

Brazil: Opportunities in Real Estate Development, Investment, and Finance

**ULI - Urban Land Institute
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TishmanSpeyer Método

Tishman Speyer's Brazilian Venture

Tishman Speyer Método

- 1995 – Tishman Speyer enters into a joint venture with Método Engenharia S.A
- 1996 – Acquisition of Torre Norte's land
- 1997 – Acquisition of Duratex site
- 1998 – Sale of Duratex site to Marriott
- 1999 – Completion of Torre Norte
- 2000 – Acquisition of Rochaverá Site
- 2001 - Acquisition of Rio Site



Tishman Speyer's Brazilian Venture

Tishman Speyer Método

- **2001 - Great accomplishments in a volatile year**
 - **Rochaverá construction begins**
 - **Brought in Deutsche Bank as 1/3 equity partner**
 - **Site Acquisition in downtown Rio de Janeiro**
 - **North Tower Real Estate Investment Fund**



Rochaverá Plaza



Rochaverá Plaza

Location: Marginal Pinheiros - São Paulo

Project:

- ✓ Land for 1.2 million rsf office development including four buildings to be completed in 3 phases
- ✓ Largest office project in Latin America
- ✓ Total Investment - U\$ 200 MM
- ✓ Co-generation Plant



Rio de Janeiro



Rio de Janeiro



Rio de Janeiro

Location: Downtown Rio de Janeiro, Brazil

Project:

- ✓ **Site for 1 million rsf office development in 2 phases.**
- ✓ **“Permuta” with University of Rio**
- ✓ **Total Investment – U\$ 130 MM**
- ✓ **Hired KPF to work with Aflalo & Gasperini to develop a signature building**



Foreign Capital flows in Real Estate

➤ 1990-95: *Joint Ventures*

- Tishman Speyer and Método
- Goldman Sachs and Multiplan
- IRSA and Cyrela



➤ **1996-98: *Capital Markets***

- **Brazil Realty - IPO**
- **Rossi - IPO**
- **Brazil Realty - Eurobond**
- **Birman - Morgan Stanley**
- **Rossi/BBA - Securitization**
- **Método and Credit Suisse First Boston**



➤ **1998-02: *Direct Investments***

- **Deutsche Bank - Rochaverá**
- **CADIM - Paulo Otávio (Brasília)**
- **Sonae - Shopping Centers**
- **Pestana - Hotels**

Joint Ventures

- **Prudential and Icatú: Atlântica**
- **CADIM and Ourinvest: Brazilian Capital**
- **Cargill and Inpar**
- **etc.**

