

MARKET INDICATORS

	YoY Chg	12 Mo Forecast
10.1% Overall vacancy	▼	▼
18,906 Net Absorption, (sqm) Q4 24	▲	▲
0.49 Average asking rent (*)	▼	▲

ECONOMIC INDICATORS

	YoY Chg	12 Mo Forecast
Q3 2024		
8.6% Unemployment Rate Oct. 2024	▲	▼
0.1% GDP Variation	▼	▲
4.2% (Nov) CPI Inflation rate (12 Month)	▼	▲
5.00% Tasa de Interés	▼	▼

(*) Average price of asking rents expressed in UF / sq m / month
Source of economic indicators: National Institute of Statistics of Chile (INE) - Bulletin 313 / December 6th, 2024 (INE)

OFFICE MARKET OUTLOOK:

2024 concludes with a positive perspective, demand focused on the eastern submarkets, such as El Golf, with a sustained unsteadiness in the Santiago Centro submarket, where the highest number of vacancies were observed.

Fourth quarter vacancy rate was 10.1%, which translates into a total of 176,334 sqm available. This represents an increase of one percentage point compared to the end of 2023, returning to the average vacancy of 2022. This average vacancy is within a healthy market range, which since 2010 has moved from 12% to at lowest 4%.

Market dynamism during 2024 was captured in significant transactions, one of the most recognized and noteworthy of these was the recent Gertrudis Callao building, where EY leased close to 7,000 sq. m. over 7 floors with 2 additional mezzanines.

SUPPLY AND DEMAND:

Net absorption amounted to 18,906 sqm this quarter, reaching an annual accumulated total of 8,276 sqm, 85% lower than the figure for 2023, marked by the relocation of companies to new offices in the Nueva Las Condes and Nueva Providencia submarkets.

The 2024 demand was driven by a significant absorption registered in the Las Condes market, with special emphasis on the El Golf submarket at 36,000 sqm occupied, Nueva Las Condes at 23,000 sqm and Apoquindo at 14,000 sqm. On the other hand, the Santiago Centro submarket showed a persistent trend of unoccupancy, which resulted in a steady increase in vacancy, reaching 21.5%. Throughout the year, office demand was concentrated mainly in fitted and furnished spaces, with a clear trend for relatively more compact areas, but focusing more on comfort and functionality.

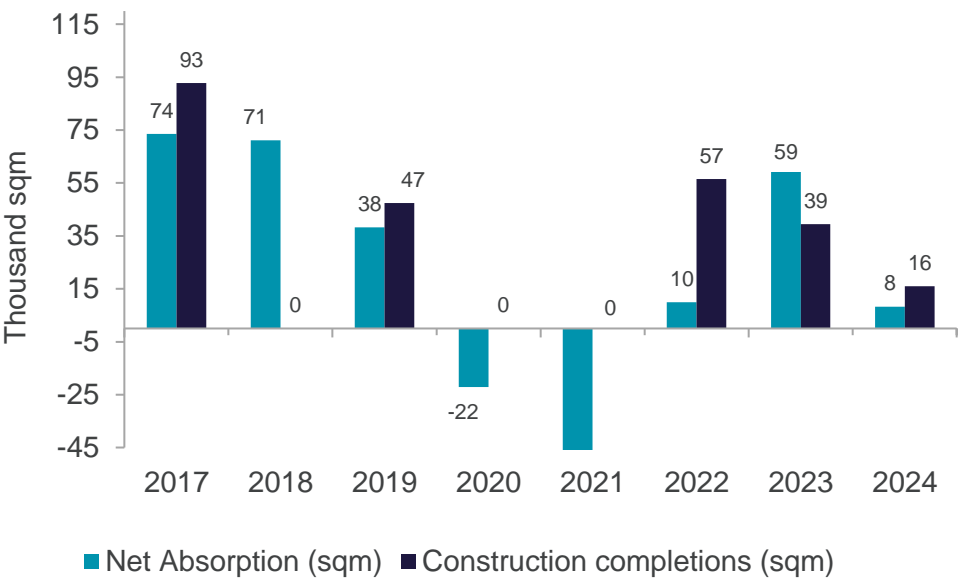
2023 was marked by the “Fly to Quality” trend, while during 2024 the focus shifted to the search for higher standard offices, adapted to the specific needs of companies and oriented to the strategic rearrangement of their spaces. The most popular submarkets continue to target Nueva Providencia, Apoquindo and El Golf.

