

**June 2016**

**VACANCY**

**ABSORPTION**

**PROFITABILITY**

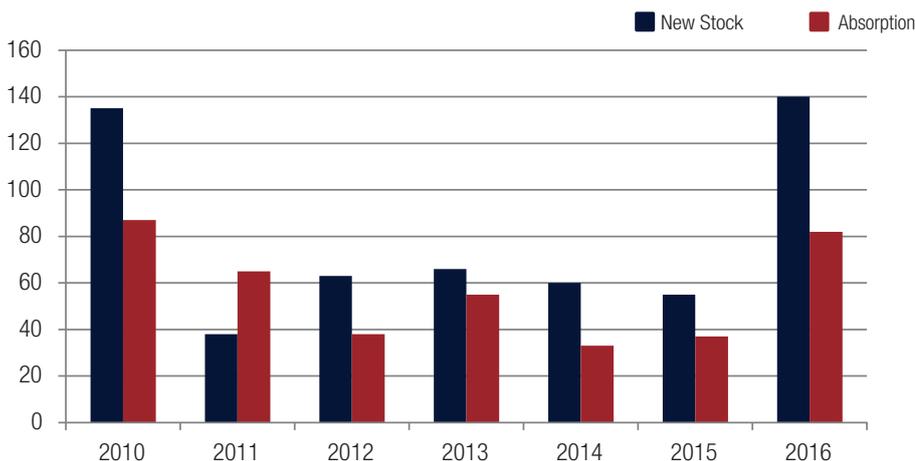
**PRICES**

**MONTHLY REPORT**



**MARKET REPORT - OFFICES IN BUENOS AIRES**

- ▶ The Catalinas area and the Northern Libertador corridor show the greater amount of corporate square meters, either planned as projects or under construction, establishing themselves as the most dynamic and sought-after districts in the market.
- ▶ Good location and category offices do not go into the market as their owners understand that they are the best safeguard for their capital against economic fluctuations and at the very least, they provide a satisfactory rent.
- ▶ Demand, in turn, showed a superior behavior to the one seen during the first quarter of the year, with an absorption of 17,000 m<sup>2</sup>, totaling 32,000 m<sup>2</sup> absorbed so far this year.
- ▶ Companies looking for new offices of big dimensions are, to a great extent, those with regional presence. To a less extent, there are also companies that are seeking new spaces for reduction.
- ▶ The market is still giving healthy indicators: even though vacancy of Class A and Triple A surfaces slightly increased 8.40% due to the incorporation of new buildings of this category, lease prices remain stable.
- ▶ A representation or head office, require a minimum of 10 m<sup>2</sup> occupancy per person, whereas a back office, can operate with 8.5 m<sup>2</sup> per person. This ratio is reduced even more if it is a call center.
- ▶ This year, around 140,000 m<sup>2</sup> of offices are expected to enter into the market, which represents a 10% increase over the current stock.
- ▶ A relevant piece of information to be considered is that 50% of the total amount of vacant buildings has been vacant for more than six months.
- ▶ The Al Río complex in Vicente López is still building the Docks (offices for professionals) that will be available next year. In addition, the construction of the North Tower will begin soon and it will be finished by mid 2018.
- ▶ For the period 2016-2019, 245,000 m<sup>2</sup> class Triple A are expected to be incorporated into the market, most of which will be located at the Avenida del Libertador northern corridor, Panamericana area, and Avenida General Paz.
- ▶ Without currency exchange restrictions and with signs of normality, capital is expected to be invested, with current return at around 8 to 10%, caused in part by the capital whitewash possibility.



**Av. Leandro N. Alem 928**



**LEASE**

1,000 up to 4,000 m<sup>2</sup> floors

Free Stories - Underfloor Ducts - AC - Parking Slots

**Lima 1111 | Av. 9 de Julio**



**LEED PLATINUM Certificate**

**LEASE**

Useful area:

115 / 260 / 320 / 430 up to 3,700 m<sup>2</sup>

AC - Free Stories - Ceilings - Parking Slots

**Olga Cossettini 340 | Puerto Madero**



**Block Lease**

**LEASE**

Useful Area:

560 / 660 / 930 up to 2,800 m<sup>2</sup>

Floor with Partitions - AC - Parking Slots

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