



# Querétaro Office Market

## Availability Rising

At the close of 2021, the corporate market in the city of Querétaro continues with increases in inventory, which has produced a significant increase in available square meters of office space and a peak in the availability rate of this market.

During the first half of the year, inventory increased from 522,099 to 562,248 m<sup>2</sup>. This increase of more than 40 thousand square meters represented an increase of 7.7% in just a single period. Given the low absorption rate seen in recent periods, this influx of new space into the market resulted in a historic high in the city's corporate market availability rate, which closed at 27.4%. Thus, despite the market's good gross absorption levels during this semester (15,858 m<sup>2</sup>), quarterly net absorption registered -42,777 m<sup>2</sup>.

Projects under construction within the city still represent a significant amount of square meters (33,901 m<sup>2</sup>) that will be incorporated into the market within the next few years.

### Current Conditions

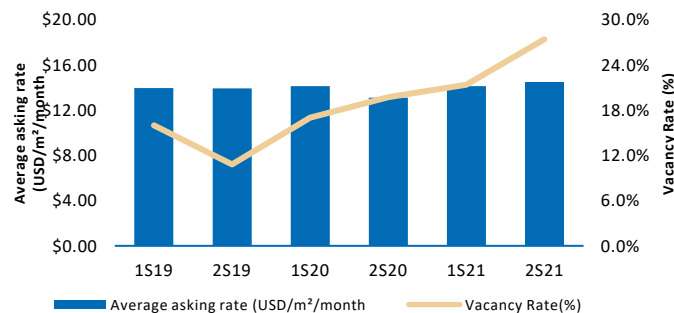
- Querétaro's office market has reached an all-time high in terms of available space and rates.
- Two new buildings have come into operation, bringing the inventory to 562,248 m<sup>2</sup>.
- The two submarkets with the highest activity were Juriquilla and Centro Sur, although they show clear signs of over-supply.

### Market Summary

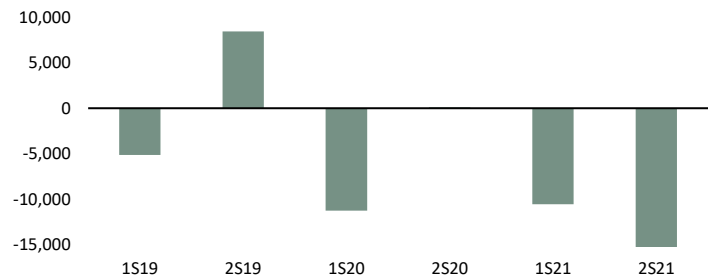
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (m <sup>2</sup> )	562,248	522,099	512,216	↑
Vacancy rate	27.4%	21.4%	19.7%	↑
Quarterly absorption (m <sup>2</sup> )	-42,777	-10,576	75	↓
Avg. asking rent (USD/m <sup>2</sup> /month)	\$14.48	\$14.13	\$13.11	↑
Under construction (m <sup>2</sup> )	33,901	54,542	105,051	↓

### Market Analysis

#### AVERAGE LEASE RATE AND VACANCY RATE



#### NET ABSORPTION (M<sup>2</sup>)



During the semester, the two most active corridors were Juriquilla and Centro Sur. In the former, a new building of 37,250 sq. m. was added to the inventory, which represented a 52% increase in the cost-effective area of that submarket, while in Centro Sur there was a minor addition of 2,899 sq. m.

