

BUENOS AIRES

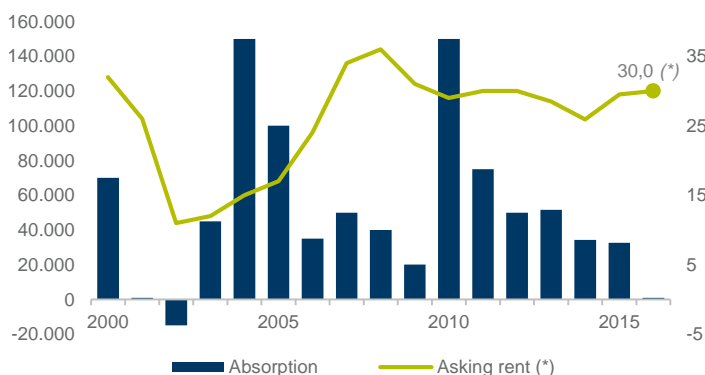
Economic indicators

	Q1 15	Q1 16	12-Month Forecast
Unemployment rate (Q3 2015 7 Q3 2014)	7,5%	5,7%	▼
GDP variation rate (2015 / 2014)	0,5%	2,1%	■
Inflation index YTD (January-March)	12,2%	11,8%	▼

Market indicators (Class A)

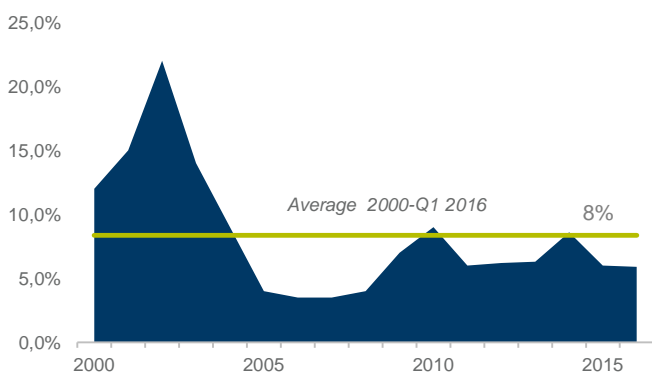
	Q1 15	Q1 16	12-Month Forecast
Overall vacancy	8.4%	5.9%	▼
Net absorption (sqm) YTD	6,370	1,340	▲
Under construction (sqm)	166,817	300,128	■
Average asking rent (*) (USD/sqm/month)	26.8	30.0	▲

Net absorption (sqm) / Asking rent (USD/sqm/month) (Class A)



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

Overall vacancy (%) (Class A)



Economic outlook

The beginning of the year has been characterized by the correction measures undertaken by the new government that have caused some widespread contraction of the economy.

The completion of control over the foreign exchange market was the first of several measures orientated on reorganizing the public expenditures. The review of employment in the public sector, the assignment of subsidies to service companies and the updating of fees these companies charge, where some of the most important politic policies implemented during the first quarter of the year. All of this has been carried out together with a review of the fiscal policy, among which stands the draft legislation of income tax.

On the external front, the government has achieved to close an agreement with the Holdouts. This should facilitate the access to the international credit market and attract the foreign investments, which are vital to activate the economy of the country.

Despite the lack of official statistics, the private consultants estimate a light improvement of the economic activity in the second half of the year.

In a regional level, the decline of the Brazilian industrial production, economic activity and consumption, will affect domestic exports of industrial manufactures in a negative way.

Office market outlook

The class A office market continues to present a scenario with limited availability. Against this panorama the under construction buildings start to capture the attention of potential tenants, and in some areas there are the only option for companies that need large surfaces.

The rental price continues its upward trend driven not only by the scarcity of available surface, but also for the asking rent price for the new buildings coming on the market in the short term, with last generation facilities and building characteristics.

On the demand side, tenants have accepted quite naturally the greater effort required for the payment of rents because of the liberalization of the exchange market and the increased exchange value of the dollar.

Office Snapshot Q1 2016

Buenos Aires, Argentina



During the last years, the profitability of the office market has been affected by the control exercised by the previous government over the exchange market. The dollar value had been stagnant, which favored the value of rent paid by the tenants.

Since the release of the exchange market in December 2015, the situation has been reversed favoring the owners this time, for which the increase in the value of the dollar has resulted in an improvement in the profitability of these properties.

