

Offices Q2 2024

	YoY Chg	12 – Mo Forecast
17.0 % Vacancy Rate	▼	▼
20,875 Net abs., Sq m., Q22024	▲	▲
\$16.2 Asking rent , PSM	▲	▲

ECONOMIC INDICATORS Q2 2024

	YoY Chg	12 – Mo. Forecast
7.2 % Unemployment Rate (*)	▼	▼
1.4 % GDP Variation (**)	▲	▲
2.3 % Inflation Rate (***)	▼	▼

(*) Mar–Apr–May 2024 (Source: INEI)
 (**) Annualized Apr 2023–May 2024 (Source: INEI)
 (***) Lima. From Jul 2023 to Jun 2024 (Source: INEI)

MARKET OUTLOOK:

During the second quarter of the year, the office market showed greater dynamism, which has been reflected in the continuous reduction of available space. As a result of this behavior, the vacancy rate decreased by 1.1 percentage points compared to the previous quarter and by 21.0% compared to the same period in 2023, closing at 17.0%. In this scenario, San Isidro Financiero (21.0%) and San Isidro Empresarial (19.9%) are submarkets that maintain their vacancy levels above the average. Despite these results, in both cases, the vacancy rates decreased significantly by 6.0 percentage points and 0.1 percentage points, respectively, compared to the same period from last year. These positive variations respond to a scenario where companies have made clearer decisions regarding their workspaces and a progressive return to offices.

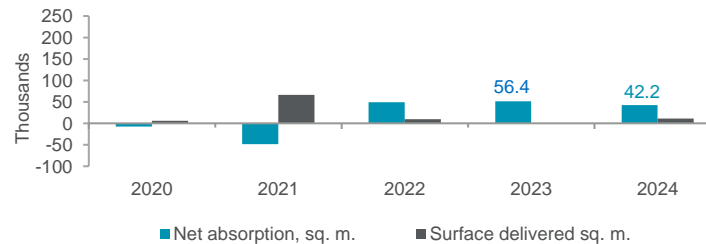
SUPPLY AND DEMAND

This period closes with a net absorption of 20,875 sq.m., representing an 66.4% increase compared to the same period from last year. This scenario is primarily the result of the 100% occupancy of Torre Primera Visión in Magdalena del Mar, whose net absorption was 11,168 sq.m., accounting for 53% of the total absorption. During this quarter, more than 10,000 sq.m. were delivered with the entry of the Fibra Camino Real building in San Isidro Empresarial. Currently, the construction surface is scarce, with only one building in Miraflores expected to be delivered during the second half of 2024. There is still an inventory of projects totaling approximately 57,000 sq.m.; however, there are no signs of concrete progress. Therefore, starting from the second half of the year, space requirements will be met with projects that are already constructed and delivered.

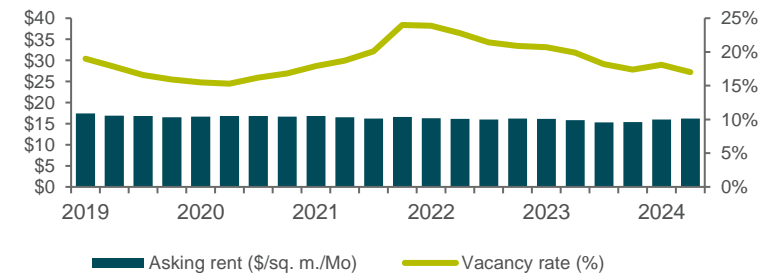
PRICING:

The asking rent increased by 1.3% compared to the previous quarter, closing at USD 16.2 per sq.m. This slight change in the asking price was mainly driven by quarterly variations in the indicator for Santiago de Surco (+1.8%), San Isidro Empresarial (+2.2%), and Magdalena del Mar (+7.0%). Chacarilla remains the submarket with the highest average rental price (USD 21.0 per sq.m.) since the second half of last year. From a projected perspective, considering the limited new inventory in the future, in a scenario of stable and positive absorption levels resulting in a reduction of availability levels, the average rental price is expected to show an upward trend. This change may not necessarily be significant in the short term but will start to change the power in negotiations from tenants to landlords.

SURFACE DEMAND / SURFACE DELIVERED



VACANCY RATE & ASKING RENT



ECONOMIC OUTLOOK

During the second quarter of the year, the results of the main economic indicators maintained a positive trend, reaffirming the optimistic outlook for the national economic landscape throughout the second half of the year.

