

YoY  
Chg

12-Mo.  
Forecast

**14.7%**  
Vacancy Rate



**3,314**  
Net Absorption, (Sqm) Q2 2020



**\$16.4**  
Asking Rent, (USD/ Sqm/Month)



#### ECONOMIC INDICATORS Q4 2019

YoY  
Chg

12-Mo.  
Forecast

**13.1%**  
Unemployment Rate  
(Mar/Apr/May)



**-40.5%**  
GDP Variation  
(Apr 2020)



**1.4%**  
Inflation Index YTD (\*)



(\*) Source: National Statistical and Informatics Institute (INEI)

#### MARKET OUTLOOK:

During the second quarter of the year, the vacancy rate for Class A offices had no significant change, closing at 14.7%. In addition, the available leasable area decreased by just 1% compared to the first quarter of the year. Due to the beginning of the quarantine period, the projects that were under construction stage had to suspend all works, therefore, during this quarter no new office project was delivered.

In this scenario, San Isidro Financiero is the submarket that has the largest available leasable area (73,070 sqm) with a vacancy rate of 13.7%, followed by Santiago de Surco (71,145 sqm) with 20.8%. The submarkets whose vacancy rates changed significantly were Chacarilla with a 65% decrease in its available area and San Isidro Empresarial, with an 18% increase. The other sub-markets have maintained vacancy levels compared to last quarter, this means that, currently, this indicator does not yet fully reflect the behavior of market players in this specific moment.

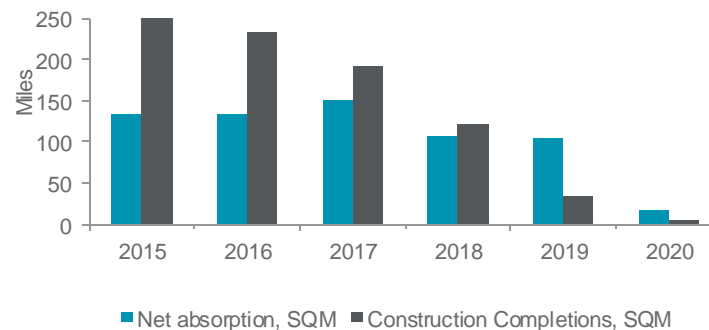
#### SUPPLY AND DEMAND:

At the end of the first semester of the year, the net absorption is 3,314 sqm, although it remains to be a positive number, the result was 75% lower than that reflected in the last quarter and 79% lower than the same quarter last year. The health and safety measures taken by the government due to the current scenario, forced companies to pause in decision-making regarding the occupation of offices and start an adaptation process according to the circumstances. By sub-markets, San Isidro Empresarial, Miraflores and Santiago de Surco reflected a negative absorption, that is, an increase in the vacant area compared to the occupied area. However, the other sub-markets maintained a positive net absorption, led by Chacarilla with 5,306 sqm

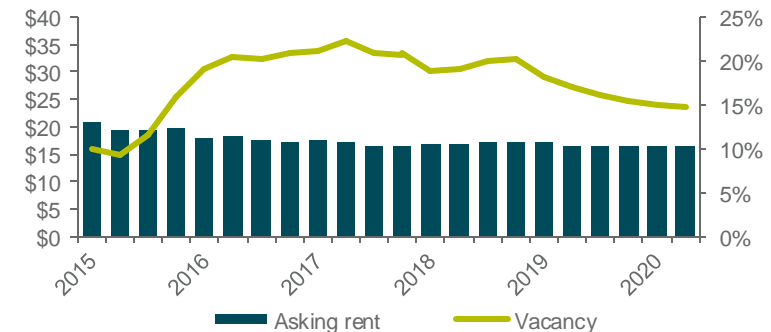
#### PRICING:

Before the beginning of the pandemic, the expectation was a progressive upward trend for the asking rent as a consequence of the natural dynamics of the market and the decrease in the vacancy rate; however, the current scenario has resulted in the average asking rent remaining stable compared to the previous quarter with \$ 16.4 per sqm, which does not demonstrate a significant change. San Isidro Empresarial is the submarket that still maintains the highest asking rent of \$ 19.4 per sqm and the lowest asking rent corresponds to Santiago de Surco (\$ 14.8 per sqm), a submarket that still maintains a vacancy rate above 20%.

