MARKETBEAT

SÃO PAULO

Office Q2 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Mo Forecast
14.53% Vacancy Rate	▼	▼
22,490 Net Absorption (sq.m)	▼	▲
146.13 Asking Rent (BRL sq.m)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Mo Forecast
1.4% 2025Q1 GDP - Quaterly Variation	▲	▼
7.0% Unemployment Rate (2025Q1)	▼	▬
5.3% CPI Inflation May/25 (12 months)	▲	▼

Source: LCA

ECONOMIC SCENARIO

In the first quarter of 2025, GDP grew by 1.4%, totaling BRL 3.0 trillion. The IPCA (Broad National Consumer Price Index) accumulated a 12-month increase of 5.32% through May, remaining above the upper limit of the target. The labor market remains strong, with the unemployment rate at 6.2% in the quarter ending in May, according to IBGE. The benchmark interest rate (Selic) is at 15.00%, after a 0.25 p.p. increase at the last Copom meeting in June. In the U.S., monetary policy remains tight, with the benchmark rate held between 4.25% and 4.50% at the last FOMC meeting in June.

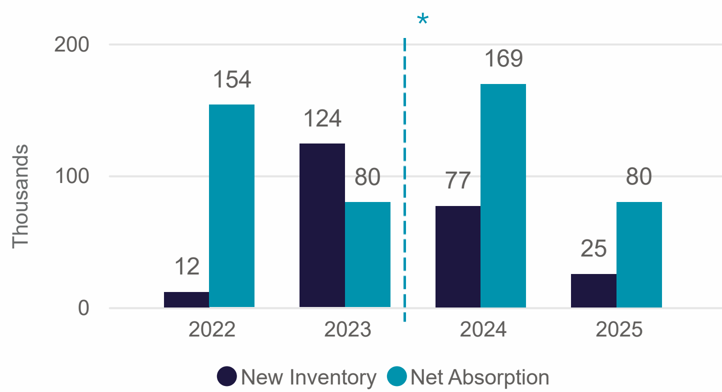
DEMAND

In the second quarter of 2025, São Paulo's CBD class A office market recorded a net absorption of 22,490 sq.m, demonstrating continued demand, although at a more moderate pace than in the previous quarter. The highlight was Pinheiros, which recovered from a negative result in the first quarter and presented the highest net absorption of the period, with 9,304 sq.m, driven mainly by new leases in the publishing and broadcasting, and services segment. Other regions with significant performance were Berrini, with 7,950 sq.m, and Chucri Zaidan, with 5,319 sq.m. On the other hand, Faria Lima, traditionally strong, showed negative absorption of -3,373 sq.m, reflecting a possible reallocation of occupants or greater selectivity of tenants in the face of high prices.

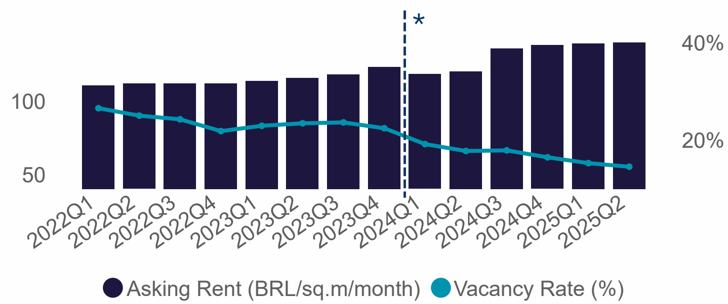
PRICING

The average asking price in the second quarter rose to BRL 146.13/sq.m/month, representing an increase of 4.9% compared to the previous quarter and 21.6% compared to the same period in 2024. This appreciation reflects the preference for higher quality buildings in high-end regions and the increase in occupancy in assets with below-average values, putting upward pressure on prices. Faria Lima remains the region with the highest prices, reaching BRL 297.51/sq.m/month, an increase of 2.9% in the quarter. The highlight, however, was JK, whose average price jumped from BRL 255.80 to BRL 275.70/sq.m/month, an increase of 7.8%. Marginal Pinheiros showed a new drop and now has the lowest average value in the city, BRL 84.26/sq.m/month.

