



YoY Chg 12-Mo. Forecast

14.6%

Vacancy Rate



1.5 MSF

Available Vacant Space



\$20.18

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q2 2021

YoY Chg 12-Mo. Forecast

613K

San Juan
Employment

7.7%

San Juan
Unemployment Rate

5.9%

U.S.
Unemployment Rate

Source: BLS

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ECONOMY

Retail, automobiles, homes, gasoline are all selling at brisk paces. Local bank's liquidity, new mortgages and savings are rising. Local companies' undistributed earnings are rising and loan delinquencies have diminished. The economy is enjoying an upbeat revival driven by large federal funds that are making their way into the Island, both COVID-19 related and funds related to the rebuilding of Puerto Rico's infrastructure. More importantly the Island's manufacturing index had its best quarter since 2013.

Having more people vaccinated has allowed commerce and office buildings to return to activity levels seen prior to the lockdown year. There is still some talk about not fully returning to the office, but it is now clearer that people in fact will be heading to use office space as a norm albeit at a reduced rate.

MARKET OVERVIEW

Occupancy rate for Class A office space for the third quarter decreased slightly from last quarter reaching 9.98% vacancy rate. Direct vacant space increased by approximately 10,000 across all submarkets. Central Business District (CBD) Class A space ended the quarter with a vacancy rate of 9.9%, a slight increase over last quarter. Non-CBD vacant space had a second consecutive increase in vacancy reaching 10.02% at the end of this quarter. We believe it is still too early to properly predict office usage and thereby vacancies for the balance of the year, but the increased activity in the economy will help to decelerate the effect of work from home activities on office occupancies.

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OVERALL VACANCY & ASKING RENT

