



YoY Chg 12-Mo. Forecast

13.4%
Vacancy Rate



1.4 MSF
Available Vacant Space



\$19.97
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

YoY Chg 12-Mo. Forecast

652K
San Juan Employment



6.5%
San Juan Unemployment Rate



3.8%
U.S. Unemployment Rate



Source: BLS

ECONOMY

The Island's bankruptcy proceedings resulted in a debt reduction plan in mid-March which, coupled with the continued and increased flow of federal funds, should set Puerto Rico's economy in a positive direction for years to come. Almost 80% of governmental debt was reduced resulting in savings in interest payments of the Island's annual budget from almost 25% to 7%. From March 15 on, the government began making payments on debt obligations, general obligation bonds, retirement plans and suppliers after not having made these for the past 6 years. The changes are palpable in the economy. Retail sales continue rising; home sales are up 12.5% year-over-year; existing home sales are also up 18.8%, while the average value of homes is also increasing.

MARKET OVERVIEW

Class A office vacancy decreased for the first quarter of 2022 standing at 9.5% marking an improvement in occupancy for the San Juan office market. Total market vacancy rate also experienced a decrease in available space from the last quarter of 14.2% to 13.4% as of Q1 2022. Class A CBD vacancy rate came in at 9.2% while non-CBD stood at 9.7%.

The market reflects an increase in employees returning to work to formal office space environments as well as an increase presence of federal government occupancy in office buildings. We believe this trend should continue during the year.

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OVERALL VACANCY & ASKING RENT

