

Industrial H1 2024

YoY Change 12-Mo Forecast

10.5 %
Vacancy rate



53,277
Net absorption (sq.m.)



\$ 6.1 (USD/sq.m/Mo)
Average asking rent



(* Indicators include Class A and B)

ECONOMIC INDICATORS H1 2024

YoY Change 12-Mo Forecast

7.2 %
Unemployment Rate (*)



1.4 %
GDP Variation (**)



2.3 %
CPI (Interannual variation) (***)



(* Quarter Mar-Apr-May 2024 (Source: BCRP)
(**) Annualized Apr 2023- May2024 (Source: INEI)
(***) Metropolitan Lima. From Jul 2023 to Jun 2024 (Source: INEI)

MARKET OUTLOOK

The first half of the year closed with a vacancy rate of 10.5%, a slight increase of 0.4 percentage points compared to the second half of 2023. This variation is primarily the result of new warehouse inventory entering the market as speculative supply in the southern and eastern zones. In the south, the submarkets of Lurín and Villa El Salvador showed vacancy rates of 14.3% and 2.2%, respectively. In the eastern zone, the district of Ate Vitarte is fully occupied, while the vacancy rate in Huachipa closed at 1.8%. This scenario demonstrates the sustained dynamism of the logistics market, where we observe a demand trend towards Class A warehouses. Companies are seeking formats with greater height and infrastructure within a consolidated logistics center with high standards that ensure the efficiency and optimization of their operations.

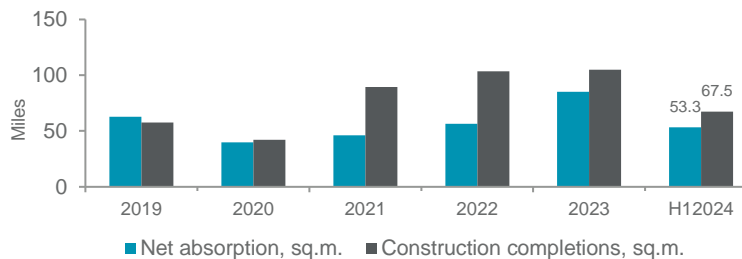
SUPPLY AND DEMAND:

At the end of the first half of the year, cumulative net absorption was 53,277 m², a positive variation of 14% compared to the second half of last year. During this period, the logistics market inventory increased by 67,497 sq.m. due to the incorporation of new Class A warehouse spaces of 12- and 14-meters height. On one hand, 96% of this new inventory was added in the southern zone with the expansion of Aldeas Logísticas in Villa El Salvador and the new stages (4 and 5) by Megacentro Industriales Sur in Lurín. On the other hand, 2,500 sq.m. were added to the inventory at Almacenes Central Huachipa in the eastern zone. Developers are seeking to differentiate themselves from the competition by emphasizing greater flexibility in terms of space, contract negotiation, options, and implementation solutions to meet the needs of each client from various sectors such as pharmaceuticals, mass consumption, food and beverages, logistics, and retail.

PRICING:

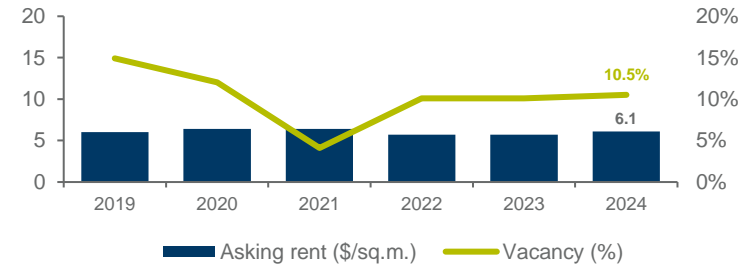
The average asking rent for Class A and B warehouse spaces closed at USD 6.1/m² at the end of the first half of the year, with a price range between USD 5.1 and USD 8.5/m². Compared to the previous semester, the asking rent for Class A logistics centers slightly increased (1.7%), closing at USD 6.1/m². In contrast, the average asking rent for Class B decreased by 3.2%, closing at USD 6.0/m². It is important to highlight that, given that the southern zone concentrates more than 80% of the warehouse supply, any variation in rent prices in this area can significantly influence the estimation of overall average rent prices.

SPACE DEMAND / DELIVERIES (*)



(* Indicators include Class A and B)

OVERALL VACANCY & ASKING RENT (*)



(* Indicators include Class A and B)

ECONOMIC OUTLOOK

During the first half of the year, the country's economy showed greater dynamism and stability. The main economic indicators continued to show encouraging results, highlighting recovery and positive expectations for the second half of 2024.

According to the National Institute of Statistics and Informatics (INEI), the year-on-year GDP variation through the end of May was 1.4%, driven by growth in domestic demand and an increase in exports of goods and services. In this positive scenario, the Ministry of Economy and Finance has projected that this indicator could grow to 3.1% by the end of 2024. Furthermore, after three years, the annualized inflation rate returned to the target range (1% - 3%), closing June at 2.3%. The Central Reserve Bank ensures the stability of this indicator and projects a year-end close at 2.2%.

The production index of the commerce sector registered a growth of 1.8%, highlighted by the sale of fuels, machinery, and equipment for the mining, industrial, agricultural, and health sectors. Similarly, the transport sector grew by 5.6% due to increased activity in air, land, and water transportation. According to the National Port Authority (APN), 798,886 TEUs and 15.1 million tons of cargo were handled in the first quarter of the year, an increase of 8.9% and 15.6%, respectively, compared to the same period last year. The primary reason for this growth was the rise in commodity prices (gold, copper, and natural gas), which in turn boosted exports during this semester.

