

SANTIAGO

Office Q1 2022



	YoY Chg	12 – Mo. Forecast
9.51 % Vacancy Rate	▲	▲
-788 Net Absorption, (Sq.m) Q1 2022	▼	▲
19.96 (*) Asking Rent, USD	▼	▲

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12 – Mo. Forecast
7.19% Unemployment Rate (Q3.21)	▼	▼
10.44% GDP Variation (Q3.21)	▼	▼
7.8% 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 280– March, 8th 2022.

MARKET OUTLOOK:

2022 first quarter ends with a vacancy of 9.51 % , this being 8.31 % higher than 2021 and 32.19 % than the same quarter last year. This is due to a general increase in availability and the conclusion of Atempora and Manquehue Norte Buildings, which added a total of 16,039 sqm to the inventory with 48 % vacant space.

The current market situation continues to benefit tenants, who have greater bargaining power in terms of conditions and/or contract prices. Despite this and given a positive outlook regarding the pandemic at national and global levels, an improvement in market confidence has been observed, which could translate into an improvement of occupation after more than 2 years. This situation could explain why, to date, the leased area is greater than the released area.

The greatest opportunities are offered in Apoquindo submarket, closing the first quarter of the year with a vacancy of 11,320 sqm and asking price of 19.96 USD/sqm, value not recorded since 2017.

SUPPLY AND DEMAND:

Net absorption for the quarter was -788 sqm, showing a 96 % decrease year-over-year. This is because leased space reached 16,405 sqm, the highest figure since the beginning of the pandemic and showing clear signs of recovery. Within the leased area, a well-known bank built, for its own use, a complete building of 6,500 sqm, in Nueva Las Condes submarket.

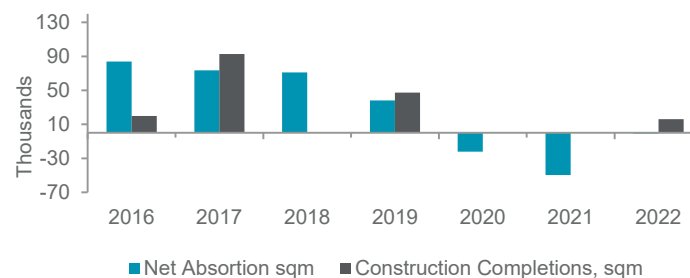
As for the released space, 66% belong to offices located in the Santiago Centro and El Golf submarkets. This last one being affected by the reduction in the facilities of some companies due to the evident underutilization of their spaces.

PRICE:

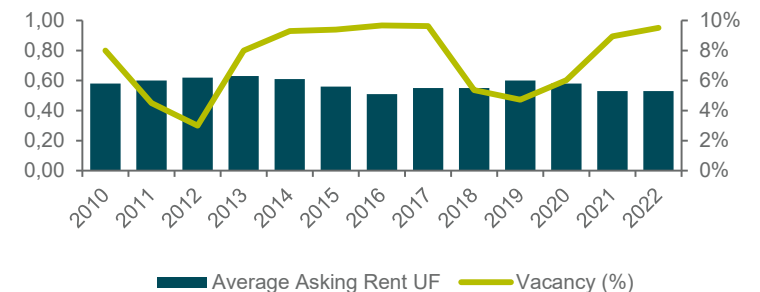
The asking price remains similar to the previous quarter, 21.59 USD/sqm, showing a 6.5% decrease compared to the same period last year. Real closing prices are estimated to remain 10 % below the asking price.

Finally, the asking price in dollars increases by 11.81 % compared to the end of 2021, mainly due to inflation that continues to grow, impacting a higher UF and a dollar that has lost strength, as a result of a recovery of the national currency, which corresponds mainly to better raw material prices and a adjustment of the negative economic impact generated by the pandemic during 2021.

SURFACE DEMAND / DELIVERIES



OVERALL VACANCY & AVERAGE ASKING RENT



ECONOMIC OUTLOOK

The last report of 2022 from the Central Bank, “Monetary Policy Report”, confirms that the economy will increase in 1 or 2 % due to deceleration of private consumption and weaker performance by the end of 2021. A growth between -0.25 and 0.75 % was estimated for this year, expecting that by 2024 the global macroeconomic problems will be solved, forecasting that the economy will return the growth line of 2.25 and 3.25 %.

