



Market Overview:
Rio de Janeiro

4Q25

Key Takeaways

Leasing activity for high-grade corporate office buildings in Rio de Janeiro remains slow, with elevated vacancy rates, reflecting high available supply and a less diversified demand base.



The Rio de Janeiro office market recorded a decline in leasing activity in the fourth quarter.



Limited construction activity restrains supply growth, contributing to the market's gradual rebalancing.



The stabilization of asking rental prices observed in recent quarters may signal the end of the adjustment cycle.



The outlook points to a gradual recovery, with vacancy stabilizing and rents holding firm, supporting selective medium-term strategies.

Sao Paulo Market Observations

Economy

- Moderate growth in 2025, with localized slowdowns. For 2026, the UN projects 2.7% expansion, amid trade and geopolitical uncertainties.
- Eurozone growth remains subdued, China is slowing in specific sectors, and emerging markets show heterogeneous performance, despite global economic resilience.
- Brazil's economy lost momentum in the second half, but GDP is expected to grow between 2.2% and 2.4% in 2025. The 2026 forecast was revised up from 1.5% to 1.6%. Inflation has eased but remains above target, with slow convergence.
- The exchange rate is expected to remain stable, with the dollar between BRL 5.65 and 5.70. The labor market remains solid, though moderating, and Copom kept the Selic rate at 15.00%, reinforcing a cautious stance amid elevated uncertainty and its commitment to inflation convergence.



Market Indicators

- Net absorption in 4Q totaled 15,000 sq m, while gross absorption reached 27,000 sq m. For the year, gross absorption amounted to 129,000 sq m and net absorption to 57,500 sq m, representing declines of 18% and 42%, respectively, compared to 2024.
- Vacancy rate remained largely stable, closing the year at 25%.
- Average asking rent closed at BRL 78/sq m/month, broadly stable compared to the previous quarter.

Transactions

- Occupied area saw a slight increase across most submarkets, with Centro, Porto Maravilha and Barra da Tijuca standing out.
- Leasing activity was predominantly driven by the public sector and oil & gas companies.
- Average asking rents were slightly above the citywide average in the central business districts, reaching BRL 79.4/sq m/month, with Zona Sul, Botafogo and Centro standing out as the most expensive leasing markets.



4th Quarter Highlights

- Leasing activity in Rio de Janeiro's office market declined on a quarterly basis, highlighting the persistence of a low-demand environment for high-grade office space in the city.
- Low construction activity is expected to limit supply growth, supporting a gradual market rebalancing, although vacancy rates remain elevated.
- The stabilization of rental prices suggests the market may be approaching the end of a prolonged adjustment cycle.

