

10.82 %
Vacancy Rate



- 553
Net Absorption, (Sq.m) Q4 2022

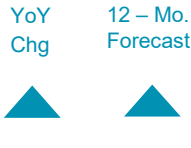


20.71
(*) Asking Rent, USD



ECONOMIC INDICATORS Q4 2022

8.0 %
Unemployment Rate
(Q3.22)



-3.9 %
GDP Variation
(Q3.22)



13.3 %
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 289- December, 7th 2022.

OFFICE MARKET OUTLOOK:

2022 concludes with a 10.82% vacancy, or an available area of 185,947 sqm, a 1% increase compared to the previous quarter and a 23% increase compared to the closing of 2021. Year-on-year variation in vacancy shows a significant reduction, compared to a 47% year-on-year variation between 2020 and 2021, resulting in vacancy increase from 5.98% to 8.78%. This quarter records the entrance of the first phase of towers 1 and 3 of MUT project, 60% of which is formally leased. The rest is expected to be received by the beginning of 2023. 2022 was marked by an increase in office relocation trends, prompting many companies to rethink their spaces, moving to new locations with better accessibility and amenities at more affordable prices. This is evident in the overall increase of positive absorption compared to 2021, 85% of which was concentrated in Las Condes submarkets, mainly in El Golf.

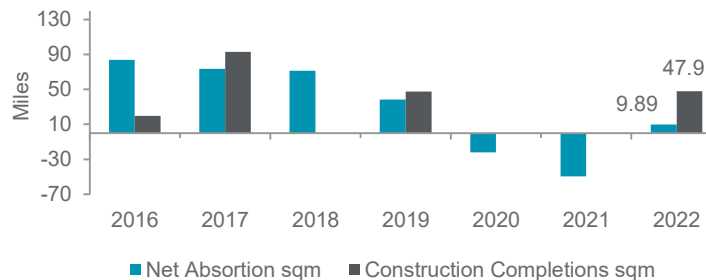
SUPPLY AND DEMAND:

Quarterly net absorption closes at - 535 sqm, up from the fourth quarter of 2020 and 2021, which scored -13,254 sqm and -14,016 sqm respectively. Total positive absorption in 2022 marks 73,765 sqm, showing an uptick from the previous two years, but still below the average observed between 2017 and 2019, which was close to 100,000 sqm. Regarding the negative absorption, of -63,880 sqm, a decrease of 30% is observed compared to 2021, but it should be mentioned that figures continue to exceed the average achieved between 2017 and 2019, close to -35,000 sqm. Thus, it is possible to conclude there are clear signs of approaching certain stability, although still far from the figures of pre-pandemic times. For 2023 it is important to consider that new projects entering the market with 100% vacancy, and considering an absorption trend similar to 2022, vacancy could reach around 15%.

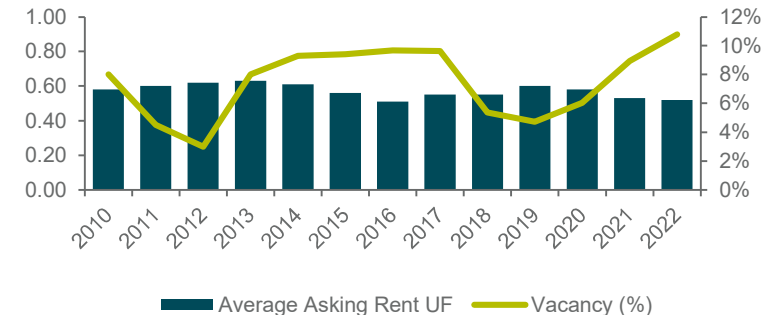
PRICE

At year-end, asking rental prices remain at 0.52 sqm, 2% lower than in 2021. The highest value, 0.62 sqm, has been identified in New Providencia submarket, currently the office hub, which this quarter saw the significant entry of a part of Territoria Urban Market, or MUT. Nueva Providencia has the most relevant mixed projects regarding technology, equipment and connectivity, including Costanera Center and aforementioned MUT. Since October of this year, dollar has fallen to less than \$900. Rents in dollars had increased by 7.5% since the end of 2021, due to inflation, since the UF has increased in value more than the dollar change rate.

SURFACE DEMAND / CONSTRUCTION COMPLETIONS



OVERALL VACANCY & AVERAGE ASKING RENT



OFFICE MAP WITH SUBMARKET DIVISION / SANTIAGO / CHILE

ECONOMIC OUTLOOK

Central Bank of Chile's December 2022 report confirms that inflation peaked this year, rising to 14.1% in August and then started declining. Adjustment in the local economy and reduction of high cost pressures will continue to contribute to lower inflation, which is why it is expected to decline in 2023, returning to the 3% target during 2024.