#### SPACE DEMAND / DELIVERIES



#### OVERALL VACANCY & ASKING RENT (\*)





## ECONOMIC OUTLOOK

The COVID-19 pandemic has significantly changed the global and national economic landscape. The first manifestations of this change in the Peruvian economy were reflected in the drop in commodity prices and the disruption of global value chains due to the impact of COVID-19 in China at the beginning of the year. Access the latest and most specific information from COVID-19 [here](#).

Although in recent years, Peru has been one of the strongest economies in the region, a situation that has allowed it to have solid economic support, the impact on GDP (-40.5%, April 2020), reflects other social problems yet to be improved, which had an effect on the level of consumption. The suspension of work and the increase in unemployment (13.1%) generated a significant drop in the income of families and in the cash flows of companies, which limits the ability to fulfill obligations already contracted, such as example the workers' payment, rents, debts with suppliers, among others.

With the activation of the four phases to begin economic activities by the Government, the progressive recovery of the economy is expected, particularly from the third quarter of the year, which will mitigate the negative impact by the end of 2020 with a GDP projection of -12.5% and a totally positive recovery for 2021 of 11.5%

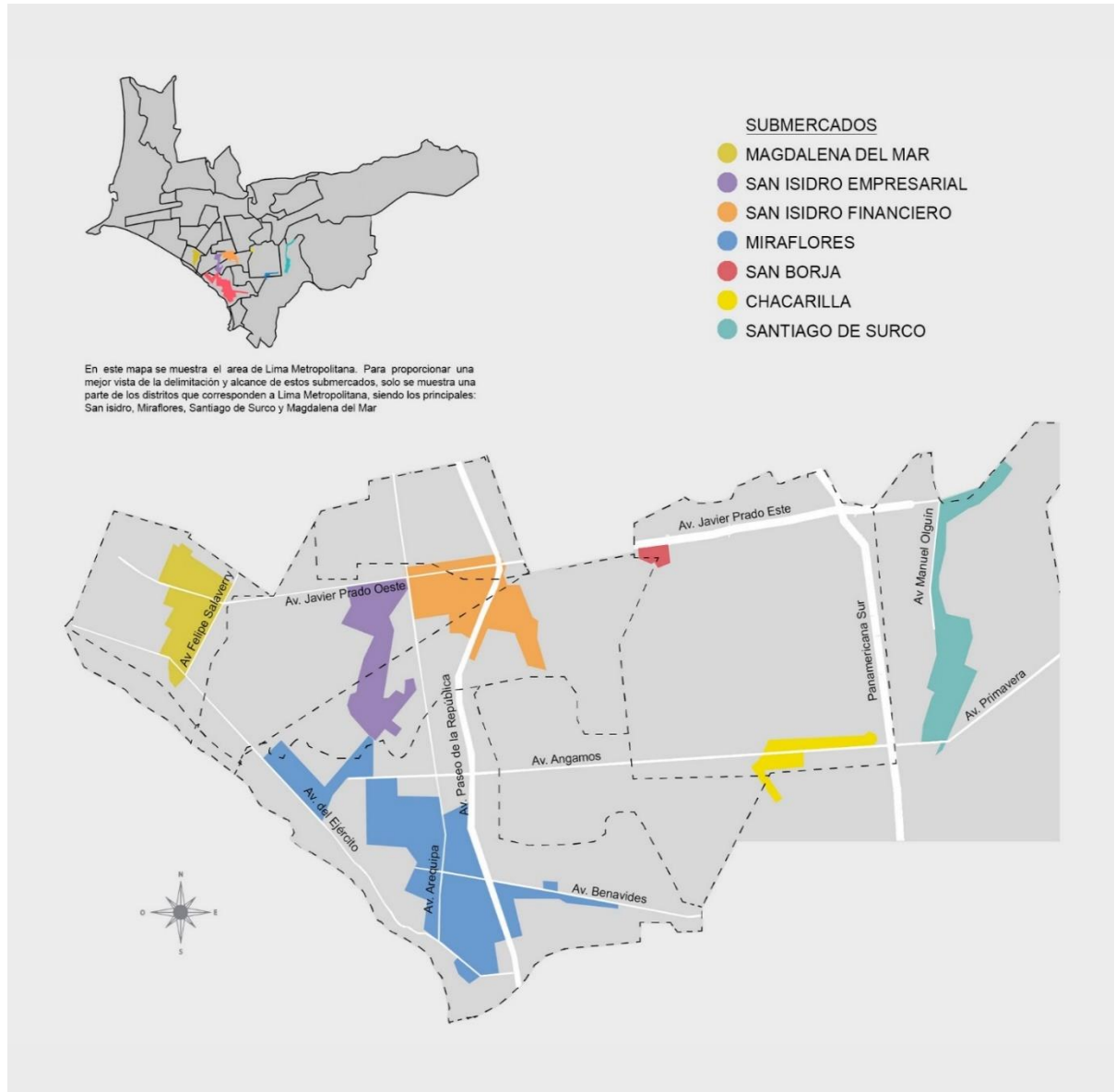
It is important to note that these projections represent a scenario where economic stability is preserved and the promotion of an adequate business and investment environment so that companies can adapt to a new environment where digitization, health protocols and innovations in processes will have a fundamental paper.

