

# Guadalajara Metropolitan Area Industrial Market

## High Industrial Demand

During the first quarter of 2022, the Guadalajara Metropolitan Area showed important movements in industrial activity. These movements stand out mainly due to the existing demand derived from the scarcity of industrial spaces in the area.

Throughout the quarter, the corridor that contributed practically all movement was El Salto, with market activity of almost 1.5M SF. Such activity comes from construction additions to the existing stock, as well as gross absorption of almost 540,000 SF.

Of the total operations in Guadalajara's industrial market, 92% relates to logistics activity, while the remaining 8% corresponds to the food sector, whose activity responds to manufacturing.

On the other hand, market availability is also focused on the El Salto corridor, which gives the other submarkets the opportunity to resume the planning and construction of new industrial parks.

### Current Conditions

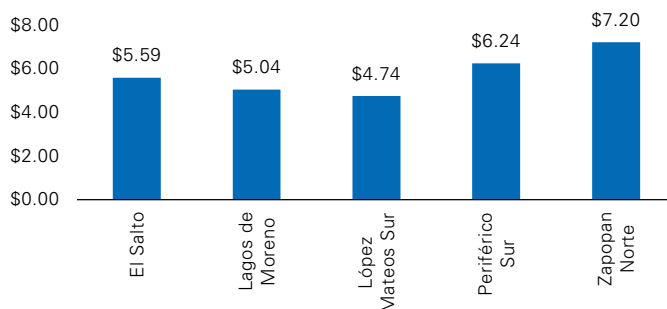
- Class A industrial inventory was at just over 55 million square feet in the first quarter of 2022.
- Construction decreased compared to Q4 2021, amounting to 828 thousand square meters.
- The availability rate in the Guadalajara Metropolitan Area remained constant compared to Q4 2021.

### Market Summary

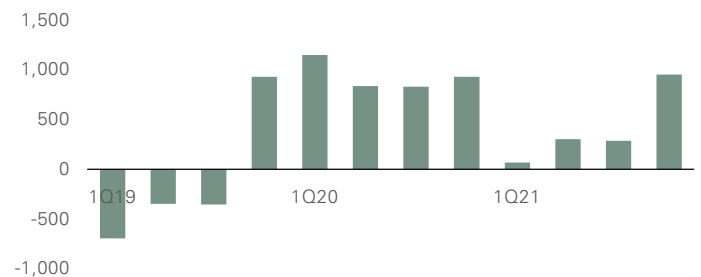
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	55.7 M	54.4M	53.7 M	↑
Vacancy rate	1.6%	1.6%	4.30%	→
Quarterly absorption (SF)	0.5 M	1.0 M	68,341	→
Average asking rent (USD/SF/year)	\$6.15	\$5.73	\$5.16	↑
Under construction (SF)	0.8 M	1.7 M	2.9 M	→

### Market Analysis

#### AVERAGE ASKING RATE



#### NET ABSORPTION (Thousand SF)



### General Price Increase

Due to the growing market demand, the increase in the weighted prices of the Guadalajara Metropolitan Area has shown a general increase. As of 2018, prices in the Metropolitan Area had increased by around 3% per year; however, prices compared to Q1 2021 have shown an almost 8% increase. These increases respond, not only to the high inflationary levels of recent months, but also to the visible decrease in available market spaces.

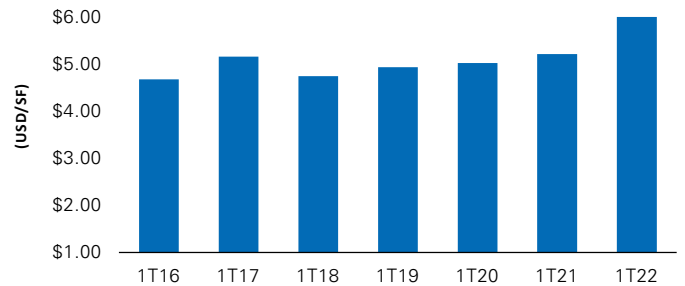
### Construction Decreases in El Salto

Construction in the quarter had a significant drop, from 1.7M SF to 828,000 SF, which is mainly given by the El Salto corridor.

Of the six corridors in which the market of the Guadalajara Metropolitan Area is currently zoned, the markets of Zapopan Norte and El Salto are the only ones that show industrial parks under construction. However, each corridor shows 430,000 SF under construction, which does not meet the current market demand.

