MARKETBEAT

LATIN AMERICA

OFFICE H2 2025

CUSHMAN & WAKEFIELD

FROM RECOVERY TO A BETTER-REGULATED MARKET

At the end of 2025, the Class A office market in Latin America entered a phase of higher operational stability following the post-pandemic adjustment, with uneven performance across cities and a growing impact of local economic conditions on real estate dynamics. The regional context was marked by moderate growth, declining inflation in several countries, and greater stability in monetary policies, all of which influenced companies' decision-making and occupancy strategies.

In these circumstances, **Colombia** and **Chile** presented macroeconomic environments relatively more predictable, which favored greater corporate activity in markets such as **Bogotá** and Santiago, while **Brazil** and **Mexico** showed more subdued growth, with interest rates still high, which maintained resilient demand in their main submarkets of **São Paulo**, **Rio de Janeiro**, and **Mexico City**. In contrast, **Argentina** continues on its path of economic recovery, with the government gaining support in the midterm elections, providing companies with greater predictability for decision-making.

During 2025, return-to-office mandates intensified, driving higher levels of attendance to on-site work. Although hybrid models became the predominant model, many organizations moved toward higher levels of office attendance, which reinforced the need for spaces that promoted collaboration, organizational culture, and user experience. In this context, Class A buildings with better technical quality and established locations concentrated effective demand.

Across the board, ESG criteria played an increasingly relevant role in corporate decision-making. Energy efficiency, reduced operating costs, environmental certifications, user well-being, and alignment with sustainability and corporate governance policies became key factors for competitiveness. Overall, the combination of more cautious but active demand, limited new supply, the return to the office, and the growing importance of ESG shaped a market that evolved toward greater balance and predictability, where asset quality, location, and sustainable performance are decisive factors for the positioning of the Class A segment.

	Vacancy rate	Asking rent (USD/sqm /month)	Net absorption (sqm)	New inventory (sqm)
BUENOS AIRES	17.8 % +1.8 p.p. YoY	$ 23.1 +3.4% YoY	98,554 +132.5% YoY	129,215 +178% YoY
RIO DE JAN.	26,1 % -2.8 p.p. YoY	$ 14.5 +17.0 % YoY	43,463 -13.3% YoY	0 -- % YoY
SÃO PAULO	12.8 % -3.5 p.p. YoY	$ 26.3 +20.4% YoY	147,870 -15.7% YoY	49,908 -35.0% YoY
SANTIAGO	9.2 % -0.3 p.p. YoY	$ 23.5 +22.3% YoY	74,952 +161.8% YoY	49,618 +458 % YoY
BOGOTÁ	6.7 % -3.8 p.p. YoY	$ 23.0 +34.5% YoY	66,359 +124.3% YoY	0 -- % YoY
LIMA	11.9 % -2.5 p.p YoY	$ 16,3 -1.2 % YoY	27,598 -68.6% YoY	0 -100 % YoY
CDMX	19.4 % -0.1 p.p. YoY	$ 23.4 +3.3% YoY	84,463 -59.8% YoY	72,638 -33.8% YoY

The use of the reference "Latin America" in this report refers to Argentina, Brazil, Chile, Colombia, Mexico, and Peru.

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DEMAND FOR CLASS A OFFICES: SLOWDOWN COMPARED TO RECENT HIGHS

During 2025, cumulative net absorption of Class A offices in the seven main Latin American markets totaled around 543,000 sq.m, an annual contraction of around 12.7% compared to 2024. This variation is mainly due to the normalization of activity after an exceptionally high previous year in some markets—especially **Mexico City**—as well as a moderation in the pace of occupancy in **São Paulo** and **Rio de Janeiro**. In contrast, the strong performance of **Bogotá**, **Santiago**, and **Buenos Aires** partially offset the decline in other markets, resulting in a regional scenario marked by disparate local behaviors rather than a uniform trend.

In **São Paulo**, net absorption reached 147,870 sq.m, remaining the highest volume market in the region, although with a year-on-year reduction compared to 2024. Demand was mainly concentrated in secondary submarkets, reflecting a higher level of selectivity for corridors with greater availability and technical expertise.

Santiago recorded an absorption of 74,952 sq.m, more than doubling the previous year's result, supported by a single-digit vacancy rate and limited new supply, with a focus on consolidated areas of Las Condes.

In **Bogotá**, net absorption closed at 66,359 sq.m, showing significant expansion compared to 2024, driven by active demand in the main CBD corridors, in a context of historically low vacancy rates.

