

Industrial H2 2021

	YoY Chg	12-Mnth Forecast
0,00 % Overall Vacancy	▼	▲
193,727 Net Absorption Sq.m	▲	▼
4.87 (* Average Asking Rent, UF)	▲	▲

ECONOMIC INDICATORS H2 2021

	YoY Chg	12-Mnth Forecast
8.41% Unemployment Rate (Q1.21)	▲	▼
1.93% GDP variation (Q1.21)	▼	▲
6.7% CPI (% Interannual variation 12 months) (*)	▲	▲

(* Average lease price requested, expressed in USD/Sq.m/Month
Source: Instituto Nacional de Estadísticas de Chile (INE)- Boletín 277 December 7th, 2021 (INE)

MARKET OUTLOOK:

The remnant availability of last semester was completely leased by companies in the area of retail, driven by e-commerce, which already had a large boost from last year. This generated an impact that made vacancy reach 0% this semester. These leases correspond to companies that already used spaces in logistics parks and that took advantage of the availability to expand their operations.

Operators are looking for options to expand their logistics centers by purchasing new lands, while the shortage in surface availability for leasing has made it complicated for new tenants to enter.

An area of 124,000 sqm in the Norte submarket entered the market, totally leased, mostly by companies that use the built-to-suit system.

SUPPLY AND DEMAND:

The biannual net absorption was 193,727 sqm, 1.84% higher than the one in the same period in 2020. Regarding the annual analysis, 381,870 sqm were registered as occupied, almost 8 times higher than the registers of 2020, 49,238 sqm. This was mainly due to some companies moving to their own built-to-suit in 2020. During this year, demand was triggered by an increase in consumption and strong e-commerce projections because of more sanitary restrictions, which generated a greater demand of warehouse space.

On the other hand, the annual surface release went from 288,252 sqm in 2020 to 55,051 sqm in 2021, which might mean that, given the current conditions, surface release will tend to be even smaller during 2022 and that leasing will happen even faster.

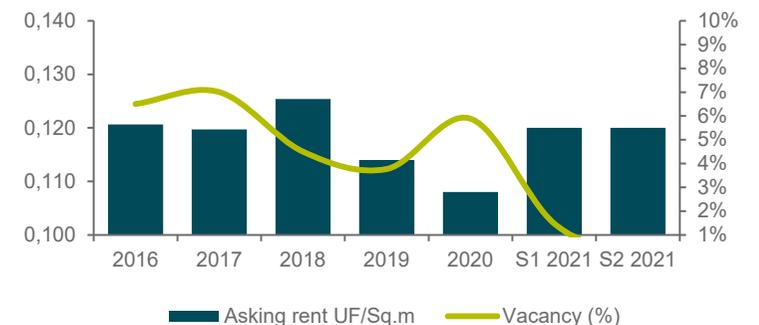
PRICE:

Leasing prices for the warehouse market had a value of 0.120 at the end of the semester. Regarding new availability, this means that it is likely for prices to rise at least 10% and that they will continue to rise in the short term due to surface shortage.

SURFACE DEMAND / DELIVERIES



OVERALL VACANCY & AVERAGE ASKING RENT



ECONOMIC OUTLOOK

The last report of 2020 from the Central Bank, 'Monetary Policy Report', affirms that the economic activity has continued to prove being dynamic, as it was higher than foreseen in September. A growth between 11.5 and 12% was estimated for the ending of 2021, mainly due to an increase in consumption and the positive impact in the activity of areas related to it. On the other hand, it is expected that in 2022 and 2023 there will be a significant reduction that will reach 1.5 and 2.5% in 2022 and between 0.0 and 1.0% in 2023.

Regarding annual inflation, it will remain at about 7% for some months, with a downward tendency in the next two years, exceeding 3% by 2023. Investment registered an increase because of the reactivation of building projects and engineering works related to mining, reaching in 2021 the highest values in the last 5 years. However, the projection for next year shows a weakening as a product of uncertainty.

Regarding the external situation, the economy worldwide is still recovering from the pandemic's impact. However, it is not as dynamic as expected because of problems with supply caused by disruptions in the supply chain, shortage and high prices of several raw materials.

