



WTCA

PRIME OFFICE INDEX LATAM NOVEMBER/2021



A CASE FOR INTER-AMERICAN TRADE

Latin American communities have been severely hit by the pandemic, suffering not only a disproportionately high toll of human lives but also tremendous economic pain. Add the impact of climate change. Rising commodity prices boosted stagnant GDP levels, but IMF growth forecasts remain moderate. Yet, Latin America is a place of true opportunity, especially when looking at the potential of inter-American trade.

This opportunity is in part presenting itself from a suffocating disruption of global supply chains. More trade closer to home, more inter-American trade and inter-American integrated supply chains, are now more than a mere policy fantasy as businesses are actively looking for efficiencies as well as new markets for vendors and customers.

Challenges are abundant, ranging from disruptive tariffs to public skepticism over a more open trade environment. More trade, though, will lead to growth, to higher incomes, to less inequality. An improved inter-American trade infrastructure will only enhance growth, which will install confidence in markets and lead to a recovery in the real estate market with investments in prime office facilities, industrial parks and free trade zones. Value of WTC real estate, benefiting from exceptionally strong brand equity, will propel higher.

Finding partners in new markets requires an environment of trust. Comes in the WTCA with a network of 107 interconnected World Trade Centers with state-of-the-art facilities in the Americas, part of an integrated global network of over 300 WTCs in nearly 100 countries. Making trade happen is what happens in our network every day and Latin America is a prime example. WTC is a trusted and world-famous brand with a purpose of facilitating international trade. We embrace the future and a new era of digital globalization, continuing the rollout of an artificial intelligence powered B2B matchmaking tool that creates a truly unique experience. Join us, there is plenty of room to grow.



Robin van Puyenbroeck,

EXECUTIVE DIRECTOR-BUSINESS DEVELOPMENT, WTCA



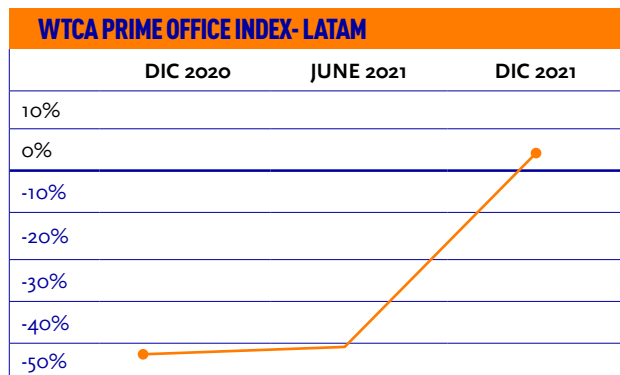
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WTCA PRIME OFFICE INDEX-LATIN AMERICA (LATAM)

In its third edition, the WTCA PRIME OFFICE INDEX - LATAM (the indicator of recent and expected trends for the Class A office market in Latin America, estimated by Latin Trade for the World Trade Centers' Association — WTCA) —shows a significant change in the performance of premium office rentals and sales in the region in the second half of 2021, as well as a positive change in expectations for the first semester of 2022.



In fact, the index turned positive for the first time since the measurement began, thus confirming the predictions made by experts consulted by Latin Trade in June 2021, about the market hitting rock bottom in the first half of 2021 and heading towards a relative recovery from the second semester of the same year. With a reported value of 1.21 points in November, compared to the measurements of -40.0

and -42.0 in June 2021 and December 2020, respectively, the improvement in the WTCA PRIME OFFICE INDEX - LATAM is evident.

THE WTC PRIME OFFICE INDEX - LATAM HISTORICAL TREND			
	NOV 2021	JUN 2021	DIC 2020
Indicador de desempeño semestre anterior	-11	-60	-53
Indicador de expectativas proximo semestre	-32	-19	-32
WTCA PRIME OFFICE INDEX - LATAM	1.21	-40	-42

The makeup of the WTCA PRIME OFFICE INDEX - LATAM for the second half of 2021 shows a negative perception of market behavior, even though this is offset by positive expectations (for the first time since the measurement began) regarding what is expected for the premium office segment in the region during the first part of 2022. It is worth noting that both the behavior and the market expectations are more favorable for the rental segment than for sales, as will be seen in more detail below.



