

INDUSTRIAL MARKET OUTLOOK

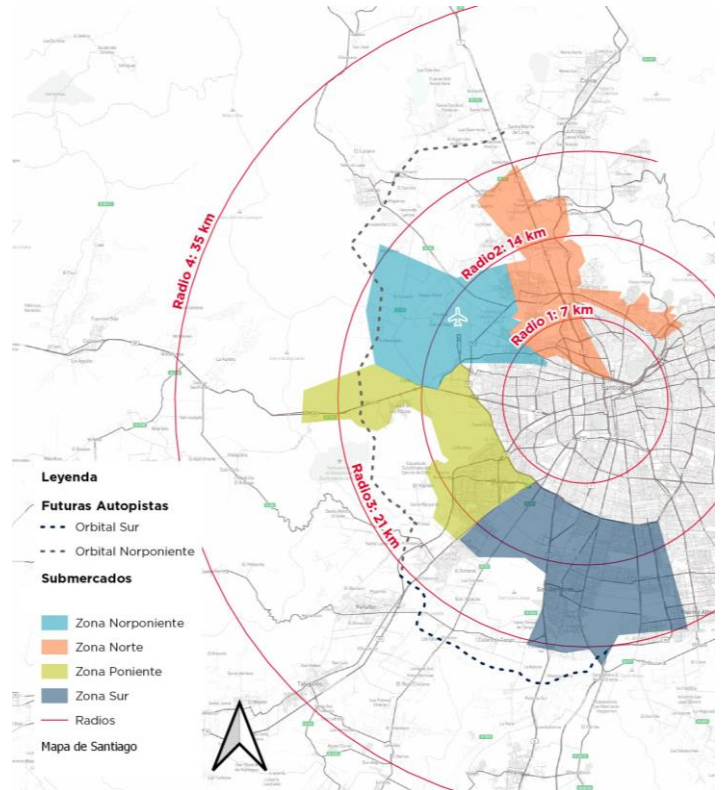
CHILE | Q3 2023

Vacancy at the close of Q3, 2023 reached 3.04%, a 200% increase from the previous quarter. Available area totals 164,527 sq m, 80% of that space is located in class B centers. Available class A space remains scarce.

Vacancy has increased as spaces between 300 and 20,000 sq m have been vacated in 30 different logistics centers mainly in the West and Northwest submarkets. Demand for future product has decreased as projects with available space enter the market. Principal operators report that there are almost no new leases in projects still under construction. This has caused rent prices to decrease, a sign of the health of the market with respect to both supply and demand.

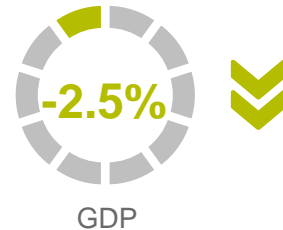
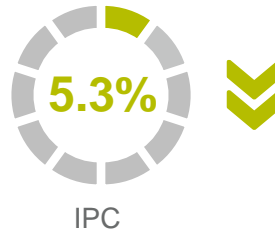
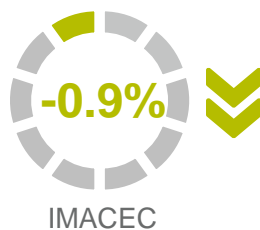
During the trimester 129,886 sq m of new space entered the market. In total, 274,859 sq m have entered the market so far in 2023, a 12% drop from the same period in 2022. 81% of this new space entered the market pre-leased.

New space is primarily located in the South and Northwest submarkets, 60% of which is located in the Northwest submarket.



Main economic indicators

This quarter saw a worrying drop in the monthly index of economic activity (IMACEC.) This is mainly due to low commercial activity in the retail and service sectors. Production of goods rose 2.1% year over year.



