

YoY Chg 12-Mo. forecast

17.5 %
Vacancy rate



22,911
Net abs., Sq.m. Q3-2023



\$15.3
Asking rent, PSM



ECONOMIC INDICATORS Q3 2023

YoY Chg 12-Mo. forecast

6.6 %
Unemployment Rate (*)



0.5%
GDP variation (**)



5.0 %
Inflation Rate (***)



(*) Jun-Jul- Aug 2023 (Source: INEI)

(**) Annualized Ago 2022 - Jul 2023

(Source: INEI)

(***) Lima. From Oct 2022 to Set 2023. (Source: INEI)

MARKET OUTLOOK:

The office market shows signs of recovery, therefore occupancy and availability indicators reflect this behaviour. Despite changes in work modes and space utilization, by the end of the third quarter of the year, the vacancy rate continues to trend downwards and has decreased by 1.5 percentage points compared to the previous quarter and by 2 percentage points compared to the same period in 2022, closing at 17.5%. This reduction is a clear signal of a market that is following the trend that was predicted before the pandemic scenario. San Isidro Financiero (21.0%) and San Isidro Empresarial (19.4%), submarkets located in the financial district of the city, still exhibit high vacancy levels; however, they showed a reduction of 8.97% and 9.64%, respectively, compared to the second quarter. These variations are important indicators to have a clear view of the market's current situation, considering that both submarkets together sum up over a quarter (26%) of the corporate office inventory in the capital.

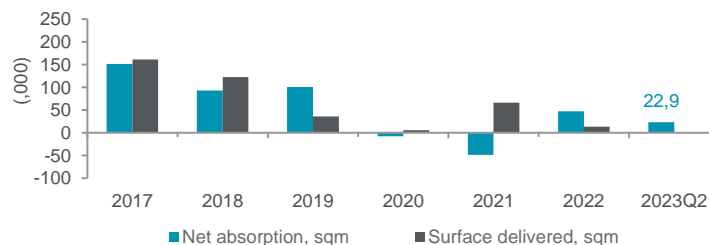
SUPPLY & DEMAND:

The third quarter concludes with a net absorption reaching 22,911 sq.m. While occupancies increased by only 9.6% compared to the previous quarter, the amount of unoccupied square meters was 50% less. This result reflects a sustained dynamism in decision-making, primarily observed in submarkets such as San Isidro Financiero (11,334 sq.m.) and San Isidro Empresarial (5,527 sq.m.). Currently, the under-construction area is limited to 3 buildings (57,000 sq.m.), two of which are likely to be completed within the next 6 months, and a project inventory (56,000 sq.m.) with a low probability of starting its construction stage in the short term, as they have maintained their status for several quarters. It is expected that in the coming semesters, the lack of surface in a construction status and projects will allow the market to adjust organically, occupy available spaces, and achieve a healthy vacancy rate between 10% and 12%.

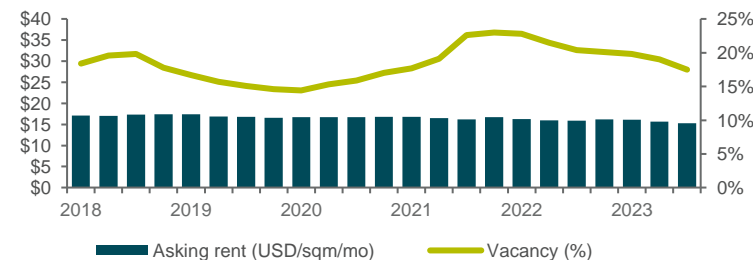
PRICING:

Despite the vacancy rate continuing to trend downwards, and thus, the expectation that rental prices would follow an opposite trend, the asking rent price decreased even more, reaching an average of USD 15.3 per sq.m.. While the reduction is not significant compared to the previous quarter (-3%), this behavior reflects the urgent need of property owners to occupy the large spaces still available and implement strategies that focus not only on price but also on features like space flexibility and an offering that suits the current requirements of the market. Considering that San Isidro Financiero, San Isidro Empresarial, and Santiago de Surco reduced their rental prices by 1.6%, 3%, and 5%, respectively, these changes have a significant impact on the overall average since they collectively sum up more than 80% of the available space.

SURFACE DEMAND / SURFACE DELIVERED



VACANCY RATE & RENTAL ASKED PRICE



ECONOMIC OUTLOOK

At the close of the third quarter, the outlook for the Peruvian economy is projected to be more dynamic in an environment of reduced inflationary pressures and gradually improving business confidence for new investment projects.

