MarketView Santiago – Office

Fourth Quarter 2011

Quick Stats

	Current	Change from last Yr.	Change from last Qtr.
Vacancy	2.3 %	↓	↑
Lease Rates	UF 0.58	↓	↓
Net Absorption	25,332 m2	↓	↑
Construction	320,833 m2	↑	↓

*The arrows are trend indicators over the specified time period and do not represent a positive or negative value. (e.g., absorption could be negative, but still represent a positive trend over a specified period.)

Hot Topics

- Four new class A buildings, which add up to 41,849 m2, entered the market. These are located in the communes of Santiago, Providencia, Vitacura and Las Condes, totaling 88,000 m2 during year 2011.
- The quarter's absorption is lower than production, due to the fact that the new buildings are being delivered at the end of the period.
- The average rental value reflects a slight decrease, because the effective market average, which includes both the available and the rented spaces, has been considered. This does not imply that the rental values are decreasing.

The quarter ends with a shortage of office space, a situation that set the tone of the entire year 2011. A vacancy of 2.3% in class A shows that the period's supply has not been sufficient to meet the strong demand.

During the quarter 41,846 m2 entered the class A market, totalizing 88,025 m2 during 2011. These were totally absorbed, as the net absorption of the year was 110,281 m2.

The new class A buildings delivered during the fourth quarter are characterized by being located in sectors removed from the traditional development poles: Espacio M has been the first to enter among a series of projects that are reactivating the downtown sector of Santiago; Costanera Lyon, the first class A building in Providencia since year 2000; Alto Oriente in Vitacura joins the recent development observed in the city's east zone, and Rosario Norte 100, in the vicinity of Nueva Las Condes.

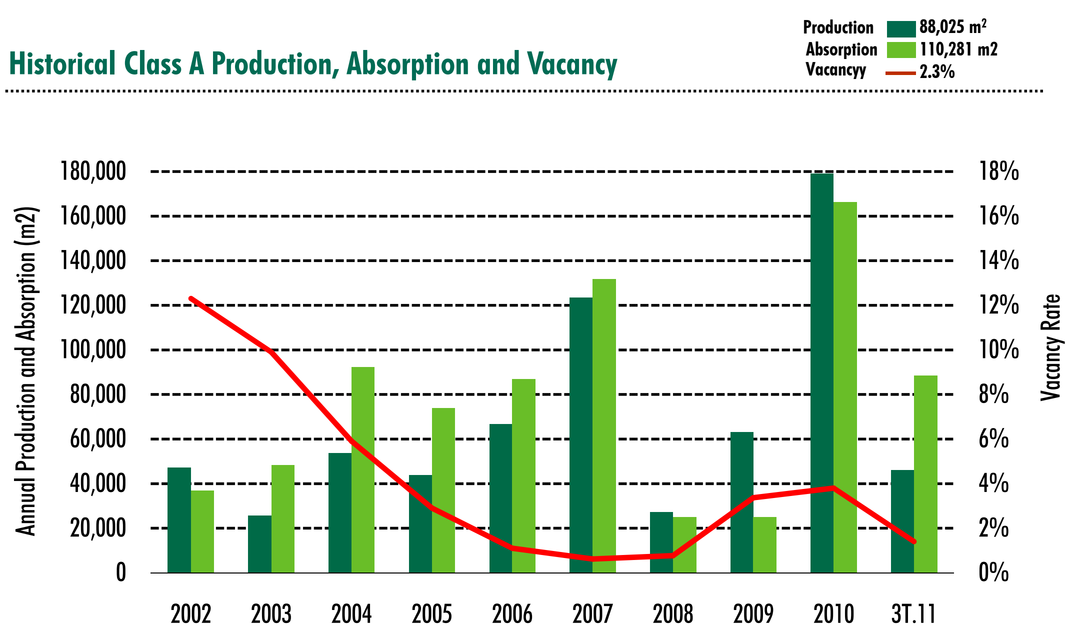
The class B market exhibited a behavior very similar to that of class A, with a growth in supply lower than that of year 2011, and a high new production absorption capacity.

