

**OFICINAS SANTIAGO**

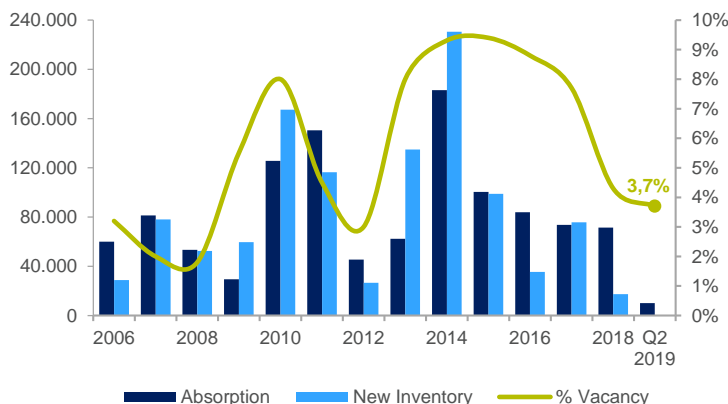
**Economic Indicators**

	Q2 18	Q2 19	12- Month Forecast
Unemployment rate(Q1)	6,7	6,9	▲
GDP variation rate (Q1)	4,7%	1,6%	▼
CPI (% var.anual)	2,0	2,3	▼

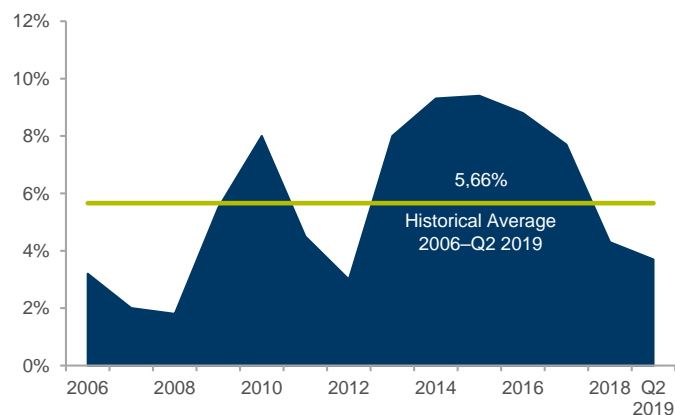
**Market Indicators (Class A)**

	Q2 18	Q2 19	12- Month Forecast
Overall vacancy	6,6%	3,7%	▼
Under construction (sq.m)	136.700	149.340	▲
Average asking rent (USD/sq.m/month)	22,2	21,9	▼
Average asking rent (UF/sq.m/month)	0,53	0,55	▲

**Net Absorption (sq.m) / New Inventory (sq.m) / Vacancy (%) (Class A)**



**Overall vacancy (%) (Class A)**



**Economic Outlook**

During the first quarter of the year, GDP registered a growth of 1.6%, with respect to the same period during 2018. This figure shows a stagnation of economic activity, after the good performance observed since 2017. However, growth is estimated to reach between 3.2 - 3.4% for the period 2019-2021.

Regarding the mining sector, a drop of 3.6% is evidenced, mainly due to the behavior of the mining industry in the face of climatic factors and a lower mineral grade.

Domestic demand shows a slowdown in growth. This occurred despite the fact that the main component, such as consumption by households, and the public sector experienced a rebound. On the positive side, investment in construction evolved as expected without changes in the trend shown in the previous quarters.

The CPI figures for the month of May show that the cumulative annual inflation was 2.3%. In contrast to the stagnation shown in the first months of the year, this increase is due to the increase in electricity rates; and that tradable goods in international trade have increased as a result of the devaluation of the peso against the dollar. In this regard, the Central Bank forecasts convergent inflation at 3% for the year 2020.

On the external front, the uncertainty of the trade war between the United States and its main partners has intensified, resulting, among other effects, in a global appreciation of the dollar and a reduction in the majority of the prices of raw materials, including copper.

**Market Outlook**

The second quarter of the year shows a low net absorption. The delay in obtaining the final reception of some buildings has caused the vacancy to fall to its historical minimum of 3.7%. No new revenues were registered for class A buildings, which has significantly reduced the area available and as a result also the number of transactions, leaving an absorption volume well below the quarterly average. This added to the reduced production of new surfaces since 2018 that contributes to sharpen the situation.

It is expected that, in the short term, 12,670 m2 of the Vista 360 building will be located in Nueva Las Condes, while the demand remains expectant about the release of 11,000 m2 belonging to the Costanera Complex, which would leave a healthier vacancy, bringing greater dynamism to the market Offices.

The area taken in the second quarter of 2019 reached 11,860 m2. There is a great demand in the Las Condes sector, mainly in the El Golf submarket, which in this quarter concentrates 39% of the total.