The year-on-year variation of the GDP until July of this year was 1.7%, according to INEI. It is expected a 0.9% growth by the end of 2023 and 3% growth for 2024 according to the Central Bank. Business confidence is still in the process of recovery, which may slow down the dynamism of various primary activities. Additionally, weather conditions could have a negative impact on the agriculture and fishing sectors for the remainder of the year, affecting growth projections for the year-end.

The unemployment rate continues to show a downward trend, although it slightly increased (0.3%) during this period. This reflects the ongoing recovery of the market and the growth of several sectors that require a frequent influx of human talent to continue expanding at their current pace, leading to a gradual reduction in unemployment and, in turn, reducing local poverty rates, which are currently above the regional average.

On the other hand, the annualized inflation rate closed at 5.0% in September, an indicator that, despite being outside the target range, continues to trend downward. The Central Reserve Bank expects it to decrease to 3% by the end of the year.

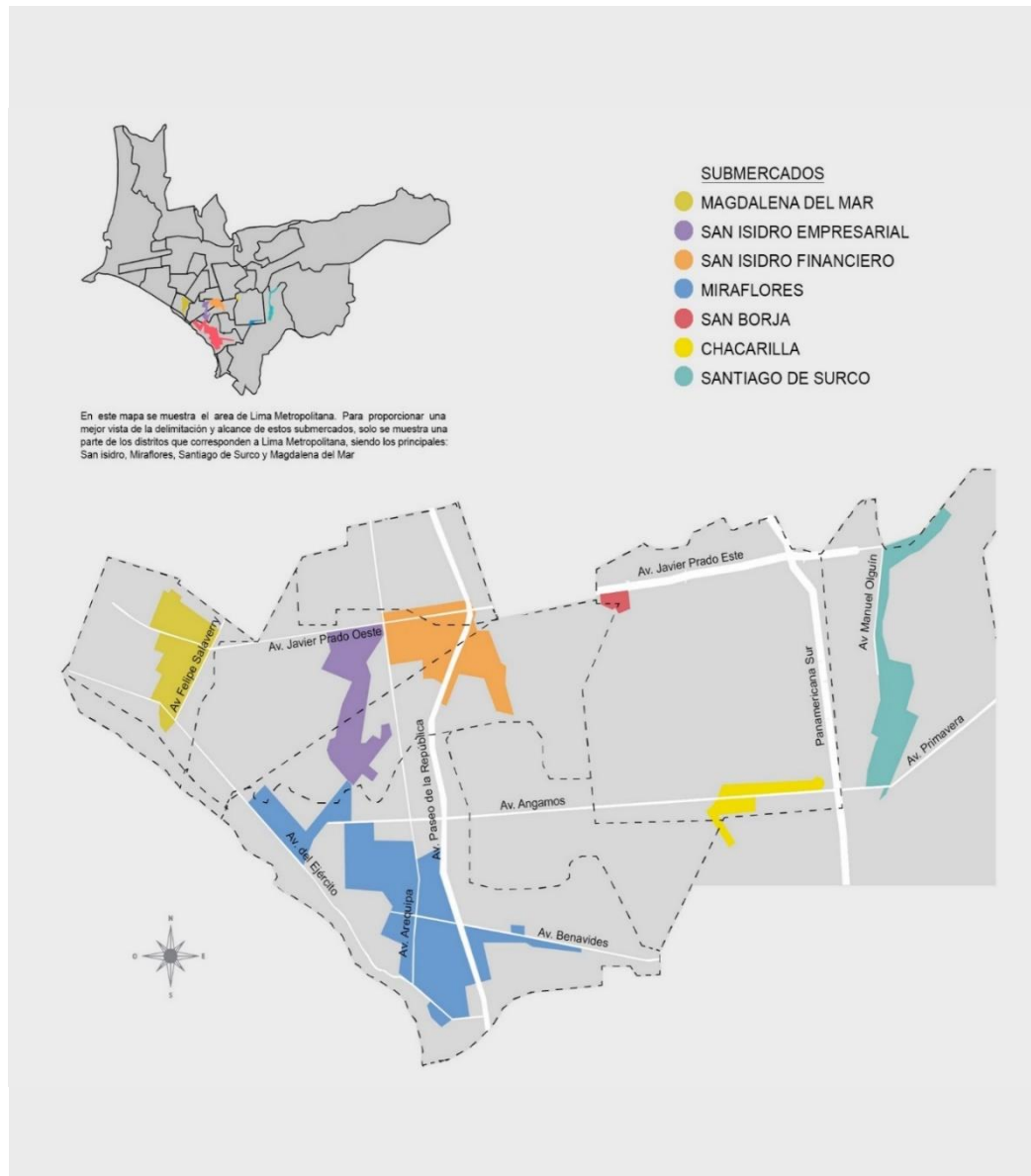
Furthermore, at the end of this third quarter, the exchange rate closed at S/3.79 per USD, decreasing by 4.1% compared to the exchange rate of the previous quarter. Considering that office rental and sale prices are generally quoted in dollars, significant changes in this indicator can influence negotiations when extending lease contracts.

