

# Guanajuato Industrial Market

## New challenges in the industry

During the first quarter of 2021 INEGI reported that Guanajuato generated 6.5% of exports nationwide, placing it in sixth position for the third consecutive quarter, this places the entity as a positive economic factor in the country. The main destination of state exports is the North American market, a situation by which it can be determined that the momentum of the United States economy favors the manufacturing industry of Guanajuato. During the second quarter of 2021 the industry has focused on the sector of manufacturing and logistics.

The current availability of square meters in the second quarter of this year compared to the previous quarter, going from 5.2 to almost 5.3 million square feet. The Silao and Irapuato corridors generated the greatest activity of the current year. On the other hand, in the San Miguel de Allende corridor the growth expectation will start with the construction of an auto parts plant, which is estimated to be ready in 2022

### CURRENT CONDITIONS

- Class A industrial inventory presents 87 million square feet in the second quarter of 2021 with a 6.0% vacancy rate.
- Asking rates averaged USD \$4.60 per square feet per year.
- Construction activity reached 531,000 square feet .
- The quarterly net absorption recorded 28,000 square feet .

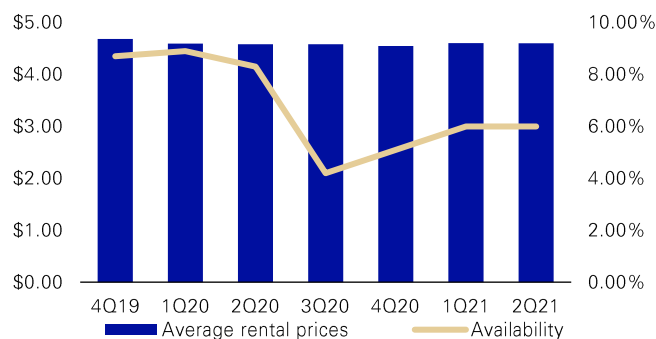
### MARKET SUMMARY

	Current Quarter	Prior Quarter	Prior Year	12 Month Forecast
Total Inventory (SF)	87M	87M	46M*	→
Vacancy rate	6.0%	6.0%	8.3%	→
Quarter Net Absorption (SF)	28,047	(908,317)	100,997	↑
Avg. Rental Rate (USD/SF/year)	\$4.60	\$4.60	\$4.58	→
Under Construction (SF)	531,822	798,705	3,484,170	↓

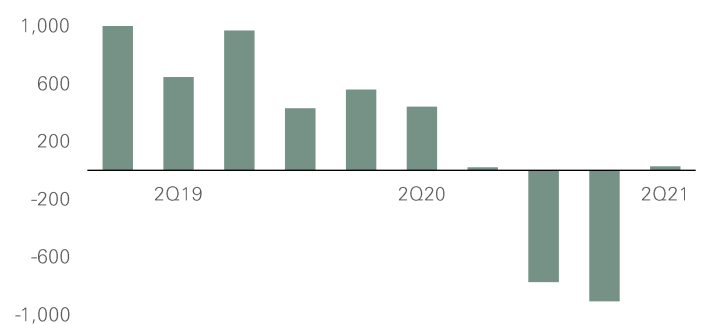
\* Note: SF total is adjusted by detailed inventory review

### MARKET ANALYSIS

#### AVERAGE RENTAL RATE AND AVAILABILITY



#### ABSORPTION (Thousand square-feet)



## Planning trend

The construction of industrial buildings in the main submarkets of Guanajuato reached a figure of 531,800 square feet. The Leon market indicates 41%, with buildings at the completion stage of the work. Despite the decrease in construction compared to the previous quarter, the trend of projected warehouses is high.