Buenos Aires achieved an absorption of 98,554 sq.m, showing a significant year-on-year rebound, closing a record year of demand supported by improved expectations in technology, energy and financial services.

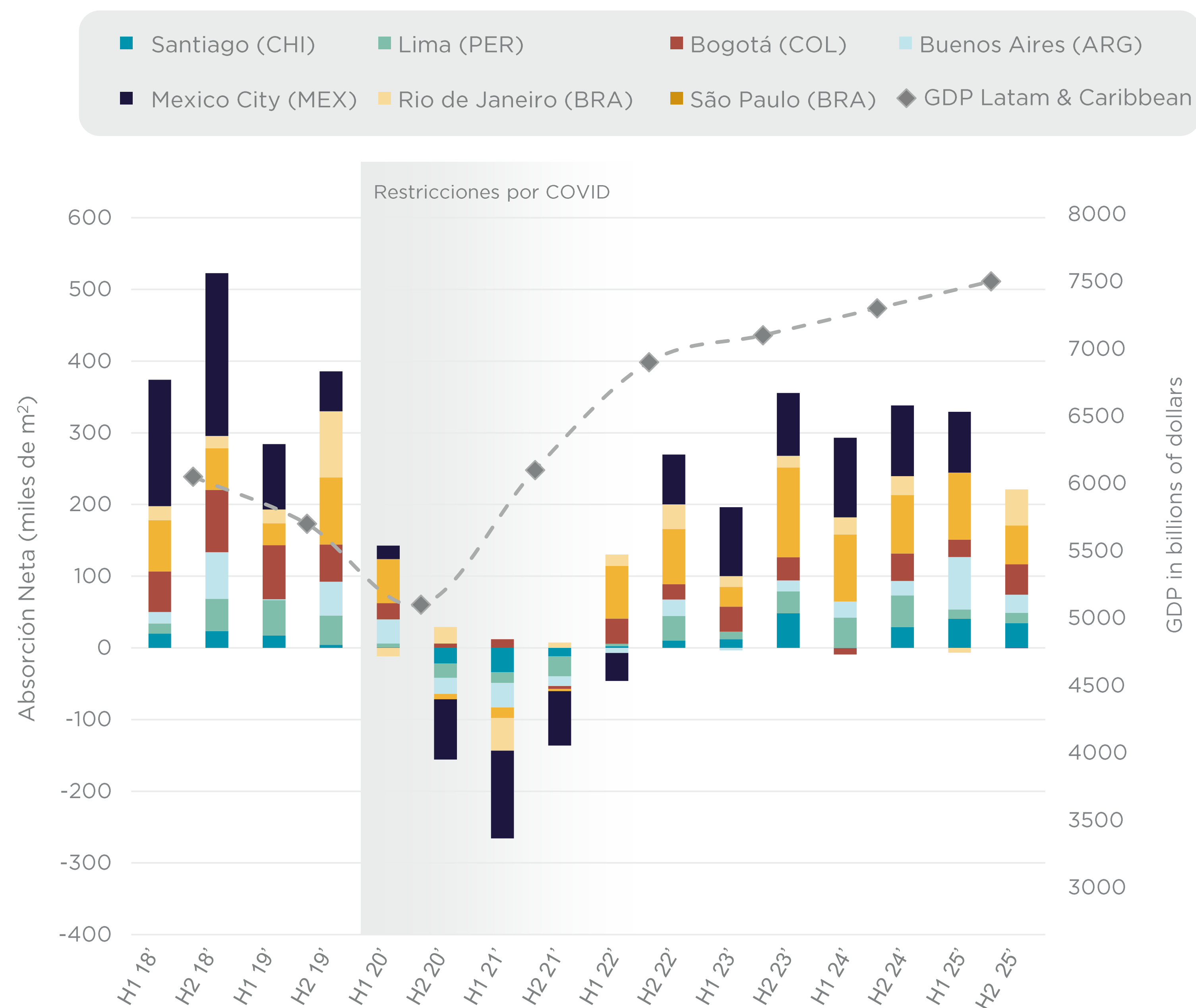
In **Mexico City**, net absorption totaled 84,463 m^2. In 2025, there was lower absorption than in 2024, already showing a new trend, clearly lower than the historical level prior to the pandemic.

Lima closed the year with an absorption of 27,598 sq.m, maintaining a positive and stable trend, favored by the absence of new deliveries and the concentration of demand in San Isidro.

Finally, **Rio de Janeiro** recorded an absorption of 43,463 sq.m, showing a moderate year-on-year decline, although still from high vacancy levels, with more favorable performance in Cidade Nova and Center.

