



YoY Chg 12-Mo. Forecast

14.5%

Vacancy Rate



1.5 MSF

Available Vacant Space



\$20.18

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q1 2021

YoY Chg 12-Mo. Forecast

612K

San Juan
Employment

9.0%

San Juan
Unemployment Rate

6.0%

U.S.
Unemployment Rate

Source: BLS

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ECONOMY

The first quarter of 2021 has brought an optimistic enthusiasm to the Island's economy. As reported in past MarketBeat, Federal reconstruction funds are finally making their way into the economy and the change is palpable in retail, home and automobile sales—all up. Other factors that are contributing to the economy's improvement are incentives related to battle vast economic slowdown related to the effects of COVID-19 as well as an increased flow of US residents reaping the benefits of Act 22.

As of the date of this report roughly twenty five percent of the Island's population has been inoculated and the long period of hibernation appears to be coming to an end. However, we still do not see much activity on people returning to office buildings to work as in the period prior to our lockdown. It is perhaps too early to call the long-term effect of office occupancy in the Island but we still believe that the office worker on the Island generally is eager to return to its place of work, albeit in a modified form.

MARKET OVERVIEW

Occupancy rate for Class A office space for the third quarter increased slightly from last quarter reaching 90.34%. Direct vacant Class A space increased by approximately 6,000 square feet across the three submarkets in San Juan. CBD's Class A space ended the quarter with a vacancy rate of 10%. Non-CBD vacant space had a slight increase in vacancy reaching 9.4% up from 9.0% during the last quarter. Given the pandemic, it is difficult to quantify the amount of unutilized space that will be coming to market upon lease expirations or subleases.

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RESEARCH PUBLICATION

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OVERALL VACANCY & ASKING RENT

