

Queretaro Industrial Market

Boosters in economic activation

Querétaro is one of the main auto parts producers in the country; the delay in the global supply chain in the manufacturing industry directly impacts the state economy. It is estimated that by the end of the year this manufacturing industry will be more productive.

The United States and Canada are the main trading partners, it means that these countries generated a positive outlook against the following quarters. On the other hand, the aerospace industry of Querétaro seeks to enhance its export capacity through diversification.

During the second quarter of 2021, the Queretaro industry was considered a mainly manufacturing sector, even and when the register decreased compared to the previous quarter and the activity in the submarkets was driven by operations throughout the entire region. The Marqués submarket stands out, generating the highest activity during the quarter.

CURRENT CONDITIONS

- The inventory reached 62 million square feet with a 6.8% vacancy rate.
- Asking rates averaged \$4.47 per square feet per year.
- Construction activity reached 556,800 square feet .
- The quarterly net absorption recorded (61,900) square feet .

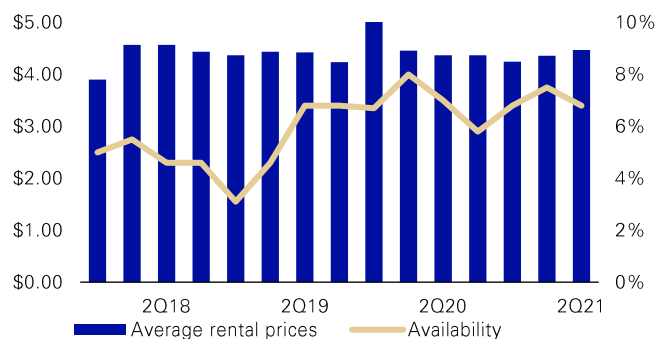
MARKET SUMMARY

	Current Quarter	Prior Quarter	Prior Year	12 Month Forecast
Total Inventory (SF)	67M	62M	47M*	→
Vacancy rate	6.8%	7.5%	7.0%	↓
Quarter Net Absorption (SF)	(61,957)	(152,803)	(426,563)	↓
Avg. Rental Rate (USD/SF/year)	\$4.47	\$4.36	\$4.35	↑
Under Construction (SF)	556,892	572,700	1,592,832	↓

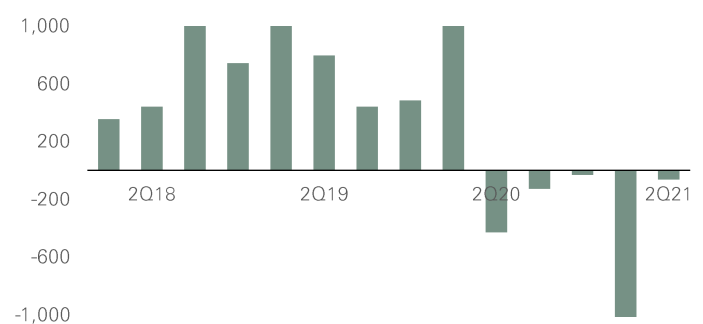
* Note: SF total is adjusted by detailed inventory review

MARKET ANALYSIS

AVERAGE RENTAL RATE AND AVAILABILITY



ABSORPTION (Thousand square-feet)



Contrasts in the Queretaro market

Warehouses under construction within the Querétaro market total 558,900 SF, this figure is driven by the North corridor as it concentrates 57% of this surface.

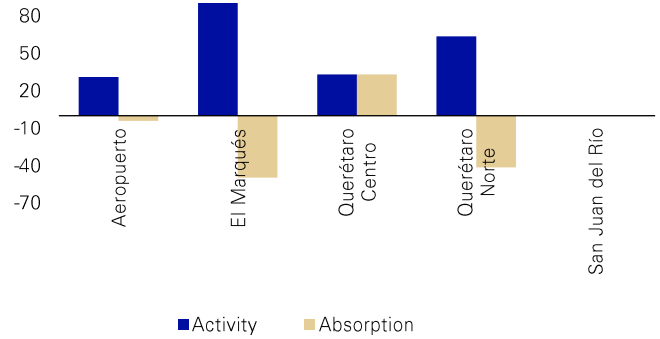
On the other hand, in the Airport and Marqués industrial corridors, despite the reduction of warehouses under construction compared to the previous year, there is a high planned buildings in this area. This signals that a rebound is approaching in this market.

The low average availability compared to the previous quarter, at the same time a generalized activity is observed in all the corridors that make up the market, highlights the Marqués (98,600 SF) with operations in the manufacturing sector. Driven by the gradual reactivation of the economy and by the stabilization of availability rates in all corridors, the asking price for the market increased to \$ 4.47 per square feet per year, this price is comparable to that of the first quarter of 2020. The corridor with the greatest increase of prices is Querétaro Norte.

A point to highlight for the Queretaro market during this second quarter of 2021 is that the stabilization of the demand prices, as well as the increase in activity positive for the second half of the year.

