

OFICINAS LIMA

Economic Indicators (*)

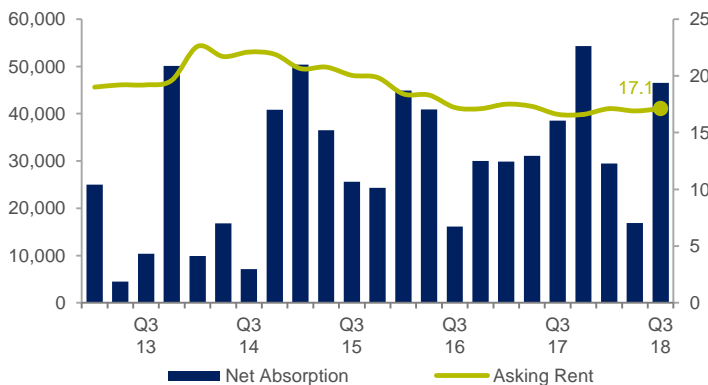
	Q3 17	Q3 18	Previsiones 12 meses
Unemployment rate (%)	6.4%	6,1%	▲
GDP Variation(%)	2.3%	2.3%	▲
Inflation Variation(%)	2.9%	1,3%	▬

(*)Sources: Statistics and Informatics National Institute, Central Bank, Economy and Finance Ministry.

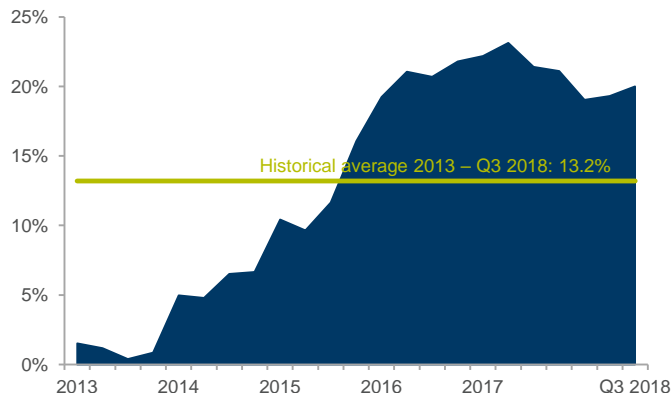
Market Indicators (Class A)

	Q3 17	Q3 18	Previsiones 12 meses
Vacancy rate	21.4%	20.0%	▼
Net Absorption (sqm)	38.8	46.4	▬
Under construction (sqm)	234.4	67.6	▼
Average asking rent (USD/month/sqm)	16.6	17.1	▲

Net Absorption (sqsqm) / Asking Rent (USD/sqm/month) (Class 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 July, according to the National Institute of Statistics and Informatics, the GDP growth was 4%, showing an lower 3% growth 6% in July, the last month registered. These results show an improvement in most productive sectors such as Commerce, Construction, Transport, Telecommunications and Agriculture.

In this quarter the positive forecasts remain and 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 national accumulated annual variation of the inflationary indicator (October 17 to September 18) was 1,3%. 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% .

During the month of July, the exchange rate remained below the S / 3.30 / USD, however, during the months of August and September fluctuated at an exchange rate above S / 3.30 / USD and closed the quarter in this figure. The Peruvian real estate market develops with rental and sale prices in foreign currency (USD), therefore, it is directly influenced by significant changes in this indicator, in addition to the interaction of supply and demand.

Market Overview

During the third quarter of 2018, the Class A office market performed more dynamically and absorbed a larger number of square meters compared to the previous quarter.

Although the levels of absorption increased compared to the second quarter of the year, the vacancy rate also registered an increase, as a result of the simultaneous completion of 4 Class A buildings, closing the third quarter in 20.0%.

The available area increased in 8.6% regarding the previous quarter, 311,434 sqm, mainly due to the completion of buildings Titanium Business Center in San Isidro Empresarial; More Torre Golf (31,689) in Santiago de Surco; Forum Tower (18,011 sqm) located in San Isidro Financiero and Primera Vision Building (16,989 sqm) in Magdalena del Mar. Most of the mentioned buildings still have high availability, which caused the increase in the vacancy rate registered for the end of the quarter.

