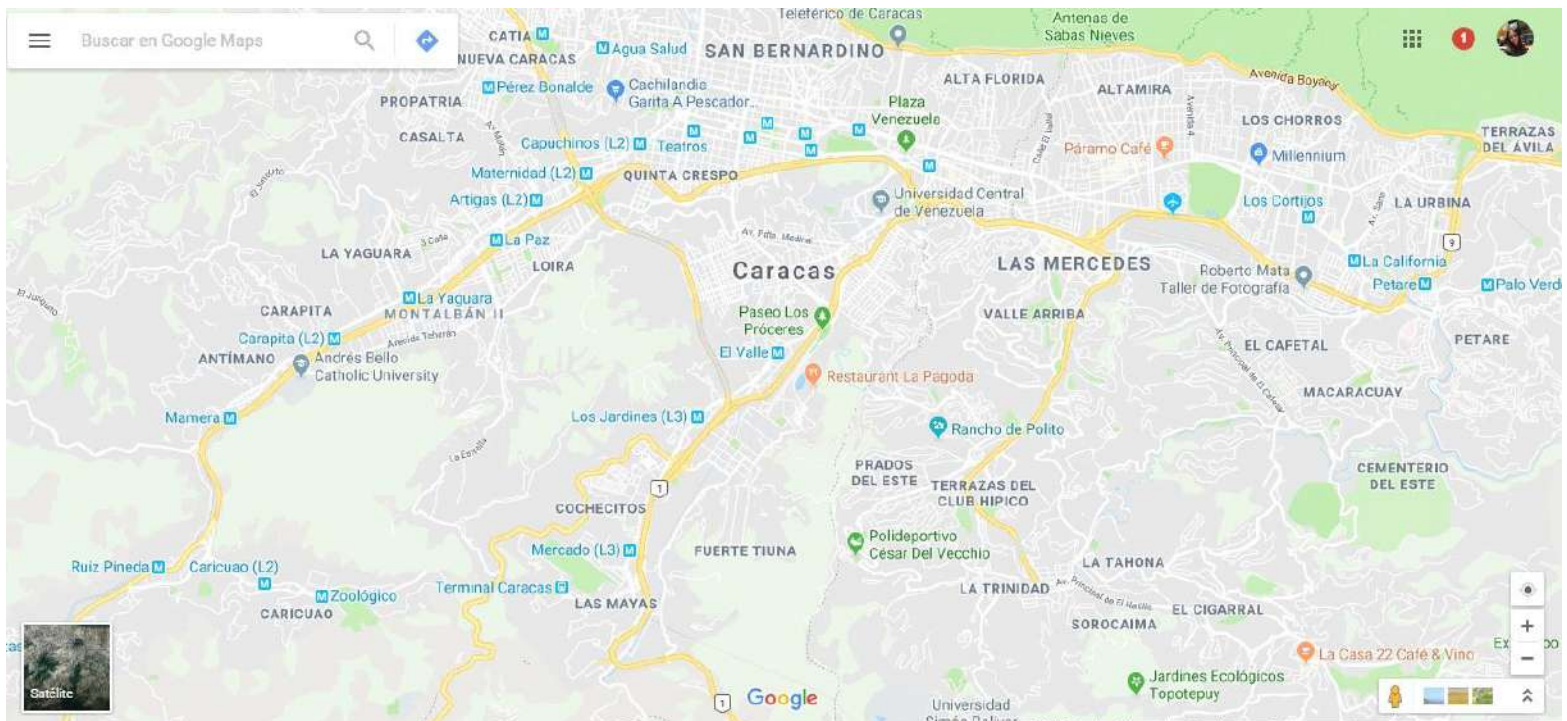


Office costs in Caracas, Venezuela

In Venezuela, specifically in Caracas, prices are always varying depending on the value of our currency, the Bolívar, and because of the economic and political instability. However, national and international entrepreneurs keep looking forward to investing in new commerce and initiatives because of the opportunities Venezuela offers. Furthermore, the property market is going down regarding prices because of the amount of owner's offers to rent and to sale, so it's a good time to make an investment.

Here is the map of Caracas City taken from Google Maps so you can see the entire city and its routes.



