MARKETBEAT

SANTIAGO

Office Q1 2021

	YoY Chg	12 – Mo. Forecast
7.40% Vacancy Rate	▲	▲
-23,197 Net Absorption, (Sqm) Q1 2021	▼	▲
23.14 (*) Asking Rent	▼	▬

ECONOMIC INDICATORS Q1 2021

	Year-on-year	12 – Month Forecast
10.29% Unemployment Rate (Q4.20)	▲	▼
15.18% GDP Variation (Q4.20)	▲	▲
2.8% Inflation Index (Accumulated 12 months)	▲	▲

(*) Average lease Price requested, expressed in USD/Sq.m/Month

Source: Instituto Nacional de Estadísticas de Chile (INE) – Newsletter Number 268 – March, 8th 2021 (INE)

MARKET OUTLOOK:

The first trimester shows a 7.40% vacancy, 23% greater compared to the ending of 2020. This shows the persistency of problems created by the low economic activity as a consequence of general uncertainty and lockdowns.

Regarding the lease level of the trimester, it has reached 7,913 sqm. This has been the greatest number reached during the pandemic, even if it is still far from the average net absorption in the first trimester, which was 24,800 sqm in the last 3 years. The greatest challenge this year will be the economic recovery, as it is directly influenced by the vaccination process and the effectiveness of the sanitary measures taken.

Otherwise, an increase in the sublease might be expected, as it has shown to be an excellent option that allows access to premium offices at more affordable prices for the tenants, being also a way of maintaining the income flow for the owners.

SUPPLY AND DEMAND:

The quarterly net absorption reaches -23,197 sqm, resulting in the release of surface during the first trimester that matches all the net absorption accumulated during the year 2020 (-22,085 sqm). On the other hand, the submarkets with the most leased surface are Nueva Las Condes y Apoquindo, with 4,662 sqm and 1,048 sqm respectively. In the first one, a company related to technology stands out as the biggest tenant, as it has absorbed 65% of this surface in the Vista 360 building.

Regarding submarkets that offer the most availability, these are Nueva Providencia (36,418 sqm), El Golf (30,358 sqm) y Nueva Las Condes (22,480 sqm). They have shown stable prices during the pandemic, registering a fall no greater than 1.7%.

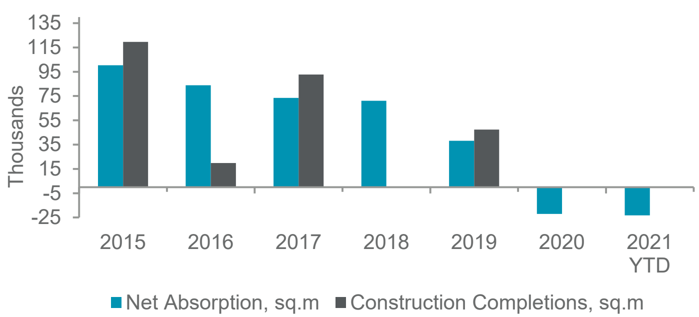
PRICE:

The total market has fallen to the price of 0.57 UF/sqm. The Santiago Centro submarket is the one that shows the greatest fall again, of 3.6%, having reached 0.39 UF/ sqm and being the submarket with the historically lower prices since the year 2016.

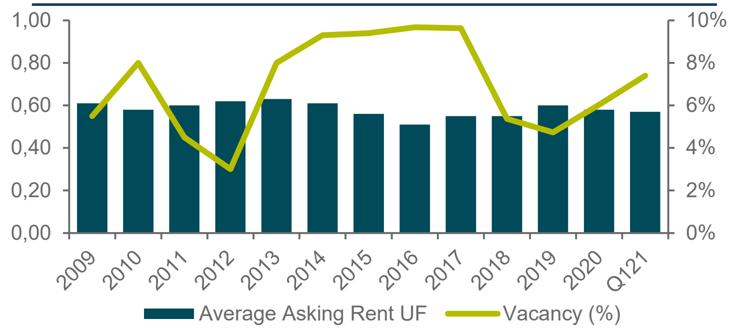
The Providencia submarket has presented a quarterly growth, going from 0.49 UF/ sqm to 0.53 UF/ sqm as a result of a greater surface release that includes furniture, which is a saving option for new tenants and an income generator for companies that have excess spaces.

Regarding prices in dollars, they have been stable compared to the previous trimester, with a value of USD 23.14/sqm. This can be explained by the depreciation of the dollar due to the increase in note printing by the United Stated and due to the variation of the UF.

SURFACE DEMAND / DELIVIERIES



OVERALL VACANCY & AVERAGE ASKING RENT



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ECONOMIC OUTLOOK

The economic growth projections have increased this year between 6 and 7% and are not showing any relevant changes for the following years. This growth happened because of China's and other business partners' fast recovery. This has caused the Chilean copper exports to rise and its price to exceed 4 USD the pound, something that hadn't been seen since 2011 and that can be explained by the rise in global production.

