

# Industrial Snapshot Q3 2015

Buenos Aires, Argentina

## BUENOS AIRES

### Economic indicators

	Q3 14	Q3 15	12-Month Forecast
Unemployment rate	7.5%	6.6%	▼
GDP variation rate	-0.8%	2.3%	■
Inflation index	41.0%	26.6%	■

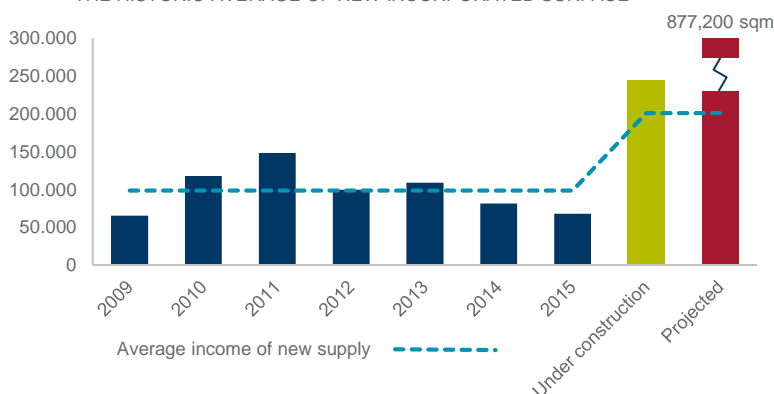
### Market indicators

	Q3 14	Q3 15	12-Month Forecast
Overall vacancy	9.9%	6.8%	▼
Net absorption (sqm)	na	79,545	▲
Under construction (sqm)	220,415	244,760	■
Average asking rent (*) (USD/sqm/month)	7.5	8.0	▲

(\*) corresponds to average of submarkets of North zone

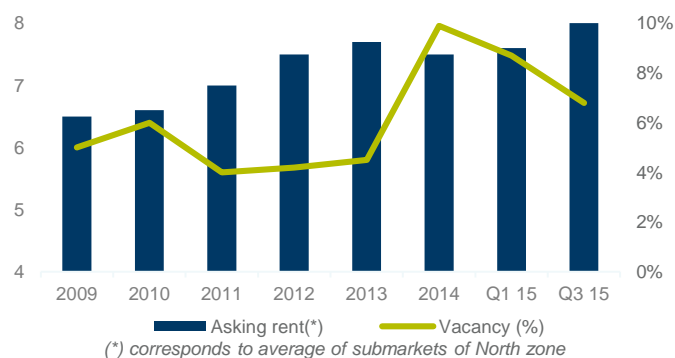
### New supply (sqm) / Projected surface (sqm)

THE SURFACE IN PROJECT AND UNDER CONSTRUCTION RAISES A 50% THE HISTORIC AVERAGE OF NEW INCORPORATED SURFACE



### Asking rent (USD/sqm/month) / Vacancy (%)

THE VACANCY CONTRACTED A 30% DURING THE LAST YEAR



## Economic outlook

The economic and political context remains expectant to the result of the ballottage of the presidential elections. This reflects in the economic indicators that remain the same without relevant fluctuations in the course of the year.

In September the industrial monthly estimator of the INDEC (EMI: Industrial Monthly Estimator) registered a downward of 0.7% in respect of the previous month, accumulating a downward of 0.6% during the first nine months of the year.

The use of installed capacity showed a light rise going from 70,7% in the second trimester of the year, to the 72,0% in the third. The qualitative industrial survey, registers that 71,7% of the companies do not have plans to increase the utilization of their installed capacity and 17,3% anticipates a decrease.

In behalf of this economic outlook dominated by the political uncertainty, the companies are delaying their plans of activity for the future, waiting for clearer signs.

The foreign trade continues affected by the control that the government exercises over the exchange market and the limits on imports. Additionally, it is expected that the minimum dynamism in the Brazilian economy reflect over the economic activity of our country.

## Market vision of logistic centers and warehouses

Despite of the unclear economic outlook, the market of logistic properties continues showing a positive evolution in their indicators.

The progressive occupation of warehouses that were in the market for some time and the incorporations of new surface already occupied, contributed to the downwards of the vacancy rate of 2 percentage points from the previous quarter.