The different big names that appear in the map in grey color are the zones of Caracas (for example, Las Mercedes, Altamira, Macaracuay...)

Legend:



Subway stations



Metro-Bus stations (buses that work with the same company of the subway)

Caracas downtown begins approximately from Universidad Central de Venezuela and Plaza Venezuela to the west in the map. The east zone from Chacao, Altamira, Prados del Este and Las Mercedes is the most “prestigious” or demanded sector because of its places (restaurants, offices, malls and social clubs); but from La Urbina and Petare, many slums, insecurity and delinquency take place.

In Caracas it's of utmost importance for people how close are the routes of the public transportation to their work or offices or, if they have a car, the nearest parking lot available for them to park. In the first case, this is because public transportation have big delays most of the time; in the second case, because cars, in the majority of zones in Caracas, can't be parked in the streets.

It's important to highlight that the majority of property owners in Venezuela don't rent their spaces to natural persons for security, but only to “juridical persons”, meaning this: registered enterprises, companies, business and organizations because they are more likely to assure the monthly payment of the rental.

Furthermore, prices vary constantly, so it's very difficult to do an estimate in a long period of time or save money with the purpose of buying or renting any property, furniture or any kind of utility. In this sense, there is no global or universal rank established in the country, any city or any specific zone. So, if you want to do an investment or any kind of project in the country, it's important to take this into account.

For that, I've searched for some specific examples asking realtors and expert people who knows about the subject. It's important and necessary for the person who wants to buy or rent any office or property, to establish a budget of the money they can or will spend in it; the quantity of employees or personal that would work in the office and how much square meters it would have; quantity of bathrooms and utilities; floor number; building; how and for what it'll be used the office; and many other important specifications. So, having these in mind, it's easier to search for an office with specific details.

Internet is always included in all offices and zones of Caracas. The very important problem of Internet in Venezuela is that it's very very slow; telephone and

internet companies offer low-speed downloads and uploads as you can see in the screenshot below according to the web page www.speedtest.net. The fastest Internet speed in Venezuela offered by national companies is approximately between 1 and 2 Mbps. Furthermore mobile companies like Movistar and Digitel offer Internet services with 4 and 5 Mbps.



Many business that need higher speed of Internet functioning are buying right now satellite Internet which offers between 90 Mbps and 120 Mbps approximately. The price depends on the company that offers the service. For example, the place where I work needs fast Internet because we work with downloads and uploads as we're an audiovisual production business, so the owner of the company bought a service of satellite internet for about \$3000 per month, plus the installation which cost about \$6000 with antennas. This is the best option for having a really good Internet.

The "red zone" of every map corresponds approximately to the sector/zone or urbanization described below with the average prices so you can have an idea of the area.

Los Dos Caminos, Sucre (northeast of the capital)

