

Industrial H2 2023

	YoY Chg	12-Month Forecast
3.52 % Overall Vacancy	▼	▼
111.883 Net Absorption Sq.m	▲	▲
6.55 (* Avg Asking Rent, USD)	▲	▲

ECONOMIC INDICATORS H2 2023

	YoY Chg	12-Mnth Forecast
8.7 % Unemployment Rate (Dec.23)	▲	▲
-1.4 % GDP variation (H1.23)	▲	▲
4.8 % CPI (% Interannual variation 12 months) (*)	▲	▼

(* Average lease price requested, expressed in USD/Sq.m/Month
Source: Instituto Nacional de Estadísticas de Chile (INE)- Boletín 301 December 7th, 2023 (INE)

MARKET OUTLOOK:

The second half of 2023 ended with a vacancy rate of 3.52%, equal to 194,240 sqm, an increase of 235% compared to the first half of the year, when only 1.05% was registered. In the second half of 2022, vacancy was equal to zero. Quite a different scenario from the present one, since most of demand for new space committed contracts in future projects, which were mostly launched during 2023 with occupancy levels above 60%. Developments joining during 2024 are expected to have a lower level of preplacements due to demand restraint. There is a semi-annual production of approximately 250,000 sqm, with a total of 8 logistics centers starting with an average of 85% of their space already leased. Seven of the projects are class A, with excellent quality standards of infrastructure, and 76% of incoming surface area is located in the North-West submarket, within a radius of 7 to 14 km from the city center. All this demonstrates consolidation of this industrial cluster.

SUPPLY AND DEMAND:

Average net absorption for second half of the year totals 111,883 sqm, showing a 10% decrease compared to the same period in 2022. This year, positive absorption or pent-up demand is 412,000 sqm, up 6% from the prior year, but vacancy 162,000 sqm, a large increase over 2022, which is only 9,261 sqm. Demand figures are composed almost exclusively of previously leased space arriving on the market. In conclusion, we are dealing with a 2022 demand, which extended to 2023. Demand dynamics in Class A and B is uneven this semester. Net absorption in Class A is almost 180,000 sqm while in Class B it was approximately -63,000 sqm. This indicates that attractiveness of new warehouses is closely related to quality in terms of infrastructure and security. There is also a greater demand coming from type A companies that continue to need more warehouses for their operations.

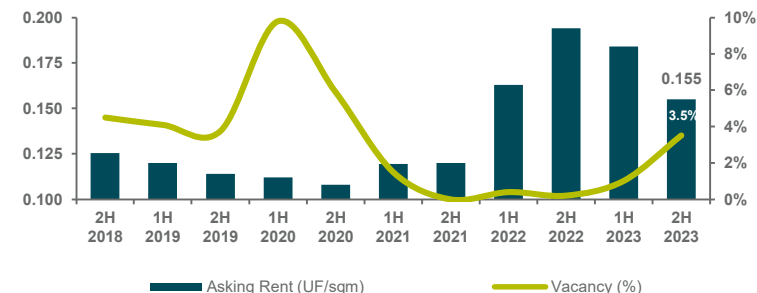
PRICE:

Average asking lease prices are 0.155 UF/sqm for completed projects, a decrease of 16% compared to the previous semester, when 0.185 UF/sqm was being asked for warehouses of this type. In class A, there is a price of 0.167 UF/sqm and in class B, 0.149 UF/sqm. There is a range of offer prices associated with the size of the warehouse module: 0.18 UF/m2 linked to the format below 500 sqm; 0.16 UF/m2 average for any surface area between 501 and 1000 sqm; and 0.15 for any surface area above 1000 sqm. Closing price corresponds to a value between 5 to 10% lower than offer price, which marks a difference from the previous year, when the closing price was equal to the offer price.

SURFACE DEMAND / DELIVERIES



OVERALL VACANCY & AVERAGE ASKING RENT



WAREHOUSE MAP / SANTIAGO / CHILE

ECONOMIC OUTLOOK

Central Bank issues a new report, in which it indicates that economy shows a resilient activity in an international scenario: inflation is decreasing and the economic outlook in the US has tended to ease.

Third quarter and early fourth quarter data shows activity regained slightly positive rates of expansion, non-mining GDP grew by 0.2% quarter-on-quarter and the Imacec for October increased by 0.5% monthly seasonally adjusted in the non-mining component. Job creation remains slow, consistent with economic cycle evolution.

