

BUENOS AIRES

Office Q3 2020

YoY Chg 12-Mo. Forecast

10.8%
Vacancy Rate ▲ ▲

-23,829
Net Absorption, (Sqm) Q3 2020 ▼ ▲

\$30.0
Asking Rent, (USD/Sqm/Month) ▼ —

Corresponds to average of Catalinas-Plaza Roma and Retiro-Plaza San Martín submarkets.

ECONOMIC INDICATORS Q3 2020

YoY Chg 12-Mo. Forecast

13.1%
Unemployment Rate (Q2) ▲ ▲

-19.1%
GDP Variation (Q2) ▼ ▲

40.7%
Inflation Index YTD (*) ▼ ▼

*Source: National Statistical and Census Institute (INDEC)
(*) Corresponds to August 2020*

MARKET OUTLOOK:

The third quarter of 2020 began to display bigger movements and inquiries on behalf of the companies, after a first half of the year which was affected by restrictions on circulation and temporary closing of most offices. Vacancy closed at 10.8% marking a 20% increase compared to the previous quarter. The largest available surface is found in Catalinas-Plaza Roma (30.316 sqm), Puerto Madero (28.204 sqm) and Corredor Panamericana (27.489 sqm) submarkets. This results in a CBD that focused 61.1% of the entire available area.

A large part of the questions were made in the NON CBD area, mainly in Corredor Libertador. The main tools on the side of landlords to act against vacancy were the flexibility in the closing price and the improvement in the delivery conditions that helped reduce the installation cost of the companies

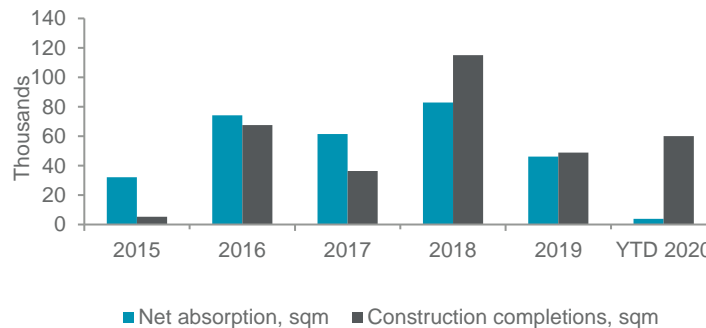
SUPPLY AND DEMAND:

Absorption for the quarter reached a total of -23,829 sqm. This figure showed a greater offer of vacant spaces and, mainly, the release of surface by one of the most important coworking companies. However, even though this will affect the vacancy in the next quarters, this generates a positive aspect since the market has available space in buildings like Torre Odeon in Microcentro. This new offer gives companies the possibility to occupy a large amount of space in one of the submarkets with best public transportation offer and premium class A building benefits.

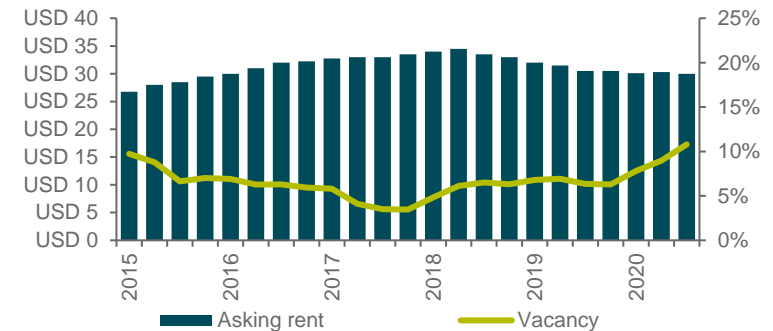
PRICING:

The average asking rent for this period was 27.5 USD/sqm, a figure impacted by the global situation of the pandemic and the greater supply of availability in the market both in the new availabilities and in those that have been around for more than 12 months. The CBD maintained an average higher than the NON CBD and Libertador CABA and Catalinas-Plaza Roma submarkets remained the highest values since the beginning of the year.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT (*)



()Corresponds to average of Catalinas-Plaza Roma and Retiro-Plaza San Martín submarkets*

ECONOMIC OUTLOOK

In the second quarter of 2020, national GDP contracted 19.1% compared to the same period of the previous year and the unemployment rate was 13.1% compared to the same period. The quarantine and the impact of the pandemic began to reflect the restrictions on supply and demand with negative effects for the economic activity.

Inflation in August was 40.7% (accumulated 12 months), a figure that decreased 25.3 percentage points from the previous year. This was influenced to some extent by various national measures that the government has maintained.

