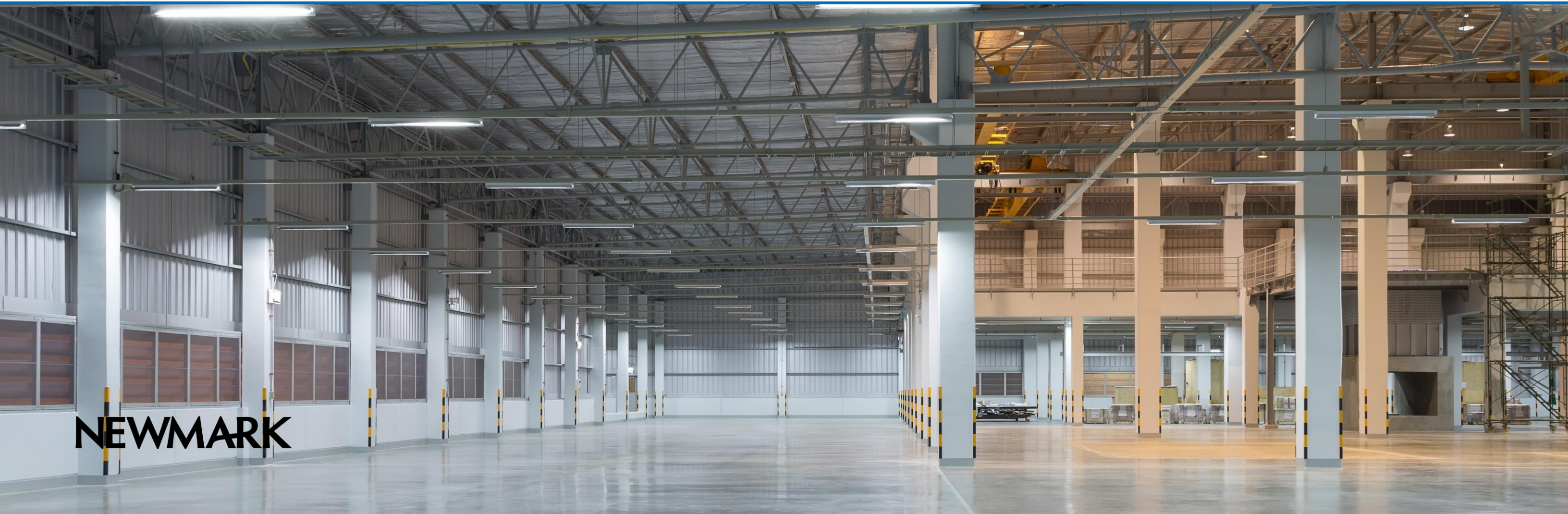


2Q25

São Paulo Industrial/Logistics Market Report



NEWMARK

Market Information

Economy

- The global outlook remains marked by economic and geopolitical uncertainties. The IMF and World Bank project moderate growth for 2025 and 2026 (3.2% and 2.7%, respectively). Economic slowdowns are expected in the US and China whereas the Euro zone could grow slightly. Inflation and interest rates in the more developed economies should continue to drop, but risks remain high, especially if geopolitical tensions increase, such as the military conflicts pressuring market volatility and global trade;
- In Brazil, according to IBGE data, GDP grew by 1.4% in the 1st quarter of 2025, driven by agribusiness, the labor market, and increased income. The annual growth forecast was revised upward to 2.1%, but household consumption is already feeling the effects of higher interest rates — the Selic rate reached 15%. Inflation has slowed to 5.32%, and gradual interest rate cuts are expected to begin later in 2025. According to the IBGE's Monthly Industrial Survey for April, Brazilian industrial production grew by 0.1% compared to March, following a 1.2% increase in the previous month. Year-to-date, there was a 1.4% advance, and a 2.4% increase over the past 12 months;
- The outlook for 2025 points to a gradual slowdown, with more modest growth projected for 2026 (1.6%). Inflation is expected to continue falling, though likely to remain above the target. The exchange rate is projected to remain under pressure (R\$ 5.70), and fiscal challenges persist, with rising public debt and uncertainty surrounding the government's ability to control spending and move forward with structural reforms

