

# Monterrey Office Market

## Corporate Sector Recovers

During the third quarter of 2021, the vacancy rate in the Monterrey Metropolitan Area (ZMM) remained stable over the prior quarter and recorded a slight 0.2% decline over the year ago period.

The inventory of the Monterrey Metro Area was recorded at 1,326,543 square meters in 150 buildings. Most of the inventory is located in the Valle Oriente, Ricardo Margain-Gomez Morin and Santa Maria submarkets with 449,078, 289,634 and 165,093 square meters respectively. On contrast, the Apodaca, Santa Maria and San Nicolas submarkets featured an inventory of 16,060, 13,628 and 4,929 square meters, respectively.

The number of buildings under construction has declined, but the inventory remains stable. The vacancy rate is expected to continue declining gradually according to the gross absorption recorded this during the quarter compared to previous quarters and due to the reactivation of the corporate market.

### Actual Conditions

- The inventory remains stable during the third quarter of 2021 at 1,326,543 square meters.
- Gross absorption was recorded at 10,236 square meters.
- The vacancy rate hit the 25.8% mark, equivalent to 342,393 square meters.

### Market Summary

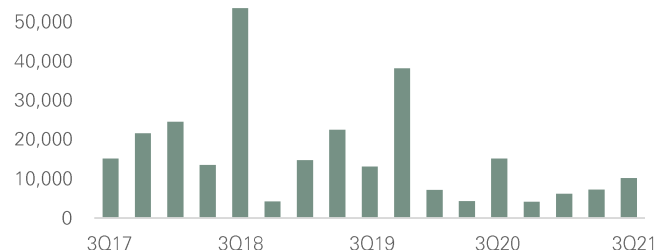
	Current Quarter	Prior Quarter	Year Ago Period	12 Month Forecast
Total Inventory (sq. M.)	1,326,543	1,326,543	1,330,855	↑
Vacancy Rate	25.8%	26.1%	26.0%	↓
Quarterly Gross Absorption (sq. M.)	10,236	7,261	15,166	↑
Average Asking Rent (MXN/sq. M./month)	\$378.26	\$379.29	\$376.14	↓
Under Construction (sq. M.)	316,289	316,289	334,930	↓

### Market Analysis

#### AVERAGE ASKING RENT AND VACANCY



#### GROSS ABSORPTION (sq. M.)



### Absorption Recovers

Built-to-suit spaces are still being preferred by tenants in the corporate market. Current absorption was recorded at 10,236.32 square meters with 20 transactions in the market. Six of these transactions correspond to spaces in shell condition—3,471.70 square meters, while the remaining 14 transactions correspond to built-to-suit spaces—6,804.62 square meters.

This quarter saw an increase in net absorption of 2,975.25 square meters, but it was still down by 4,929.33 square meters over the third quarter of 2020.

Valle Oriente submarket recorded a market share of 2,683 square meters.

The main three submarkets in terms of absorption during this quarter were:

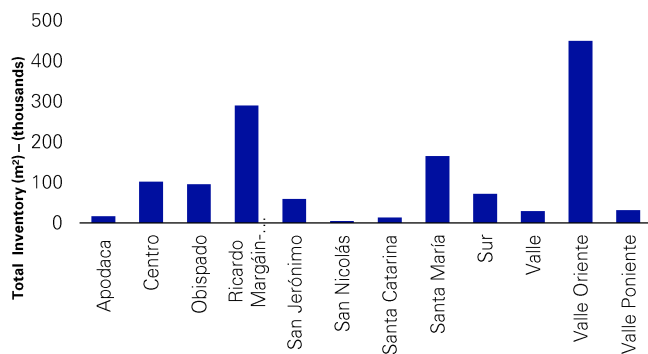
- Valle oriente: 5,557.49 m<sup>2</sup>
- Sur: 2,877 m<sup>2</sup>
- Valle: 1,035 m<sup>2</sup>

### Average Asking Rates Decline

The weighted average asking rate posted a slight decline of \$1.03 Mexican Pesos over the previous quarter, but recorded a \$2.12 Mexican Pesos increase over the 3Q20.