SPACE DEMAND / DELIVERIES - CBD A



ASKING RENT / VACANCY - CBD A



*New methodology

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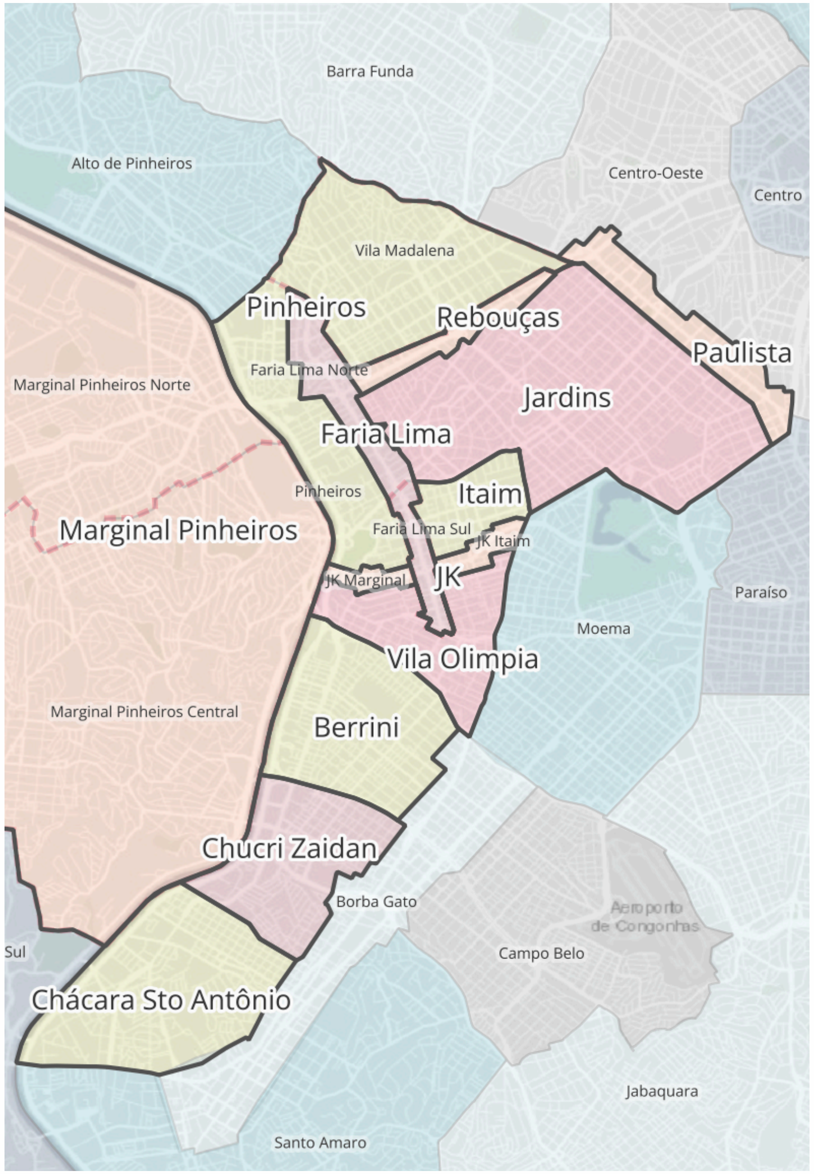


