

SANTIAGO

Office Q4 2021



	YoY Chg	12 – Mo. Forecast
8.95% Vacancy Rate	▲	▲
-15,898 Net Absorption, (Sq.m) Q4 2021	▼	▲
19.31 (*) Asking Rent, USD	▼	▲

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12 – Mo. Forecast
8.41% Unemployment Rate (Q3.21)	▼	▼
1.93% GDP Variation (Q3.21)	▲	▼
6.7% Inflation Index (Accumulated 12 months)	▲	▲

(*) Average lease Price requested, expressed in USD/Sq.m/Month
Source: Instituto Nacional de Estadísticas de Chile (INE)– Newsletter Number 277– December, 7th 2021.

MARKET OUTLOOK:

The fourth and last trimester of the year closes with 8.95% vacancy, 11.68% higher than the third trimester, and the highest one registered since 2017. This is mainly due to the surface release in submarkets El Golf, Apoquindo, Vitacura and Nueva Las Condes, which represent 85% of the trimester's vacancy.

The class A office market continues to be affected by the uncertainty of the pandemic and the new variants, condition that may have a negative impact in the recovery of the economic activity. Nevertheless, the great advances made in the vaccination plan and the efforts to recover the national economy would indicate that, if there were new mobility restrictions, the impact on the national economy would be smaller compared to the effects caused in 2020 and 2021.

SUPPLY AND DEMAND:

The net absorption of this trimester reached -15,988 sqm. The leased surface in the trimester was 9,500 sqm, three times smaller than the released surface, 25,400 sqm, going back to the downward tendency identified since 2020 and consolidating an annual result of -49,600 sqm, the highest value of negative net absorption in the last 6 years. Despite this, the Nueva Providencia submarket has registered a lease of 3,290 sqm by a company in the area of business services.

Currently, there are 152,000 sqm available, which makes it possible to find (in some cases) continuous surfaces up to 5,000 sqm approximately. This gives companies the option to expand their operations or, in other cases, to move to better sectors with a market that favors the tenant because of the flexible contracts and the possibility to lease spaces with included good furniture standards.

The two submarkets with the most surface available are El Golf, with 55,347 sqm and Nueva Providencia, with 26,455 sqm. Nueva Providencia has been the only one, since the beginning of the pandemic, to register more leases than vacant surface.

PRICE:

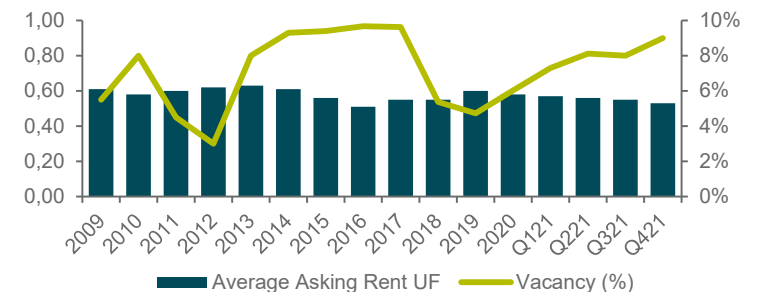
The price has experienced a quarterly drop of 3.12%, while the year-to-year level experienced a drop of 7.49%, reaching 0.53 UF/sqm. In other cases, like the Santiago Centro and Providencia submarkets, there are deliberated price drops in order to attract the demand to certain submarkets that suffered the impact of the social turmoil and the pandemic.

Regarding the leasing prices in dollars, it was reduced 7.70% compared to the previous trimester, because of the fall of the Chilean peso due to the new national political scene and the strength of the dollar worldwide.

SURFACE DEMAND / DELIVERIES



OVERALL VACANCY & AVERAGE ASKING RENT



ECONOMIC OUTLOOK

The last report of 2020 from the Central Bank, 'Monetary Policy Report', affirms that the economic activity has continued to prove being dynamic, as it was higher than foreseen in September. A growth between 11.5 and 12% was estimated for the ending of 2021, mainly due to an increase in consumption and the positive impact in the activity of areas related to it. On the other hand, it is expected that in 2022 and 2023 there will be a significant reduction that will reach 1.5 and 2.5% in 2022 and between 0.0 and 1.0% in 2023.

Regarding annual inflation, it will remain at about 7% for some months, with a downward tendency in the next two years, exceeding 3% by 2023. Investment registered an increase because of the reactivation of building projects and engineering works related to mining, reaching in 2021 the highest values in the last 5 years. However, the projection for next year shows a weakening as a product of uncertainty.

Regarding the external situation, the economy worldwide is still recovering from the pandemic's impact. However, it is not as dynamic as expected because of problems with supply caused by disruptions in the supply chain, shortage and high prices of several raw materials.

