

	YoY Chg	12-month forecast
<b>19.3%</b> Vacancy rate	▲	▲
<b>-20,781</b> Net absorption, (sqm) Q3-2021	▼	▲
<b>\$15.9</b> Asking rent (USD/sqm/Mo)	▼	▼

**ECONOMIC INDICATORS Q3 2021**

	YoY Chg	12-month forecast
<b>9.5%</b> Unemployment Rate (Jun/Jul/Aug)	▼	▼
<b>12.9%</b> GDP variation (*)	▲	▲
<b>5.4%</b> Inflation Index YTD (*)	▲	▼

Source: National Institute of Statistics and Informatics  
(\*) Value of July 2021

**MARKET OUTLOOK:**

During 2021 third quarter, the vacancy rate increased by 1.3 P.P. compared to the previous one, and 3.5 P.P. compared to last years' same quarter, closing at 19.3%. These variations took place during a pandemic scenario, where the return to office spaces is taking place progressively and companies are still analyzing the effective use of workspaces. The progress in the vaccination process and the decision-making of some companies regarding face-to-face and remote work continue to impact all submarkets, including the most important ones. The most significant variation in vacancy is seen in the San Borja submarket with a rate of 31% higher than the previous quarter, finishing the current one with a 35.3% vacancy rate, and an available area of 12,562 sqm. In addition, Miraflores increased its availability by 40.1% compared to the same quarter of last year, with a vacancy rate of 15.4%, and San Isidro Financiero showed a similar behavior, increasing its availability by 12,000 sqm, this responds mainly to the vacancy of spaces and the slow decision-making regarding the return to the offices.

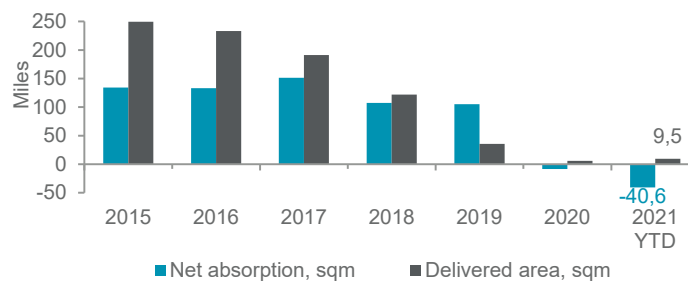
**SUPPLY & DEMAND:**

By the end of the third quarter of the year, the net absorption was -20,781 sqm. This is the result of a constant increase of unoccupied spaces and a decrease in occupancy during recent quarters. All submarkets showed negative net absorption levels, except for San Isidro Empresarial, with a net absorption of 1,945 sqm. The unoccupied area increased by 69.2% compared to the previous quarter, concentrating mainly in the San Isidro Financiero submarket (-17,217 sqm), this is mainly due to the availability of an entire building that is no longer occupied by a coworking company. On the other hand, San Borja was the submarket that experienced the largest increase in vacancy, this responds, mostly, to an increase in its vacancies (-9,954 sqm until the end of the third quarter) and a minimum level of occupation.

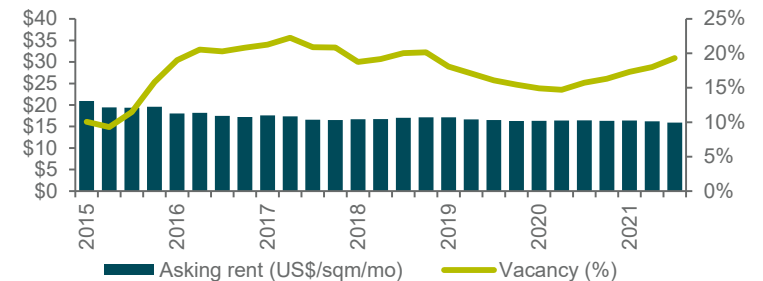
**PRICE:**

Although the asking rent remained stable throughout the last quarters, this indicator experienced a downward variation of 2% compared to the previous quarter, closing at \$ 15.9 per sqm. The decrease in the average asking rent responds to negative variations mainly in the asking rent of San Isidro Empresarial and Miraflores submarkets, whose prices decreased by 8.5% and 3.3%, respectively. Currently, almost a quarter of the available area corresponds to these two submarkets, therefore the impact of any change in their average prices is significant for the general average. It's important to consider that, since prices in the office market are quoted in dollars, recent variations in the exchange rate may have implications within the negotiations that are related to this indicator and may lead to a downward trend.

**SURFACE DEMAND / SURFACE DELIVERED**



**VACANCY RATE & RENTAL ASKED PRICE**



**ECONOMIC OVERVIEW**

By the end of the third quarter of the year, despite the appearance of new variants of the virus, it is expected that the improvement in vaccination plans at a global level and the contained impact of the pandemic will promote a recovery, with a world GDP projection growth of approximately 6% for 2021 and 4.9% for 2022. Like most countries in the region, Peru is in a recovery scenario for all economic areas in the country.

