Prologue

During the second quarter of 2018, vacancy rates decreased to lower levels than overseen during the last quarter, mainly due to the fact that Chile’s economy is recovering positively and companies are requiring more office space for potential growth. Low production of new projects is detected, since land prices have increased overtime and regulatory framework leads to space saturation on main real estate sub-markets. Despite these indexes, office rental levels and sales prices have not changed significantly during this last quarter.

This period registered a very slight sales price increase, a small amount of new projects and limited available spaces. That is why the demand has been displaced towards new submarkets, migrating towards the east of Santiago, to districts such as: “Las Condes Oriente”, “San Damián”, “Eje Kennedy”, “Vitacura Norte” and “Lo Barnechea”.

Through this report, we put at your disposal the results of our office market report in Santiago de Chile, corresponding to the second quarter of 2018.

Affectionately,

Andrés Monge V.  
Research Analyst  
NAI Sarrà
Index

Prologue 2
Economic Briefing 4
Office Market Overview 5
Citywide Statics 6
Total Market Statistics 7
1- El Golf 8
2- Nueva Las Condes 9
3- Nueva Apoquindo 10
4- Las Condes Oriente 11
5- San Damián 12
6- Providencia 13
7- Santiago Centro 14
8- Nueva Costanera 15
9- Eje Kennedy 16
10- Vitacura Norte 17
11- Huechuraba 18
12- Lo Barnechea 19
Methodology / Definitions / Submarket Map 20
Chile in currently experiencing a fast economic recovery path, supported by a favorable external scenario and a clearly expansive monetary policy.

The growth expectations for this 2018 improved during the last quarter. The copper price increased around 10%, reaching values of 3.3 dollars per pound. Despite this, the Dollar exchange rate has been increasing surpassing the $ 640 barrier.

Chile’s Central Bank projections have improved, while economic activity has been more robust than expected. The GDP bottom growth expectations rose from 3.0% to 3.25%, therefore the variation of Chile’s GDP for 2018 fluctuates between 3.25% and 4%. JP Morgan experts raise their estimate to 3.8%. The first quarter of this year GDP expanded by 4.3% compared to the same period of the previous year. Regarding investment, it is expected to increase 4.5% this year. In April, the IMACEC index reached 5.9% variation with respect to the same month of the previous year.

It is expected that CPI index will have a positive variation of 2.8%, higher than the old projections of 2.35%, this is mainly due to exchange rate increase and higher fuel prices. Unemployment increased to 6.75% in April. This is mainly due to an increase of 2.2% in the labor force and a positive variation of 0.3 percentage points in unemployment among women.

**IMACEC variation last 12 months**

**Gross Domestic Product (GDP)**

*Source: Banco Central de Chile, INE y CChC.*
Office Market Overview

Vacancy levels in Office Market decline to historical levels

During the second quarter of 2018, improvements in the main indexes of office buildings continued. The office market had a decrease in its vacancy from 6.31% to 5.64%. On the other hand, class A office vacancy rates decreased from 6.84% to 5.87%, while vacancy rates for the Class B office market experience a slight decrease from 5.69% to 5.35%. During this period, a production of 26,080 m² of class A buildings was recorded (Metlife Building with 8,800 m² and Parque San Damián with 17,280 m²).

Given the low vacancy rate and the few projects under construction, it is expected a slight rental levels increase for next periods, especially in the most saturated office areas with no space to grow, such as Santiago Centro and Providencia. This effect has begun to be noticed in relation to the last quarter, but it is expected that by the end of the year the market will begin to react with greater intensity, unless Costanera Center solves its pending issues with the authority in order to deliver its 79,000 meters squares still awaiting to enter the market.

The absorption increased by 32% compared to the previous quarter, reaching 57,524 square meters, while production decreased by 47%, registering 34,070 square meters.

