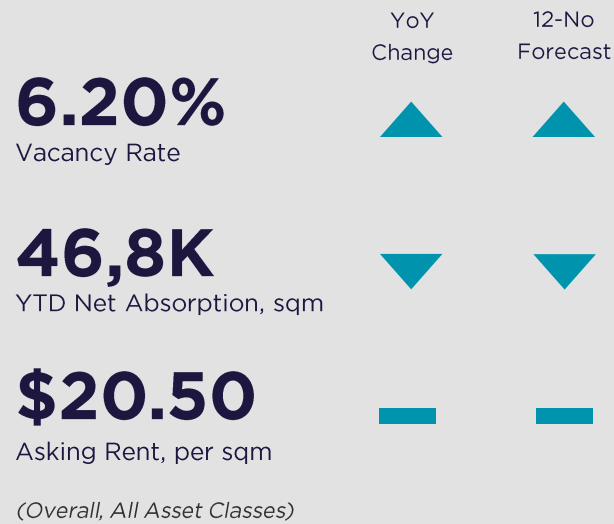


MARKET FUNDAMENTALS



ECONOMIC INDICATORS Q3 2024



¹ Average of data reported during the Q3 2024 months

² MEAI reflects YOY variation

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

ECONOMY: GROWTH DRIVEN BY EXPORTS

The Central Bank of Costa Rica (BCCR) reported a 3.5% year-over-year increase in economic activity, as measured by the Monthly Index of Economic Activity (IMAE), during the third quarter of 2024. This growth was primarily driven by the robust performance of the Special Regimes sector, which expanded by an impressive 8.2%. Goods exports rose by 6%, with the medical devices sector continuing its role as a key contributor, representing 45% of total exports. Additionally, Costa Rica's unemployment rate continued its downward trend, reaching 6.6% at the end of the quarter, signaling a strengthening labor market.

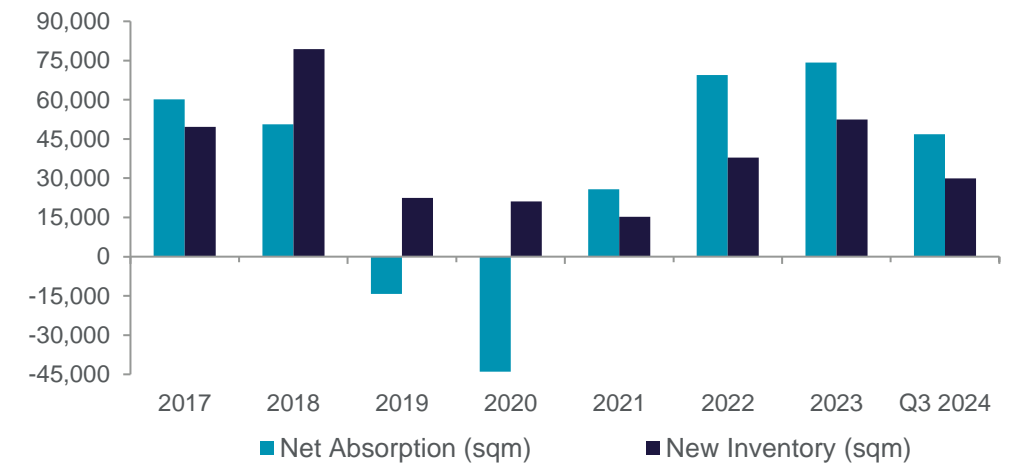
MARKET OVERVIEW: DECLINING VACANCY RATES REFLECT SECTOR GROWTH

Costa Rica's commercial real estate market showed significant recovery in the third quarter of 2024, with vacancy rates falling to 6.2%, their lowest point in five years. This trend highlights a surge in demand for retail spaces, particularly in shopping malls and standalone locations within high-traffic areas, driven by a rebound in domestic consumption. Modern, well-located properties have experienced slight price increases, while less competitive spaces have had to adjust pricing to attract tenants. The sector's adaptability to post-pandemic dynamics underscores its resilience and hints at continued price growth amidst high demand and constrained availability of premium spaces.