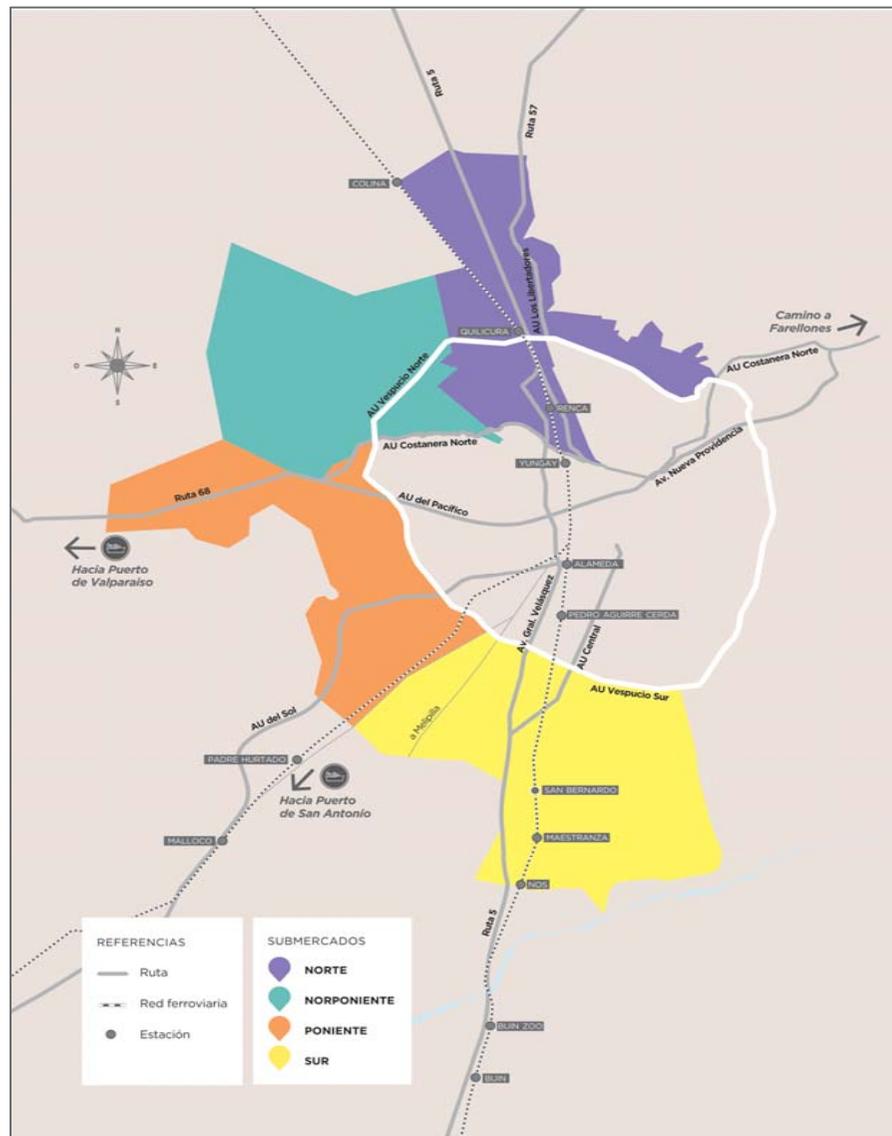
FUTURE OUTLOOK

Delays in construction continue, caused by the price rise in materials, high value of commodities, delays in maritime logistics and international transport costs.

It is expected that this year the project Megacentro Buenaventura delivers the remnant of 175,000 sqm in stages, project that already has 91% of its total leased. On the other hand, it has been informed that 150,873 sqm might enter his year. However, as works have not started yet, it could be expected not to have any entries.

It is expected for 2022 that zero vacancy will stay the same at least for 24 months, given the high demand for this surface type and shortage in project delivery, which would mostly enter the market already leased.

WAREHOUSE MAP / SANTIAGO / CHILE



APPLIED METHODOLOGY

Classification of logistic centers class A: Surface area above 10,000 sqm / Shoulder height: above 9 meters / Construction: level platforms, level floors, fire system/ Infrastructure: Casino, changing rooms and offices / Antiquity: less than 15 years.