In qualitative terms, the behavior of absorption during 2025 confirmed an increasingly selective demand, focused on Class A assets with consolidated locations, technical efficiency, and greater flexibility. Rather than a year of expansive growth, 2025 consolidated more prudent and focused occupancy patterns, dominated by relocations and space optimization, marking a period of greater discipline and predictability in the evolution of the regional market.

NET ABSORPTION BY COUNTRY (2018-2024)



South American GDP: Source: World Bank.

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REGIONAL VACANCY RATES DECLINE AND DEVELOPMENT NEW SUPPLY

At the end of 2025, the average vacancy rate in the seven main Class A office markets in Latin America stood at around 14.8%, representing a year-on-year reduction of close to 1.6 p.p. compared to 2024. This trend is due to an environment of greater effective absorption, limited new supply, and a gradual shift in occupancy toward better-performing buildings.

Vacancy rates varied across markets. **Bogotá** closed the year with a vacancy rate of 6.7%, recording the largest year-on-year compression of the group (3.8 p.p.) and positioning itself as the tightest market in the region. **Santiago de Chile** remained in single digits, with a vacancy rate of 9.2%, supported by controlled supply and sustained absorption in consolidated submarkets. **São Paulo** reduced its vacancy rate to 12.7%, with a year-on-year improvement of close to 3.5 p.p., especially in secondary CBD corridors.

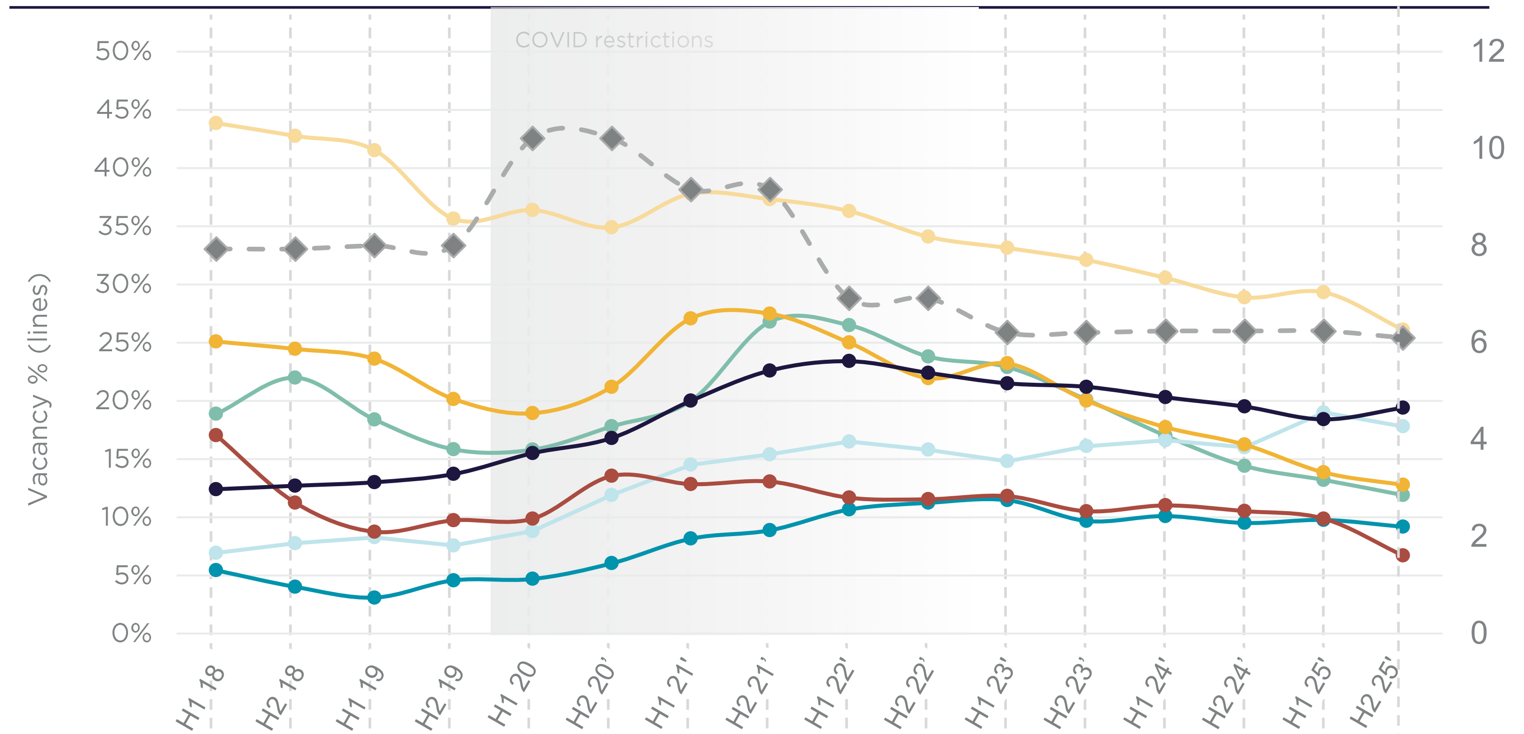
In **Buenos Aires**, vacancy stood at 17.8%, showing a slight improvement over the previous year, due to the delivery of space in the first half of the year. **Mexico City** closed 2025 with a vacancy rate of 19.4%, practically stable year-on-year, showing that the normalization process is progressing gradually despite the reduction in the pipeline. **Lima** recorded a vacancy rate of 11.9%, with a year-on-year drop of close to 2.5 p.p., favored by the absence of new deliveries, while **Rio de Janeiro**, despite maintaining the highest vacancy rate of the group at 26.1%, continued to show signs of improvement, mainly in submarkets such as Cidade Nova and Center.