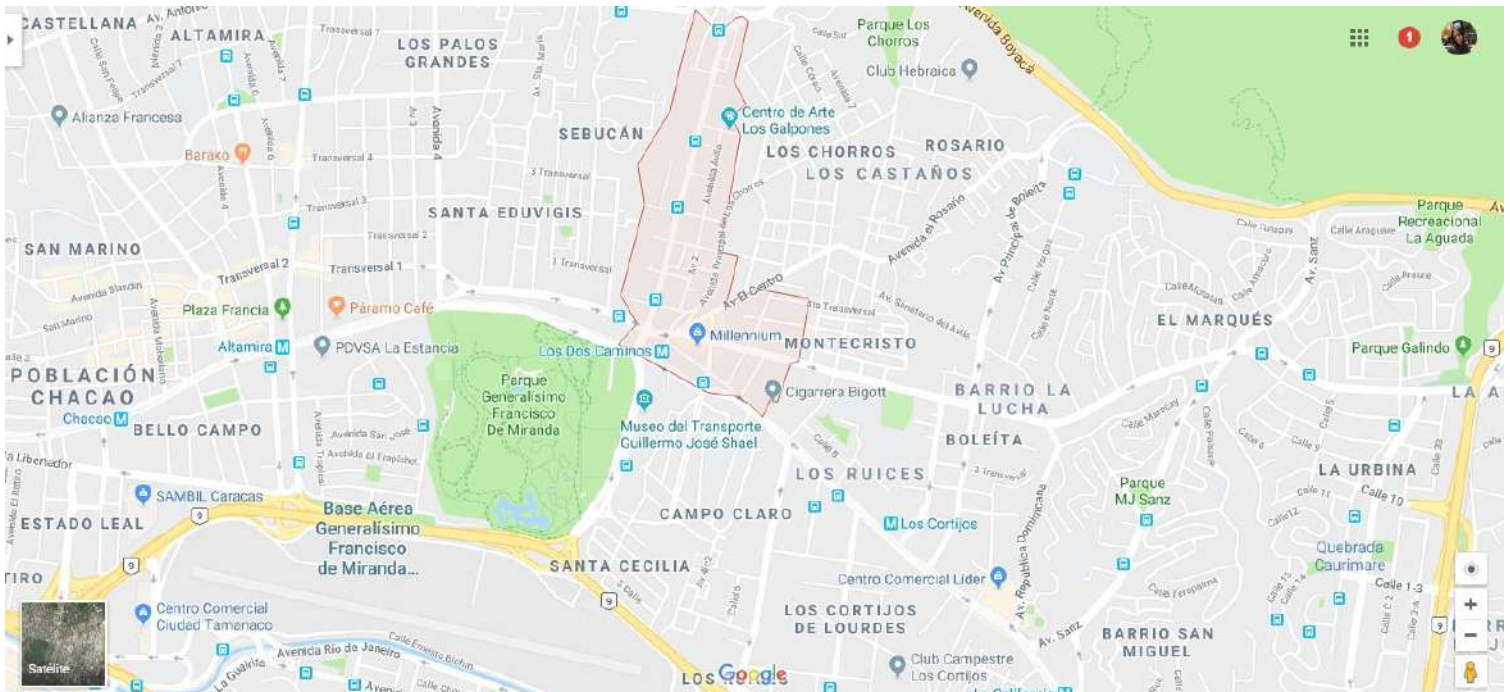
Rental:

80 – 150 m²: \$180 - \$400

150 – 250 m²: \$400 - \$520

250 – 450 m²: \$520 - \$920

Los Dos Caminos is in Sucre, the “industry” area of Caracas. Many food-known businesses and many other factories are here located. The best way to get to the zone is by public transportation, specifically using the subway. It is a bit retired from the center of Caracas so there’s traffic to get in to the zone the majority of the time. The good thing is that prices are lower than other zones in Caracas and offices’ spaces are really great.



Altamira, Chacao

Rental:

60m²: \$300

80 – 150 m²: \$350 - \$600

140m²: \$600

270m²: \$1800

300m² (without furniture): kitchenette, bathroom: \$300

364 m²: \$2800

400 m²: \$1240

500 m²: \$4800 (KPMG Tower)

Altamira is part of Chacao. It's one of the most expensive zones in Caracas because nearby has many restaurants, pubs, clubs and its access by car or using public transportation is really easy. It's also considered a business zone which is very beautiful regarding streets, places and commerce. Furthermore, the majority of its office buildings are really new and remodeled.