FUTURE OUTLOOK

At the end of the third quarter of the year, there are 57,872 sq.m. of surface under construction. This figure is summarized by the imminent delivery of 2 buildings (Pardo 200 and Fibra Camino Real), with the rest of the square meters in construction status but with a high probability of delayed delivery due to project-related conditions. Furthermore, there are over 56,000 sq.m. in a project status. In this regard, it is likely that this surface will not commence in the short term due to the oversupply of availability still present in the market, which is attempting to find takers.

The current economic situation and the abundance of available spaces have resulted in a more cautious approach by major developers and landlords when it comes to initiating new construction projects, aiming to maintain a balance between supply and demand for spaces.

MAP OF OFFICES WITH DIVISION OF SUBMARKETS / LIMA / PERU



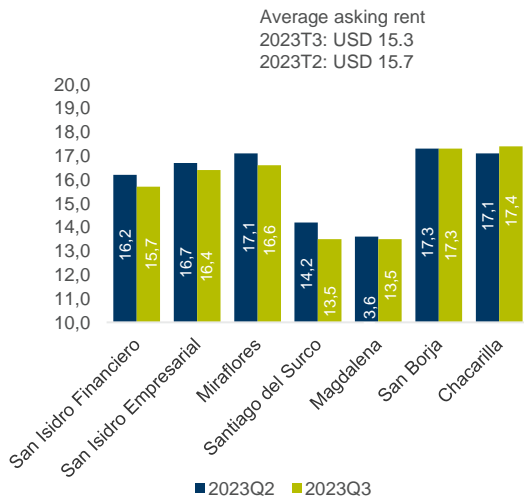
MARKET STATISTICS

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	547,232	39	115,163	21.0	8,335	-	-	\$15.7	\$13.8
San Isidro Empresarial	248,936	30	48,161	19.4	10,492	10,774	17,069	\$16.4	\$13.1
Miraflores	177,411	15	17,285	9.7	2,059	17,164	-	\$16.6	\$15.0
Santiago de Surco	322,550	16	59,300	18.4	10,609	29,934	10,088	\$13.5	\$13.7
Magdalena del Mar	140,580	9	18,388	13.1	4,417	-	-	\$13.5	\$13.5
San Borja	35,588	4	4,448	12.5	4,398	-	-	\$17.3	\$9.3
Chacarilla	20,649	3	1,217	5.9	1,190	-	-	\$17.4	\$13.6
TOTAL LIMA	1,513,649	117	264,819	17.5	43,000	57,872	56,157	\$15.3	\$12.9

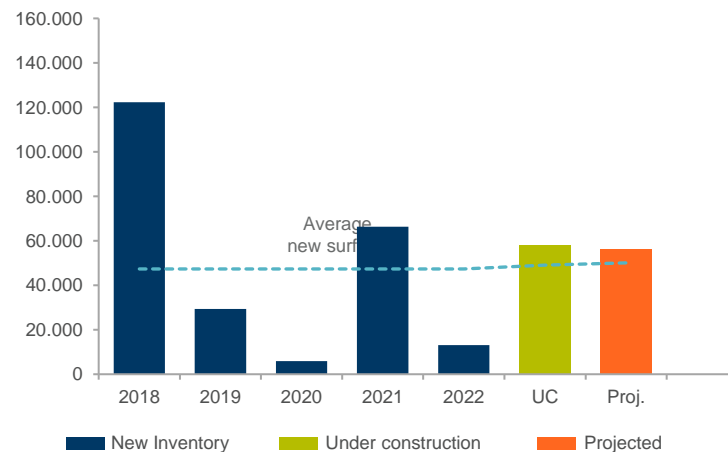
(*) Square meters under construction period 2023Q3 to 2024Q4

(**) 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)



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