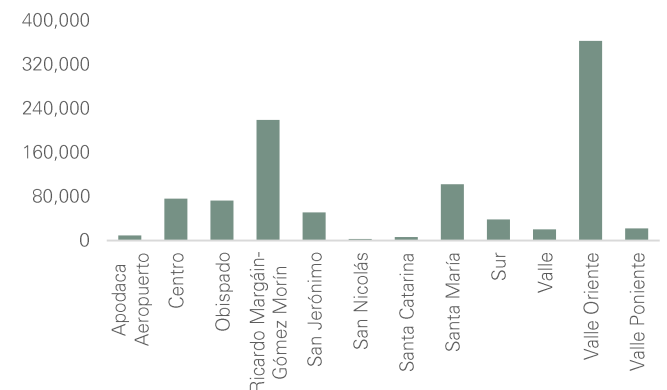
### Inventory by Submarket

TOTAL INVENTORY: 1,326,543.19 M<sup>2</sup>



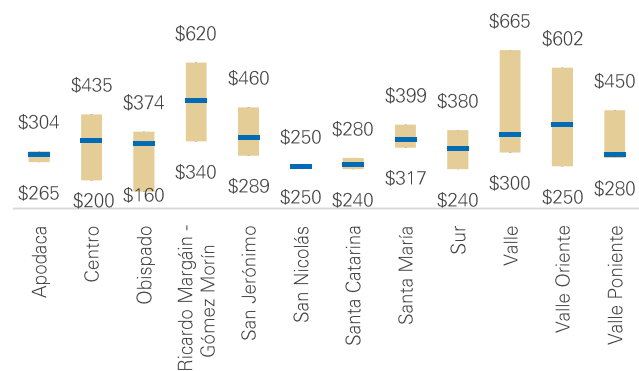
### Occupancy by Submarket

TOTAL OCCUPANCY: 984,149.78 M<sup>2</sup>



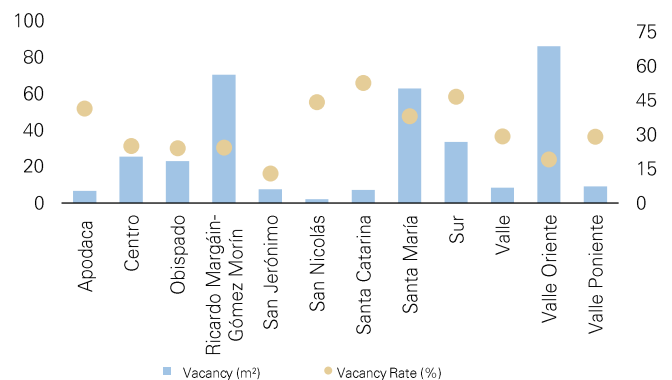
### Price Range and Average Rent

MAXIMUM AND MINIMUM PRICES



### Vacancy by Submarket

TOTAL VACANCY: 342,393.84 M<sup>2</sup>



### Statistics by Submarket

	Total Inventory (sq. M.)	Deliveries (sq. M.)	Under Construction (sq. M.)	Total Vacancy (sq. M.)	Vacancy Rate	Quarterly Gross Absorption (sq. M.)	Average Rent Price (MXN/sq.M./ month)
Apodaca	16,060			6,660	41.5%		\$290.33
Centro	101,634		118,117	25,419	25.0%		\$343.52
Obispado	95,640		6,000	23,038	24.1%		\$331.23
Ricardo Margáin – Gómez Morín	289,634		18,048	70,456	24.3%	640	\$485.21
San Jerónimo	58,733		40,142	7,578	12.9%		\$351.50
San Nicolás	4,929		5,535	2,179	44.2%		\$250.00
Santa Catarina	13,628			7,181	52.7%		\$255.09
Santa María	165,093		25,153	62,876	38.1%		\$343.96
Sur	71,891		33,032	33,529	46.6%	2,877	\$311.97
Valle	28,904		5,209	8,460	29.3%	1,035	\$364.26
Valle Oriente	449,078		65,053	85,924	19.1%	5,557	\$397.62
Valle Poniente	31,319			9,092	29.0%	127	\$292.30
<b>Total Market</b>	<b>1,326,543</b>		<b>316,289</b>	<b>342,393</b>	<b>25.8%</b>	<b>10,236</b>	<b>\$378.26</b>

