



RESEARCH 3Q 2021

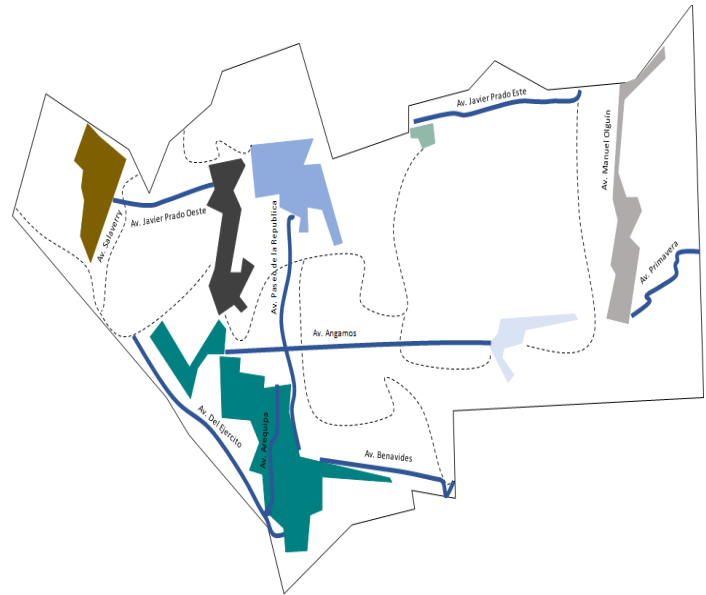
Lima Office Market

Market Summary

	Current Quarter	Prior Quarter	Prior Year
Total Inventory (SM)	1.5M	1.4M	1.4M
Vacancy Rate	20.5%	21.30%	17.2%
Quarterly Net Absorption (SM)	-20,590	-16,290	-17,225
Average Asking Rent USD/SM/month	15.70	15.75	15.75
Under Construction (SM)	121,283	69,547	69,547

Economic Overview

- In the month of July, a positive variation of 12.9% in the GDP was recorded.
- Between June and August, the unemployment rate was 9.5%, a decrease of 7.8% compared to the April-June period and a reduction of 39.1% compared to the same period last year.
- Such indicator is directly related to the progress of the vaccination process, which was managed to protect a large part of the economically active population.
- This situation which would improve the possibilities of returning to work.
- The inflation rate reached 5.4%, the highest in more than 12 years.
- The exchange rate showed a significant increase of 5.9% compared to 2Q 2021. September reported an exchange rate of S/.4.13/USD, which impacts on all goods and services quoted in dollars, such as the office market rent.



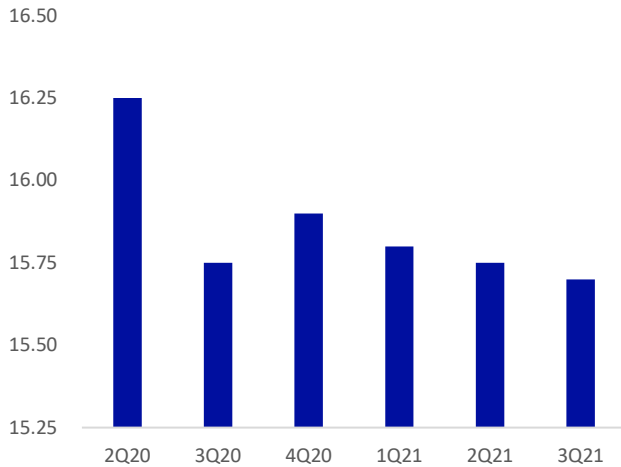
- Magdalena del Mar
- San Isidro Empresarial
- San Isidro Financiero
- Miraflores
- San Borja
- Chacarilla
- Santiago de Surco