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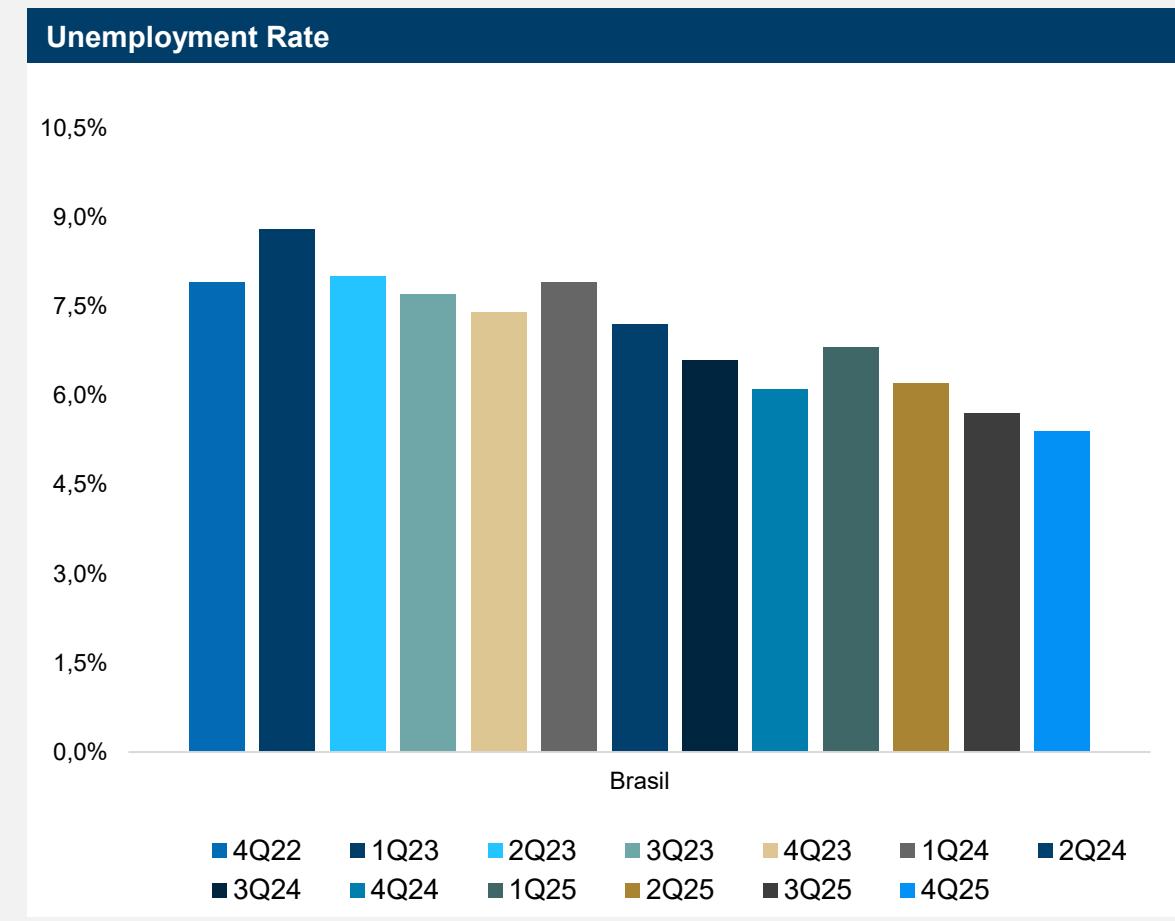
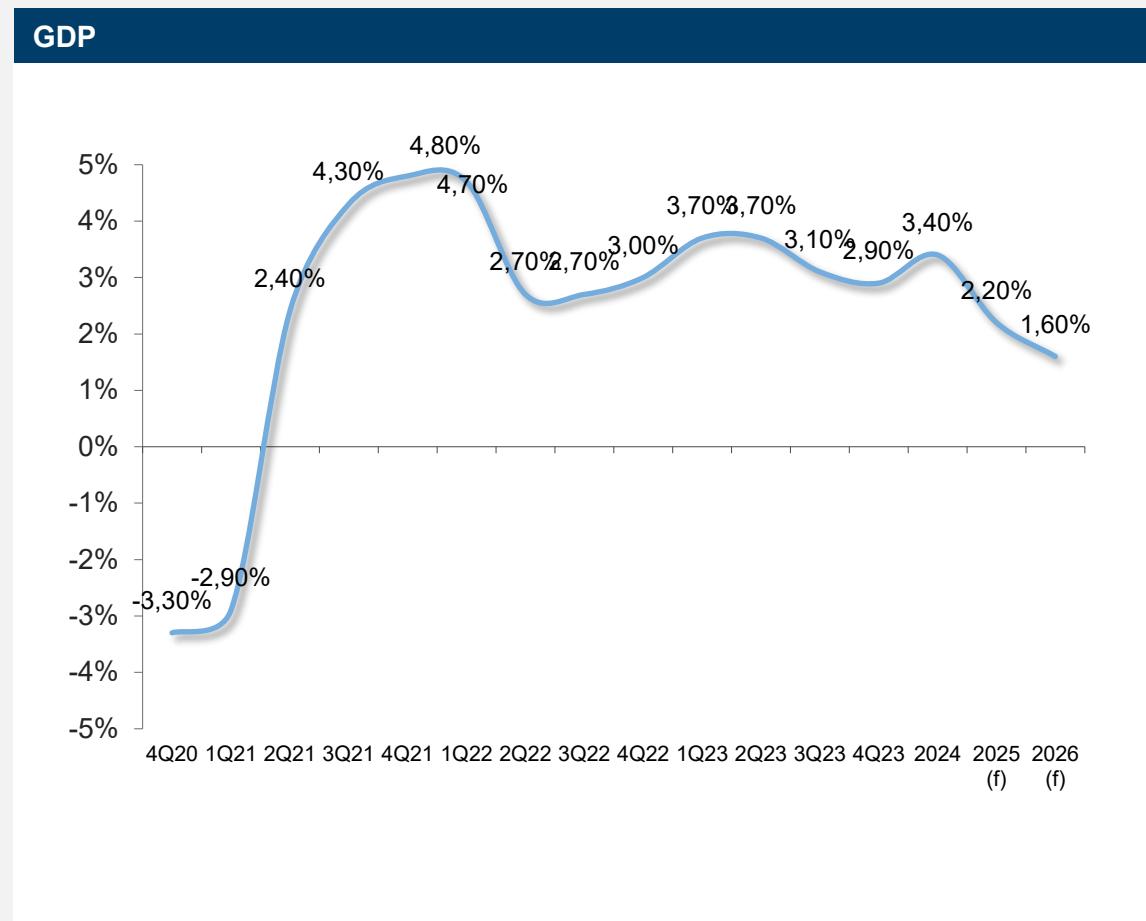
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Economy