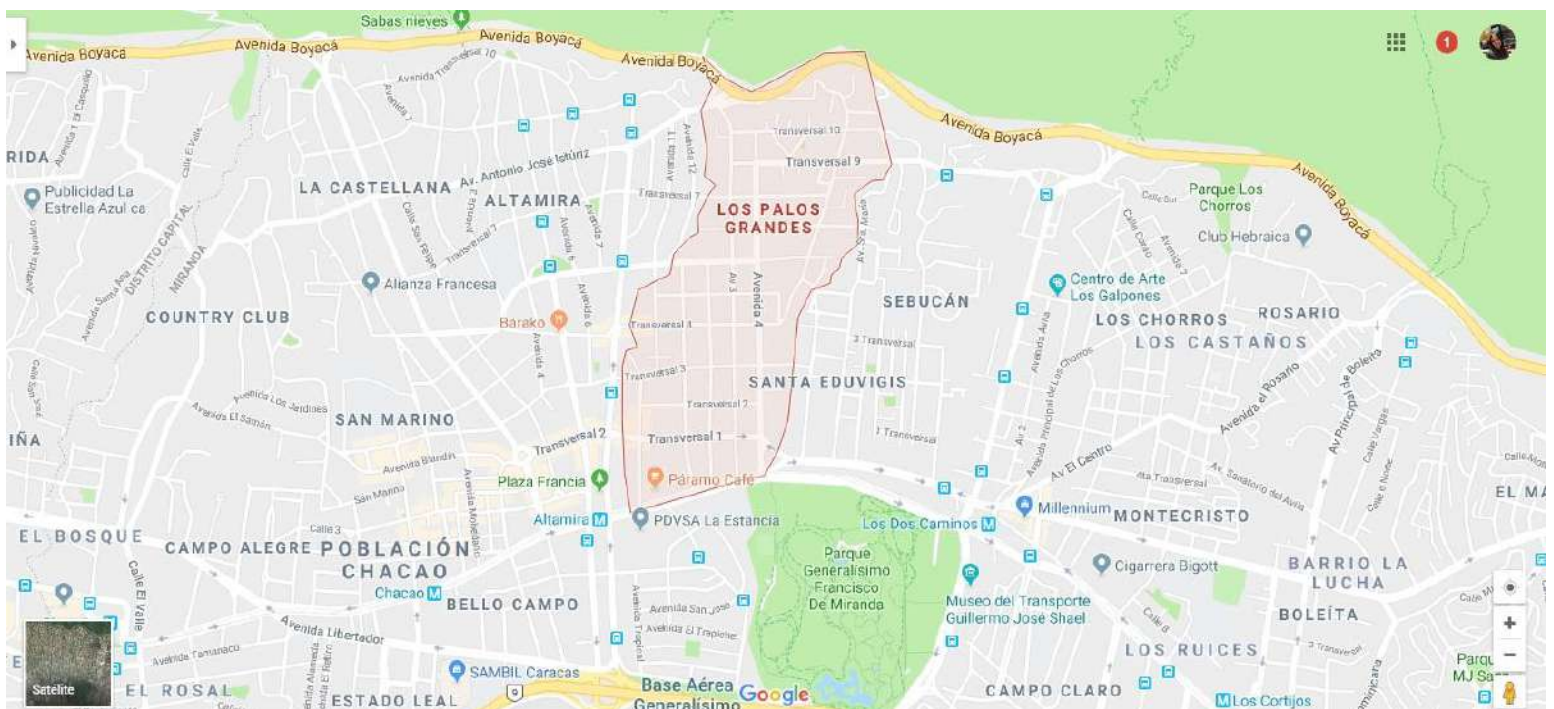
