

OFICINAS LIMA

Economic Indicators (*)

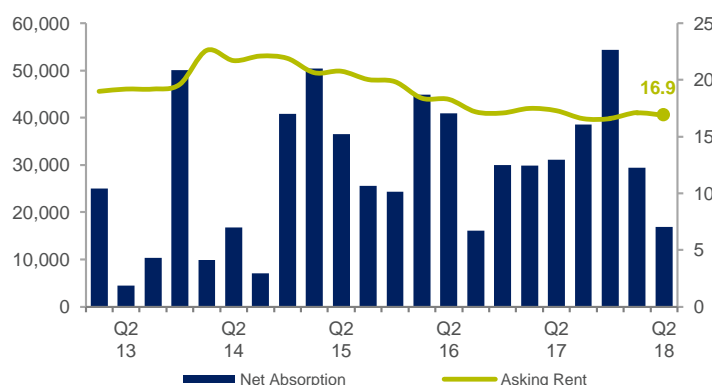
	Q2 17	Q2 18	Previsiones 12 meses
Unemployment rate (%)	6,9%	6,2%	▲
GDP Variation(%)	3,6%	6,4%	▲
Inflation Variation(%)	2,7%	1,4%	=

(*)Sources: Instituto Nacional de Estadística e Informatica, Banco Central de Reserva, Ministerio de Economía y Finanzas.

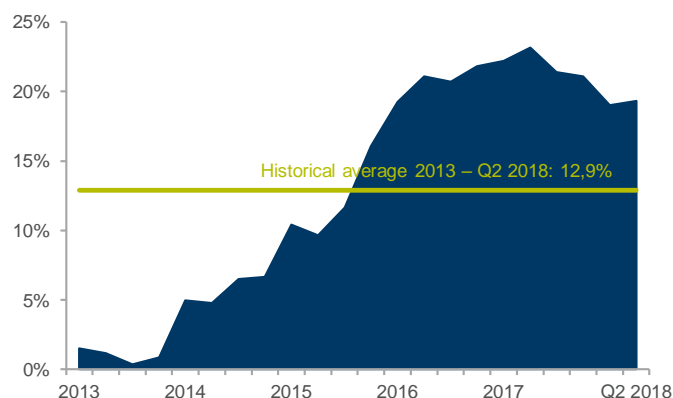
Market Indicators (Class A)

	Q2 17	Q2 18	Previsiones 12 meses
Vacancy rate	23,1%	19,3%	▼
Net Absorption (sqm)	31,1	16,8	=
Under construction (sqm)	225,3	139,4	▼
Average asking rent (USD/month/sqm)	17,3	16,9	▲

Net Absorption (sqm2) / Asking Rent (USD/m2/month) (Clase A)



Vacancy Rate (%) (Class A)



Economic Overview

The official indicators on the growth of the first quarter of the year have not yet closed, however, between January and May, according to the National Institute of Statistics and Informatics, the GDP growth was 4,83%, showing an over 6% growth 6% in May, the last month registered. This meant more than 8 years of consecutive growth, despite the political scenario that has been developing.

In this same line, the International Monetary Fund projects the continuity of a positive growth trend and it is expected that 2018 will close at 4% and that the growth trend will continue for 2019.

The main economic sectors that have positively driven GDP growth until May were consumer loans (+7,68%), and higher retail sales (+3,30%), which reflects household consumptions. Moreover, the increase in exports was 5,54%, mainly in non-traditional products (+27,40%) such as fishing, agricultural, textile and chemical products; and fishmeal, agricultural, textiles and chemicals.

The national accumulated annual variation of the inflationary indicator (July 17 to June 18) was 1,4%. According to the Central Reserve Bank, inflation forecast is around 2% by the end of this year, and this trend is expected to continue during 2019. The inflation target contemplates a range between 1% and 3%.

The exchange rate remained below the S / 3,30 / USD, from the beginning of the year until the end of June. Significant changes in the exchange rate influence the establishment of rental and sale prices, because these prices are established in US dollars and not in local currency (Soles). Therefore, the stability of the exchange rate allows that the variations in asking rents are the result of a direct interaction between supply and demand and the exchange rate has a lower relevance.

Finally, it is still expected that the growth of public investment will be accelerated by the reconstruction works by the El Niño Costero Phenomenon and the Pan American Games.

Market Overview

During the second quarter of 2018, the market showed a stable behaviour, reflected in the inventory and vacancy indicators, although net absorption was lower than the previous quarter.

Although the levels of absorption decreased with respect to the first quarter of the year, the vacancy rate kept closing the second quarter in 19,3% (0,3 percentage points more than the previous quarter) and 3,8% lower than the same quarter last year.