Current Conditions

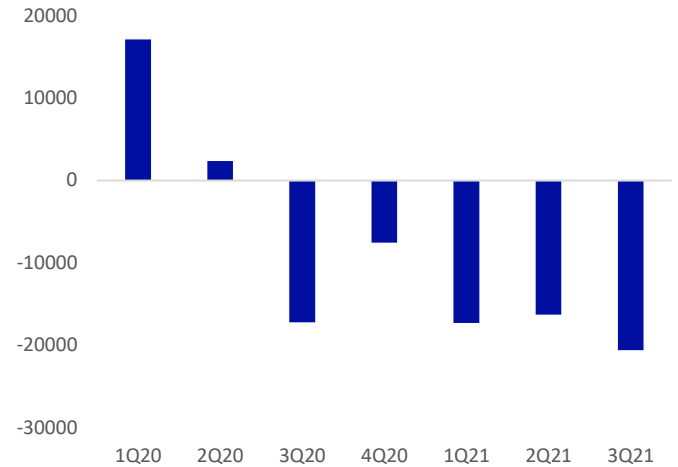
- During the third quarter of 2021 the vacancy rate closed at 20.5%.
- The return to office space is taking place progressively and still under a deep analysis by companies on the effective use of space.
- At the end of Q3, net absorption was -20,590m², as a result of a steady increase in vacancies (69.2% compared to the previous quarter) and a decrease in occupancies in recent quarters. All submarkets showed negative net absorption levels.
- Average lease rents closed at USD 15.70/m² as a consequence of negative variations in rental prices in the San Isidro Empresarial and Miraflores submarkets. Almost a quarter of the available surface are located in these two submarkets.
- Due to the fact that the currency of the office market transactions is the U.S. dollar and the exchange rate is very volatile, the former not only have been impacted but also they will take long time to be succeed.

Market Analysis

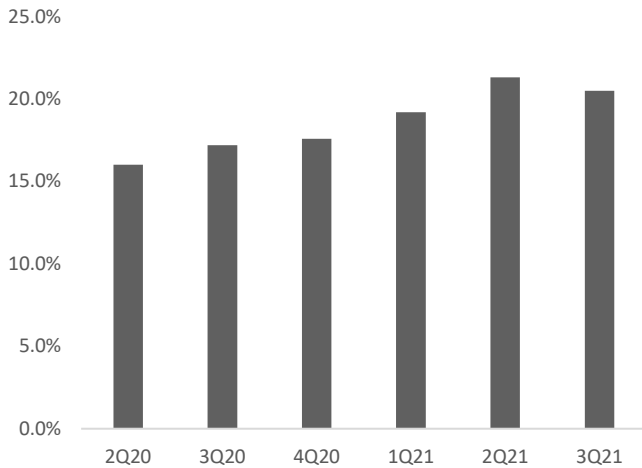
AVERAGE ASKING RENT (USD/ M² /MONTH)



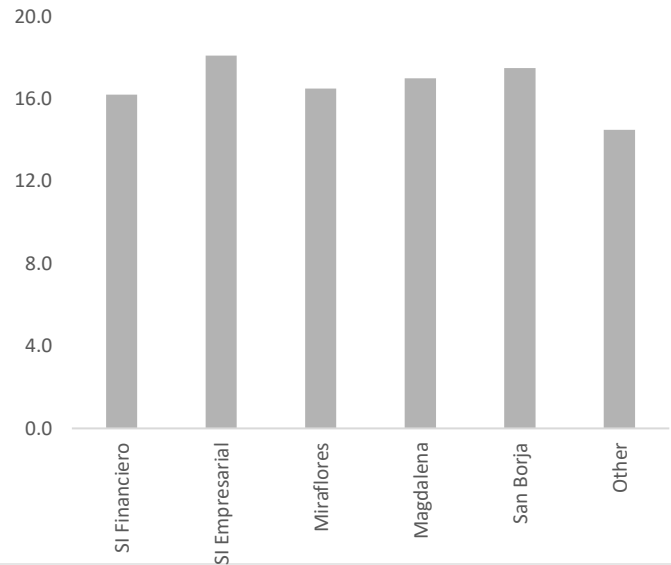
NET ABSORPTION (M²)



VACANCY RATE



AVERAGE ASKING RENT PER SUBMARKET (USD/ M²/MONTH)



Lima

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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/research.

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