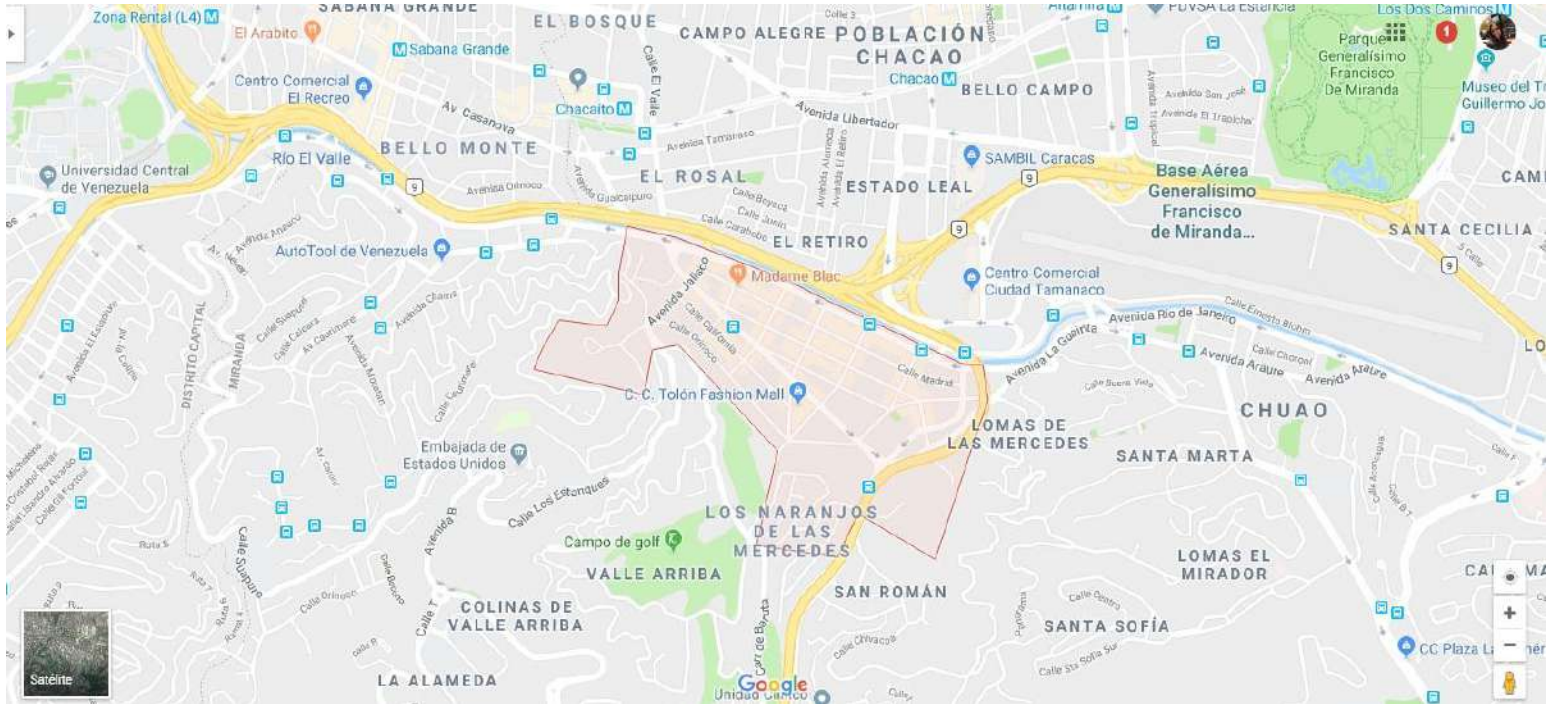