However, large economies such as the United States and Europe are expected to have a recession in 2023, which along with Russia's conflict with Ukraine could affect energy and food prices, that may have an impact on our economy.

This quarter, unemployment rate increased slightly, from 7.8% to 8.0%, which is due, specialists say, a slowdown in new job creation. It is confirmed, however, that there is not stagnation, due to the increase in the number of employed people.

FUTURE OUTLOOK

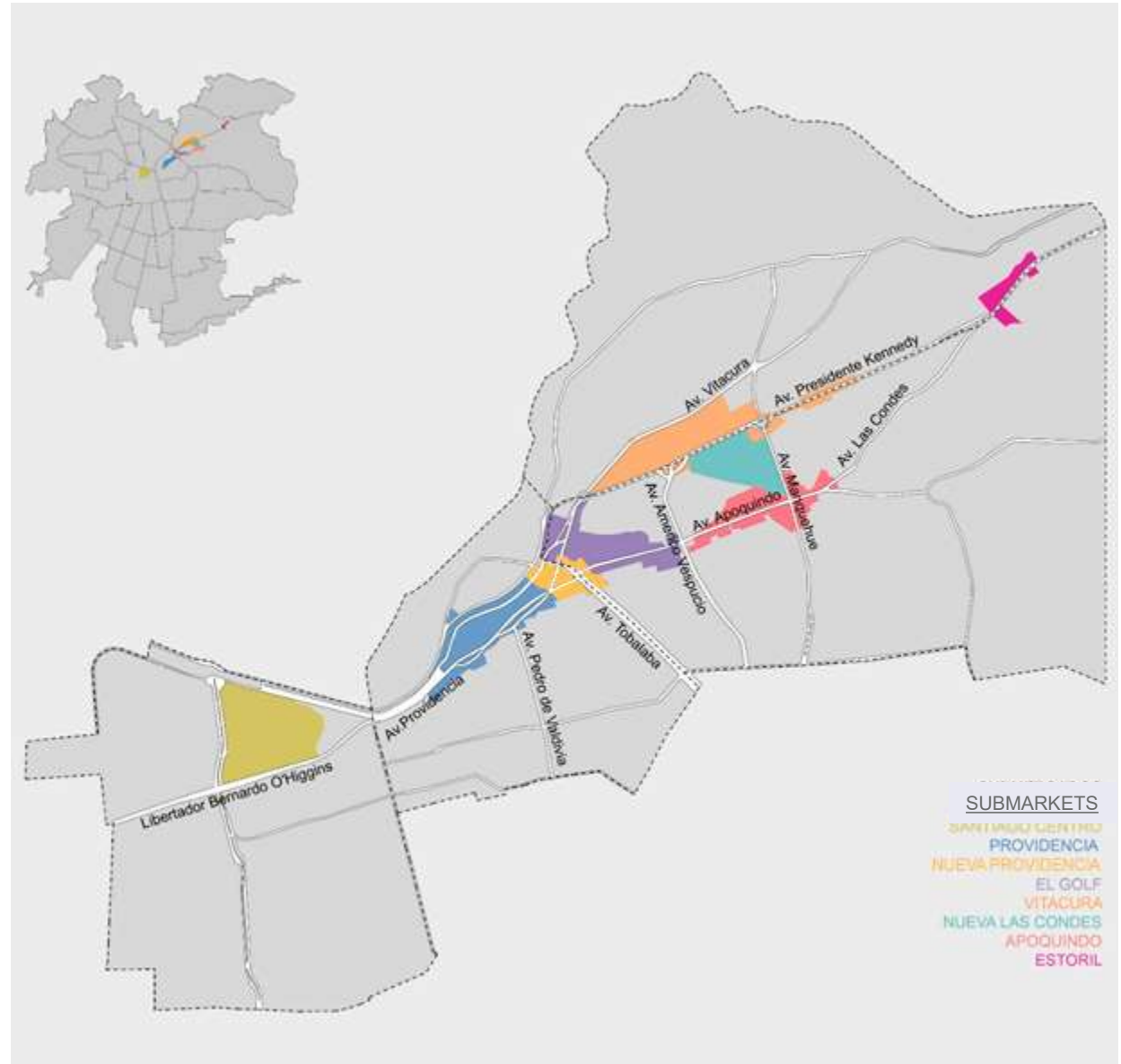
Development of new buildings for next year appears to be very conservative, since the projected amount represents only 60% of the past 10 years average. There are 171,840 sqm under construction today, of which 51,072 sqm would enter in 2023. This area is similar to production in 2022, which totaled 47,910 sqm.

The aforementioned production was largely concentrated in the Las Condes submarket, where 4 projects were received: Manquehue Norte, Nueva Córdova, part of Switch and MUT.