The Chancay Megaport, an important national infrastructure project, showed an overall progress of over 80% at the end of this first semester. According to the Ministry of Transport and Communications, operations are expected to begin in November 2024. Additionally, DP World Callao inaugurated the expansion of the South Pier, which will increase Callao port's capacity by 80%, enabling it to handle up to 2.7 million TEUs annually.

At the end of this first semester, the exchange rate closed at S/3.77 per USD, increasing by 1.1% compared to the exchange rate at the start of the year. Considering that rental prices in the logistics market are generally quoted in dollars, significant changes in this indicator can influence negotiations and the extension of lease contracts.

FUTURE OUTLOOK

The surface under construction totals 66,870 sq.m. of logistics spaces to be delivered by the second semester of 2024. In the South zone, 25,00 sq.m. will be built by *Aldeas Logísticas*; in the Callao zone, an estimate of 41,870 sq.m. are expected to be delivered for the construction of the first stage of *Parque Logístico Callao*.

Currently, there are over 526,462 sq.m. in projects distributed across the main logistics zones. The South and the Callao zone account for 88% 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 build speculatively have their spaces occupied in the short term due to the dynamism of the sector. It is estimated that a new developer enter the logistics market with 22,381 sq.m. in the South zone during the upcoming year.

The Peruvian logistics market is still in development compared with other countries of the region. As constructions progress, the identified submarkets consolidate and create more interest.

MAP OF LOGISTIC CENTERS AND WAREHOUSES



MARKET STATISTICS

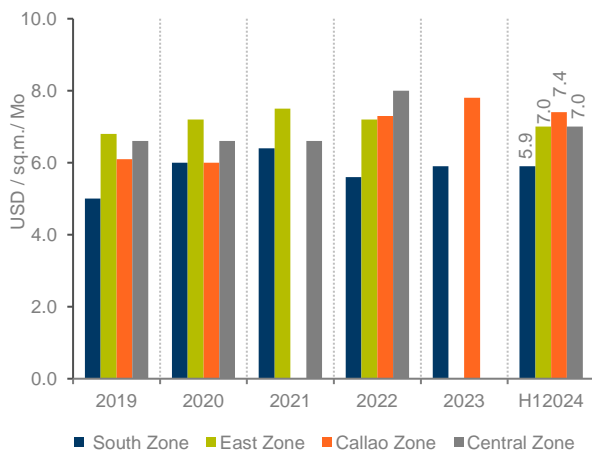
SUBMARKETS	INVENTORY (sq.m.) (*)	NUMBER OF LOGISTIC CENTERS	AVAILABLE SURFACE (sq.m)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (sq.m.) (*)	UNDER CONSTRUCTION (sq.m) (**)	PROJECTED (sq.m.) (***)	AVG ASKING RENTAL PRICE (USD / SQ.M./ MONTH)
South Zone Class A	1,408,898	27	128,592	9.1	57,317	25,000	283,381	6.0
East Zone Class A	137,200	5	2,500	1.8	-	-	61,800	7.0
Callao Zone Class A	41,240	5	4,506	10.9	34	41,870	178,931	8.5
SUBTOTALS CLASS A	1,587,338	37	135,598	8.5	57,351	66,870	524,112	6.1
South Zone Class B	95,460	6	45,425	47.6	-190	-	2,350	5.8
East Zone Class B	15,515	1	-	-	-	-	-	-
Callao Zone Class B	57,000	4	8,644	15.2	-3,644	-	-	6.6
Central Zone Class B	58,837	1	240	0.4	-240	-	-	7.0
SUBTOTALS CLASS B	226,812	12	54,309	23.9	- 4,074	-	2,350	6.0
TOTAL	1,814,150	49	189,907	10.5	53,277	66,870	526,462	6.1

(*) This indicator only considers H12024.

(**) Surface under construction with delivery date until H22024.

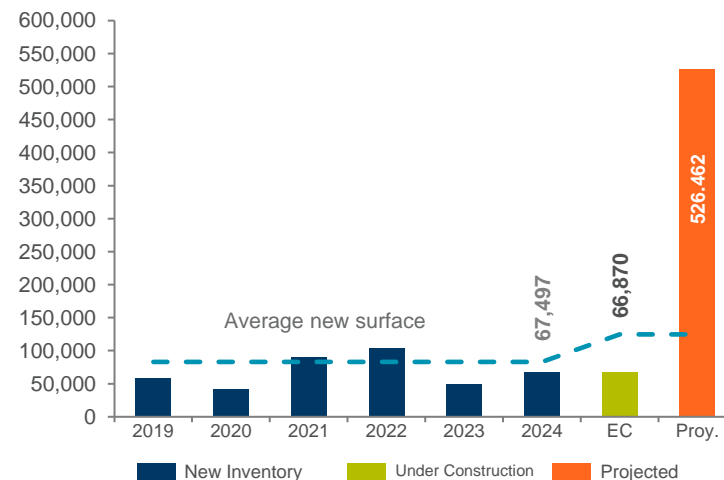
(***) Surface in project stage with delivery date defined starting H12025 or not defined.

ASKING RENT PER SUBMARKET (USD / SQ.M. / Month)



(*) Indicators include Class A and B

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



(*) Indicators include Class A and B

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