## FUTURE OUTLOOK

For the rest of 2020, 39,942 sqm of leasable area is expected to be delivered, however, due to the fact that the construction of the projects was paused, the delivery expectation was postponed for up to 3 months and those whose delivery date was established for the end of the year, moved to 2021.

Currently, 76,547 sqm are under construction until the end of 2021. 68 thousand sqm are the projects in the evaluation stage mainly located in San Isidro Empresarial, Miraflores and Santiago de Surco. It is important to maintain a conservative profile since the activities of the construction sector are being taken up progressively, maintaining the regulations indicated by the corresponding entities, despite the fact that it was one of the sectors included in the first phase of the revival of the economy. .

## OFFICE MAP WITH SUBMARKET DIVISIONS / LIMA / PERU





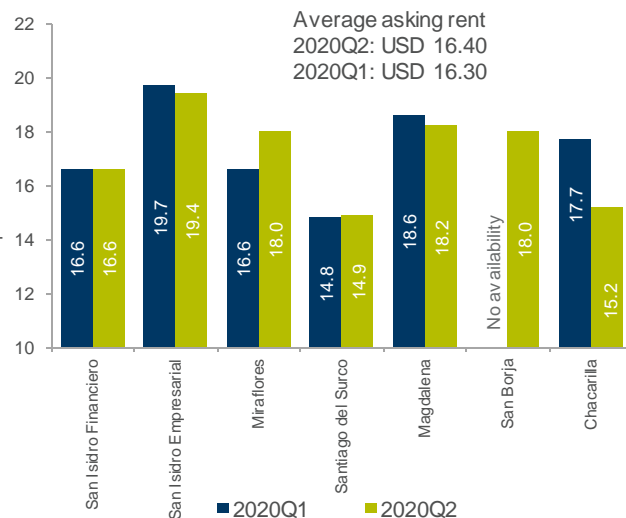
## MARKET STATISTICS

SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM) (*)	PROJECTED (SQM) (**)	OVERALL A/G ASKING RENT CLASS B (USD/SQMMONTH)	OVERALL A/G ASKING RENT CLASS A (USD/SQMMONTH)
San Isidro Financiero	533,150	38	73,070	13.7%	8,382	46,613	-	\$15.4	\$16.6
San Isidro Empresarial	235,174	31	27,703	11.5%	-606	-	33,908	\$16.3	\$19.4
Miraflores	221,972	22	23,548	10.6%	3,023	-	24,234	\$16.5	\$18.0
Santiago de Surco	342,305	19	71,145	20.7%	-629	29,934	10,088	18.6	\$14.9
Magdalena del Mar	171,564	11	25,264	14.7%	3,862	-	-	\$17.0	\$18.2
San Borja	35,588	4	350	1.0%	-350	-	-	\$18.7	\$18.0
Chacarilla	30,225	5	2,829	9.4%	4,712	-	-	\$15.9	\$15.2
<b>LIMA TOTALS</b>	<b>1,613,004</b>	<b>132</b>	<b>237,227</b>	<b>14.7%</b>	<b>16,919</b>	<b>76,547</b>	<b>68,230</b>	<b>\$15.6</b>	<b>\$16.4</b>

(\*) Surface under construction between 2019Q4 and 2021Q4

(\*\*) Surface projected from 2022Q1 forward

Nota: Some buildings were reclassified, for this reason the inventory of Class A buildings varies. However, the data remains comparable.

ASKING RENT  
(USD / Sqm / Month)NEW INVENTORY (Sqm)  
PROJECTED SURFACE (Sqm)

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