Colinas de Bello Monte, Baruta

60 m²: with a reception or lobby, furniture, kitchenette, bathroom, parking lot.

Rental: \$300 - Sale: \$50.000

Las Mercedes and Los Palos Grandes are one of the most expensive zones in Caracas to rent or buy any kind of property because of its exclusivity, nearby hotels, public transportation (easy access), restaurants, malls, clubs, stores and many others. Its buildings are very new or in construction, so their spaces are remodeled and modern.

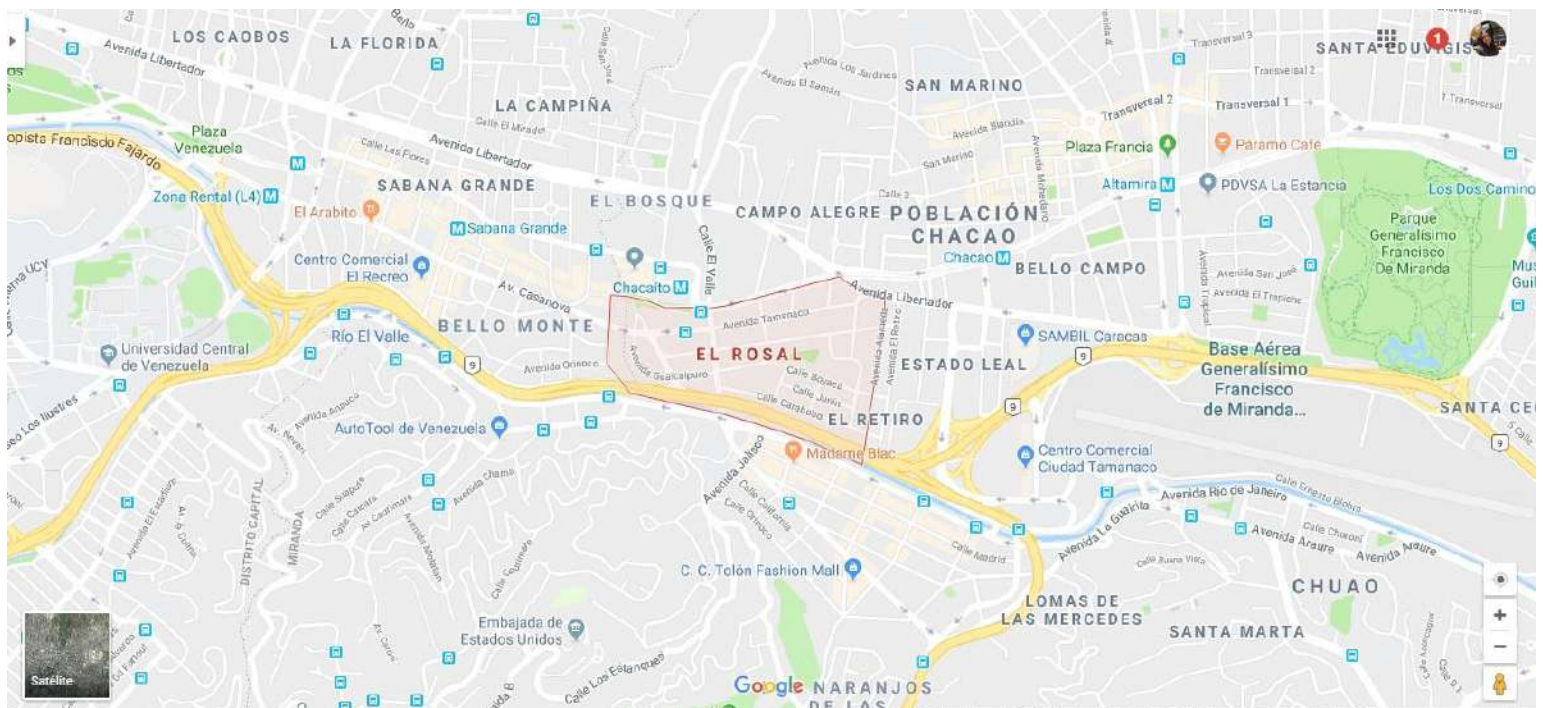


El Rosal, Chacao

49 m²: **Rental:** \$300 – **Sale:** \$90.000

80m²: **Rental:** \$700

El Rosal is a very centric zone and it gathers lots of buildings destined to serve as offices, so it's a business zone. It's very easy to get by car or in public transportation. Like Las Mercedes (which is very near), it has lots of public places like restaurants, hotels and subway stations. The zone is expensive but it can be found some good options regarding prices and square meters.



