

Lima

Office Market

Unstable politics

- Year-over-year GDP growth of 41.9% was registered, due to a low base for comparison, which was affected by one of the strictest quarantines, more than 100 days, globally in 2020, in which the GDP had gone down 30.6% for the same period.
- A higher activity was also observed in the Trade, Services and Construction industries. However, this was affected and slowed down by the reduction of agents' expectations regarding the future of the economy, due to the uncertainty of the first and second rounds of elections.
- Although the political uncertainty was important for the economy in the second quarter, effects are projected for the second half of the year, with a decrease in investment spending and consumption due to the distrust towards the current left-wing government.

Current Conditions

- In the second quarter of the year, the trend of office vacancy observed in the previous quarter continued, mainly in the districts of San Isidro and Miraflores, generating an accumulated net absorption for the first half of 2021 of -33,566m².
- Few m² of office space were taken, causing this market to remain in an oversupply phase, which registered downward adjustments in rental and sales rates.
- Due to the effect of the second pandemic wave during the first quarter of 2021, many companies keep working remotely (home-office model) without a clear return date, without renewing office leases or looking for smaller areas.

Market Summary

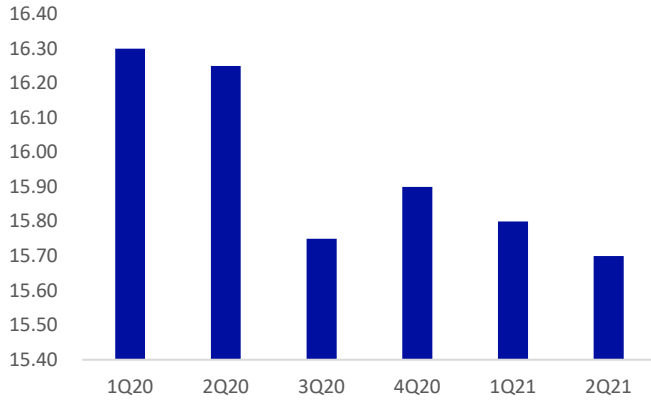
	Current Quarter	Pior Quarter	One year ago	12-month forecast
Total inventory (m ²)	1.40M	1.40M	1.40M	→
Vacancy rate	21.30%	19.20%	17.58%	↓
Quarter absorption (thousands of m ²)	-16.29	-17.28	-7.55	↑
Average asking rent (USD/m ² /month)	15.7	15.8	15.9	↓
Under construction (thousands of m ²)	69.55	69.55	69.55	→

Lima Office Submarkets Map

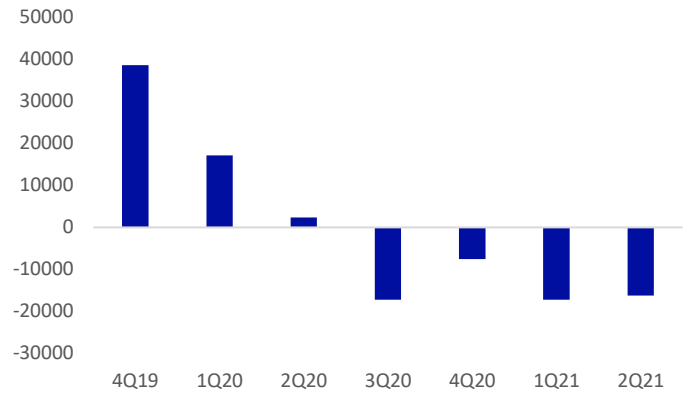


Market Analysis

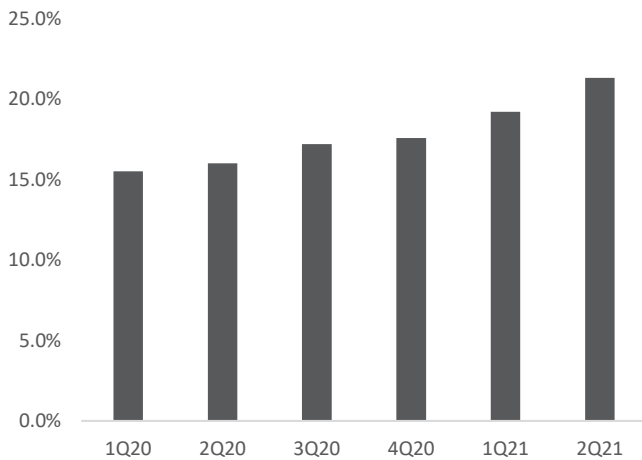
AVERAGE ASKING RENT (USD/M2/MONTH)



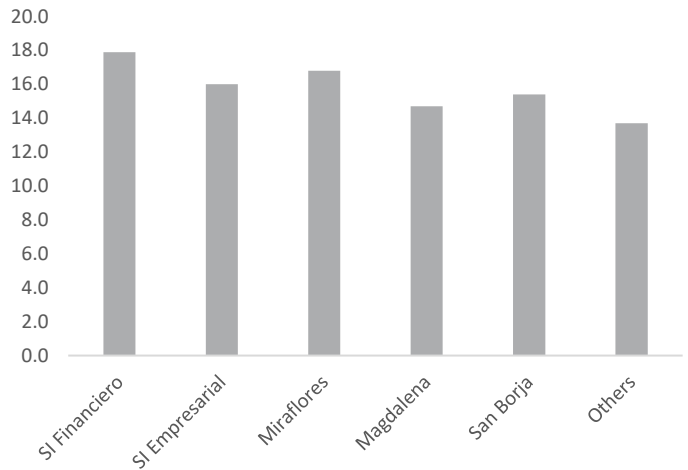
NET ABSORPTION (M²)



VACANCY RATE



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



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