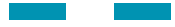


YoY Change 12-Mo. Forecast

18.90%

Vacancy Rate



30,8 K

YTD Net Absorption, sqm



\$18.90

Asking Rent, per sqm



(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2024

YoY Change 12-Mo. Forecast

2,358 K

Costa Rica Employment



7.40%

Costa Rica Unemployment



4,138 M¹

Foreign Direct Investment (FDI)²



¹ FDI reflects YOY data in US\$

² Data reported for Q1 2024, Q2 2024 data currently not available

Source: Central Bank of Costa Rica (BCCR) and National Institute of Statistics and Census (INEC)

ECONOMY: Sustained economic growth driven by Foreign Direct Investment and exports

According to the Central Bank of Costa Rica (BCCR), the economic activity measured by the Monthly Index of Economic Activity (IMAE) increased by an average of 3.8% year-on-year during the second quarter of the year. This growth has been primarily driven by activities under Special Regimes, which grew by an average of 9.0% during these months. Foreign Direct Investment (FDI) inflows in the first quarter increased by 42% compared to the same period the previous year, reaching a historic figure of US\$ 1,188.9 million, with 61.5% of this investment directed to Free Trade Zones. Additionally, during the first quarter of the year, exports of goods increased by 7% compared to the same period in 2023, with the medical components sector leading, accounting for 43% of the total.

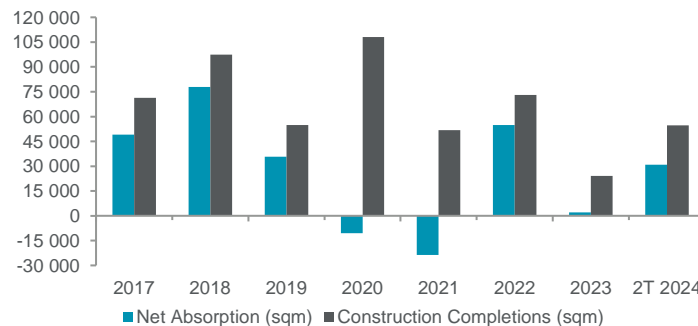
MARKET OVERVIEW: Market shows signs of greater stability amid gradual increase in demand

During the first half of 2024, the office market reported increased dynamism in traditional submarkets such as Heredia, Downtown San José, and West San José. This was due to the delivery of new inventory with significant pre-lease levels, as well as a slight improvement in space demand. Areas like Heredia, La Sabana, and Escazú have continued to show higher demand. However, despite the high overall vacancy levels in the market, many vacant projects lack the characteristics, amenities, and services that companies are seeking. Various landlords with well-positioned projects have opted to offer more stable listing prices, though there is also a general openness to negotiation in the market for large or growth-oriented requirements.

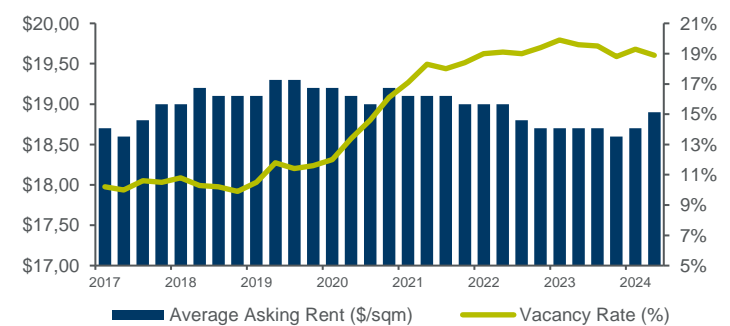
OUTLOOK: Demand for Class A+ and A as well as mixed-use projects with better amenities continues to rise

For the second half of 2024, the vacancy rate is expected to stabilize. On one hand, over 20,000 sqm of new inventory is anticipated to be delivered with low pre-leasing levels. On the other hand, a gradual recovery in demand is also expected. Tenants will continue to seek improved infrastructure, accessibility, amenities, and technology in their locations. Consequently, available second-generation spaces in Class A+ and A buildings are expected to be absorbed in the short term, driven by the ongoing "Fly to Quality" trend towards more modern and efficient buildings.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT COSTA RICA

Office Q2 2024



MARKET STATISTICS (BY SUBMARKET)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CNSTR (SQM)	OVERALL AVG ASKING RENT (ALL CLASSES)	OVERALL AVG ASKING RENT (CLASS A)
Alajuela	12	33,000	4,700	14.2%	(200)	(200)	100	-	\$16.70	\$19.00
Cartago	14	27,900	5,100	18.3%	(800)	(800)	-	9,000	\$16.40	\$21.00
Heredia	88	606,700	112,300	18.5%	(3,600)	100	15,800	16,800	\$19.10	\$19.30
San José Downtown	143	538,100	84,100	15.6%	36,000	40,600	51,900	2,500	\$18.10	\$20.70
San José East	90	347,700	92,100	26.5%	(3,100)	(1,700)	5,500	700	\$18.10	\$18.50
San José West	119	566,900	101,400	17.9%	(4,200)	(7,200)	9,700	7,700	\$20.20	\$20.00
Totales	466	2,120,300	399,700	18.9%	24,100	30,800	83,000	36,700	\$18.90	\$19.70

MARKET STATISTICS (BY CLASS)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CNSTR (SQM)	OVERALL AVG ASKING RENT (ALL CLASSES)	OVERALL AVG ASKING RENT (CLASS A)
Class A+	14	196,100	31,300	16.0%	(3,300)	2,400	6,100	-	N/A	\$22.30
Class A	106	896,200	162,600	18.1%	29,100	30,600	51,300	32,500	N/A	\$19.70
Class B	346	1,028,000	205,800	20.0%	(1,700)	(2,200)	25,600	4,200	N/A	\$16.20

*Rental rates reflect gross asking US\$/sqm/month

KEY TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Grand Motors - Dongfeng HQs	Downtown San José	Grand Motors - Dongfeng	4,000	Lease
Torre Lex	Downtown San José	OIJ	2,800	Lease
Escazú Village	West San José	Deloitte	2,400	Lease
Ultrapark LAG	Heredia	Teleperformance	2,100	Lease
Centro Corporativo El Cafetal – Building D	Heredia	Solventum	1,800	Lease
Torre Ayra Corporativo	Downtown San José	Quáлитas	1,600	Lease
Zona Franca Metropolitana	Heredia	C&J International	1,400	Lease
Eurocenter	Heredia	Client Services	1,200	Lease
Edificio Wimmer	Downtown San José	MOPT	1,200	Lease
Ultrapark II	Heredia	Confidencial	1,100	Lease

KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	SUBMARKET	MAIN TENANTS	SQM	DEVELOPER
Roche Costa Rica Campus	Downtown San José	Roche	32,800	Garnier
Avenida Escazú - AE 301	West San José	N/A	12,100	Portafolio Inmobiliario
Ayra Corporate Center	Downtown San José	Quáлитas	9,800	Quáлитas
City Towers Alajuela	Alajuela	N/A	6,100	Lady Lee Corporation

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