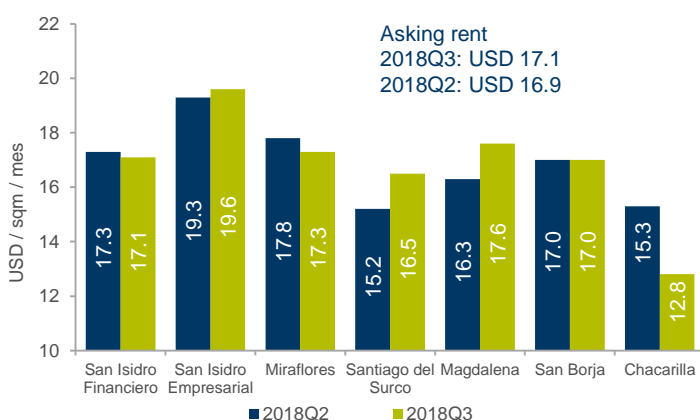
During the current quarter a total of 71,189 sqm have been completed, which increased the inventory by 4.8%. The submarkets that increased their inventory more significantly were Santiago de Surco and Magdalena del Mar, with growth of 11.2% and 10.9%, respectively.

According to results of the third quarter of the year, the largest available area continues to be located in San Isidro Financiero, which accounts for 37.7% of the total, followed by Santiago de Surco with 23.5% of the available area.

The submarkets that showed an more significant vacancy rate were Santiago de Surco and Magdalena del Mar with 5.3 and 2.7 percentage points, respectively. Both sub-markets together received more than 50% (48,678 sqm) of the new inventory delivered this quarter.

The net absorption was estimated at 46,493 sqm and was concentrated mainly in the San Isidro Financiero (13,540 sqm) and Miraflores (10,676 sqm) sub-markets. It should be noted that in the current quarter the closure of several negotiations that had begun months ago was carried out.

Asking Rent by submarket (USD/sqm/month)



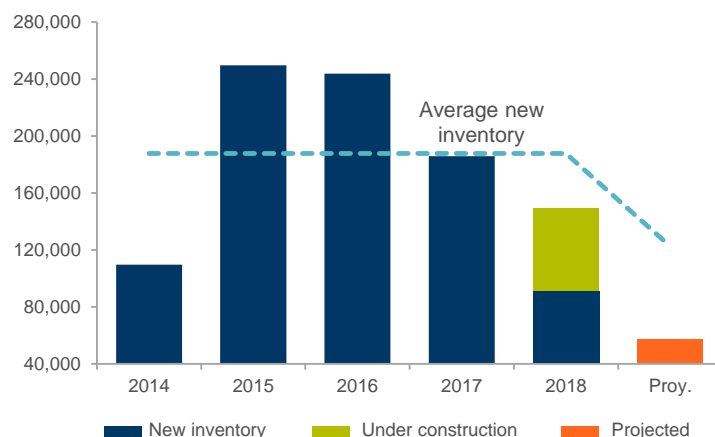
IN 2018, ALMOST 150, 000 SQM OF CLASS A OFFICE AREA IS EXPECTED TO BE DELIVERED

The asking rental price showed a slight increase to USD 17.1 per sqm. This adjustment was mainly due to the delivery of new square meters to the inventory whose rental price was above average. This differentiated price is explained by the convenient location of the projects delivered and the level of implementation these available spaces.

Currently, 67,622 sqm are under construction. Of this total area, 74.3% is located in Santiago de Surco and 25.6% in San Isidro Empresarial.

111,105 sqm of offices is expected to be completed between the last quarter of 2018 (53,618 sqm) and 2019 (57,487 sqm), an indicator that represents a growth of 7.1% over the current total inventory of class A offices at the end of the third quarter of the year.

New inventory (sqm) / Projected Surface (sqm)
THE PROPOSED AND UNDER CONSTRUCTION SURFACE DECREASES THE HISTORICAL AVERAGE OF A NEW ÁREA BY 34.7%



SUBMARKET	INVENTORY CLASS A	SURFACE AVAILABLE (SQM)	VACANCY RATE	AVERAGE ASKING RENT (USD/SQM/MONTH)	UNDER CONSTRUCTION (SQM) (*)	PROJECTED (SQM) (**)
San Isidro Financiero	515,915	117,402	22.7%	17.1	-	-
San isidro Empresarial	224,145	19,678	8.7%	19.6	17,337	13,549
Miraflores	226,380	37,666	16.6%	17.3	-	-
Santiago de Surco	323,028	73,151	22.6%	16.5	50,285	-
Magdalena del Mar	171,564	52,497	30.6%	17.6	-	29,934
San Borja	35,588	458	1.3%	17.0	-	-
Chacarilla	15,576	2,863	18.3%	12.8	-	-
LIMA TOTAL CLASS A	1,554,665	311,434	20.0%	17.1	67,622	43,483

(*) Square meters under construction between 2018Q4 to 2019Q3
 (**) Square meters porposed between 2019Q4 to 2020Q3