At the same time, the addition of new Class A inventory in 2025 was limited and concentrated in a few markets, confirming a cautious development cycle. **São Paulo** added 49,908 sq.m, 35% less than in 2024 (76,718 sq.m), while **Mexico City** added 72,638 sq.m, a significant contraction compared to the 109,709 sq.m of the previous year. **Santiago** added 49,618 sq.m, recovering from the low volume of 2024 (8,885 sq.m), although still far from historical levels.

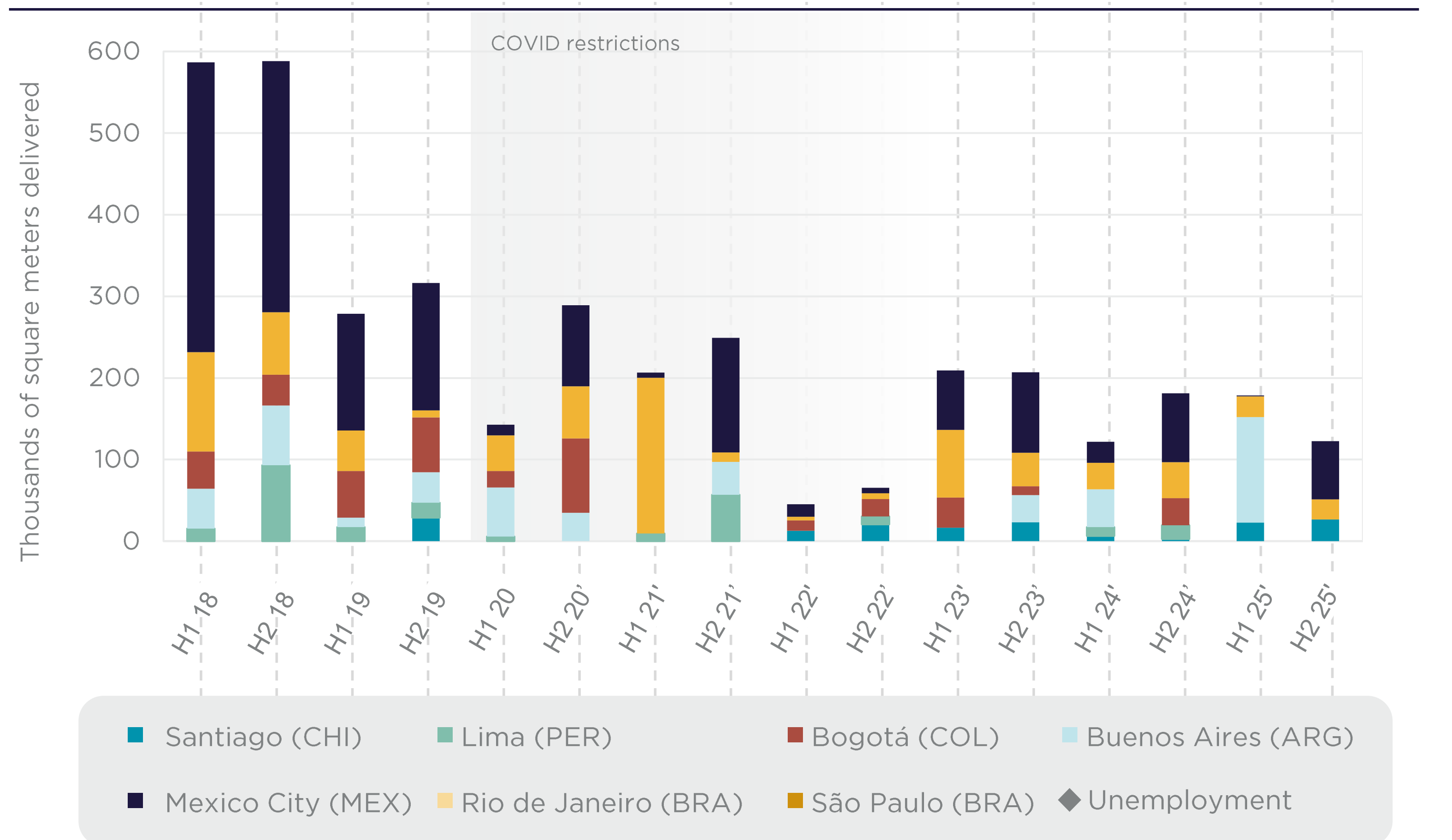
Buenos Aires recorded the largest addition of the year, with 129,215 sq.m, explained by the completion of projects started in previous cycles. In contrast, **Bogotá**, **Lima**, and **Rio de Janeiro** did not add any significant new inventory during 2025, reinforcing scenarios of highly controlled supply.