The limited availability of space has led to a light recovery in the pursuit of office space, that where paralyzed waiting for a more stable market. As a result, the vacancy continued its downward trend, falling back to 5.9%.

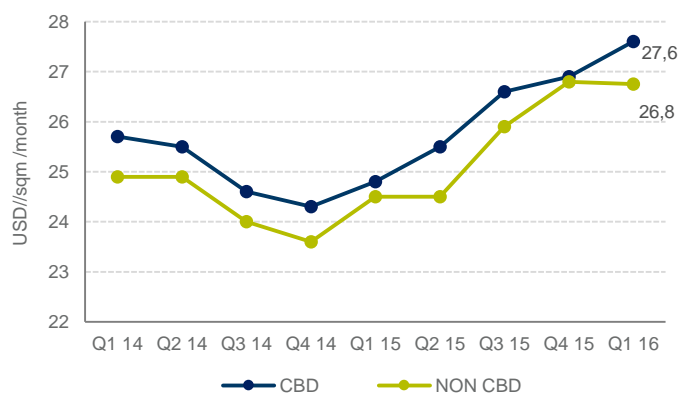
However, it is expected that in the next quarter 67,500 sqm enter the market, although only 44% of the surface would be speculative (29,800 sqm), which significantly reduces the future offer of class A office space.

Market outlook

- The prices continue its upward trend accumulating an increase of 12% during the last year.
- Office profitability improves as a result of the increase in the value of the dollar, which is linked to the rental price.
- Slight market recovery, driven in part by a shortage in class A office areas.
- The future supply remains low despite the increased area under construction.

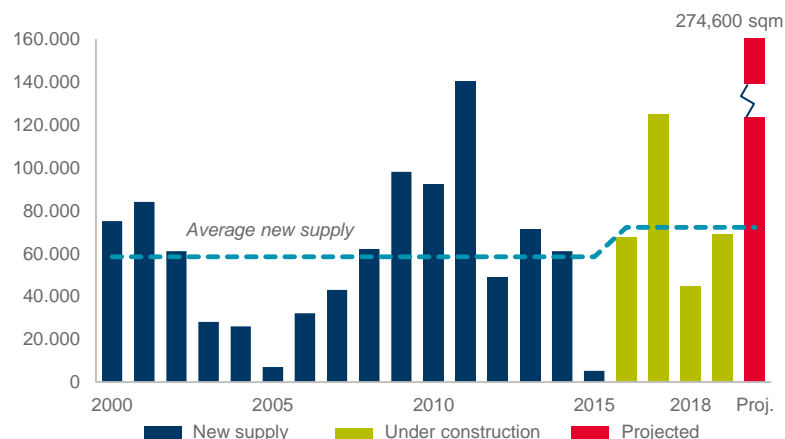
Class A asking rent CBD / NON CBD

THE ASKED RENT IN NON CBD AREA INCREASED A 11.3% DURING THE LAST YEAR



New supply (sqm) / Projected surface (sqm)

UNDER CONSTRUCTION AND PROJECTED SPACE RISES 23.4% OVER THE HISTORICAL AVERAGE



SUBMARKET	INVENTORY CLASS A	SURFACE AVAILABLE (SQM)	VACANCY RATE	AVERAGE ASKING RENT (USD/SQMMONTH)	UNDER CONSTRUCTION (SQM)	PROJECTED (SQM)
Puerto Madero	229.110	20.530	9,0%	27,5	14.060	30.300
Catalinas-Plaza Roma	255.250	13.340	4,8%	34,0	124.000	39.900
Microcentro	68.910	-	-	24,5	-	-
9 de Julio	68.510	11.190	16,3%	26,0	19.230	-
Centro Sur	24.160	-	-	sd	35.000	19.500
Retiro-Plaza San Martín	77.450	2.740	3,5%	26,0	13.800	-
CBD	723.390	47.800	6,6%	27,6	206.090	89.700
Subtotal Panamericana + Zona Philips	222.680	11.500	5,2%	25,8	6.500	172.230
- Distrito del Conocimiento	163.260	10.590	6,5%	25,5	-	48.110
- Distrito de la Innovación (included Philips zona)	59.420	910	1,5%	26,0	6.500	124.120
Libertador GBA	75.875	2.230	2,9%	29,0	56.770	82.670
Libertador CABA	12.385	-	-	26,5	50.000	-
NON CBD	310.940	13.730	4,4%	26,8	113.270	254.900
TOTAL CLASS A	1.034.330	61.530	5,9%	27,2	319.360	344.600

