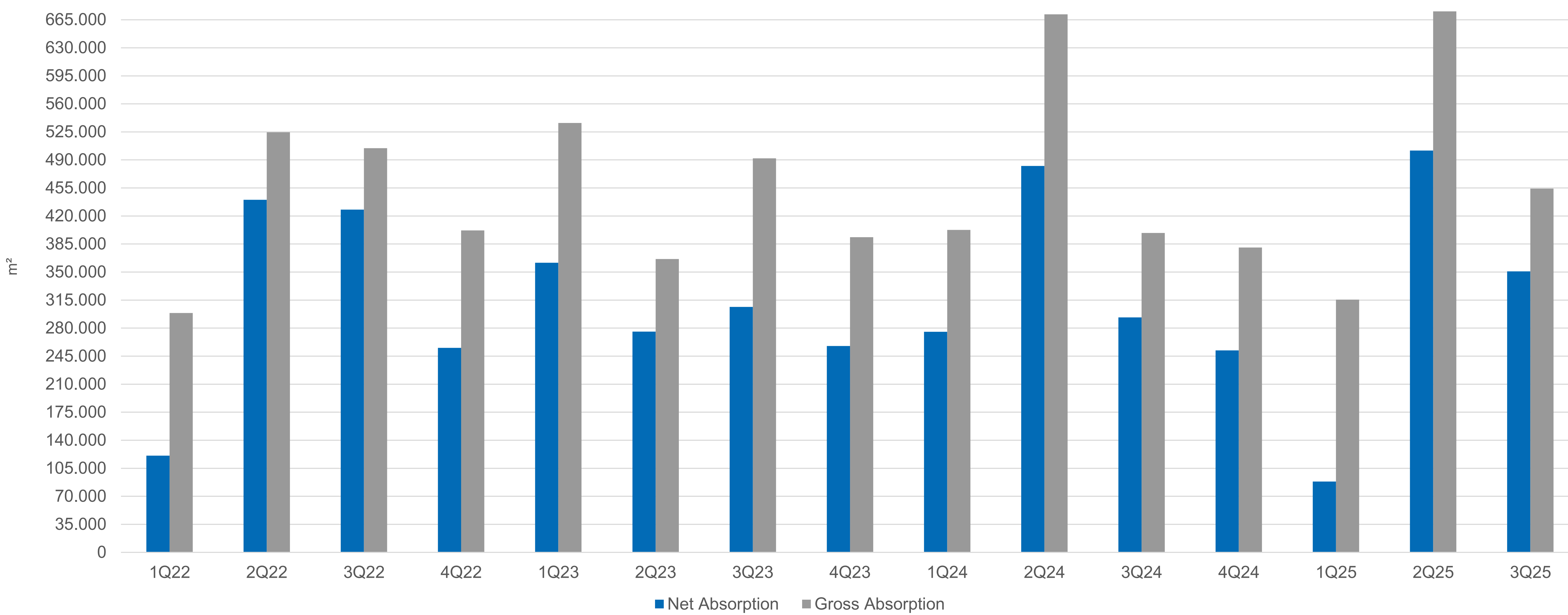



Source: Newmark Brasil – Market Research

# Absorption outperformed 2024 levels, with the services sector leading this quarter

Gross and net absorption were slightly below the previous quarter, but the cumulative total still exceeds the same period in 2024. The services sector led transactions this quarter, accounting for 48% of net absorption, mainly driven by logistics, warehousing, and transportation companies. Commercial and industrial sectors represented 45% and 7% of absorption, respectively