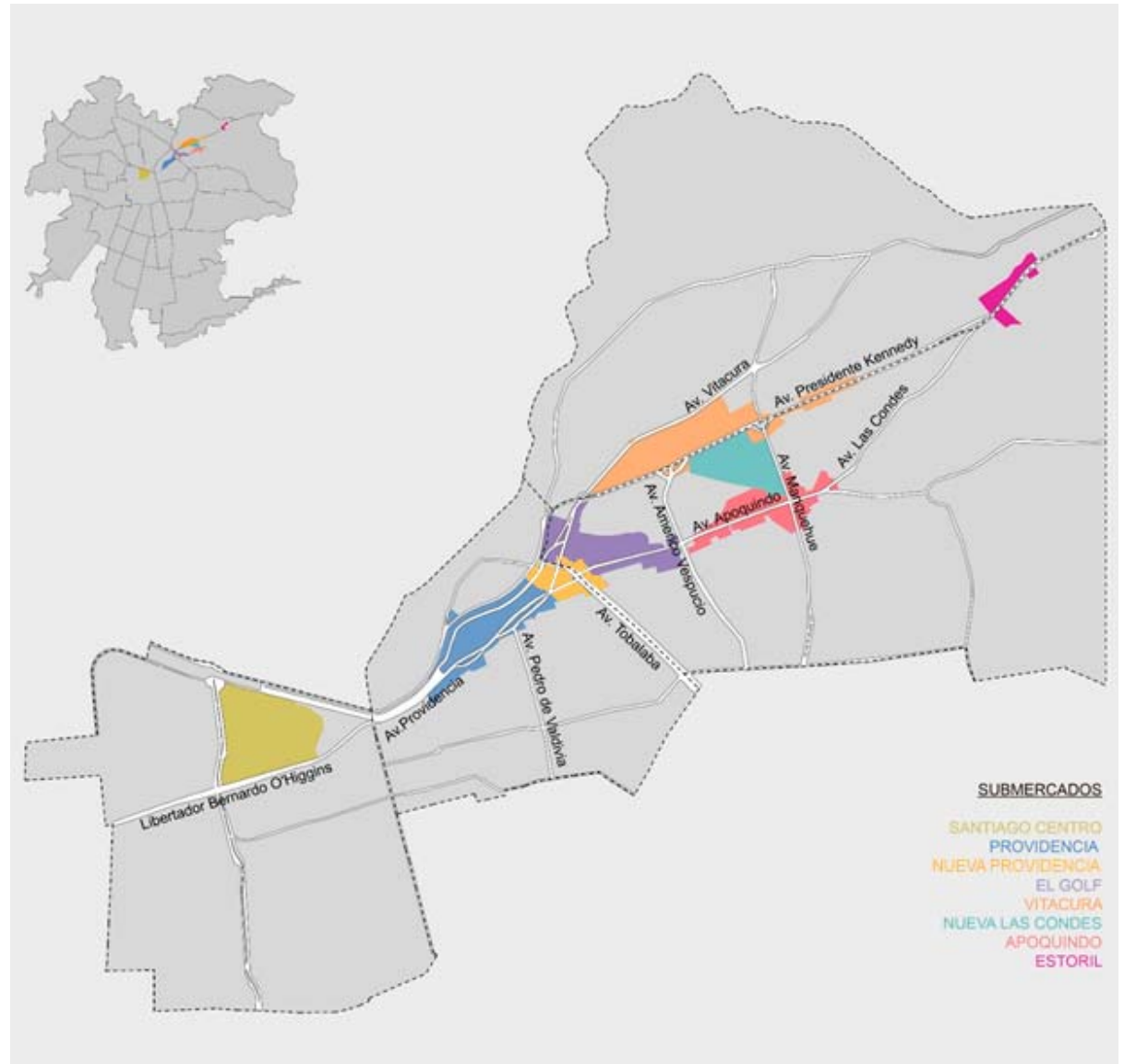
FUTURE OUTLOOK

All projects have been delayed to 2022 due to the high demand of materials, high prices and the uncertainty that is shaking the national market.

It is expected that the buildings Nueva Córdova, 21,264 sqm; Santa Maria Office, 6,614 sqm and Nueva El Golf, 8,843 sqm, will enter the market during the first trimester of 2022, while the three towers of the Mercado Urbano Tobalaba project, 35,404 sqm, will enter in April – May. It is also possible that a remnant of Costanera Center of 44,064 will enter, divided into stages that will depend on municipal permits.

