

Industrial H1 2024

	YoY Chg	12-Month Forecast
4.78 % Overall Vacancy	▲	▲
- 33,397 Net Absorption Sq.m	▼	▼
6.55 (*) Avg Asking Rent, USD	▲	▲

ECONOMIC INDICATORS H1 2024

	YoY Chg	12-Mnth Forecast
8.5 % Unemployment Rate (Apr 24)	▼	▼
2.3 % GDP variation	▼	▼
4.1 % CPI (% Interannual variation 12 months) (*)	▼	▲

(*) Average lease price requested, expressed in USD/Sq.m/Month
Source: Instituto Nacional de Estadísticas de Chile (INE)- Boletín 307 June 7th, 2024 (INE)

MARKET OUTLOOK:

First half of 2024 starts with a 36% increase in vacancy, reaching a figure of 4.78%, with 253,734 sqm of available space. That is due to vacancy of Class B centers and the incorporation of unoccupied Class A centers to the market. It should be noted that there is currently a very healthy vacancy rate in Class A and B centers, and there is a considerable variety in seeking new leases for warehouses.

Production in this half of the year totals approximately 95,000 sqm, equivalent to one new facility and two expansions of current warehouses; 75% of this area is located in the Northwestern submarket, with a balance between class A and B. Logistics centers join the market with a vacancy rate of 21%, and only 31% is categorized as non-hazardous industrial.

SUPPLY AND DEMAND:

This semester, net absorption amounted to -33,397 sqm, showing a 130% decrease compared to the second half of 2023, in which 100,000 sqm were recorded.

Net absorption registered is also very uneven among classes. Class A logistics centers show a positive absorption trend of 23,204 sqm, while Class B recorded -56,604 sqm.

In this period, 26% of the availability relates to Class A logistics centers, which is equal to 65,511 sqm, mainly focused on northwest submarket, due to recent additions to the market of new unoccupied spaces. 92% percent of available Class A surface area in centers categorized as disturbing industrial is considered to be located in southern submarket and amounts to 19,000 sqm. The remaining availability, which is located in northwestern submarket, is categorized as inoffensive.

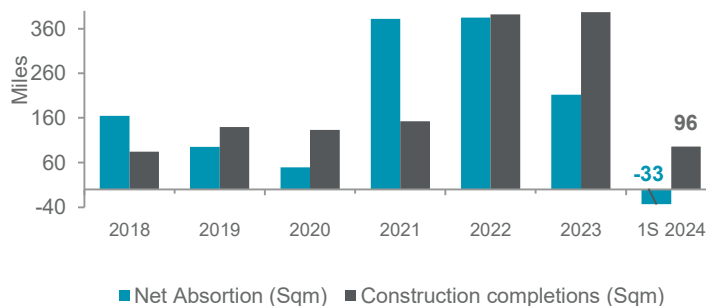
PRICE:

Average asking rent prices registered an overall average value of 0.151 UF/sqm, a drop of 2.5% compared to previous semester, when an average asking rent price of 0.155 UF/m2 was calculated.

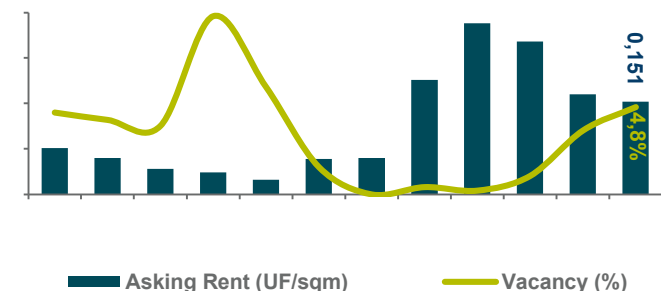
This half-yearly variation is much lower than that observed during 2023, when it decreased from 0.185 to 0.155 UF/sqm (-16%).

Lease prices for class A centers averaged 0.161 UF/sqm and class B 0.148 UF/sqm. The gap in this value was reduced from 10% to 8% between both classes, since there was a greater decrease in the average asking price of Class A centers, thus both classes began to have closer values.

SURFACE DEMAND / DELIVERIES



OVERALL VACANCY & AVERAGE ASKING RENT



ECONOMIC OUTLOOK

According to the most recent Monetary Policy Report (IPOM), it has been agreed to reduce interest rates by 25 basis points to 5.75%, which could stimulate real estate investment in the medium term, if this were to translate into a reduction in mortgage loan rates.