Overall, the combination of declining vacancy rates and limited new supply (besides **Buenos Aires**) confirmed that the Class A office market in Latin America evolved toward a progressive balance between supply and demand and disciplined development, reducing the risk of oversupply and providing greater predictability for the future evolution of the market.

VACANCY (%) BY COUNTRY (2018-2025)



NEW INVENTORY (sqm) BY COUNTRY (2018-2025)



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ASKING RENTS: VARYING ADJUSTMENTS BY MARKET IN 2025

During 2025, the average asking rent for Class A space in Latin America stood at around USD 21.4/sq.m/month, representing a year-on-year increase of close to 12% compared to 2024. This variation reflects an environment in which price adjustments were mainly recorded in markets with stronger occupancy fundamentals, while others continued to show more stable or corrective behavior, maintaining a significant dispersion between cities.

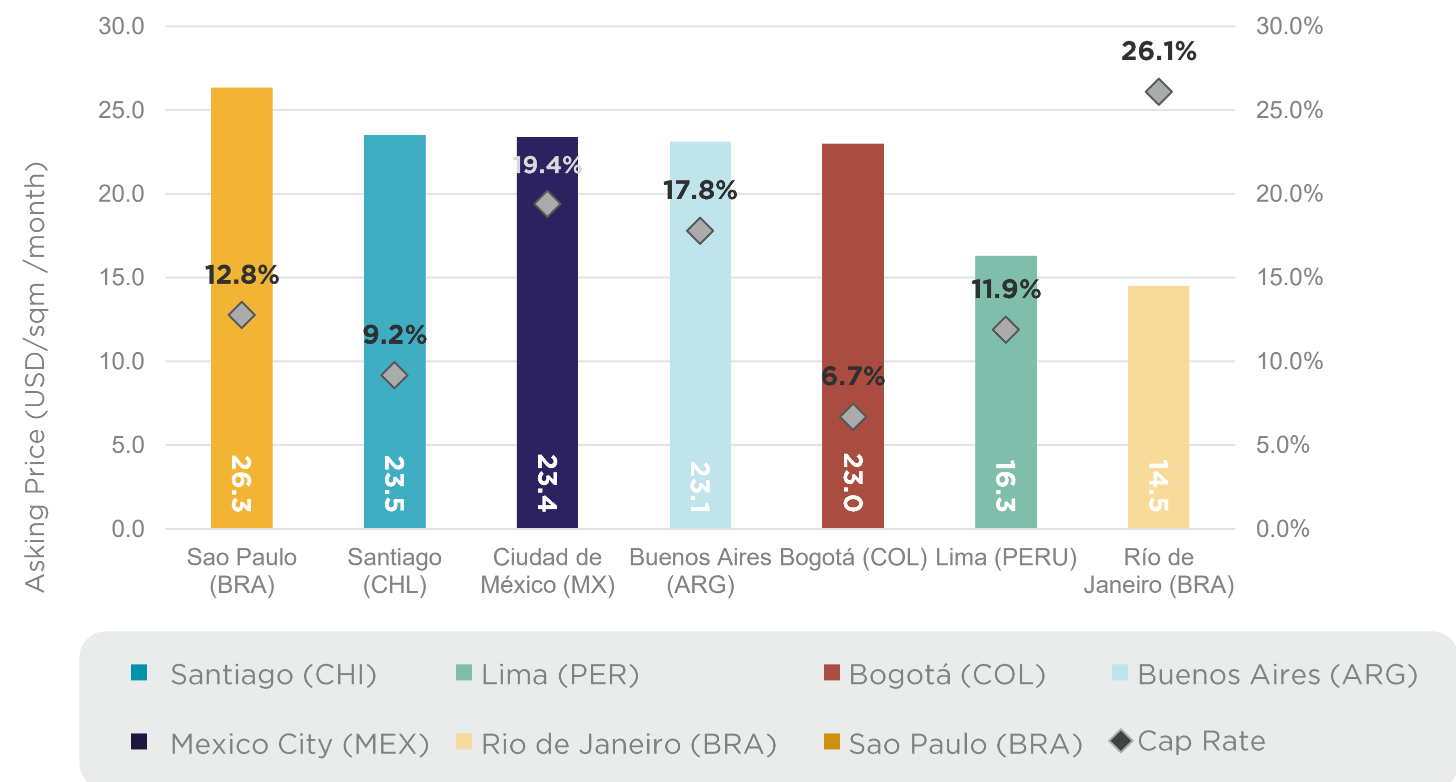
Bogotá led the price increases in the region, closing 2025 with an average rent of around USD 23.0/sq.m/month, representing a year-on-year variation of more than 30%, associated with historically low vacancy levels and active demand for well-located Class A spaces. **Santiago** also saw a significant adjustment, reaching an average of USD 23.5/sq.m/month, with year-on-year growth of close to 22%, supported by limited supply and consistent absorption in the main corporate corridors.