Argentina began its social and mandatory isolation on March 20 due to COVID-19 in order to delay infections and prioritize the health of the population. Over time, the national government has made different activities more flexible in order to reduce the impact on the economy. Access the most recent information specific to COVID [here](#)

In an international context, the dialogue with the IMF remains fluid and there are certain expectations about his next visit. Investors are waiting for a consensus on the integral economic plan that will give them greater confidence in the short term.

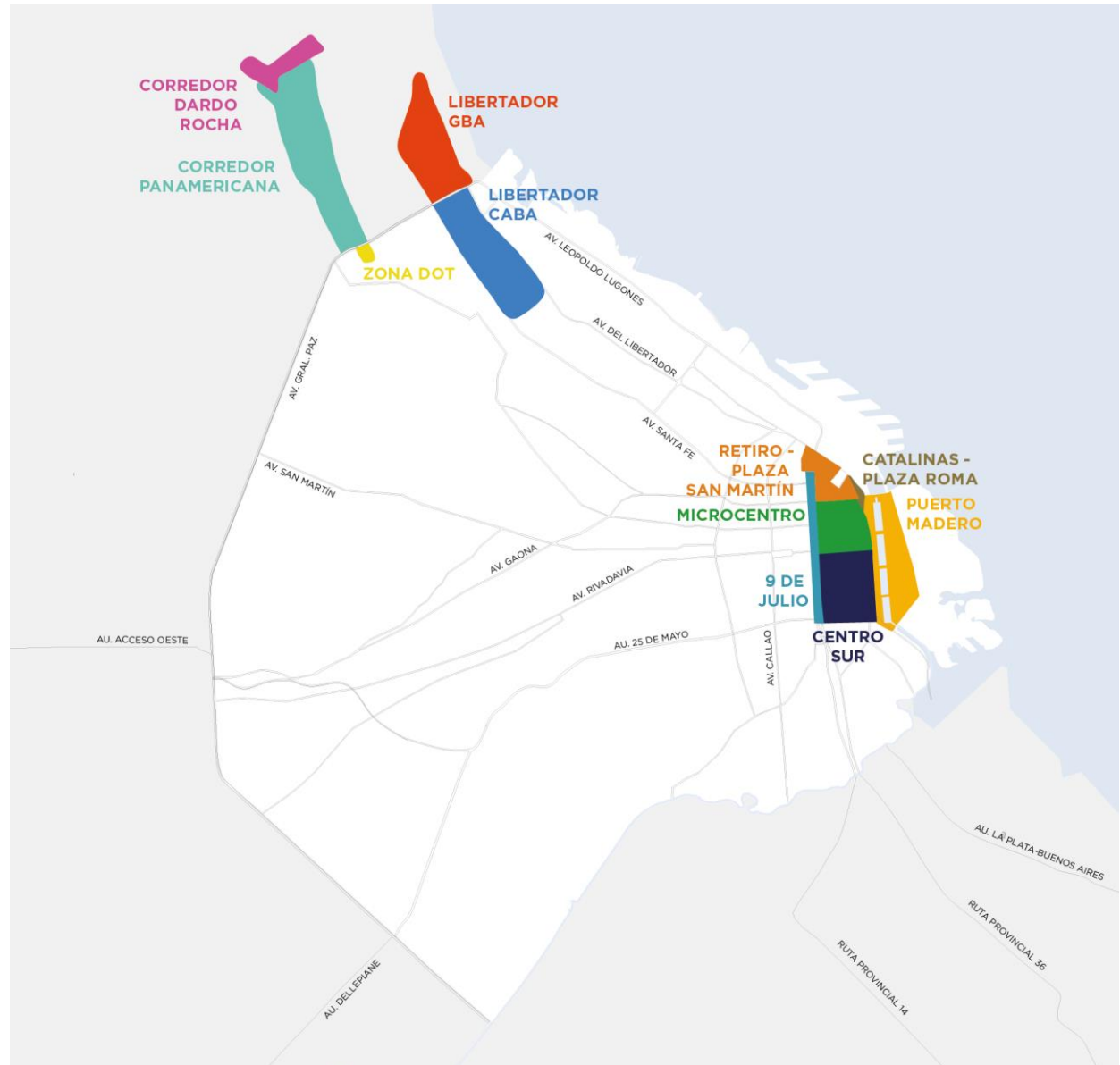
Although there is still no set time to reach a term with the IMF, the National Central Bank (BCRA) intervened by limiting the sale of dollars expecting to attenuate the demand for foreign exchange and control the stock of reserves. We will have to wait until the next quarter to see if these new measures will give the expected results.