Economic activity continues to show heterogeneity among sectors. Services continue to stand out for their dynamism, together with the rebound of some branches of commerce; such dynamism is generating visible activity in new office leasing. Construction remains the main counterpoint, with activity levels that continue to remain low.

Labor market shows positive job creation, with a decrease of 1 percentage point from the previous quarter.

Overall, national financial markets have tended to be in line with global performance. However, the evolution of Chilean peso has been more favorable than that of other currencies regarding the last IPoM, in a context of rising copper prices.

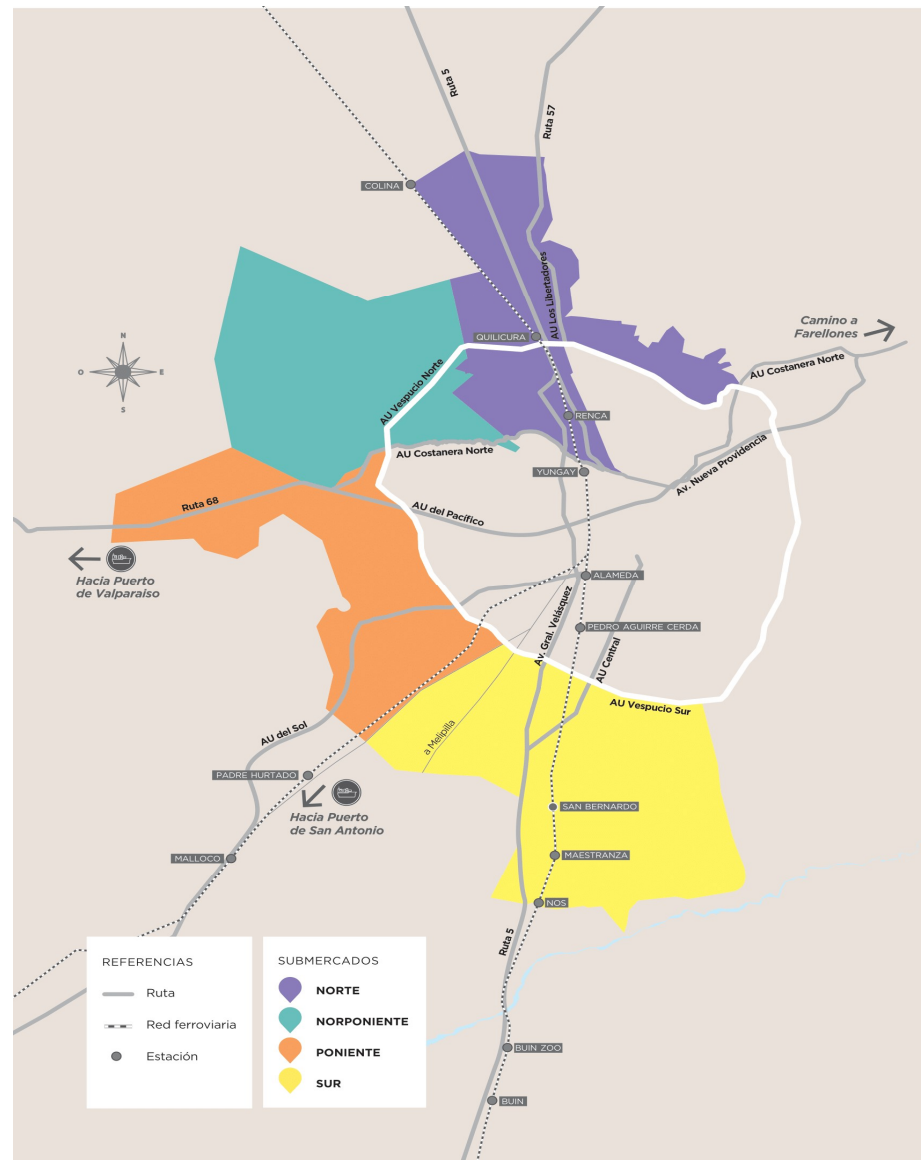
FUTURE OUTLOOK

There are 502,000 sqm under construction, of which 64% are committed to hit the market this year 2024, representing approximately 325,000 sqm. It is quite possible that a portion of this could be postponed to 2025, since although construction of these centers takes an average of 18 months, in some of the more peripheral districts, municipal paperwork is more complex and the delivery of final approval documentation, which is necessary to be able to operate, is delayed.

