

Industrial H2 2023

YoY Change 12-Mo Forecast

10.1 %
Vacancy rate



46,688
Net absorption (sq.m.)



\$ 6.0 (USD/sq.m/Mo)
Average asking rent



(* Indicators include Class A and B)

ECONOMIC INDICATORS H2 2023

YoY Change 12-Mo Forecast

6.6 %
Unemployment Rate (*)



-1.0 %
GDP Variation (**)



3.6 %
CPI (Interannual variation) (***)



(* Quarter Aug-Sep-Oct 2023 (Source: BCRP)
(**) Annualized Nov 2022- Oct2023 (Source: INEI)
(***) Metropolitan Lima. From Dic 2022 to Nov 2023 (Source: INEI)

MARKET OUTLOOK

The second semester of the year ends with a vacancy rate that decreased by 6.8% compared to last semester. This variation is the result of a reduction in availability of logistic spaces and warehouses, mainly in the East and the South. When referring to the East zone, the district of Huachipa has a 100% occupancy rate, however, there are areas still to be developed if needed. In the South, the available surface in Lurin decreased by 13.8%. This second half of 2023 has been more beneficial for the industrial sector because consumer interest for the logistic market increased.

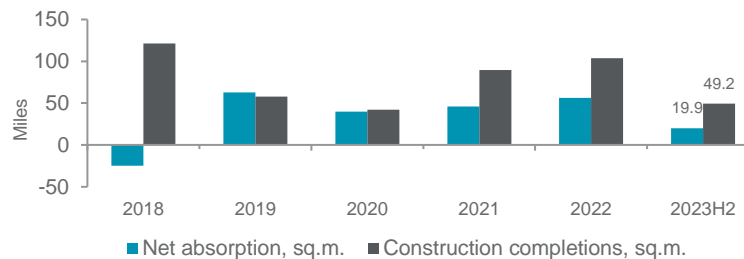
SUPPLY AND DEMAND:

At the end of the second semester of the year, annual net absorption 85,246 sq.m. divided in two main zones: South (69.9%) and East (19.6%). The logistics market inventory increased by 49,240 sq.m. during the last six months due to new class A warehouse spaces with heights between 12 and 14 meters. Around 70% of this increase took place in both the South, where *Aldeas Logísticas* expanded its inventory, and in Callao, where *Gran Parque Logístico Callao* delivered its first stage developed by *LatAm Logistics* and *Capia*. The vacancy rate showed a downward trend, given that more than 50% of deliveries were already pre-occupied. These spaces were occupied before construction because of a developer's previous marketing strategy, their market experience, and the proper identification of needs for space by their current and new clients. Due to current occupiers request and continuous market activity, developers seek more demand by offering a high value-added product with more flexibility in order to meet each client's need from different groups like: pharmaceutical, food and beverage, logistics, mining, and massive consumption.

PRICING:

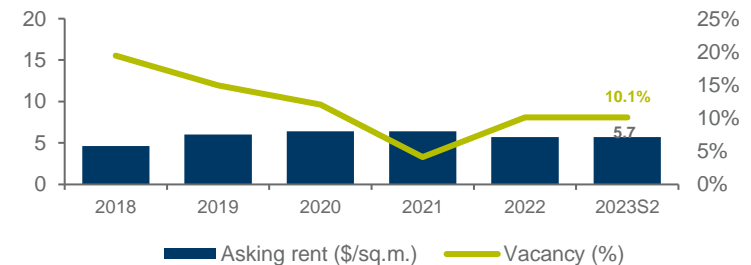
At the close of this second semester, the asking rent settled at 6.0 USD/sq.m., averaging between Class A and B warehouses, with a range fluctuating between 5.9 and 8.7 USD/sq.m. Any variation in asking rents in the South Zone has a significant impact on the estimation of average asking rent, as it has 82% of the total inventory. Compared to the previous semester, the asking rent for Class A logistics centers slightly increased (5.3%), closing at 6.1 USD/sq.m., but for Class B, the variation was not significant (6.2 USD/sq.m.). It is important to emphasize that the asking rent for Class B warehouses is relatively higher than that of Class A due to the location of the centers and the size of these spaces, whose offerings are not targeted towards large-scale requirements..

SPACE DEMAND / DELIVERIES (*)



(* Indicators include Class A and B)

OVERALL VACANCY & ASKING RENT (*)



(* Indicators include Class A and B)

ECONOMIC OUTLOOK

The main economic indicators showed some variations at the close of this year. The transition towards a stronger and more active economy may only take place in 2024.