According to the latest results reported by the National Institute of Statistics and Informatics (INEI), the year-over-year GDP variation up to May of this year closed at 1.4%. The Ministry of Economy and Finance projects that this growth could reach 3.1% by the end of the year. In a more detailed analysis, the construction sector registered an increase of 7.0%, explained by higher domestic cement consumption and the physical progress of works, which grew by 6.4% due to a higher number of private projects.

As of the end of April, the unemployment rate closed at 7.2%, representing a reduction of 0.1 percentage points compared to the previous quarter. Regarding the population with adequate employment, it increased by 7.2%, and the average monthly income increased by 7.2% for men and 3.1% for women in Metropolitan Lima compared to the same period last year.

Additionally, after a long period of three years, the annualized inflation rate is now within the target range (1% - 3%), closing June at 2.3%. The Central Reserve Bank (BCRP) estimates that these levels will be maintained and that 2024 will close with a rate of 2.2%.

At the end of this second quarter, the exchange rate closed at S/3.83 per USD, showing an increase of 1.3% compared to the exchange rate of the previous quarter. Considering that real estate in the market is generally quoted in dollars, it is important to monitor changes in the exchange rate, as significant variations in this indicator can impact rental prices.

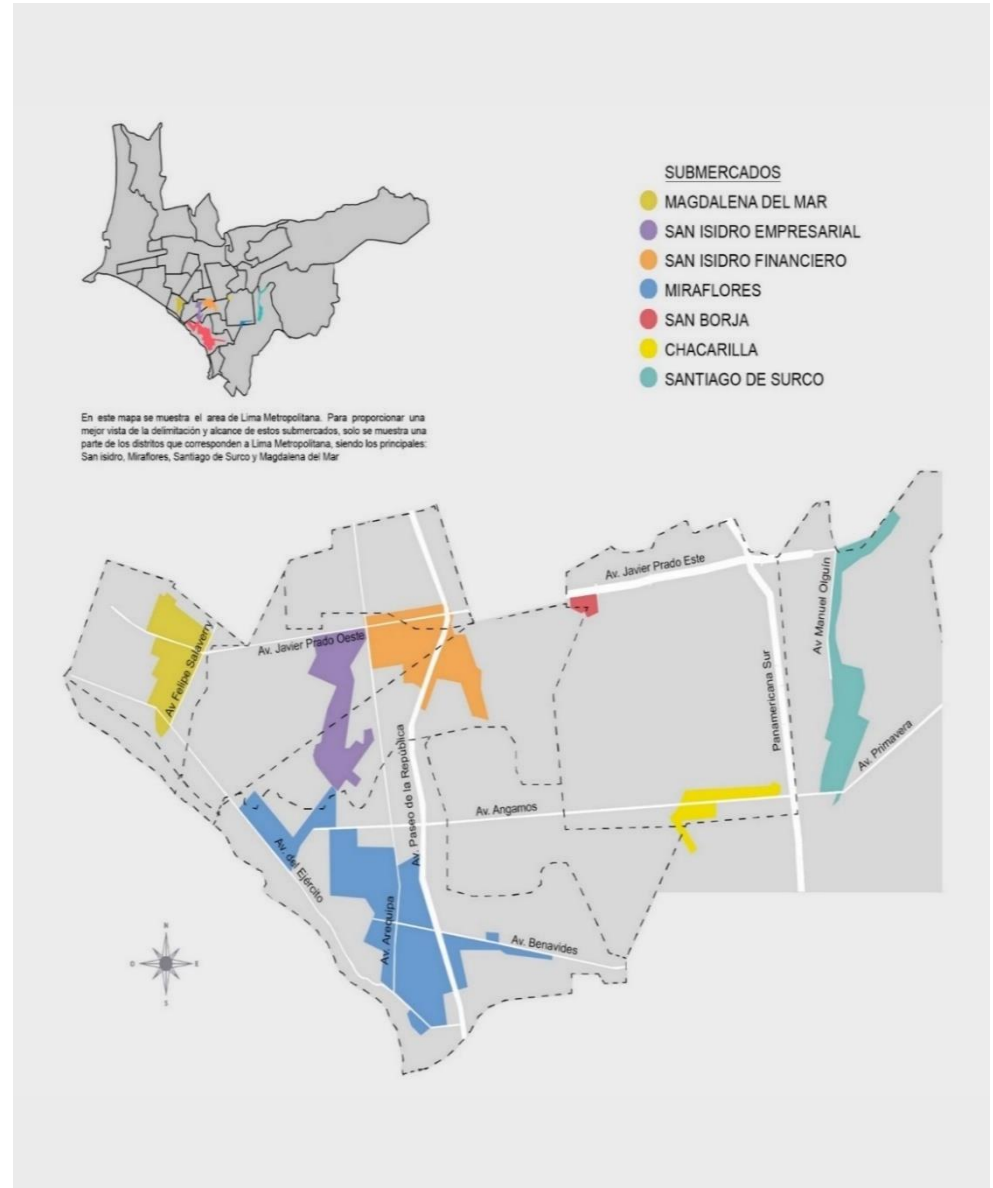
FUTURE OUTLOOK

As of the end of the first half of the year, only 17,000 m² remain under construction, corresponding to the Pardo 200 project in Miraflores, expected to be delivered in the second half of the year. On the other hand, there are approximately 57,000 m² in projects that could not be completed due to the pandemic.

