

YoY Chg 12 – Mo. Forecast

10.07%

Vacancy Rate



- 3,785

Net Absorption, (Sq.m) Q2 2022



19.95

(*) Asking Rent, USD



ECONOMIC INDICATORS Q2 2022

YoY Chg 12 – Mo. Forecast

7.8%

Unemployment Rate (Q2.22)



-3.6%

GDP Variation (Q2.22)



11.5%

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 283- June, 8th 2022.

OFFICE MARKET OUTLOOK:

The 2022 second quarter concludes with a vacancy of 10.07%, this being 5% higher and 25.09% than the first quarter and the same period in 2021, respectively. The increase is mainly due to the released spaces in Nueva Las Condes and El Golf submarkets. These are companies which merged their operations to one single location, with preference for discounted lease prices, taking advantage on accessibility and central location.

The Class A office market is slowly facing a new normality, coexisting besides a pandemic, with fewer mobility restrictions, even facing new cases of contagion. In these circumstances, an employee's permanence in the offices remains mostly in a hybrid work model. Faced with economic uncertainty and flexibility established in most workplaces, some companies decide to negotiate lease values of current contracts or move to other locations to reconsider physical spaces, shaped by their new reality.

SUPPLY AND DEMAND:

Quarterly net absorption closes at -3,785 sqm, which is 75% less than observed in the same period of 2021. The demanded area amounts to 18,380 sqm, a figure that has been gradually increasing since the second quarter of last year, when leased spaces were equivalent to only 6,545 sqm. This is a clear sign of market recovery, where a building market entrance in El Golf stands out, with 30% of its space leased.

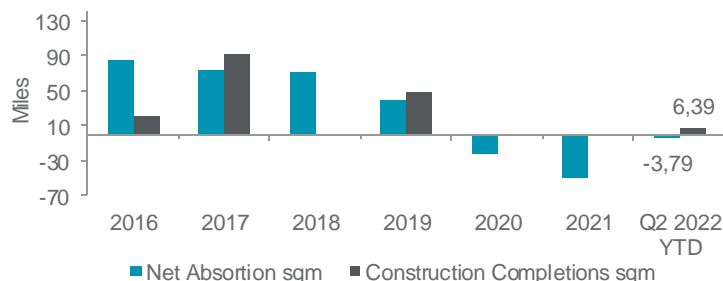
100% of the space released corresponds to offices located in Las Condes, specifically in the Nueva Las Condes and El Golf submarkets, by companies that decided to reduce their operating costs by concentrating their employees in a single location.

PRICE

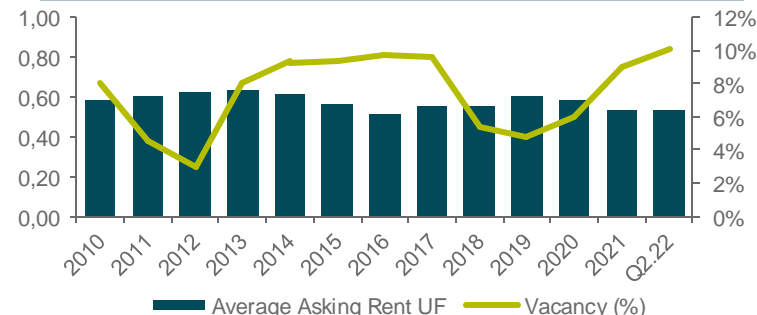
No variations were observed in the average asking price, this remained the same as in the previous quarter, at 0.53 UF/sqm and representing a 5% decrease compared to the same period last year. Closing prices fluctuate between 10% and 15% below the asking price.

At the close of the report, the US dollar showed an historic increase, reaching 870 pesos, which is due to various factors such as inflation and rise in interest rates, as well as external factors. The US dollar value fell by 7.5% compared to the previous quarter, where rental fee were similar, but the US dollar showed a lower value.

SURFACE DEMAND / DELIVERIES



OVERALL VACANCY & AVERAGE ASKING RENT



ECONOMIC OUTLOOK

The last report of 2022 from the Central Bank, “Monetary Policy Report”, confirms that inflation continues to climb, reaching its highest level in recent decades. This is due, among other factors, to the increased demand during 2021. The medium-term projection shows that the adjustment of macroeconomic imbalances remains the central element for inflation to converge to 3% within two years.

The inflationary impact has generated important consequences for the real estate sector, raising the cost of raw materials and construction labor. With this background, the Central Bank has increased interest rates, seeking to anchor expectations regarding the intertemporal cost of the use of financial resources. All these measures are stagnating real estate purchase and sale decisions, increasing leasing choices.