In **São Paulo**, the average price stood at around USD 26.3/sq.m/month, registering a year-on-year increase of close to 20%, with strong upward pressure in prime submarkets. **Mexico City** closed the year with an average rent of USD 23.4/sq.m/month, showing more moderate year-on-year growth of close to 3%, reflecting a market that continues to adjust, with increases focused on central corridors.

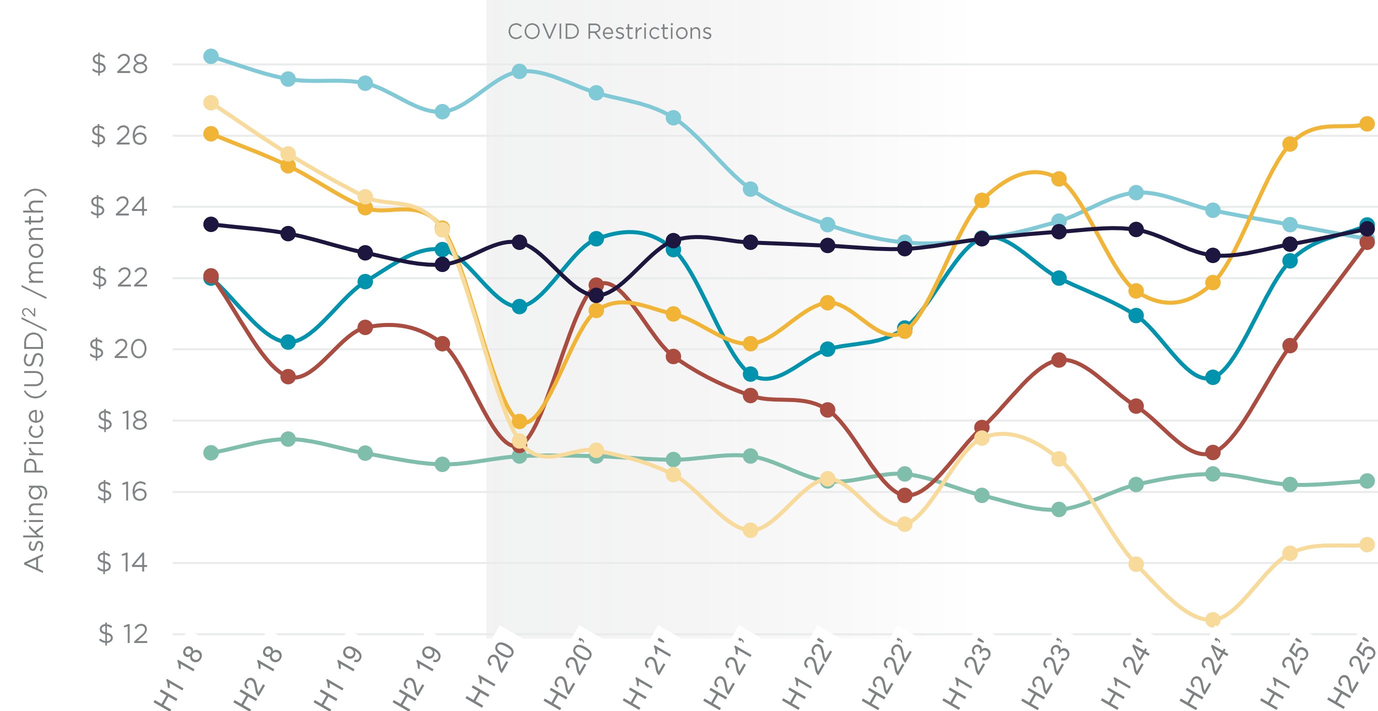
In contrast, **Buenos Aires** remained more stable, with average prices close to USD 23.1/sq.m/month and limited year-on-year variation, evidence of a context still dominated by negotiations focused on incentives. **Lima** recorded an average rent of USD 16.3/sq.m/month, with a year-on-year decrease of close to –1.2%, associated with competition between assets and price sensitivity of demand. **Rio de Janeiro** closed 2025 with an average of USD 14.5/sq.m/month, showing a year-on-year increase of around 17%, driven mainly by the more consolidated submarkets.

