

BUENOS AIRES

Office Q2 2022

YoY Chg 12-Mo. Forecast

15.9 %
Vacancy Rate



-4,492
Net Absorption, (Sqm) Q2.22



\$24.2
Asking Rent, (USD/Sqm/Month)



Corresponds to the market average asking rent.

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

7.0 %
Unemployment Rate (Q2.22)



10.3 %
GDP Variation (Acumulated 2021)



60.7 %
Inflation Index YTD (*)



*Source: National Statistical and Census Institute (INDEC)
(*) Corresponds to May 2022*

MARKET OUTLOOK:

The office market continues to show signs of stability in general terms during the second quarter of 2022. Despite this, there is evidence of greater dynamism between submarkets, generating high internal volatility. The working scheme that most companies are adopting in order to go back to the offices is the hybrid one, which translates into reducing surfaces or vacating and occupying new spaces. Although this shifts are perceived, the market shows firmness both in the vacancy rate, which only saw a slight rise of 0.4 percentage points, as well as in the asking rental price, which closed at 24.2 USD/sqm, same figure as the previous period.

SUPPLY AND DEMAND:

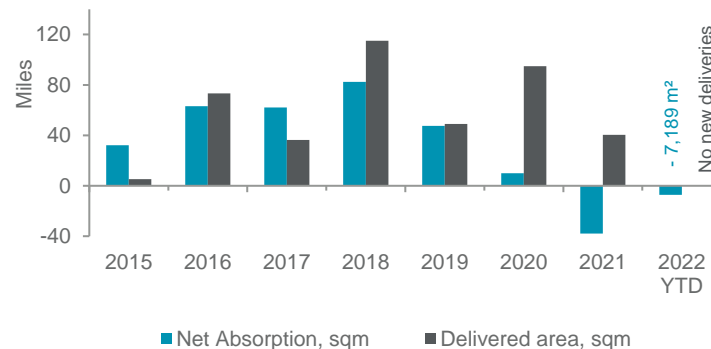
The net absorption of the quarter was of -4,492 sqm, product of 11,269 sqm occupied and -15,761 sqm vacant. The most volatile area is the "Non-CBD", outside the traditional business sector, where 10,689 sqm of offices were occupied and 12,427 sqm unoccupied, in contrast, there were very few rental operations and vacancies in the traditional business area. The most affected submarket this quarter was Libertador GBA with -3,541 sqm released and at the opposite extreme, Zona Dot with 3,923 sqm occupied. On the other hand, Corredor Panamericana, had the greatest dynamism, with 5,816 sqm occupied and 8,886 sqm unoccupied.

PRICING:

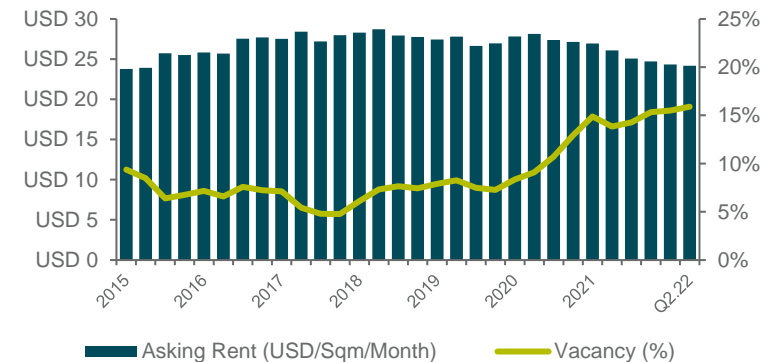
Variations in the asking price occurred between submarkets, but, despite the ups and downs, the average rental asking price for class A offices remained stable, closing the first quarter at 24.2 USD/sqm/month, with a year-on-year variation of -7.4%, which shows the continuation of the downward trend.