Transactions

- Despite a slight slowdown in the manufacturing and retail sectors, the market for industrial and logistics warehouses remain strong in the second quarter across the entire country, with robust amounts of new inventory and demand indicators;
- Another point that merits attention in 2Q25 is the volume of sale transactions involving real estate funds - over 750 thousand m² or some R\$ 2.5 billion which shows the resilience of well-located and highly occupied assets, even in the face of high interest rates

Market Indicators

- Warehouse leasing activity have resumed its dynamism this quarter;
- There was a slight increase in the vacancy rate due to a significant volume of new inventory delivered in the quarter.
- Average asking rents remain high: R\$ 30.20/m²/month

Outlook

- Leasing activity strengthened in the 2nd quarter, with increased absorption and demand driven by commerce (especially e-commerce), industry, and services — with automotive and logistics segments standing out;
- Outlook for the 2nd half of the year is positive, with leasing supported by electronic commerce and logistics; vacancy may rise slightly with new inventory, but balance is maintained, with a moderate rent appreciation trend in highly demanded regions;
- Market performance depends on maintaining macroeconomic stability, gradual interest rate decline, and continued investor appetite and demand

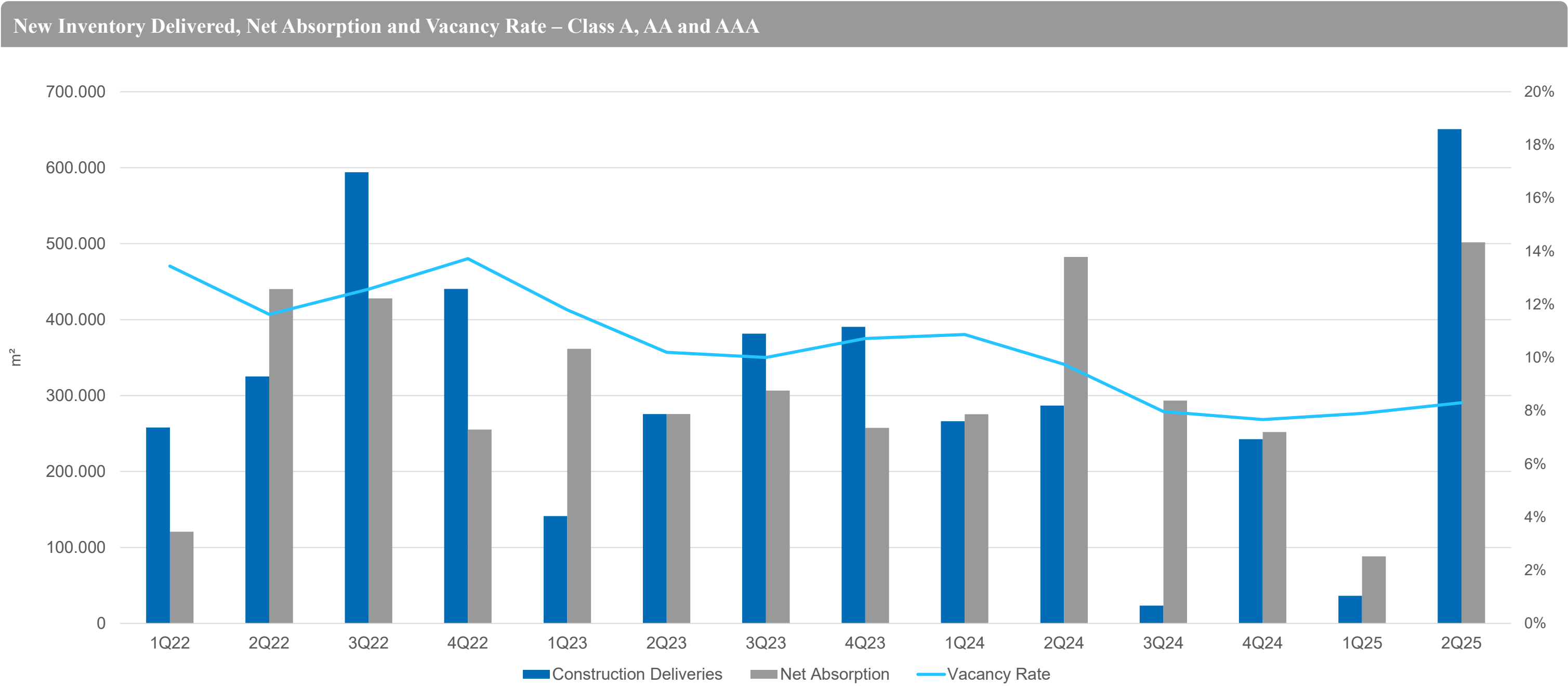
2Q25

Market Indicators



The quarter was marked by dynamic leasing activity and a surge in new inventory

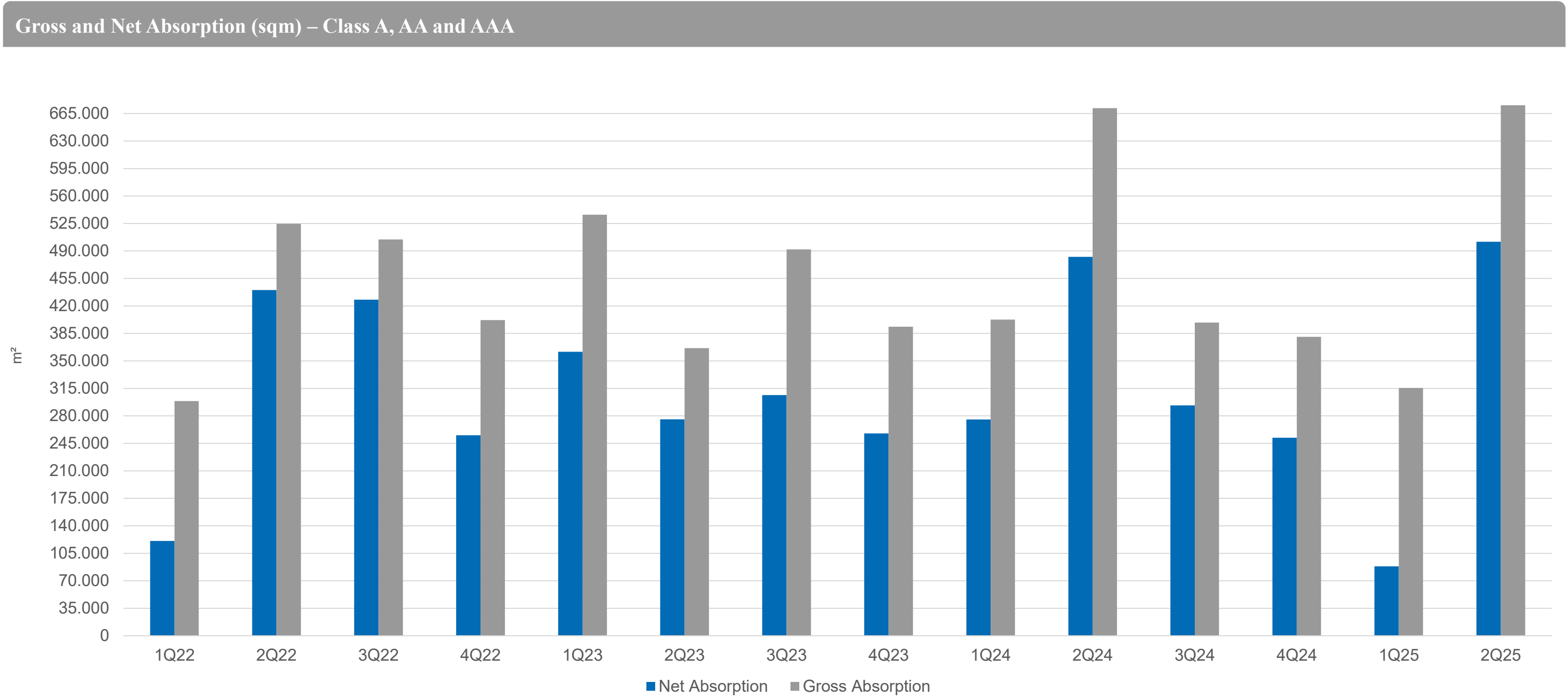
After a quarter of low growth, the volume of new inventory delivered this quarter was significant, totaling 650.7 thousand sqm, causing only a slight increase in the vacancy rate. Net absorption was the highest for a single quarter in the analyzed series