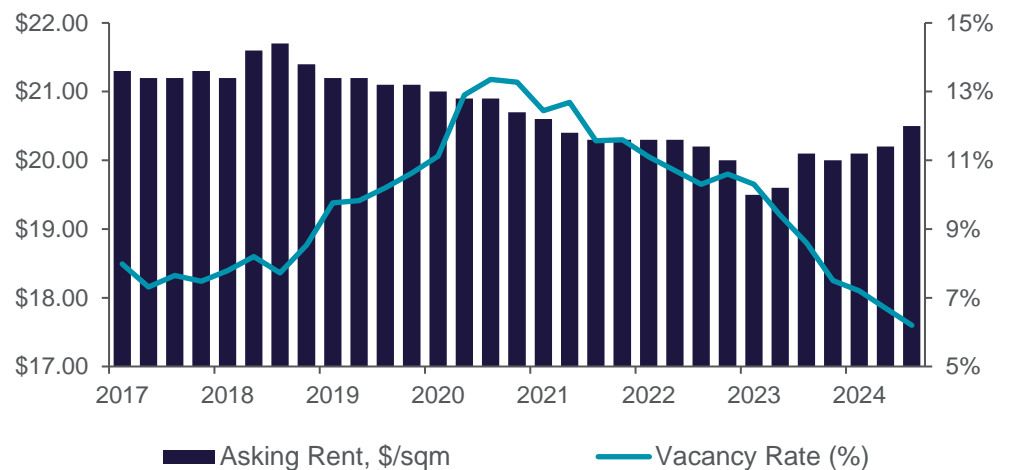
OUTLOOK: SUSTAINED DYNAMISM IN THE COMMERCIAL SECTOR

The commercial real estate sector is anticipated to remain dynamic through the fourth quarter of 2024, with robust demand continuing to drive down availability rates in the Greater Metropolitan Area (GAM). Over 36,000 m² of new commercial space are currently under construction, with completion expected between late 2024 and mid-2025. These projects boast pre-leasing rates exceeding 80%, reflecting strong market confidence. The preference for strategically located developments with innovative designs highlights the sector's alignment with the evolving needs of increasingly discerning consumers.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS (BY SUBMARKET)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	QTD NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	AVG ASKING RENT (ALL CLASSES)	OVERALL AVG ASKING RENT (CLASS A)
Alajuela	70	154,100	5,600	3.6%	(900)	3,000	5,100	1,400	\$22.40	\$26.30
Cartago	87	139,200	6,000	4.3%	1,500	4,900	6,500	13,300	\$19.00	\$23.50
Heredia	180	320,500	25,600	8.0%	3,900	10,700	14,200	3,600	\$19.20	\$22.70
Downtown San José	216	230,700	22,000	9.5%	4,700	12,700	16,800	5,100	\$15.60	\$18.20
East San José	307	598,400	29,900	5.0%	6,200	4,000	15,700	6,600	\$20.70	\$23.40
West San José	230	440,300	28,000	6.4%	5,500	11,500	20,600	6,200	\$23.70	\$26.40
TOTAL	1,090	1,883,200	117,100	6.2%	20,900	46,800	78,800	36,200	\$20.50	\$24.20

MARKET STATISTICS (BY CLASS)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	QTD NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	DIRECT RENTAL PRICE	OVERALL AVG ASKING RENT
Class A	358	1,046,800	58,300	5.6%	11,500	25,600	40,900	19,400	N/A	\$24.20
Class B	732	836,400	58,800	7.0%	9,400	21,200	37,900	16,800	N/A	\$15.90

MARKET STATISTICS (BY SUBTYPE)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	QTD 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)
Neighborhood Center	114	202,900	11,800	5.8%	1,800	7,300	10,300	2,500	\$20.50	\$21.30
Community Center	77	375,200	28,000	7.5%	7,000	6,100	14,600	6,300	\$18.40	\$20.40
Regional Center	17	524,200	21,200	4.0%	2,000	7,500	13,400	200	\$31.00	\$31.70
Free Standing	347	337,700	18,200	5.4%	3,900	8,100	15,300	17,900	\$12.40	\$14.00
Strip Center	434	372,100	30,200	8.1%	3,200	12,500	19,200	9,300	\$15.90	\$19.60
Urban	101	71,100	7,700	10.8%	3,000	5,300	6,000	-	\$17.80	\$23.90

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

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