The available area was 285.958 sqm, mainly due to the delivery of two buildings: Numen Tower (9.200 sqm) located in Miraflores and T Tower (15.450 sqm) in San Isidro Financiero. Both buildings with high levels of availability. Towards the end of 2018, the delivery of 115.382 sqm of Class A office space is expected in San Isidro Financiero, Empresarial, Santiago de Surco and Magdalena del Mar.

At the end of the second quarter of 2018, the largest available area continues to be located in San Isidro Financiero with 113.011 sqm, despite being the submarket with the greatest office demand. In this quarter, only two Class A office buildings have been delivered, adding 24.650 sqm to the market and resulted in an increase of the vacancy rate in the San Isidro Financiero to 24,9% and in Miraflores to 21,1%.

Compared to the same quarter last year, availability decreased by 3,8%. In addition to San Isidro Financiero, this availability is mainly concentrated in Santiago de Surco (53.034 sqm) and Magdalena del Mar (43.462 sqm). In San Isidro Financiero zone, the main occupation was the building San Isidro 27 (5.527 sqm).

The net absorption of the quarter was mainly concentrated in the submarkets of Santiago de Surco (7.002 sqm) and La Victoria (8.105 sqm).

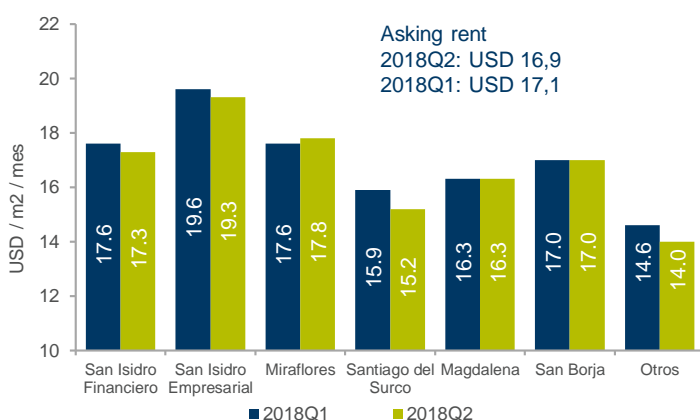
MORE THAN 140.000 SQM OF CLASS A OFFICE ARE EXPECTED TO BE DELIVERED IN 2018

The requested rental price decreased to USD 16,9 per sqm. This adjustment was mainly due to the slight increase in availability and the lower absorption of square meters (16.869 sqm), 45% lower than the same quarter of the previous year.

Currently, 139.474 sqm are under construction. 58,8% of this area is located in Santiago de Surco and 29% in San Isidro Financiero and San Isidro Empresarial.

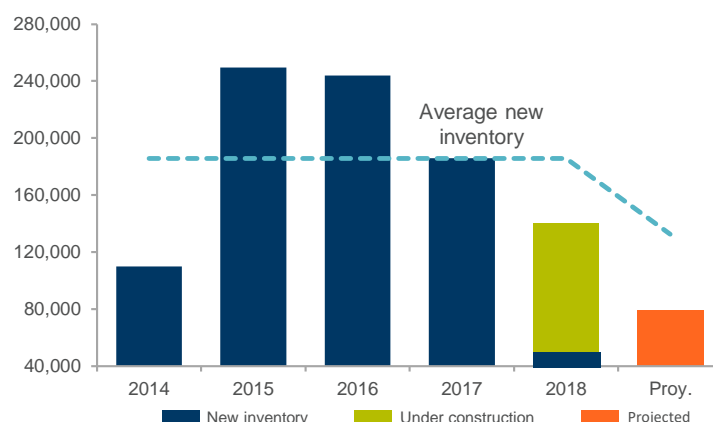
The entrance of 169.408 sqm of offices is projected between the last semester of 2018 (115.382 sqm) and 2019 (54.026 sqm), a result that represents an increase of 11,4% over the current total inventory of class A offices by the end of the second quarter of the year.

Asking Rent by submarket (USD/sqm/month)



New inventory (sqm) / Projected Surface (sqm)

