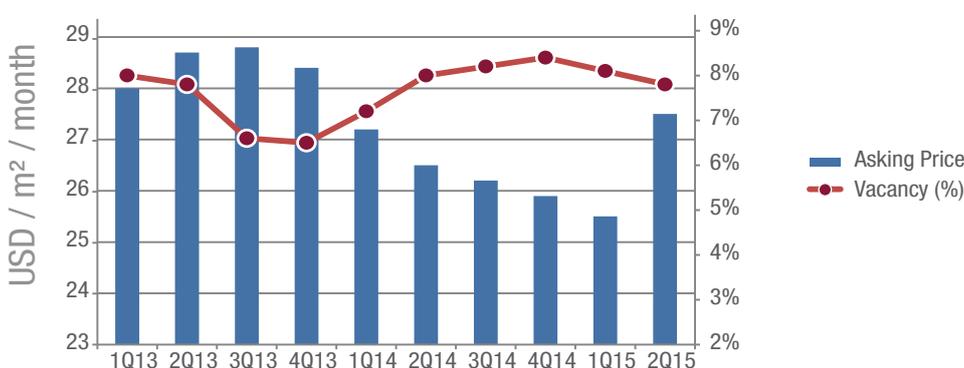


MARKET REPORT - OFFICES IN BUENOS AIRES

- ▶ Market occupation percentage is about 92%, while the annual rate of return is about 4 to 5%, a low level in our market which has historically fluctuated between 8 and 10%.
- ▶ The lease value requested experiences a mild rise, currently being U\$S 27/m²/month in Catalinas, Puerto Madero and the Northern 9 de Julio corridor. This fact sets a turning point in the evolution of values, which showed a constant fall since the third quarter of 2013. Certain areas like Northern Puerto Madero, Panamericana and Libertador have gained value and are the areas that have contributed the most in keeping low levels of vacancy.
- ▶ The Puerto Madero sub-market gathers the largest office stock with 350,000 m² followed by the Northern Gran Buenos Aires corridors, mainly Panamericana and, in a lesser extent, Libertador, collectively with 304,000 m² that can be leased.
- ▶ Regarding offer and demand, there is a tendency showing that, if there are vacant meters, there is no immediate tenant replacement, and in some cases vacancy persists up to six months later, even though it is still within a normal historical range of about 8% of the stock.
- ▶ Despite of the discouraging macroeconomic context the Class A+ office market is still giving healthy indicators. The surface offer slightly rose as a result of the incorporation of available meters to the market. Leases are rising and net absorption is positive.
- ▶ Sale values for A+ spaces average U\$S 6,500 per m² in CABA and U\$S 5,700 in the Northern Area. Traditionally, the volume of lease transactions is higher than the sales transactions, but due to the prohibition to draw US dollars abroad, sales have increased as company's store of value transactions.
- ▶ The average expenses range is around ARS 60 / m² /month, and the highest lease value amounts to U\$S 28 to U\$S 31/ m² /month in premium locations.

Note: US dollar values will be converted into Argentine pesos according to the BNA selling exchange rate.

Lease vs. Vacancy Ratio



Bellini Esmeralda Tower



LEASE

Useful Area: 12.000 m²

500 m² stories - Available stories - AC - Parking slots

Alem 518 | Microcentro



LEASE

Useful Area:

460 / 600 / 920 / 1.520 m²

AC - Access Floor - Ceilings - Parking slots

Alem 882 | and Tres Sargentos



LEASE

Useful Area: 10.840 m²

800 m² stories - 68 parking slots. 500 m² store

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