Sources:

Imacec: Estimation of economic activity in distinct sectors of the economy in a specific month. Last update: October, 2023

CPI: An economic indicator that measures monthly variations in the prices of a group of consumer goods and services representative of normal consumption in urban households. Last update: September, 2023

GDP: Gross domestic product is the standard measure of added economic value created by the production of goods and services in a country during a determined time period. Last update: September, 2023

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Activity by submarket

SUBMARKET / ZONE	INVENTORY (sq m)	AVAILABLE AREA (sq m)	VACANCY RATIO (%)	UNDER CONSTRUCTION OR PROJECT (sq m)	AKISNG RENT (UF / sq m / month)(*)
NORTH ZONE	825,129	25,670	3.11%	203,797	0.157
NORTHWEST ZONE	1,813,132	47,172	2.60%	467,136	0.170
WEST ZONE	2,028,409	51,039	0.02%	960,643	0.145
SOUTH ZONE	753,318	40,646	5.40%	300,200	0.174
TOTAL	5,419,988	164,527	3.04%	1,931,776	0.161

(*) Exchange rate as of September 30th, 2023: US Dollar= CLP \$ 902, 1 UF= CLP \$ 36.201, USD \$ 40

Prices, wins, and opportunities

The average asking price for constructed projects was UF 0.161 / sq m, a 12.5% drop from the prior period. Class A centers average UF 0.173 / sq m, and class b average UF 0.158 / sq m.

Spaces below 1,000 sq m have an average rental price of UF 0.176 / sq m; spaces between 1,000 and 5,000 sq m average UF 0.172 / sq m; spaces from 5,000 - 10,000 sq m average UF 0.157 / sq m; and larger than 10,000 sq m average UF 0.162 / sq m.

The Northwest submarket experienced the most positive absorption this trimester with 41,714 sq m. The average asking rent was UF 0.17 / sq m.

The consolidation of the Northwest zone was significant, as was the interest shown by some developers in the South Zone. This new interest is due to its proximity to retail centers and population growth centers. The number of new spaces under construction and in the project phase is growing.



UF 0.161 sq m/mo

AVERAGE RENT PRICE
(ASKING RENT)
Q1 2023



UF 0.173 sq m / mo

CLASS A RENT PRICE
(Asking rent)
Q3 2023



UF 0.158 sq m / mo

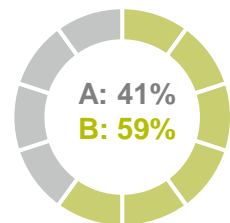
CLASS B RENT PRICE
(Asking rent)
Q3 2023



3.04%

AVERAGE VACANCY RATE
Q3 2023

Classification of logistics centers



Square meters

Future projection

Future projections expect a total of 220,800 sq m to enter the market by the end of 2023. This area represents 3 new centers and 5 additions to existing projects. If these expectations are met, 2023 will be the largest introduction of space to the market since 2018 when that number was 500,000 sq m.

There are currently 1,360,850 sq m in the project phase, of these 125,000 sq m will start construction by the end of 2023 or early 2024.

220,800 sq m

UNDER CONSTRUCTION:
ENTRY 2023



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Activity by Radius

INDICATOR	RADIUS - 0-7 KM LAST MILE	RADIUS FROM 7 - 14 KM CIRCUNVALLATION	RADIUS FROM 14 - 21 KM AGRO-INDUSTRIAL ZONE	RADIUS > 21 KM SUBURBAN CENTERS
Inventory (sq m)	43,801	4,217,863	1,090,324	68,000
Vacancy Q3 2023 (sq m) (%)	0,00%	141,299 (3.35%)	23,442 (2.15%)	0.00%
Asking Rent (UF/sq m)	-	0.163	0.151	-
Net Absorption Q3 2023 (sq m)	974	29,959	-11,437	-
Under Construction (sq m)	27,000	398,126	145,800	-
In Project Phase (sq m)	0	510,973	806,677	43,200

Radius main indicators



806,677 sq m

IN PROJECT

The 14-21 Km radius has the most area in project.



0.0%

VACANCY

The last-mile radius and suburban nucleus areas reached 0 vacancy.



398,126 sq m

UNDER CONSTRUCTION

The 7-14 km radius has the most area in construction.



UF 0.163 / sq m

ASKING RENT

The bypass area registered the highest rent prices (7 to 14 Km)



The largest absorption numbers were recorded in the 2nd radius (7-14 km) despite experiencing new vacancies totaling 77,000 sq m. Pre-leased new spaces entering the market total over 100,000 sq m.

This radius also has the highest availability with 141,110 sq m at an average asking rental price of UF 0.163 / sq m.



LET'S TALK

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