THE PROPOSED AND UNDER CONSTRUCTION SURFACE DECREASES THE HISTORICAL AVERAGE OF A NEW ÁREA BY 28,7%



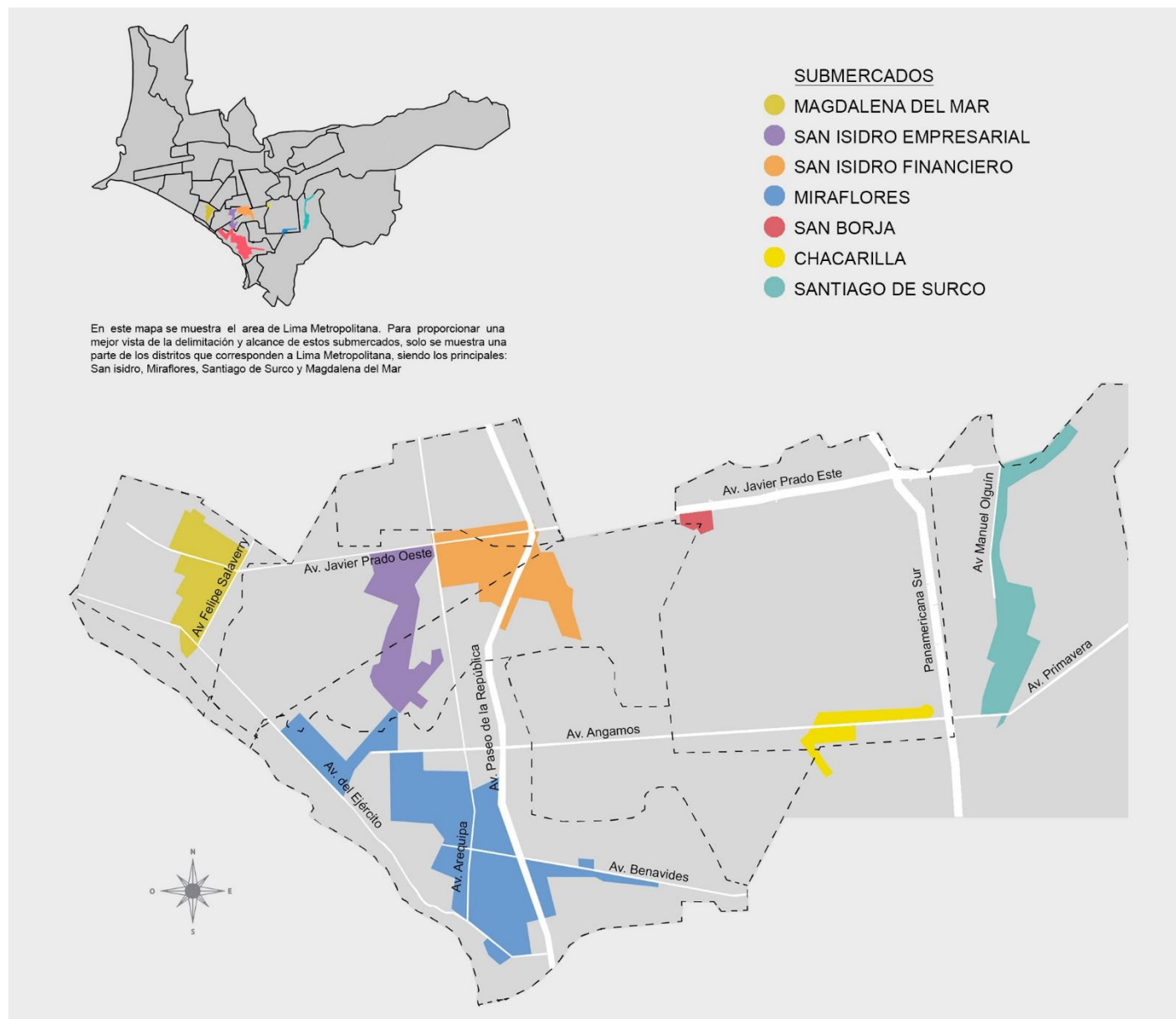
SUBMARKET	INVENTORY CLASS A	SURFACE AVAILABLE (SQM)	VACANCY RATE	AVERAGE ASKING RENT (USD/M2/MONTH)	UNDER CONSTRUCTION (SQM) (*)	PROJECTED (SQM) (**)
San Isidro Financiero	452.835	113.011	24,9%	17,3	18.011	11.400
San isidro Empresarial	219.645	19.554	8,9%	19,3	22.500	13.549
Miraflores	224.996	47.483	21,1%	17,8	-	-
Santiago de Surco (incluye Chacarilla)	306.915	53.034	17,3%	15,2	81.974	29.934
Magdalena del Mar	154.575	43.162	27,9%	16,3	16.989	-
San Borja	35.588	458	1,3%	17,0	-	-
Otros distritos	87.427	9.256	-	-	-	-
LIMA TOTAL CLASS A	1.481.981	285.958	19,3%	16,9	139.474	54.883

(*) Square meters under construction between 2018Q3 to 2019Q2

(**) Square meters porposed between 2019Q3 to 2020Q4

OFFICE MARKET MAP WITH SUBMARKET DIVISION

LIMA / PERU



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