On the other hand, Huechuraba has managed to consolidate its office market due to the current two projects to improve vehicular access: (i) AVO I (Americo Vespucio Oriente), a highway of 9.1 kilometers that will join the Ciudad Empresarial with Príncipe de Gales, passing through 5 districts (Recoleta, Huechuraba, Las Condes, Vitacura and La Reina) and (ii) the cable car that will connect Tobalaba Station with Ciudad Empresarial. NAI Sarrá believes that both projects are helping to consolidate the submarket, while decreasing Ciudad Empresarial office vacancy rate.
Citywide Statics
Office Leasing

Total stock in Office Market: Class A + Class B

Stock office Class A = 2,321,488 m².
Stock office Class B = 1,791,680 m²
Stock office Class A + B = 4,113,168 m²

Ranges and lease averages by submarket (in UF)

Source: NAI Sarrà Research.
*The values of lease and sale correspond to weighted averages.
## Total Market Statistics

<table>
<thead>
<tr>
<th>SUBMARKET</th>
<th>STOCK (sq.m)</th>
<th>AVAILABILITY (sq.m)</th>
<th>VACANCY (%)</th>
<th>ABSORPTION (sq.m)</th>
<th>RENTAL RATES* (UF/sq.m/mm)</th>
<th>SALE* (UF/sq.m)</th>
<th>PRODUCTION (sq.m)</th>
<th>UNDER CONSTRUCTION (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Las Condes (A)</td>
<td>1.598.249</td>
<td>82.975</td>
<td>5,19%</td>
<td>34.326</td>
<td>0,57</td>
<td>75</td>
<td>21.182</td>
<td>138.630</td>
</tr>
<tr>
<td>El Golf (A)</td>
<td>891.040</td>
<td>48.764</td>
<td>5,47%</td>
<td>2.587</td>
<td>0,58</td>
<td>90</td>
<td>0</td>
<td>116.630</td>
</tr>
<tr>
<td>Nueva Las Condes (A)</td>
<td>383.559</td>
<td>11.051</td>
<td>2,88%</td>
<td>10.301</td>
<td>0,56</td>
<td>92</td>
<td>0</td>
<td>22.000</td>
</tr>
<tr>
<td>Nueva Apoquindo (A)</td>
<td>267.054</td>
<td>15.067</td>
<td>5,64%</td>
<td>14.869</td>
<td>0,55</td>
<td>0</td>
<td>8.800</td>
<td>0</td>
</tr>
<tr>
<td>Las Condes Oriente (A)</td>
<td>21.048</td>
<td>1.196</td>
<td>5,68%</td>
<td>800</td>
<td>0,57</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>San Damian (A)</td>
<td>61.629</td>
<td>16.831</td>
<td>26,99%</td>
<td>12.533</td>
<td>0,42</td>
<td>-</td>
<td>17.280</td>
<td>0</td>
</tr>
<tr>
<td>Providencia (A)</td>
<td>127.456</td>
<td>10.509</td>
<td>8,24%</td>
<td>7.074</td>
<td>0,49</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Santiago Centro (A)</td>
<td>533.440</td>
<td>21.857</td>
<td>4,10%</td>
<td>12.258</td>
<td>0,40</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vitacura (A)</td>
<td>36.262</td>
<td>9.648</td>
<td>26,61%</td>
<td>-1.146</td>
<td>0,56</td>
<td>115</td>
<td>0</td>
<td>8.394</td>
</tr>
<tr>
<td>Nueva Costanera (A)</td>
<td>28.732</td>
<td>9.375</td>
<td>32,63%</td>
<td>-1.954</td>
<td>0,56</td>
<td>115</td>
<td>0</td>
<td>8.394</td>
</tr>
<tr>
<td>Eje Kennedy (A)</td>
<td>7.530</td>
<td>273</td>
<td>3,63%</td>
<td>808</td>
<td>0,50</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Clase A</strong></td>
<td><strong>2.321.488</strong></td>
<td><strong>134.722</strong></td>
<td><strong>5,80%</strong></td>
<td><strong>59.275</strong></td>
<td><strong>0,52</strong></td>
<td><strong>91</strong></td>
<td><strong>26.080</strong></td>
<td><strong>147.024</strong></td>
</tr>
<tr>
<td>Las Condes (B)</td>
<td>508.298</td>
<td>20.534</td>
<td>4,04%</td>
<td>-8.819</td>
<td>0,48</td>
<td>76</td>