ASKING RENT

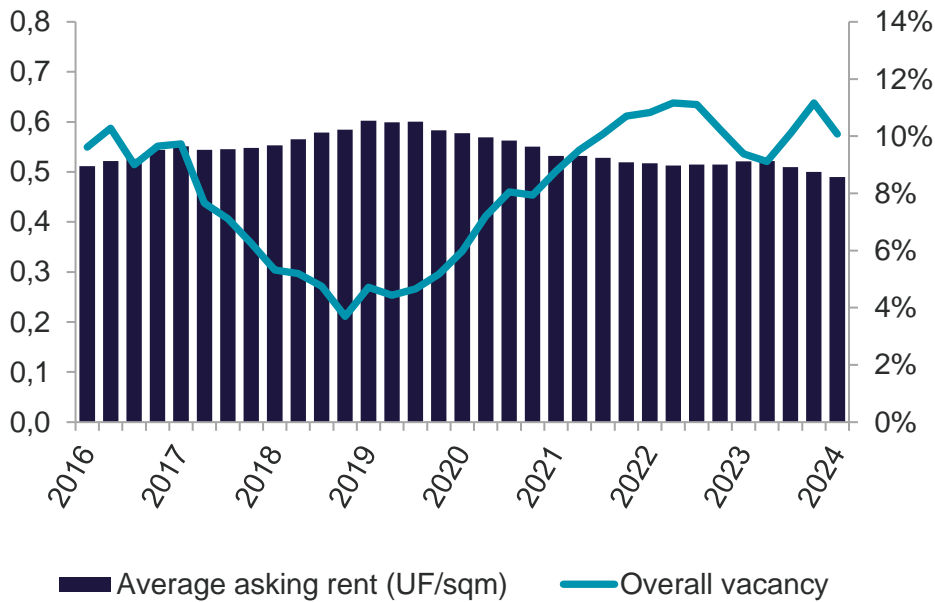
During this quarter, overall asking rents reached 0.49 UF/m², dropping below the 0.5 UF/m² prevailing in recent years. Several factors are responsible for this. On the one hand, due to the increase in availability in downtown Santiago, which has an average asking price between 0.25 and 0.4 UF/m². On the other hand, some buildings that have joined the market recently, seeking to offer more convenient prices, in order to encourage companies to renovate their office space.

At year-end, this value in UF was equal to 19.21 USD/m². The figure in dollars has remained fairly stable over time, as the dollar has been rising, offsetting the fall in the price of leases in UF.

SURFACE DEMAND / CONSTRUCTION COMPLETIONS



OVERALL VACANCY & AVERAGE ASKING RENT



ECONOMIC OUTLOOK

The December 2024 IPoM (Monetary policy report) forecasts that economic activity for year-end 2024 will grow 2.3%, while the GDP growth ranges for 2025 and 2026 remain at 1.5-2.5%. Inflation reached 4.2% annual growth in November, higher than anticipated a few months ago, due to a global appreciation of the US dollar as a result of uncertainty and higher labor costs.