Source: Newmark Brasil – Market Research

E-commerce and logistics support another rise in occupancy

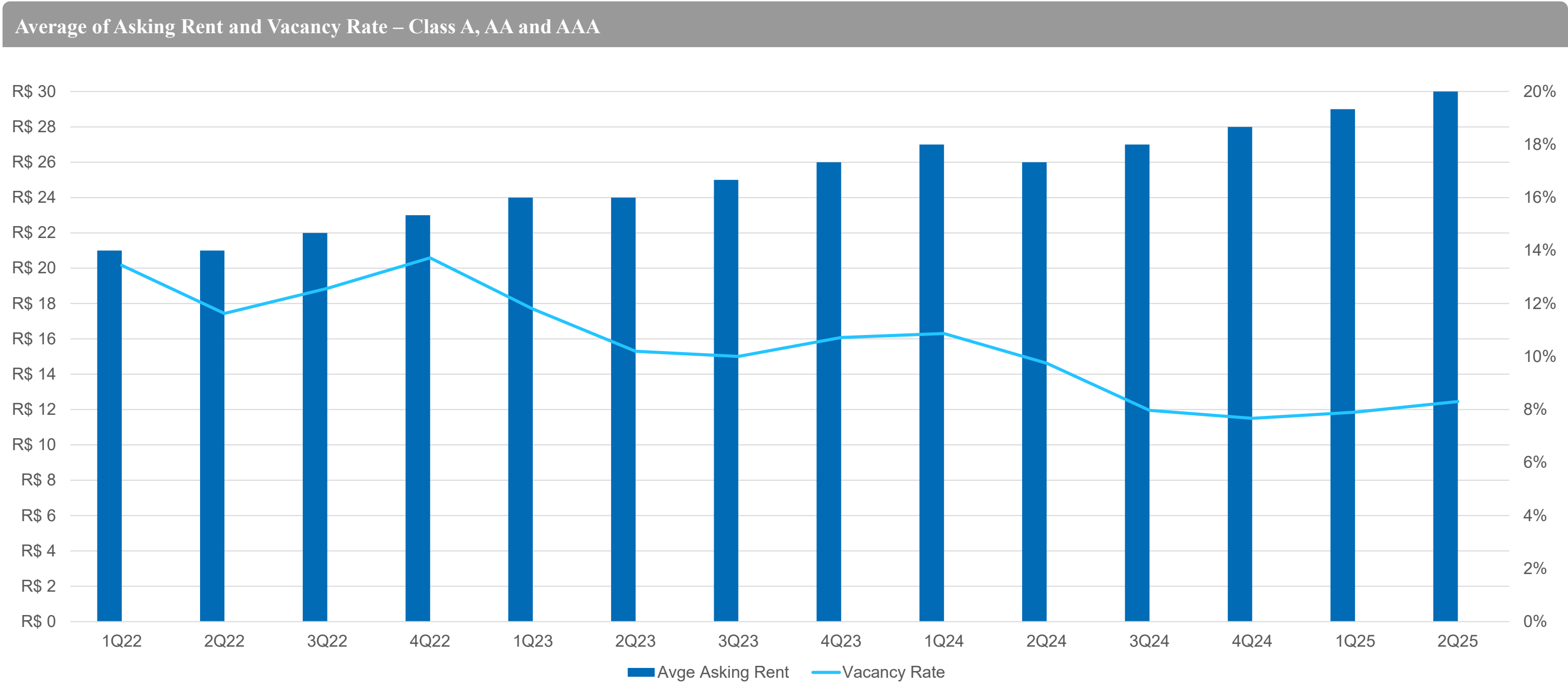
Leasing activity regained momentum, boosting gross absorption, while move-outs lost strength, leading to a significant increase in net absorption. Demand was led by the retail sector, driven by e-commerce, followed by industry and services — especially the automotive and logistics segments



Source: Newmark Brasil – Market Research

Appreciation accelerates and average asking rent reaches record high

The average asking rent continued its upward trend, closing the quarter at R\$30.16/sqm/month — the highest value since the beginning of the historical series. This represents a 5% increase compared to the previous quarter and a 16% rise year-over-year

