

**July 2016**

**VACANCY**

**ABSORPTION**

**PROFITABILITY**

**PRICES**

**MONTHLY REPORT**

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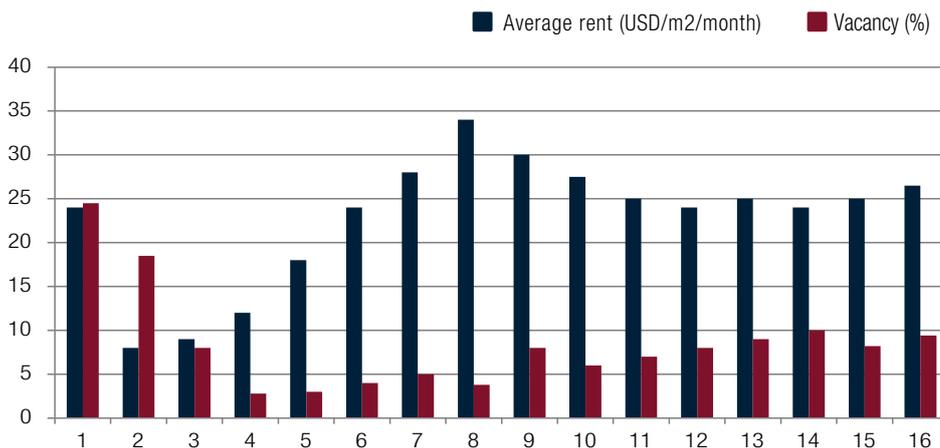
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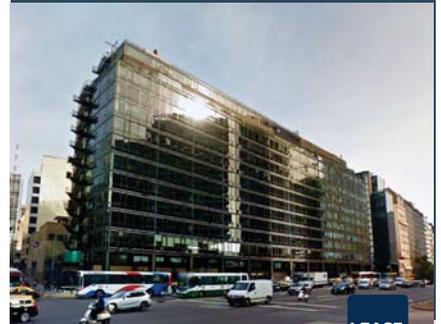
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**MARKET REPORT - OFFICES IN BUENOS AIRES**

- ▶ The first semester of the year has been a rearrangement, readjustment, and justification period. This process has caused an economic retrenchment with a steep fall of the purchasing power.
- ▶ The total inventory of Prime Offices in the metropolitan area of Buenos Aires and Great Buenos Aires is approximately 1.79 million square meters. 143,000 m<sup>2</sup> of which are available; this represents a bit over 8%. 116,000 m<sup>2</sup> are being built, and they are included in the 245,000 m<sup>2</sup> of the projects planned for the next three years.
- ▶ The Catalinas area has one of the lowest vacancy rates in the market, with 2.36%, and still waiting for the construction of BBVA's Catalinas Norte tower and Banco Macro's tower to be finished. They will add 89,000 m<sup>2</sup> to that sub-market, although vacancy will not be altered as both towers are almost 100% pre-allotted.
- ▶ As regards available surface, the southern Macrocentro and southern Puerto Madero sub-markets concentrate 26% of the vacant stock.
- ▶ During the second quarter of 2016, the Premium Offices inventory has shown changes, due to the addition of new surfaces. This way, the rentable meter stock amounts to 1,384,000 m<sup>2</sup>.
- ▶ During the last quarter there was absorption of 17,800 m<sup>2</sup>. If the geographical distribution of this absorption is analyzed, we can verify that the northern Great Buenos Aires area represents 29% of that surface. Behind it are the Macrocentro and Puerto Madero sub-markets, with 20% and 18%, respectively.
- ▶ Due to the economic measures that now have been revoked, there had been a great amount of sales transaction during the last year, which is unusual in this market. Although the main goal was to protect the capital or make use of the real estate, they were acquired by private investors to obtain a return. In turn, some companies bought the real estates that they were leasing, in order to sell those assets in view of an economic flexibility and then lease them back to use them, as a sale and leaseback. Average sales value amounted to USD 4,000 per square meter in CABA and USD 3,500 in the province of Buenos Aires. Triple A buildings with premium location and established companies were the target.
- ▶ General behavior of prices will be adjusted with the addition of new projects in the northern area and Puerto Madero, with asking values above USD 32/m<sup>2</sup>/months, together with a gradual absorption dynamic of the available surfaces.
- ▶ Although the average value of lease asking values remains stable compared to the previous quarter, at an interannual level they show a 2% increase.



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**LEASE**

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



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**LEASE**

Useful Area:  
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