The WTCA PRIME OFFICE INDEX - LATAM ranges between -100 and 100, respectively, indicating completely negative or positive perceptions/expectations about the Premium Office market in Latin America. The November 2021 Index asked for the opinion of experts in 20 cities in the region: Buenos Aires (Argentina); Santa Cruz de la Sierra and La Paz (Bolivia); Curitiba and São Paulo (Brazil); Santiago de Chile (Chile); Bogotá, Medellín and Cali (Colombia); San Salvador, El Salvador); Mexico City, Guadalajara, León, Monterrey and Nuevo Laredo (Mexico); Lima Peru); Panama City (Panama); Santo Domingo Dominican Republic); Montevideo, Uruguay); and Valencia (Venezuela).



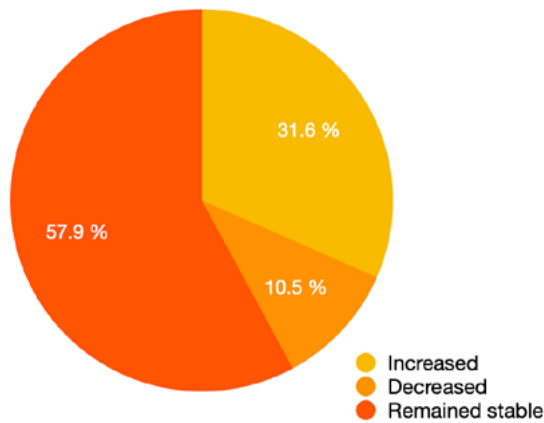
Photo WTC Goiânia

LEASES / PERFORMANCE 2H-2021

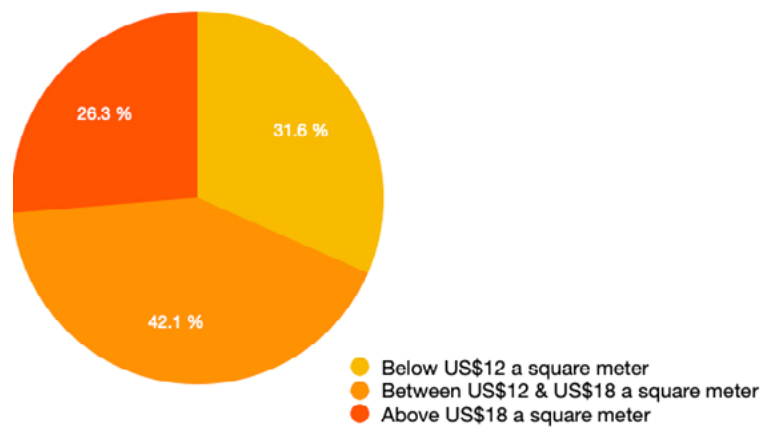
The performance of Premium Office rentals during the second half of 2021 benefitted from a relative recovery in rental prices, although this was insufficient to offset the negative impact of other factors, such as the time it took to finalize a rental and the economic setting. Meanwhile, the vacancy rate so far had a neutral effect on rental in the second half of 2021.

Although rental prices were mostly stable, there was a positive outcome of 21% in cities that experienced hikes and those that reported drops. On average, rental prices ranged mostly between US \$ 12 and US \$ 18 per m2. San Salvador, Santa Cruz de la Sierra, Montevideo, Monterrey, León and Santo Domingo stand out for rental prices above US \$ 18 per m2.

THE AVERAGE RENTAL PRICES



THE AVERAGE PRICE LEVEL OF MONTHLY RENTALS WAS...

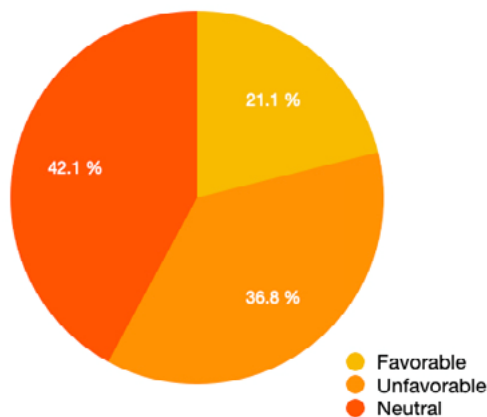


The economic situation was the main factor working against the behavior of rental during the second half of 2021, with a negative outcome of -16% (the difference between favorable and unfavorable responses). This relatively negative setting had an impact on the times to close a rental deal with such times continuing to increase in the assessment, even though in one out of four markets, these times remained without significant variations. The drop in renting times stand out for cities such as Buenos Aires, Bogota, Guadalajara and Santo Domingo.