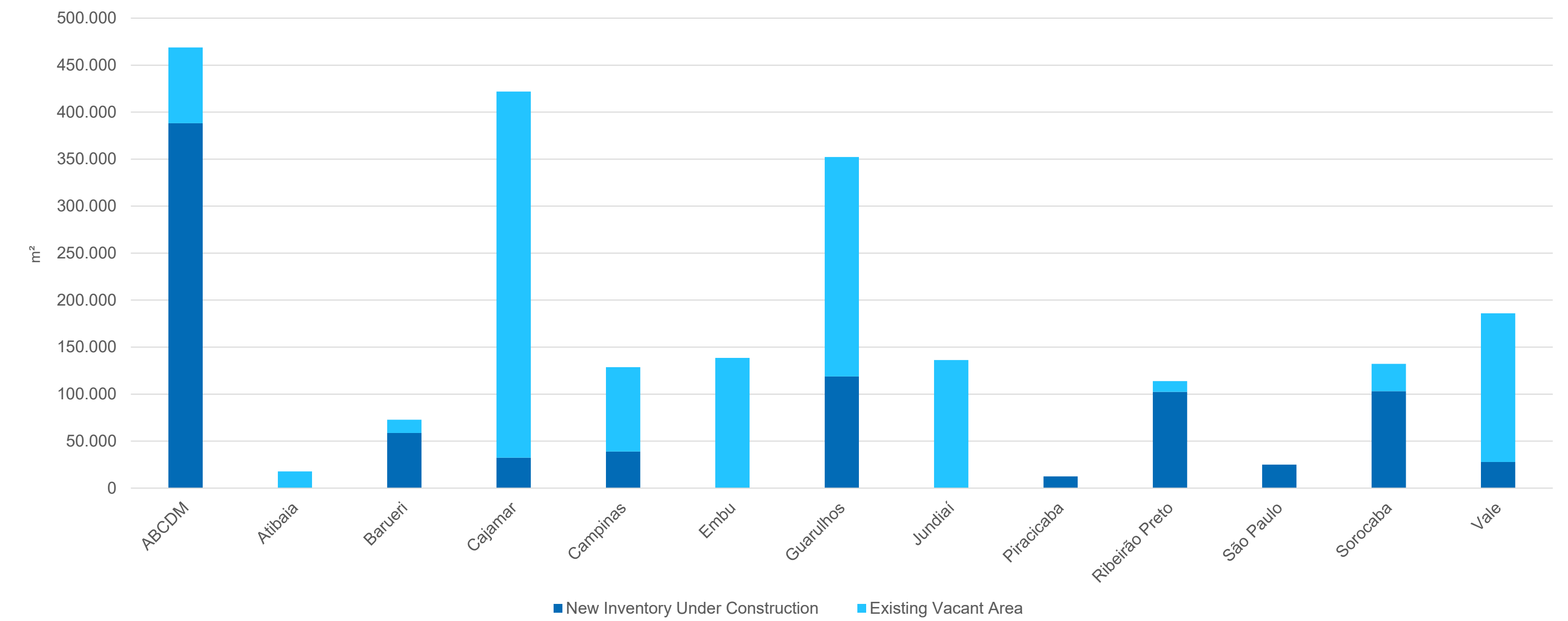


Source: Newmark Brasil – Market Research

Expansion aligned with demand

ABCDM, Guarulhos, and São Paulo concentrate the largest volume of new developments planned for 2025. Given the current supply levels in these regions, the expansion appears to be aimed at keeping up with growing demand. Considering the strong pace of occupancy in recent years, the risk of oversupply in these markets can be considered low

