

SANTIAGO

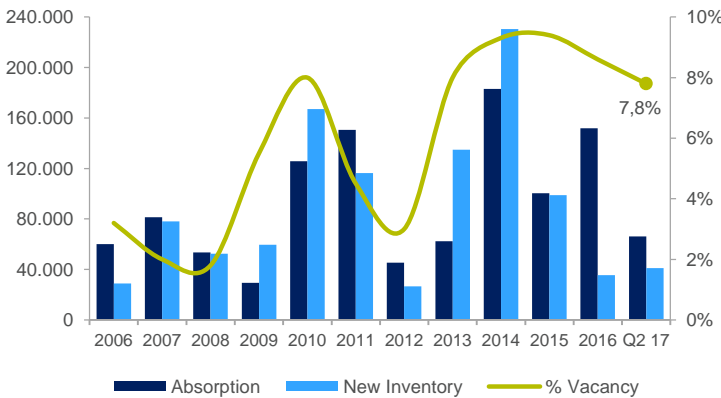
Economic indicators

	Q2 16	Q2 17	12-Month Forecast
Unemployment rate	6,9%	7,0%	■
GDP variation rate	-0,3%	0,7%	▲
CPI (% Annual Var.)	4,2%	1,7%	▼

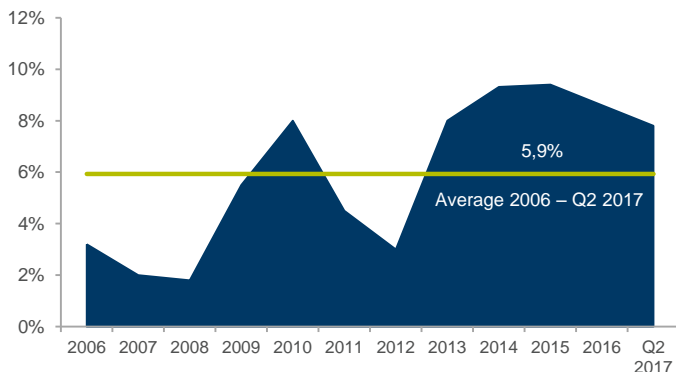
Market indicators (Class A)

	Q2 16	Q2 17	12-Month Forecast
Overall vacancy	11,3%	7,8%	▼
Under construction (sqm)	149.250	162.660	■
Average asking rent (USD/sqm/month)	20,1	22,0	▲
Average asking rent (UF/sqm/month)	0,52	0,54	■

Net absorption (sqm) / New inventory (sqm) / Vacancy (%) (Class A)



Overall vacancy (%) (Class A)



Economic Outlook

The economic outlook remains unchanged and has been favoured by an expansive monetary policy. This scenario reveals the moderate inflation rate (CPI) that by June of 2017 has accumulated an annual variation of 1,7%, supported by an exchange rate that also hasn't experienced any significant variations since June of this year.

In this context, it is expected a moderate economic recovery. The private consumption has already begun a progressive and positive development. Also the continued growth in private sector demand for goods and services compensate the development of other economic sectors.

However, the economy continues to be influenced by the reduced activity in the mining sector. In June, the mining production index showed a decrease of 2,1% in comparison with the previous month, showing an interannual drop of 6,1%. This was due in part to the lower activity in the copper production during June of this year, declining 5,7%, compared to registers in the same period of 2016. As a result, GDP closed the first quarter with a moderate rise of 0,7%. For 2017, Chile's Central Bank has projected an economic growth of 1-1,7%, figures lower than previous years.

Note: This MarketBeat was made before cabinet reshuffle at the Ministry of Economy and Finance on August 31st. We are in a period of settlement of both Ministers. The main challenges are the new annual Budget and the pension system reform.

Market Outlook

The market indicators had improved in the first semester of the year. The construction of surface continues to adjust towards consolidate and stable indicators.

The delay in municipal procedures in the delivery of some buildings had impacted reducing the new projected offer for June 2017. This, together with the good absorption of new surface can explain the setback of the vacancy for the third consecutive quarter.

In the short term, is expected an overall slowdown in the vacancy. Although, this situation changes in each submarket given the different production volumes registered in each one of them.

In addition to the good performance of new buildings, is also observed an improvement in the closures of contracts and in the number of consultations that may develop into future business.

