

WAREHOUSE REPORT FLEX SANTIAGO

H1 2023



MARKET OUTLOOK

The flex warehouse format has proven to be effective as combining warehousing, retail, and offices allows for higher asking rents versus traditional warehouses. As prices have risen for industrial land plots located in accessible commercial zones the flex model has become more profitable.

This format allows businesses to consolidate their warehouse, retail, and office space into a single property, combining distinct business activities into a single nucleus.

Because the flex warehouse format allows for a reduced amount of space in a compact area, sale prices are accessible to companies seeking this type of property. Demand for these properties has caused several new co-ownership developments to begin.

SUPPLY AND DEMAND

Vacancy in H1 2023 was 4.5% for a total of 44,664 sq m of warehouse space. The majority of this vacancy is in the South and North submarkets which make up 70% of the total.

Most of the available areas available for lease are spaces between 300 and 400 sq m, 48% of the total represented by 53 units.

ECONOMIC INDICATORS

	H2 2022	H1 2023	Change
IMACEC	8.3%	0.7%	▼
Unemployment Rate	7.9%	8.5%	▲
GDP Change	11.1%	-1.1%	▼
Inflation Rate (12 month)	12.8%	8.7%	▼

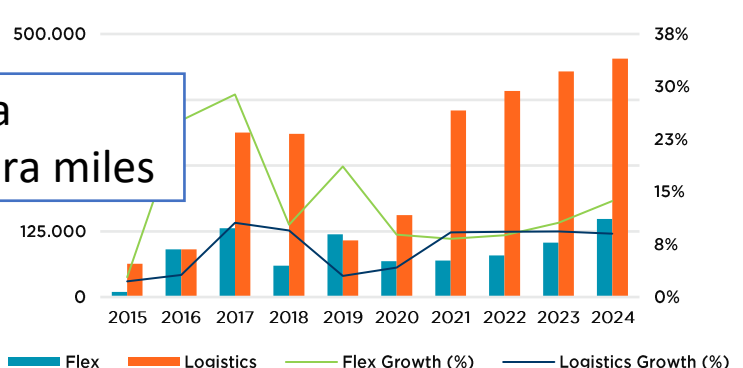
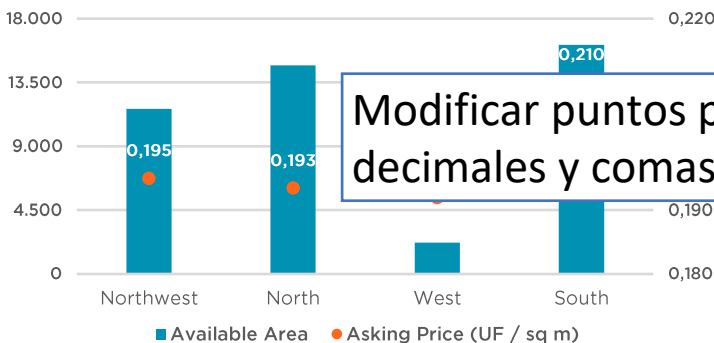
MARKET INDICATORS

	H2 2022	H1 2023	Change
Lease Vacancy	-	4.5%	-
Net Absorption (sq m)	-	-	-
Under Construction (sq m)	-	249 k	-
Asking Rent UF/sq m*	-	0.20	-
Asking Sale Price UF/sq m*	-	30.4	-

* Rent and sale prices refer to the whole property including the warehouse area with offices and retail spaces.

AVAILABILITY FOR LEASE AND ASKING PRICE BY SUBMARKET

PRODUCTION OF LOGISTICS CENTERS VS FLEX WAREHOUSES



Modificar puntos para decimales y comas para miles

LEASE AND SALE PRICES

Average asking rent is UF 0.2 / sq m. Spaces between 100 and 300 sq m average UF 0.24 / sq m, spaces between 300 and 500 sq m average UF 0.21 / sq m, and spaces larger than 500 sq m average UF 0.17 / sq m.

There are currently 14,973 sq m of space constructed and available for sale in the market. The average asking sale price is UF 30.8 / sq m. 68% of that space available and ready to occupy is located in the North submarket and has direct access to Route 5 North.

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FUTURE OUTLOOK

268,638 sq m of new space are expected to enter the market through EOY 2024. This total is made up of 11 new warehouse centers and 2 additions to existing centers. Of these new developments, 9 are located in the North Zone, 70% of the total. Of these new developments, 38% will be leased and 52% will be put up for sale as they enter the market.

Warehouse space unit sizes are decreasing. The average of the smallest units currently under construction are 200 sq m, a 30% drop from the average of the smallest units currently in the market.

