

OFICINAS SANTIAGO

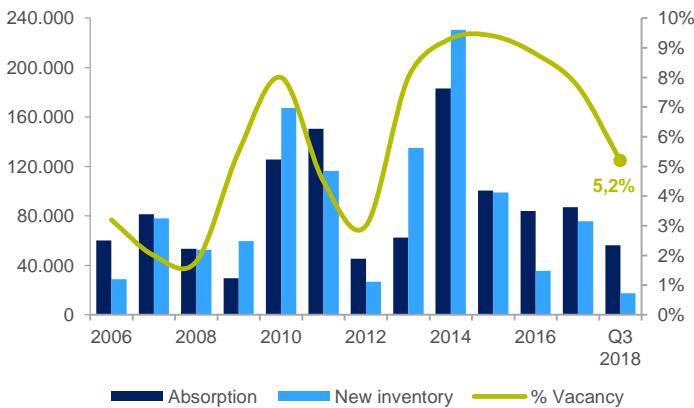
Economic indicators

	Q3 17	Q3 18	12-Month Forecast
Unemployment rate	6,7%	7,0%	▲
GDP variation rate (Q2)	0,9%	5,3%	▲
CPI (% Annual Var.)	1,5%	3,1%	▲

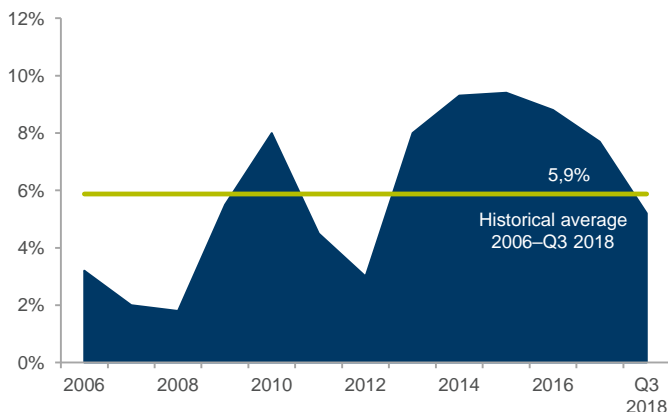
Market indicators (Class A)

	Q3 17	Q3 18	P12-Month Forecast
Overall vacancy	7,6%	5,2%	▼
Under construction (sq. m)	149.380	128.076	▲
Average asking rent (USD/sq. m/month)	22,6	21,9	■
Average asking rent (UF/sq. m/month)	0,54	0,53	■

Net absorption (sq. m) / New inventory (sq. m) / Vacancy (%) (Class A)



Overall vacancy (%) (Class A)



Economic Outlook

The economic activity (GDP) at closure of third quarter of 2018 shows its most important increase, with a growth of 5,3% (Central Bank) regarding to the same period of the previous year, crowning an acceleration cycle that began a year ago.

After this period economic activity moderates its growth. According to the preliminary information of the Central Bank, the monthly index of economic activity (IMACEC) of August grew by 3,2% regarding to the same month of the year 2017

In August, the Mining Production Index pose an interannual recoil of 7,6%, due to the decrease in copper extraction and processing, as a result of the lower copper production registered by the important companies due to maintenance.

As far as unemployment rates concerns, it continues with its upward tendency since December 2017, according to the INE information, it exits a rise in the category of private salaried employment.

Regarding the Central Bank's inflation projection, in short term it is revised upwards, mainly due to a greater expected dynamism in domestic demand, which added to the depreciation of the Chilean peso against the dollar, will progressively bring inflation closer to the goal of 3% set by the financial entity.

In the external context, global risks are being intensify, especially due to the commercial conflict between the US and China, two of Chile's main trading partners, which have caused a drop in the price of commodities.

However, among the emerging countries of the region, Chile presents the best economic indicators in terms of growth and inflation to face a situation of global crisis, despite its degree of openness towards the external market.

Market Outlook

At the end of the third quarter of 2018, Premium office market shows a greater dynamism. The held demand impulsed the increase in absorption, which for third year overcomes the production of new surface, accumulating 56.150 square meters in the first nine months of 2018.

As a consequence, vacancy continues with its downward trend, descending up to 5,2% at the end of the quarter; figure that came close to historical minimum values.

This context of escarse availability is the result of low production of new buildings, which do not cover the excess of existing demand; and the placement of big surfaces, which has caused the lack of them.

## MARKETBEAT

# Santiago

Office Q3 2018



In the third quarter the available surface was reduce to 12,6% regarding to the previous period and it is distributed in 50 buildings, reaching an average of 1.730 square meters available per building.