As for annual inflation, it is expected to be around 10 % by mid-year, as a result of high domestic demand and increasing pressure on costs, leading to higher price increases; however, consumption and investment are projected to continue to grow in 2022 and 2023. At the same time, as the pandemic situation has improved, unemployment continues to decrease.

As for the global scenario, on the positive side, this year could be the end of the acute phase of the pandemic. On the other hand, the war with Ukraine has introduced an adverse factor to the outlook on import prices, especially due to the strong rise in the value of oil. In relation to this, the sanctions against Russia will have an important impact on the development of the Eurozone, which will affect growth for Chilean trading partners

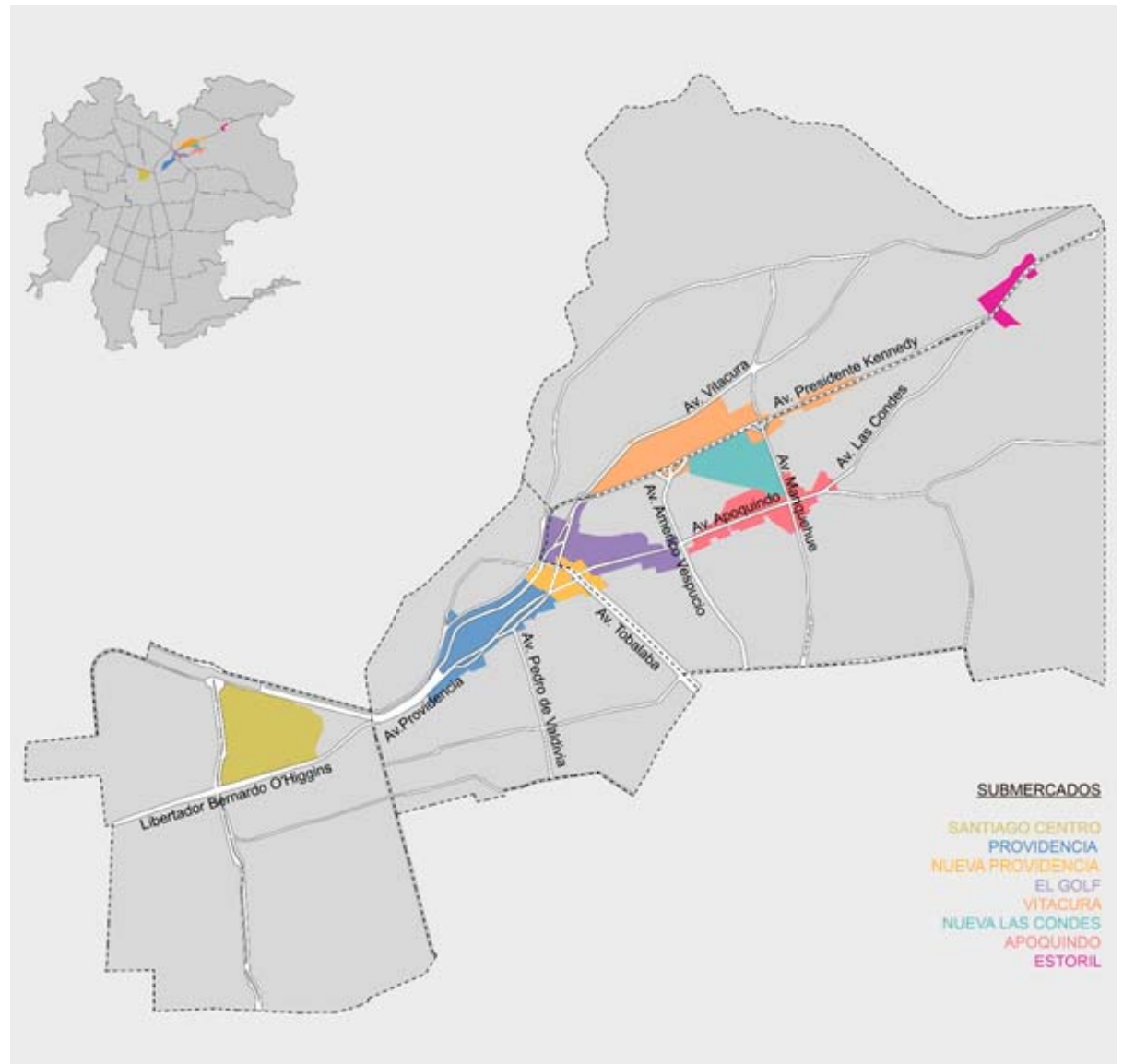
FUTURE OUTLOOK

This year, if there are no further delays, a stock increase of 108,922 sqm is expected; with nearly 65,000 sqm, entering next quarter.

