INDUSTRIAL MARKET OUTLOOK

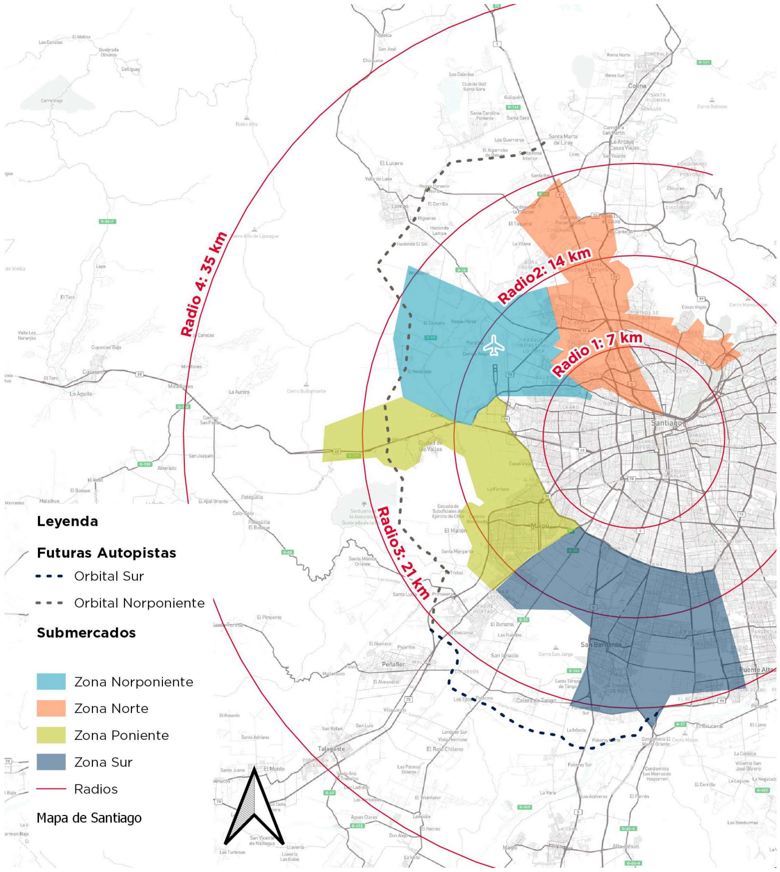
CHILE | Q3 2024

By the third quarter of 2024, vacancy for Logistics Centers registered is 5%, corresponding to an available area of 267,000 sqm.

In 2023, during the same period, vacancy reached 3%, therefore, an increase of 2 percentage points can be observed.

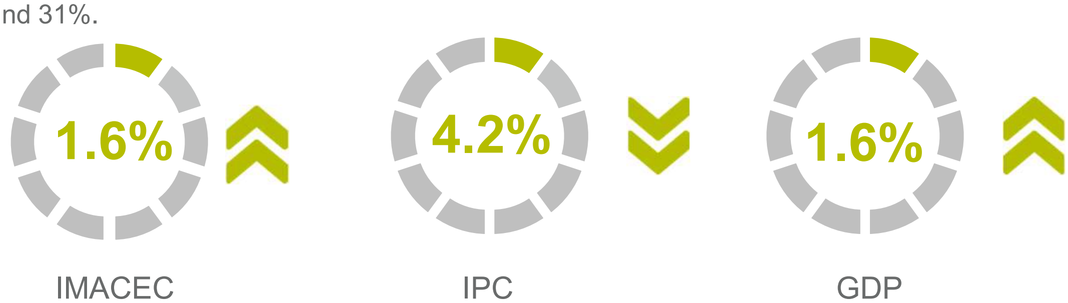
Comparing the annual trend of vacancy in the two warehouse classes, two different trends are evident. First, Class “A” holds its vacancy very stable, going from 1.6% to 2.0%. This still encourages many clients who demand this type of space to close contracts for projects in their construction phase. Meanwhile, class “B” tends to increase almost exponentially, going from 4.0% to 7.4%. New Deliveries this quarter amounted to 51,288 sqm, totaling 147,251 sqm so far this year, of which 55% relates to built space in areas with a heavy industrial use.

Projects entering the market, with final acceptance, are 3, of which the following stand out: Avanzapark Pudahuel 4 and the last stage of Bodegas FAC Lautaro.



