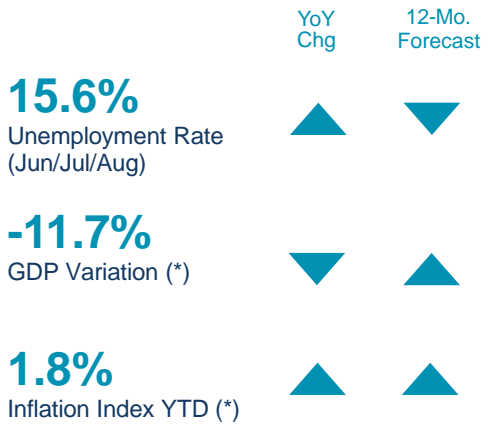


### ECONOMIC INDICATORS Q3 2020



Source: National Statistical and Informatics Institute (INEI)  
(\*) July 2020

### MARKET OUTLOOK:

According to the behavior the market has shown in recent months, at the end of the third quarter of the year the vacancy rate for Class A offices increased 1% -compared to the previous quarter- closing in 15.7%, which translates into an increase of more than 10,000 sqm in availability. At the beginning of the year, the expectation was that this indicator would have a downward trend; however, current circumstances have caused this trend to go the opposite way, similar to oversupply times; mainly due to the increase in the unemployment rate and the pause in occupation decisions of some companies.

In this context, all submarkets have been affected, Santiago de Surco is the submarket with the highest availability with 75,141 sqm and a vacancy rate of 22% (+ 2% compared to the previous quarter), followed by San Isidro Financiero with an availability of 73,384 sqm and a vacancy rate of 13.8%. On the other hand, San Isidro Empresarial is the submarket that has experienced the greatest increase in availability levels closing this quarter with 37,406 sqm available, 35% higher than the last quarter.

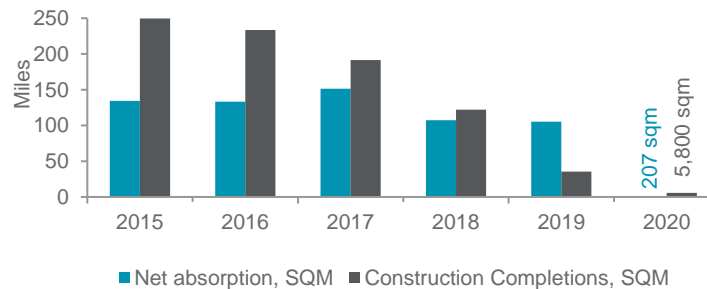
### SUPPLY AND DEMAND:

At the end of the third quarter net absorption closed at -16,712 sqm. This negative figure shows a higher vacancy of spaces, mainly due to the adjustment process companies are going through regarding the effective use of office space. In addition, we must consider that occupation rates were 54% lower than those registered in 2019 for the same period. Almost all of the submarkets in analysis showed negative absorption levels, specially San Isidro Empresarial that showed a net absorption of -9,703 sqm. It should be noted that this submarket has always been characterized for having the highest rental price average in the market and has maintained this level despite market changes. In this quarter, the delivery of any new project has not been registered, so the increase in availability only shows the changes in behavior of occupancy and vacancy for the current inventory.

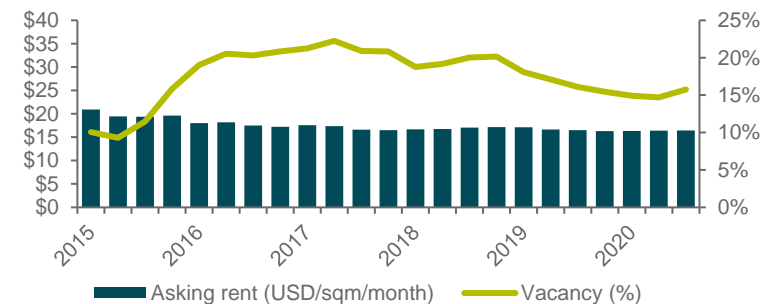
### PRICING:

Despite the current scenario and market adjustments, the requested rental price remains stable at \$ 16.4 per sqm, unchanged from the previous quarter. This stability is supported by the fact that part of the new availability that has been added this third quarter was quoted at rental prices above the average and, at the same time, some submarkets such as Magdalena del Mar adjusted their prices downwards, closing at \$ 17.7 per sqm, 3% less than last quarter, but still above average. Currently, Santiago de Surco is the submarket that still maintains the lowest asking price with \$ 14.9 per sqm and San Isidro Empresarial, the highest, with \$ 19.4 per sqm. It is necessary to highlight that, in this scenario, the adjustments in the asking rents are indicated within a negotiation between landlords and tenants, where also other additional contractual terms are being evaluated while looking / in order to achieve a balance that favors both parties.