FUTURE OUTLOOK

Current under construction surface would increase 15.9% Class A offices inventory. By the end of 2020, 90,000 sqm and over 100,000 sqm by 2021 might enter the market due to the reactivation in construction industry during the third quarter

The surface in project remains stable at 641,695 sqm. The highest growth would occur in Zona Dot (+96.8%), Catalinas-Plaza Roma (+74.76%) and Corredor Panamericana (+47.7%) submarkets.

OFFICE MAP WITH SUBMARKET DIVISIONS BUENOS AIRES / ARGENTINA



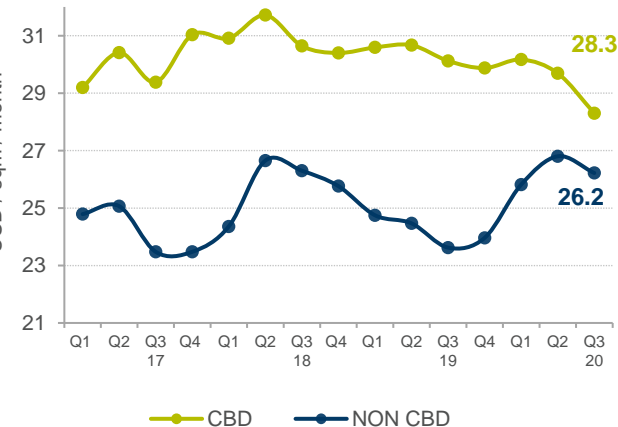
MARKET STATISTICS (*)

SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM) (*)	PROJECTED (SQM) (**)	OVERALL AVG ASKING RENT CLASS A (USD/SQM/MONTH)	OVERALL AVG ASKING RENT CLASS B (USD/SQM/MONTH)
Catalinas-Plaza Roma	316,189	12	30,316	9.1%	-16,669	79,041	236,401	30.5	19.6
Puerto Madero	248,421	15	28,204	11.4%	365	-	30,300	29.5	21.2
Microcentro	74,807	4	16,124	21.6%	- 13,292	17,000	-	25.0	17.1
Retiro-Plaza San Martín	55,280	4	2,455	4.4%	-1,838	-	-	29.5	21.6
9 de Julio	73,986	6	5,044	6.8%	-4,131	-	-	23.8	20.4
Centro Sur	64,943	3	5,783	8.9%	-	-	37,900	24.0	18.6
CBD	833,626	44	87,926	10.5%	-35,565	96,040	304,601	28.3	19.8
Corredor Panamericana	256,532	24	27,489	10.7%	-3,992	37,287	122,435	21.6	20.4
Corredor Dardo Rocha	-	-	-	-	-	57,316	-	-	16.9
Zona Dot	77,298	5	4,686	6.1%	-1,155	-	80,831	28.5	-
Libertador GBA	95,706	10	6,246	6.5%	-859	31,854	74,828	28.0	22.7
Libertador CABA	72,426	2	17,463	24.1%	45,487	-	58,400	32.2	20.4
NON CBD	501,962	41	55,884	11.1%	39,481	126,455	336,494	26.2	21.4
BUENOS AIRES TOTALS	1,335,588	85	143,810	10.8%	3,916	222,498	641,095	27.5	20.1

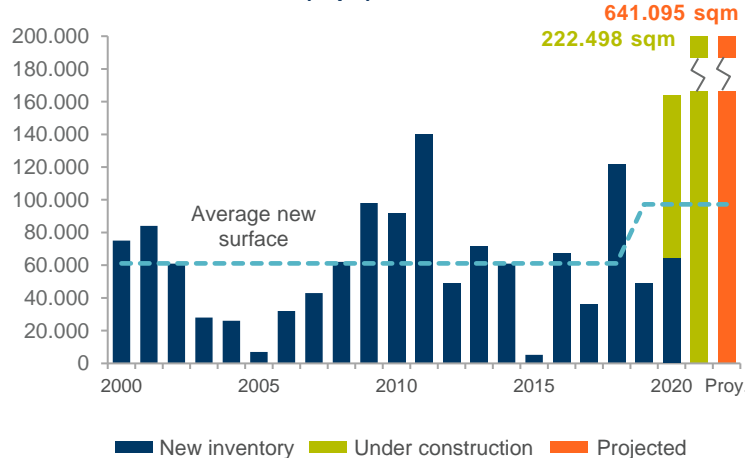
(*) Changes were made to the geographical boundaries of the submarkets that had an impact on the statistics

(**) Corresponds to rentable surface according to available information

ASKING RENT (USD / Sqm / Month)
CBD / NON CBD



NEW INVENTORY (Sqm)
PROJECTED SURFACE (Sqm)



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