

BUENOS AIRES

Economic indicators

	S2 16	S1 17	12-Month Forecast
Unemployment rate (Q3)	9,7%	8,3%	▼
GDP variation (Q3)	2,7%	1,9%	▲
Inflation index YTD	23,4%	24,6%	▼

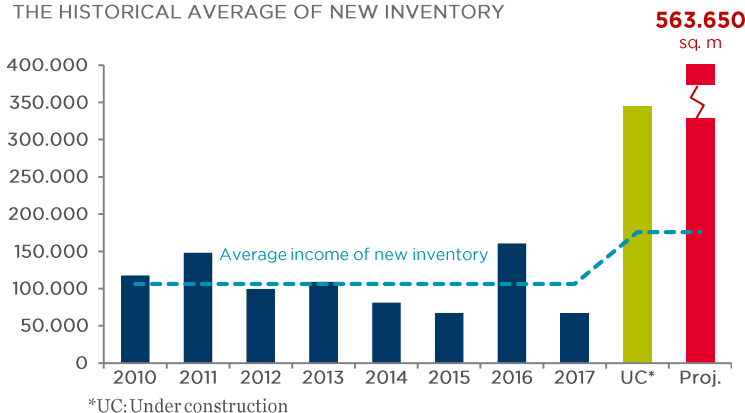
Market indicators

	S2 16	S1 17	12-Month Forecast
Overall vacancy	9,2%	7,7%	▼
Net absorption (sq. m) YTD	28.000	65.490	■
Under construction (sq. m)	387.000	345.000	▲
Average asking rent (*) (USD/sq. m/month)	7,6	7,3	▲

(*) corresponds to average of submarkets of North zone

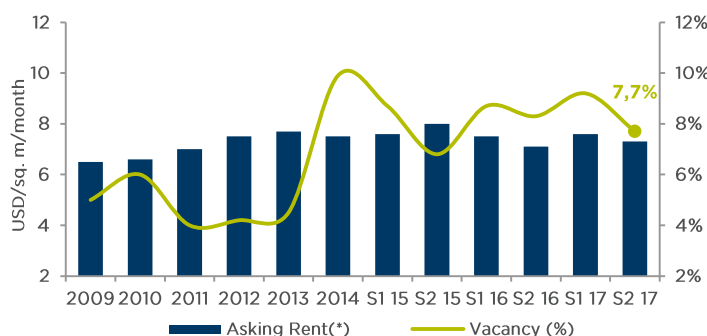
New inventory (sq. m) / Projected surface (sq. m)

UNDER CONSTRUCTION AND PROJECTED SURFACE RAISES BY 79% THE HISTORICAL AVERAGE OF NEW INVENTORY



Asking rent (USD/sq. m/month) / Vacancy (%)

VACANCY HAS SLIGHTLY INCREASED OVER THE FIRST SEMESTER OF 2017.



(*) corresponds to average of submarkets of North zone

Economic Outlook

Looking ahead, economic activity is projected to continue and accelerate its recovery. Public investment is playing an important role while household consumption is slowly but surely getting better thanks to the expansion of the banking credit and the improvement of employment.

The improvement is already reflected in The Monthly Industrial Estimator (EMI) which registered an accumulated annual growth of 2,8%, 5,3% higher than last year's average.

The industrial activity is ticking along which is expected to increase the dynamism of the economy. The Monthly Industrial Estimator (EMI) registered in November an annual accumulated growth of 1,9% and an increase of 3,5% compared to the year before.

The inflation persistence, lowering at a slower pace than expected, could have an adverse impact on the economic activity. The inflation rate is showing an improvement, accumulating 24,6% over the past twelve months, figure above the BCRA declared objective at the beginning of the year (12-17%).

Market overview of logistic centers and warehouses

The market continues to show great dynamism and reactivation. In this context, many investors are building speculative spaces, reducing the dependence on "built to suit" constructions.

In addition, it is observed that developers are starting to make significant investments in order to increase their market participation and also diversifying their geographical presence outside Triángulo San Eduardo submarket.

The incipient recovery of the economy, the growth of demand and an over-offered market are promoting investment in the sector.

