

YoY Chg      12-Mo Forecast

**14 %**  
Vacancy Rate

**6,121**  
Net Absorption (sqm) Q1-23

**\$ 23.5**  
Asking Rent\* (USD/sqm/month)

\*Corresponds to the market average asking price.

## MARKET OUTLOOK:

This is the third consecutive quarter in which class A corporate office market has shown signs of recovery. During the first quarter of the year there was a slowdown in the number of transactions, mainly during January and February; however, net absorption continued to be positive. Following this trend, vacancy decreased in comparison to 2022 last quarter and the average asking price also showed a slight downward variation, despite the inclusion of the Palermo submarket into the analysis.

## SUPPLY AND DEMAND:

In 2023 first quarter Net absorption closed at 6,121 sqm as of March 31. Regardless of being lower than the previous quarter, the recovery continues and there are more occupancies than vacancies. Most of the transactions took place during the last month of the quarter, in which 5,920 sqm were occupied in the Catalinas - Plaza Roma submarket. This submarket showed the major movement in the city during this period. On the other hand, the submarket which registered the greatest vacant area was Puerto Madero, followed by Zona Dot and Corredor Panamericana. Due to the incorporation of the new submarket ~~in~~ Palermo, and the continued occupation of office spaces, the vacancy rate fell 0.5 p.p. (from 14.5% to 14%).

## PRICING:

As throughout 2022, the average price for class A offices continued to show very little variation. This quarter, the indicator showed a drop of only 0.2 USD/sqm/month compared to the previous quarter. This scenario continues to show favorable conditions for what is known as *fly to quality*, since the inflation rate (the indicator that worries the most in the Argentine economy) is decoupled from the values, as they are expressed in the National Banks' exchange rate.

The Libertador CABA submarket continued to be the most appreciated in the market, with an average value of 29.9 USD/sqm/month.

## ECONOMIC INDICATORS Q1 2023

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**6.3 %**  
Unemployment rate (Q4-22)

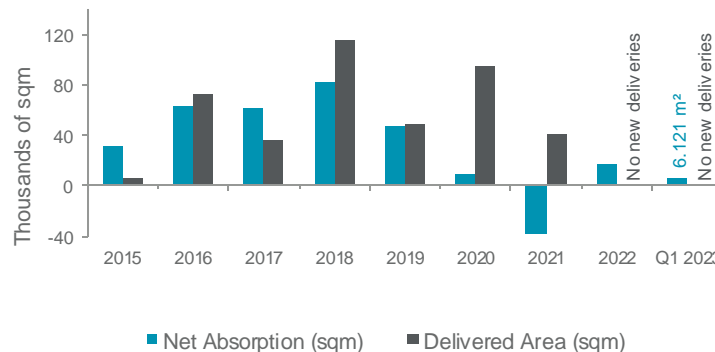
**1.9 %**  
GDP Variation (Acumulated Q4-22)

**104.3 %**  
Inflation index YTD\*

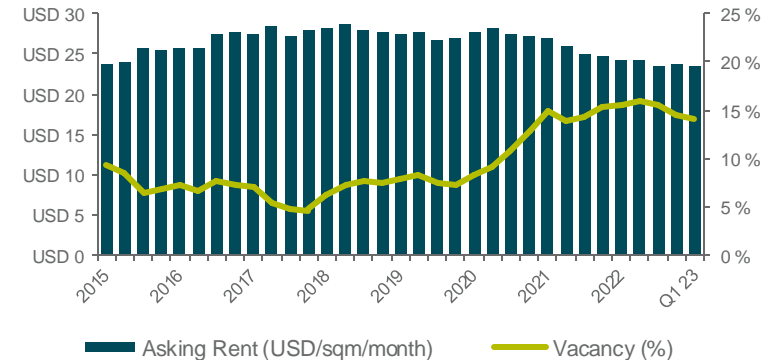
Source: National Institute of Statistics and Censuses (INDEC)

\* Corresponds to March 2023

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



## ECONOMIC OUTLOOK

The country's economy is going through a moment of uncertainty, since one of the main indicators, inflation, exceeded the expected value for the end of the first quarter. Exceeding the worst records of 2022, inflation in March was 7.7% –the highest value since April of last year (10.4%)–, and it accelerated again due to the lack of structural solutions, but also due to the political panorama, since the presidential electoral campaign will soon begin.

