

YoY Chg 12-Mo. forecast

20.1 %
Vacancy rate

10,177
Net abs., Sq.m. Q4-2022

\$15.9
Asking rent, PSM

ECONOMIC INDICATORS Q4 2022

YoY Chg 12-Mo. forecast

7.6 %
Unemployment Rate (*)

2.8 %
GDP variation (**)

8.5 %
Inflation Rate (***)

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

MARKET OUTLOOK:

The progressive return to workspaces throughout this year has resulted in a downward trend in available office space. In this period, the vacancy rate fell by 1.3 % compared to the previous quarter and by 11.7 % compared to the same period in 2021, closing at 20.1%, which shows a sustained market recovery. San Borja (24.9 %), San Isidro Financiero (22.7 %) and San Isidro Empresarial (22.5 %) are the submarkets that concentrate the highest levels of vacancy, where the last two were significantly impacted during the pandemic period by concentrating 50 % of office inventory in the market. It should be noted that, although these submarkets have the largest available area, they experienced a reduction in their vacancy levels of 11.7 % and 0.7 %, respectively, compared to the last quarter of last year, considering that they concentrate a large part of the corporate market in the capital.

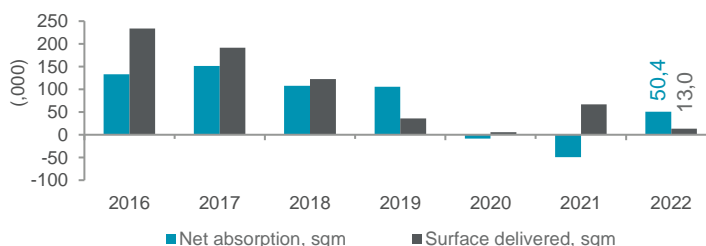
SUPPLY & DEMAND:

At the end of the fourth quarter of the year, net absorption reached the figure of 10,177 sq.m.. This indicator occurred as a result of a significant increase in vacancy (14,504 sq.m.), mainly in San Isidro Financiero and San Isidro Empresarial. Occupations also increased by 13.8 %, being Miraflores and Magdalena del Mar the main exponents of this increase, both compared to the previous quarter. This scenario shows greater agility in the decision-making of companies regarding their need for workspaces, it is important to mention that spaces have been occupied by the coworking sector in various buildings around the city, this space format being increasingly common locally and globally. In addition, to date and despite the caution of developers regarding the start of new projects due to high availability, there are still about 68 thousand sq.m. to be delivered between 2023 and 2024, where Santiago de Surco stands out once again as the submarket with the largest amount of future area (40,022 sq.m.).

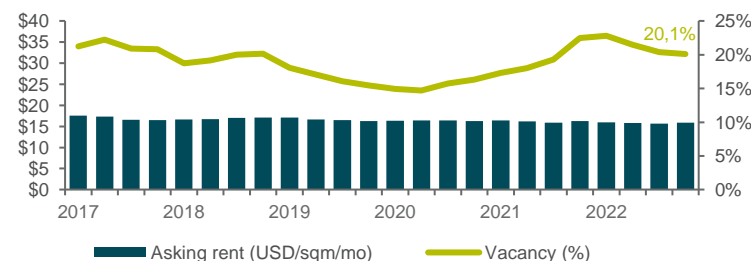
PRICING:

The asking rental price increased by 1.3 % compared to the previous quarter, reaching an average of USD 15.9 per sq.m.. The most significant and notable variations in the rental price during the fourth quarter occurred in the Magdalena del Mar and Chacarilla submarkets, both increasing by 10.6 % and 8.1 % respectively. It is worth mentioning that, in some cases, and due to the type of vacancy that occurred in recent months, there is a greater supply of implemented and subleased spaces where it is possible to consider average rental prices above the asking price of an office in gray, depending on the condition of the spaces. These types of spaces are maintained as an alternative to the need for some tenants to move to ready-to-occupy offices that do not require a significant investment of time and money in the implementation process.

SURFACE DEMAND / SURFACE DELIVERED



VACANCY RATE & RENTAL ASKED PRICE



ECONOMIC OUTLOOK

In the fourth quarter of the year, the main economic indicators remained stable, giving greater security regarding decision-making.

The interannual variation of the GDP until October of this year was 2.8 % according to the INEI, with a growth projection of 2.9 % for 2023. Regarding the construction sector, it presented a growth of 4.2 % and an increase in the physical progress of works of 37.8 %. As far as buildings are concerned, there was an increase in this type of work of 73 %. On the other hand, the internal consumption of cement varied by -6.4 %, due to the decrease in imports and a lower local dispatch compared to the same period of 2021, a factor that affects this sector and the development of works in general. .

