

BUENOS AIRES OFFICES

Economic indicators

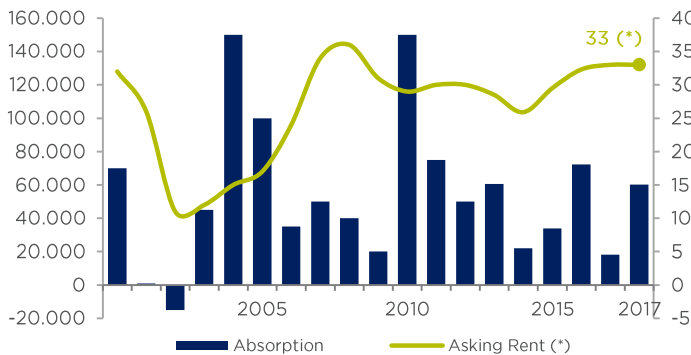
	Q4 16	Q4 17	12-Month Forecast
Unemployment rate (Q3)	8,5%	8,3%	▬
GDP variation (Q3)	-3,7%	4,2%	▲
Inflation index YTD	43,4%	22,9%	▼

Market indicators (Class A)

	Q4 16	Q4 17	12-Month Forecast
Overall vacancy	5,8%	3,6%	▲
Net absorption (sq. m) YTD	72.280	60.240	▬
Under construction (sq. m)	319.360	415.670	▲
Average asking rent (*) (USD/sq. m/month)	32,3	33,0	▬

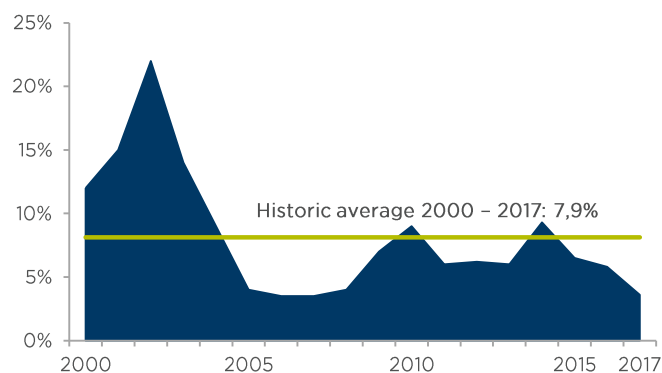
(*) corresponds to average of submarkets Catalinas-Plaza Roma and Retiro-Plaza San Martín.

Net absorption (sq. m) / Asking rent (USD/sq. m/month) (Class A)



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

Overall vacancy (%) (Class A)



Economic Outlook

At the economic level, indicators continue showing positive trends. Public investment is playing an important role in the economic recovery but it is also true that the expansion of the banking credit has encouraged the private consumption and helped the real estate sector.

By the end of the third quarter of 2017, GDP grew by 4,2% compared to registers in the same period of 2016 and is expected to close the year at 3,5%. The inflation rate is also showing an improvement but at a slower pace than expected by the government, accumulating 22,9% until November, figure above the BCRE declared objective at the beginning of the year (12-17%).

The household consumption is starting to gain momentum in a context where the consumers have more confidence but are also affected by the recent rise of the US dollar.

Politically, the victory of officialism in the legislative elections of October consolidated support for the Government and has facilitated the fiscal arrangement with the regional governors which aims to reduce the fiscal deficit, limiting public spending and eliminating taxes which affect the country's competitiveness.

There are two major challenges for the future: reduce the public deficit and improve economic competitiveness which will involve negotiations with the trade unions and companies from different sectors.

Market Outlook

During the year 2017, the demand reinforced its preference for new Premium spaces contributing to rapid occupation of new inventory.

The annual accumulated absorption had risen to 92.000 sq. m. 80% corresponds to transactions carried out in CBD area, 58% of them belong to Catalinas-Plaza Roma submarket.

However, during the last quarter of the year, less transactions were registered in comparison with the rest of the year.

This year, the net absorption was of 60.200 sq. m; figure 16,7% lower than the registered in the previous year. The delay in the delivery of Open Office 1000 (12.850 sq.m) located in Libertador GBA corridor and pre-rented by the coworking company We Work, contributed significantly to reducing the net absorption.