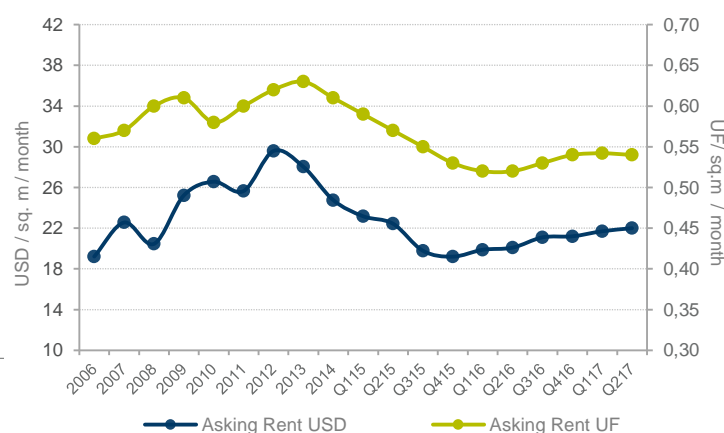
By submarkets, is highlighted the incorporation of Nueva Santa María building which provided 22.900 sq. m of Class A surface to Providencia, which made the vacancy raised from 10,5% to 30,1%. Regarding Vitacura´s submarket, the incorporation of the new building *Patio Alonso de Córdova* made the surface available increased to 8.000 sq. m, leaving a vacancy of 9,4%. In the short term it is expected the incorporation of the new stage of Costanera Center project (30.000 sq. m), which foresees a considerable increase in the vacancy rate of Providencia corridor.

IMPROVEMENT OF ABSORPTION INDICATORS HAD BEEN PUSHED BY THE INCORPORATION OF NEW CLASS A SURFACE

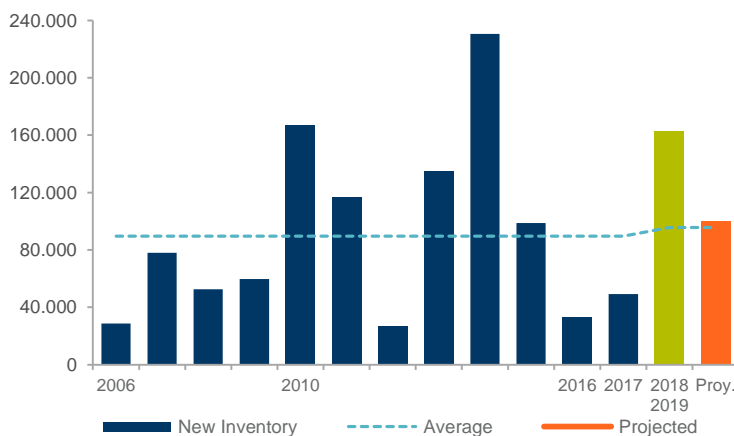
Regarding the demand, the greatest surface taken was in Nueva Las Condes and Apoquindo Submarket.

The asking rent prices of Class A measure in UF remain stable; while in dollars it has registered a slight increase (+1,4%) as a result of the appreciation of the Chilean Peso against the U.S. dollar. In Apoquindo Corridor, the setback of the vacancy is raising the price to 0,53 UF/sq. m/month (+7,7%). In Vitacura a positive growth was observed regarding the asking price (+7,0%), which has been pushed by the incorporation of new surface with prices higher than in the rest of the surface available in this submarket.

Class A asking rent (USD/sqm/mo) USD / UF
THE AVERAGE RENTAL COST IN UF REMAIN UNCHANGED