In the middle of 2018, the vacancy showed a downward trend. As a result, in the second quarter of 2019 it is observed that the rent reacts with a limited increase.

The inelasticity of the rental price is due to the fact that there are some mechanisms that cushion the impact of low vacancy, such as the change in the conditions contracted, shortening the grace period, making financing more expensive, and restricting exit flexibility.

### THE ASKING RENT PRICES REACT TO THE RISE AS A RESULT OF THE LOW VACANCY

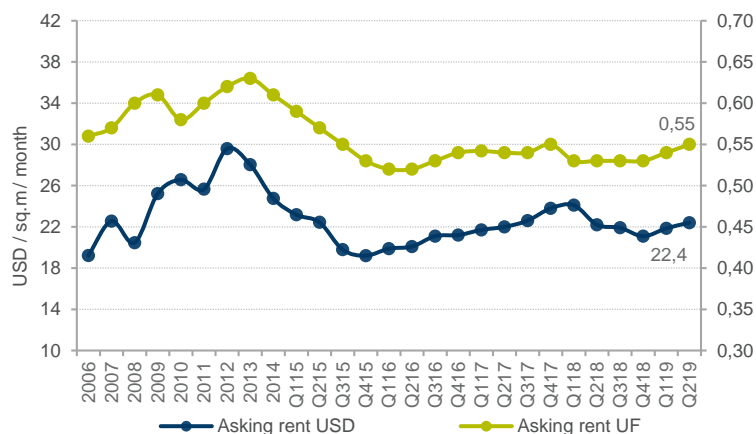
The values of class A offices - measured in dollars - show an increase of 2.5% compared to the previous quarter, as a result of the recent appreciation of the Chilean currency against the dollar; reaching USD 22.4 / m2 / month, while in UF the value of weighted rents rose to 0.55 UF / m2 / month during the same period.

It is observed that the Apoquindo submarket shows one of the highest increases since the middle of 2018, accounting for a growth of 7% while the vacancy decreased from 14.5% in the second quarter of 2018 to 1.9% in the second quarter of 2019.

On the other hand, the Vitacura submarket has lowered its prices by up to 14.3% in order to remain competitive in the face of a demand that continues to prefer good connectivity to public transport.

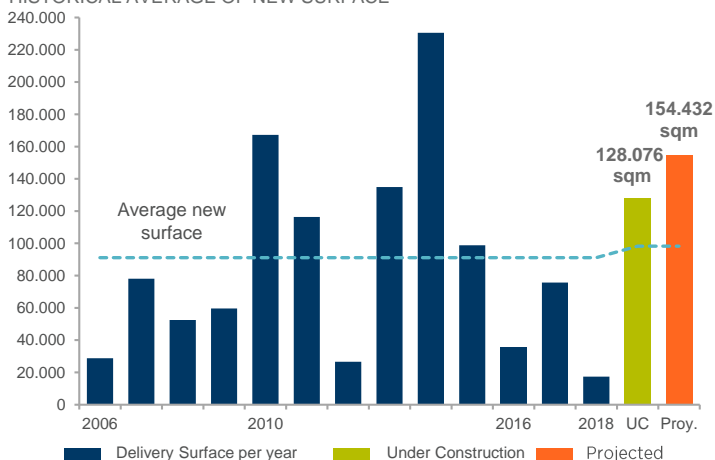
### Class A asking rent (USD/sqm/month) USD/UF

ASKING RENT PRICE IN USD GREW 2.5% BY THE DEPRECIATION OF CHILEAN PESO AGAINST THE DOLLAR.



