

Industrial H2 2022

YoY Chg 12-Mo. Forecast

10.1 % ▼ ▲
Vacancy Rate

56,374 sq.m. ▼ ▲
Net Absorption (sq.m.)

\$ 5.7 ▼ ▲
Average Asking Rent (USD/Sq.m/Mo)

(* Indicators include Class A and B)

ECONOMIC INDICATORS H2.2022

YoY Chg 12-Mo. Forecast

7.6 % ▼ ▼
Unemployment rate (*)

2.8 % ▲ ▲
GDP Variation (**)

8.5 % ▲ ▼
CPI (Interannual variation) (***)

(* Quarter Sep-Oct-Nov 2022 (Source: INEI)
(**) Annualized Nov 2021-Oct 2022 (Source: INEI)
(***) Metropolitan Lima. From Dec 2021 to Nov 2022. (Source: INEI)

MARKET OUTLOOK:

The second half of the year ended with a vacancy rate that increased by 4.2 p.p. compared to the end of the first semester. This variation is the result of speculative growth in the construction of logistic spaces, mainly in the area of Lurin and Villa El Salvador. Currently, developers are raising their standards in terms of infrastructure and construction, reflected, for example, in the height of the warehouses, being more common to find options for logistics spaces above 10 meters high, either built or with the "built to suit" option. In this same trend of evolution and change, exhibition warehouse formats or "showrooms" have been incorporated into the market, especially in the Callao and South areas. In response to the needs of the market, the developers make constant efforts to attract tenants through different channels and carry out constant information work on the benefits of logistics centers. Finally, some developers have as a business scheme to build speculatively and begin the placement of the spaces, months prior to their construction considering an average negotiation period, which allows them to have spaces available without significantly affecting the vacancy in the long term.

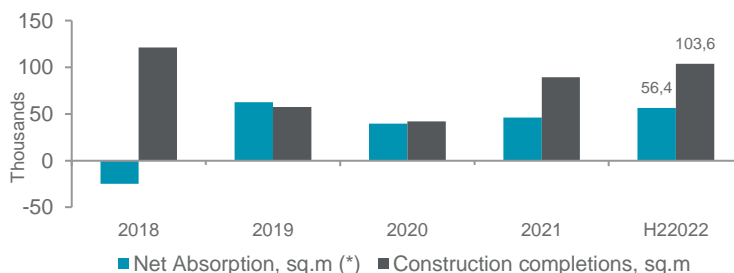
SUPPLY AND DEMAND:

At the end of the second semester of the year, an annual accumulated net absorption of 22,801 sq.m. is observed, divided between the South Zone and the Callao Zone. As the market evolves, the South Zone continues to acquire more and more participation, considering that there are spaces to be developed and that it increased its inventory by 67,641 sq.m. during the last 6 months, specifically in Lurin. Regarding the vacancy rate in the logistics market, it has had a growing trend, mainly due to the dynamism of the market, where spaces are constantly expanding in consolidated centers, considering that there is still a demand in items such as pharmaceuticals, mass consumption, food and beverages, logistics and mining.

PRICING:

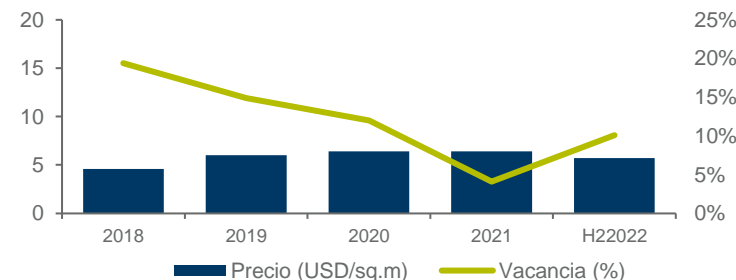
At the end of this semester, the asking rental price closed at USD 5.7/sq.m., between Class A and B spaces, where the price range fluctuates between USD 5.6 and USD 8.0 per sq.m.. Compared to last semester, the rental price for Class A logistics centers decreased by 18.4 % and for B it increased by 13.3 %, as a result of price adjustments by developers, considering demand, the type of customer to which they are heading and the current situation. Any variation in rental prices in the South zone has a significant impact on the estimate of average rental prices since it covers almost 84 % of the total inventory, and compared to the previous semester, the price of this zone fell by 7.1 %, mainly influenced by adjustments in Class A logistics spaces.

SPACE DEMAND / DELIVERIES (*)



(* This indicator only considers H12022. Indicators include Class A and B

OVERALL VACANCY & ASKING RENT (*)



(* Indicators include Class A and B

Industrial H2 2022

ECONOMIC OUTLOOK

Within a scenario of changes in the political aspect, the main economic indicators of the country remained stable.

According to the INEI, the interannual variation of the GDP until the end of October was 2.8 %, projecting a growth of 2.9 % for the end of this year according to the Central Reserve Bank.