During the second semester of 2017, the annual accumulated absorption had risen to 93.480 sq. m. The delivery of “built to suit” spaces and the rent of areas that were available in the market for a long period made the vacancy dropped to 7,7%.

The construction of Premium centers remains active. It is observed that Triángulo San Eduardo submarket which concentrates 40% of the Under Construction surface is now starting to give place to the South-West zone which increased its production to 128.000 sq. m, representing 37% of the total amount. Esteban Echeverría area is shown as the emerging trend with 73.000 sq. m of under construction spaces of logistic centers Class A.

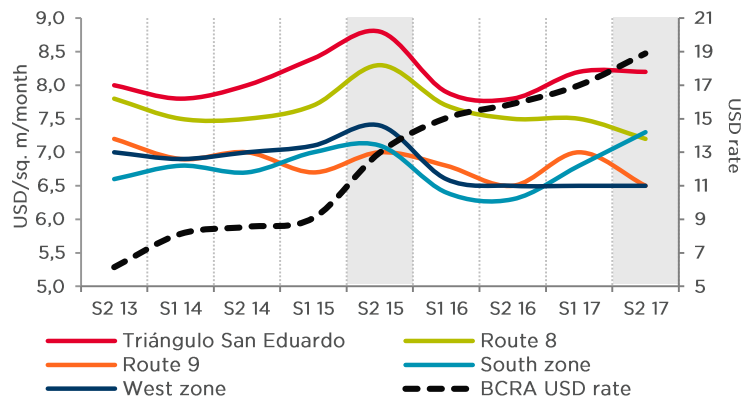
THE SOUTH ZONE IS THE NEW TREND FOR THE DEVELOPERS, WITH 37% OF THE UNDER CONSTRUCTION SURFACE OF THE MARKET

In a context of growing appreciation of the local currency against the United States dollar, rental prices measured in dollars registered a decline of 4% during the second semester of the year.

The exception is the South zone, where the future “built to suit” offer is making increase the asking rent prices. In the last semester of the year, South zone submarket, managed to overcome Rout 9 corridor with an asking rent price of 7,3 USD/sq. m/ month.

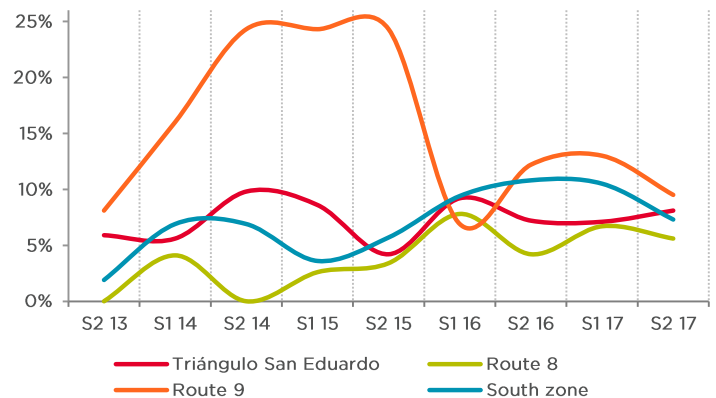
Asking rent per submarket (USD/sq. m/month)

THE ASKING RENT SHOWED A SLIGHT DECREASE DUE TO THE US DOLLAR APPRECIATION



Vacancy per submarket (%)