The Libertador CABA submarket is still the most appreciated in the market, with an average value of 30.64 USD/sqm, followed by Catalinas-Plaza Roma with 29.2 USD/sqm.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



ECONOMIC OUTLOOK

There are still no signs of economic recovery in the country, the inflation rate continues with an upward trend and low growth is still perceived. On the other hand, the Argentine economy is starting to show an important recovery in formal employment in the private sector. Since the beginning of the year, 119,000 official workers were registered in the private sector, which is equivalent to a variation of 2%, and an average of almost 20,000 new private jobs registered per month. Formal employment has not recovered at such a speed since 2011, this is thanks to upturns in activities such as industry, construction, oil, mining, software, commerce and, more recently, tourism and gastronomy, among other branches. Consequently, the unemployment rate continues to decline.

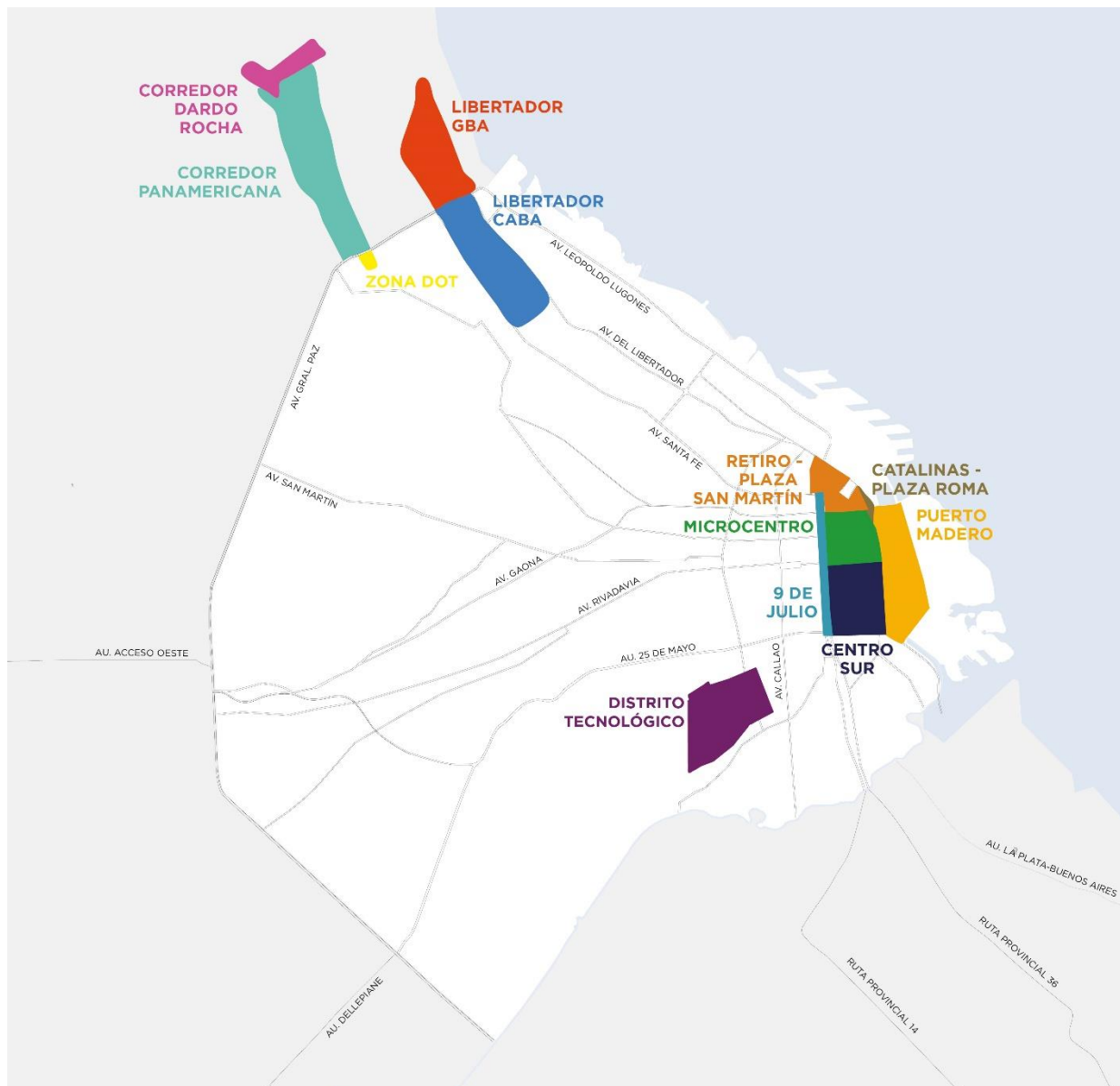
Despite these few and isolated signs of formal employment and production recovery, the global situation, mainly affected by the conflict between Russia and Ukraine, continues to have a negative impact, disrupting the recovery forecasts set for 2022.

