

# INDUSTRIAL-LOGISTIC OUTLOOK

LIMA | Q3 2023



## ECONOMIC OUTLOOK

At the end of the third part of the year, the main economic indicators for projections needed to change to account for contraction in different economic sectors. Even though the scenario was not the most promising for potential clients or investors in the industrial logistic market, it is still one of the most attractive and one with an excellent potential for growth and consolidation. The execution for important infrastructure works and crucial for industries development and for Peru as a commercial hub, such as improvement of current ports and airports.

Projections regarding the end of the year and GDP growth decreased for this third quarter and it is expected to increase 0.9% at the end of the year, a measurement that has been adjusted for more than 2 pp compared to last quarter, according to Banco Central de Reserva. Specifically, industries like construction, manufacturing, among others, have been affected for inflation which has been reflected in salaries. Likewise, projected inflation rates experienced a slight variation. At the end of this quarter, this indicator is expected to close at 3.8%.

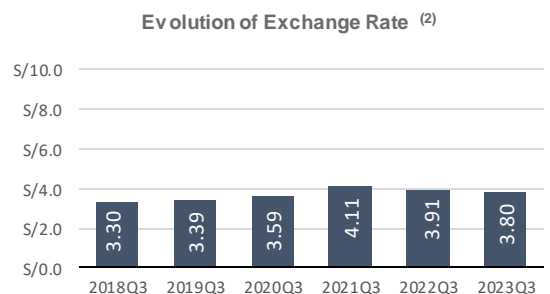
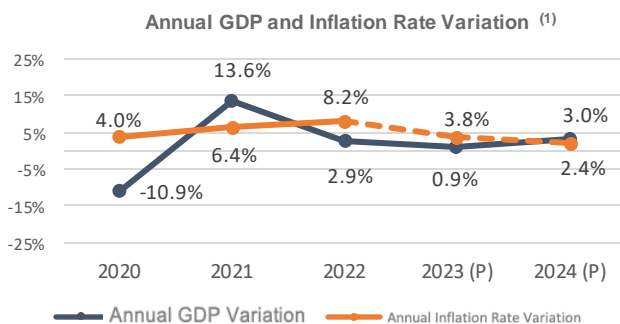
## INDUSTRIAL PARKS

In a scenario of stability for this market, considering 7 industrial parks still on sale, their growth is thanks to sales of new stages, to the consolidation of the ones currently for sale, and the start-up of new constructions and operations made by owners who want to make use of their land. Luín and Chilca to the South and Huachipa to the East continue to be the role models for this type of development, and are expected to be land where more industrial Parks are established.

## LOGISTIC CENTERS

The pandemic was the main boost for this market, creating a need for big and small companies to have logistic centers, contributing to an increase in demand in this category. Callao, Luín, and Huachipa are within the main development districts as well as other centers that, in some cases, operate as last-mile spaces closer to downtown like Ate Vitarte, Santiago de Surco y Chorrillos.