<td>0</td>
<td>40.901</td>
</tr>
<tr>
<td>El Golf (B)</td>
<td>209.144</td>
<td>4.431</td>
<td>2,12%</td>
<td>-601</td>
<td>0,47</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Nueva Las Condes (B)</td>
<td>39.026</td>
<td>242</td>
<td>0,62%</td>
<td>-75</td>
<td>0,48</td>
<td>-</td>
<td>0</td>
<td>7.082</td>
</tr>
<tr>
<td>Nueva Apoquindo (B)</td>
<td>122.224</td>
<td>3.920</td>
<td>3,21%</td>
<td>-258</td>
<td>0,50</td>
<td>-</td>
<td>0</td>
<td>4.327</td>
</tr>
<tr>
<td>Las Condes Oriente (B)</td>
<td>79.485</td>
<td>1.906</td>
<td>2,40%</td>
<td>-7</td>
<td>0,54</td>
<td>-</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>San Damian (B)</td>
<td>58.420</td>
<td>301</td>
<td>0,52%</td>
<td>-7.878</td>
<td>0,42</td>
<td>76</td>
<td>0</td>
<td>29.492</td>
</tr>
<tr>
<td>Providencia (B)</td>
<td>493.486</td>
<td>22.681</td>
<td>4,60%</td>
<td>-1.032</td>
<td>0,50</td>
<td>61</td>
<td>0</td>
<td>11.707</td>
</tr>
<tr>
<td>Santiago Centro (B)</td>
<td>163.104</td>
<td>3.442</td>
<td>2,11%</td>
<td>-13.632</td>
<td>0,39</td>
<td>45</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Vitacura (B)</td>
<td>208.341</td>
<td>8.899</td>
<td>4,27%</td>
<td>13.430</td>
<td>0,49</td>
<td>93</td>
<td>7.990</td>
<td>32.139</td>
</tr>
<tr>
<td>Nueva Costanera (B)</td>
<td>92.174</td>
<td>3.973</td>
<td>4,31%</td>
<td>11.437</td>
<td>0,55</td>
<td>113</td>
<td>7.990</td>
<td>21.739</td>
</tr>
<tr>
<td>Eje Kennedy (B)</td>
<td>65.782</td>
<td>4.270</td>
<td>6,49%</td>
<td>537</td>
<td>0,42</td>
<td>62</td>
<td>0</td>
<td>10.400</td>
</tr>
<tr>
<td>Vitacura Norte (B)</td>
<td>50.385</td>
<td>655</td>
<td>1,30%</td>
<td>1.456</td>
<td>0,46</td>
<td>95</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Huechuraba (B)</td>
<td>328.388</td>
<td>31.382</td>
<td>9,56%</td>
<td>4.501</td>
<td>0,27</td>
<td>42</td>
<td>0</td>
<td>4.000</td>
</tr>
<tr>
<td>Lo Barnechea (B)</td>
<td>72.783</td>
<td>8.990</td>
<td>12,35%</td>
<td>3.020</td>
<td>0,39</td>
<td>77</td>
<td>0</td>
<td>14.366</td>
</tr>
<tr>
<td><strong>Total Clase B</strong></td>
<td><strong>1.774.400</strong></td>
<td><strong>86.193</strong></td>
<td><strong>4,86%</strong></td>
<td><strong>-2.533</strong></td>
<td><strong>0,45</strong></td>
<td><strong>65</strong></td>
<td><strong>7.990</strong></td>
<td><strong>103.113</strong></td>
</tr>
<tr>
<td><strong>Total A + B</strong></td>
<td><strong>4.095.888</strong></td>
<td><strong>220.915</strong></td>
<td><strong>5,39%</strong></td>
<td><strong>56.742</strong></td>
<td><strong>0,48</strong></td>
<td><strong>72</strong></td>
<td><strong>34.070</strong></td>
<td><strong>250.137</strong></td>
</tr>
</tbody>
</table>

### Office space statistical changes year-over-year and quarter-over-quarter

**Q2/2017 vs. Q2/2018**

- **Net Absorption**: **4.000,000 sq.m**
- **Vacancy Rate**: **5.59%**
- **Construction**: **215,378 sq.m**
- **Asking Rates**: **72 UF/sq.m**

**Q1/2018 vs. Q2/2018**

- **Net Absorption**: **3.400,000 sq.m**
- **Vacancy Rate**: **5.33%**
- **Construction**: **165,782 sq.m**
- **Asking Rates**: **68 UF/sq.m**
1. El Golf

Highlights

- The vacancy continues at very low levels, decreasing 5.03% in class A buildings and increasing 15.84% in class B.
- The average rental value of class B buildings decreased by 6% while class A buildings remained stable.