According to the National Institute of Statistics (INEI), the GDP annual variation until October of this year was 1.0%, with an estimated projection by the Central Reserve Bank of a 3.0% growth for 2024. In the trade sector, exports of goods and services increased by 1.3%. Similarly, the maritime transport service showed a favorable performance of 2.5%, due to increased cargo movement in port terminals. According to OSITRAN, the organism that supervises the public investment in infrastructure, a total of 45 million tons of cargo were mobilized, 3.8% more than last year. According to the INEI, construction material prices decreased by 0.69%, as well as the price of vehicle fuels, which recorded a 3.9% decrease. Currently, the logistic cost in Peru is one of the highest in the region, representing 16% of the sales value. Therefore, the Ministry of Transportation and Communication has implemented the National Plan for Transportation Logistics Services and Infrastructure to 2032, in order to reduce until 13.4%.

On the other hand, the annualized inflation rate closed the month of November at 3.6%, a figure that, despite being outside the target range indicated by the Central Reserve Bank, is expected to continue a downward trend and close at 2.4% in 2024.

Also, at the end of this second semester, the exchange rate closed at S/3.73 per USD, reducing by 1.8% compared to the exchange rate at the beginning of the year. Considering that rental prices in the logistics market are generally quoted in dollars, significant changes in this indicator can influence negotiations, considering the extension of lease contracts

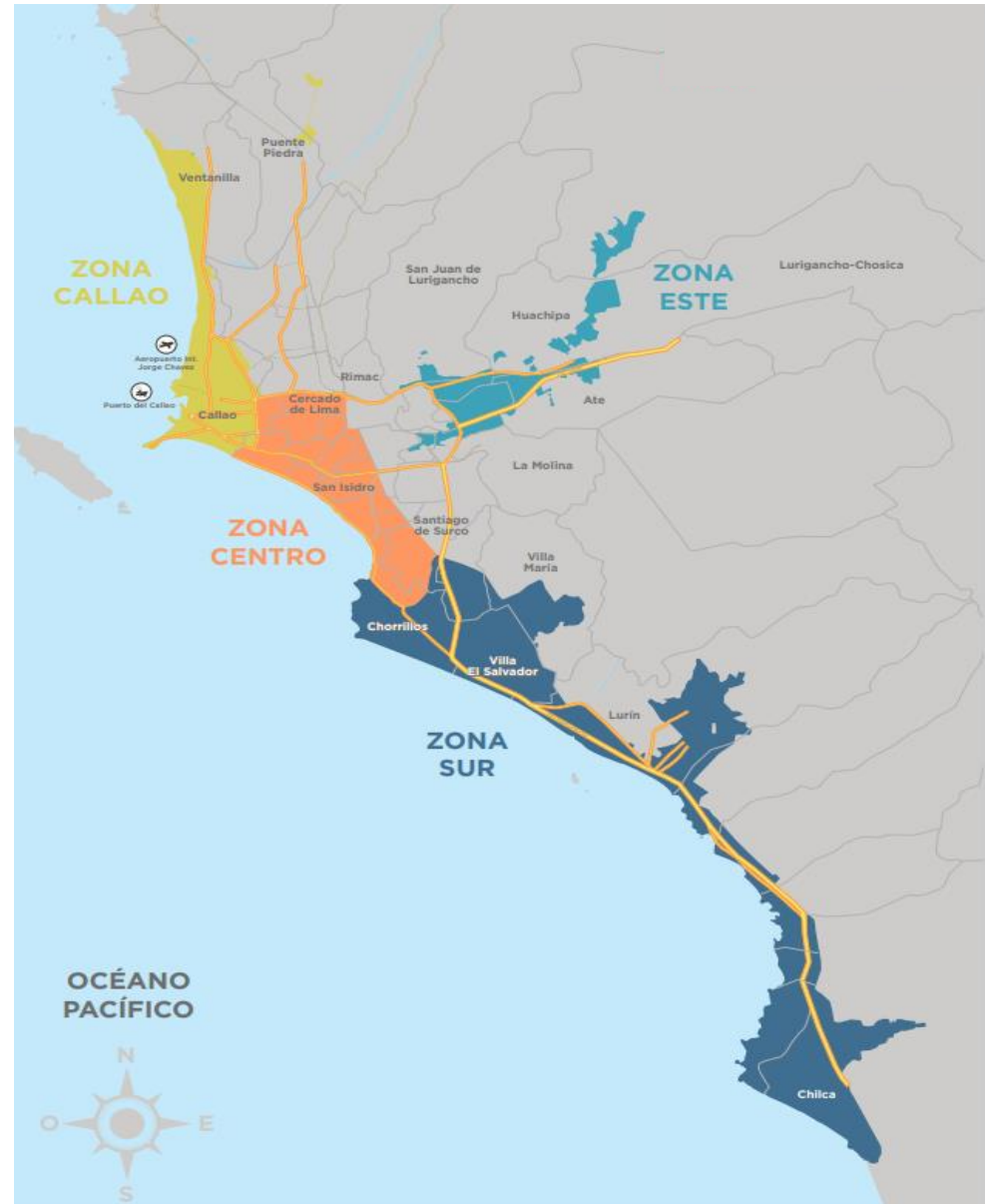
FUTURE OUTLOOK

The area under construction totals 135,467 sq.m. of logistics spaces to be delivered by the first semester of 2025. In the Southern Zone, 93,597 sq.m. will be handed over, divided among several constructions such as Megacentro Industriales Sur and Aldeas Logísticas; in the Callao Zone, an estimated 41,870 sq.m. are expected to be delivered through the development of the first stage of the Callao Logistics Park.

