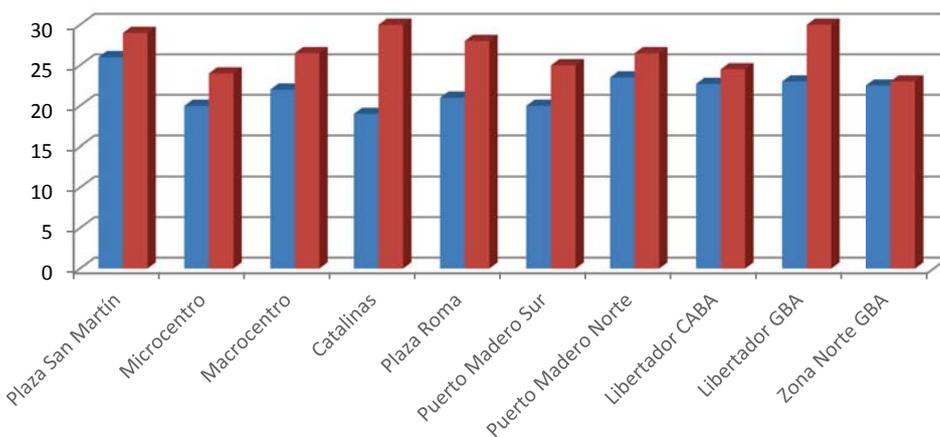


MARKET REPORT - OFFICES IN BUENOS AIRES

- ▶ The results of the recent elections forecast a 2016 with more activity in the real estate industry and a more favorable scenario for medium-term transactions.
- ▶ As regards geographical distribution of the offer, the northern Great Buenos Aires area, Puerto Madero and southern Macrocentro sub-markets concentrate around 50% of available surface for leases of Class A and A+ spaces. This is mainly due to the fact that, for the last two years, these sub-markets have continuously increased their stock surpassing the demand. Total available surface amounts to 98,400 m².
- ▶ The lease average market value is still almost unchanged around USD 25.20/m²/month, with some variations depending on the sub-market and the quality of the buildings.
- ▶ Traditional buildings are no longer fit for the offices of large multinational companies, which must comply with global corporate standards regarding appearance, access, environment, technology, sustainability, and quality of work life. This has caused a migration towards areas more adequate for those features and therefore to more efficient buildings. The forecast is that this trend towards decentralization will continue to more flexible and intelligent buildings in more accessible and viable locations such as the northern area both in Capital Federal and the province.
- ▶ Unlike what was customary before, there have been a large amount of sales transactions lately. The reasons are the need to safeguard the capital and the prohibition in force for the companies to draw dividends abroad, with the resulting accumulation of pesos in the local financial market. It was not easy to find an attractive investment to protect savings from inflation or potential devaluation. This situation maintains sales values while leases are kept stable but low if compared to the historical mean.
- ▶ Office stock has increased, reaching 1,293,000 square meters of rentable area, the average quarterly entry volume for new buildings being 1.25% of the stock.
- ▶ Vacancy rate for Class A+ buildings increased to 6.8%, a decrease of a 3.5% has been recorded compared to the previous quarter.
- ▶ A significant amount of buildings that will enter the market will do so under the LEED sustainability standards for energy and water efficiency and environmental quality in line with the global trend.
- ▶ The office market shows a vacancy that tends to decrease due to the continuous occupancy of newly constructed buildings that have been empty for several months.

Lease Values by Sub-market and Category

■ Class A
■ Class A+



Torre Bellini Esmeralda



Useful Area: 12.000 m²
500 m² Stories - AC - Parking Slots

Blas Parera 2265 | Vicente Lopez



Useful Area:
1.100 m² in Block
Heat/Cool AC - Underfloor Duct - Parking

Av. Libertador 110 -PB | Vicente Lopez



Useful Area: 350 m²
AC - Free Stories - Access Floor - Parking Slots

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