

SANTIAGO

Office Q4 2019

	YoY Chg	12- Mo. Forecast
4.75% Vacancy Rate	▲	▲
4,388 Net Absorption, (Sq.m)	▼	▲
0.60 Asking Rent, (UF/Sqm/Month)	▲	▲

ECONOMIC INDICATORS Q4 2019

	Year-on-year	12- Month Forecast
7,0% Unemployment Rate (Q3)	▼	▲
3,3% GDP Variation (Q3)	▲	▼
2,7% Inflation Index (Acumulado 12 meses) (*)	▲	▲

Source: Instituto Nacional de Estadísticas de Chile (INE)
(*) Newsletter: Índice de Precios al Consumidor
Noviembre 2019

MARKET OUTLOOK:

Despite the pessimism in the economic scenario, added to the national situation, the vacancy maintains healthy records in the last quarter, due to the release of footage during the year of the Costanera Center Complex, with 36,000 sqm (Providencia Submarket) and the Vista Building 360 of 12,672 sqm (New Las Condes).

Within the footage released in this quarter, the Vista 360 Building registers a rapid absorption since upon entering the market, 4 floors were leased to a mining company.

Regarding the national contingency, there is no strong office movement in significant terms. More time will be able to measure the real impact on the premium office market.

SUPPLY AND DEMAND:

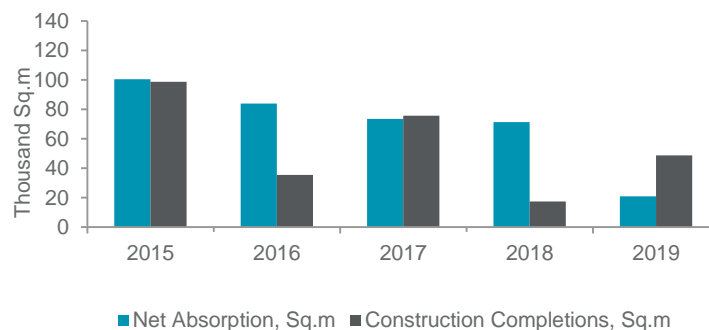
As for the offer, the market has high availability, allowing companies to place operations in adjoining spaces. However, the mobilizations have paused the decisions, so it is expected that, once the social problems have been resolved, these spaces will begin to be absorbed quickly.

Regarding the demand, in the fourth quarter of the year more spaces have been released than have been leased, reaching net absorption at 4,388 sqm. As occupants with greater absorption, two stand out; Mining Area with 5,587sqm and Energy with 3,873 sqm.

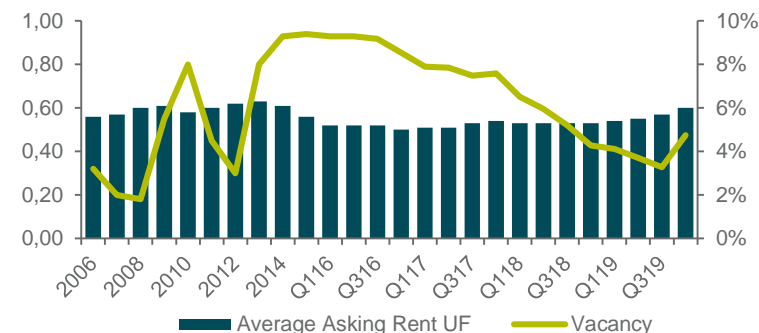
PRICING:

Regarding prices, they reach 0.60 UF / sqm on average due to the high price registered by the Costanera Center Complex, being the building with the highest rate of the submarkets under study.

SURFACE DEMAND/ DELIVERIES



OVERALL VACANCY & AVERAGE ASKING RENT



ECONOMIC OUTLOOK

The fourth quarter of the year has been characterized by social demands that have led to the discussion of important internal changes, translated into lower commercial activity, with a projection of growth of 0.5 - 1.5% for the year 2020, and a 2, 5 - 3.5% in the year 2021.

Regarding the mining sector, the extraction and processing of copper, grew 0.1% due to a greater treatment of mineral registered in an important company.

The expected investment for 2020 is projected with a fall of 4%. However, the negative impacts on investment are offset by the continuation of the large mining investment projects already started, the increase in public investment, and the expansionary monetary policy.

Regarding unemployment, it fell 0.1 percentage points compared to the previous period, due to a 1.2% increase in the labor force, which was slightly lower than the employed.