Vacancy

- The vacancy of class A and B buildings was 4.83% at the end of the second quarter of 2018.
- In class A buildings, a vacancy of 5.47% has been observed.
- In Class B buildings the vacancy was 2.12%.
- The average vacancy of both combined classes decreased by 6.57% in relation to the previous quarter.

Rental Rates

- The values of the leases of the Buildings class B have decreased by 6%, while the Class A have remained stable in relation to the last period.

Production

- Ending Q2 2018, there were 116,630 sq.m of new office buildings under construction.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Costanera Center, Stage II (Tower 2)</td>
<td>45,000</td>
<td>./</td>
<td>n.d.**</td>
<td>A</td>
</tr>
<tr>
<td>2.- Costanera Center, Stage III (Tower 2)</td>
<td>16,840</td>
<td>./</td>
<td>n.d.**</td>
<td>A</td>
</tr>
<tr>
<td>3.- Costanera Center (Tower 4)</td>
<td>17,790</td>
<td>./</td>
<td>S2/2018</td>
<td>A</td>
</tr>
<tr>
<td>4.- Territoria Apoquindo - Tobalaba</td>
<td>37,000</td>
<td>./</td>
<td>S2/2020</td>
<td>A</td>
</tr>
<tr>
<td><strong>Total A + B</strong></td>
<td><strong>116,630</strong></td>
<td>./</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.

(**) Note: The Costanera Center (Tower 2) will be delivered in three stages, as long as it complies with the road impact mitigation of the project. At the moment there is no estimated date.
2. Nueva Las Condes

Highlights

- Nueva Las Condes registered the lowest vacancy rates of all submarkets.
- It does not present production during this period.

Vacancy

- The vacancy of class A and B buildings has been 2.67% at the end of the second quarter of 2018.
- In class A buildings, a vacancy of 2.88% was observed, 12.5% higher than the previous period.
- In class B buildings, a vacancy of 0.62% has been observed.
- The average vacancy of both combined classes increased by 18% in relation to the previous quarter.

Rental Rates

- In class A buildings, there has been an increase in rental values in relation to the previous quarter of 5.6%, reaching a price of 0.56 UF per square meter, while the rental price of the Buildings class B have decreased by 4%.

Production

- Ending Q2 2018, there were 29,082 sq.m of new office buildings under construction.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Sura/Sencorp</td>
<td>22,000</td>
<td>./</td>
<td>S2/2020</td>
<td>A</td>
</tr>
<tr>
<td>2.- Britania</td>
<td>7,082</td>
<td>./</td>
<td>S2/2018</td>
<td>B</td>
</tr>
<tr>
<td><strong>Total A + B</strong></td>
<td><strong>29,082</strong></td>
<td>./</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.
3. Nueva Apoquindo

Highlights

- Production was recorded in Nueva Apoquindo with the entry into the market of the Metlife Apoquindo Building (Class A)
- The rental value of class A offices increased.

Vacancy

- The vacancy of class A and B buildings was 4.99% at the end of the second quarter.
- In class A buildings they have decreased by 31% in the last period, reaching 5.83%.
- In class B buildings, a slight increase in vacancy has been observed, from 3.00% to 3.21%.
- The average vacancy of both combined classes decreased by 26.3% in relation to the previous quarter due to production.

Rental Rates

- Class A buildings have seen an increase in rental values in relation to the previous quarter of 3.8%, reaching an average price of 0.55 UF per square meter.