Total projected surface area is 1,238,176 sqm, implying a decrease compared to H1 2023, where 1,429,553 sqm were registered. The reason for this is that some projects have started construction, but few preliminary projects have been registered; this is a good sign for the industry to maintain a balance between supply and demand, which has been reduced.

Given the scarcity of industrial land, the rise of projects in inoffensive industrial zones is particularly noteworthy. 47% of construction underway is on inoffensive land, and higher percentages are under construction for centers in planning stages.

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: less than 9 meters / Construction: no level platforms and lower quality floors / Antiquity: more than 15 years.

Industrial H1 2024

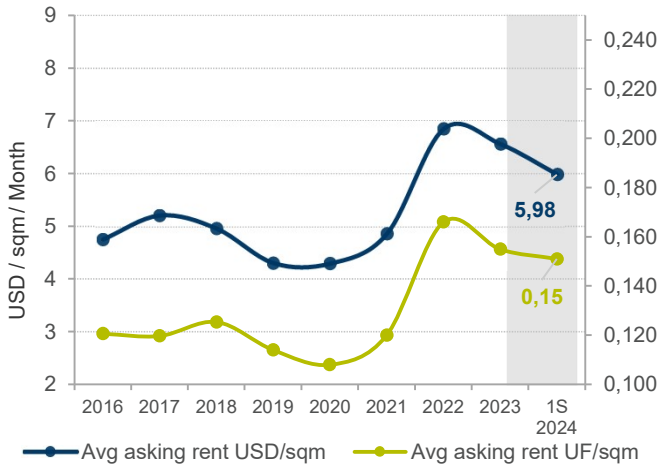
MARKET STATISTICS

SUBMARKETS	INVENTORY (*)	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 (UF/SQ.M /MONTH)	AVERLL AVG ASKING RENT (USD/SQ.M/MONTH)
West Class A	481,103	4	5,026	1.0%	-19,818	116,080	368,973	0.180	7,11
Northwest Class A	1,248,198	27	41,485	3.3%	47,522	102,800	161,880	0.162	6,39
South Class A	268,927	7	19,000	7.1%	-4,500	118,700	118,000	0.155	6,12
North Class A	386,176	10	0	0.0%	0	0	86,323	0	0,00
SUBTOTALS CLASS A	2,384,404	48	65,511	2.7%	23,204	337,580	735,176	0.161	6,37
West Class B	1,523,901	13	113,783	7.5%	-30,026	0	490,000	0.144	5,69
Northwest Class B	750,883	25	24,941	3.3%	11,850	0	0	0.152	5,99
South Class B	364,136	9	35,813	9.8%	-38,787	84,500	0	0.150	5,91
North Class B	283,353	10	13,686	4.8%	362	80,000	13,000	0.167	6,61
SUBTOTALS CLASS B	2,922,273	57	188,223	6.4%	-56,601	164,500	503,000	0.148	5,84
TOTAL	5,306,677	105	253,734	4.78%	-33,397	502,080	1,238,176	0.151	5,98

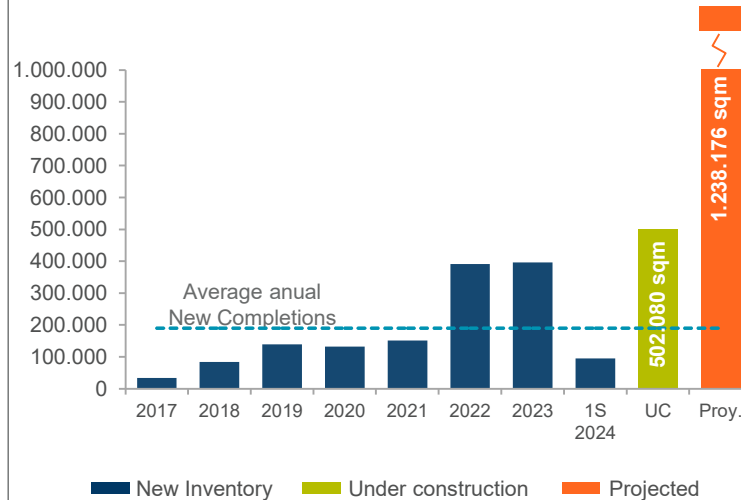
(*) Corresponds to rentable surface according to available information

(**) 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 June 15th, 2024: 1 UF = CLP \$ 37,564.36 = USD \$ 39.5 ; 1 USD = CLP \$ 951

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



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



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