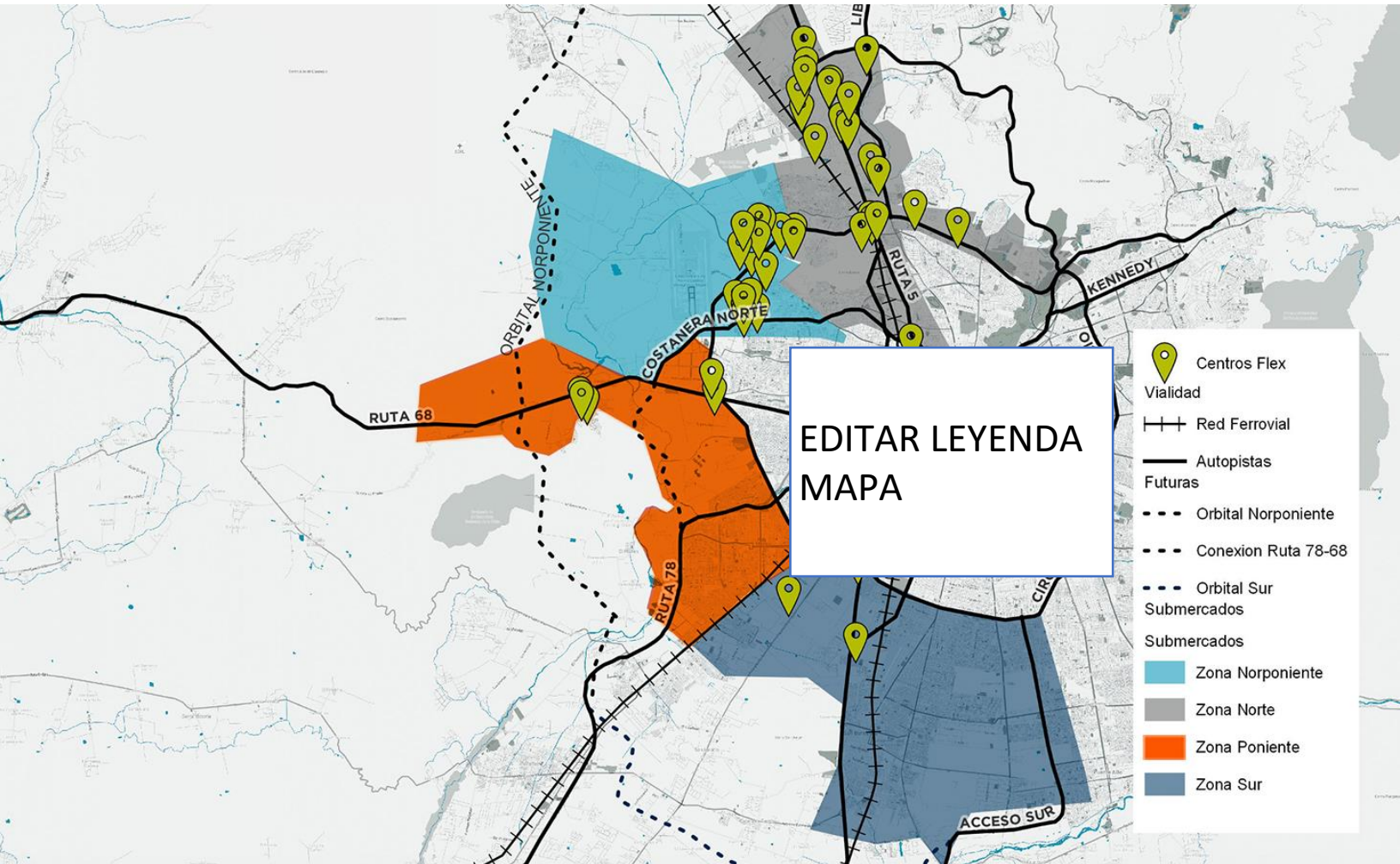
Another 55.547 sq m of flex warehouse spaces are expected to enter the market beginning 2025 in the North Submarket along Route 5 in the Colinas and Lampa areas.



OF PROJECTS UNDER CONSTRUCTION ARE LOCATED IN THE NORTH SUBMARKET



OF TOTAL AREA AVAILABLE FOR LEASE ARE UNITS BETWEEN 300 AND 500 SQ M



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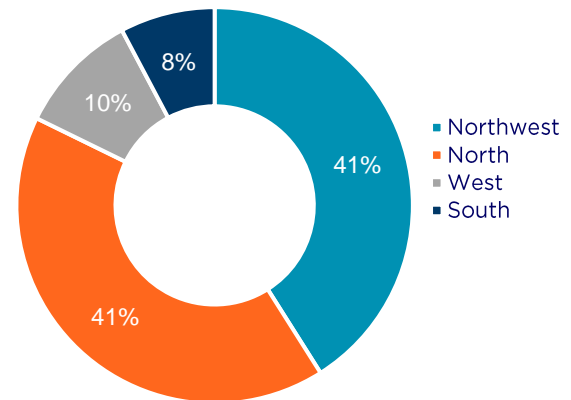
SUBMARKET	INVENTORY (SQ M)	NUMBER OF CENTERS	MINIMUM UNIT SIZE (SQ M)	MAXIMUM UNIT SIZE (SQ M)	UNDER CONSTRUCTION (SQ M)
Northwest	401,709	18	333	740	58,120
North	403,654	22	356	844	168,118
West	97,976	5	347	431	-
South	75,862	3	404	652	22,400
Total	979,201	48	349	752	248,638

SUBMARKET	INVENTORY (SQ M)	LEASE			SALE	
		AVAILABLE AREA (SQ M)	VACANCY RATE	ASKING RENT (UF / SQ M)	AVAILABLE AREA (SQ M)	ASKING PRICE (UF / SQ M)
Northwest	401,709	11,627	2.89%	0.195	4,051	33.6
North	403,654	14,690	3.64%	0.193	10,382	30.1
West	97,976	2,199	2.24%	0.192	-	-
South	75,862	16,148	21.29%	0.210	880	24.9
Total	979,201	44,664	4.56%	0.200	15,313	30.8

FLEX WAREHOUSE DESIGNATION

- Centers must have 3,500 sq m or more of constructed space.
- Units must be between 150 and 800 sq m, with greater than 10 units.
- Each unit must include offices or retail space.
- The property must include an entrance with security and common areas that may be in condominium.
- Minimum ceiling height of 6 meters.

FLEX WAREHOUSES BY SUBMARKET



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