Economy

In Brazil, the fourth quarter and full-year 2025 were marked by weak economic momentum. According to IBGE, GDP grew 0.1% in the third quarter, with a sharper slowdown on the demand side, particularly in household consumption. Still, projections point to GDP growth between 2.2% and 2.4% in 2025, while the 2026 forecast was revised up from 1.5% to 1.6%. The labor market remains solid, with unemployment at historically low levels in 2025, although signs of moderation are emerging in job creation and wage growth.

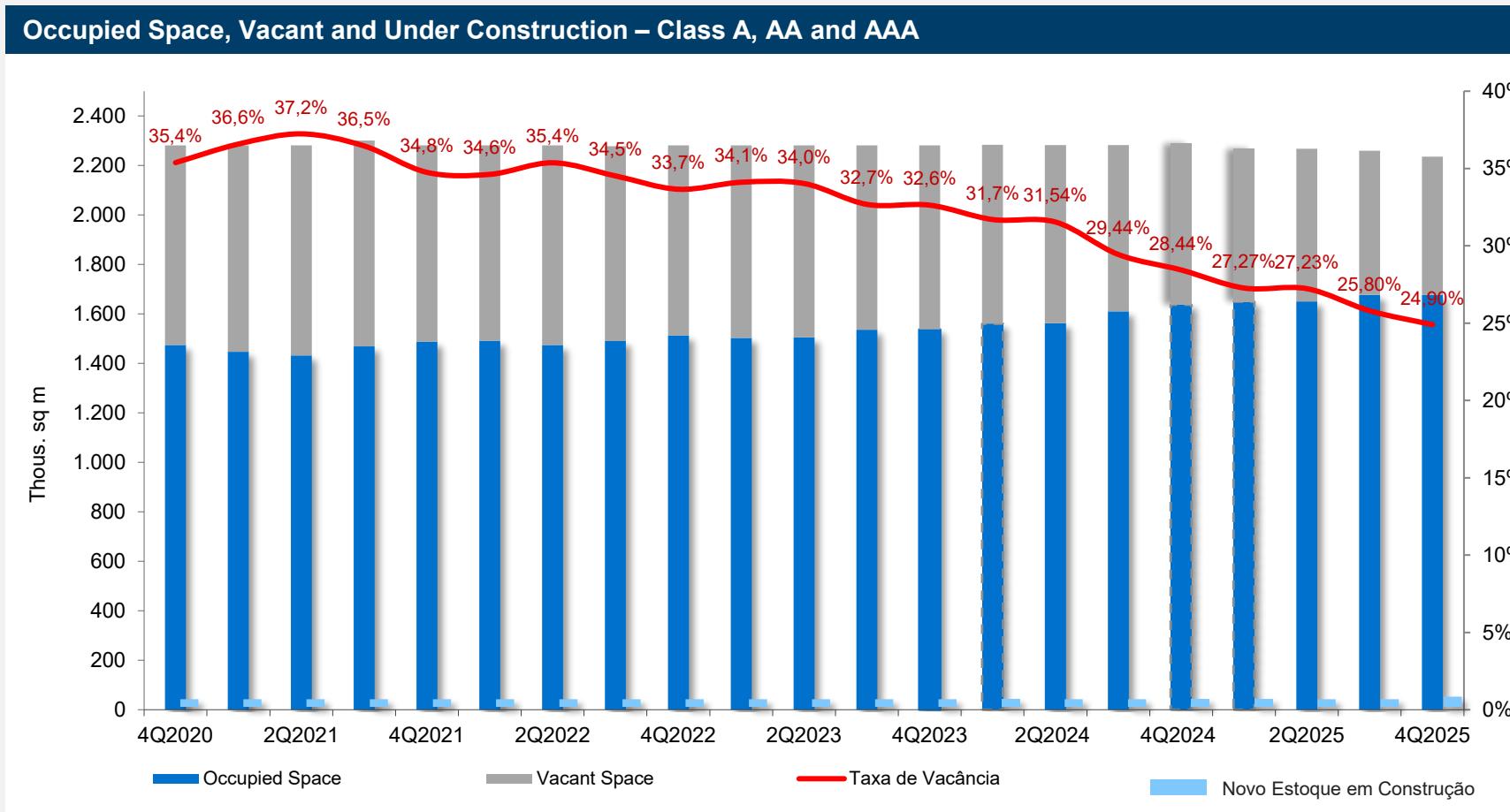


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Leasing Market Fundamentals



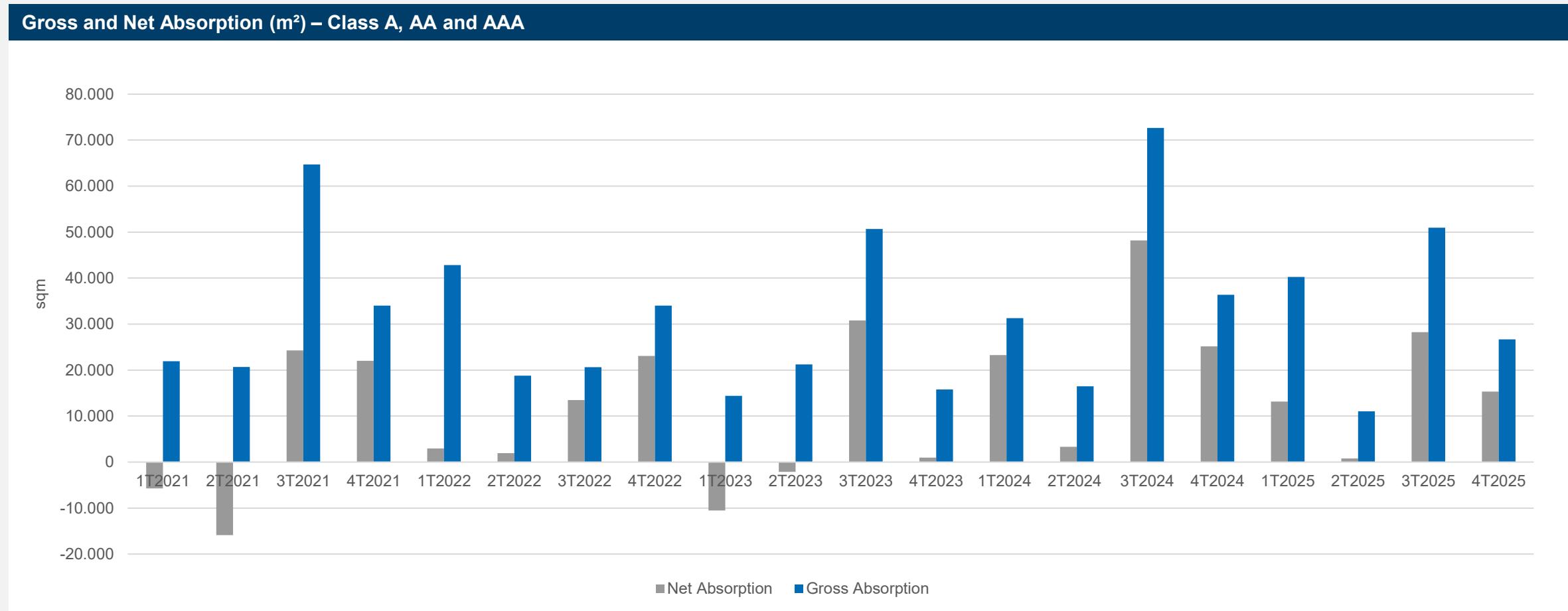
Supply and Demand Overview