## Economic Conditions

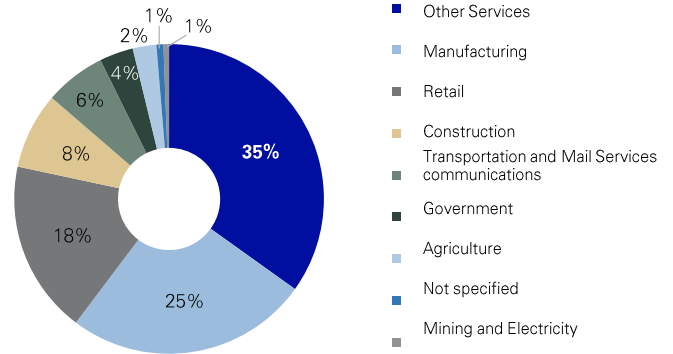
The main economic sectors in September were Services, Manufacturing and Trade and Commerce which combined for 35.0%, 25.0% and 18.0% of the economy in the region.

The Secretariat for Labor and Welfare of the State of Nuevo Leon indicated that by the end of 2Q21, the unemployment rate was recorded at 4.2% in the country and at 4.7% in the state.

The Secretariat of Economy recorded Foreign Direct Investment for \$18.43 billion USD in the second quarter of 2021. Likewise, Direct Foreign Investment in the State of Nuevo Leon was recorded at \$1.45 billion USD which accounts for 8.0% of the DFI in the country.

## Employment per Economic Sector in Nuevo Leon

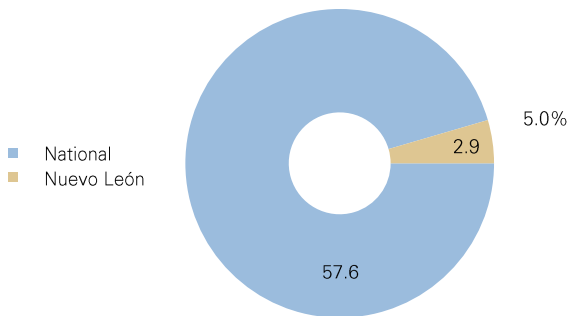
ECONOMIC SECTOR



Source: Department of Labor and Welfare (Nuevo León), September 2021

## Economically Active Population

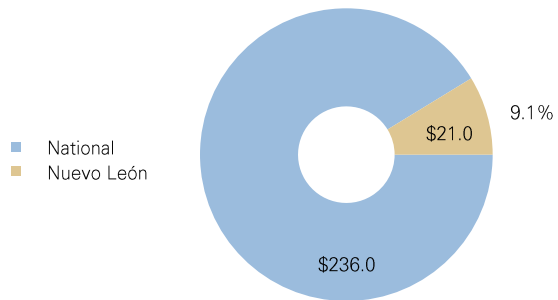
MILLION INHABITANTS



Source: Economy and Labor Department (Nuevo León), September 2021

## GDP

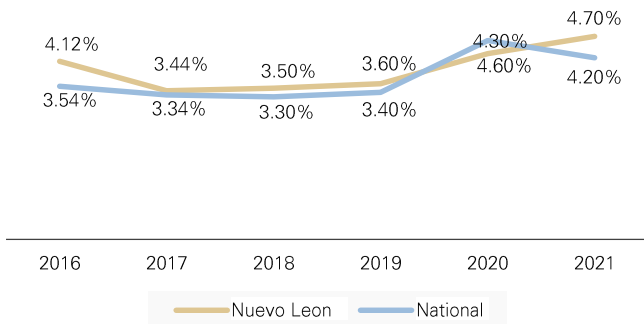
EXPORTS (Billion USD)



