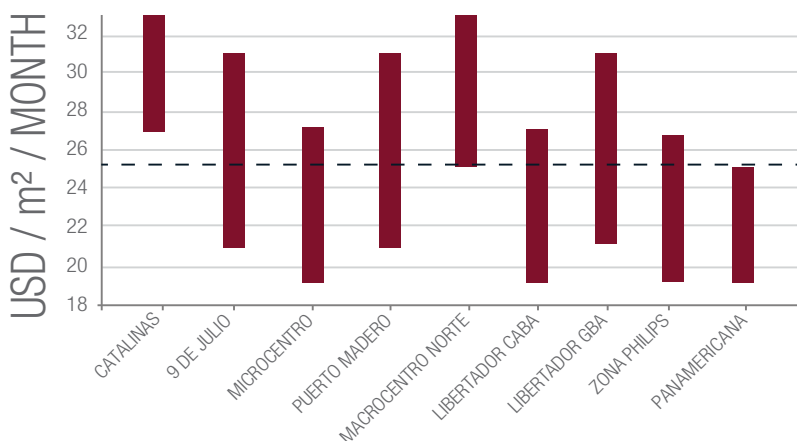


MARKET REPORT - OFFICES IN BUENOS AIRES

- ▶ The classification of buildings into C, B,A or Triple A categories, is based on the evaluation of parameters such as location, building age, corporate image, morphology (tower building or building between dividing walls), height, type of enclosures, air conditioning system, floor size, finishing, fire protection and safety systems, access floor, number and brand of the elevators, sustainability, parking lots, quality of administration services, conservation and maintenance of common spaces and facades, and maintenance of outer spaces, among others. The LEED sustainability certification is becoming more and more important.
- ▶ The increase in values of premium offices in the most emblematic places of the city like Catalinas and Puerto Madero led companies to rethink their location. Thus, some of these companies decided to save costs by moving to buildings in the Northern Area. In Capital Federal, neighborhoods like Bajo Belgrano and Saavedra became active sub-markets and they satisfied the corporate demand offering lower values.
- ▶ From an economical point of view the removal of the dollar clamp was the most important event of the end of last year because it meant to exit a state of fiction and enter into the reality that we should never have left. In addition, it was less aggressive than expected. Along with the payment of the debt to holdout creditors and the bond tender offer, it represents a great expectation for the next semester.
- ▶ Panamericana has increased its lease value by 30% since 2009, at the time of its greatest development. It started as a feasible economic alternative and an attractive location as compared to central areas. Since then, the occupation level is very high and at present, prices are 22% below Downtown locations.
- ▶ The absorption recorded during the first quarter of 2016 was 17,000 square meters, a value higher than 12,000 m² corresponding to the previous quarter and also higher than the quarterly historic average at around 15,000 m². This behavior is mainly explained by the positive evolution of absorption in the sub-markets of Southern Macrocentro, Libertador Great Buenos Aires and Northern Puerto Madero.
- ▶ In the Northern Area there are a few Triple A-category buildings with available stories that are larger than 800 m². In the Phillips district, adjacent to the DOT shopping center, there are no meters available, although the completion of Intecons II, reserved for Coca Cola, and Nodus II is expected. In the Unicenter area there is only available surface in Optima Business Park, in Olivos II and III buildings and in Urbana.
- ▶ Lease prices continue to show a rise trend. The Libertador corridor of the Northern Area shows the fastest acceleration in the growth rate.

Sub-market values



Torre Bellini Esmeralda



Useful Area: 12.000 m²

500 m² Stories - Available Stories - AC - Parking Slots

Chile and Paseo Colón | San Telmo



Useful Area:

4.477 / 5.784 / 10.261 m²

AC - Free Stories - Parking Slots

Av. Libertador 6350 | Nuñez



Useful Area: 1.000 hasta 5.000 m²

AAA Building - AC VRV - Fitted Stories

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