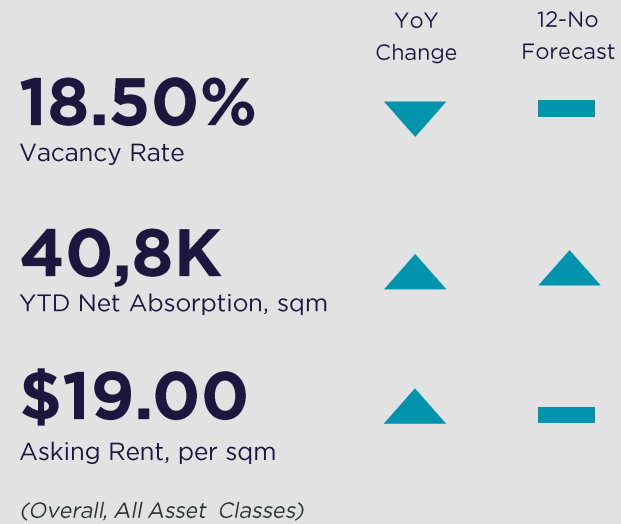
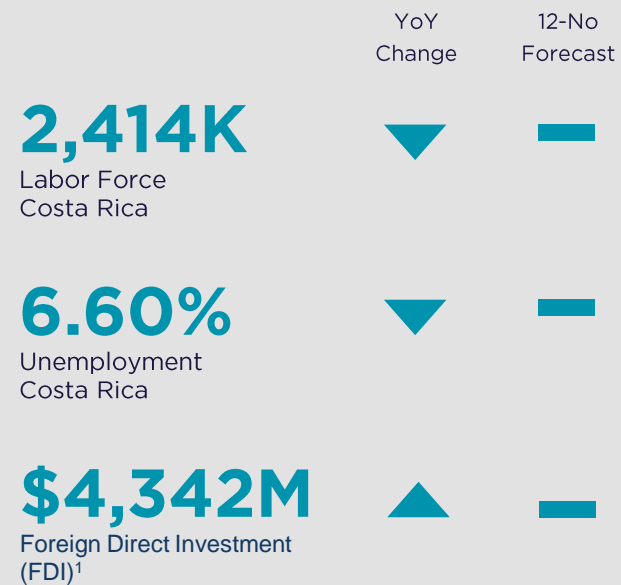


MARKET FUNDAMENTALS



ECONOMIC INDICATORS Q3 2024



¹ Data reported for Q2 2024, Q3 2024 data currently not available.

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

ECONOMY: STRONG PROSPECTS FOR ECONOMIC GROWTH

The Central Bank of Costa Rica (BCCR) projects economic growth of 4.1% for the end of 2024, an upward revision of 1 basis point from earlier forecasts. Inflation has remained below the lower limit of 2.0% for the past 18 months, with expectations to return within the target range of 2.0%-4.0% by the third quarter of 2025, stabilizing at 3.0%. Exports have reached \$14.6 billion year-to-date, marking an 8.0% year-over-year growth and reflecting robust industrial and commercial activity that underscores the country's favorable growth outlook.

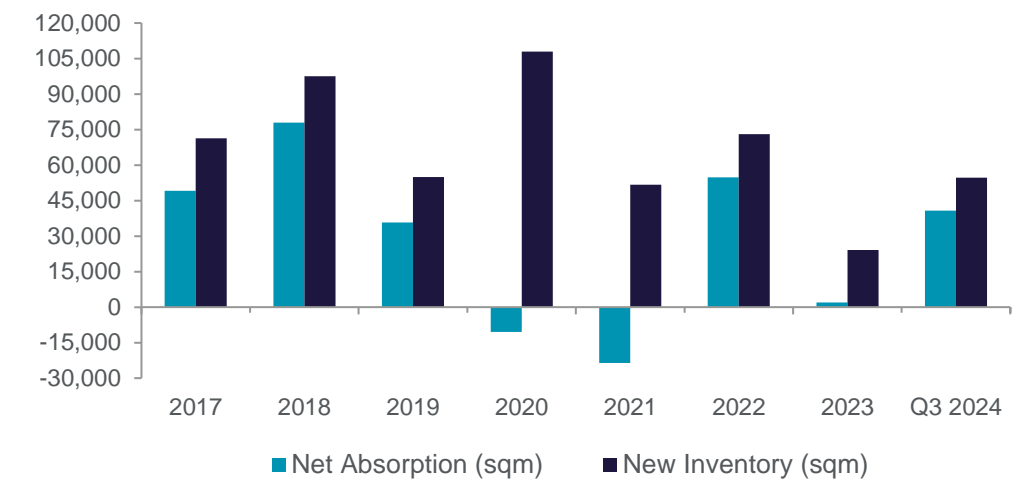
MARKET OVERVIEW: OFFICE MARKET GAINS MOMENTUM

The office sector showed signs of significant recovery in the third quarter of 2024, evidenced by a 0.8% drop in vacancy rates and a \$0.30/m² increase in rental prices compared to the first quarter. Demand surged in key submarkets such as La Sabana, Escazú, and Heredia, prompting developers to plan for growth to capitalize on these opportunities. Tenants are displaying a more discerning approach, favoring well-located business parks with established corporate communities. This trend underscores a market preference for workspaces that enhance collaboration, productivity, and talent retention through strategic location and amenities.