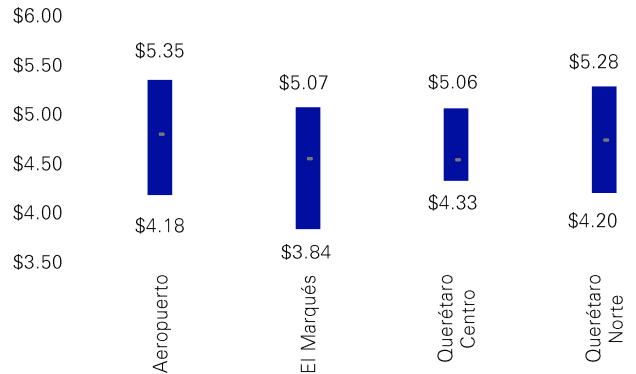
ABSORPTION AND ACTIVITY

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)
Aeropuerto	13,059,681	37,674	2,041,064	15.6%	31,108	(4,101)	\$ 4.52
El Marqués	19,473,723	224,688	1,713,396	8.8%	98,631	(49,590)	\$ 4.44
Querétaro Centro	3,585,693	-	200,726*	5.6%	33,089	33,089	\$ 4.82
Querétaro Norte	22,383,577	294,535	612,205*	2.7%	63,653	(41,355)	\$ 4.74
San Juan del Río	8,880,580	-	-	-	-	-	\$ -
Total	67,383,254	556,897	4,567,392	6.8%	226,480	(61,958)	\$ 4.47

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

Encouraging outlook

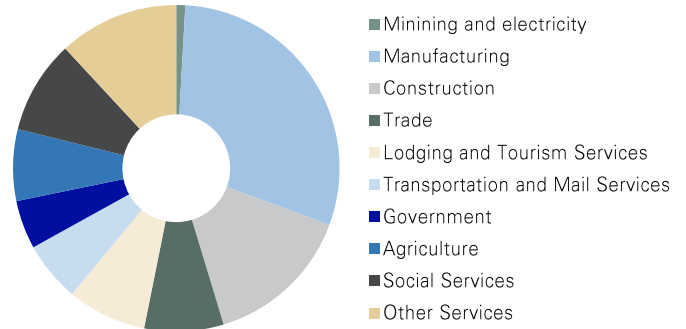
Querétaro is positioned as one of the main states to recover the formal jobs that were lost due to the health contingency caused by COVID-19, the sectors that stand out in this recovery are transportation, commerce and manufacturing industry.

Querétaro ranks as the fourth largest aircraft exporter nationwide, mainly in the commercial area, this industry was one of the most affected by the pandemic worldwide due to its dependence on tourism, therefore it is proposed to diversify the industry by targeting other sectors such as defense.

On the other hand, the automotive industry foresees a positive scenario in its production driven by the economic recovery of the Units Stats, the main destination for its exports.

Employment per Economic Sector

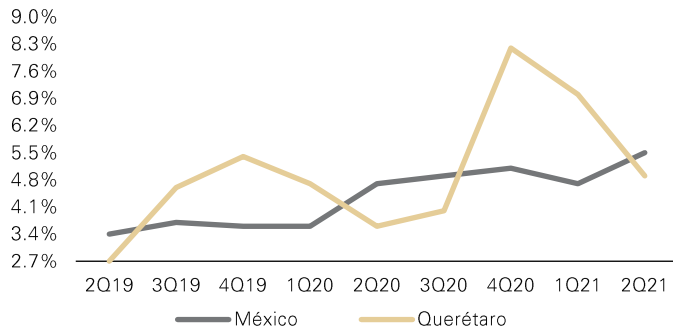
GUANAJUATO, JUNE 2021



Fuente: INEGI, ENOE

Unemployment Rate

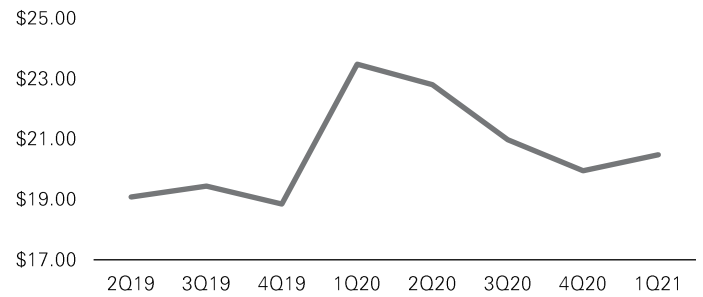
ANNUALIZED



Source: INEGI, ENOE

Exchange Rate

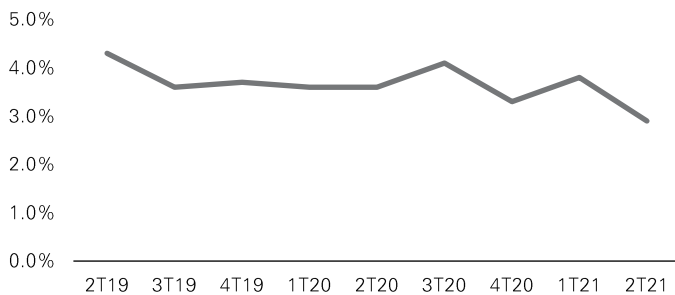
MEXICAN PESO(MXN) VS US DOLLAR (USD)



Source: Banxico

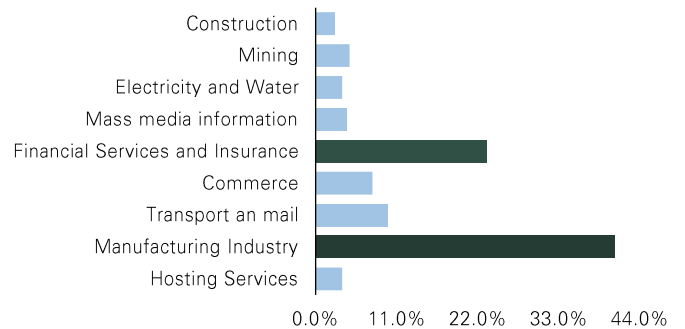
Consumer Price Index

Index Annualized



Source: Banxico

Foreign Direct Investment



Source: CEFPI

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