Main economic indicators

This quarter, Imacec showed a year-on-year variation of 1.6%, mainly driven by mining and commerce. The CPI inflation indicator shows an increase in its year-on-year variation, reaching 4.2%. The year-on-year variation of GDP is 1.6%, remaining at a fairly stable value since 2023. The tertiary or services sector is the one that contributed the largest percentage to the GDP in Chile, representing more than 54% of the total goods and services produced domestically, followed by industrial sector with around 31%.



Sources:
Imacec: Estimation of economic activity in distinct sectors of the economy in a specific month. Last update: June 2024
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: June 2024
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: June 2024

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Activity by submarket

INVENTARIO (m²)	DISPONIBLE (m²)	RATIO DE VACANCIA (%)	Absorción Neta YTD	EN CONSTRUCCIÓN O EN PROYECTO (m²)	ALQUILER PEDIDO (UF/m²/MES)(*)	ALQUILER PEDIDO (USD/m²/MES)(*)	INVENTARIO (m²)
679,529	6,826	1.00%	15,659	139,323	0.167	6.85	679,529
1,999,081	65,009	3.25%	48,880	264,680	0.156	6.41	1,999,081
2,030,584	122,763	6.05%	-1,433	949,473	0.147	6.01	2,030,584
648,771	72,842	11.23%	-12,771	284,200	0.126	5.16	648,771
5,357,965	**267,440**	**4.99%**	**50,335**	**1,637,676**	**0.15**	**6.16**	**5,357,965**

(*) Exchange rate as of September 13h, 2024: US Dollar= CLP $ 923, 1 UF= CLP $ 37,846, USD $ 41

Prices, key facts, and opportunities

Asking rents averaged 0.150 UF/sqm for the third quarter, a year-on-year difference of only 7% and stable compared to the previous quarter. The average asking rent for Class A centers is 0.165 UF/sqm and Class B is 0.140 UF/sqm.

In this reporting quarter, differences in lease prices for Class A and Class B logistic spaces are more noticeable. In 2023, during this period, the difference between both categories was only 10% and currently it is 17%. This is due mainly to a downward trend in Class B rental prices, while Class A has slowly started to increase due to shortages and an increase in demand for these types of space.

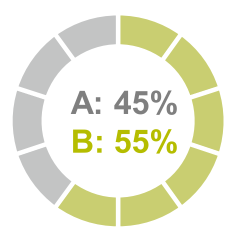
According to the event, it is worth noting that the profile of the business demanding new warehouse space has begun to prefer warehouses with loading docks and with higher fire resistance standards, which is categorized as Class A.

This is also visible in industrial classification, in which the net absorption high industrial is double that of inoffensive industrial.

UF 0.150 sq m/mo
AVERAGE ASKING RENT
Q3 2024

4.99%
OVERALL VACANCY RATE
Q3 2024

Classification of logistics centers



Square meters

Future projection

A total of 353,000 sqm is forecast to be inaugurated in 2024, which will be slightly less than in 2023, when it was close to 400,000 sqm. This year, construction began at least 300,000 sqm.

In 2025, it is expected that around 222,000 sqm will be launched, with a figure close to 50 thousand sqm in the West and North submarkets. In the South submarket, 26,000 sqm will be added in radius 4.

353,000 sq m
UNDER CONSTRUCTION:
ENTRY 2024

CUSHMAN & WAKEFIELD

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Activity by Radius

INDICADOR	CLASS A				CLASS B			
	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	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
	1	2	3	4	1	2	3	4
Inventory (sq m)	42,500	1,763,738	603,746	-	-	2,310,245	607,736	30,000
Available Area (sq m)	-	36,807	12,173	-	-	176,084	42,376	-
Asking Rent (UF/sq m)	-	0.168	0.155	-	-	0.148	0.145	0
Net Absorption YTD (sq m)	-	71,136	8,172	-	-	-16,006	-12,967	-
Under Construction (sq m)	-	222,000	62,800	43,200	-	-	87,500	-
In Project Phase (sq m)	-	245,296	473,880	-	13,000	-	490,000	-

Radius main indicators

490,000 sq m
CLASS B, 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.

222,000 sq m
CLASS A, UNDER CONSTRUCTION
The 7-14 km radius has the most area under construction.

UF 0.168 / sq m
ASKING RENT
The bypass area registered the highest rent prices in A class Centers (7 to 14 Km)

LET'S TALK

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