For submarkets, Santiago Centro and Nueva Las Condes, despite concentrating the biggest Premium offices inventory, stand out with the lowest percentage of vacancy, around 2%.

However. Vitacuara and Apoquindo, stand out for registering the biggest descend in the vacancy index, with a drop of 7,9 and 6,1 percentage points respectively.

### THE INCREASE OF DEMAND AND THE LOWER PRODUCTION OF NEW SURFACE COULD GIVE ORIGIN TO A SUBOFERTED SUBMARKET

As for the taken surface the Apoquindo submarket stands out, where 12.440 square meters were rented and El Golf 7.500 square meters were taken.

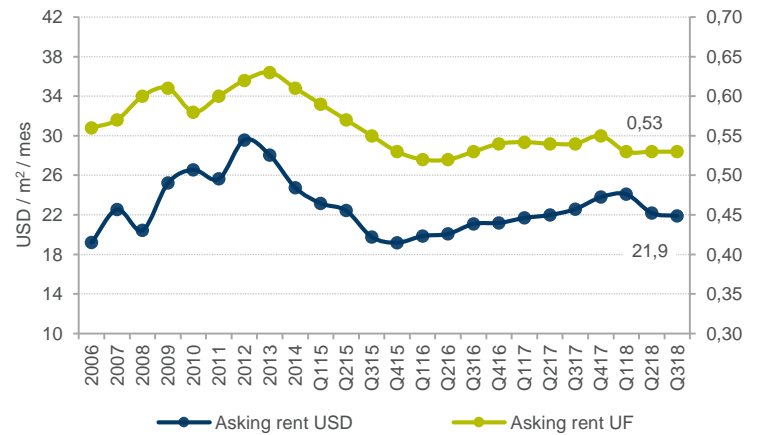
Class A offices asking rent values, measure in dollars, shows a fall of 1,3% with respect to the dollar quarter, up to 21,9 USD/sq.m./month, meanwhile in UF the asking rent values has remained unchanged at 0,53 UF/sq.m/month.

Under construction surface reaches 128.000 square meters, 62,5% corresponds to Costanera Center towers, and even tough they are already built they await for the final municipal reception permit to be offered to the market, estimated for early 2019. On its behalf projects accounts for only 154.400 square meters.

Boths figures suggest that, if the level of current supply is maintained, the premium office market may have lack of available surface in the future.

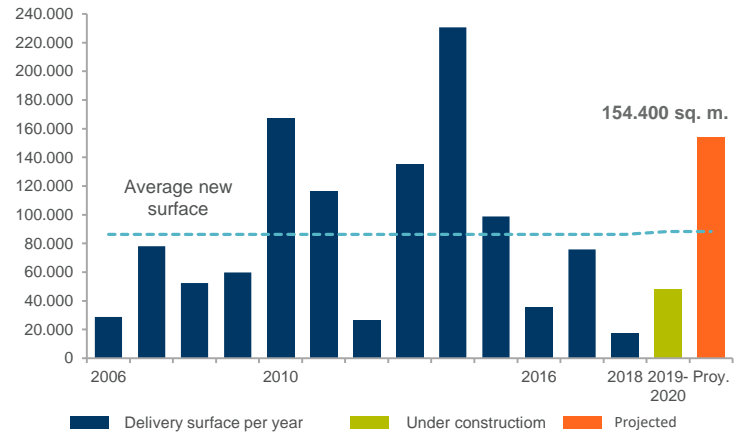
### Class A asking rent (USD/sqm/mohtn) USD / UF