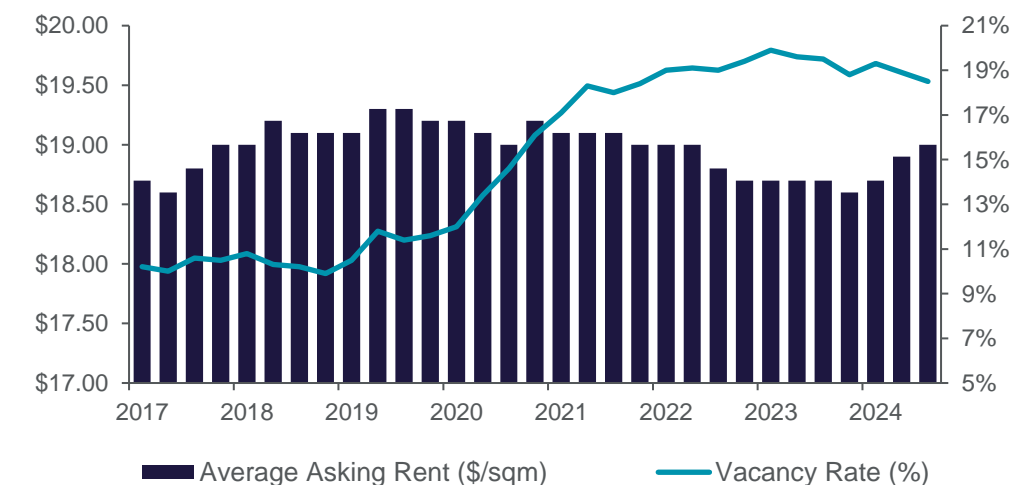
OUTLOOK: VERSATILE PROPERTIES DRIVING FUTURE DEMAND

The positive trend in net absorption is expected to persist through the final quarter of 2024, bolstered by the gradual return of companies to physical offices and the sustained popularity of hybrid work models. This evolving work dynamic is driving demand for flexible and adaptable spaces tailored to diverse occupant needs. Consequently, "plug & play" real estate solutions and complementary services are set to become pivotal in the market, serving as key differentiators in meeting tenant expectations and positioning properties competitively.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS (BY SUBMARKET)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	OVERALL AVG ASKING RENT (ALL CLASSES)	OVERALL AVG ASKING RENT (CLASS A)
Alajuela	12	33,100	4,700	14.2%	-	(200)	100	-	\$16.70	\$23.70
Cartago	15	36,900	10,600	28.7%	-	(800)	-	-	\$17.90	\$20.60
Heredia	89	610,000	109,400	17.9%	4,200	4,300	25,400	14,700	\$19.20	\$19.30
Downtown San José	143	540,300	88,900	16.5%	5,600	46,200	52,800	8,930	\$18.20	\$20.80
East San José	90	348,700	88,400	25.4%	(7,700)	(9,400)	9,700	-	\$18.10	\$18.60
West San José	120	568,200	93,500	16.5%	8,000	700	20,000	7,720	\$20.50	\$20.50
TOTAL	469	2,137,200	395,500	18.5%	10,100	40,800	108,000	31,350	\$19.00	\$19.90

MARKET STATISTICS (BY CLASS)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	DIRECT RENTAL PRICE	OVERALL AVG ASKING RENT
Class A+	15	220,100	49,600	22.5%	5,000	13,700	11,400	-	N/A	\$22.40
Class A	107	889,500	145,400	16.3%	900	29,300	63,900	31,350	N/A	\$19.90
Class B	347	1,027,600	200,500	19.5%	4,200	(2,200)	32,700	-	N/A	\$16.30

KEY TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Grand Motors	Downtown San José	Grand Motors - Dongfeng	4,000	Lease
Zona Franca América	Heredia	Confidencial	3,100	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
Eurocenter	Heredia	Health Prime	1,900	Lease
Centro Corporativo El Cafetal	Heredia	Solventum	1,800	Lease
Torre Ayra Corporativo	Downtown San José	Quálitás	1,600	Lease
Roble Corporate Center	West San José	BLP	1,500	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	Quálitás	9,800	Quálitás
La Lima Corporate Center – Building B	Cartago	N/A	9,000	Garnier
City Towers Alajuela	Alajuela	N/A	6,100	Lady Lee Corporation
Edificio AsoUna	Heredia	AsoUna	3,500	AsoUna

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

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