## Market counterpoints

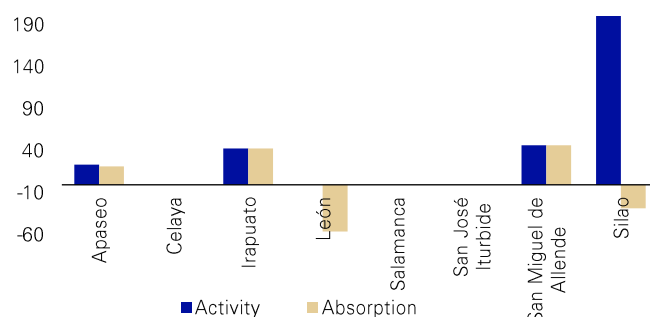
The availability rate in the Guanajuato market remains constant compared to the previous quarter, however we see activities of this indicator in all submarkets derived from accumulated during the second quarter.

The same phenomenon is reflected in the average market price, remaining at \$ 4.60 per square feet per year, but adjusting in all submarkets. The submarket with the highest price increase is León with an average of \$ 4.80 per square feet per year compared to \$ 4.48 per square feet per year the previous quarter.

The main point to highlight in the second quarter of 2021 is that the net absorption has reported a positive performance motivated by the activity in the market.

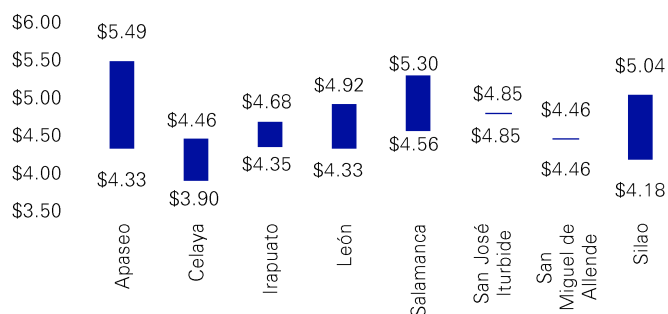
## ABSORPTION AND ACTIVITY

Thousand square feet



## AVERAGE RENT RANGE

MINIMUM AND MAXIMUM PRICE



## MARKET SUMMARY

	Inventory (SF)	Under Construction (SF)	Availability (SF)	Vacancy rate	Market Activity (SF)	Quarter Net Absorption (SF)	Avg. Rental Rate (USD/SF/Year)
Apaseo	7,054,930	-	934,821	13.3%	23,918	21,711	\$ 4.92
Celaya	12,593,622	103,334	617,605	4.9%	-	-	\$ 4.24
Irapuato	16,541,297	-	766,966	4.6%	43,056	43,056	\$ 4.51
León	9,350,766	219,392	265,358	2.8%	-	(55,578)	\$ 4.80
Salamanca	4,226,183	101,456	304,281 *	7.2%	-	-	\$ 4.78
San José Iturbide	9,357,587	-	135,142	1.4%	-	-	\$ 4.82
San Miguel de Allende	1,952,525	-	300,961	15.4%	46,996	46,996	\$ 4.46
Silao	26,149,017	107,640	1,939,371	7.4%	211,448	(28,137)	\$ 4.58
<b>Total</b>	<b>87,225,927</b>	<b>531,822</b>	<b>5,264,506</b>	<b>6.0%</b>	<b>325,417</b>	<b>28,047</b>	<b>\$ 4.60</b>

\* Note: Availability is adjusted with respect to the first quarter of 2021

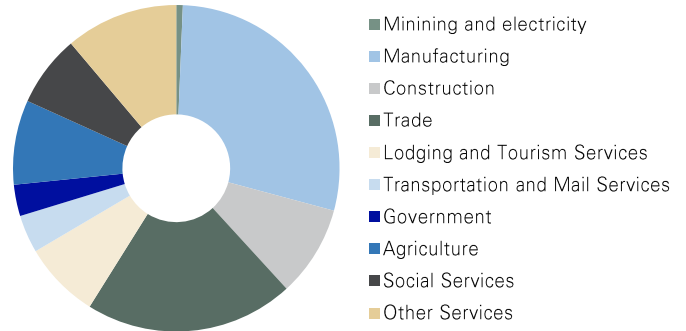
### Uneven recovery in economic sectors

While the T-MEC is presented as an opportunity to consolidate Guanajuato as a supplier to the automotive sector on an international level and also to promote foreign investment in the state, other important sectors such as tourism continue in a significant contraction due to the pandemic. On the other hand, secondary activities according to the Monthly Indicator of Industrial Activity by State remain positive, driven by the construction industry as well as the manufactures.