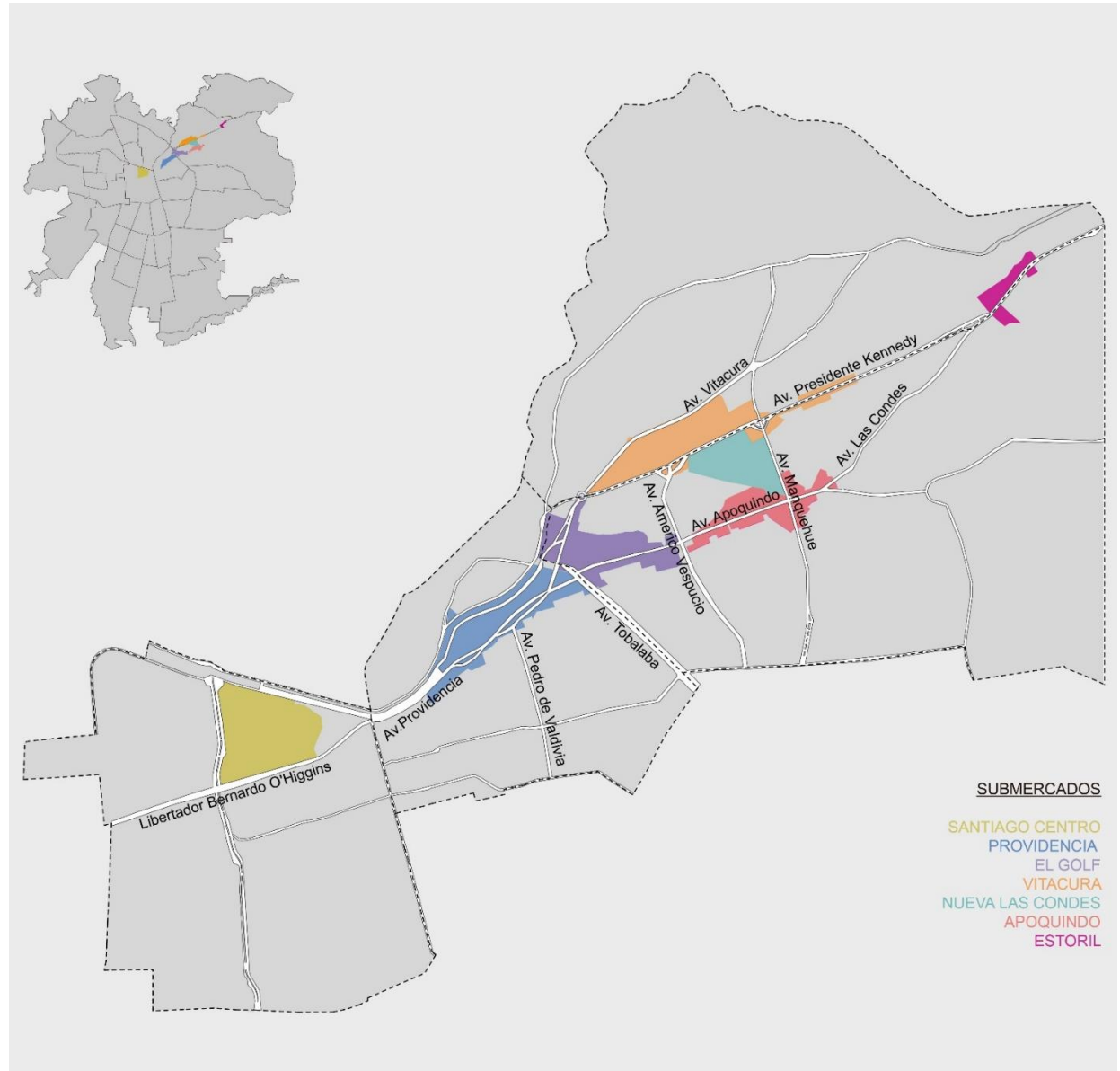
Regarding the international scenario, the focus of tension keeps the uncertainty of the performance of the world activity latent, mainly due to the conflict between the US and China, since the materialization of the agreement is not yet certain.

FUTURE OUTLOOK

There are perspectives in which, once the social problems have been resolved, the investment will normalize and thereby increase the absorption in available area. Currently, the greatest availability is found in the Providencia submarkets with 36,297 sqm, El Golf with 19,259 sqm and Nueva Las Condes with 11,610 sqm.