Classification of logistic centers class B: Surface area above 10,000 sqm / Shoulder height: les than 9 meters / Construction: no level platforms and lower quality floors / Antiquity: more than 15 years.

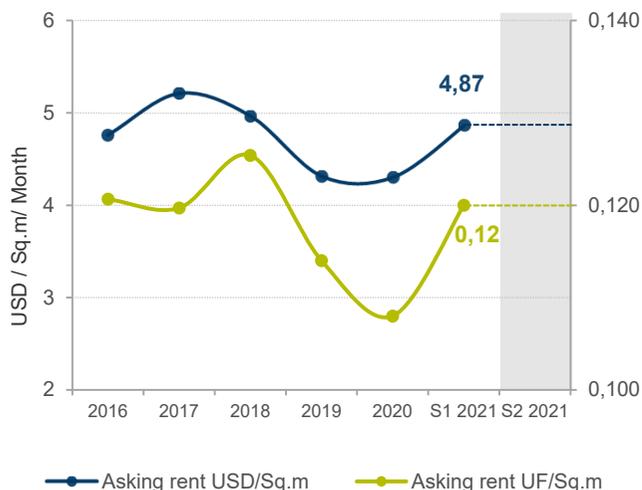
MARKET STATISTICS

SUBMARKETS	INVENTORY CLASS A (*)	NUMBER OF LOGISTICS CENTERS	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	ANNUAL ABSORPTION DATE (SQ.M)	UNDER CONSTRUCTION (SQ.M) (**)	PROJECTED (SQ.M) (**)	OVERALL AVG ASKING RENT CLASS A (USD/SQ.M /MONTH)	AVERLL AVG ASKING RENT CLASS A (UF/SQ.M/MONTH) (***)
Poniente Class A	407,603	3	-	-	-	-	184,000	-	-
Norponiente Class A	857,138	15	-	-	-	-	100,873	5.4	0.133
Sur Class A	60,427	1	-	-	-	-	68,000	-	-
Norte Class A	202,000	3	-	-	141,100	175,000	-	-	-
SUBTOTALES CLASE A	1,527,168	20	-	-	141,100	175,000	352,873	5.40	0.133
Poniente Class B	1,498,222	11	-	-	192,611	-	566,090	4.31	0.106
Norponiente Class B	349,501	12	-	-	38,467	-	-	4.79	0.118
Sur Class B	426,859	10	-	-	4,304	-	68,000	4.87	0.12
Norte Class B	82,000	3	-	-	141,100	-	40,000	-	-
SUBTOTALES CLASE B	2,356,582	36	-	-	240,770	-	674,090	4.75	0.117
TOTAL	3,883,750	58	-	- %	381,870	175,000	1,026,963	4.87	0.120

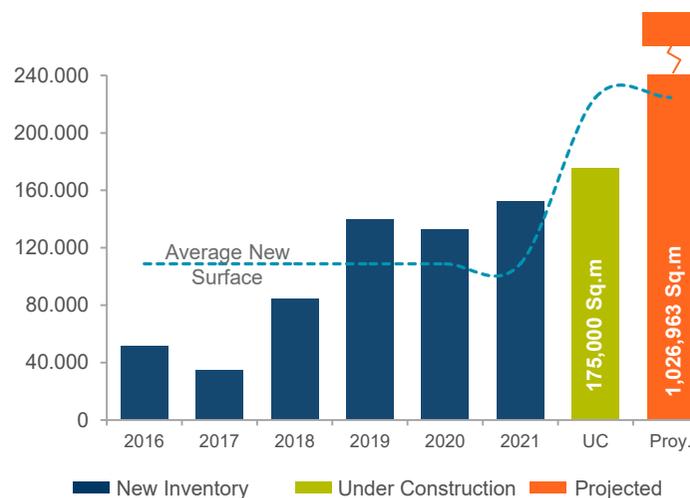
(*) Corresponds to rentable surface according to available information

(**) The Unidad de Fomento is a unit of account used in Chile, readjusted according to the inflation. Its value 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.

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



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



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(***) Note: Since the vacancy for this quarter is 0 %, it's not possible to analyze the current asking rent price, as consequence, the values (UF and USD) are the same of the previous quarter.