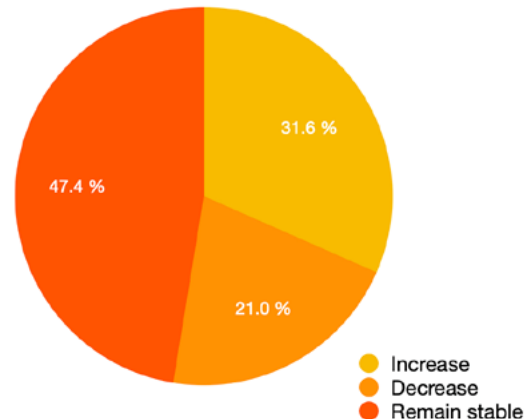
THE ECONOMIC SITUATION FOR CLASS A OFFICE RENTALS

IN YOUR CITY WAS...



THE AVERAGE TIME IT TOOK TO RENT THE REAL PROPERTY

IN YOUR CITY...



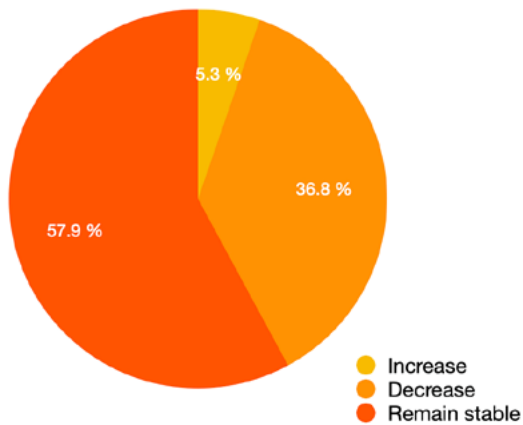


LEASES / EXPECTATIONS FOR 1S-2022

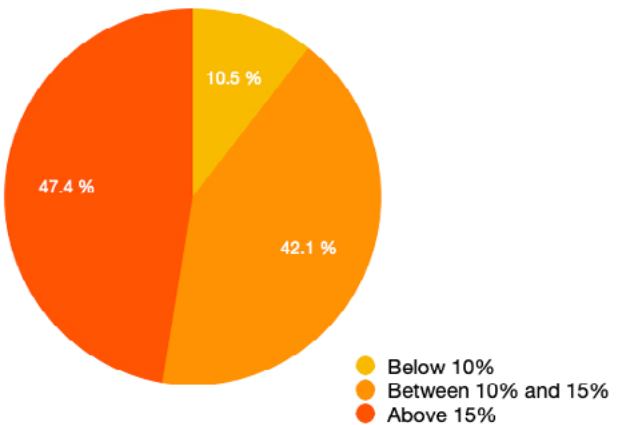
The indicator for the expectations about Premium Office rentals during the first half of 2022 shows a positive outcome of 21%. A majority of consulted experts expect that an improvement in the local economy conditions will be the main driving factor to boost the rental segment in the early part of 2022. Relative improvements are also expected in rental prices and vacancy rates.

Amid stability in most markets, the percentage of cities in which a reduction in vacancy rate is expected is 32 points higher than cities in which an increase is predicted. In most markets, the vacancy rate will remain above 15%, but the proportion of cities in which such a rate will remain between 10% and 15% is also important. In Lima and Montevideo, vacancy rates below 10% are expected

THE AVERAGE VACANCY PERIOD WILL...

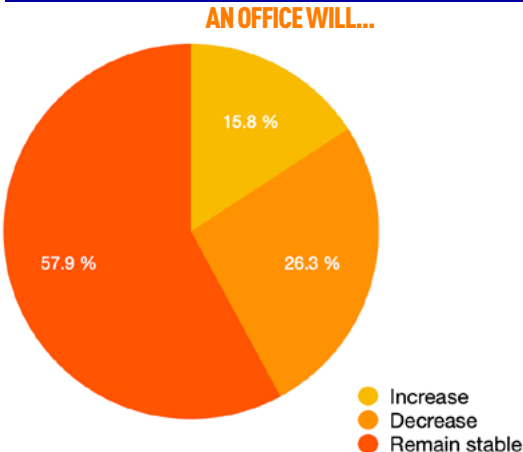


THE AVERAGE VACANCY PERIOD WILL...