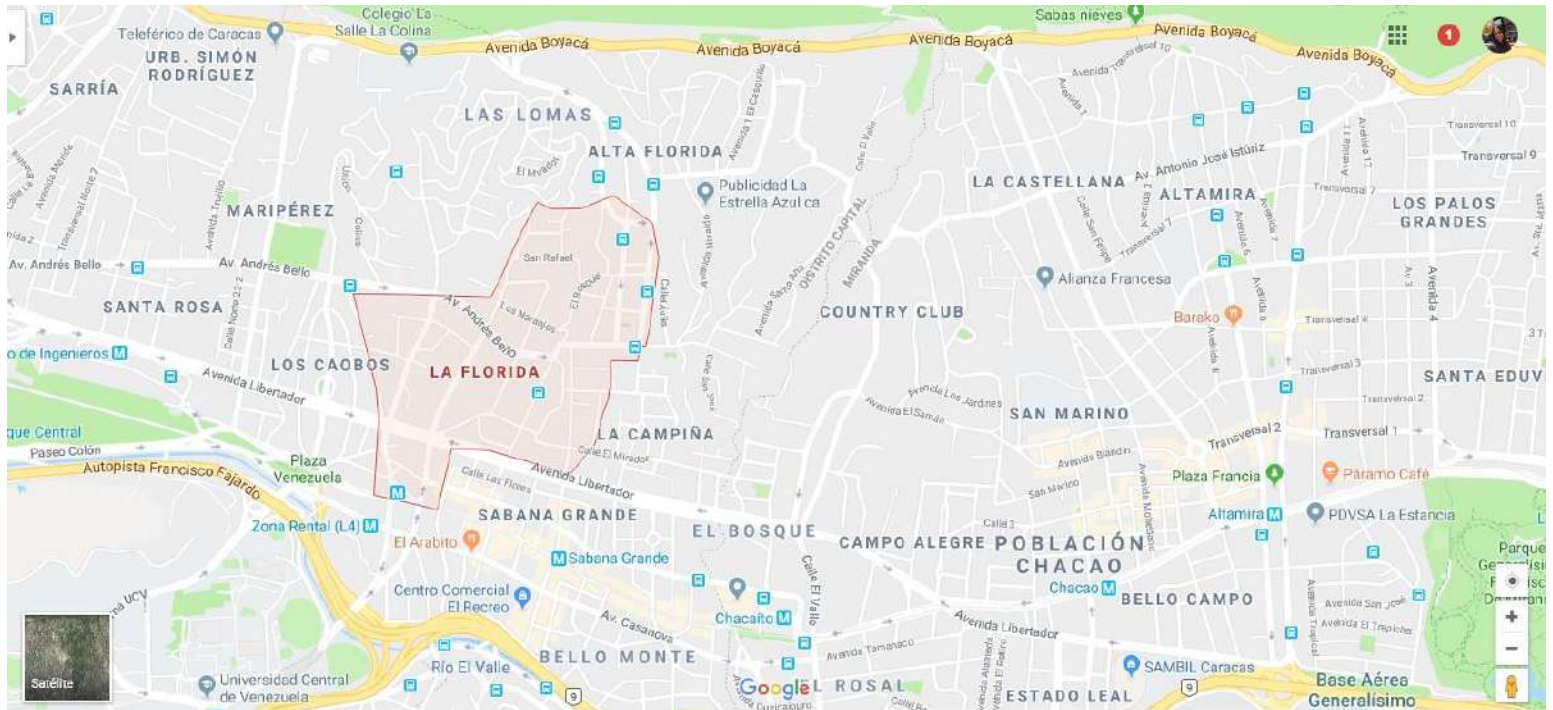
La Florida

Rental: 60m²: bathroom with one parking space: \$80

Chacao

Sale: 66.5m²: \$50.000

These are the examples I could find in La Florida sector en Chacao zone. La Florida is also a good zone to buy or rent an office for its easy access and its location near the center of Caracas. Meanwhile, Chacao as you could read above, it's a very good zone and this example it's a very cheap option to buy an office.



Pay scales of qualified persons

In Venezuela pay scales and the minimum salary paid every 15 days or usually monthly (depending on the company) is very low. The minimum salary (per month) is of about Bs. 1.500.000 representing approximately \$6 if it's calculated based on the black market. This conversion is because of the mechanism of exchange control implemented by the government, so the access to dollars for people and companies is very difficult. Furthermore, the hyperinflation in our country is getting worse every day and the economic politics and strategies of the government aren't improving the situation.

In the other hand, a lot of people mostly studied and professional young people are leaving the country because of the political, social and economic crisis and instability; the majority of Venezuelans agree that in the country there's "no future", so they emigrate. Approximately, more than 2 million people have left the country. In this sense, many companies are offering a really good salary so they can get the best young and qualified people.

In addition, the majority of young people work freelance and get paid for a specific job, like making an animated video, for being a community manager, programming, creating a web page, and many others. For this reason, it's difficult to make a detailed estimation of salaries.

As you can see, right now Venezuela is passing through a moment of instability. Lots of entrepreneurs and business are hiring Venezuelans because they're "subpaid"; getting dollars living in the country is the every-day-goal of everyone with the purpose of living in better conditions. So if you're willing to open an office, offering a good salary in dollars is the best way to catch qualified people and help them too.

I made an approximate pay scale of some professional people working in Caracas so you can have an idea of the monthly payment they can get working in an office, approximately 8 hours a day, 5 days a week. If the company works also on weekends or more hours a day, the payment should be just a little more if you want to. But the fact that the company is offering to pay in dollars, makes people work more, or the hours the company needs to reach all the goals in time.

Accountants: \$50 - \$100

Programmers: \$150 - \$250

UX Developer: \$150 - \$250

Web Designers: \$150 - \$250

Coders: \$150 - \$200

SEO Persons: \$75 - \$125

Marketers: \$100 - \$200

Office Manager: \$200 - \$250

HR Person: \$50 - \$100