FUTURE OUTLOOK

The office market remains, after three consecutive quarters, with 243,718 sqm under construction, the developments continue to postpone their delivery times due to the uncertainty surrounding the national economic recovery and the global situation, which makes it difficult to estimate the completion of the developments under construction, estimating that those scheduled for this year will be delivered in 2023 or later.

There are no new projects registered, as a result of speculation about where the greatest demand for office spaces will be generated in the future, an indicator that is difficult to estimate given the volatility of occupations and vacancies. The scheduled area until 2026 is 729,095 sqm. This number may decrease, both due to possible cancellations in the projects and changes to a residential destination, always depending on the economic events in the country.

OFFICE MAP WITH SUBMARKET DIVISIONS BUENOS AIRES / ARGENTINA

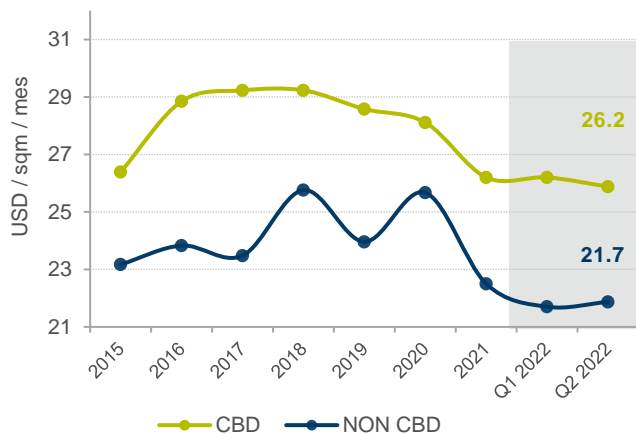


MARKET STATISTICS (*)

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	351,005	13	56,856	16.2 %	749	44,225	236,401	29.2	17.9
Puerto Madero	248,421	15	42,479	17.1 %	-4,544	-	30,300	26.1	16.9
Microcentro	111,665	6	25,513	22.8 %	2,877	17,000	-	21.9	12.9
Retiro-Plaza San Martín	55,280	4	7,752	14.0 %	-50	32,400	-	26.3	17.2
9 de Julio	73,986	6	9,130	12.3 %	243	-	-	22.5	15.5
Centro Sur	64,943	3	5,783	8.9 %	-	-	37,900	14.0	9.2
CBD	905,300	47	147,513	16.3 %	-725	93,625	304,601	25.9	15.2
Corredor Panamericana	256,621	24	70,994	27.7 %	-9,013	37,287	122,435	20.0	15.7
Corredor Dardo Rocha	-	-	-	-	-	-	-	-	20.0
Zona Dot	77,298	5	4,487	5.8 %	3,923	-	80,831	24.3	19.0
Libertador GBA	95,706	10	8,400	8.8 %	-2,711	31,854	74,828	26.6	21.4
Libertador CABA	72,426	2	9,906	13.7 %	2,850	19,000	39,400	30.6	21.3
Distrito Tecnológico	209,952	14	16,606	7.9 %	-1,550	4,636	107,000	21.6	10.4
NON CBD	712,003	55	110,393	15.5 %	-6,464	150,093	424,494	21.9	19.2
BUENOS AIRES TOTALS	1,617,303	102	257,906	15.9 %	-7,189	243,718	729,095	24.2	16.2

Corresponds to rentable surface according to available information

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



NEW INVENTORY (Sqm) PROJECTED SURFACE (Sqm)



LUCAS DESALVO

Market Research Manager
+54 11 3066 1692 / lucas.desalvo@cushwake.com

JOSÉ VIÑAS

Director - Brokerage
+54 11 3900 0138 / jose.vinas@sa.cushwake.com

cushwakeargentina.com

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