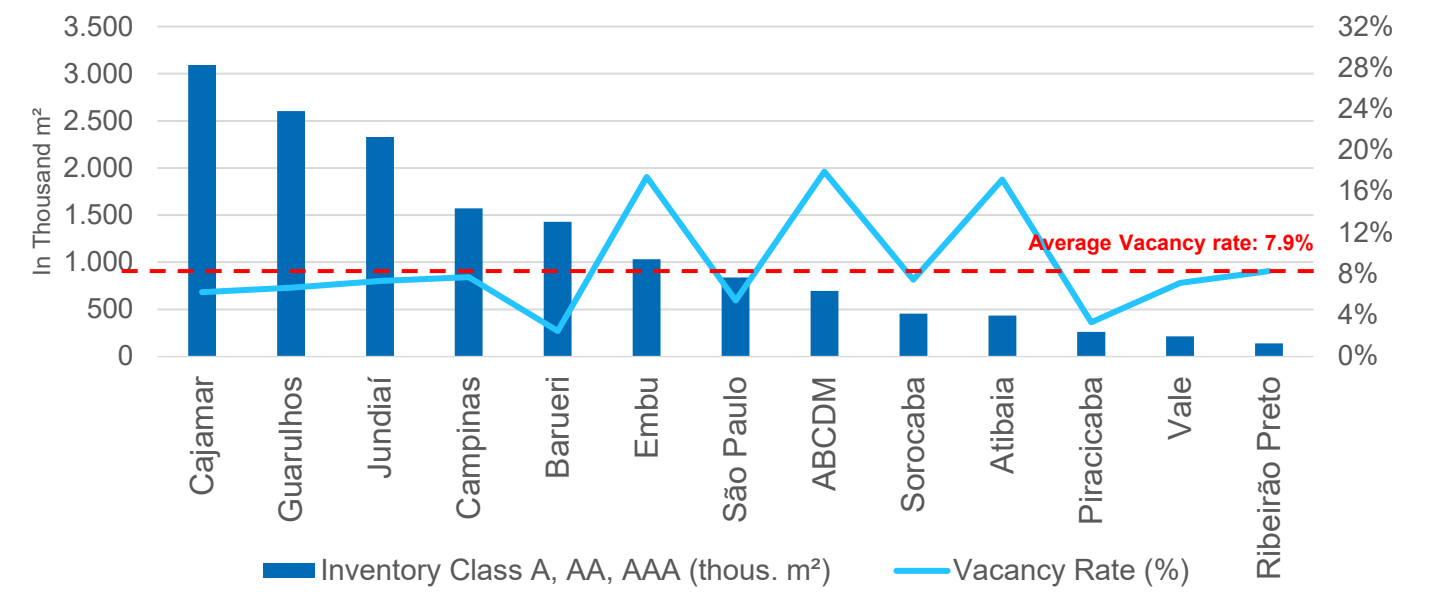
Existing Vacant Rate vs. New Inventory in Construction per Submarket (sqm) – Class A, AA and AAA, forecasted to 2024



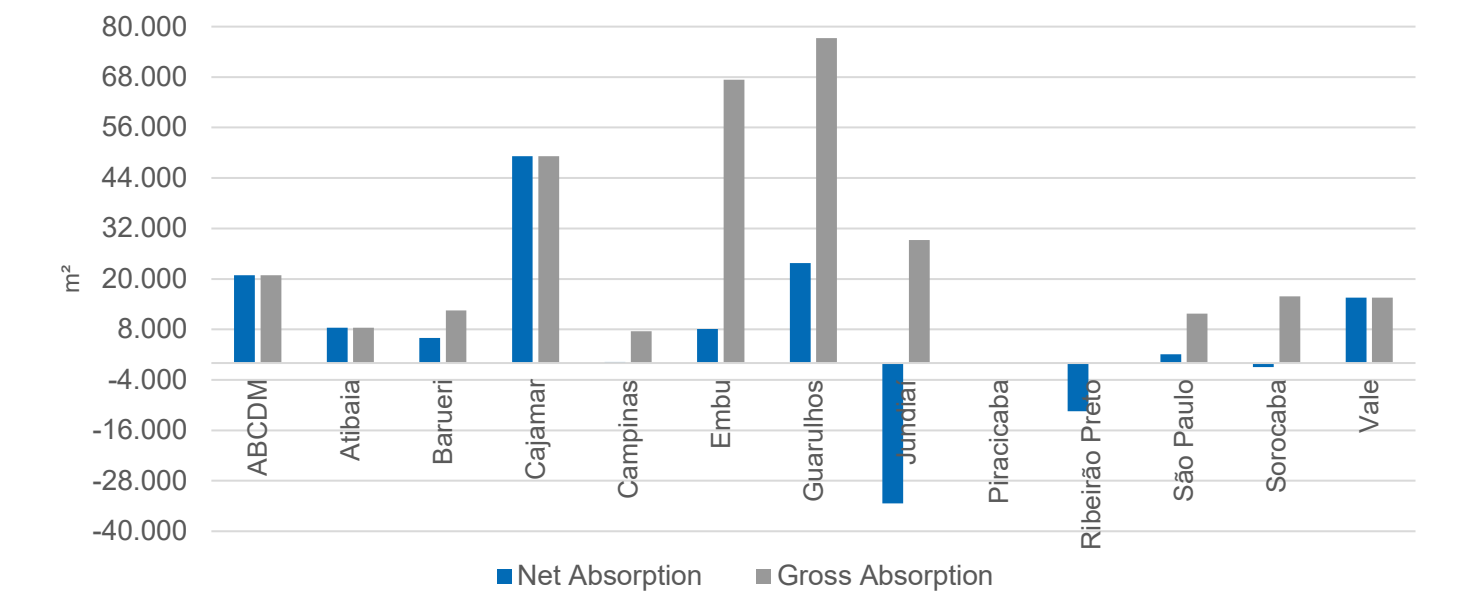
Source: Newmark Brasil – Market Research