As a result, the absorption exceeded the 79,500 m2 and the available surface reduced 18% compared to the previous quarter. The rental prices measured in dollars continued their ascendant tendencies in all the submarkets, registering in average an increase of 4.3%, during the last quarter.

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The submarket Triangulo San Eduardo continued to show a great dynamism, concentrating the higher part of the occupied surface during the last quarter. The vacancy registered a downward of 4,4 percentage points and the rental prices continue to be the highest of the market, registering a growth of 5% during the same period.

The corridor of the Route 9 (Campana-Zarate) continues to show a high vacancy rate as a consequence of two warehouses that remain available in the area of Campana, which added to the low class A inventory of this area, leaves a high vacancy of 24% in the submarket.

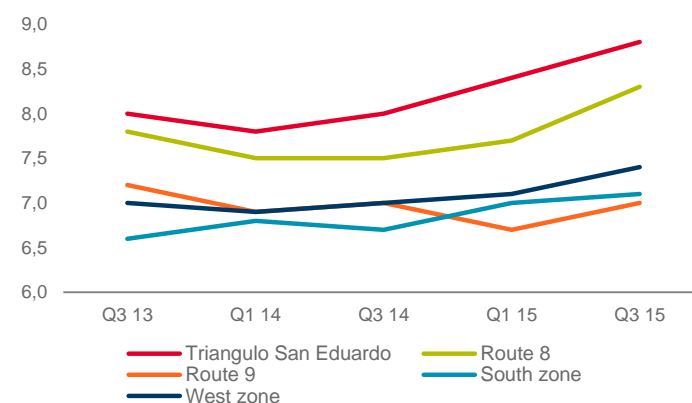
## THE VACANCY RATE OF TRIANGULO SAN EDUARDO DECREASED 4.2% IN THE LAST QUARTER

### Market Outlook

- Structurally oversupplied market over other Latinoamerican cities.
- The vacancy rate shows a downward trend for the third consecutive quarter.
- The rental prices register a growth for the third consecutive quarter.
- Shortage of large surfaces available in some submarkets.
- The Norte area concentrates 77% of the surface in construction and 95% of the projected surface.

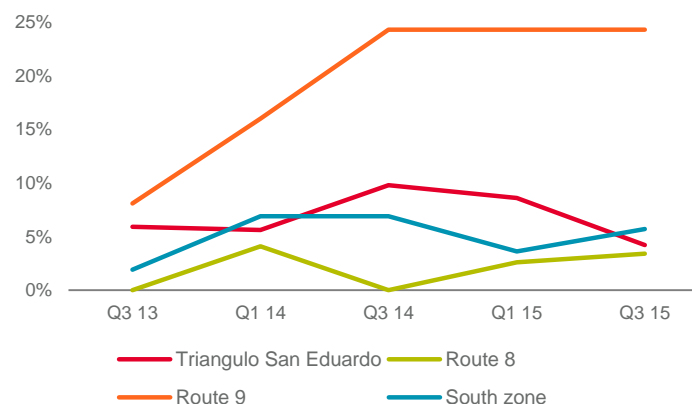
### Asking rent per submarket (USD/sqm/month)