In the results, the average time to rent an office will decrease in the region and it will take mostly between 3 and 6 months. Meanwhile, there is a significant result of 21% in the responses of those who expect an increase in rental prices in the 1H-2022. Most of these prices are expected to remain in the range of US \$ 12 to US \$ 18 per m2. In cities such as Bogotá, Cali, Medellín, San Salvador, Santa Cruz and Santo Domingo, rental prices will be above US \$ 18 per m2

THE AVERAGE TIME IT WILL TAKE TO RENT AN OFFICE WILL...



THE AVERAGE RENTAL PRICE WILL...

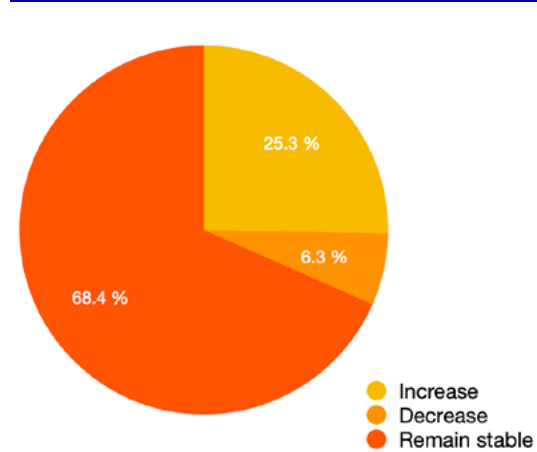




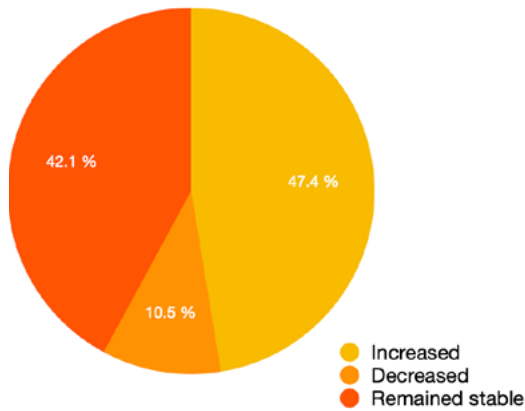
Photo WTC Veracruz

SALES / PERFORMANCE IN 2S-2021

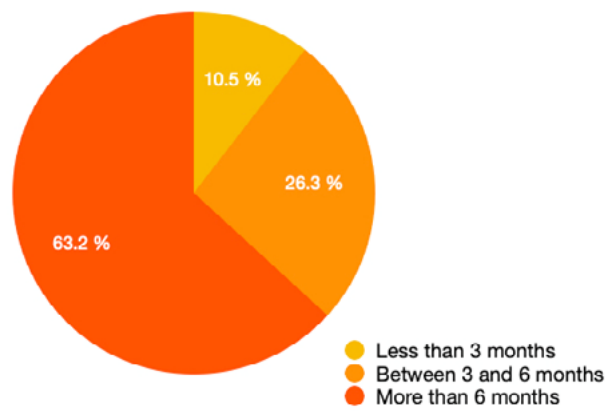
The behavior indicator for Class A office sales in Latin America during the second half of 2021 had a value of -21%, reflecting in its order the negative impact of the increase in selling times and the local economy's poor conditions. However, sales prices remained remarkably stable, in contrast to the drops reported in previous measurements.

The time to complete a sale increased in most markets (47%) compared to those in which it decreased (11%). Specifically, a sale was completed in more than six months in a little over two-thirds of the analyzed markets. Montevideo, Lima, Panama City, La Paz, Curitiba and León stand out for selling times of less than 6 months.

THE AVERAGE SELLING TIME



PARTICULARLY, A SALE WAS CLOSED IN AN AVERAGE OF ...