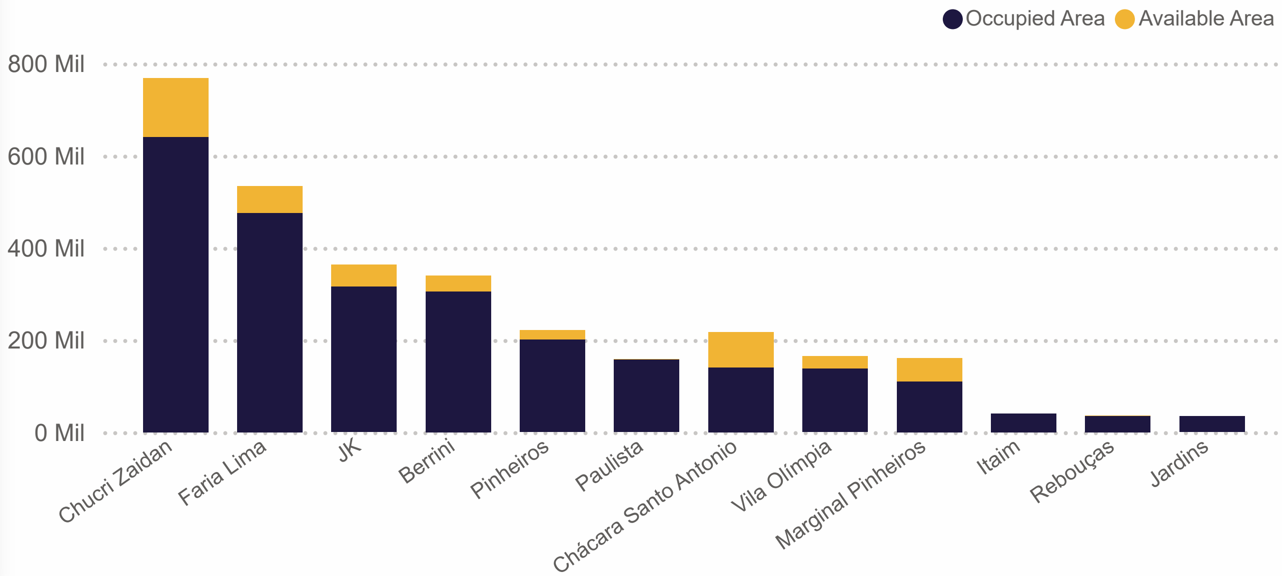
MARKET OVERVIEW

The overall vacancy rate in the CBD region fell again, reaching 14.53%, the lowest recorded since the beginning of the historical series. This reduction of 0.74 p.p. compared to the previous quarter and 3.23 p.p. in the annual comparison confirms the gradual strengthening of the market and the increase in the occupation of existing spaces. The regions that contributed most to this reduction were Rebouças, where vacancy rates fell from 11.23% to 2.04%, and Pinheiros, which went from 13.36% to 9.16%. Vila Olímpia saw an increase in vacancy, rising from 14.99% to 16.12%, while Chácara Santo Antonio continues to have the highest rate in the city: 35.28%, despite a slight improvement.

PIPELINE

With no new deliveries in the second quarter, the total volume of new inventory in 2025 remains at 25,222 sq.m, entirely concentrated in the Pinheiros region. The expectation, however, is for a booming second half of the year, with almost 150,000 sq.m planned by the end of the year, with emphasis on large projects in the Chácara Santo Antonio and Chucri Zaidan regions. This new volume should significantly impact the dynamics of vacancy and prices in the market.