During the fourth quarter, four new buildings entered the market, in Huechuraba, Las Condes and Lo Barnechea, adding up to 22,435 m2 and totaling 87,735 m2 in year 2011. Fifty percent of the year's production is concentrated in Las Condes; the rest is distributed in Providencia, Huechuraba and Lo Barnechea.

The quarter's absorption was 40,231 m2, strongly concentrated in Las Condes and Huechuraba; the total for the year was 91,357 m2. The vacancy at the end of the year in class B is 2.2%, lower than that of the third quarter and also as compared to that observed at the end of the previous year.

The entry of approximately 179,500 m2 in class A and 200,000 m2 in class B is expected for 2012.

Historical Class A Production, Absorption and Vacancy

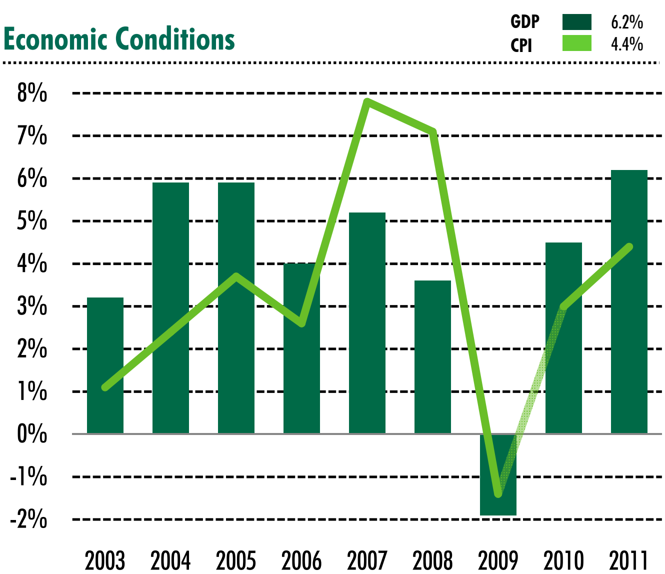


CBRE

Office Market Class A and B

Submarket	Stock m2	Vacancy %	Absorption m2	New Supply m2	Under Construction m2	Lease rate UF/m²/mes
Las Condes (A)	1,152,487	1.8%	11,480	13,914	180,933	0.62
Providencia (A)	220,407	1.6%	6,360	9,784	80,000	0.57
Santiago Centro (A)	292,695	4.6%	446	10,541	59,900	0.43
Vitacura (A)	40,445	2.7%	7,046	7,610	-	0.55
Total Clase A	**1,706,034**	**2.3%**	**25,332**	**41,849**	**320,833**	**0.58**
Las Condes (B)	365,014	2.0%	13,998	8,065	116,280	0.44
Providencia (B)	518,979	0.8%	7,366	-	66,317	0.47
Santiago Centro (B)	238,099	1.7%	-1,088	-	-	0.30
Vitacura (B)	111,055	0.9%	-621	-	41,803	0.45
Huechuraba (B)	218,162	5.9%	18,857	11,910	33,012	0.37
Lo Barnechea (B)	33,033	8.1%	2,873	2,460	29,071	0.40
Otras(B)	59,177	3.6%	-1,154	-	-	0.30
Total Clase B	**1,543,519**	**2.2%**	**40,231**	**22,435**	**286,483**	**0.43**

Economic Conditions



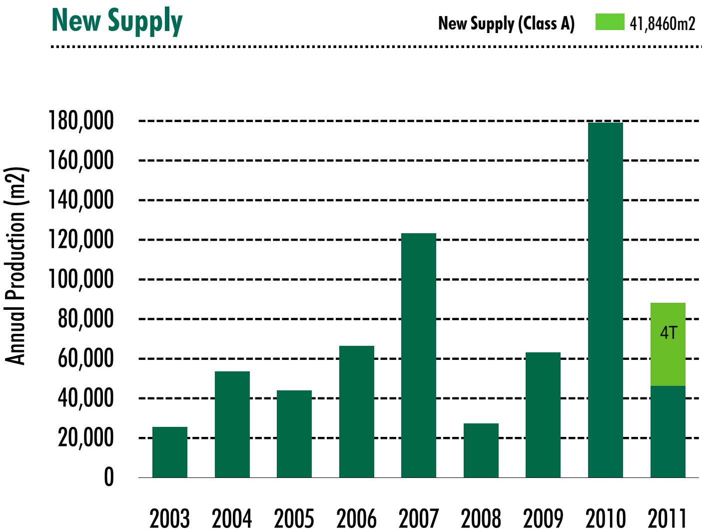
December's CPI was 0.6%, with which the accrued annual variation of the index amounts to 4.4%, slightly exceeding the projections made both by the Government and by the private sector.