The national unemployment rate, standing at 7.8%, shows a significant improvement with respect to the same period in 2021, showing a fall of 24%, approaching levels prior to the social crisis and COVID-19 pandemic.

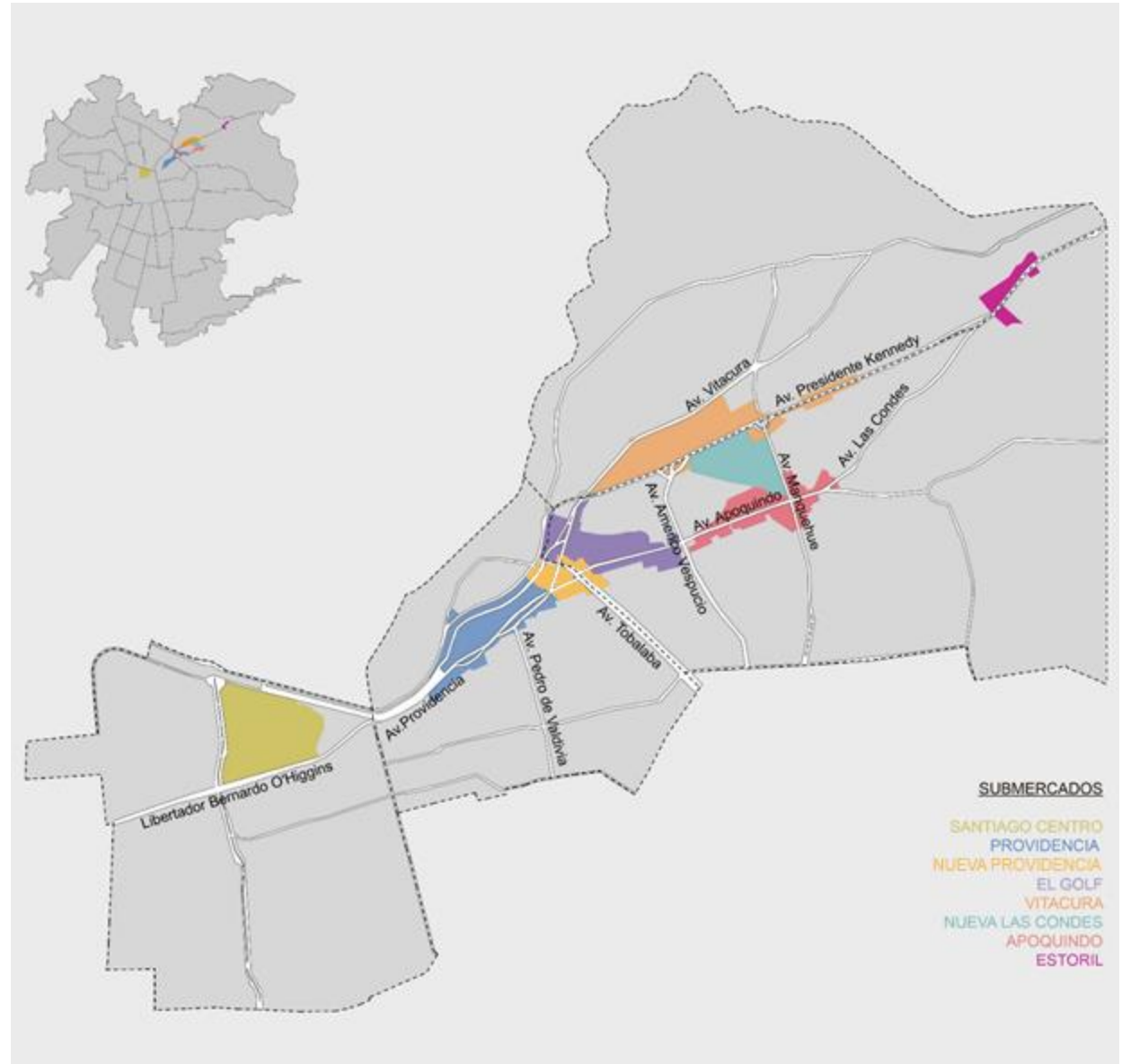
FUTURE OUTLOOK

A stock increase of 113,041 sqm is expected this year, with nearly 20% entering next quarter, since these are concluded projects located in Las Condes and awaiting permits to operate.