The gradual progress in the vaccination process has contributed enormously to the economic and social stability of the country during the third quarter of 2021, which generated better expectations for the rest of the year. At the close of this report, there are still no official GDP growth indicators for the third quarter of the year, however, as of July (last month of analysis) it registered a positive variation of 12.9%. In addition, according to the Central Bank, a GDP growth of 11.9% is projected for the end of 2021 and 3.4% for 2022, if the different economic and social sectors show a stable scenario.

An unemployment rate of 9.5% was registered between June and August, having decreased by 7.8% compared to the April-June period and by 39.1% compared to the same period last year. This decrease is directly related to the progress of the vaccination plans, which, now, has already managed to cover a large part of the economically active population, that could improve the population's chances of returning to face-to-face work.

On the other hand, the annual inflation rate reached 5.4%, being the highest in more than 12 years, outside the target range of 1% to 3% proposed in the multi-year macroeconomic report of the Ministry of Economy. Likewise, the exchange rate has been an indicator that has experienced a significant increase of 5.9% compared to the end of the second quarter of the year, closing the month of September in S/. 4.13 / USD, a level that historically had not been experienced and that has an impact in some way on all goods and services quoted in dollars such as the office market.

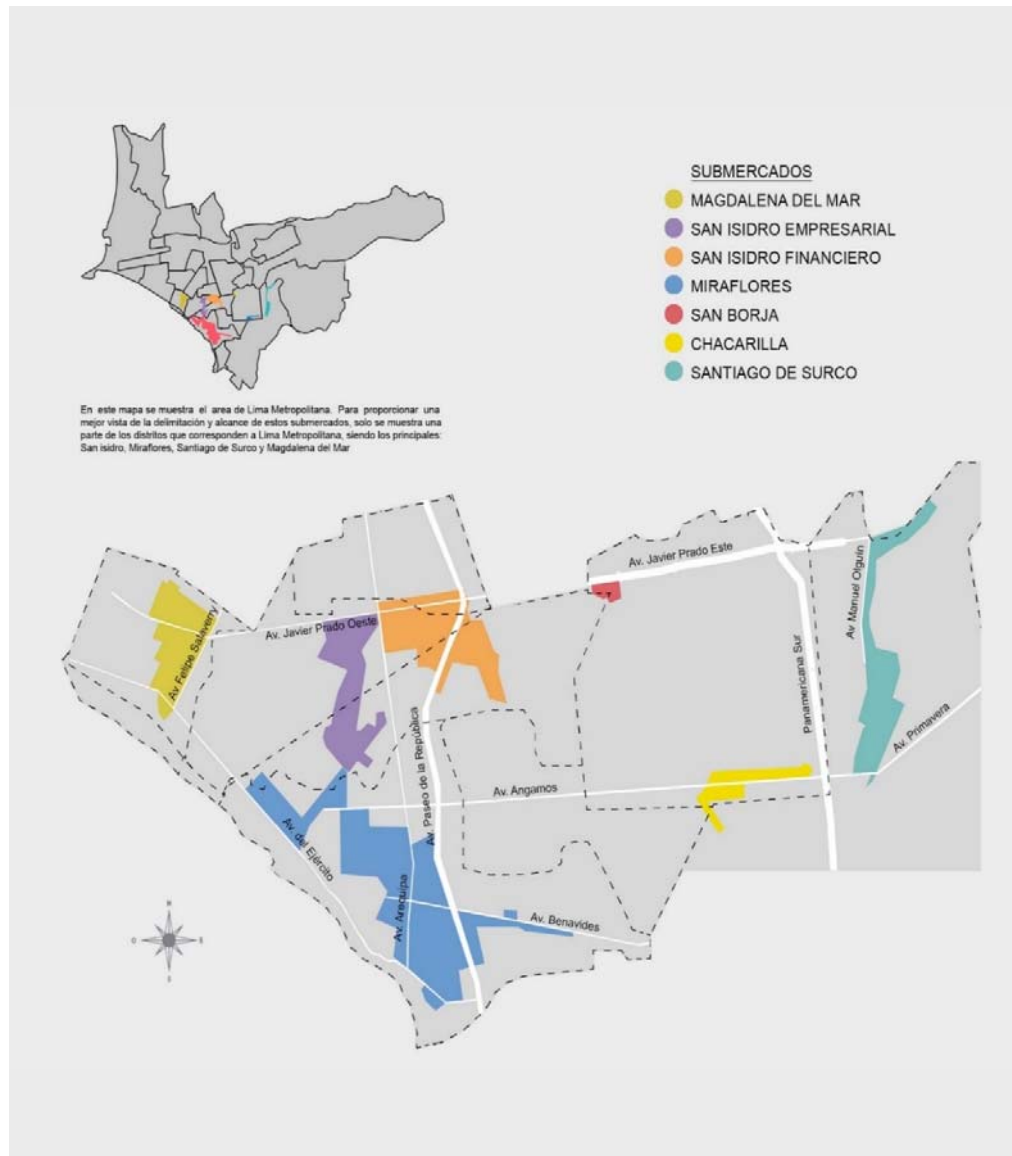
Finally, it is important to consider that Peru is still in the middle of the first 100 days of the current government, so it is necessary to maintain a conservative profile regarding the estimates that have been considered for the main indicators.