Production

- Metlife Apoquindo building entry to the market this quarter added 8,801 sq.m to class A stock.
- Ending Q2 2018, there were 4,327 sq.m of new office buildings under construction.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Origami</td>
<td>4,327</td>
<td>J</td>
<td>1S/2019</td>
<td>B</td>
</tr>
</tbody>
</table>

| Total A + B   | 4,327|           |               |       |

* Estimates according to available data.
4. Las Condes Oriente

Vacancy

- The vacancy of class A and B buildings was 3.08% at the end of the first quarter of 2018.
- In class A buildings, a vacancy of 5.68% was observed.
- In class B buildings the vacancy was 2.4%.
- The average vacancy of both combined classes decreased 20.15% in relation to the previous quarter.

Rental Rates

- Rental prices in both Class A and Class B buildings have remained stable in relation to the last period.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Years</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Vista 360</td>
<td>11.200</td>
<td>./</td>
<td>2S/2019</td>
<td>B</td>
</tr>
<tr>
<td>Total A + B</td>
<td>11.200</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Market Report / Office / Q2 2018 / Santiago de Chile
Avenida Presidente Riesco 3451, Las Condes, Santiago de Chile
5. San Damián

Highlights

• There was a production of 17,260 square meters of class A offices with the entrance of the Parque San Damian building.

Vacancy

• The vacancy of class A and B buildings was 14.1% at the end of the first quarter of 2018.
• In class A buildings, the vacancy was 26.99%.
• In class B buildings, a vacancy of 0.52% has been observed.
• The average vacancy of both combined classes decreased by 19.42% in relation to the previous quarter.

Rental Rates

• The prices of class B buildings in this sector have decreased by 16% while the prices of Class A buildings have remained stable.

Production

• Parque San Damia building entry to the market this quarter added 17,280 sq.m to class A stock.
• Ending Q2 2018, there were 4,327 sq.m of new office buildings under construction.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Estoril Capital</td>
<td>12,212</td>
<td>./</td>
<td>2S/2018</td>
<td>B</td>
</tr>
<tr>
<td>Total A + B</td>
<td>12,212</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.

Vacancy Rates (%)

<table>
<thead>
<tr>
<th></th>
<th>1Q/16</th>
<th>2Q/16</th>
<th>3Q/16</th>
<th>4Q/16</th>
<th>1Q/17</th>
<th>2Q/17</th>
<th>3Q/17</th>
<th>4Q/17</th>
<th>1Q/18</th>
<th>2Q/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>20.56%</td>
<td>21.92%</td>
<td>24.71%</td>
<td>26.60%</td>
<td>23.13%</td>
<td>21.69%</td>
<td>16.96%</td>
<td>26.80%</td>
<td>26.99%</td>
<td></td>
</tr>
<tr>
<td>Class B</td>
<td>3.35%</td>
<td>3.69%</td>
<td></td>
<td></td>
<td></td>
<td>3.35%</td>
<td>3.69%</td>
<td>3.69%</td>
<td>3.69%</td>
<td>3.69%</td>
</tr>
</tbody>
</table>

Rental Rates (UF/sq.m)

<table>
<thead>
<tr>
<th></th>
<th>1Q/16</th>
<th>2Q/16</th>
<th>3Q/16</th>
<th>4Q/16</th>
<th>1Q/17</th>
<th>2Q/17</th>
<th>3Q/17</th>
<th>4Q/17</th>
<th>1Q/18</th>
<th>2Q/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>0.48</td>
<td>0.47</td>
<td>0.45</td>
<td>0.43</td>
<td>0.43</td>
<td>0.46</td>
<td>0.51</td>
<td>0.50</td>
<td>0.42</td>
<td>0.42</td>
</tr>
<tr>
<td>Class B</td>
<td>0.30</td>
<td>0.35</td>
<td>0.40</td>
<td>0.45</td>
<td>0.50</td>
<td>0.55</td>
<td>0.60</td>
<td>0.65</td>
<td>0.70</td>
<td></td>
</tr>
</tbody>
</table>

Production (sq.m)

<table>
<thead>
<tr>
<th></th>
<th>1Q/16</th>
<th>2Q/16</th>
<th>3Q/16</th>
<th>4Q/16</th>
<th>1Q/17</th>
<th>2Q/17</th>
<th>3Q/17</th>
<th>4Q/17</th>
<th>1Q/18</th>
<th>2Q/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>5,885</td>
<td>5,885</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17,280</td>
</tr>
<tr>
<td>Class B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Providencia

Highlights

- Vacancy in class A buildings decreased while in class B buildings it slightly increased.