The unemployment rate, although it has maintained a downward trend in the last couple of years, experienced an increase of 5.6 % compared to last month. Likewise, the figure for this semester was 1.5 p.p. lower than that observed in the same period of 2021, closing at 7.6 %.

On the other hand, the annualized inflation rate closed the month of November at 8.5 %, a figure that has been outside the target range of 1 % - 3 % indicated by the Central Reserve Bank since the middle of last year. The projection of this indicator towards the end of the year is 8.2 %, higher than the 7.8 % projected in September of this year, while for 2023 the forecast is 3 %, a figure that would be within the target range.

Likewise, the exchange rate reached the figure of S/3.8 / USD, falling slightly compared to 6 months ago. Considering that rental prices in the logistics market are generally quoted in dollars, significant changes in this indicator can influence negotiations, contemplating the extension of rental contracts.

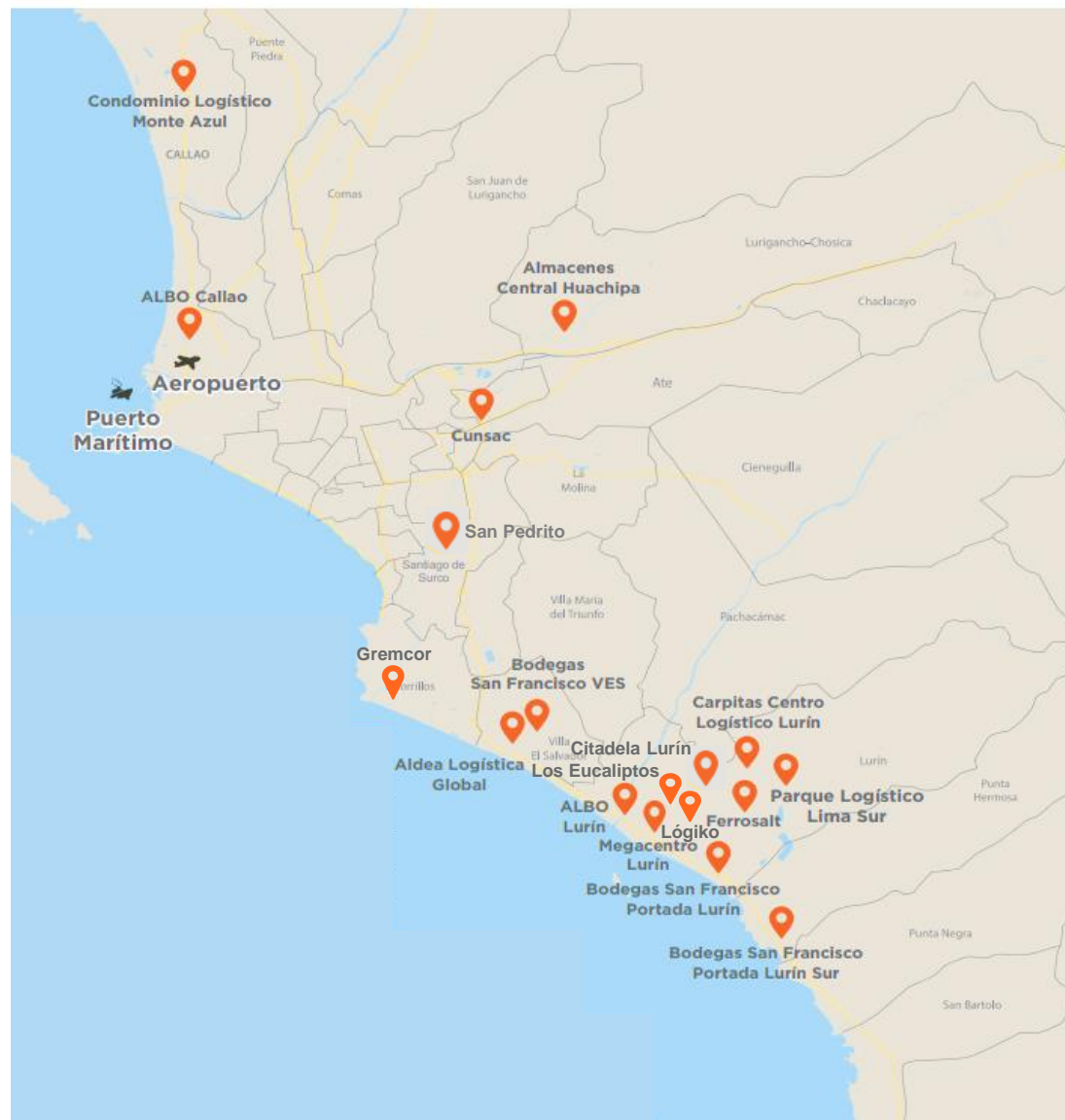
FUTURE OUTLOOK

The area that is under construction totals 277,723 sq.m. of logistics spaces. In the South Zone, 122,813 sq.m. will be delivered, divided in constructions of Megacentro Industriales Sur, Gremcor; in the Callao Zone, 82,410 sq.m. will be delivered, divided into projects of the Great Callao Logistics Park, Callao Logistics Park, Monte Azul Logistics Condominium and Logicca; and in the East Zone, 72,500 sq.m. will be delivered, made up of constructions in Almacenes Central Huachipa.