The last projection made by the Central Bank of the growth of the GDP for year 2011 was 6.2%, one tenth below the figure estimated in the previous quarter. The estimate for 2012, in turn, was reduced from 4.75% to 4.25%, due to a possible recession in Europe next year.

During the September – November mobile quarter, in line with the country's expectations, the unemployment rate reached 7.1%, which is 0.1 percentage points below that of the previous period. The unemployment level is identical to the one observed in the same period of the previous year.

Due to the variations in the dollar's quotation, at the end of the second semester the UF/dollar ratio decreased in respect of the previous semester, from 46.46 to 42.75.

New Supply

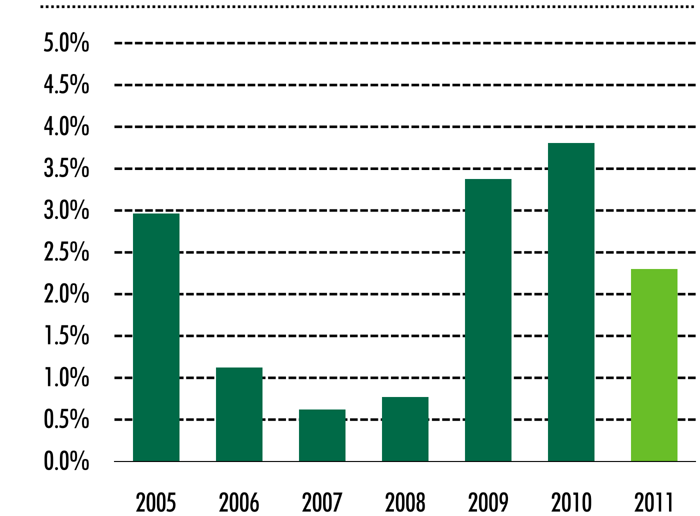


Four new class A buildings, located in Santiago Centro, Providencia, Vitacura and Las Condes, adding up to a total of 41,846 m2, entered the market during the fourth quarter. The year's accrued production totaled 88,025 m2, corresponding to 49% of the previous year's production.

Four new buildings entered the class B market, two of them in the commune of Huechuraba and the remaining two in Las Condes and Lo Barnechea, adding up to 22,435 m2 in the quarter and 87,735 m2 accrued for year 2011.

The entry of 179,500 m2 in class A and approximately 200,000 m2 in class B is expected for year 2012.

Vacancy

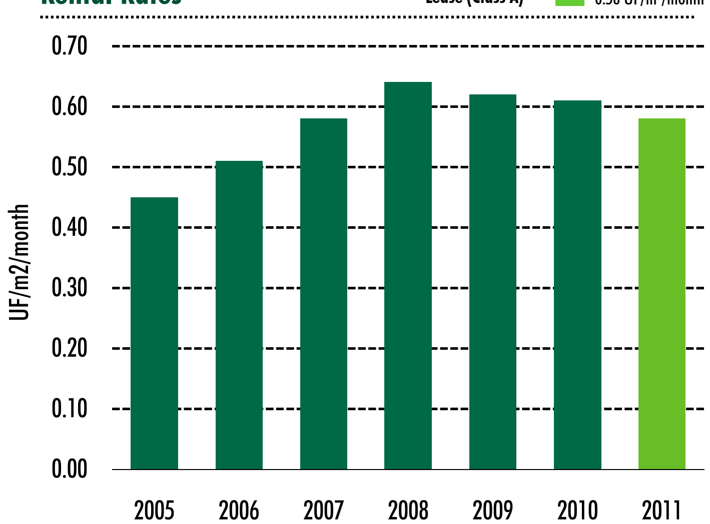


Vacancy in class A increased from 1.4% to 2.3%, returning to the level observed at the end of the first half of the year. In spite of this apparent increase and as can be appreciated in the diagram, the current vacancy is significantly lower than that observed on the same date of the previous year. Furthermore, this increase is explained because the new supply is being incorporated at the end of the quarter, and its marketing has only recently been started.