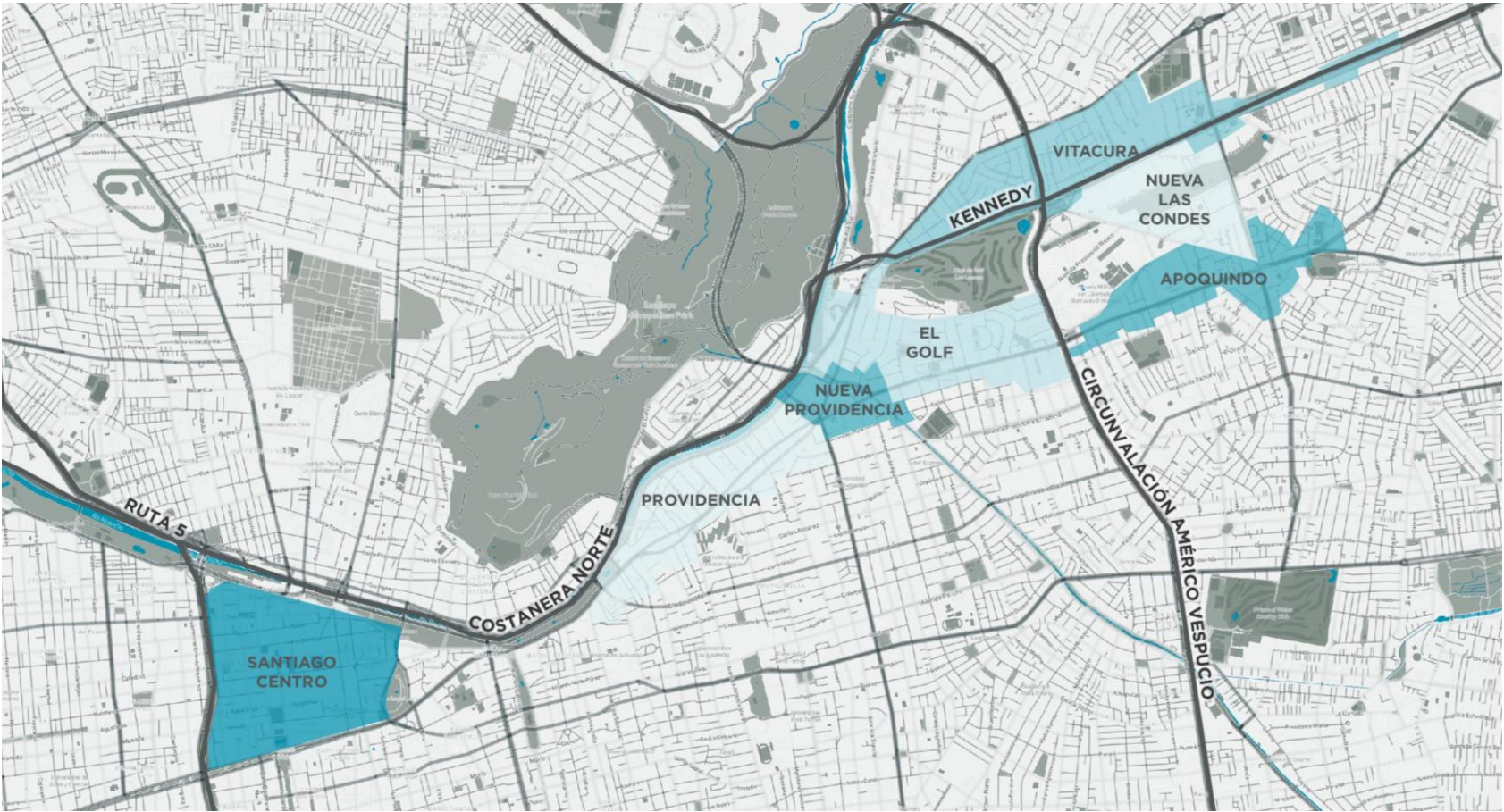
Central Bank interest rate is reduced by 25 basis points, reaching 5.00% in December. Bank credit remains weak, especially its commercial component. The third quarter Bank Credit Survey shows somewhat more flexible supply conditions in several credit categories and a demand that remains limited.