Vacancy

- The vacancy of class A and B buildings was 5.34% at the end of the second quarter of 2018.
- In Class A buildings, a vacancy of 8.24% has been observed.
- In class B buildings, a 4.6% vacancy has been observed.
- The average vacancy of both classes combined decreased by 15.5% in relation to the previous quarter

Rental Rates

- Class A buildings registered 3.8% decreased in rental rates over the previous quarter while the prices of Class B buildings have remained stable.

Production

- Ending Q1 2018, there were 11,707 sq.m of new office buildings under construction.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Both</td>
<td>5,000</td>
<td>./</td>
<td>S2/2019</td>
<td>B</td>
</tr>
<tr>
<td>2.- Plaza Oficinas</td>
<td>3,878</td>
<td>./</td>
<td>S2/2018</td>
<td>B</td>
</tr>
<tr>
<td>3.- Edificio Corporativo</td>
<td>2,829</td>
<td>./</td>
<td>S/22020</td>
<td>B</td>
</tr>
<tr>
<td><strong>Total A + B</strong></td>
<td><strong>11,707</strong></td>
<td>./</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.
7. Santiago Centro

Highlights

• Vacancy decreased in class A buildings, while in class B buildings it increased.

Vacancy

• The vacancy of class A and B buildings was 3.6% at the end of the second quarter of 2018.
• In Class A buildings, a vacancy of 4.10% has been observed.
• In class B buildings the vacancy was 2.11%.
• The average vacancy of both combined classes decreased by 13.87% in relation to the previous quarter.

Rental Rates

• Rental prices of Class B buildings have maintained, while Class A buildings decreased 2% in relation to the previous quarter.

Production

• There are not buildings under construction.
8. Nueva Costanera

Highlights

- Rental prices for Class B buildings increased, while Class A buildings decreased.

Vacancy

- The vacancy of class A and B buildings was 11.03% at the end of the first quarter of 2018.
- In class A buildings, a vacancy of 32.63% has been observed.
- In class B buildings, a vacancy was 4.31%
- The average vacancy of both combined classes decreased by 3.24% in relation to the previous quarter.

Rental Rates

- Class A buildings continue to lower their rental price, reaching an average of 0.56 UF per square meter, while Class B buildings increased to 0.55 UF per square meter.

Production

- In this period, two class B buildings were added to the market, the Plaza Costanera Building and the Plaza Candelaria Building, totaling 7,990 m²

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Edificio Las Nieves</td>
<td>1.045</td>
<td>./.</td>
<td>S2/2018</td>
<td>B</td>
</tr>
<tr>
<td>2.- Edificio Andes de Córdova</td>
<td>8.394</td>
<td>./.</td>
<td>S2/2018</td>
<td>A</td>
</tr>
<tr>
<td>3.- Edificio Nueva Costanera</td>
<td>4.800</td>
<td>./.</td>
<td>S2/2018</td>
<td>B</td>
</tr>
<tr>
<td><strong>Total A + B</strong></td>
<td><strong>11,707</strong></td>
<td>./.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.
9. Eje Kennedy

Highlights

- Vacancy decreased in both Class.

Vacancy

- The vacancy of class A and B buildings combined is 6.2%.
- In Class A buildings, a 3.63% vacancy has been observed.
- In Class B buildings, a vacancy of 6.49% has been observed.

Rental Rates

- The values of Class A buildings increased from 0.44 UF to 0.50 UF per square meter. While those of the Class B buildings decreased from 0.50 UF to 0.42 UF per square meter.

Production

- Ending Q2 2018, there were 10,400 sq.m.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. - Uptown Vitacura</td>
<td>10,400</td>
<td>. /</td>
<td>Q2/2018</td>
<td>B</td>
</tr>
<tr>
<td>Total A + B</td>
<td>10,400</td>
<td>. /</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.
10. Vitacura Norte

Highlights
• The Vitacura Norte submarket only has class B buildings.
• The vacancy decreased in relation to the previous quarter

Vacancy
• Vacancy Rate fell down to 1.30%.