The 2.3% rate is still low, and means that there is latent demand waiting to be met with the entry of new product. Bearing in mind that the supply expected in 2012 is close to that of 2010, and that demand should continue to be strong, the vacancy rate is not expected to increase significantly during the next year.

In the class B market, the vacancy rate at the end of the year is 2.2%, experiencing a decrease in respect of the 3.4% observed in the previous quarter.

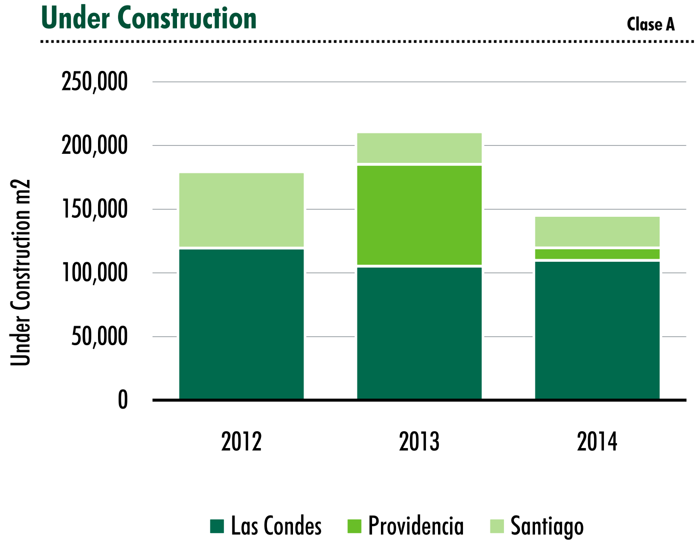
Rental Rates



The rental values have remained stable, showing an upward trend in the zones of greater shortage, such as El Golf. However, most of the current availability is in the recently incorporated buildings, which are located in lower rental value sectors, putting downward pressure on the weighted average of rental values of available spaces.

Our reports usually present a detailed analysis of that occurred in the market during each quarter; in these reports, we calculate the period's average prices, considering only the spaces available at the time of closing our period of investigation, and not the general average of the market. In this report, we have considered the effective average value, which includes both available spaces and rented spaces.

Under Construction



For year 2012, those projects currently in a stage between structural work construction and the final municipal acceptance process are considered as under construction. Almost 180,000 m2, distributed in Las Condes and Santiago, are currently in said condition.

Projects in process of excavation, foundations and structural work are included for year 2013. It is estimated that approximately 210,000 m2 – including Costanera Center - will enter the market during 2013.

Projects in the permit processing, demolition and preliminary works stages are included for 2014. As of this date, they total approximately 150,000 m2.

