

	YoY Chg	12 – Mo Forecast
<b>16.1 %</b> Vacancy Rate	▼	▼
<b>18,168</b> Net abs, Sqm., Q1 2024	▲	▲
<b>\$15.9</b> Asking rent , PSM	▼	▲

### ECONOMIC INDICATORS Q1 2024

	YoY Chg	12 – Mo. Forecast
<b>7.3 %</b> Unemployment Rate (*)	▲	▼
<b>-0.4 %</b> GDP Variation (**)	▼	▲
<b>3.1 %</b> Inflation Rate (***)	▲	▼

(\*) Dic 2023 -Jan-Feb 2024 (Source: INEI)  
 (\*\*) Annualized Jan 2023-Feb 2024 (Source: INEI)  
 (\*\*\*) Lima. From Apr 2023 to Mar 2024 (Source: INEI)

### MARKET OUTLOOK:

At the end of the first quarter, office market showed signs of increased activity and continues to recover as predicted a few quarters ago. Vacancy rate decreased 1.3 p.p. compared to last quarter and 4.6 p.p. since 2023, closing at 16.3%. This indicator has shown a downward trend for several quarters due to limited delivery of new sq.m. in the market and to a stable sq.m. take up. At the moment, the only submarket that presents vacancy levels over 20% is San Isidro Financiero (20.6%). Nevertheless, it still holds a downward trend and showed a light drop of 0.8 p.p. compared to last quarter. It is important to point out that this submarket accounts for about 35% of corporate office inventory in the capital, where the main finance and insurance companies are located.

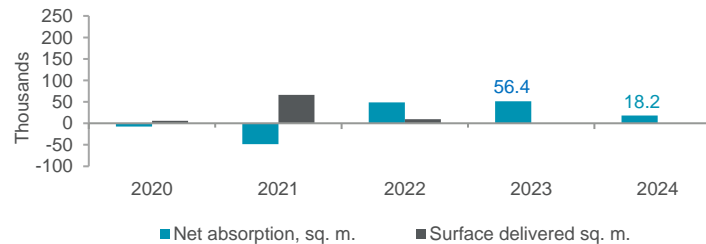
### SUPPLY AND DEMAND:

The first quarter closed with a net absorption that reached 18,168 sq.m. Occupancies decreased 6.8% compared to last quarter (26,243 sq.m.), mostly in San Isidro Empresarial (-1,903 sq.m.) and San Isidro Financiero (-2,955 sq.m.). Likewise, total unoccupied sq.m. declined 57.6%, focusing mostly on submarkets like Santiago de Surco (-4,748 sq.m.) and San Isidro Financiero (-2,884 sq. m.). Consequently, the absorption kept positive levels. In addition, current surface under construction is limited to 2 buildings that adds up to a total of 28,000 sq.m. in San Isidro Empresarial and Miraflores that will be delivered during the first semester of 2024. There are 57,000 sq.m. in projects; however, there are no signs of real progress. For that reason, starting the second semester, space requests will be supplied by projects that will have been constructed and delivered.

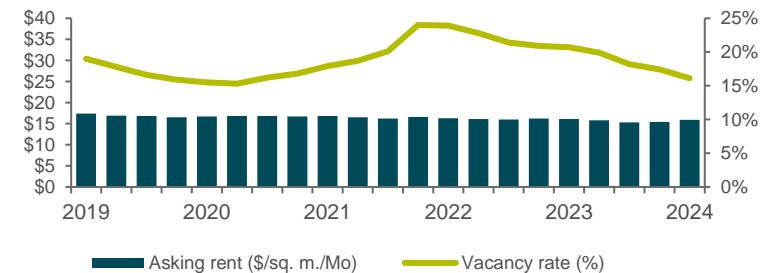
### PRICING:

The average asking rent increased by 3.5%, closing at \$15.9 per sq.m. This value is mainly caused by changes in prices in the submarkets of San Isidro Financiero, San Isidro Empresarial and Santiago de Surco, as they account for more than 70% of available surface. Compared to last quarter, these variations were 3.3%, 3.1% and 6.3% respectively. Chacarilla submarket recorded the highest asking average rent (\$20.0 per sq.m.), an increase of 10.8% because the spaces supplied have certain level of implementation. Uncertainty about future inventory and as long as the absorption remains positive, it is expected that the average asking rent keep showing an upward trend.