CBD SUBMARKET COMPARISON



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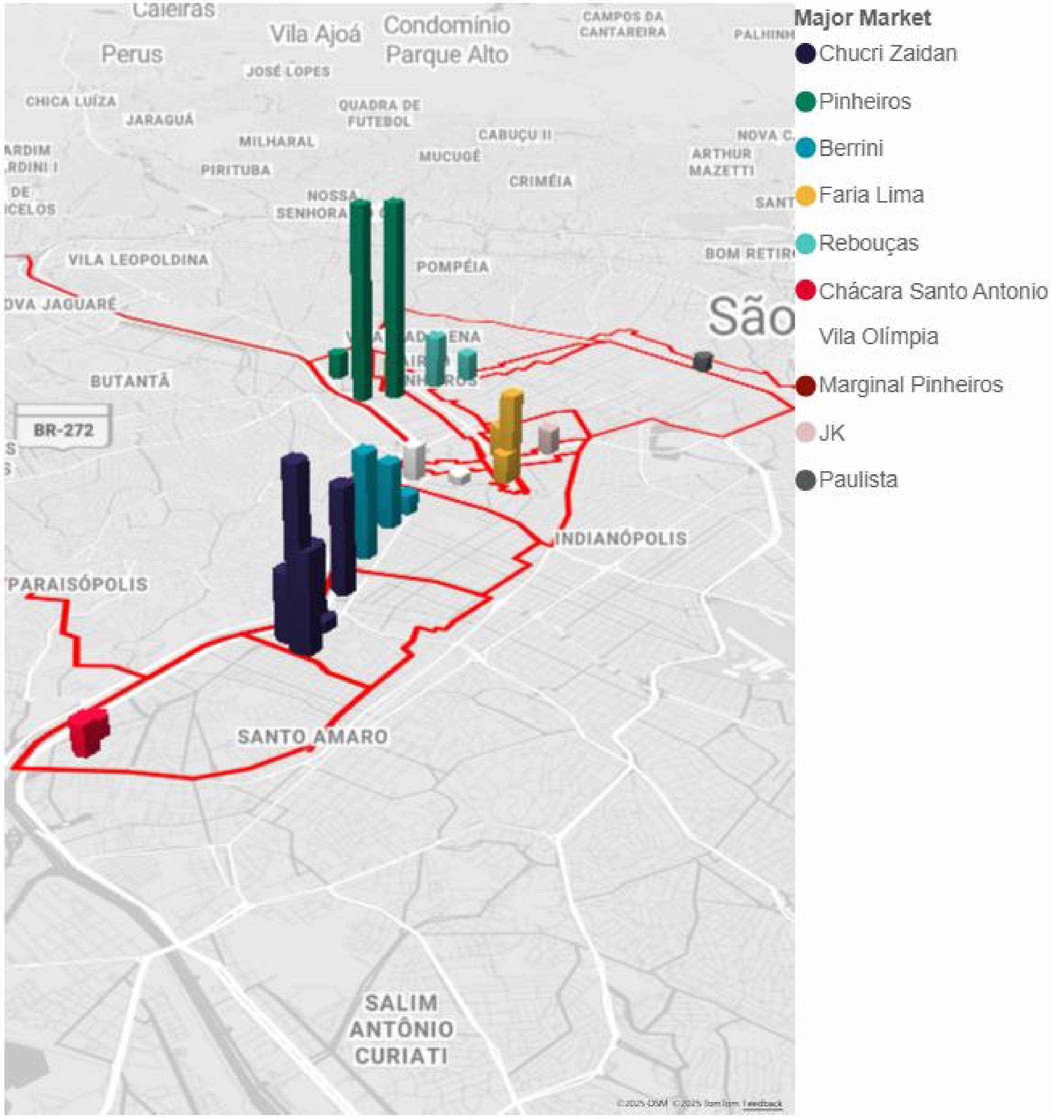
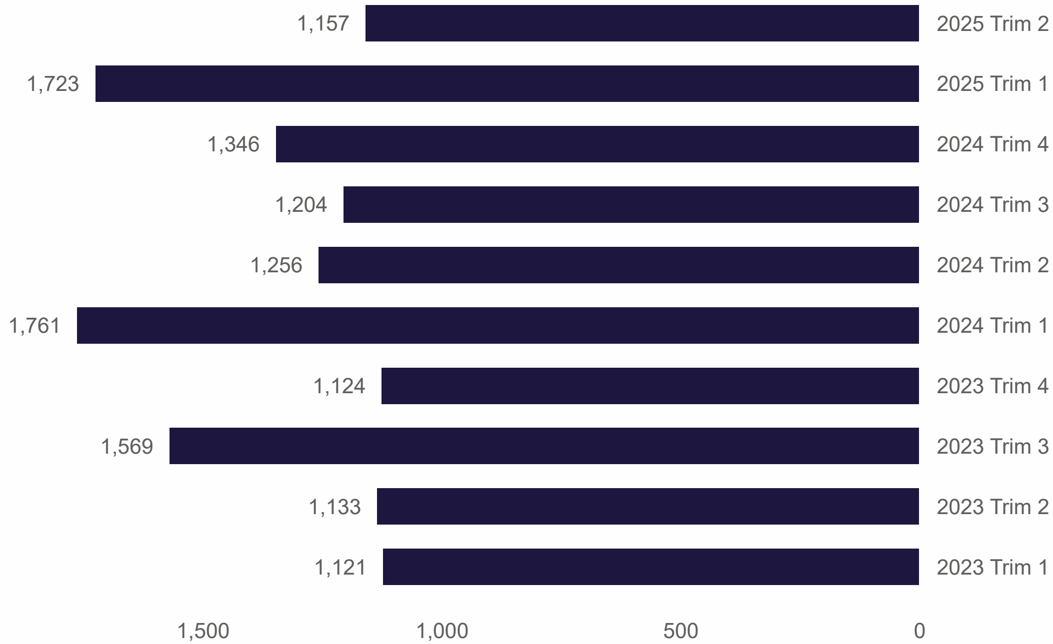
TRANSACTIONS - 2025Q2