## Economic Indicators – Q3.23

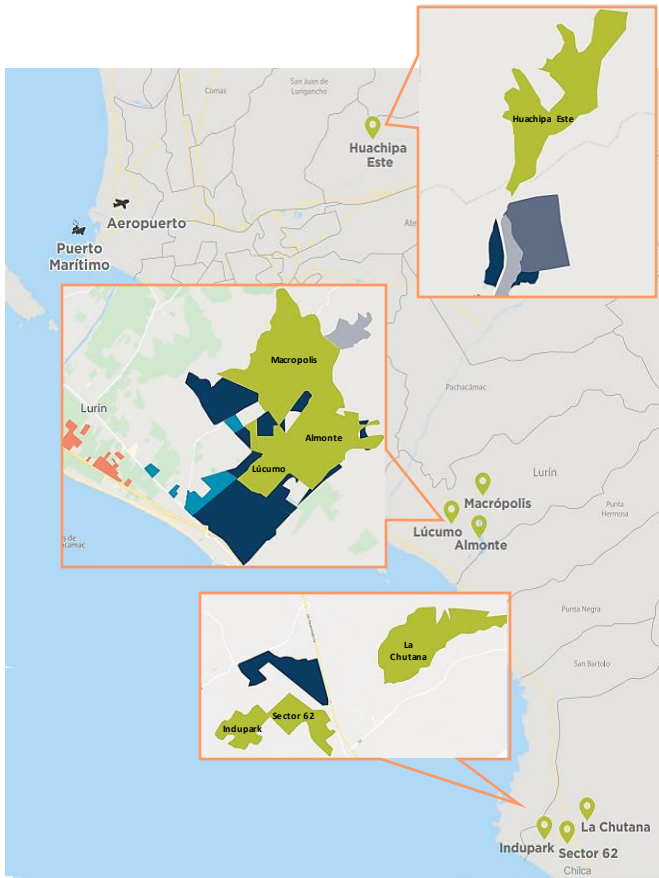


(1) Source: Banco de Reserva del Perú Inflation Rate Report (Sept 15, 2023)

(2) Source: Superintendencia de Administración Tributaria (SUNAT)

# INDUSTRIAL-LOGISTIC OUTLOOK

## INDUSTRIAL PARK

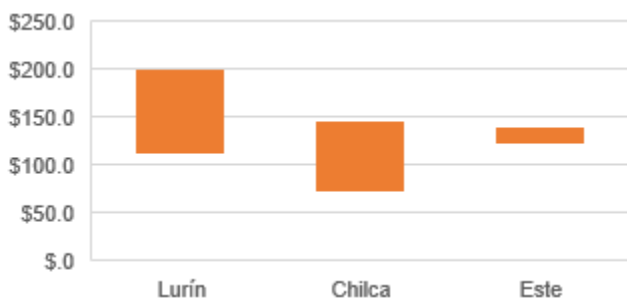


Currently, industrial parks hold a big diversity of categories, the choice of the location for an industry is strongly related to the zoning of each land. Depending on the location of the industrial park, occupants can be identified with a need for storage or distribution, mainly because of the proximity to the road and metropolitan area of the city. In the Lurín submarket, most of these logistic centers and warehouses were established. Instead, in Chilca, there are occupants with need for production activities. Currently, developers choose to place a more varied offer in lot size for sale (less than 2,000 m<sup>2</sup>) and it is possible to purchase a group of several lots of these sizes for larger requirements. Likewise, it is important to emphasize that a great percentage of lots sold have not been developed or built yet. Nevertheless, this scenario is reversed gradually and starts to activate.

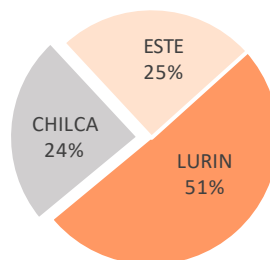
At the end of third quarter of 2023, the total inventory of area delivered in industrial parks amounts to 3,588 ha. Of the total developed surface and for sale, 24.3% is still available, this indicator stays high due to most part of the existing supply is related to new stages (3rd stage) and seeks to employ strategies that show the final product and make the buying process faster (eg: payment aids, mini lotization, and others). The final average price for this quarter is USD 130 per m<sup>2</sup>, ranging between 70 USD/m<sup>2</sup> and 200 USD/m<sup>2</sup>. It should be considered that there is a difference between the average selling prices in Lurín (USD 165 per m<sup>2</sup>) and Chilca (USD 117 per m<sup>2</sup>), depending on the need, the surface to acquire and the location of the lot can determine the difference in Price ranges, beyond what the park can offer in infrastructure and services.

## Main Data – Q3.23

Average Selling Price by Zone



Distribution of Total Inventory



24.3% del inventario se encuentra disponible para venta.