It is likely that the net absorption for 2022 has an upward tendency and the vacancy remains stable until the uncertainty is dissipated.

OFFICE MAP WITH SUBMARKET DIVISION / SANTIAGO / CHILE



MARKET STATISTICS

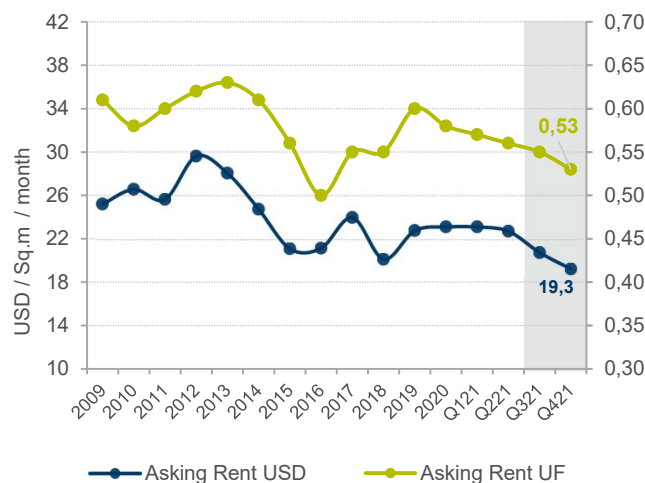
SUBMARKETS	INVENTORY CLASS A (*)	NUMBER OF BUILDINGS	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	ANNUAL ABSORPTION TO DATE (SQ.M)	UNDER CONSTRUCTION (SQ.M) (**)	PROJECTED (SQ.M) (**)	OVERALL AVG ASKING RENT CLASS A (USD/SQ.M /MONTH)	AVERLL AVG ASKING RENT CLASS A (UF/SQ.M/MONTH) (***)
El Golf	717,007	43	55,347	7.72	- 33,060	8,843	-	19.68	0.54
Nueva Las Condes	377,713	22	21,596	5.72	- 1,698	21,264	-	20.41	0.56
Apoquindo	187,915	12	12,655	6.73	- 7,773	-	33,239	18.95	0.52
Estoril	30,809	4	2,582	8.38	-747	-	-	16.03	0.44
LAS CONDES	1,313,444	81	92,180	7.02	- 43,278	30,107	33,239	19.68	0.54
Santiago Centro	195,598	11	18,541	9.48	- 6,580	-	-	13.48	0.37
Providencia	50,510	2	9,584	18.97	- 6,851	6,614	-	17.13	0.47
Nueva Providencia (*)	98,392	6	26,455	26.89	9,635	79,468	93,315	23.32	0.64
Vitacura	40,144	4	5,259	13.10	-2,526	-	-	21.14	0.58
TOTAL SANTIAGO	1,698,088	104	152,019	8.95	- 49,600	116,189	126,554	19.31	0.53

(*) Corresponds to a new submarket generated since 2021.

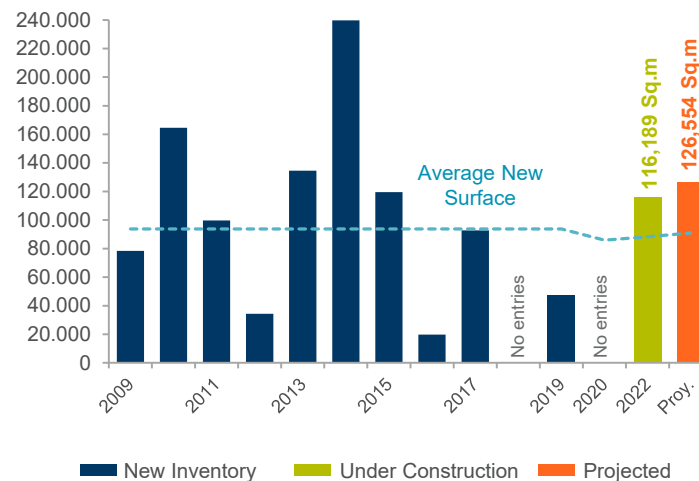
(**) Corresponds to rentable Surface according to available information.

(***) The Unidad de Fomento is a unit of account used in Chile, readjusted according to the inflation. Its value it is adjusted daily by the Central Bank of Chile accordingly to the CPI index calculated by the National Institute of Statistics (INE); its code ISO 4217 is CLF. Data up September 30th, 2021: 1 UF = CLP \$ 30,986.76= USD \$ 36.44 ; 1 USD = CLP \$ 850.25

ASKING RENT
UF / SQ.M / Month) vs. USD / SQ.M / Month



NEW INVENTORY (SQ.M)
PROJECTED SURFACE (SQ.M)



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