**FUTURE OVERVIEW**

At the end of the third quarter of the year, there is still a surface of 121,283 sqm under construction, mainly concentrated in the submarkets of San Isidro Financiero, San Isidro Empresarial and Santiago de Surco, and it is expected that almost 50% of this surface will be delivered in the last quarter of 2021. The projects that have not yet started their construction or are in the evaluation stage total 59,454 sqm concentrated in the Callao, Miraflores and San Isidro Empresarial submarkets.

It should be noted that, within the surface in a project stage, there are buildings whose construction start date has not yet been confirmed and therefore the delivery date could vary in the coming months. This is a behavior that could also be reflected in projects under construction, however, it is possible to estimate delivery dates as progress in construction is visualized.

**MAP OF OFFICES WITH DIVISION OF SUBMARKETS / LIMA / PERU**



MARKET STATISTICS

SUBMARKETS	CLASS A INVENTORY	NUMBER OF BUILDINGS	AVAILABLE AREA (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNØDER CONSTRUCTION (SQM) (*)	PROJECTED (SQM) (**)	CLASS A ASKING RENT (USD/SQM/MO)	CLASS B ASKING RENT (USD/SQM/MO)
San Isidro Financiero	550,940	40	107,895	19.6%	-13,314	42,719	-	\$16.2	\$15.2
San Isidro Empresarial	234,547	30	37,173	15.9%	-1,783	38,542	5,266	\$18.1	\$15.3
Miraflores	221,972	22	34,135	15.4%	-7,242	-	25,188	\$16.5	\$15.3
Santiago de Surco	342,305	19	80,511	23.5%	-7,496	40,022	-	\$14.2	\$12.8
Magdalena del Mar	171,564	11	27,004	15.7%	-1,526	-	-	\$17.0	\$16.9
San Borja	35,588	4	12,562	35.3%	-9,958	-	-	\$17.5	\$19.7
Chacarilla	30,225	5	3,642	12.1%	-181	-	-	\$14.8	\$15.4
<b>TOTAL LIMA</b>	<b>1,623,555</b>	<b>133</b>	<b>312,682</b>	<b>19.3%</b>	<b>-40,589</b>	<b>121,283</b>	<b>59,454(***)</b>	<b>\$15.9</b>	<b>\$13.8</b>

(\*) Square meters under construction period 2021Q4 to 2023Q4

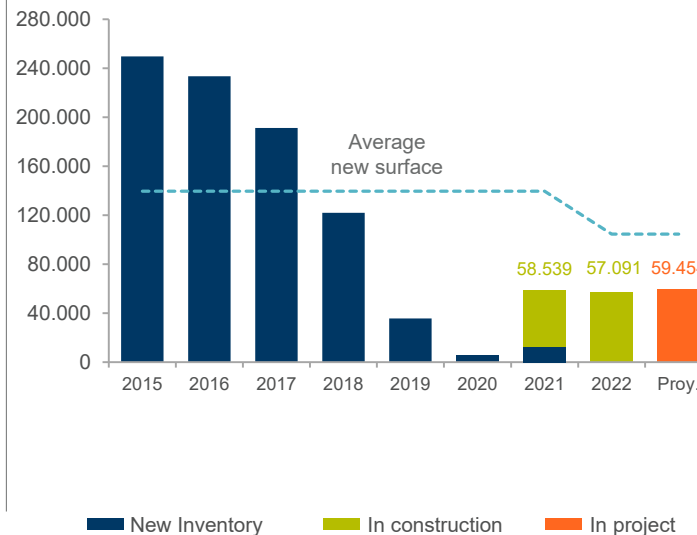
(\*\*) Square meters in project period 2024Q1 onwards

(\*\*\*) This total considers a new project in the Callao area, within the "Others" submarket.

RENTAL PRICE REQUESTED BY SUBMARKET (USD / sqm / Mo)



SURFACE DELIVERED PER YEAR (sqm) PROJECTED SURFACE (sqm)



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