Nevertheless, uncertainty is high because of the risks involved in the pandemic and the long vaccination process, added to the possibility of a new outbreak and new variants of the virus.

On the other hand, lower investment levels have been registered as a consequence of uncertainty and financial burden for companies. Inflation will rise temporarily up to 4% in the next months affected by the projected oil prices.

Last, the effect of the lockdown is estimated to affect the economy negatively during the second trimester, but a strong recovery is expected for the second semester, when "herd immunity" is achieved.

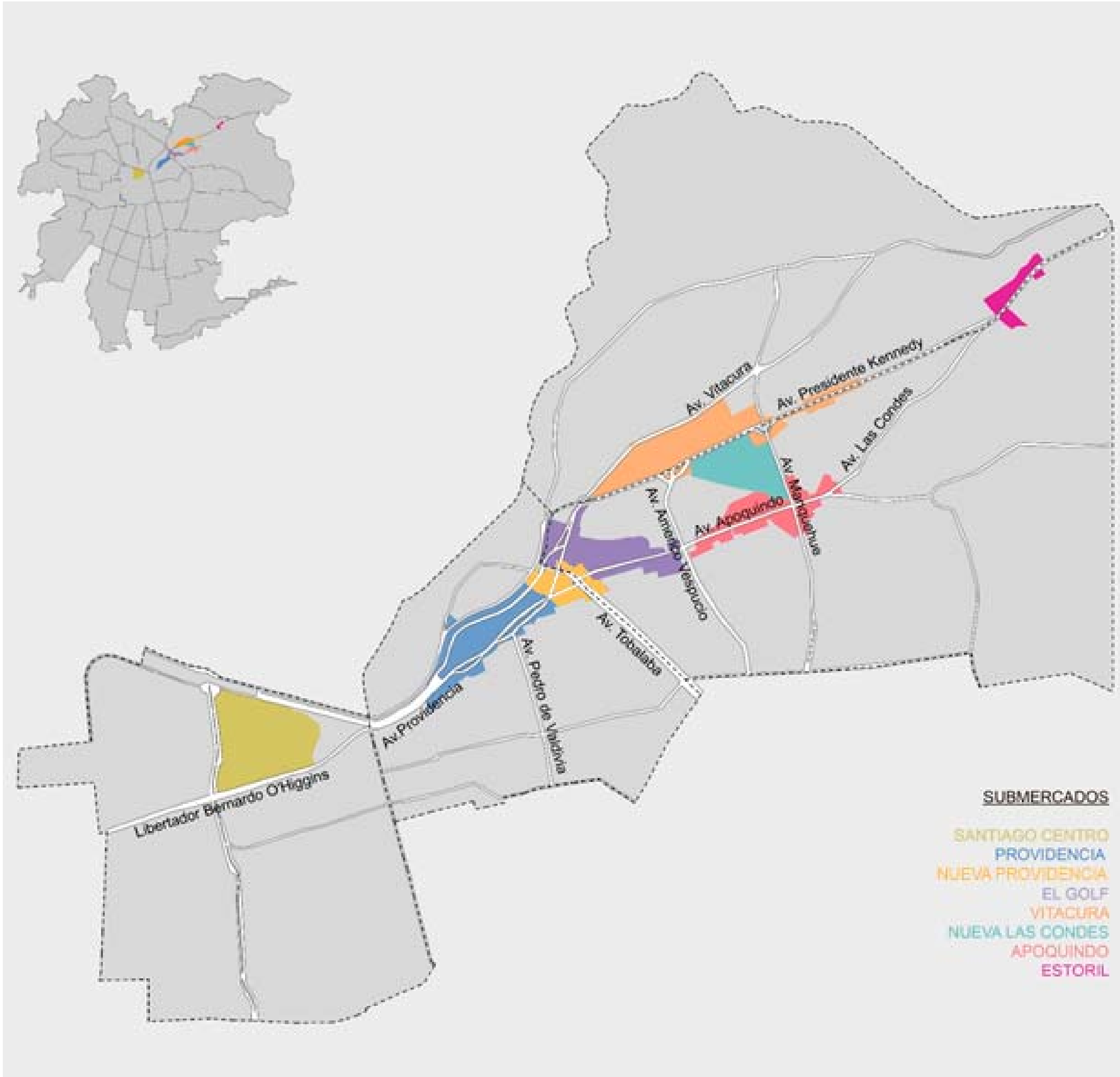
FUTURE OUTLOOK

Projects from 2020 were delayed for this year due to the pandemic, projecting a market entry of 116,189 sqm divided between the Nueva Providencia, Providencia, Nueva Las Condes and El Golf submarkets.

The Nueva Providencia submarket is the one with the most surface, including the projects "Mercado Urbano Tobalaba" with 35,404 sqm and the remaining of Costanera Center, 44,064 sqm (subject to municipal permits), summing up 79,68 sqm. In second place comes the Nueva Las Condes submarket that would provide 21,264 sqm during the second trimester with the "Nueva Córdova" project.