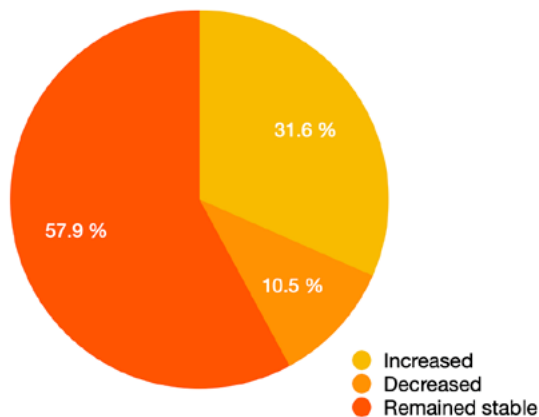


Class A office sales prices in Latin America experienced notable stability during the second half of 2021. The result for markets in which these prices increased or dropped was 21% in both cases. In the majority (53% of the cities surveyed), the most common sales price was between US \$ 2,000 and US \$ 3,000 per m². Buenos Aires, Mexico City, Montevideo and Santo Domingo stand out with sales prices above US \$ 3,000 per m².



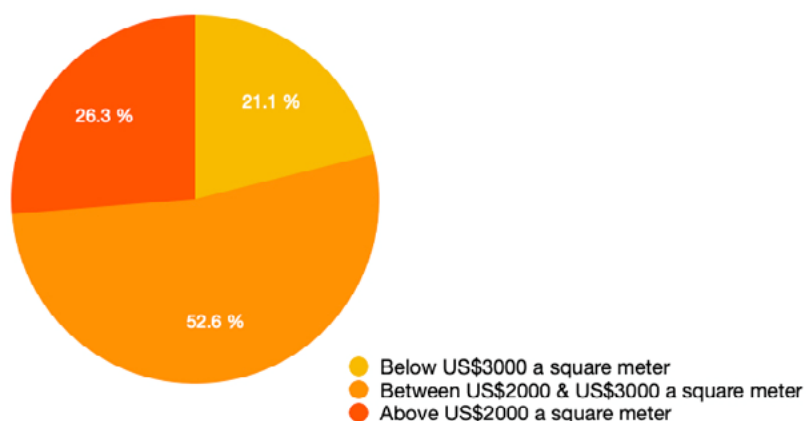
THE AVERAGE SALES PRICES

IN YOUR CITY...



THE VALUE OF AVERAGE SALES PRICES

IN YOUR CITY WHERE..

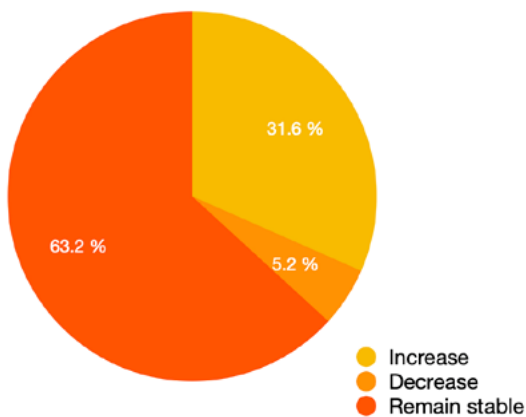


SALES / EXPECTATIONS FOR 1S-2022

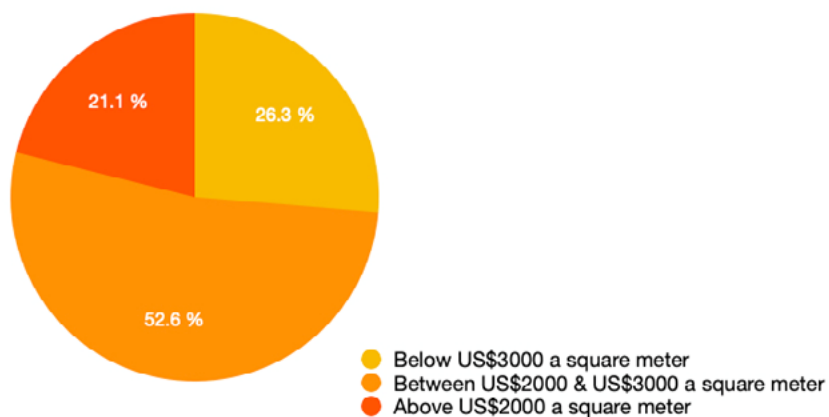
The expectations indicator regarding the behavior of Class A office sales in the first half of 2022 shows a positive result of 4%. This mainly reflects the forecast of a relative improvement in prices, although the selling times could continue to increase even amid more favorable local economic conditions.