Overall, price trends during 2025 confirm a scenario in which upward adjustments were concentrated in markets and corridors with stronger fundamentals, while in those with greater availability, values tended to stabilize or adjust more gradually. This dispersion reinforces a regional context in which rental prices increasingly respond to the specific conditions of each market, with a growing differentiation between prime and secondary assets.

ASKING RENT (USD/sqm/month) and VACANCY (%)



ASKING RENT (USD/sqm /month) BY COUNTRY (2018-2025)



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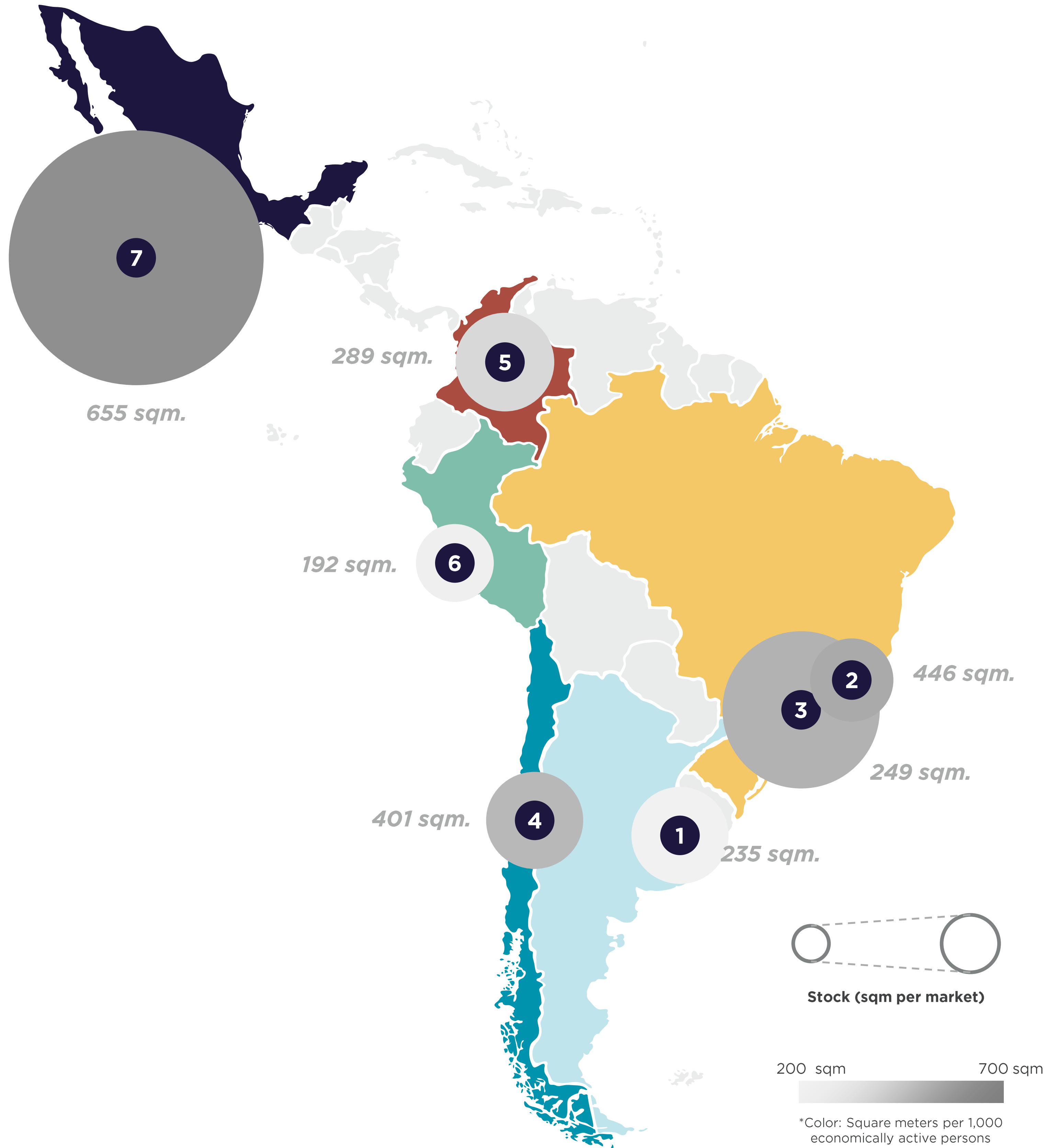
COUNTRY MAP AND STOCK



