



YoY Chg 12-Mo. Forecast

14.2%

Vacancy Rate



1.5 MSF

Available Vacant Space



\$20.12

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q4 2021

YoY Chg 12-Mo. Forecast

625K

San Juan
Employment

7.1%

San Juan
Unemployment Rate

4.2%

U.S.
Unemployment Rate

Source: BLS

ECONOMY

By many measures the Island's economy continues on a healthy rate of improvement. An unemployment rate of 7.1%, increasing, steady retail sales and brisk sales of homes reminds us of the economy in the early part of the century before Puerto Rico's long economic decline. There are solid reasons for optimism such as the massive governmental debt restructuring combined with federal reconstruction funds making their way into the economy. However there remain some obstacles as evidenced by a shrinking GNP and population. Nevertheless, the positive impact of infrastructure projects is expected to last for several years due its relative size on the local economy and growth in selected areas such as tourism.

The positive signs in the economy have yet to make their way to more office space absorption. The office market seems to reflect a stable pattern albeit with increasing signs of positive demand.

MARKET OVERVIEW

The vacancy rate for Class A office space for the fourth quarter increased slightly to 10.5%. Direct vacant space in all classes remained largely the same as last quarter. On the Class A space front, the CBD submarket decreased its vacancy to 9.7% compared to the previous quarter which was at 10.1%. On the other hand, the Guaynabo submarket increased its vacancy to 11.1% compared to the previous quarter, which was at 10.4%.

We understand that from the first quarter of 2022 the office market returns to normal and companies are gradually beginning with the return of employees to their offices.

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RESEARCH PUBLICATION

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OVERALL VACANCY & ASKING RENT