ASKING RENT PRICE IN USD DESCENDED 1,3% BY THE DEPRECIATION OF CHILEAN PESO AGAINST THE DOLLAR



### New inventory(sq.m) / Projected surface (sq.m)

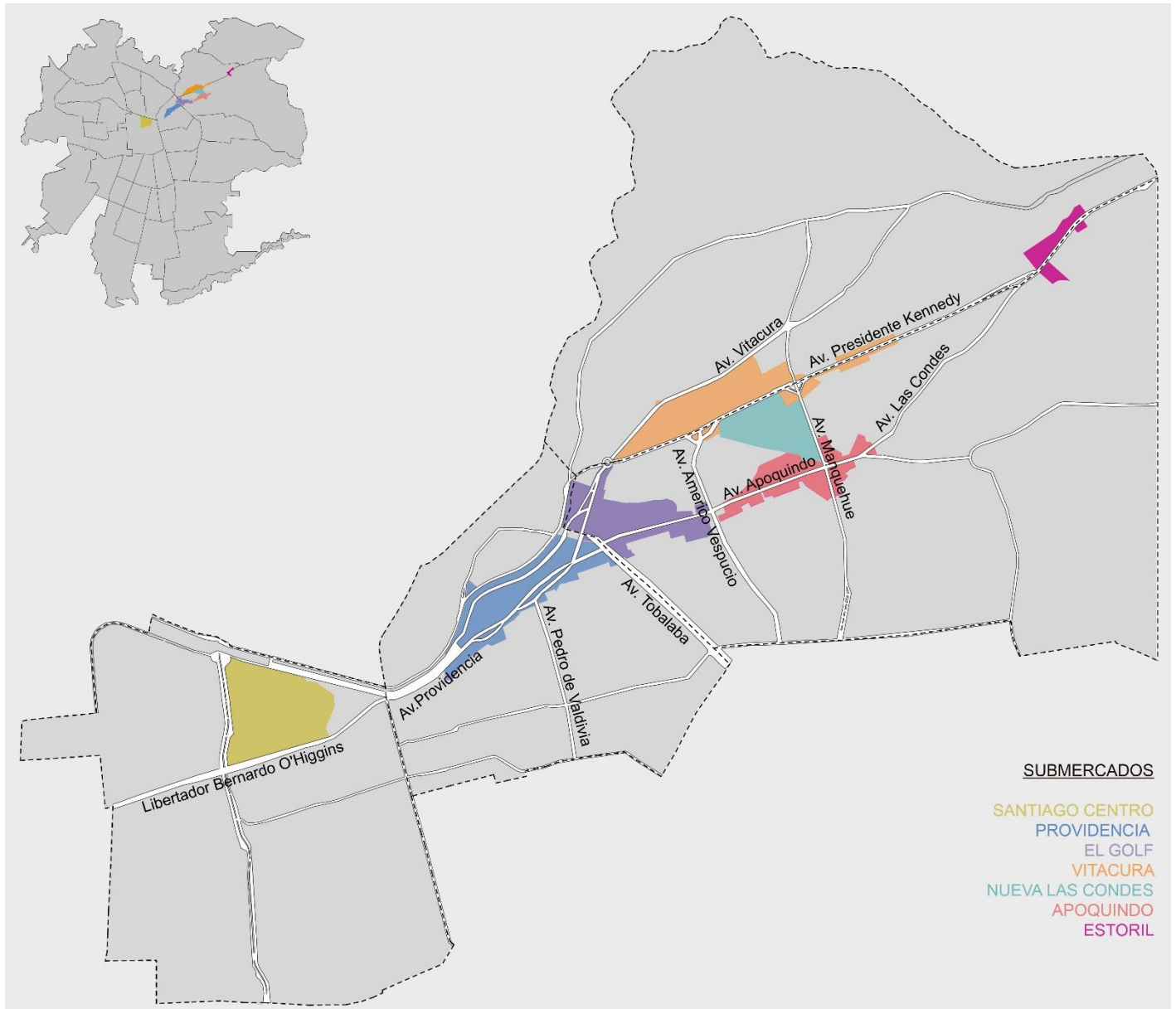
PROJECTED AND UNDER CONSTRUCTION SURFACE RISE UP TO 8,5% THE HISTORICAL AVERAGE OF NEW SURFACE



SUBMARKET	INVENTORY CLASS A (SQ. M)	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	1.360.310	64.817	4,8	0,54	22,3	48.076
- El Golf	760.438	33.299	4,4	0,57	23,6	35.404
- Nueva Las Condes	371.468	7.259	2,0	0,56	23,2	12.672
- Apoquindo	197.595	15.197	7,7	0,55	22,7	-
- Estoril	30.809	9.062	29,4	0,39	16,1	-
Santiago Centro	195.598	3.249	1,7	0,43	17,8	-
Providencia	69.535	15.253	21,9	0,48	19,8	80.000
Vitacuara	40.144	3.113	7,8	0,57	23,6	-
<b>TOTAL CLASS A</b>	<b>1.665.587</b>	<b>86.432</b>	<b>5,2</b>	<b>0,53</b>	<b>21,9</b>	<b>128.076</b>

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 up to September 28, 2018: 1 UF = CLP \$27.353,80 = USD \$41,98; 1 USD = CLP \$661,50

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Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$6 billion across core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management, project & development services, tenant representation, and valuation & advisory.