THE VACANCY SHOWS A GENERAL DECLINE IN ALL THE SUBMARKETS

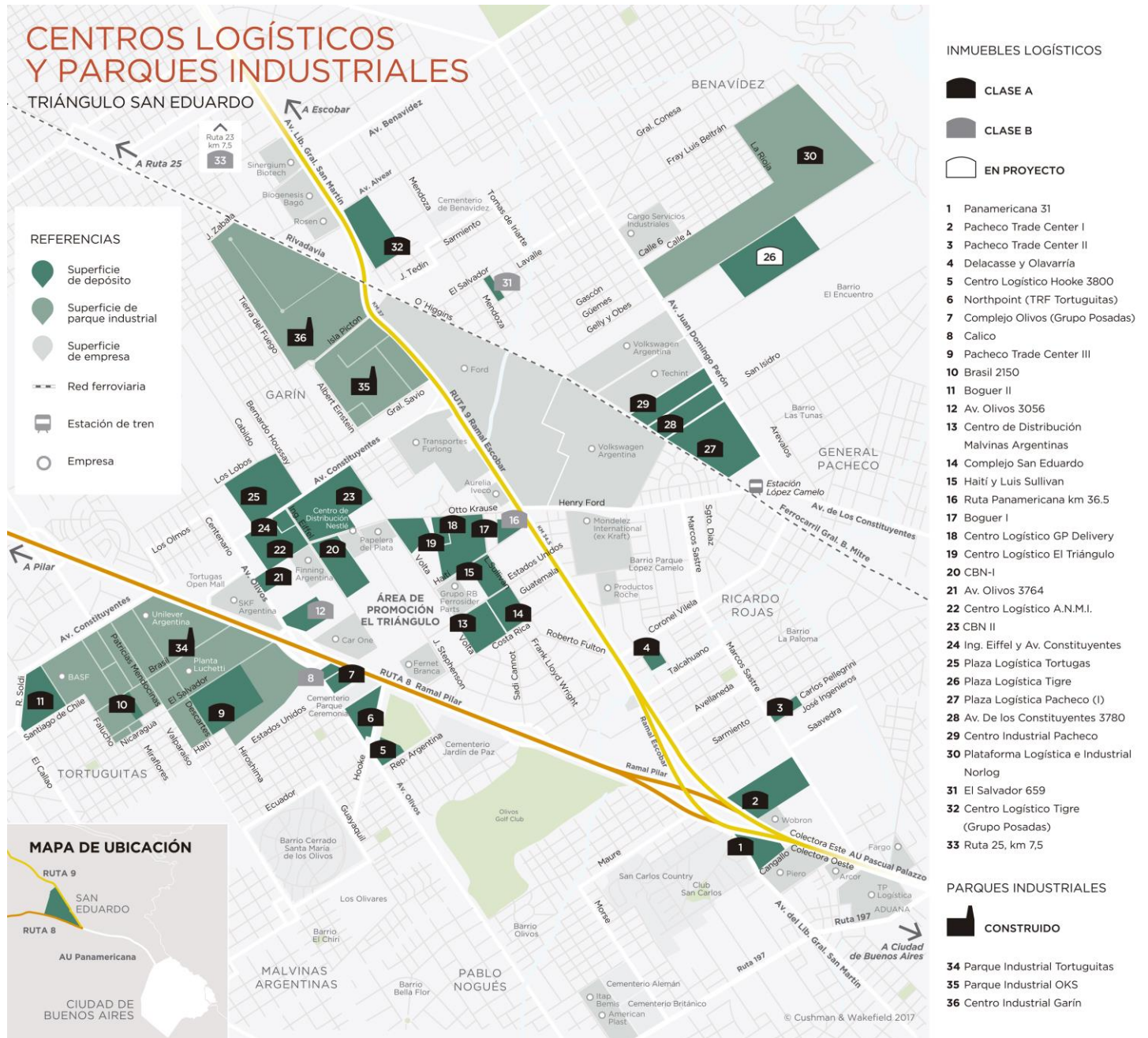


SUBMARKET	INVENTORY CLASS A	SURFACE AVAILABLE (SQ. M)	VACANCY RATE (%)	AVERAGE ASKING RENT (USD/SQ.M/MONTH)	UNDER CONSTRUCTION (SQM)	PROJECTS (SQ. M)
GBA North	1.127.190	90.440	8,0	7,3	217.000	485.650
- Triángulo San Eduardo	829.300	66.980	8,1	8,2	137.500	301.650
- Route 8	124.940	7.000	5,6	7,2	35.000	169.000
- Route 9	172.950	16.460	9,5	6,5	44.500	15.000
GBA South	358.110	26.270	7,3	7,3	128.040	78.000
GBA West	26.000	-	-	6,5	-	-
Total CLASS A	1.511.300	116.710	7,7	7,0	345.040	563.650

(*) correspond to average weighted of asking rent.

WAREHOUSE MARKET MAP

BUENOS AIRES / ARGENTINA



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Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$6 billion across core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management, project & development services, tenant representation, and valuation & advisory.

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