Currently, there are more than 776 thousand sq.m. in projects distributed in the main logistic zones. Much of the new developments are started on demand and those that tend to build speculatively have their spaces occupied in the short term due to the dynamism of the sector.

The Peruvian logistics market is still developing compared to other countries in the region, as construction progresses, the submarkets that are currently identified are consolidated and generate greater interest.

MAP OF LOGISTICS CENTERS AND WAREHOUSES



MARKET STATISTICS

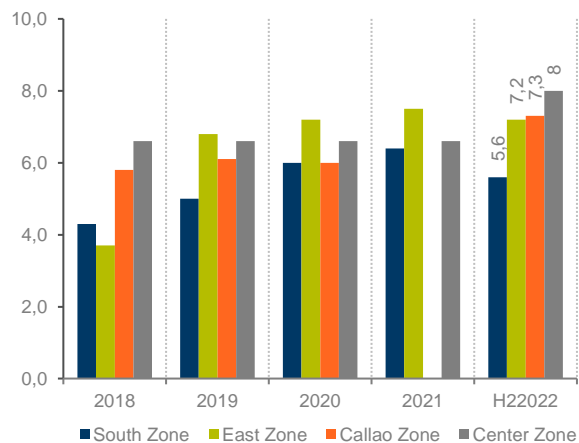
SUBMARKETS	INVENTORY (SQ.M.) (*)	NUMBER OF LOGISTICS CENTERS	AVAILABLE SURFACE (SQ.M.)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQ.M.)(*)	UNDER CONSTRUCTION (SQ.M.) (**)	PROJECTED (SQ.M.) (***)	OVERALL AVG ASKING RENT (USD /SQ.M. / MONTH)
South Zone Class A	1,289,992	20	117,484	9.1	23,533	110,813	164,589	5.5
East Zone Class A	124,000	3	5,000	4.0	-5,000	72,500	-	7.0
Callao Zone Class A	26,000	4	2,000	7.7	12,000	74,410	397,760	8.0
SUBTOTALS CLASS A	1,439,992	27	124,484	8.6	30,533	257,723	562,349	5.6
South Zone Class B	135,658	5	40,435	29.8	-2,000	12,000	1,600	6.1
East Zone Class B	15,515	1	1,010	6.5	-952	-	-	8.0
Callao Zone Class B	50,000	2	5,000	10.0	-5,000	8,000	-	7.0
Center Zone Class B	58,837	1	1,251	2.1	220	-	-	8.0
SUBTOTALS CLASS B	260,010	9	47,696	18.3	-7,732	20,000	1,600	6.2
TOTAL	1,700,002	36	172,180	10.1	22,801	277,723	614,580	5.7

(*) This indicator only considers H22022. For the end of the current semester, inventory information has been updated.

(**) Surface under construction with delivery date until S12024

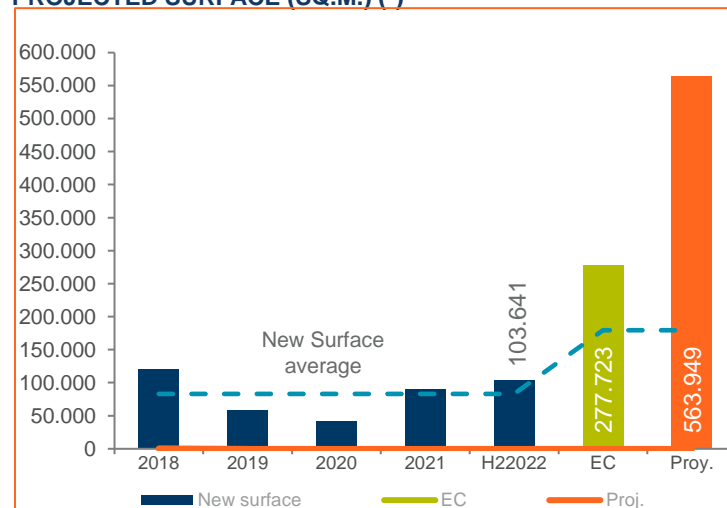
(***) Surface that is in the project stage and whose delivery date is defined from S22024 or not yet defined

ASKING RENT PER SUBMARKET(*) (USD/SQ.M./Month)



(*) Indicator include Class A and B

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



(*) Indicators include Class A and B

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