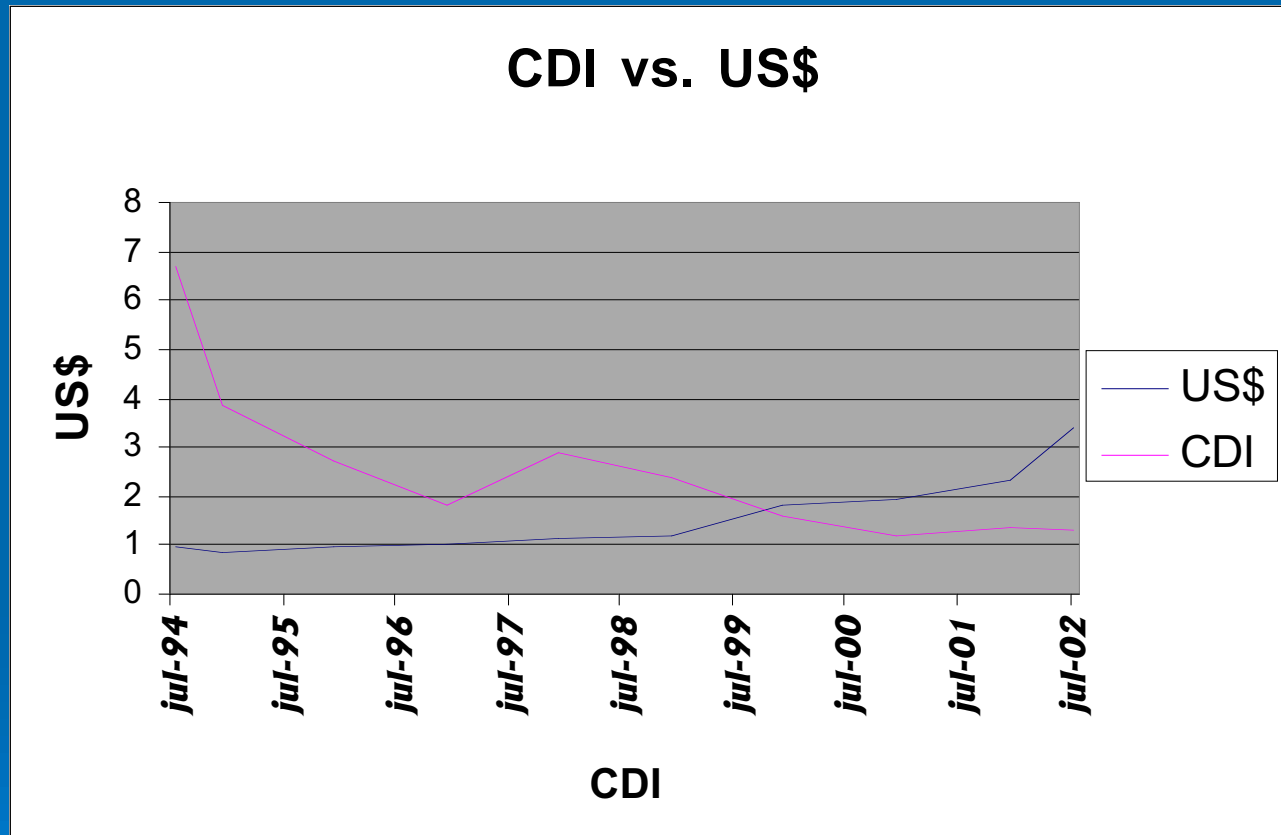


Brazil: Attraction Factors

- Brazil market offers excellent returns if risks are appropriately addressed
- Real Estate is viewed as natural hedging tool against currency fluctuation
- Momentum towards an upgrade in property standards
- Mature market alternatives: Securitization and REITS
- Increasing market professionalism



Historic Data CDI vs. US\$



$CDI/\$ = 260\%$

$CDI = \$ +14\%aa$

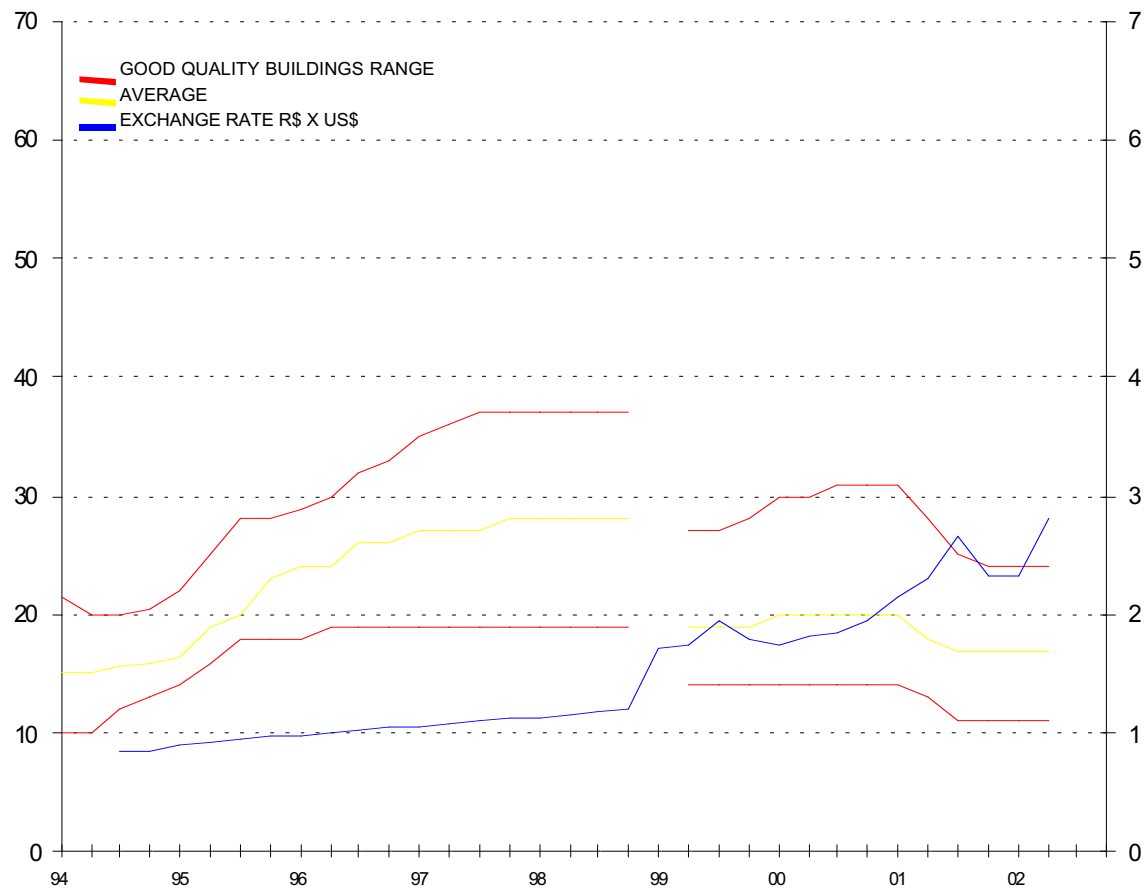


Rent Values

RENT VALUES - DECENTRALIZED REGION

US\$ / m² USABLE
EXCEPT PARKING SPACES

Official
R\$ x US\$



Source: CB Richard Ellis