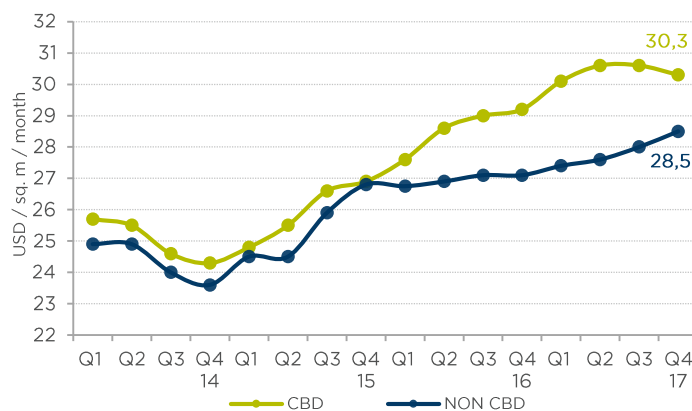
By submarkets, stands out the activity of the Catalinas-Plaza Roma which concentrated 58,4% of the annual net absorption while Puerto Madero submarket took second place with 17% of the total amount.

THE VOLUME OF UNDER CONSTRUCTION AND PROJECTED SPACES IN NON CBD REFLECTS THE GROWTH POTENTIAL OF THE AREA

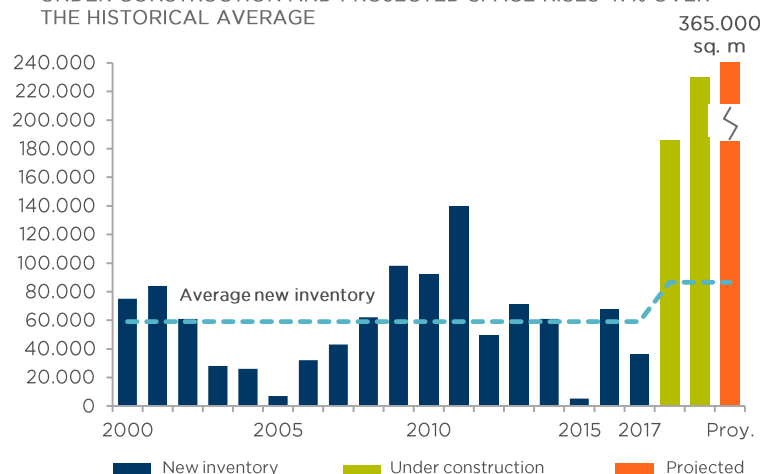
The vacancy rate remains unchanged and low (3,6%) distributed in 25 buildings, which implies a ratio of only 1.700 sq. m available in each of them. Also, in NON CBD area, Libertador CABA corridor, GBA and Nodo Panamericana-General Paz do not have any Premium spaces available for the past 6 months.

During the period 2018-2019, 415.650 sq. m which are currently under construction, are expected to be delivered (57% in NON CBD area). Regarding projected spaces; 79% of the surface is located in NON CBD area, representing an inventory growth of 95%.

Class A asking rent (USD/sq. m/month) CBD / NON CBD
THE ASKING RENT IN CBD AREA INCREASED A 5% DURING THE LAST YEAR



New inventory (sq. m) / Projected surface (sq. m)
UNDER CONSTRUCTION AND PROJECTED SPACE RISES 47% OVER THE HISTORICAL AVERAGE



SUBMARKET	INVENTORY CLASS A	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	AVERAGE ASKING RENT (USD/SQM//MONTH)	UNDER CONSTRUCTION (SQM)	PROJECTED (SQM)
Catalinas-Plaza Roma	339.650	13.000	3,8%	37,0	75.020	39.900
Puerto Madero	243.170	13.270	5,5%	31,5	32.000	30.300
Microcentro	68.910	710	1,0%	26,0	23.500	-
Retiro-Plaza San Martín	77.445	2.180	2,8%	30,0	-	-
9 de Julio	73.990	905	1,2%	28,0	13.800	-
Centro Sur	24.160	-	-	nd	35.000	19.500
CBD	827.325	30.065	3,6%	30,3	179.320	89.700
Corredor Panamericana	200.050	11.900	5,9%	26,0	59.450	65.880
Nodo Panamericana - General Paz	62.850	-	-	28,0	55.360	134.560
Libertador GBA	75.875	-	-	30,0	46.675	74.830
Libertador CABA	12.385	-	-	30,0	62.000	-
NON CBD	351.160	11.900	3,4%	28,5	223.485	275.270
BUENOS AIRES TOTAL CLASS A	1.178.485	41.965	3,6%	29,4	402.805	364.970