A negative factor to consider in the process to get economic recovery is the increase in inflation, since this has indirectly affected all the productive sectors of the state, with the rise in the prices of raw materials and energy.

### Employment per Economic Sector

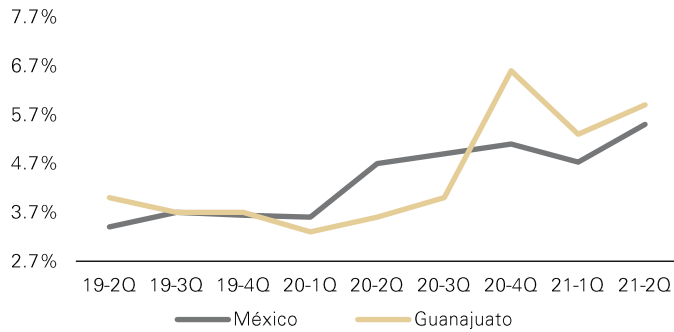
GUANAJUATO, JUNE 2021



Source: INEGI, ENOE

### Unemployment Rate

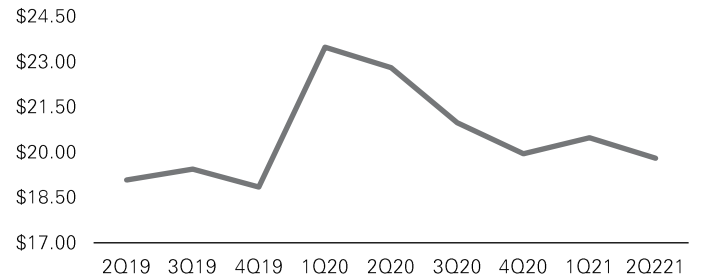
ANNUALIZED



Source: INEGI, ENOE

### Exchange Rate

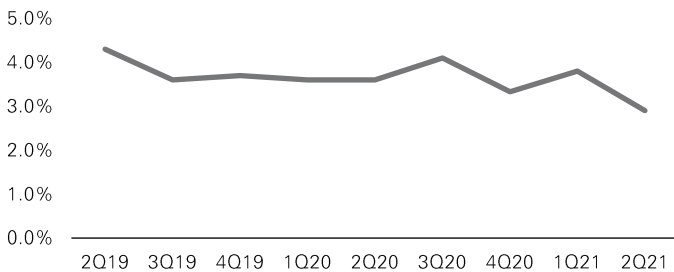
MEXICAN PESO(MXN) VS US DOLLAR (USD)



Source: Banxico

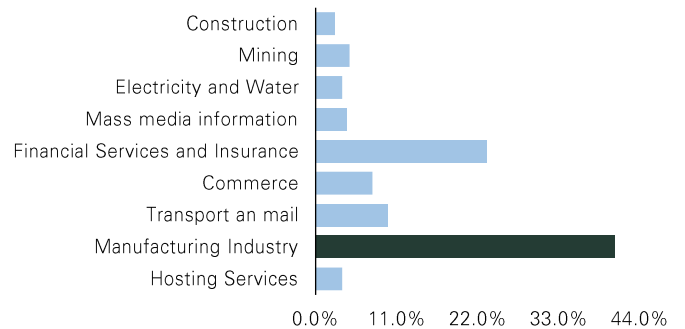
### Consumer Price Index

Index Annualized



Source: Banxico

### Foreign Direct Investment



Source: CEFPI

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