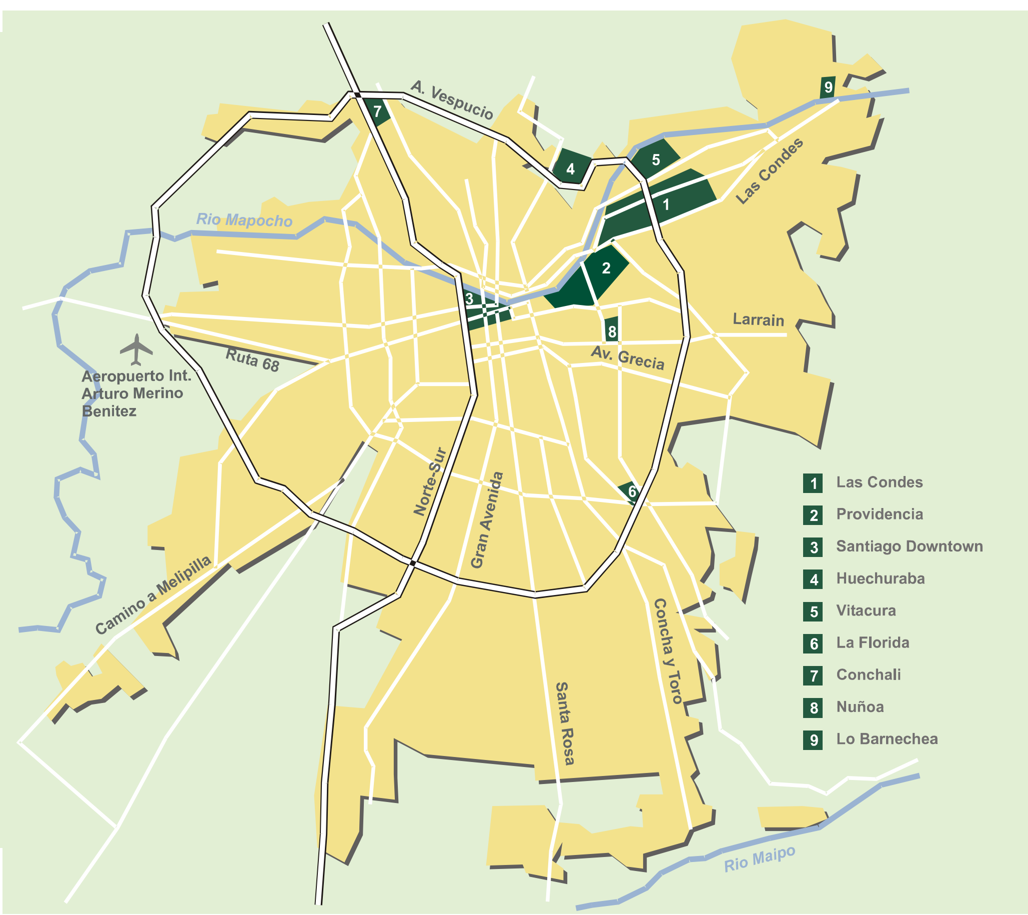
In class B, projects currently under construction add up to 286 thousand m2.

1 UF = US$ 42.75 as of 12/31/11

Zone Description

Submarket	Class A m2	Class B m2	Total m2	Market share
Las Condes	1,152,487	365,014	1,517,501	46.70%
Providencia	220,407	518,979	739,386	22.75%
Santiago Centro	292,695	238,099	530,794	16.33%
Vitacura	40,445	111,055	151,500	4.66%
Huechuraba		218,162	218,162	6.71%
Lo Barnechea		33,033	33,033	1.02%
Otras		59,177	59,177	1.82%
Total	1,706,034	1,543,519	3,249,553	100%

Submarket Map



Asking Lease Rate
Average of Asking Lease Rates for each property weighted by the associated Available Space. Includes Direct Available Space unless otherwise indicated: Local used Currency is UF, see a conversion factor to US$ at the bottom of page 3.

Completions
Rentable Building Area completed during the period

Market Coverage
'Existing' completed competitive properties

Net Absorption
The change in Occupied Sq. Ft. during the period for all Existing properties

Base Inventory, Base or Building Square Meters
The sum of the Rentable Building Area for all competitive properties

Occupied Square Meters
Rentable Building Area less Vacant Space

Under Construction
Buildings that have begun construction as evidenced by site excavation and foundation work, and is on-going

Available Space
Space being marketed to potential occupants, in Rentable Sq. Mt. (direct and sublease combined, unless otherwise indicated)

Availability Rate
Available space as a percentage of the Base Inventory or Building Sq. Mt.

Vacant Space
Available Space that is physically vacant, in Rentable Sq. Mt.

Vacancy Rate
Vacant space as a percentage of the Base Inventory or Building Sq. Mt

For more information regarding the MarketView, please contact:
Paula Rodríguez
Marketing and Research Manager
CBRE
Magdalena 140, of. 901, Las Condes
Santiago, Chile
T. 562.562.2622 F. 562.562.2605
paula.rodriguez@cbre.com