Inflation has continued to decline, with annual variations of total and core CPI standing at 4.8% and 6.0%, respectively. As a result, central bank cut its monetary policy rate to 8.25%. Oil prices fell to around US\$75 per barrel and copper prices returned to values of around US\$3.8 per pound. This is creating a more auspicious scenario for companies, and this will certainly have an impact on investment.

FUTURE OUTLOOK

In 2023, construction started on about 200,000 sqm of warehouses, and 210,000 sqm are expected to begin in 2024. Fifty percent of this area is allocated to the northwestern submarket, followed by the southern submarket with 15%.

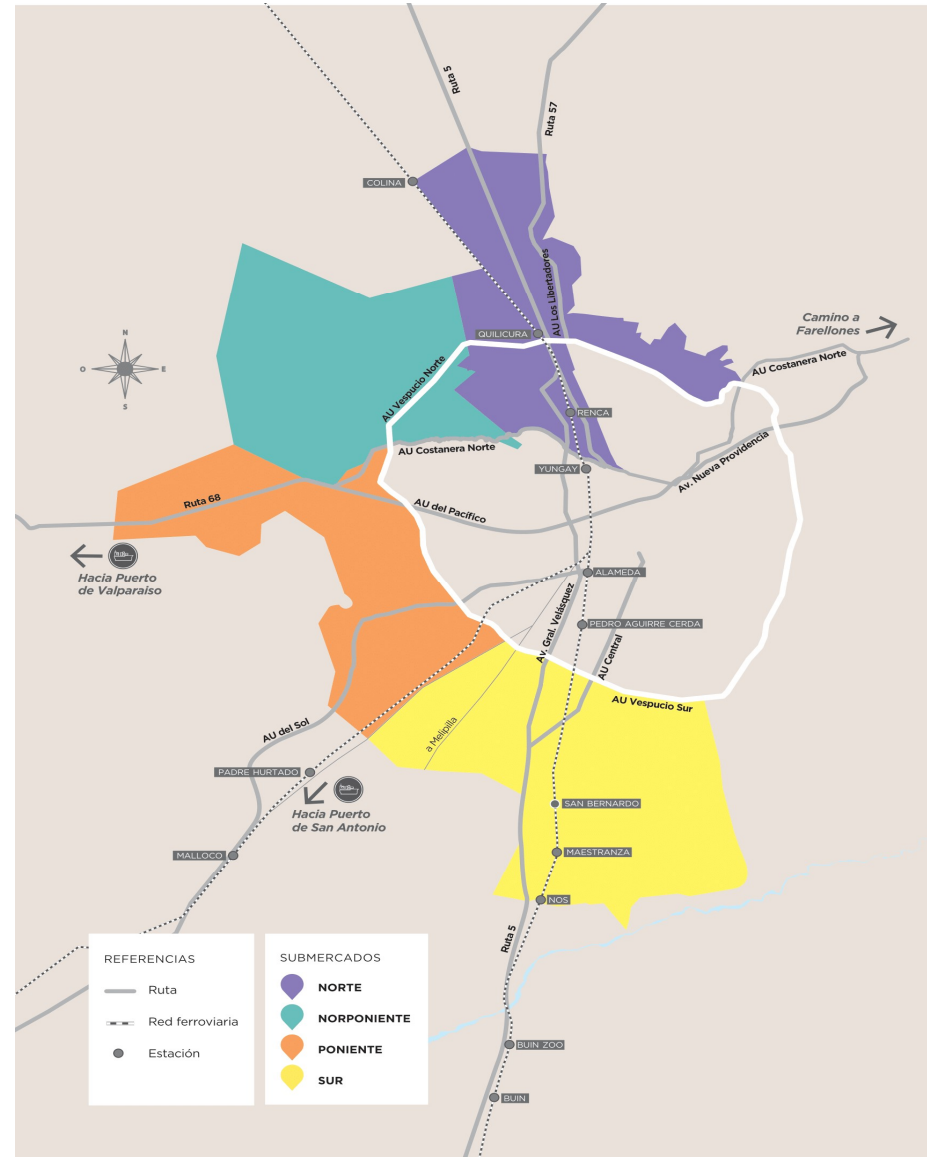
In 2024, it is foreseen to begin operating a total of around 460,000 sqm that are currently under construction, 18% more than the average of the past two years, 2022 and 2023, which was 390,000 sqm. Only 30% of this space coming onto the market has been previously assigned, which means that if demand remains similar to 2023, vacancy will tend to increase.

Projects in proposed status currently amount 1,376,850 sqm, if construction were to begin in the next 2 years, they could enter the market between 2026 and 2027. Some of them are forecasting infrastructure works adding better accessibility and reinforce the industrial neighborhood.

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.