The unemployment rate has maintained its downward trend, with the figure as of November of this year being 1.5 p.p. lower than that observed in the same period of 2021 (9.1 %).

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, at the end of this quarter, the exchange rate reached the figure of S/3.8 / USD, falling slightly in recent months. Considering that rental and sale prices in the office market are generally quoted in dollars, significant changes in this indicator may influence negotiations, contemplating the extension of rental contracts.

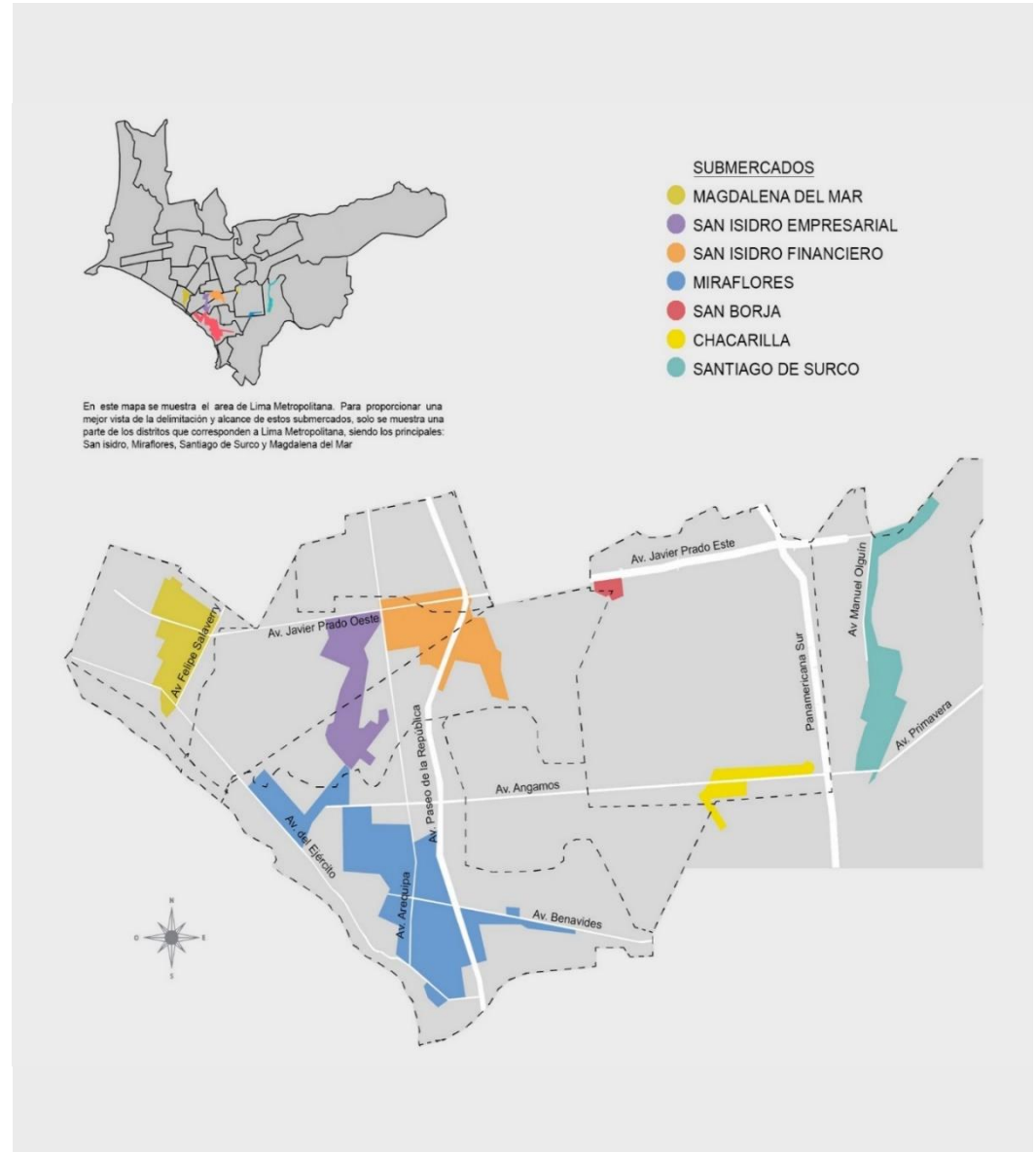
During this period there was a change of government, so it is advisable to maintain a conservative profile regarding the impact on projections in the medium and long term.