### Asking Rates Range

AVERAGE ASKING RATE (USD/SF/Year)



### Industrial Park Under Construction

Industrial Park	Status
Prologis Park El Salto	Under Construction
Vesta Park Guadalajara	Under Construction
Panorama Industrial El Salto	Under Construction
Cpa Guadalajara Technology Park	Project

### Submarket Stats

	Total Inventory (Million SF)	Under Construction (Million SF)	Total Vacancy (Million SF)	Vacancy Rate	Activity (Million SF)	Absorption (Million SF)	Asking Rate (USD/SF/year)
Zona Industrial	1.9	-	-	-	-	-	-
El Salto	21.6	0.4	0.4	1.8%	1.4	0.5	\$5.59
Lagos de Moreno	2.7	-	0.1	2.0%	-	-	\$5.04
López Mateos Sur	5.0	-	0.1	-	-	-	-
Periférico Sur	8.9	-	0.1	1.1%	-	-	\$6.24
Zapopan Norte	15.7	-	0.3	1.7%	-	-	\$7.20
<b>Total</b>	<b>55.7</b>	<b>0.8</b>	<b>0.9</b>	<b>1.6%</b>	<b>1.4</b>	<b>0.5</b>	<b>\$6.15</b>

## Jalisco Resilient

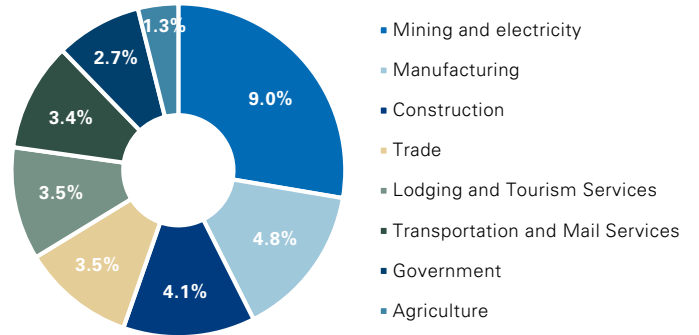
It is not news that the state of Jalisco is one of the main economic centers of the country. In recent years, it has positioned itself as one of the markets with the greatest contribution to the Gross Domestic Product.

The reasons for the Jalisco boom are varied; however, the diversified economy of the area, as well as the expansion of the export sector, are the main drivers of this boom.

Unlike conservative growth numbers nationwide, the state estimates recovery levels higher than the national average.

## Employment per Economic Sector

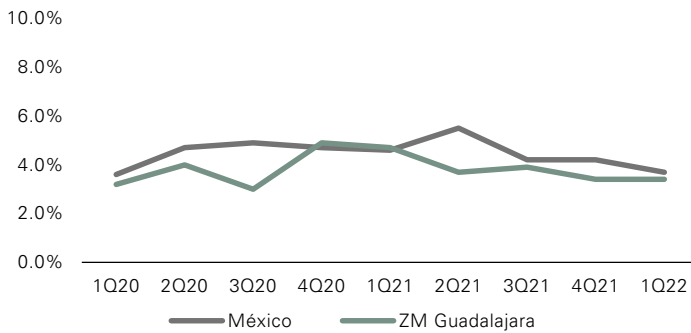
GUADALAJARA, MARCH 2022



Source: INEGI, ENOE

## Unemployment Rate

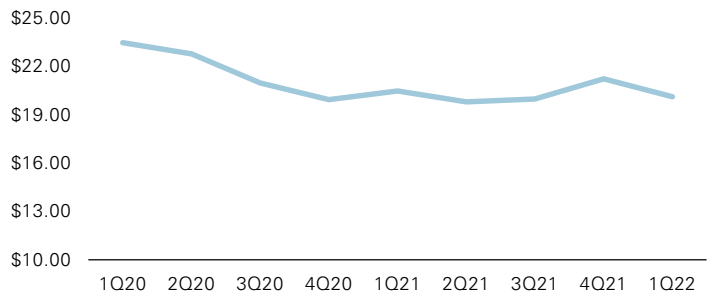
ANNUAL INDICATOR



Source: INEGI, ENOE

## Exchange Rate

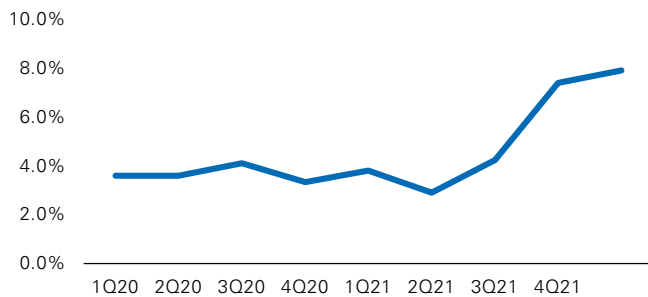
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

## Consumer Price Index (CPI)

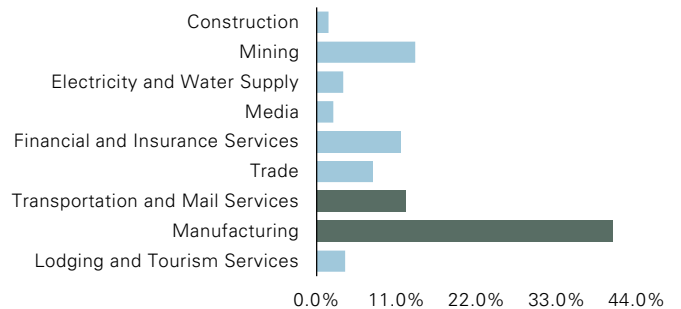
ANNUAL INDICATOR



Source: Banxico

## Foreign Direct Investment

PERCENTAGE



Source: CEFP

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