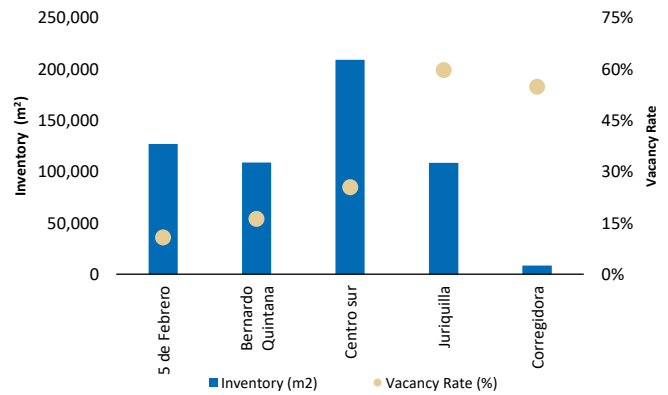
In addition, these two sites in the city had the highest gross absorption, with a combined total of 11,016 m<sup>2</sup>, which represented almost 70% of the occupied surface area of the entire Querétaro market during the first half of the year.

Despite this, these two corridors have high levels of availability. Juriquilla is the submarket with the largest amount of available square meters in the market (64,913m<sup>2</sup>) and has an availability rate of 59.7%, a figure that speaks of an undeniable over-supply. Centro Sur has 53,267 m<sup>2</sup> available with an availability rate of 25.5%. Together, these corridors account for more than 76% of all available square meters in Querétaro.

On the other hand, the 5 de Febrero corridor is the one with the best stability conditions. Despite being the second largest submarket in the city, it is the only one that shows no signs of over-supply. It has only 13,655 m<sup>2</sup> available, accounting for 10.8% of its total inventory. It is also the corridor with the least area under development.

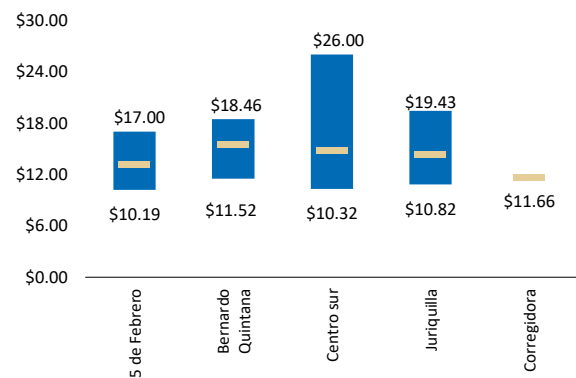
### Vacancy per Submarket

TOTAL VACANCY: 154,198 m<sup>2</sup>



### Average Asking Rates Range

MINIMUM AND MAXIMUM ASKING RATES



### Submarket Stats

	Total Inventory (m <sup>2</sup> )	Deliveries (m <sup>2</sup> )	Under construction (m <sup>2</sup> )	Total Vacancy (m <sup>2</sup> )	Vacancy Rate (%)	Total Activity (m <sup>2</sup> )	Net Quarterly Absorption (m <sup>2</sup> )	Average Asking Rate (USD/m <sup>2</sup> /month)
5 de Febrero	127,006		2,135	13,655	10.8%	2,274	2,274	\$13.18
Bernardo Quintana	109,009		7,396	17,699	16.2%	2,568	2,568	\$15.50
Centro sur	208,994	2,899	7,595	53,267	25.5%	6,143	-1,622	\$14.84
Juriquilla	108,737	37,250	16,775	64,913	59.7%	4,873	-45,997	\$14.40
Corregidora	8,502			4,665	54.9%	0	0	\$11.66
<b>Total Mercado</b>	<b>562,248</b>	<b>40,149</b>	<b>33,901</b>	<b>154,198</b>	<b>27.4%</b>	<b>15,858</b>	<b>-42,777</b>	<b>\$14.48</b>

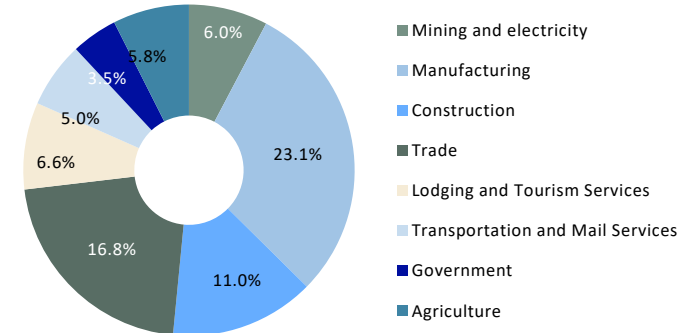
### Querétaro in a state of recovery

Following the effects of the pandemic, Querétaro's economy remains in the process of recovery. For this reason, the State has presented a plan to stimulate the economy whose main objective is to generate conditions to reactivate the economic flow and the generation of jobs. It is based on promoting investment and job creation in large industrial and commercial projects.