### SURFACE DEMAND / SURFACE DELIVERED



### VACANCY RATE & ASKING RENT



## ECONOMIC OUTLOOK

In the first quarter, the main economic indicators remained relatively constant. 2024 is expected to be a year of higher growth and a steady development of the economy of the country.

The interannual GDP variation until February of this year was 0.4% according to INEI and it is expected to grow at a 3.0% rate this year as stated by the Central Reserve Bank (BCRP). Regarding the construction sector, it showed a growth of 13.2% and physical work progress of 47.3%. Likewise, the domestic cement consumption increased by 9.25% due to a higher number of private projects,

The unemployment rate (Feb 2024) was 7.3%, an increase of 0.7 p.p compared to last quarter of 2023. Even with this result, the BCRP estimates that the number of employees in the private sector will increase by 3.7% compared to last year.

After several quarters with an annualized inflation rate above the target range (between 1% and 3%), this indicator keeps showing a downward trend and close in 3.1% on March. According to the BCRP projections, the inflation rate is expected to be on target and close at 2.4% in the short term.

Finally, it is important to be aware of variations in the exchange rate as most properties are priced in dollars. Significant changes in this indicator that persist over time can potentially have an effect on rental prices. At the end of this first quarter, the exchange rate closed at S/3.72 / USD, a decrease of 0.3% compared to last quarter.