MARKETBEAT

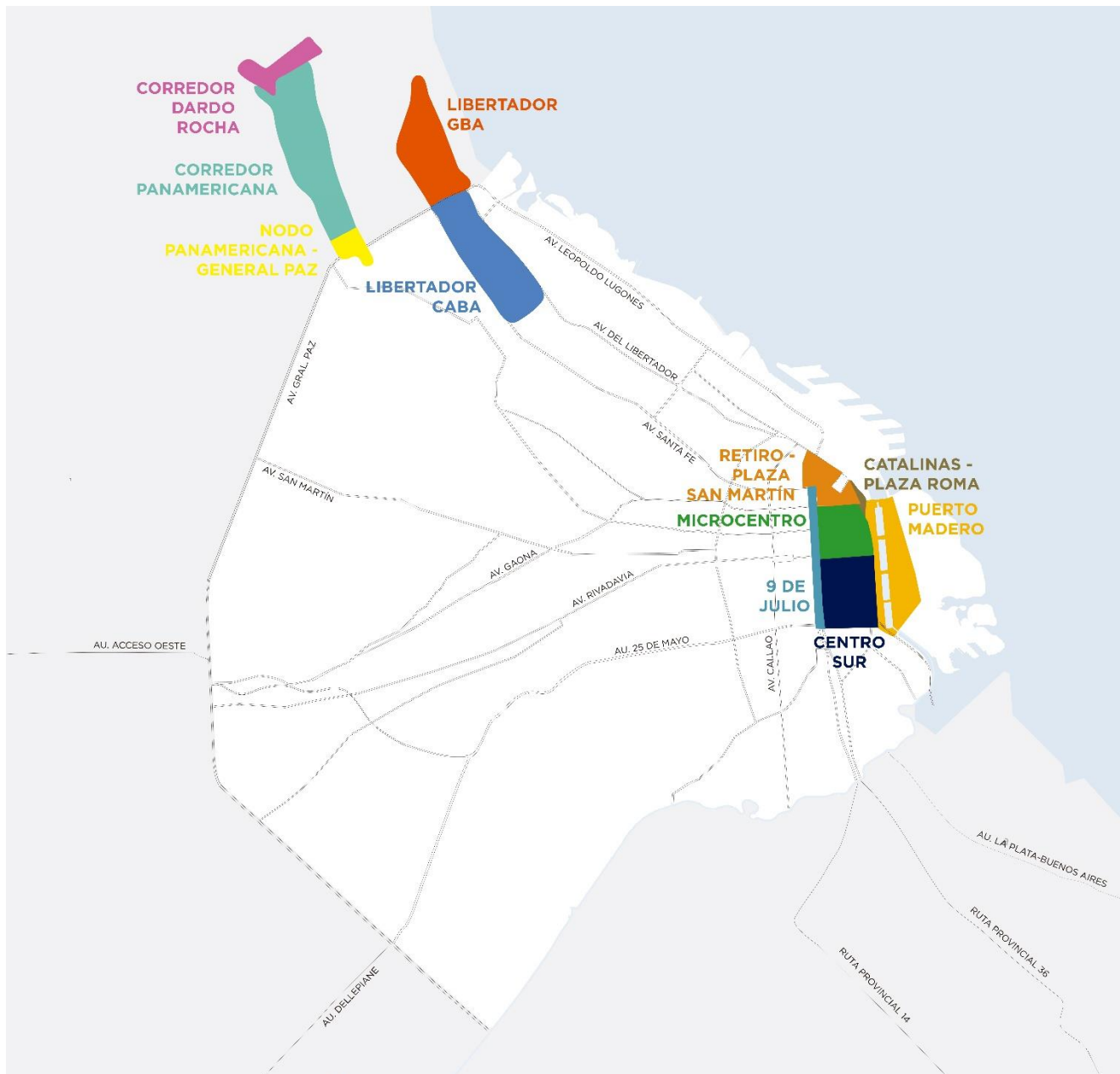
Buenos Aires

Office Q4 2017



OFFICE MARKET MAP WITH SUBMARKET DIVISION

BUENOS AIRES / ARGENTINA



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