If the economic estimations remain the same, a vacancy between 10 and 11% would be expected for the end of the year, provided that the mentioned projects are not delayed and that they do not enter the market already leased.

OFFICE MAP WITH SUBMARKET DIVISION / SANTIAGO / CHILE



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Office Q1 2021

MARKET STATISTICS

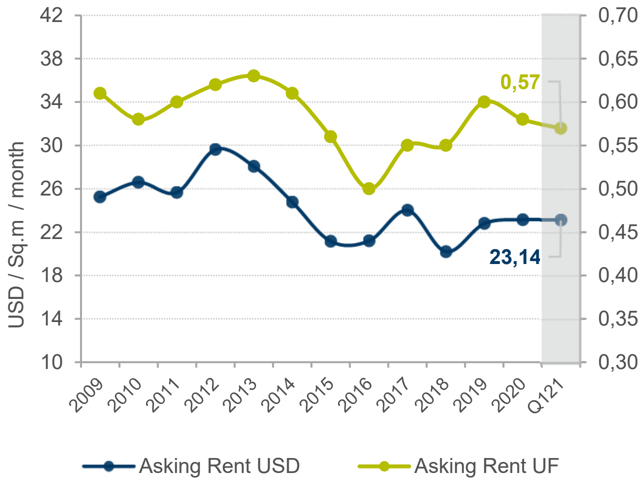
SUBMARKETS	INVENTORY CLASS A (*)	NUMBER OF BUILDINGS	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	ANNUAL ABSORPTION TO DATE (SQ.M)	UNDER CONSTRUCTION (SQ.M) (**)	PROJECTED (SQ.M) (**)	OVERALL AVG ASKING RENT CLASS A (USD/SQ.M /MONTH)	OVERALL AVG ASKING RENT CLASS A (UF/SQ.M/MONTH) (***)
El Golf	717,007	43	30,358	4.23	-8,109	44,247	-	23.14	0.57
Nueva Las Condes	377,713	22	22,480	5.95	-2,582	21,264	-	23.14	0.57
Apoquindo	187,915	12	12,011	6.39	-7,129	-	33,239	22.73	0.56
Estoril	30,809	4	2,582	8.38	-747	-	-	17.86	0.44
LAS CONDES	**1,313,444**	**81**	**67,431**	**5.13**	**-18,567**	**65.511**	**33,239**	**22.73**	**0.56**
Santiago Centro	195,598	11	13,659	6.98	-1,698	-	-	15.83	0.39
Providencia	50,510	2	5,337	10.57	-2,604	50,678	93,315	21.51	0.53
Nueva Providencia (*)	98,392	6	36,418	37.01	-328			26.39	0.65
Vitacura	40,144	4	2,733	6.81	0	-	-	23.54	0.58
TOTAL SANTIAGO	**1,698,088**	**104**	**125,578**	**7.40**	**-23,197**	**116,189**	**126,554**	**23.14**	**0.57**

(*) Corresponds to a new submarket generated since 2021.

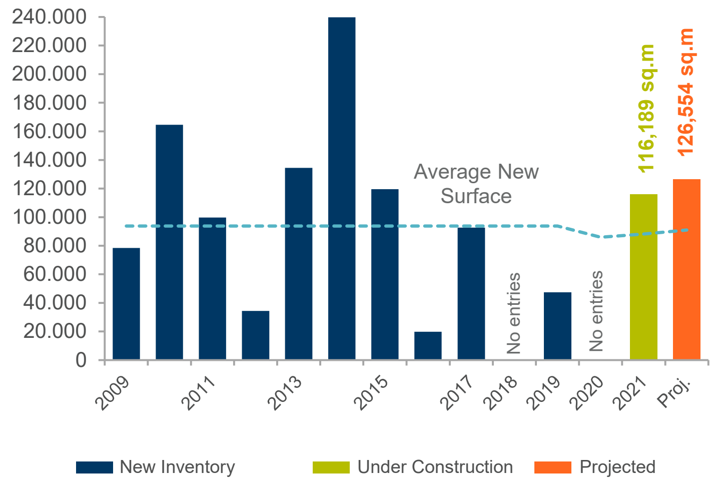
(**) Corresponds to rentable Surface according to available information.

(***) The Unidad de Fomento is a unit of account used in Chile, readjusted according to the inflation. Its value it is adjusted daily by the Central Bank of Chile accordingly to the CPI index calculated by the National Institute of Statistics (INE); its code ISO 4217 is CLF. Data up March 17th, 2021:1 UF = CLP $ 29,368.26 = USD $40.59; 1 USD = CLP $ 723.47.

ASKING RENT
UF / SQ.M / Month) vs. USD / SQ.M / Month



NEW INVENTORY (SQ.M)
PROJECTED SURFACE (SQ.M)



GUSTAVO VALENZUELA
Director de Brokerage
+56 232 539 610
Gustavo.valenzuela@sa.cushwake.com

VICTOR MUÑOZ
Market Research Assistant
+56 232 539 623
Victor.muñoz@cushwake.com

cushwakechile.com

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