- The market remains at a slower pace, with still constrained demand and high vacancy rates, reflecting elevated available inventory and limited demand diversification.

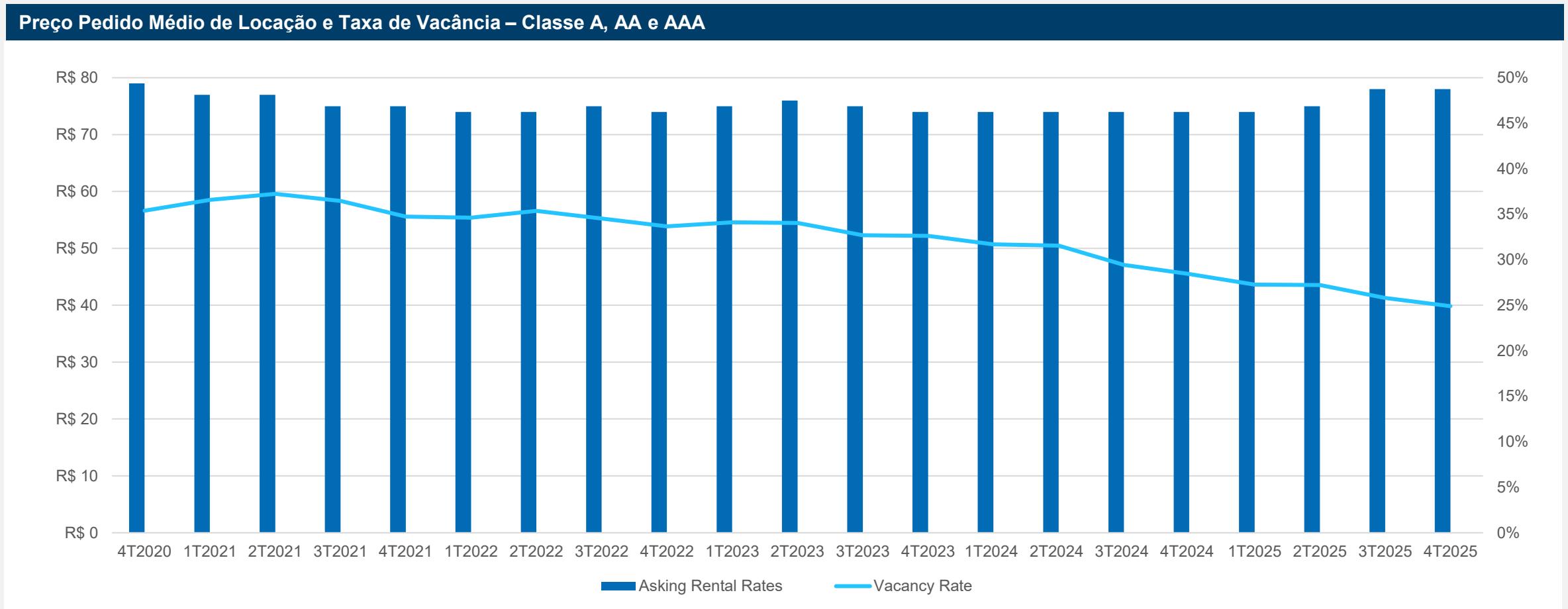
Demand Remains Weak

Leasing activity declined, reflecting continued low demand for high-end offices spaces in Rio de Janeiro.