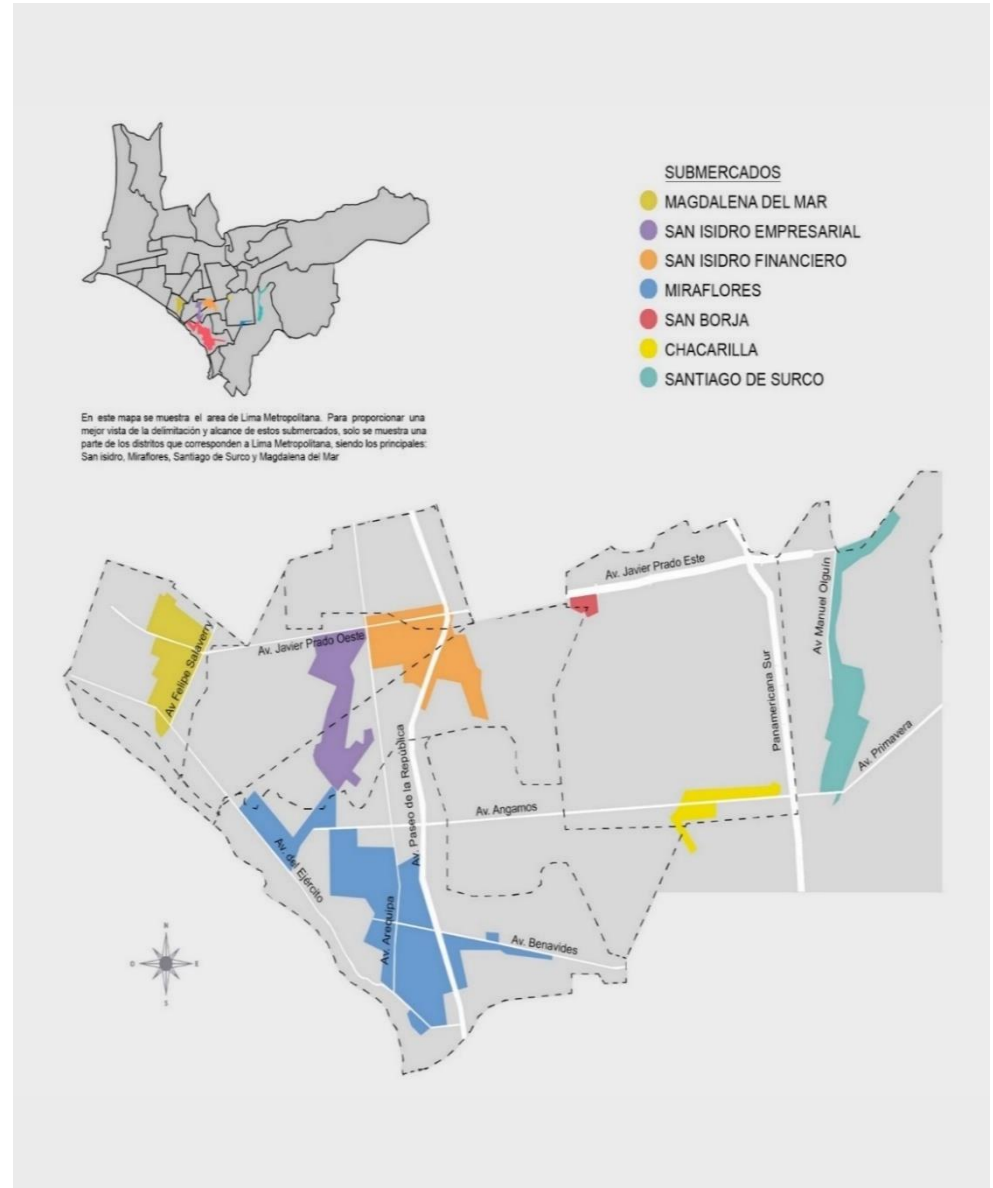
## FUTURE OUTLOOK

At the start of 2024, there are 27,938 sq.m. of under construction surface summarized in two projects, Edificio Fibra Camino Real in San Isidro Empresarial and Pardo 200 in Miraflores. The delivery date is due to the second semester of this year.

There are more than 57,000 sq.m. in building projects; however, most of them have a low probability to resume construction because they were need to be put on hold by the project developers and because there is excess supply in the market.

This scenario about construction and future projects leaves the Class A office market with a short list of projects, where developers remain cautious about resuming construction until the market reaches healthier vacancy levels so that those with available land can start new projects.

## MAP OF OFFICES WITH DIVISION OF SUBMARKETS/ LIMA / PERU



MARKET STATISTICS

SUBMARKETS	CLASS A INVENTORY	NUMBER OF BUILDINGS	AVAILABLE SURFACE (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	492,179	36	101,291	20.6	3,838	-	-	\$16.5	\$14.2
San Isidro Empresarial	234,813	27	38,897	16.6	3,016	10,774	17,069	\$16.5	\$13.4
Miraflores	149,875	12	14,249	9.5	1,534	17,164	-	\$17.7	\$15.2
Santiago de Surco	302,650	14	45,637	15.1	9,735	-	40,022	\$14.1	\$13.3
Magdalena del Mar	140,580	9	17,546	12.5	304	-	-	\$13.8	\$12.4
San Borja	35,588	4	4,074	11.5	374	-	-	\$17.2	\$16.0
Chacarilla	15,049	2	909	6.0	-252	-	-	\$20.0	\$14.5
<b>TOTAL LIMA</b>	<b>1,391,437</b>	<b>105</b>	<b>224,133</b>	<b>16.1</b>	<b>18,168</b>	<b>27,938</b>	<b>86,091</b>	<b>\$15.9</b>	<b>\$13.1</b>

\* Square meters under construction period 2024Q2 to 2025Q4

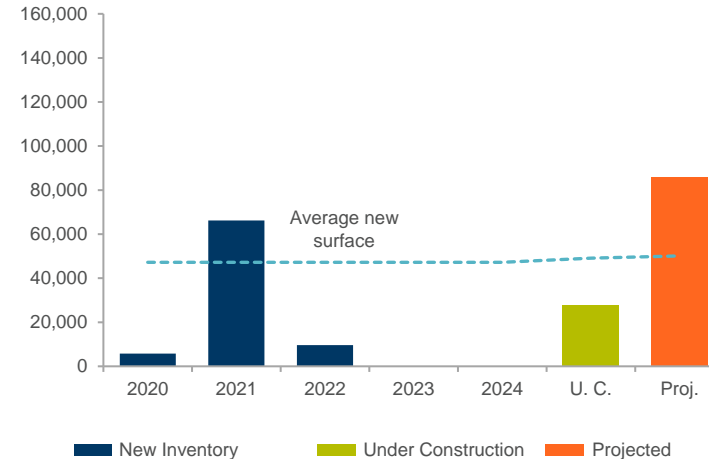
\*\* Square meters projected period 2026Q1 onwards. 29,000 sq.m. are included in the Callao submarket.

\*\*\* At the end of the first quarter, a reclassification of some buildings was made from class A to B.

RENTAL PRICE REQUESTED BY SUBMARKET (USD/ Sq.m./ Mo)



SURFACE DELIVERED PER YEAR (Sq. m) PROJECTED SURFACE (Sq. m.)



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