### SPACE DEMAND / DELIVERIES



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



### ECONOMIC OUTLOOK

Economies around the world continue to adapt to the new reality in the face of the COVID-19 pandemic. Peru's economy has not been immune to these changes, showing contractions in its main indicators, caused by the measures of social distancing and mandatory isolation locally implemented by the Govern since mid-March to mitigate the spreading of the virus / COVID-19, and in the midst of an adverse international market panorama with significant lower external demand, deterioration in the prices of raw materials and high volatility in financial markets. Access the latest and most specific information on COVID-19 [here](#).

In the second half of the year, the Peruvian economy has begun to show signs of recovery compared to the negative results that were evidenced in the first semester. According to the Institute of Statistics and Informatics, in July, the last month of registration, the variation in GDP was -11.7%, 28 percentual points higher than that registered 3 months ago. With this, the economy will continue its acceleration process towards the end of 2020 and throughout 2021, when it's growth is expected to be around 10.0%, the highest rate since 1994. Some of the sectors that have recovered are Fishing with a positive variation of + 33.3%, and other sectors such as Mining and Hydrocarbons, Manufacturing, Commerce and Construction, still with negative variations (between -6% and -12%), are showing progressive improvements as they have started the phases of the resumption of economic activities. The last phase will begin the first days of October.

In recent years, the unemployment rate remained below 10%, however, the cessation of activities and isolation measures resulted in an increase of this indicator, which closed in August at 15.6%, around 9.8 % higher than the same period of 2019.

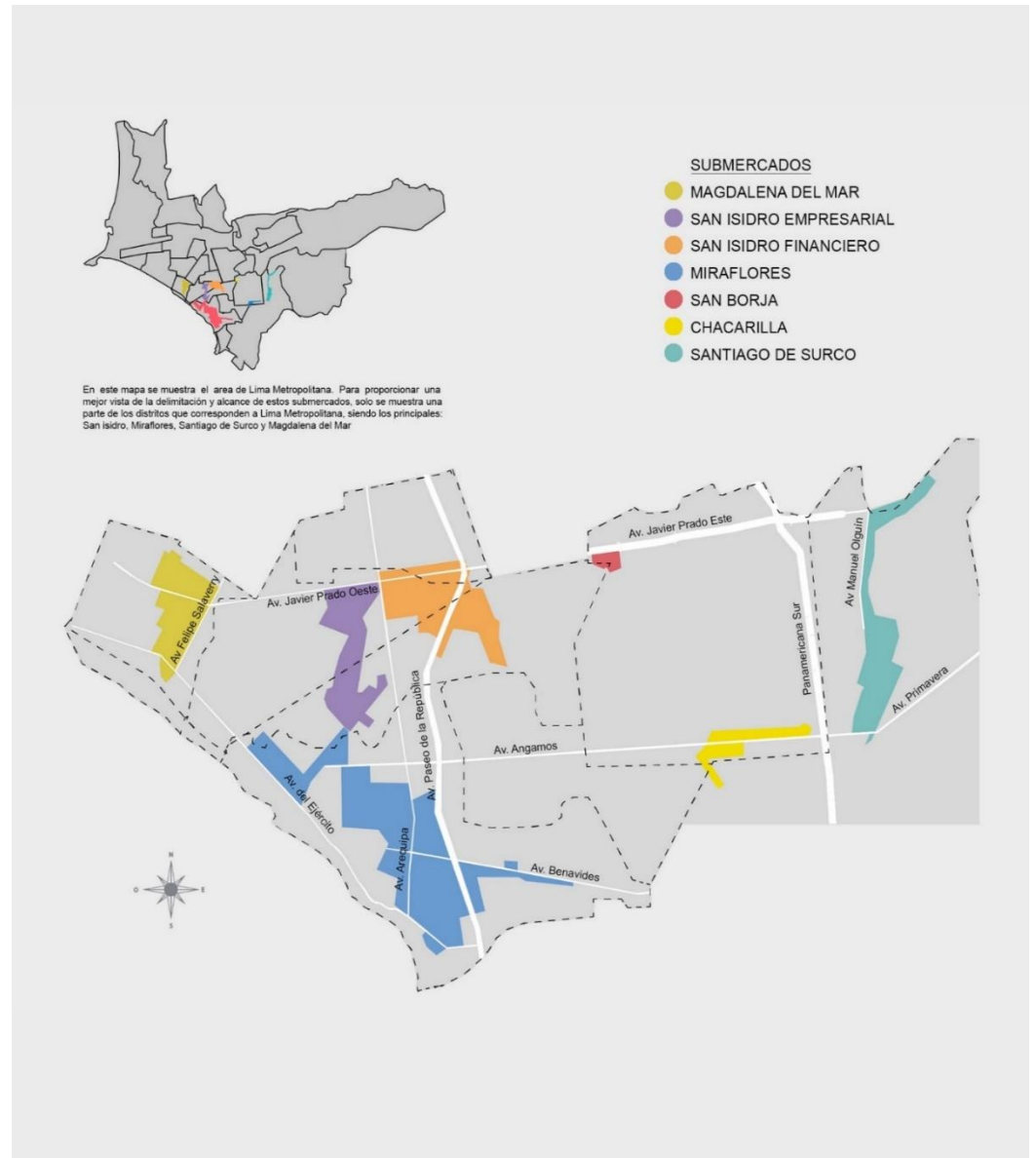
Finally, the office market is governed within the framework of rental prices in US Dollars, so that variations in this currency against the national currency (Sol) can influence the establishment of prices. At the end of this quarter, the exchange rate closed at S / 3.6 soles / USD, a figure that increased by 5.8% since March.