Source: Economy and Labor Department (Nuevo León), August 2021

## Unemployment Rate

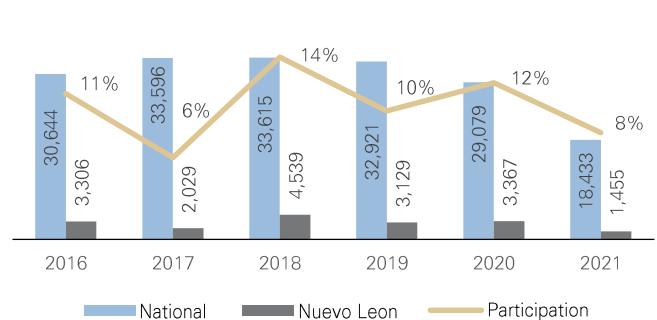
ANNUAL INDIACOR



Source: Department of Labor and Welfare (Nuevo León), September 2021

## Direct Foreign Investments

MILLION USD



Source: Economy and Labor Department 2T 2021

*For more information:*

**Monterrey**

Torre Citrus, Piso 11  
Av. Roble 660, Valle del  
Campestre, San Pedro Garza  
García, N.L. 66265  
t 52-81-8356-2020

**Alejandra González**

*Senior Market Research Analyst*  
alejandra.gonzalez@ngkf.com

**Armando de la Fuente**

*Senior Managing Director*  
armando.delafuente@ngkf.com

**Mexico City**

Corporativo Espacio Santa Fe  
Carr. México-Toluca 5420 – PH1  
Santa Fe, CDMX. 05320  
t 52 55-5980-2000

**Juan Flores**

*Market Research Director LATAM*  
juan.flores@ngkf.com

[newmark.mx](http://newmark.mx)

**NORTH AMERICA**

Canada  
United States

**LATIN AMERICA**

Argentina  
Brazil  
Chile  
Colombia  
Costa Rica  
Mexico  
Panama  
Peru  
Puerto Rico

**ASIA-PACIFIC**

Australia  
Cambodia  
China  
South Korea  
Philippines  
India  
Indonesia  
Japan  
Malaysia  
New Zealand  
Singapore  
Thailand  
Taiwan

**AFRICA**

Botswana  
Kenya  
Malawi  
Nigeria  
South Africa  
Tanzania  
Uganda  
Zambia  
Zimbabwe

**MIDDLE EAST**

Saudi Arabia  
Arab Emirates

**EUROPE**

Germany  
Austria  
Belgium  
Spain  
France  
Ireland  
Italy  
The Netherlands  
Poland  
Portugal  
United Kingdom  
Czech Republic  
Rumania  
Russia  
Switzerland

Newmark ha implementado una base de datos propia y la metodología de seguimiento ha sido revisada. Con esta expansión y refinamiento en nuestros datos, puede haber ajustes en las estadísticas históricas, incluyendo la disponibilidad, precios de renta, absorción y rentas efectivas. Nuestros reportes de mercado se encuentran disponibles en <https://research.newmark.mx/reportes-de-mercado/>

Toda información contenida en esta publicación está basada en fuentes consideradas como confiables, sin embargo, Newmark no la ha verificado y no la garantiza. El destinatario de esta información debería verificarla de manera independiente, así como toda información que reciba y que utilice para la toma de decisiones, el cual debe consultar a profesionales de su elección, incluidos sus aspectos legales, financieros, fiscales e implicaciones. El destinatario de esta publicación no puede, sin consentimiento previo por escrito de Newmark, distribuir, difundir, publicar, transmitir, copiar, transmitir, cargar, descargar, o en cualquier otra forma reproducir esta publicación o cualquiera de la información que contiene. Este documento tiene exclusivamente fines informativos y nada de su contenido pretende asesorar o recomendar estrategias específicas. No debe de ser utilizado como base para predecir el comportamiento del mercado, transacciones, estrategias de inversión, ni cualquier otro asunto.