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

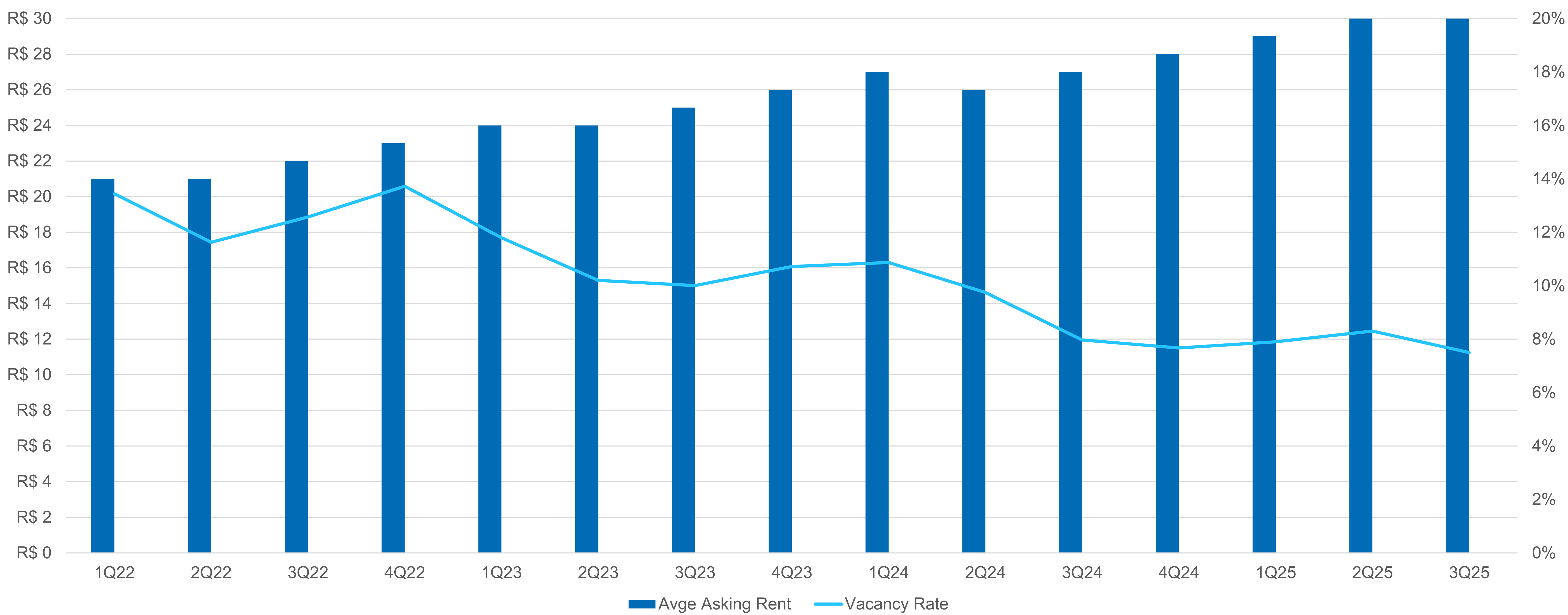



Source: Newmark Brasil – Market Research

# The average asking rent remained stable during the quarter, but showed strong annual appreciation

The average asking rent remained nearly stable during the quarter, ending the period at R$ 30.12/sqm/month, 10% higher than the same period in 2024