REFERENCIAS	SUBMERCADOS
— Ruta	● NORTE
— Red ferroviaria	● NORPONIENTE
● Estación	● PONIENTE
	● SUR

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MARKET STATISTICS

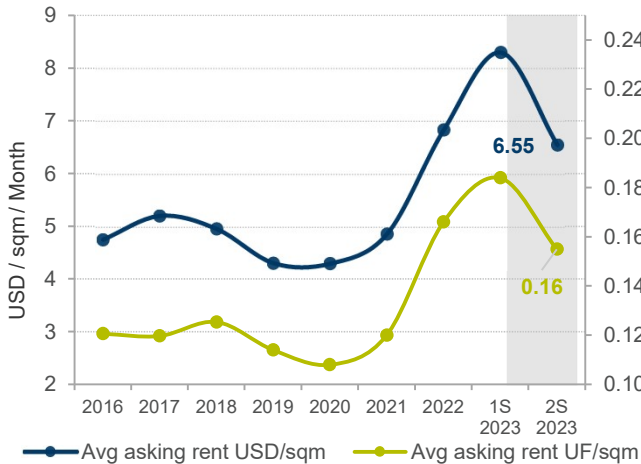
SUBMARKETS	INVENTORY (*)	NUMBER OF LOGISTICS CENTERS	AVAILABLE AREA (SQ.M)	VACANCY RATE (%)	ANNUAL ABSORPTION DATE (SQ.M)	UNDER CONSTRUCTION (SQ.M) (**)	PROJECTED (SQ.M) (**)	OVERALL AVG ASKING RENT (UF/SQ.M /MONTH)	AVERLL AVG ASKING RENT (USD/SQ.M/MO NTH) (***)
West Class A	485,483	4	-	-	-	75,580	368,973	-	-
Northwest Class A	1,175,411	24	31,800	2.7	186,972	11,800	209,880	0.161	6.80
South Class A	222,069	6	24,363	11.0	35,637	78,000	77,200	0.177	7.51
North Class A	464,176	11	10,955	2.4	34,905	-	36,797	0.161	6.80
SUBTOTALS CLASS A	2,347,139	45	67,118	2.9	257,514	268,380	692,850	0.167	7.06
West Class B	1,542,926	13	71,660	4.6	- 71,660	26,090	535,000	0.144	6.10
Northwest Class B	741,010	24	26,016	3.5	36,389	9,873	-	0.147	6.24
South Class B	531,249	13	22,306	4.2	- 21,306	77,000	136,000	0.161	6.79
North Class B	360,953	16	7,140	2.0	10,655	120,000	13,000	0.160	6.78
SUBTOTALS CLASS B	3,176,138	66	127,122	4.0	- 45,922	232,963	684,000	0.149	6.29
TOTAL	5,523,277	111	194,240	3.5	211,592	501,343	1,376,850	0.155	6.55

(*) Corresponds to rentable surface according to available information

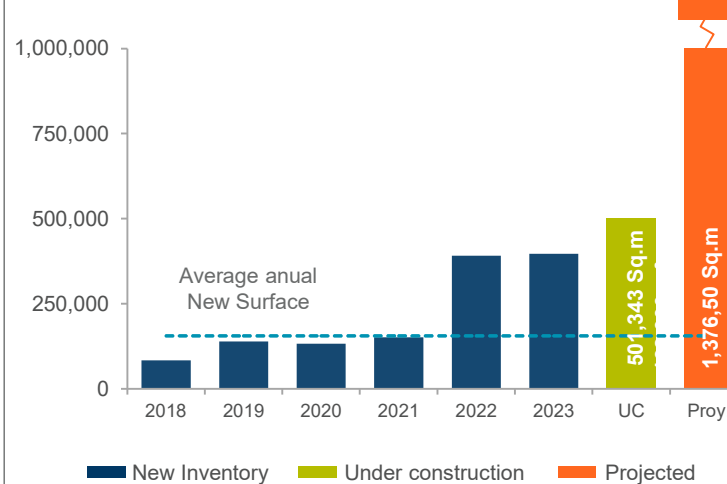
(**) The Unidad de Fomento is a unit of account used in Chile, readjusted according to the inflation. Its value is adjusted daily by the Central Bank of Chile according to the CPI index calculated by the National Institute of Statistics (INE); its code ISO 4217 is CLF. Data up December 15th, 2023: 1 UF = CLP \$ 36,657.15 = USD \$ 42.31 ; 1 USD = CLP \$ 866.37

(****) Prices survey refers to values requested in future projects; areas indicated in the columns "Under construction"

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



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



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