FUTURE OUTLOOK

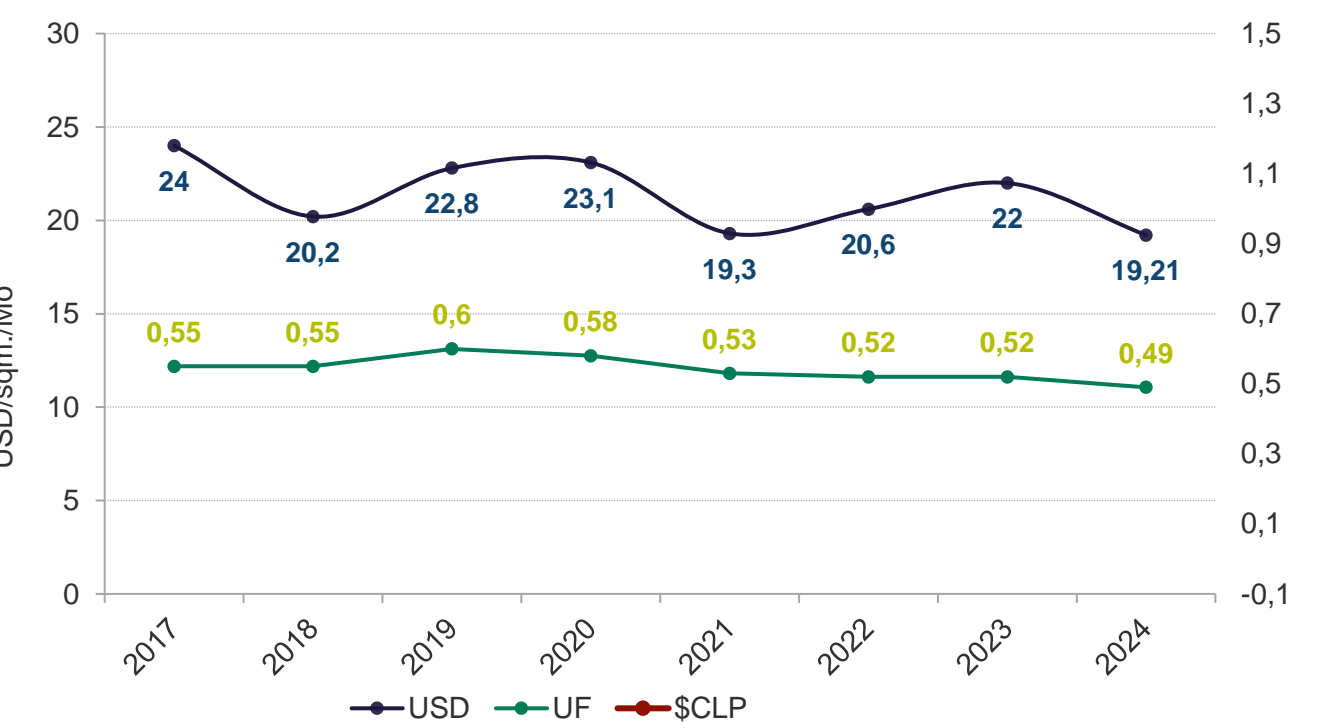
By the end of 2024, 16,000 sq m of office space will have been added, concentrated in Apoquindo and in the Providencia submarket, which, although leaving a low revenue margin, is expected to add close to 40,000 sq m by 2025. Two projects are expected to open soon: Urbana Center and the Manquehue building.

This shows that search for new office space continues to be clustered around subway Manquehue, particularly between the Apoquindo and Nueva Las Condes submarkets. Significant growth is planned in the eastern sector of the Apoquindo corridor, with the renewal of spaces. Perimeter enclosures for the Apoquindo 6000 project and preliminary ground works for the Madagascar project have already been observed. These developments are aimed at consolidating a new pole of high-rise buildings, equipped with commercial infrastructure and easily accessible from Manquehue Avenue.