Submarket Analysis

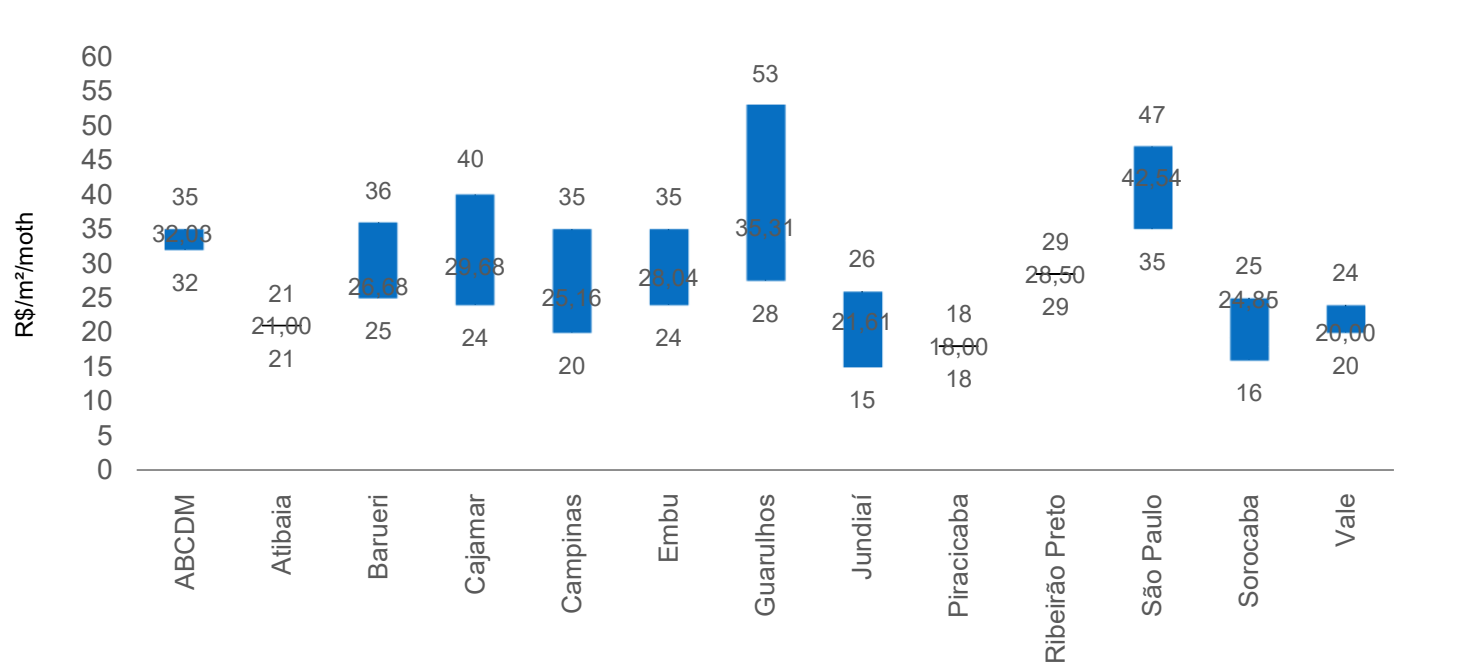
Inventory vs. Vacancy Rate



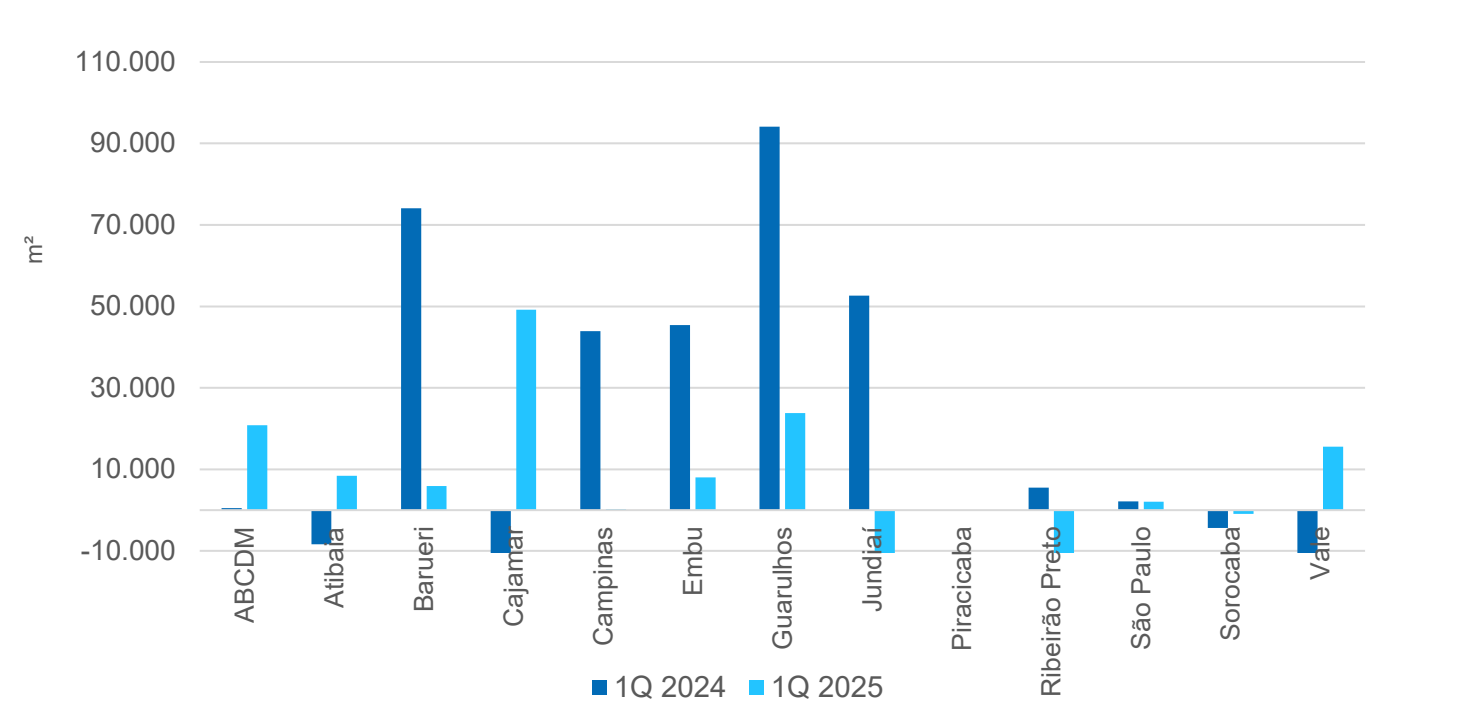
Net and Gross Absorption per Submarket



Minimum, Average and Maximum Asking Rent (R\$/sqm/month)



Net Absorption – Y-o-Y Variation



Source: Newmark Brasil – Market Research

The background of the slide is an abstract architectural photograph. It features large, light-colored concrete beams and walls. In the center, there are panels with horizontal slats, through which warm, golden light is streaming, creating a pattern of light and shadow. The overall composition is geometric and modern.

For more information,
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