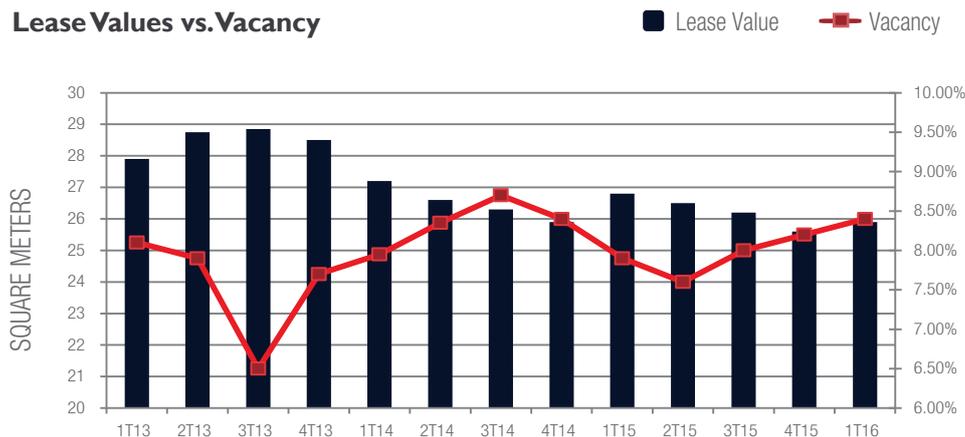


**MARKET REPORT - OFFICES IN BUENOS AIRES**

- ▶ The office market shows a 9.20% vacancy that is low due to the continuous occupancy of newly built spaces that have been empty for several months.
- ▶ The so called "Midtown" is being developed in Capital Federal along Del Libertador Avenue between La Pampa Street and General Paz Avenue, and includes projects which were mainly finished in the last fifteen years. It represents a competition to the existing stock downtown due to its location and prices for small and medium-size surfaces. However, there are almost no Class A+ buildings in this sub-market because plots are not very big, which limits the size of the stories and therefore the scale of the developments. With a few exceptions, this sub-market is Class A.
- ▶ The demand in some sub-markets drives the increase of lease values. The southern 9 de Julio and Libertador-Great Buenos Aires corridors were the more dynamic sub-markets in the last quarter.
- ▶ After devoting themselves to the residential sector between 2003 and 2007, developers turned to the corporate market. The area chosen was mainly along the Panamericana highway and other locations in the northern area such as the Libertador corridor.
- ▶ Average profitability is 5% annually and prime leases vary between USD 26 and USD 30 per square meter per month, depending on the location and the quality of the buildings. Class A+ and A offices market is still active with new projects being developed.
- ▶ There is a growing pace among companies as regards decision making. Lease values continue showing a good performance, and although few companies demand large surfaces the ones already settled are not being reduced, and even in some specific sectors, such as the technology field, larger surfaces are being sought after.
- ▶ As regards future projects, the incorporation of 240,000 m<sup>2</sup> of Class A y and A+ to the stock is expected during the next three years, 95,000 m<sup>2</sup> are already in an advanced stage of development, among them the Catalinas Norte Building acquired mostly by the BBVA bank and the Banco Macro Tower both in Catalinas, stand out.
- ▶ Buenos Aires has one of the cheaper markets in the Latin American region, with an average lease value of USD 25.40/m<sup>2</sup>/month. This should be attractive to foreign investors or companies that may seize the new opportunities that Argentina offers under its new administration. Lease values will consolidate once the economy strengthens, eventually around the end of the year.
- ▶ Sustainable office inventory is 200,000 m<sup>2</sup> and it is estimated that in three years this figure will duplicate.

**Lease Values vs. Vacancy**



**Torre Bellini Esmeralda**



**Useful area: 12.000 m<sup>2</sup>**

500 m<sup>2</sup> Stories - Available Stories - AC - Parking Slots

**Chile y Paseo Colón | San Telmo**



**Useful area:**

4.477 / 5.784 / 10.261 m<sup>2</sup>

AC - Free Stories - Parking Slots

**Av. Libertador 6350 | Nuñez**



**Useful area: 1.000 hasta 5.000 m<sup>2</sup>**

AAA Building - AC VRV - Fitted Stories

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