The remaining area of 89,995 sqm corresponds to two large projects which could enter the market at the end of the year or delayed until the beginning of 2023. The scale of these developments generates significant urban environmental impacts in matters of mobility and occupation of public space, which increases the authorities' requirements for approval, demanding mitigation, in some cases.

There are currently projected 174,384 sqm in future developments, of which 81,069 sqm are located in Apoquindo corridor. The real estate investor's interest in this sector, confirms its potential in a changing landscape district, with new commercial and office initiatives, which have been gradually moving towards the eastern area of the city, after the opening of new subway stations.

OFFICE MAP WITH SUBMARKET DIVISION / SANTIAGO / CHILE



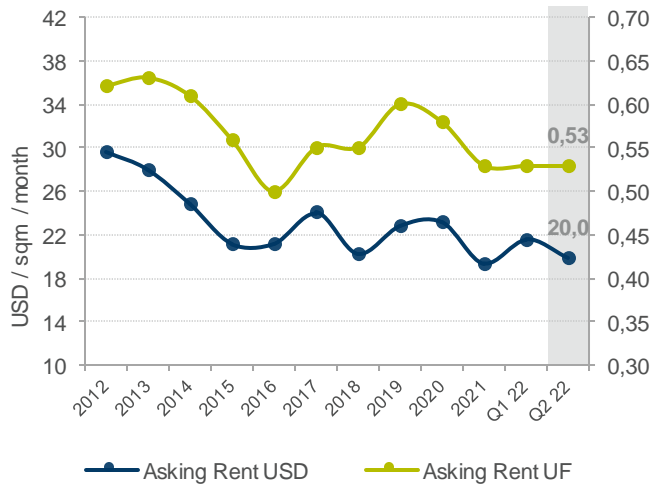
MARKET STATISTICS

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	703,428	41	64,443	9.16	2,775	2,475	-	20.34	0.54
Nueva Las Condes	399,554	24	24,787	6.20	3,348	20,611	-	21.09	0.56
Apoquindo	182,430	11	10,858	5.95	- 706	-	81,069	18.83	0.50
Estoril	30,809	4	3,142	10.19	- 560	-	-	17.32	0.46
LAS CONDES	1,316,221	80	103,230	7.84	4,857	23,086	81,069	20.34	0.53
Santiago Centro	195,598	11	24,197	12.45	- 5,656	-	-	14.31	0.38
Providencia	50,510	2	7,459	14.76	2,125	-	-	17.32	0.46
Nueva Providencia (*)	94,367	5	25,598	27.13	0	89,955	93,315	24.10	0.64
Vitacura	36,225	4	10,078	27.82	1,319	-	-	21.84	0.58
TOTAL SANTIAGO	1,692,951	102	170,562	10.07	2,645	113,041	174,384	19.95	0.53

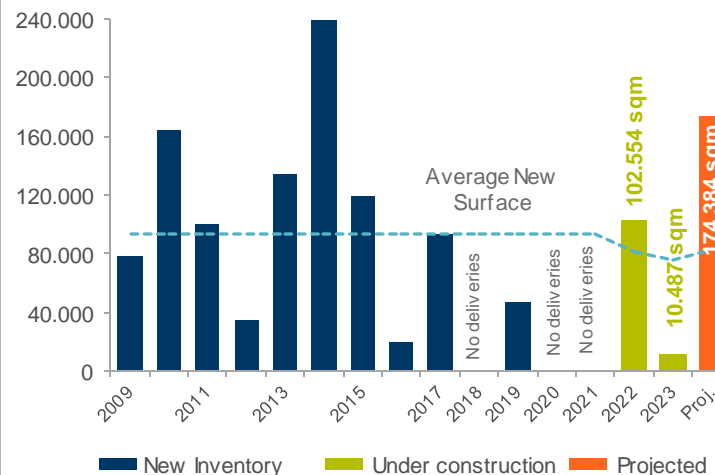
(*) Cushman & Wakefield performs area corrections at the beginning of each year; therefore, there may be fluctuations with respect to previous years' closings in inventory and available space. (**) Corresponds to rentable Surface according to available information.

(***) The Unidad de Fomento is a unit of account used in Chile, readjusted according to the inflation. Its value 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 June 22th, 2022: CLP \$ 32.981,75 = USD \$ 37,66 ; 1 USD = CLP \$ 875.65

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



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



GUSTAVO VALENZUELA

Director of Brokerage
+56 232 539 610

Gustavo.valenzuela@sa.cushwake.com

ROSARIO MENESES

Market Research Leader
+56 232 539 623

Rosario.meneses@cushwake.com

cushwakechile.com

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