Rental Rates
• The average rent decreased to 0.46 UF per square meter.

Production
• There are not class B buildings under construction.
11. Huechuraba

Highlights

- Huechuraba submarket only has class B buildings.

Vacancy

- Vacancy Rate decreased slightly at the end Q2-2018 to 9.56%.

Rental Rates

- The rental price fell down to 0.27 UF per square meter.

Production

- Ending Q2 2018, there were 4,000 sq.m of new office buildings under construction, same as the previous period.

Under Construction

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.- Jardines Boulevard</td>
<td>4,000</td>
<td>./</td>
<td>S2/2019</td>
<td>B</td>
</tr>
<tr>
<td><strong>Total A + B</strong></td>
<td><strong>4,000</strong></td>
<td>./</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.
12. Lo Barnechea

**Highlights**

- There has been a decrease in the vacancy

**Vacancy**

- Vacancy rate went down at the end Q2-2018 until 12.5%.

**Rental Rates**

- Decreased 5% quarter-over-quarter due to the high vacancy rate.

**Production**

- Ending Q2 2018, there were 14,365 sq.m of new office buildings under construction, same as the previous period.

**Under Construction**

<table>
<thead>
<tr>
<th>Next Projects</th>
<th>Sq.m</th>
<th>Pre-Lease</th>
<th>Semester/Year</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Neohaus La Dehesa, Building 1</td>
<td>7,861</td>
<td>./</td>
<td>2Q/2018</td>
<td>B</td>
</tr>
<tr>
<td>2. Neohaus La Dehesa, Building 2</td>
<td>6,504</td>
<td>./</td>
<td>2Q/2018</td>
<td>B</td>
</tr>
<tr>
<td><strong>Total A + B</strong></td>
<td><strong>14,365</strong></td>
<td>*/.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Estimates according to available data.
Absorption (Net):
It is the difference between the current and the past period. To this end, in the current availability are considered incomes to the stock (production).

Availability:
Usable area that are published to sale or rent, and which are in condition of immediate occupation.

Stock:
It’s the total area of class A and A+ offices to the study date, in which there are not considered buildings in construction or with effects of reclassification (age, damage or redefinition of their location).

Final Reception:
Approval of all or part of the building by the corresponding city hall.

Pre-Lease:
It is based on the lease contracts, already signed by the future tenant before the final delivery of the property.

Production:
It corresponds to the office areas that have been entered to the stock, delivered buildings, during the period of study.

UF (Unidad de Fomento):
Is a Unit of account that is used in Chile. The exchange rate between the UF and the Chilean peso is now (today) constantly adjusted for inflation so that the value of the Unidad de Fomento remains constant on a daily basis during low inflation.

Vacancy:
It is the percentage of the availability according to the total stock of office areas in the period of study.

Building Classification:
NAI Sarrà is based on the BOMA (Building Owners Managers Association) building classification system. In this report are considerate class A and B. Different factors are analyzed to make the classification, taking into account type of building, age, technical and efficiency characteristics, market perception and location, for example.

1. El Golf
2. Nueva Las Condes
3. Nueva Apoquindo
4. Las Condes Oriente
5. San Damián
6. Providencia
7. Santiago Centro
8. Nueva Costanera
9. Eje Kennedy
10. Vitacura Norte
11. Huechuraba
12. Lo Barnechea
Q2’18
Office Market Report

Real Estate Consultancy - Offices Sales - Offices Leases - Retail Ground Floor - Industrial Sites and Industries Sites - Valuations - Asset Management - Credit Solutions - Investment Services - Market Research

The world’s largest commercial real estate network.
55 countries. 400 local offices. 5,000 local market leaders.
All actively managed to work wherever you do.

Av. Presidente Riesco 3451, Las Condes
Santiago, Chile
tel +56 2 2347 7000
www.naisarra.com

This report was developed by NAI Sarrà Propiedades. The information used in this report was obtained from reliable and available sources. NAI Sarrá is not responsible for omissions or possible changes. This study is public nature, however, it cannot be distributed or copied without the approval of NAI Sarrá Propiedades.