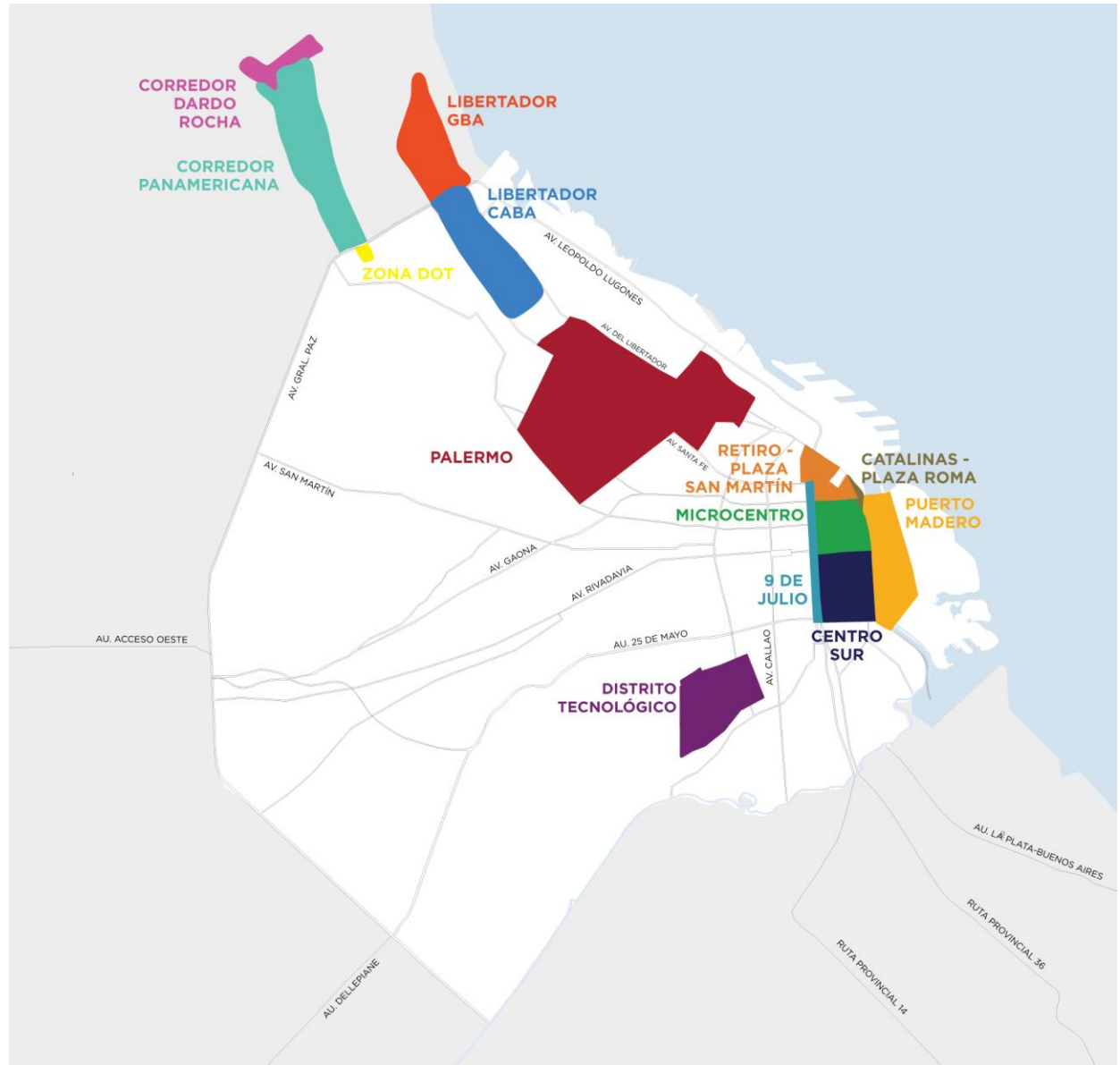
The inflation index, calculated by INDEC, accumulated 21.7% in the first quarter of the year and reached 104.3% in the twelve-month interannual variation, being the highest interannual variation figure since September 1991. That figure practically doubled compared to 2022, when it reached 58%. In February, the CPI was 6.6%, while in January it had been 6%. The current situation does not seem to show signs of improvement in the medium term.

## FUTURE OUTLOOK

For sixth consecutive quarter now, the office market held steady, with 243,718 sqm under construction, but due to the inclusion of the Palermo submarket in the analysis, the figure jumped to 329,468 sqm. Two projects will culminate shortly, so a real reactivation of construction is perceived. One of the projects, which is already being marketed, is in the Libertador CABA submarket and the other, with a planned opening date for the coming months, in Retiro - Plaza San Martín.

On the other hand, as the market is focused on completing projects that are under construction and not launching new developments, the total number of corporate building projects remains the same. Despite the net absorption and vacancy indicators showing a trend towards demand and recovery, there is still a supply left over as a result of the pandemic crisis. This is why the 2026 projected area remains in 729,095 sqm.