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

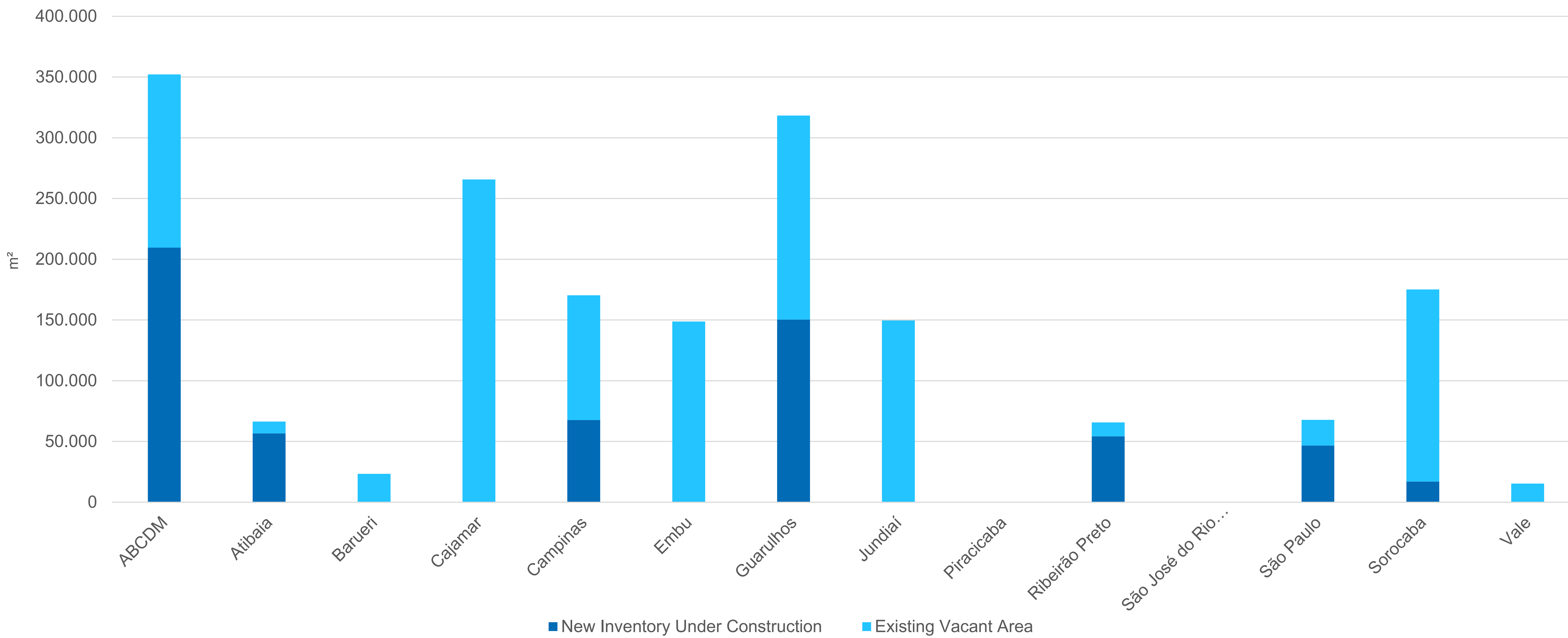



Source: Newmark Brasil – Market Research

# New projects are keeping pace with demand, minimizing the risk of oversupply

The concentration of new developments in ABCDM, Guarulhos, Campinas, and São Paulo highlights an expansion movement aligned with demand, supporting a balanced scenario between supply and occupancy

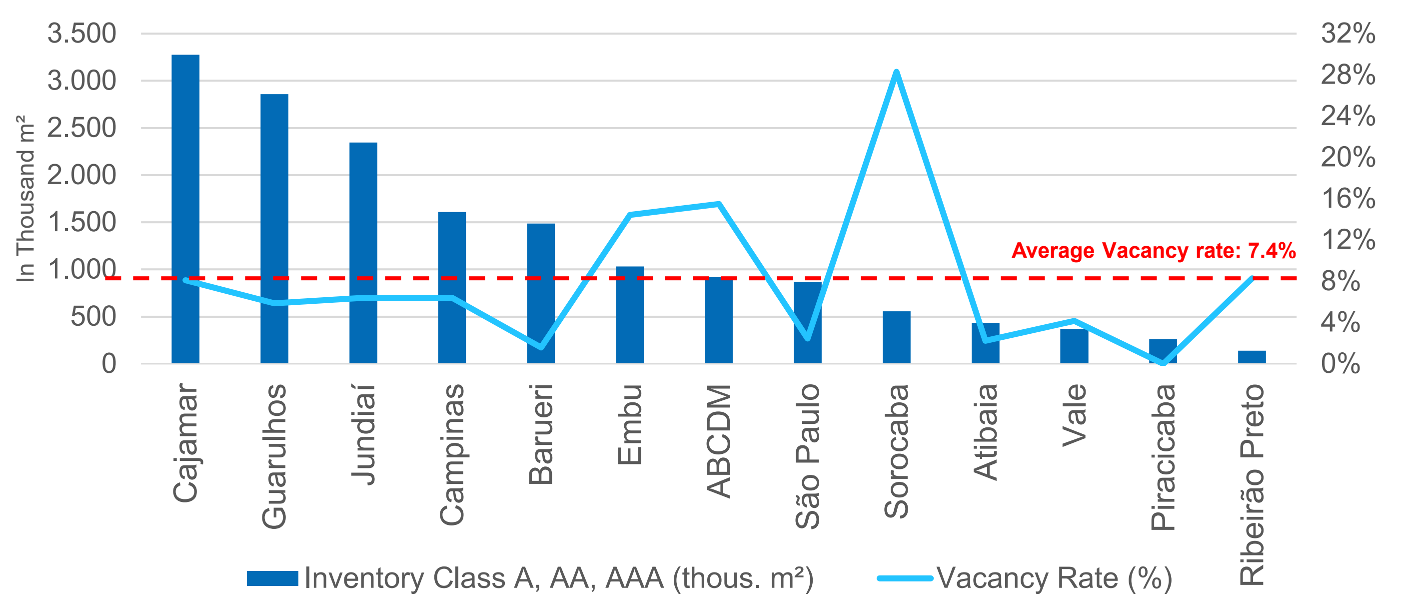
**Existing Vacant Rate vs. New Inventory in Construction per Submarket (sqm) – Class A, AA and AAA, forecasted to 2024**