This year, project deliveries, would be distributed in the submarkets of El Golf, with the Switch project of 8,800 sqm, Nueva Las Condes with Nueva Córdova, 20,611 sqm (with the possibility of having some pre-leased areas), Nueva Providencia, with the MUT project of 35,400 sqm, and maybe some remnants of the Costanera Center, which is subject to municipal permits.

Given the current conditions and the favorable outlook regarding the pandemic situation, a rapid recovery in leasing could be expected by 2022.

OFFICE MAP WITH SUBMARKET DIVISION / SANTIAGO / CHILE



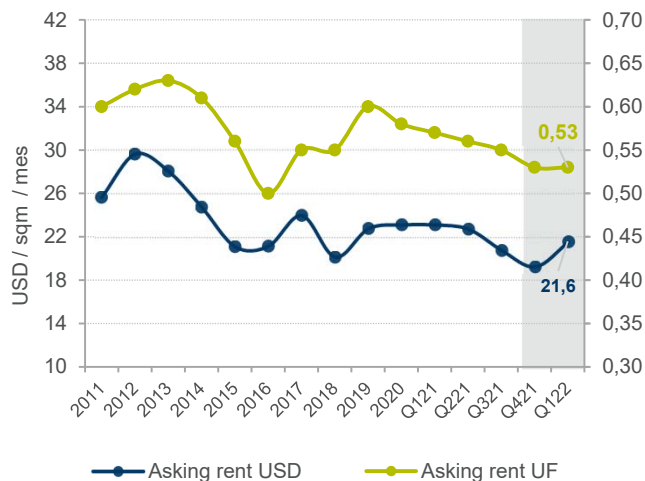
MARKET STATISTICS

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	697,060	40	53,790	7.72	- 159	8,843	-	22.41	0.55
Nueva Las Condes	399,554	24	21,089	5.28	7,046	20,611	-	22.81	0.56
Apoquindo	182,430	11	11,320	6.21	- 1,168	-	81,069	19.96	0.49
Estoril	30,809	4	3,402	11.04	-820	-	-	18.74	0.46
LAS CONDES	1,309,853	79	89,601	6.84	4,899	29,454	81,069	22.00	0.54
Santiago Centro	195,598	11	24,359	12.45	- 5,818	-	-	15.48	0.38
Providencia	50,510	2	9,192	18.20	392	-	-	18.33	0.45
Nueva Providencia (*)	94,367	5	25,598	27.13	0	89,955	93,315	26.07	0.64
Vitacura	36,225	4	11,658	32.16	-261	-	-	24.04	0.59
TOTAL SANTIAGO	1,686,583	102	160,408	9.51	- 788	119,409	174,384	21.59	0.53

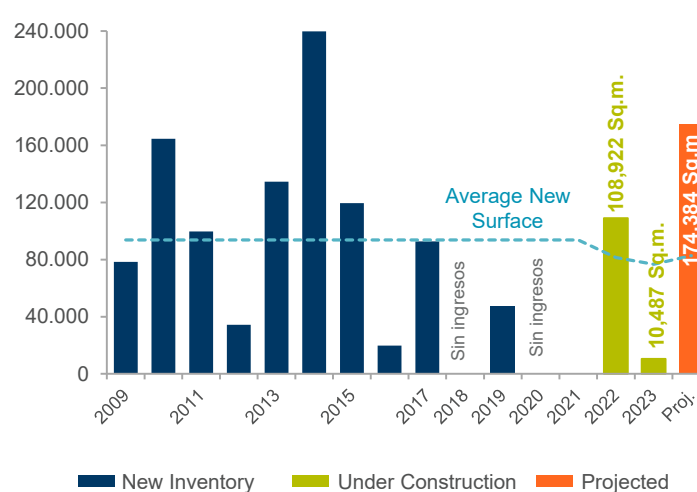
(*) Cushman & Wakefield performs area corrections at the beginning of each year; therefore, there may be fluctuations with respect to previous years' closings in inventory and available space. (**) Corresponds to rentable Surface according to available information.

(***) 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 March 29th, 2022: 1 UF = CLP \$ 31,721.61= USD \$ 40.74 ; 1 USD = CLP \$ 778.62

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



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



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