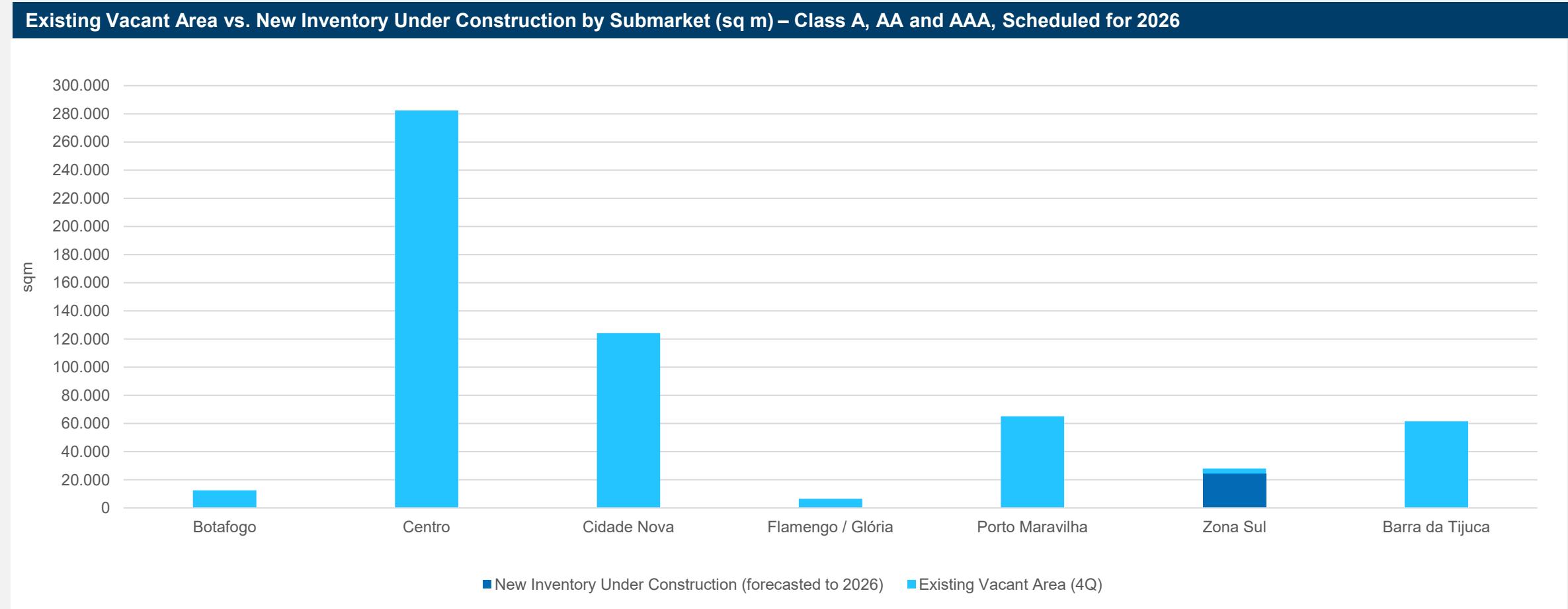
Asking Rental Prices Remain on an Upward Trend

The average asking rent closed at BRL 78/sqm/month, virtually stable quarter-over-quarter and 5.5% higher year-over-year.