Currently, there are over 435,430 sq.m. in projects distributed across key logistics zones. Between the Southern Zone and the Eastern Zone, they comprise more than 80% of this area. However, it is important to consider that a significant portion of new developments begins with a pre-existing requirement, and those that tend to be built speculatively have their spaces occupied in the short term due to the dynamism of the sector.

The Peruvian logistics market is still in development compared to other countries in the region. As constructions progress, the submarkets that are currently identified consolidate and generate increased interest

MAP OF LOGISTIC CENTERS AND WAREHOUSES



MARKET STATISTICS

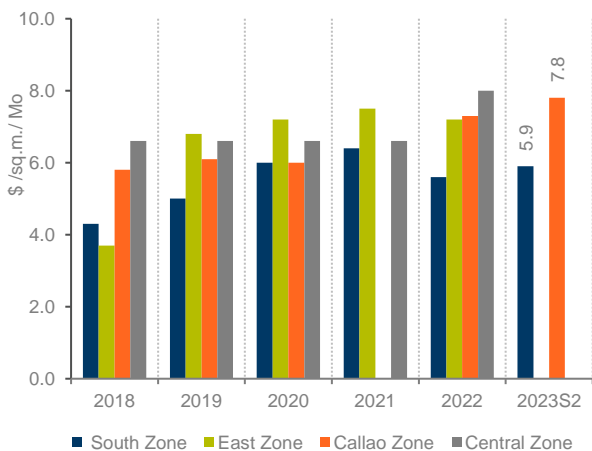
SUBMARKETS	INVENTORY (sq.m.) (*)	NUMBER OF LOGISTIC CENTERS	AVAILABLE SURFACE (sq.m)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (sq.m.) (*)	UNDER CONSTRUCTION (sq.m) (**)	PROJECTED (sq.m.) (***)	AVG ASKING RENTAL PRICE (\$ / SQ.M./ MONTH)
South Zone Class A	1,343,901	24	120,912	9.0	64,385	89,997	195,000	5.9
East Zone Class A	134,700	4	0	0	15,700	-	61,800	-
Callao Zone Class A	41,240	5	4,540	11.0	700	41,870	178,931	8.7
SUBTOTALS CLASS A	1,519,841	33	125,452	8.3	80,785	131,867	435,431	6.0
South Zone Class B	95,460	6	45,235	47.4	-8,000	3,600	-	6.1
East Zone Class B	15,515	1	0	0	1,010	-	-	-
Callao Zone Class B	57,000	4	5,000	8.8	7,000	-	-	7.0
Central Zone Class B	58,837	1	0	0	1,251	-	-	-
SUBTOTALS CLASS B	226,812	12	50,235	22.1	4,461	-	-	6.2
TOTAL	1,746,653	45	175,687	10.1	85,246	135,467	435,431	6.0

(*) This indicator only considers 2023H2. For the end of current semester, both Class A and b inventories have been updated.

(**) Surface under construction with delivery date until H12025.

(***) Surface in project stage with delivery date defined starting H22025 or not defined

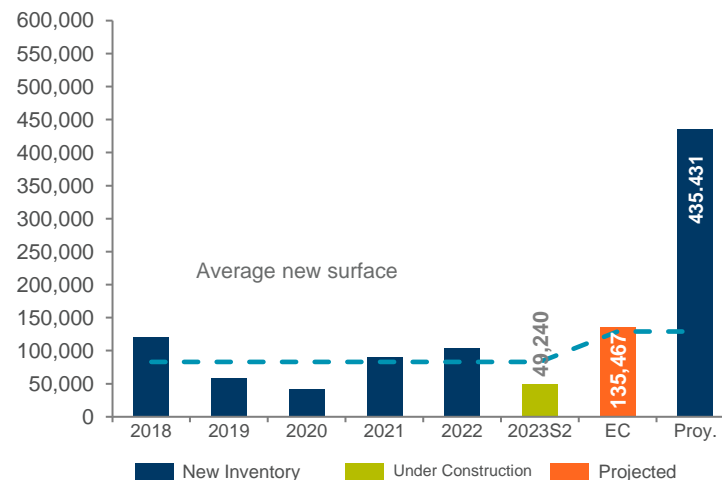
ASKING RENT PER SUBMARKET (\$ / SQ.M. / Month)



(*) Indicators include Clase A and B

(**) Zone East and Central have no availability.

NEW INVENTORY (sq.m.) PROJECTED SURFACE (sq.m.)



(*) Indicators include Class A and B

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