### FUTURE OUTLOOK

For the rest of 2020, 39,942 sqm of leasable area are expected to be delivered, however, the pause in the construction sector and the progressive resumption of activities, still does not guarantee the delivery of this surface and it may be delayed within the first half of 2021.

Currently 88,120 sqm are under construction until the end of 2021. The projects that have not yet begun construction or are in the evaluation stage total around 56 thousand sqm, and are located mainly in San Isidro Empresarial, Miraflores and Santiago de Surco. It should be noted that, to this set of buildings under construction or still in project, no new ones have been added in the last year, which reflects the conservative profile of the developers, in a framework to preserve healthy vacancy levels and, in this context, to have investment returns in the projected terms.

### OFFICE MAP WITH SUBMARKET DIVISIONS / LIMA / PERU



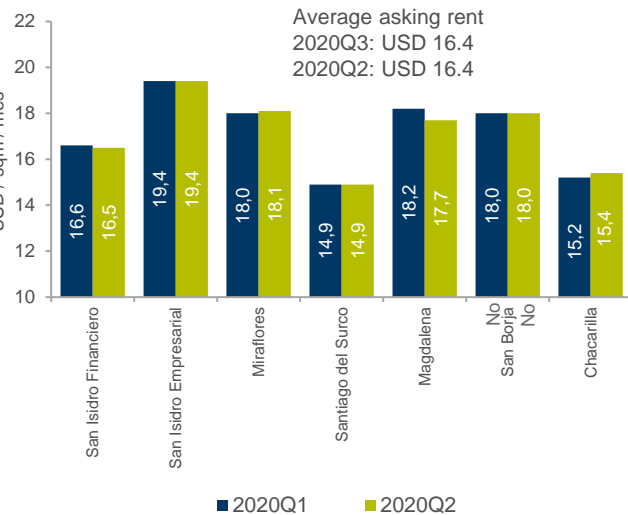


MARKET STATISTICS

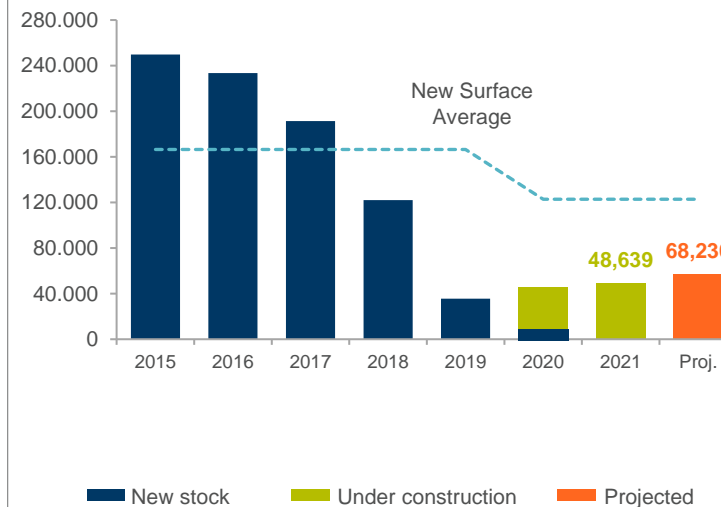
SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM) (*)	PROJECTED (SQM) (**)	OVERALL AVG ASKING RENT CLASS A (USD/SQMMONTH)	OVERALL AVG ASKING RENT CLASS B (USD/SQMMONTH)
San Isidro Financiero	533,150	38	73,384	13.8%	8,068	46,613	-	\$16.5	\$15.9
San Isidro Empresarial	235,174	31	37,406	15.5%	-10,309	11,573	22,335	\$19.4	\$16.0
Miraflores	221,972	22	24,375	11.0%	2,196	-	24,234	\$18.1	\$16.2
Santiago de Surco	342,305	19	75,141	22.0%	-4,626	29,934	10,088	\$14.9	\$18.6
Magdalena del Mar	171,564	11	26,047	15.2%	3,079	-	-	\$17.7	\$16.9
San Borja	35,588	4	350	1.0%	-350	-	-	\$18.0	\$18.4
Chacarilla	30,225	5	3,524	11.7%	4,024	-	-	\$15.4	\$15.9
<b>LIMA TOTALS</b>	<b>1,613,004</b>	<b>132</b>	<b>253,946</b>	<b>15.7%</b>	<b>207</b>	<b>88,120</b>	<b>56,657</b>	<b>\$16.4</b>	<b>\$14.9</b>

(\*) Surface under construction between 2020Q4 and 2021Q4  
 (\*\*) Surface projected from 2022Q1 forward

ASKING RENT (USD / Sqm / Month)



NEW INVENTORY (Sqm) PROJECTED SURFACE (Sqm)



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