### New Inventory (sqm) / Projected Surface (sqm)

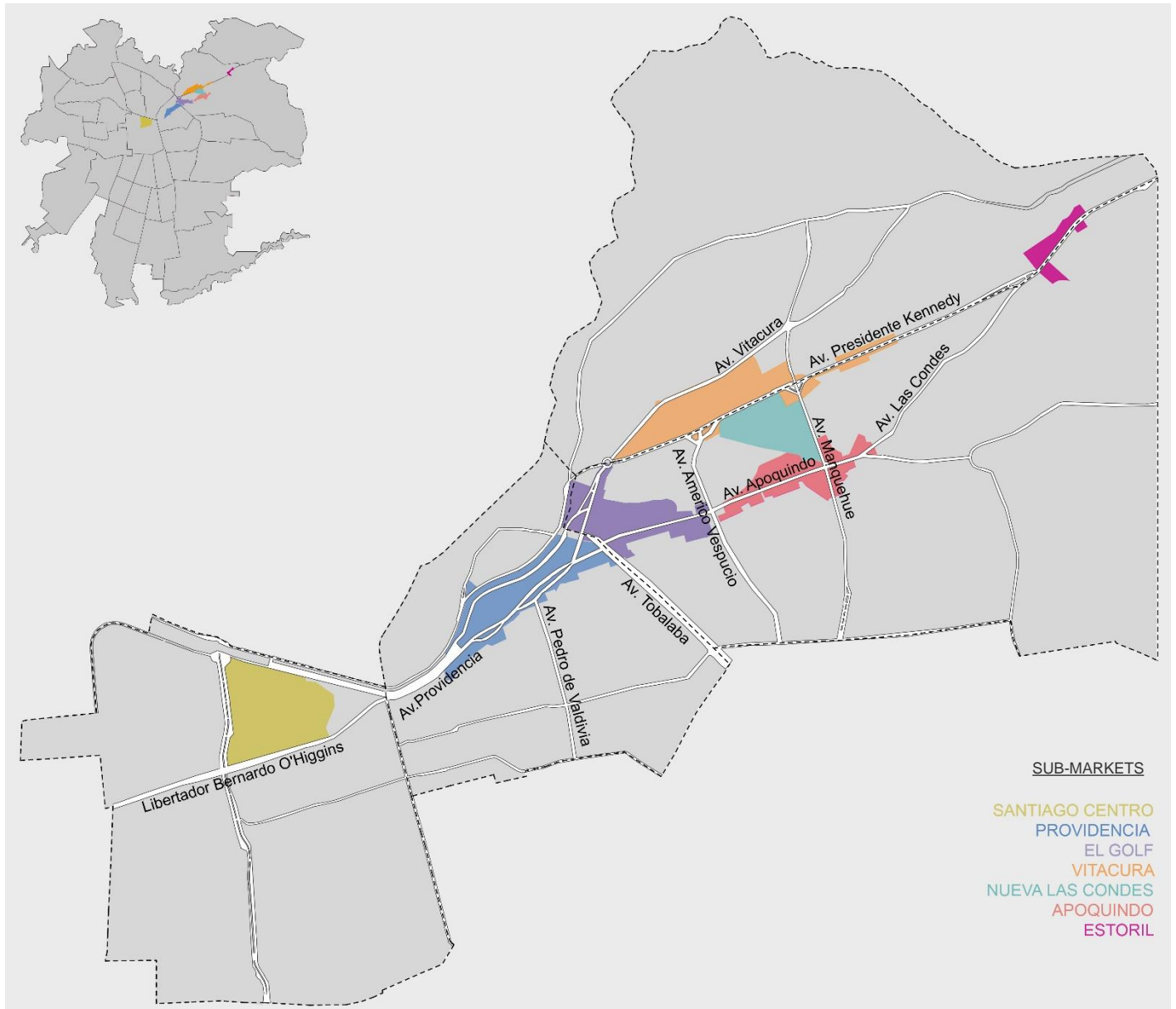
PROJECTED AND UNDER CONSTRUCTION SURFACE RISE UP TO 7,9 % THE HISTORICAL AVERAGE OF NEW SURFACE



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	1.345.483	45.173	3,7	0,58	23,6	69.340
- El Golf	760.438	30.023	3,9	0,59	24,0	35.404
- Nueva Las Condes	366.320	6.257	1,7	0,57	23,2	12.672
- Apoquindo	187.916	7.132	3,8	0,57	23,2	-
- Estoril	30.809	1.761	5,7	0,42	17,1	-
Santiago Centro	195.598	4.479	2,3	0,44	17,9	-
Providencia	69.535	8.297	11,9	0,48	19,5	80.000
Vitacura	40.144	3.076	7,7	0,54	22,0	-
<b>TOTAL CLASS A</b>	<b>1.650.760</b>	<b>61.025</b>	<b>3,7</b>	<b>0,55</b>	<b>22,4</b>	<b>128.076</b>

OFFICE MARKET MAP WITH SUBMARKET DIVISION

SANTIAGO / CHILE



SUB-MARKETS

- SANTIAGO CENTRO
- PROVIDENCIA
- EL GOLF
- VITACURA
- NUEVA LAS CONDES
- APOQUINDO
- ESTORIL

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. Its a way of determining the cost of construction, housing values and mortgage for both the private and public sectors. It is adjusted daily.  
 Data up to July 21,2019: 1 UF = CLP \$ 27.853,27 = USD \$40,71; 1 USD = CLP \$684,19

About Cushman & Wakefield

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Cushman & Wakefield was founded in New York in 1917. Argentina's office opened in 2000. It offers a wide range of real estate Premium services for both corporations (companies) and investors. The company is known for its excellence in client service and for following international quality standards, as well as for having a team of highly trained professionals.

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