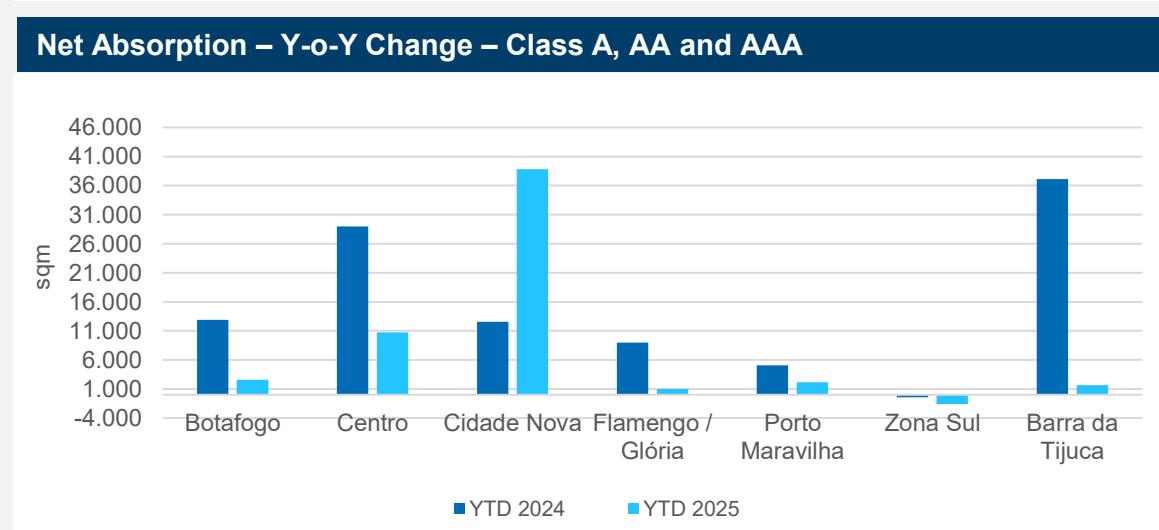
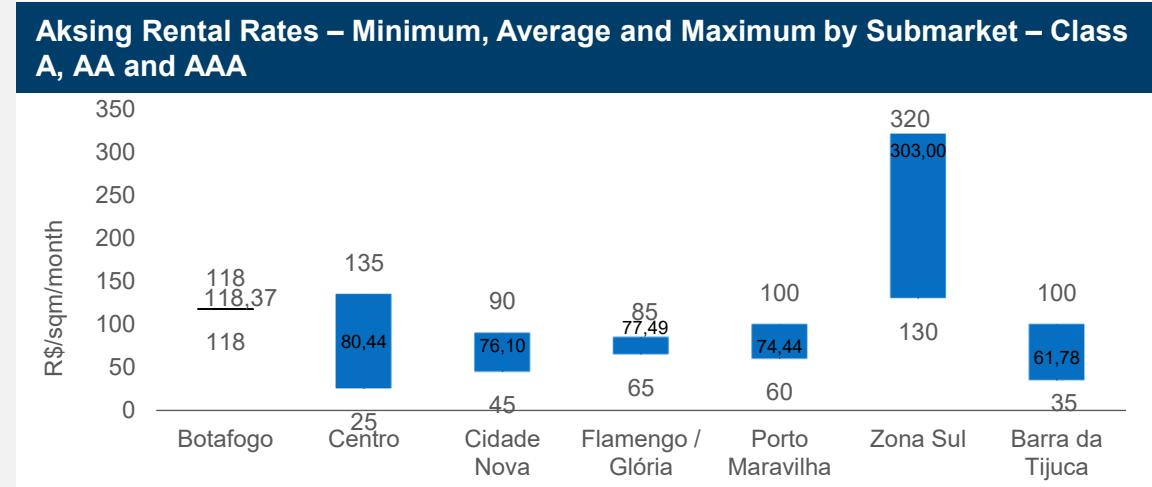
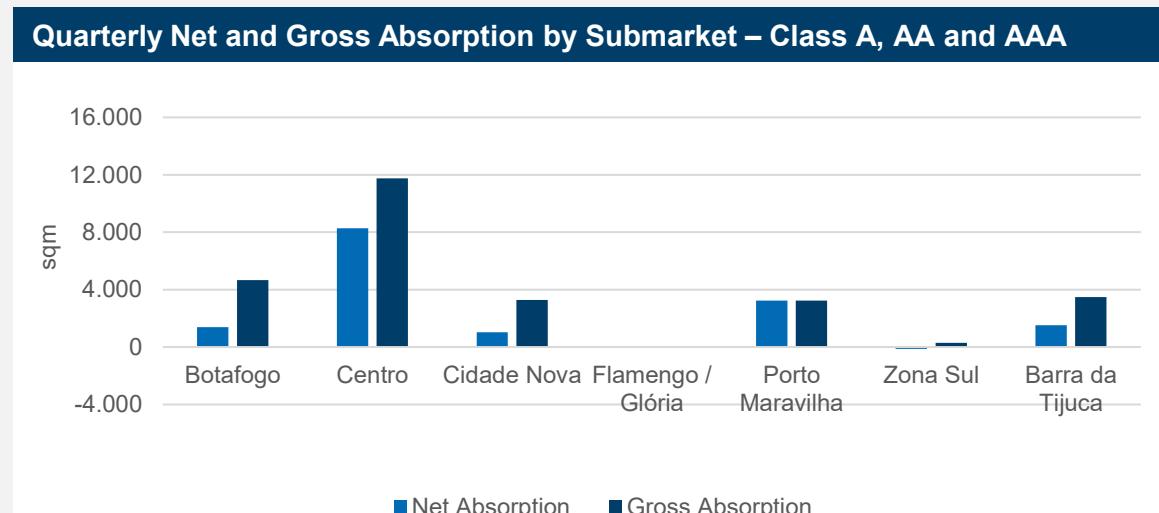
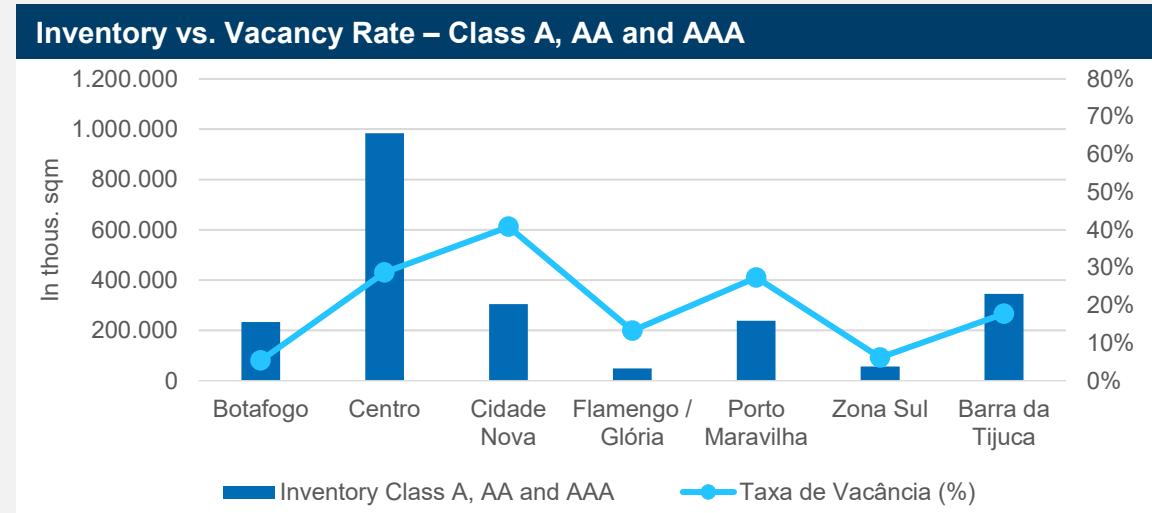


New Inventory Forecasted

The new inventory under construction scheduled for 2026 is concentrated in areas of strong demand and limited existing supply, and is not expected to pose an oversupply risk.



Market Indicators by Submarket





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