By 2020 it is expected that the remaining footage of the Costanera Center, the Nueva Córdoba building and the Vespucio 345 Building will be released, adding 74,171 sqm of surface to the Providencia, Nueva Las Condes and El Golf submarkets respectively.

OFFICE MAP WITH SUBMARKETS DIVISION / SANTIAGO DE CHILE



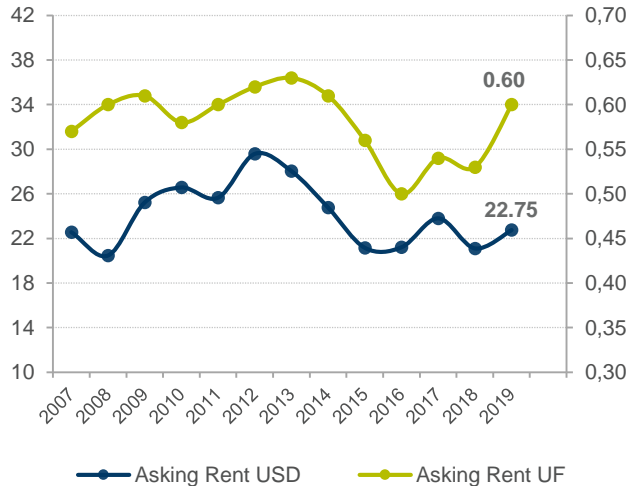
MARKET STATISTICS

SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	AVAILABLE SURFACE (SQ.M)	VACANCY RATE (%)	ANNUAL ABSORPTION TO DATE (SQ.M)	UNDER CONSTRUCTION (SQ.M) (*)	PROJECTED (SQ.M) (*)	OVERALL AVG ASKING RENT CLASS A (USD/SQ.M/ MES)	OVERALL AVG ASKING RENT CLASS A (UF/SQ.MMES) (**)
El Golf	760,438	46	19,259	2.53	9,401	44,247	-	\$21.99	0.58
Nueva Las Condes	378,992	22	11,610	3.06	7,386	21,264	-	\$21.99	0.58
Apoquindo	187,915	12	2,319	1.23	6,773	-	33,239	\$21.23	0.56
Estoril	30,809	4	1,761	5.72	2,045	-	-	\$15.92	0.42
LAS CONDES	1,358,154	84	34,949	2.57	25,605	65,511	33,239	\$21.61	0.57
Santiago Centro	195,598	11	5,673	2.90	391	-	-	\$16.68	0.44
Providencia	98,035	5	36,297	37.02	- 5,127	44,064	99,929	\$24.64	0.65
Vitacura	40,144	4	3,395	8.46	128	-	-	\$21.23	0.56
SANTIAGO TOTALS	1,691,931	104	80,314	4.75	20,997	109,575	133,168	\$22.75	0.60

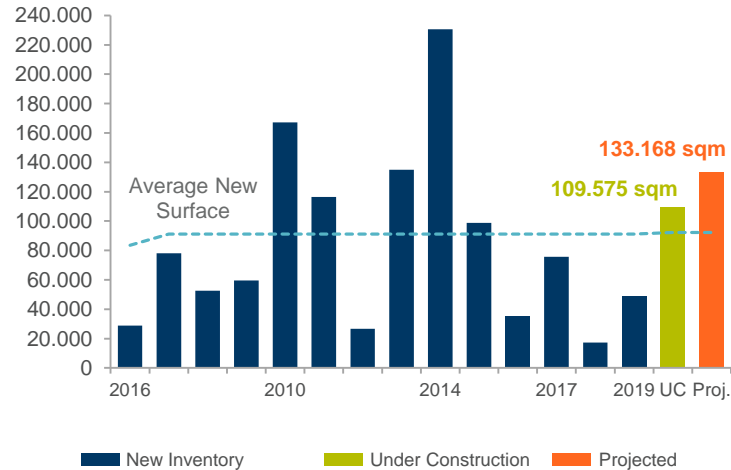
(*) Corresponds to rentable Surface according to available information

(**) The Unidad de Fomento is a unit of account used in Chile, readjusted according to the inflation. Its value it is ajusted 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 December 27th 2019: 1 UF = CLP \$ 28,306.29 = USD \$37,91; 1 USD = CLP \$746.66

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



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



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