FUTURE OUTLOOK

At the end of the fourth quarter of the year, there is a surface under construction of 67,960 sq.m. in projects located in Santiago de Surco, San Isidro Empresarial and Miraflores. The projects that have not yet started construction or are in the evaluation stage add up to 54,093 sq.m., with a leasable area of more than 10,000 sq.m., mainly concentrated in Miraflores, San Isidro Empresarial and Callao; however, it is important to emphasize that some of these projects will be resumed in the medium to long term.

The current situation and high availability of spaces in gray as implemented has resulted in large developers taking the start of construction of new projects with caution with the expectation that the market is more prepared in terms of occupancy to receive new surface. In projects under construction, however, it is possible to estimate delivery dates as the progress of the works is displayed.

MAP OF OFFICES WITH DIVISION OF SUBMARKETS / LIMA / PERU



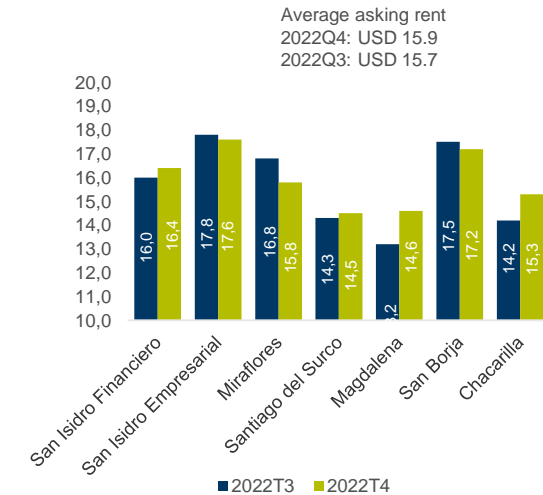
MARKET STATISTICS

SUBMARKETS	CLASS A INVENTORY	NUMBER OF BUILDINGS	SURFACE AVAILABLE (sq.m.)	VACANCY RATE (%)	NET ABSORPTION (sq.m.)	UNDER CONSTRUCTION (sq.m.) (*)	PROJECTED (sq.m.) (**)	CLASS A ASKING RENT (USD/sq.m./mo)	CLASS B ASKING RENT (USD/sq.m./mo)
San Isidro Financiero	593,659	43	134,552	22.7%	21,973	-	-	\$16.4	\$14.9
San Isidro Empresarial	262,493	33	58,927	22.5%	6,114	10,774	17,069	\$17.6	\$13.3
Miraflores	221,972	23	30,956	14.0%	6,586	17,164	8,024	\$15.8	\$14.3
Santiago de Surco	342,305	19	70,270	20.5%	11,434	40,022	-	\$14.5	\$13.4
Magdalena del Mar	171,564	11	23,621	13.8%	3,466	-	-	\$14.6	\$15.1
San Borja	35,588	4	8,846	24.9%	2,102	-	-	\$17.2	\$14.7
Chacarilla	30,225	5	3,219	10.7%	208	-	-	\$15.3	\$13.6
TOTAL LIMA	1,694,220	139	341,201	20.1%	50,423	67,960	54,093	\$15.9	\$13.1

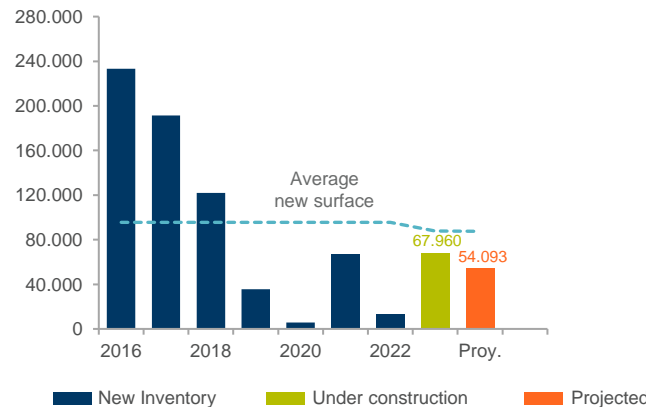
(*) Square meters under construction period 2023Q1 to 2024Q4

(**) Square meters projected period 2025Q1 onwards. 29,000 sq.m. are included in the Callao submarket.

RENTAL PRICE REQUESTED BY SUBMARKET (USD / Sq.m. / Mo)



SURFACE DELIVERED PER YEAR (Sq.m) PROJECTED SURFACE (Sq.m)



DENISE VARGAS SOTOMAYOR

Market Research Coordinator
+51 1 2238184
denise.vargas@cushwake.com

GABRIEL TRISANO

Market Research Analyst
+51 1 2238184
gabriel.trisano@cushwake.com

cushwakeperu.com

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