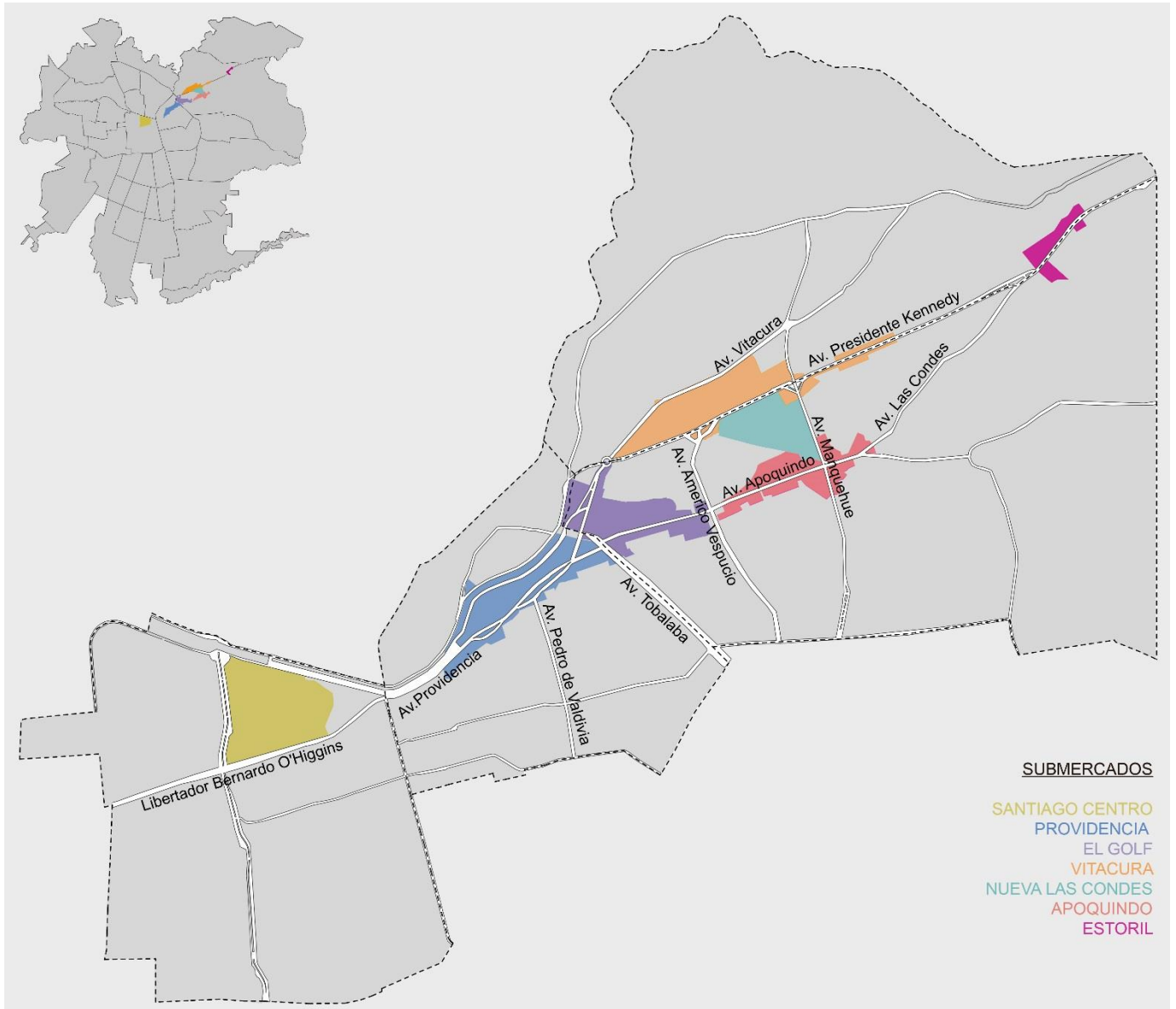
New inventory(sqm) / Projected surface (sqm)
UNDER CONSTRUCTION AND PROJECTED SPACE RISES 6,6% OVER THE HISTORICAL AVERAGE OF NEW SURFACE



SUBMARKET	INVENTORY CLASS A	SURFACE AVAILABLE (SQ. M)	VACANCY RATE	AVERAGE ASKING RENT (UF/SQ. M/MONTH)	AVERAGE ASKING RENT (USD/SQ. M/MONTH)	UNDER CONSTRUCTION (SQ. M)
Las Condes	1.353.156	77.576	5,7	0,51	20,9	68.440-
- El Golf	771.043	37.598	4,9	0,58	23,9	35.400
- Nueva Las Condes	379.547	13.610	3,6	0,55	22,6	6.800
- Apoquindo	172.271	16.850	9,8	0,53	21,5	26.240
- Estoril	30.295	9.518	31,4	0,38	15,7	-
Santiago Centro	198.823	28.285	14,2	0,43	17,6	-
Providencia	66.227	19.923	30,1	0,54	22,0	79.960
Vitacura	36.969	3.285	9,4	0,55	22,3	14.260
TOTAL CLASS A	1.653.175	129.069	7,8	0,54	22,0	162.660

OFFICE MARKET MAP WITH SUBMARKET DIVISION

SANTIAGO / CHILE



UF*: The Unidad de Fomento (UF) is a unit of account used in Chile, readjusted according to the inflation. Its ISO 4217 code is CLF. It is a way of determining the cost of construction, housing values and mortgages for both the private and public sectors. It is adjusted daily.
 Data of July 2017: 1 UF = CLP \$26.597,33 = USD \$40,82 ; 1 USD = CLP \$651,58.

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