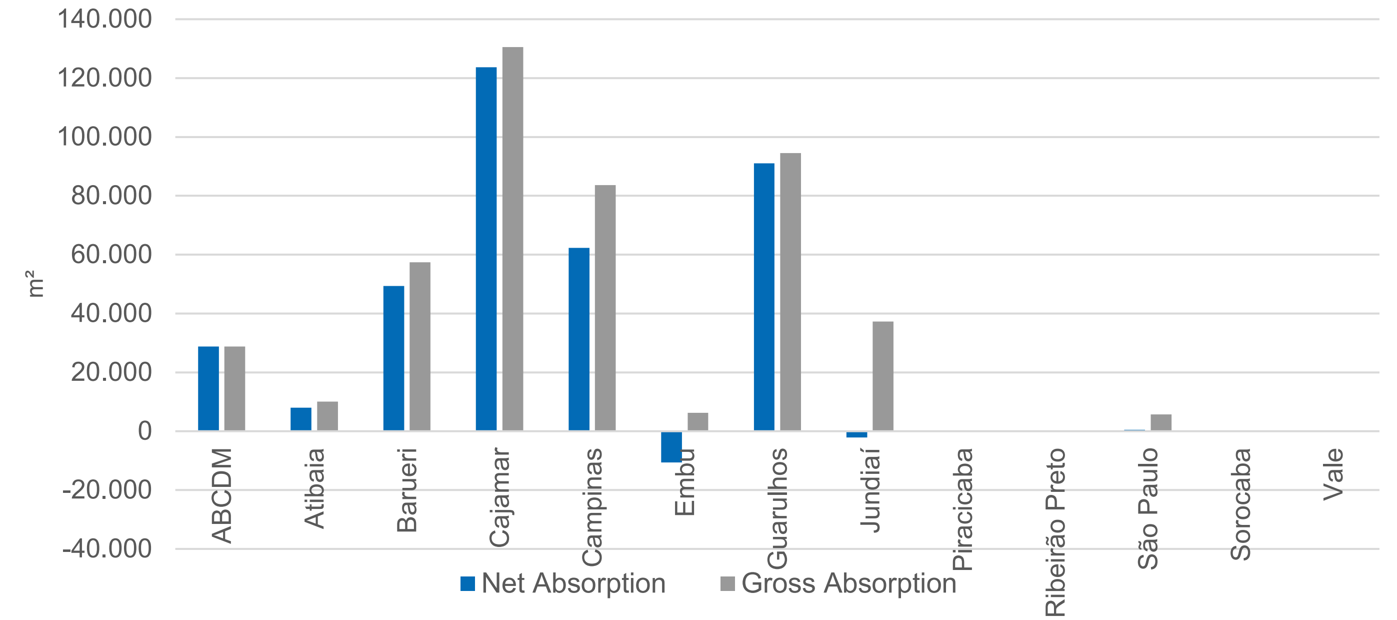

Source: Newmark Brasil – Market Research

# Submarket Analysis

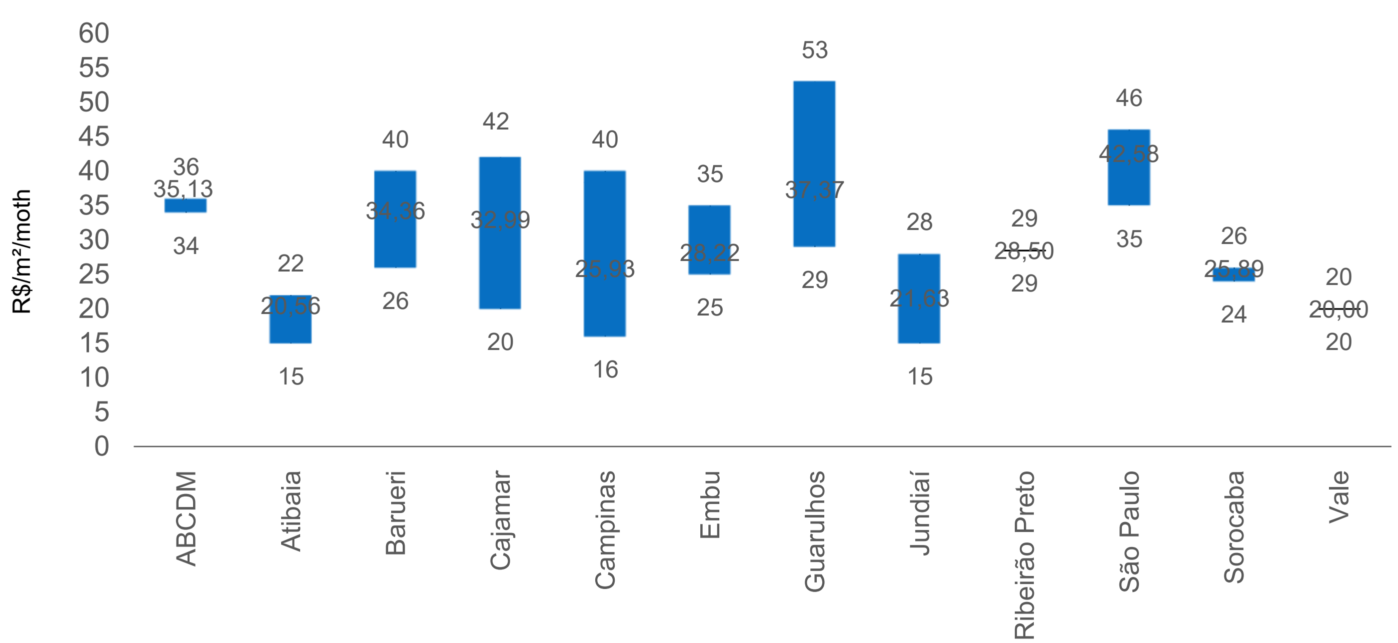
## Inventory vs. Vacancy Rate