Sales prices will be stable, but the result between those who expect increases and those who predict drops shows a positive figure of 26%, the highest since the measurement began. Higher sales prices are expected in Buenos Aires, Sao Paulo, Santiago, Montevideo, Santa Cruz and Curitiba. The average price will mostly remain in the range of US \$ 2,000 to US \$ 3,000 per m2. Cali, Medellín, Nuevo Laredo, La Paz and Valencia stand out for expected prices below US \$ 2,000 per m2.

THE AVERAGE SALES PRICES WILL ...



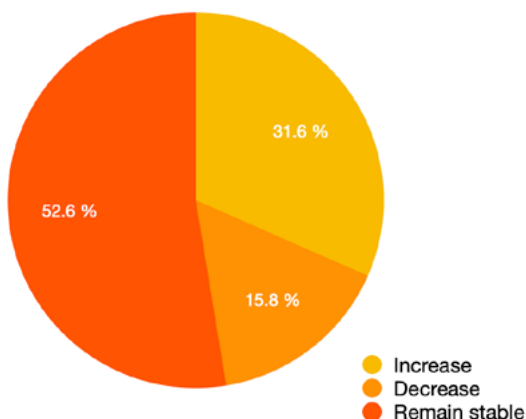
THE AVERAGE PRICE LEVEL WILL BE...



The timeframe to close the deal for the sale of a Class A office in Latin America will remain stable (more than 6 months), but the number of markets in which these timeframes will increase (32%) is larger than the number of markets in which the timeframes will decrease (16%). Buenos Aires, Santa Cruz and Valencia stand out among the markets where sales times will decrease. In Buenos Aires, particularly, a sale is expected to be closed in less than 3 months. Otherwise, the economic situation for sales will be neutral. Nonetheless, in cities such as Bogotá, Santiago, La Paz, Cali and Medellín, the local economy will be unfavorable to the activity

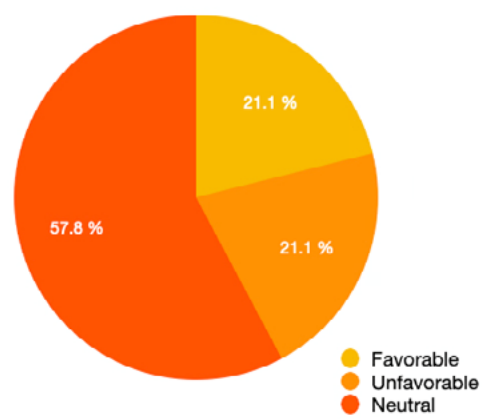
THE AVERAGE TIME IT WILL TAKE TO SELL

AN OFFICE WILL...



THE ECONOMIC SITUATION FOR OFFICE SALES

IN YOUR CITY WILL BE...



THE NEW REALITY

In this third edition of the **WTCA PRIME OFFICE INDEX - LATAM**, it is starting to become evident that the world of real estate for offices is coming out into a new reality in which, in parallel to a slow recovery (more accelerated in some markets than in others), the office market needs to reinvent itself.

In fact, this new reality entails people working between one and two days a week from home, which will call for a reorganization of offices use space more efficiently. This necessarily comes with the expectation of a contraction in office space demand in the short term, even though this may be countered by the growing vision of what post-pandemic office spaces should look like.

What we mean is complementary areas ranging from child daycare facilities for employees' children to pet daycare facilities. Similarly, new shared-space areas for the new generation of entrepreneurs. The spaces will have to be attractive and innovative. Lastly, environmental consideration has become a priority issue for new office tenants, who expect a greater presence of renewable energy, parking lots with access to electricity for electric vehicles, environmental certifications, water treatment and green spaces, among other considerations.

In this new reality, the new WTCs being built in the region are spearheading the way and we are beginning to see important adaptation efforts in WTCs that have been completed for some years now. Inherent to the WTC brand is also the great attraction of the international network of over 300 WTCs around the world and the variety of services that such centers provide to tenants and users of their real estate complexes.