The manufacturing industry presented an important increase in its annual economic activity, with 45.5%. On the other hand, the labor force in Querétaro that was lost during the confinement has begun to rebound at the end of the fourth quarter, which increased the employment rate of the Economically Active Population.

### Employment per Economic Sector

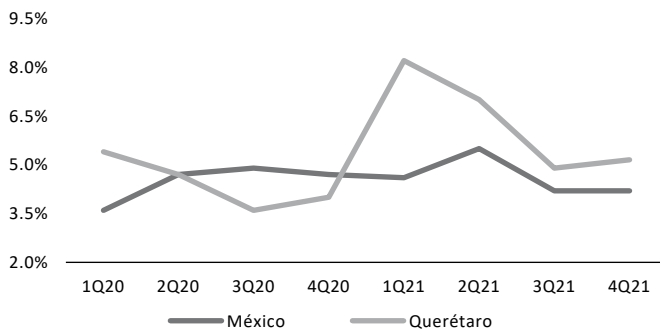
QUERÉTARO



Source: INEGI, ENOE

### Unemployment Rate

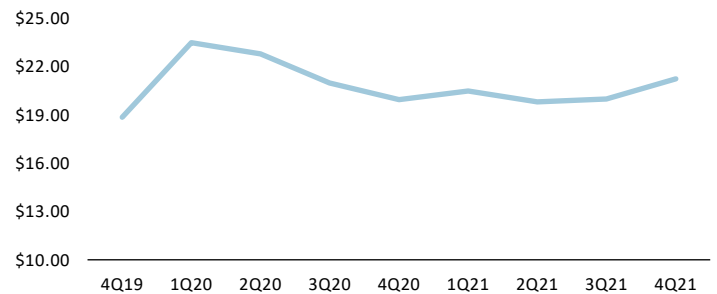
ANNUAL INDICATOR



Source: INEGI, ENOE

### Exchange Rate

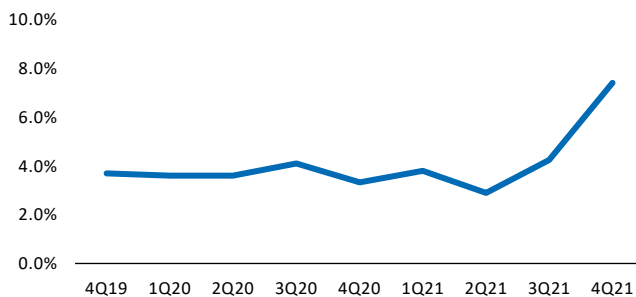
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

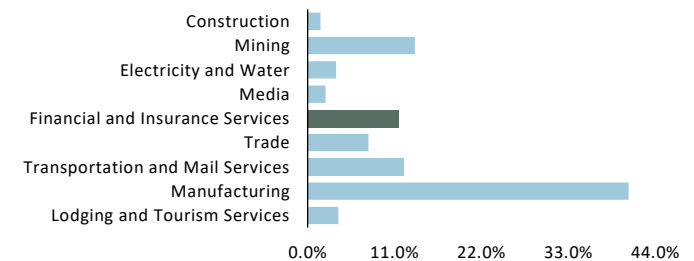
### Consumer Price Index

ANNUAL INDICATOR



Source: Banxico

### Foreign Direct Investment



Source: CEFP

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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://nmrk.lat/reportes-de-mercado/>

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