THE ASKING RENT REQUESTED IN ROUTE 8 INCREASED AROUND 7% DURING THE LAST QUARTER



### Vacancy per submarket (%)

THE VACANCY OF TRIANGULO SAN EDUARDO REDUCES 4,4 PERCENTAJES POINTS DURING THE LAST QUARTER

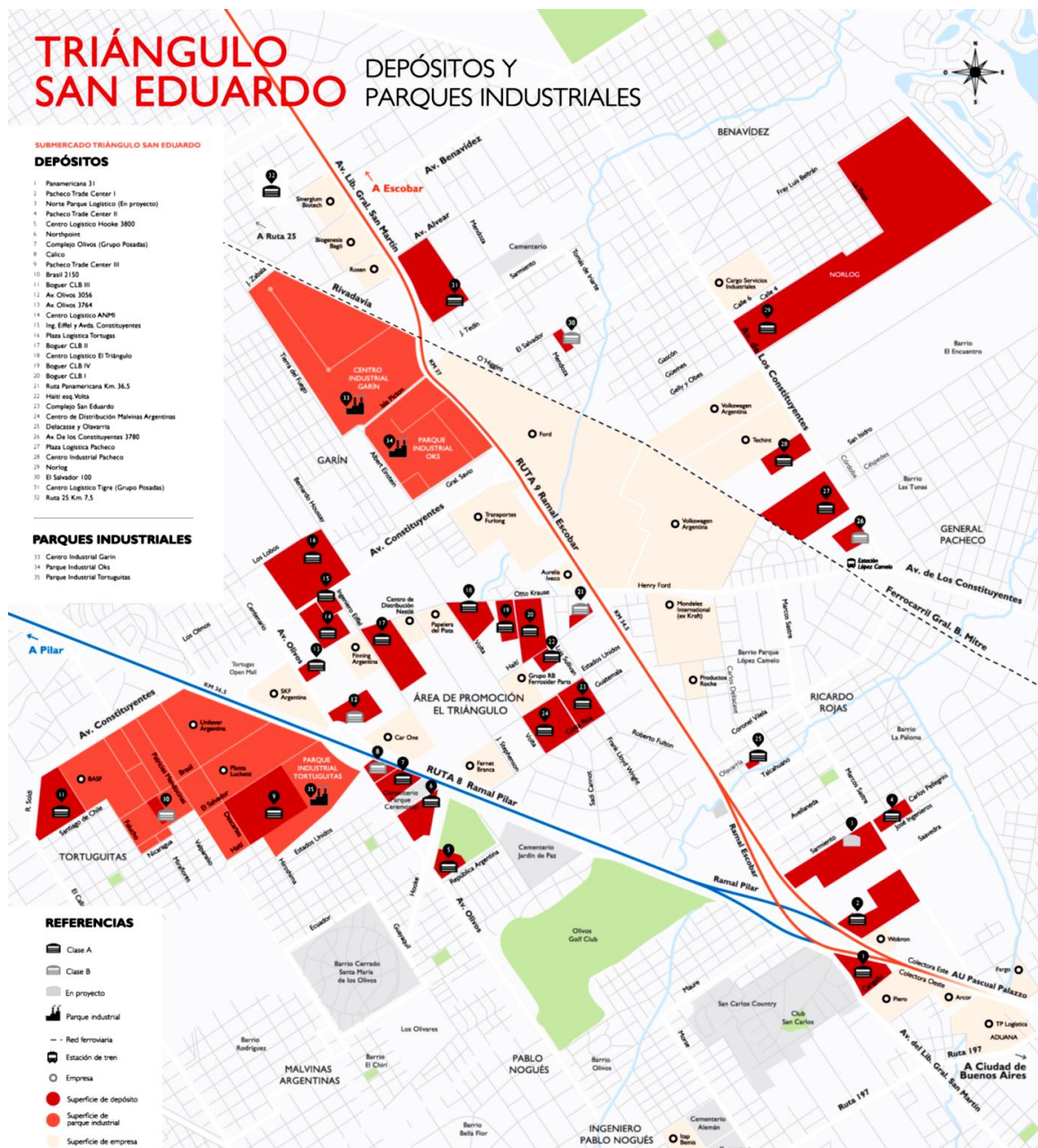


SUBMARKET	INVENTORY CLASS A	SURFACE AVAILABLE (SQM)	VACANCY RATE	AVERAGE ASKING RENT (USD/SQM/MONTH)	UNDER CONSTRUCTION (SQM)	PROJECTS (SQM)
GBA Norte	927.670	67.810	7,3%	8,0	189.200	837.820
- Triangulo San Eduardo	692.730	29.270	4,2%	8,8	162.760	671.350
- Route 8	88.940	3.000	3,4%	8,3	14.240	96.470
- Route 9	146.000	35.540	24,3%	7,0	12.200	70.000
GBA Sur	281.640	16.000	5,7%	7,0	55.560	24.400
GBA Oeste	26.000	-	-	7,1	-	15.000
TOTAL CLASS A	1.235.310	83.810	6,8%	7,7 (*)	244.760	877.220

(\*) correspond to average weighted of asking rent.

## WAREHOUSE MARKET MAP IN THE SUBMARKET TRIANGULO SAN EDUARDO

BUENOS AIRES / ARGENTINA



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Karina Longo

Resp. Market Research  
Carlos Pellegrini 1141, 6° piso  
C1009, Buenos Aires, Argentina  
Tel: +11 5555 1111  
Fax: +11 5555 1100  
Karina.longo@sa.cushwake.com