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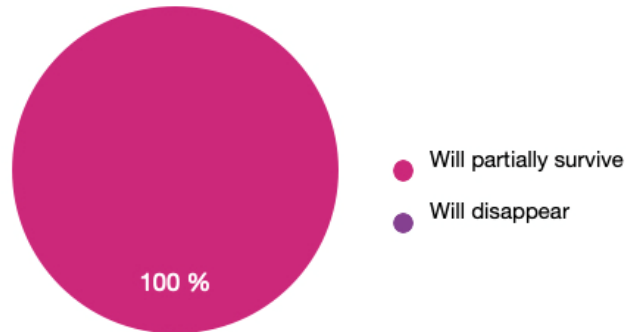
Carlos Ronderos, WTCA Director, Latin America

SURVEY / THE FUTURE OF THE OFFICE

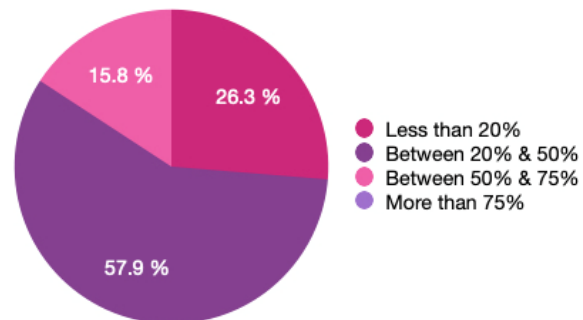
LATIN TRADE interviewed the experts about their opinion on the WTCA PRIME OFFICE IDEX - LATAM to gather their impressions on the future of the office in the face of the work from home (WFH) phenomenon. There is full consensus that the WFH will survive in the post-pandemic era, albeit partially. The vast majority of work from home is expected to take up between 20% and 50% of the total time of work activities.

In the "New Reality," companies will value easy conditions to implement collaborative spaces (coworking) overwhelmingly above any other innovation among the many expected in the post-pandemic office. On their part, employees will equally value recreational spaces (amenities) and coworking, and to a lesser extent, the technological aspects.

IN THE MEDIUM TERM, WORK FROM HOME WILL (WFH) ...



2 IF WFH SURVIVES IN THE MEDIUM TERM, ¿how much of a person's total work will be performed from home?



3 REGARDING THE POST-PANDEMIC OFFICE MODEL, ¿what do you think that COMPANIES will value the most about the office facilities? ...



4 REGARDING THE POST-PANDEMIC OFFICE MODEL, ¿what do you think that EMPLOYEES will value the most about the office facilities? ...



WTC SANTO DOMINGO / GREAT DEVELOPMENT AMID A PANDEMIC

On October 8, 2020, in the midst of the global COVID crisis, the group led by prominent businessman Luís Emilio Velutini "broke ground" for the WTC Santo Domingo. The commitment to this project, even in the midst of the pandemic, was even highlighted by the Luis Abidaner, president of the Dominican Republic. The aim is to complete the complex, part of which is already built, in the third quarter of 2024.

The World Trade Center Santo Domingo will comprise what is now the BlueMall Santo Domingo, the JW Marriott hotel Santo Domingo and the BlueMall Business Tower,

and the new buildings that will constitute the expansion of BlueMall Santo Domingo, in addition to two business towers under the WTC brand and two aparthotel towers by the names of BlueMall Luxury Suites I and II.

The gross area of the current building is 111,226.5 m², while the area under construction is 126,000 m², totaling 237,000 m² of the whole ecosystem of the Santo Domingo World Trade Center.

Even with the challenges arising from the pandemic (schedule restrictions, material limitations, among other), the goals have been exceeded. So much so that, in just one year, the construction of over 55,000 m² of structure, over 22,000 m³ of space have been completed, and over 4,000 tons of rods have been placed. In addition, the project has created more than 1,000 direct and indirect jobs.

In its commercial aspect, the project has been successful, to the point that the aparthotel units, the sales prices of which started at US \$ 3,200 per m², reached US \$ 5,000 per m² in the commercialization stage. The office units had a similar performance, the prices of which started at US \$ 3,200 per m² and with total sales closing at US \$ 4,000 per m².