## OFFICE MAP WITH SUBMARKETS DIVISION / BUENOS AIRES / ARGENTINA

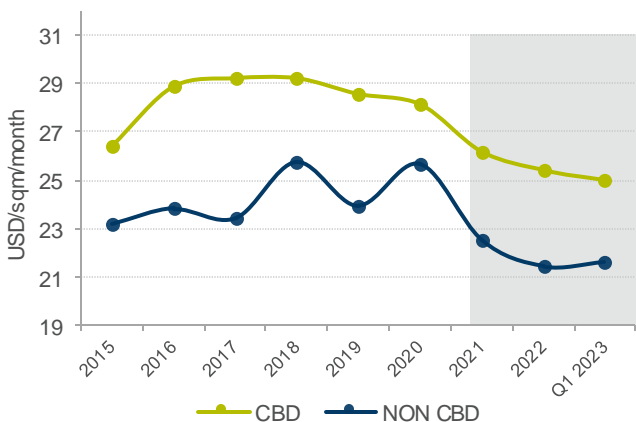


### MARKET STATISTICS(\*)

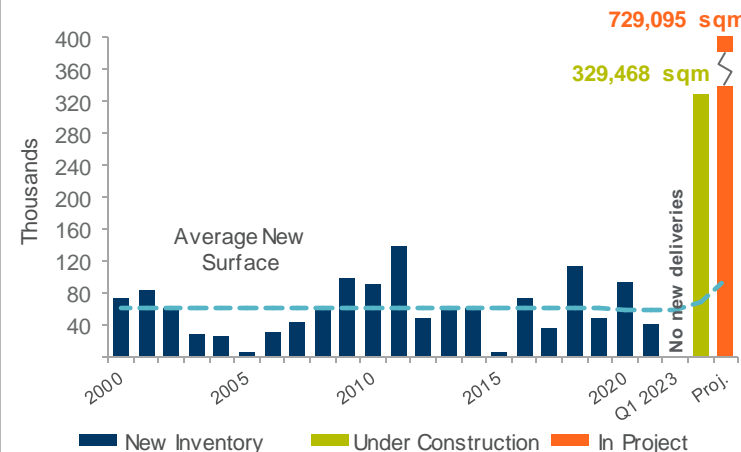
SUBMARKETS	CLASS A INVENTORY	BUILDING NUMBERS	AVAILABLE AREA (sqm)	VACANCY RATE (%)	YTD NET ABSORPTION TO DATE (sqm)	UNDER CONSTRUCTION (sqm) (*)	PROJECTED (sqm) *	RENTAL PRICE ASKED CLASS A (USD/sqm/month)	RENTAL PRICE ASKED CLASS B (USD/sqm/month)
Catalinas - Plaza Roma	351,005	13	54,516	13.8 %	5,920	44,225	236,401	29,07	17,71
Puerto Madero	248,421	15	34,320	14.5 %	-1,718	-	30,300	25,26	16,80
Microcentro	111,665	6	23,869	21.4 %	822	17,000	-	22,25	12,64
Retiro - Plaza San Martín	55,280	4	4,257	7.7 %	-	32,400	-	24,62	17,27
9 de Julio	73,986	6	11,166	15.1 %	847	-	-	22,02	15,09
Centro Sur	64,943	3	5,783	8.9 %	0	-	37,900	14,00	10,39
<b>CBD</b>	<b>905,300</b>	<b>47</b>	<b>133,911</b>	<b>14.3 %</b>	<b>5,871</b>	<b>93,625</b>	<b>304,601</b>	<b>25,05</b>	<b>15,04</b>
Corredor Panamericana	256,621	24	64,804	25.6 %	-1,015	37,287	122,435	19,8	15,73
Corredor Dardo Rocha	-	-	-	-	-	57,316	-	-	20,04
Zona Dot	77,298	5	5,447	9.0 %	-1,484	-	80,831	25,17	18,37
Libertador GBA	95,706	10	8,400	8.8 %	-	31,854	74,828	26,75	20,69
Libertador CABA	72,426	2	6,593	12 %	-2,063	19,000	39,400	29,91	21,13
Distrito Tecnológico	209,952	14	14,916	6.4 %	1,440	4,636	107,000	20,53	12,17
Palermo	42,327	6	665	2.57 %	3,372	85,750	-	24,02	21,73
<b>NON CBD</b>	<b>754,330</b>	<b>61</b>	<b>100,825</b>	<b>13.5 %</b>	<b>250</b>	<b>235,843</b>	<b>424,494</b>	<b>21,67</b>	<b>18,89</b>
<b>TOTAL BUENOS AIRES</b>	<b>1,659,630</b>	<b>108</b>	<b>234,736</b>	<b>14.0 %</b>	<b>6,121</b>	<b>329,468</b>	<b>729,095</b>	<b>23,53</b>	<b>16,11</b>

\* Corresponds to profitable area according to available information

### ASKING RENT (USD/ sqm /month) CBD / NON-CBD



### NEW INVENTORY (sqm) PROJECTED SURFACE (sqm)



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