1 ARGENTINA: BUENOS AIRES

8.1 mil. people	1,903,105 sqm.	235
EAP	STOCK CLASS A	Sqm per 1,000 PEA

2 BRASIL: RIO DE JANEIRO

6.7 mill. people	1,562,748 sqm.	446
EAP	STOCK CLASS A	Sqm per 1,000 PEA

3 BRASIL: SÃO PAULO

12.3 mill. people	3,063.815 sqm.	249
EAP	STOCK CLASS A	Sqm per 1,000 PEA

4 CHILE: SANTIAGO

4.56 mill. people	1,829,823 sqm.	401
EAP	STOCK CLASS A	Sqm per 1,000 PEA

5 COLOMBIA: BOGOTÁ

4.7 mill. people	1,356,125 sqm.	289
EAP	STOCK CLASS A	Sqm per 1,000 PEA

6 PERÚ: LIMA

5.83 mill. people	1,118,740 sqm.	192
EAP	STOCK CLASS A	Sqm per 1,000 PEA

7 MÉXICO: CIUDAD DE MÉXICO

11.3 mill. people	7,402,333 sqm.	655
EAP	STOCK CLASS A	Sqm per 1,000 PEA

EAP: Economically Active Population ("Workforce") refers to Employees + Unemployed

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CLASS A OFFICE MARKET STATISTICS

SUBMARKETS	CLASS A INVENTORY (sqm)	NUMBER OF BUILDINGS	AVAILABLE AREA (sqm)	VACANCY RATE (%)	YEAR-TO-DATE NET ABSORPTION (sqm) YTD	UNDER CONSTRUCTION (sqm)*	IN PLANNING (sqm)*	ASKING RENT CLASS A (USD/sqm/month)
ARGENTINA: BUENOS AIRES	1,903,105	123	333,487	17.80%	98,554	129,215	129,399	23.1
BRAZIL: RIO DE JANEIRO	1,562,748	78	407,919	26.10%	43,463	0	0	14.5
BRAZIL: SÃO PAULO	3,063,815	135	391,229	12.80%	147,870	260,550	82,652	26.3
CHILE: SANTIAGO	1,829,823	111	167,896	9.20%	74,952	49,618	246,475	23.5
COLOMBIA: BOGOTÁ	1,356,125	121	91,478	6.70%	66,359	0	214,163	23
PERU: LIMA	1,118,740	77	140,746	11.90%	27,598	0	38,220	16.3
MEXICO: MEXICO CITY	7,402,333	458	1,434,952	19.40%	84,463	72,638	382,290	23.4
TOTAL LATIN AMERICA	**18,236,689**	**1,103**	**2,967,707**	**14.80%**	**543,259**	**301,379**	**1,271,097**	**$21.40**

Market Comparability Considerations : The Class A office classification used in this report is based on widely recognized technical and functional criteria; however, methodological differences across Latin American markets mean that the definition of Class A is not fully standardized across countries. Argentina, Brazil, Chile, Colombia, Mexico, and Peru apply different thresholds for variables such as rentable area, building age, façade specifications, security systems, amenities, sustainability certifications, HVAC systems, elevator capacity, single vs. multi ownership, and accessibility regulations.
Several markets also incorporate local criteria, use weighted scoring methodologies, or allow researcher discretion in borderline cases. As a result, the "Class A" label may vary in scope and strictness from one country to another, even when buildings exhibit similar features.
For comparative purposes, this report aligns classifications as consistently as possible; however, the interpretation of "Class A" should always be considered within each market's technical, regulatory, and methodological context.

LET'S TALK

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