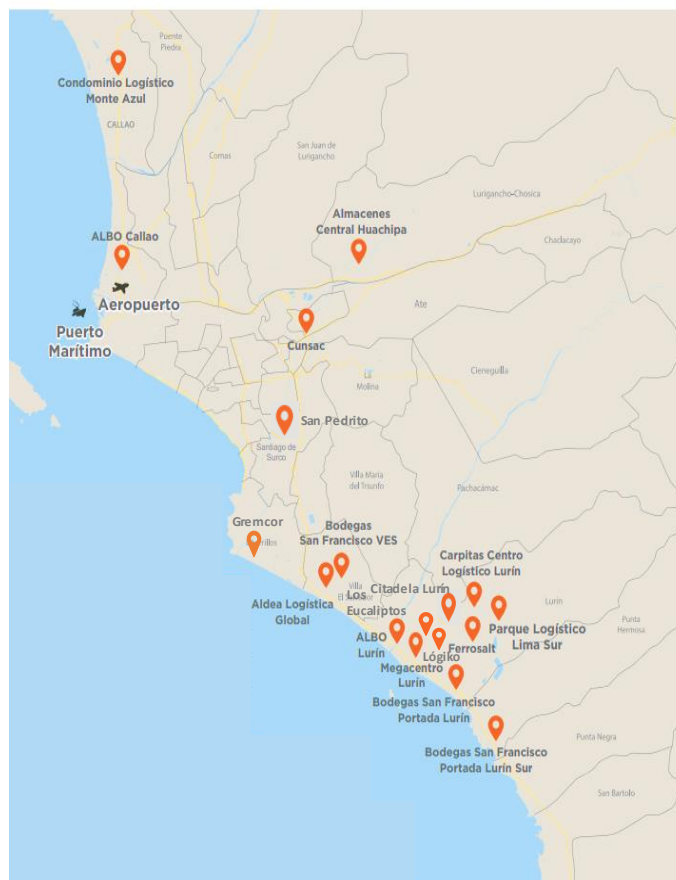
# INDUSTRIAL-LOGISTIC OUTLOOK

## LOGISTIC CENTERS

In the third quarter of the year, and closer to the end of the year, the market for logistic remains active. There were not new inventory entries, considering that the vacancy rate is already high, mainly driven by the constructions that some developers carried out based on speculation. To date, developers have understood that, to meet greater demand, the product and its features (height, operation yard, type of floor, docks, common areas, among other services) needs improvement. Following this trend of evolution and change, exhibition warehouses or “showroom” formats have been incorporated into the market, specifically in Callao and Southern areas. While most of developers keep an agile placement strategy, prior to the construction of warehouse spaces or “built to suit”, near Christmas campaign, there is a short-term need for available and flexible spaces for products storage and be aware for the requirements that may arise. The market dynamism has contributed to vacancy rates of 8% for Class A warehouses, with areas already negotiated before construction. The occupancy rate allowed a reduction in the vacancy rate to 9.1%, where 92% of this availability is concentrated in the South zone.

The average rental price for type A warehouses is around 5.9 USD/m<sup>2</sup> and 6.2 USD/ m<sup>2</sup> for type B, resulting in a total average of 6.0 USD/ m<sup>2</sup>. Taking into account that almost 90% of Class A warehouses are located in the South, it should be considered that prices can change mainly because of location (near downtown), access, surface, height, services, infrastructure, among others, that can influence final negotiation.

To date, the surface under construction until the first half of 2024 amounts to 120,110 m<sup>2</sup>, whereas the one in the project stage reaches 748,680m<sup>2</sup>, mainly concentrated in the South and Callao; however, it should be considered that some of these projects are part of already existing logistics centers and will be launched as the places already built are placed



## Main indicators (\*) – Q3.23

Zone	INVENTORY (m <sup>2</sup> )	VACANCY RATE (%)	ASKING PRICE RENT (m <sup>2</sup> /mes)
SOUTH	1,309,901	10,1 %	USD 5,9
EAST	134,700	3,3 %	USD 7,0
CALLAO	83,000	8,2 %	USD 7,2
CENTER	58.837	0,0 %	-
<b>TOTALES</b>	<b>1.662.907</b>	<b>9,1 %</b>	<b>USD 6,0</b>

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(\*) The data presented includes information about warehouses classified as Class A and Class B