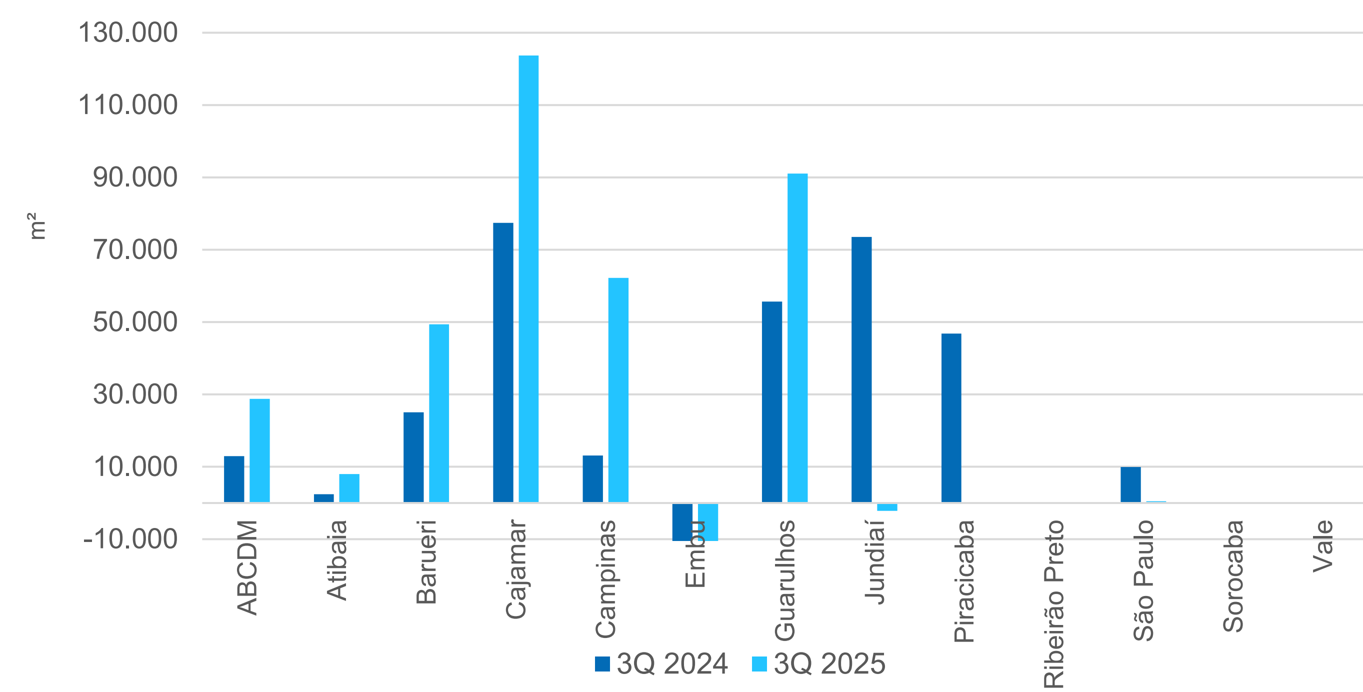

## Net and Gross Absorption per Submarket




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




## Net Absorption – Y-oY Variation




Source: Newmark Brasil – Market Research

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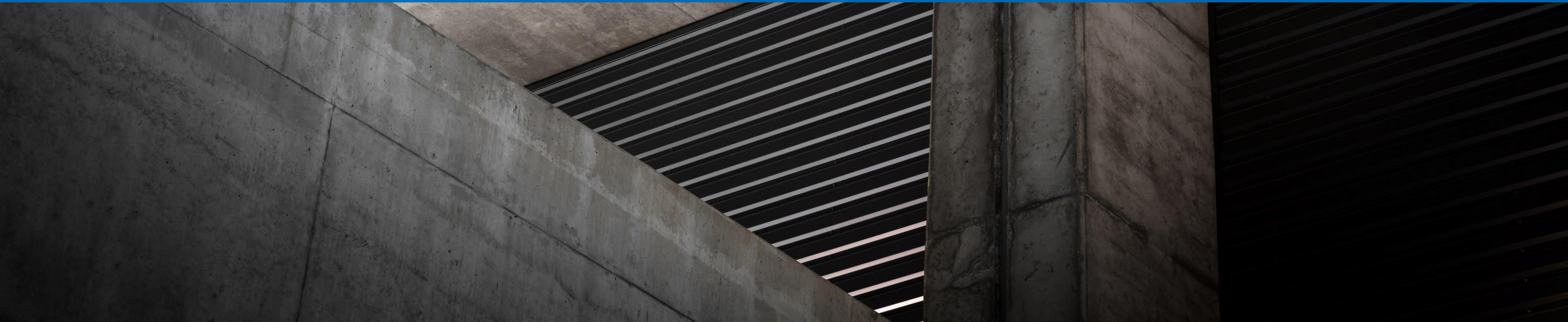

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