This scenario leaves the Class A office market with a minimal list of projects and a demand that continues to grow due to the return to in-person work. According to the Ministry of Labor and Employment Promotion, 100% remote work in the private sector decreased by 11.5% in March compared to the end of 2023. To meet the demand, formats such as furnished offices and coworking spaces have started to stand out. The latter has attracted the interest of some developers, who have decided to incorporate coworking spaces with their own brand into their traditional office offerings.

Finally, considering the positive market evolution, the new limited inventory, and the two-year construction period for an office building, it is important for developers to analyze and project the possibilities that this scenario may bring in the coming years.

MAP OF OFFICES WITH DIVISION OF SUBMARKETS/ LIMA / PERU



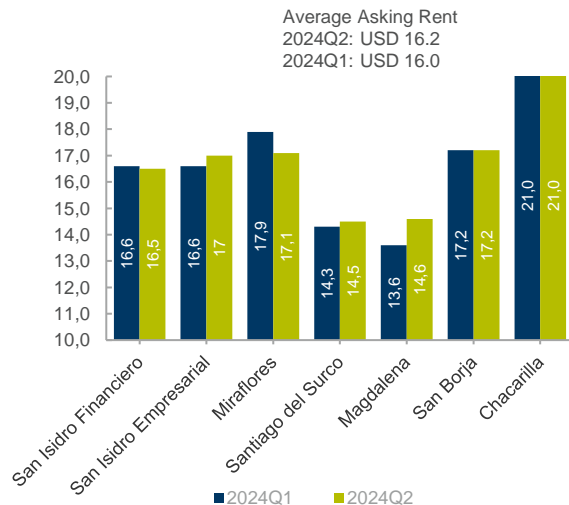
MARKET STATISTICS

SUBMARKETS	CLASS A INVENTORY	NUMBER OF BUILDINGS	AVAILABLE SURFACE (sq.m.)	VACANCY RATE (%)	OVERALL 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	417,507	28	87,862	21.0	11,360	-	-	\$16.5	\$14.6
San Isidro Empresarial	212,308	23	42,351	19.9	3,221	-	17,069	\$17.0	\$14.3
Miraflores	82,271	5	9,185	11.2	3,897	17,164	-	\$17.1	\$16.1
Santiago de Surco	246,441	10	38,259	15.5	11,851	-	40,022	\$14.5	\$12.9
Magdalena del Mar	98,412	5	5,185	5.3	11,509	-	-	\$14.6	\$15.4
San Borja	35,588	4	4,074	11.4	374	-	-	\$17.2	\$11.3
Chacarilla	9,049	1	657	7.3	0	-	-	\$21.0	\$15.0
TOTAL LIMA	1,101,576	76	187,573	17.0	42,212	17,164	57,091	\$16.2	\$13.6

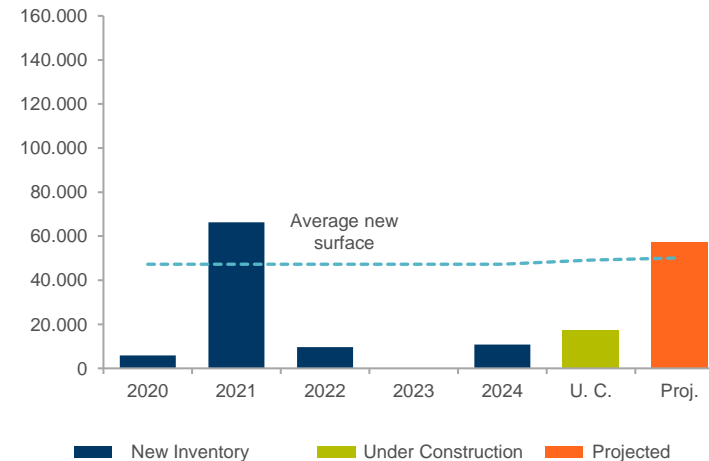
* Square meters under construction period 2024Q3 to 2025Q4

** Square meters projected period 2026Q1 onwards

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



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



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