MAIN LEASED SEGMENTS - 2025Q2

São Paulo's CBD region recorded a significant volume of leases, totaling 63,661 sq.m. Chucri Zaidan, following the trend of previous periods, was the region that received the largest number of transactions, totaling 21,066 sq.m. Next was Pinheiros with 17,546 sq.m and then Berrini with 8,688 sq.m leased. The digital media sector stood out in the quarter, with exclusive operations in the Pinheiros region. Subsequently, the services and financial segments also gained relevance, with concentrations in Pinheiros and Rebouças regions, respectively.



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MARKET STATISTICS Q2 2025

SUBMARKET	NUMBER OF BUILDINGS	INVENTORY (SQ.M)	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	NET ABS. (SQ.M)	GROSS ABS. (SQ.M)	UNDER CONST. (SQ.M)	AVG ASKING RENT (BRL/MONTH)
Berrini	13	339,264	33,879	10.0%	7,950	8,688	0	96.08
Chácara Santo Antonio	8	216,864	76,511	35.3%	1,805	1,805	85,178	75.44
Chucri Zaidan	23	768,236	127,488	16.6%	5,319	21,066	112,077	102.08
Faria Lima	27	533,610	57,908	10.9%	-3,373	6,762	0	297.51
Itaim	2	40,429	0	0.0%	0	0	0	
JK	11	363,402	46,797	12.9%	-1,384	973	0	275.70
Marginal Pinheiros	9	160,809	50,649	31.5%	1,178	1,178	0	84.26
Paulista	10	158,849	722	0.5%	274	635	0	130.00
Pinheiros	12	221,904	20,335	9.2%	9,304	9,319	0	160.47
Rebouças	5	35,781	730	2.0%	3,289	11,516	39,229	165.00
Jardins	3	34,632	0	0.0%	0	0	0	
Vila Olímpia	10	165,349	26,655	16.1%	-1,872	1,719	0	147.46
São Paulo CBD AA+	133	3,039,129	441,584	14.5%	22,490	63,661	236,484	146.13

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)
OPI-07	Pinheiros	Netflix	8,227
Eldorado Business Tower	Pinheiros	Betano	4,105
EZ Towers - Torre A	Chucri Zaidan	Concentrix - Webhelp	2,613
Arquiteto Carlos Bratke	Berrini	Publicis do Brasil	2,530
Pátio Rebouças	Rebouças	Avenue Holding	2,190
Eldorado Business Tower	Pinheiros	MDS Group	2,101
Eldorado Business Tower	Pinheiros	Lojas Renner	2,036

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	CLASS	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE(BRL)/SQ.M
Berrini One (conjuntos n.º 281, 291, 321 e 331)	A	Berrini	Pátria Escritórios FII (HGRE11) / -	2,963	23,000
iTower - Complexo Iguatemi Alphaville (conjunto nº 1602)	A	Alphaville	V2 Prime Properties (VPPR11) / -	380	8,952
Centro Empresarial Transatlântico (conjunto nº 64)	B	Chac. Sto. Antonio	Pátria Escritórios FII (HGRE11) / -	526	6,272
Edifício Nações Unidas 20.000 Corporate (conjuntos n.º 03 e 04)	B	Santo Amaro	Multigestão Renda Comercial FII (DRIT11B) / -	947	5,364

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