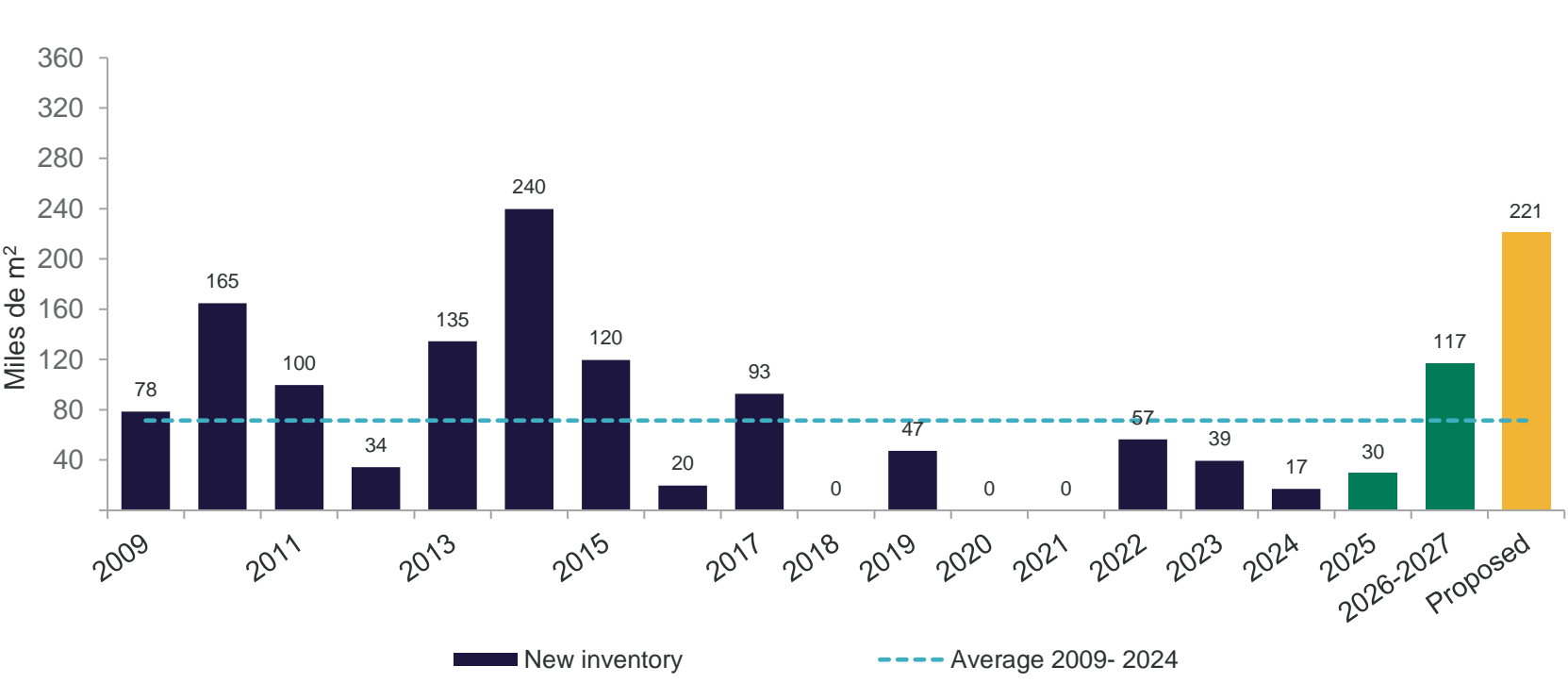
OFFICE SUBMARKETS



ASKING RENT UF / sq m / month vs. USD / sq m / month



NEW INVENTORY (sq m) / PROPOSED SURFACE (sq m)



MARKET STATISTICS

SUBMARKETS	CLASS A INVENTORY (*)	BUILDING COUNT	AVAILABLE AREA (sq m)	VACANCY RATE (%)	ABSORPTION YTD(sq m)	UNDER CONSTRUCTION (sq m) (**)	PROPOSED (sq m) (**)	CLASS A ASKING RENT (USD /sq m / mes)	CLASS A ASKING RENT (UF /sq m / mes) (***)
El Golf	681,481	41	42,011	6.16%	12,255	0	0	21.16	0.54
Nueva Las Condes	420,165	25	20,558	4.89%	771	30,851	82,345	21.42	0.55
Apoquindo	182,430	11	10,274	5.63%	1,414	61,069	29,489	20.95	0.54
Estoril	30,809	4	4,512	14.65%	-1,820	0	0	16.03	0.41
LAS CONDES	1,314,885	81	77,355	5.88%	12,620	91,920	111,834	20.9	0.54
Santiago Centro	195,598	11	42,132	21.54%	-18,311	0	0	13.18	0.34
Providencia	67,154	3	16,688	24.85%	4,439	0	15,635	19.3	0.49
Nueva Providencia	128,191	8	27,499	21.45%	7,789	54,551	93,315	22.53	0.58
Vitacura	42,665	5	12,660	29.67%	1,738	0	0	21.65	0.55
TOTAL SANTIAGO	1,748,493	108	176,334	10.08%	8,276	146,471	220,784	19.21	0.49

(*) Cushman & Wakefield does corrections for areas at the beginning of every year. For this reason, fluctuations can occur with respect to prior year closes in area and availability.

(**) Corresponds to rentable area according to available information

(***) The “Unidad de Fomento” (UF) is an artificial currency adjustable according to the inflation of the prior month. Its value is determined by the Central Bank of Chile according to the Consumer Price Index (IPC) calculated by the National Institute of Statistics (INE) CLF is its currency code (ISO 4217). Its value as of December 15th is 1 UF = CLP \$ 38,377.1 = USD \$ 39.0 ; 1 USD = CLP \$ 983.3

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