MARKETBEAT

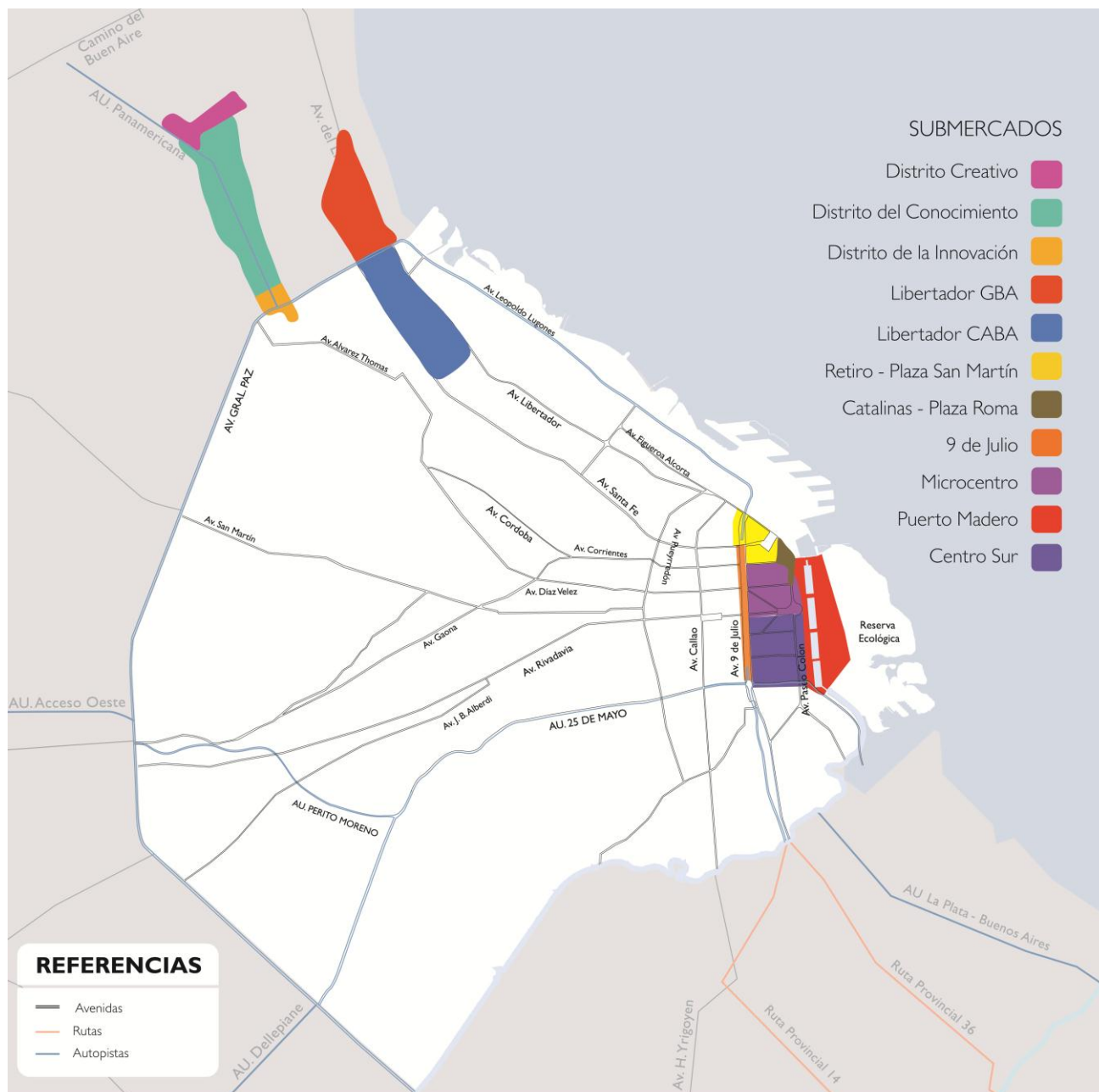
Office Snapshot Q1 2016

Buenos Aires, Argentina



OFFICE MARKET MAP WITH SUBMARKET DIVISION

BUENOS AIRES / ARGENTINA



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