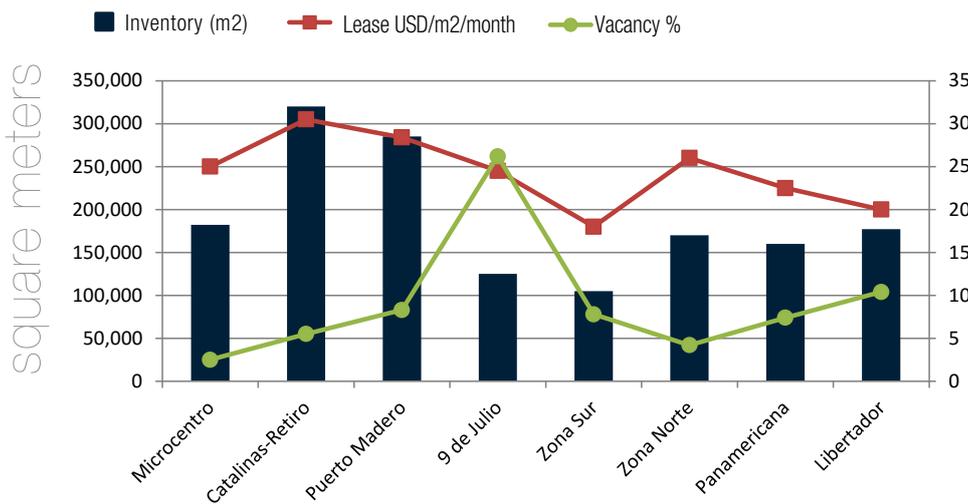


**MARKET REPORT - OFFICES IN BUENOS AIRES**

- ▶ Class A and Triple A offices stock showed a 1.2% increase so far this year and today comprises a total of 1,830,000 square meters.
- ▶ Average lease price in the best priced buildings in Capital Federal amounts to USD 28 per square meter. On the other hand, in the Panamericana corridor, offices can be leased for USD 22 per m<sup>2</sup>. Companies' interest in seeking new locations encourages real estate developers to generate new projects.
- ▶ 98,000 square meters out of the 1,400,000 m<sup>2</sup> of Class A and Triple A stock that can be leased and were assessed in the office market, are available.
- ▶ Average lease value is about USD 26.40/m<sup>2</sup>/month. This is due to the existence of vacant Class A buildings that lower the values.
- ▶ About 50% of this year's incoming meters are absorbed by their owners, which reduces the influence of those surfaces on the vacancy rate.
- ▶ Regarding offer and demand, there is a tendency towards vacating meters without a quick replacement of tenants, even when vacancy is within the normal historical range.
- ▶ The office market shows signs of strengthening. These signs were made evident during the second quarter of the year, in the average lease value that showed a 2% interannual rise, and in the vacancy rate that remained stable during the period.
- ▶ In some cases, the lack of demand makes owners offer offices at market value but, at time goes by, payment of expenses, utilities, and taxes forced them to lower the lease price, reducing the average values. When owners offer an office for rental, they set the lease price according to the market value or a bit higher. But eventually, the asking price is lowered if the office is not leased within a reasonable time, and they end up entering into agreements for a lower value than the original asking price, perhaps 20 or 25% lower. This situation makes other owners follow the same process. In other cases, a price floor is fixed deciding not to lower it below that value, and owners prefer to wait expecting to honor the amounts set in the agreements.
- ▶ This year's scenario includes the construction of 131,000 m<sup>2</sup> of offices, which represent a 9.36% increase over the current stock. 86% of these new surfaces will be spaces built within the framework of LEED sustainable standards, following the global trend.
- ▶ Due to the increase in electricity rates, the availability of LEED buildings becomes relevant as they favor energy efficiency and energy conservation.



**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**



**certificado LEED PLATINUM**

**LEASE**

Useful area:  
115 / 260 / 320 / 430 up to 3,700 m<sup>2</sup>  
AC - Free Stories - Ceilings - Parking Slots

**Cecilia Grierson 255 | Puerto Madero**



**LEASE**

Useful area:  
8,404 m<sup>2</sup> in 1,400 m<sup>2</sup> stories  
AC - Free Stories - Ceilings - Parking Slots

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