In 2023, Nueva Providencia submarket will lead in new offices, driving growth in this sector and transforming the neighborhood image. In 2024, Apoquindo submarket will be the leading market, where two iconic projects will begin operations, adding up to approximately 60,000 sqm.

Regarding proposed projects, a total of 122,804 sqm are confirmed, but there are still no signs of construction starting soon.

This quarter no new proposals have been announced and no new office projects have been added, probably due to the current economic uncertainty.



MARKET STATISTICS

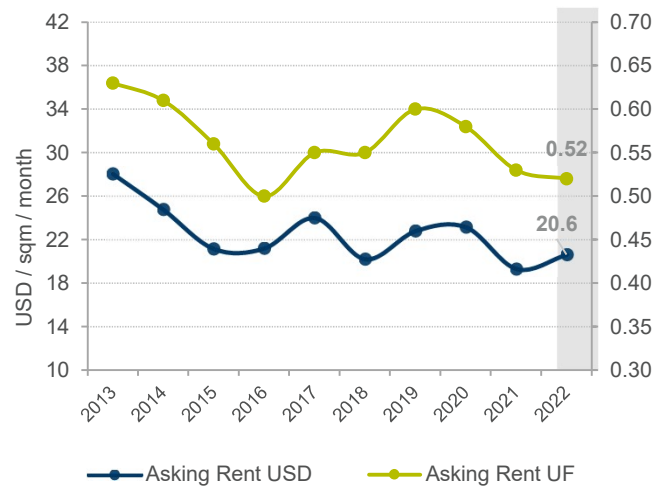
SUBMARKETS	INVENTORY CLASS A (*)	NUMBER OF BUILDINGS	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	ANNUAL ABSORPTION TO DATE (SQ.M)	UNDER CONSTRUCTION (SQ.M) (**)	PROJECTED (SQ.M) (**)	OVERALL AVG ASKING RENT CLASS A (USD/SQ.M /MONTH)	AVERLL AVG ASKING RENT CLASS A (UF/SQ.M/MONTH) (***)
El Golf	703,428	41	57,282	8.14%	385	10,075	0	20.71	0.52
Nueva Las Condes	420,165	25	42,024	10.00%	-315	0	0	21.91	0.55
Apoquindo	182,430	11	9,092	4.98%	-879	61,069	29,489	20.31	0.51
Estoril	30,809	4	2,878	9.34%	632	0	0	17.53	0.44
LAS CONDES	1,336,832	81	111,276	32.50%	-177	71,144	29,489	21.11	0.53
Santiago Centro	195,598	11	29,240	14.95%	-1,255	0	0	15.14	0.38
Providencia	50,510	2	7,868	15.58%	989	15,635	0	17.92	0.45
Nueva Providencia (*)	99,261	7	26,925	27.13%	-92	85,061	93,315	24.69	0.62
Vitacura	36,255	4	10,638	29.34%	0	0	0	23.1	0.58
TOTAL SANTIAGO	1,718,456	105	185,947	10.80%	-535	171,840	122,804	20.71	0.52

(*) Cushman & Wakefield performs area corrections at the beginning of each year; therefore, there may be fluctuations with respect to previous years' closings in inventory and available space.(**) Corresponds to rentable Surface according to available information.

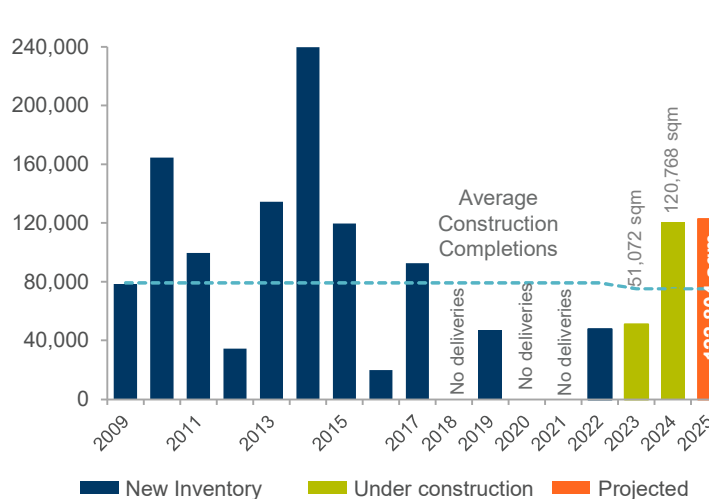
(***) The Unidad de Fomento is a unit of account used in Chile, readjusted according to the inflation. Its value it is adjusted daily by the Central Bank of Chile accordingly to the CPI index calculated by the National Institute of Statistics (INE); its code ISO 4217 is CLF. Data up December 15th, 2022 1 UF = CLP \$ 34.931,13 = USD \$ 39,83 ; 1 USD = CLP \$ 863

ASKING RENT

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



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



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