



Guanajuato Industrial Market

Gradual recovery in the market began

After a year of uncertainty post-pandemic, the recovery in the industrial market in Guanajuato is now becoming visible. The significant growth in the activity and investments in key sectors in most of the submarkets are some of the factors that has influenced in the economic recovery.

This increase in activity resulted in an decrease in the availability rate, which went from 5.0% to 4.5%. The submarkets that registered a higher activity during this quarter were Apaseo, Irapuato, San José Iturbide and Silao. Net absorption reached 300 thousand square feet and this performance is expected to detonate construction projects.

Key sector investments and construction projects

For the beginning of the year, the expansion and construction of the expansion and construction of buildings related to the supply and direct manufacturing of the automotive sector. On the other hand, a new industrial project was announced, which includes the construction of the Orient Business Park on a 10-hectare area.

Current Conditions

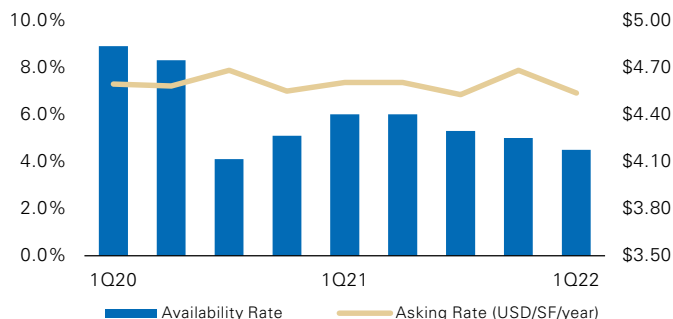
- Class A industrial inventory registered 87.8 million square feet by the end of the first quarter of 2022.
- The asking price had a decrease compared to the previous quarter.
- Compared to the previous quarter, the availability rate decreased from 5.0% to 4.5%.

Market Summary

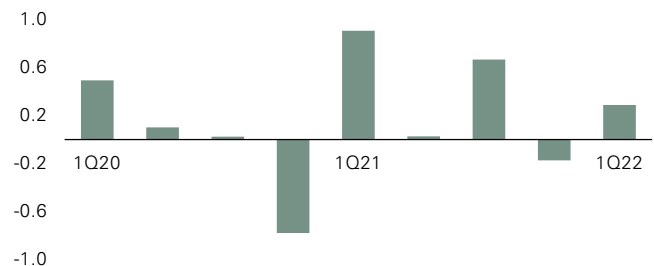
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	87.8M	87.8M	87.0M	→
Vacancy rate	4.5%	5.0%	6.0%	↓
Quarterly absorption (SF)	0.3 M	-0.2 M	-0.9 M	↑
Average asking rent (USD/SF/year)	\$4.54	\$4.68	\$4.60	→
Under construction (SF)	1.0 M	1.0 M	0.8 M	→

Market Analysis

AVERAGE LEASE RATE AND VACANCY RATE



NET ABSORPTION (MILLION SF)



The role of construction works for the stabilization of the industrial market

By 2022, the industrial inventory is expected to increase due to construction projects left undeveloped during 2021.

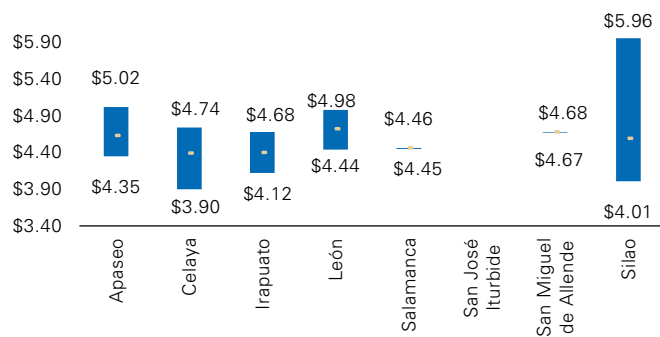
During the fourth quarter, the corridor that advanced this trend was Leon, where more than 592,000 SF of industrial facilities under construction will be delivered by the end of 2022. On the other hand, the incorporation of new industrial facilities was recorded in Leon during the previous quarter. These additions participated in the market movements, where percentage increases in absorption values from the third quarter to the fourth quarter were 14%.

In absolute terms, the highest absorption values were reported in the San Miguel de Allende and Celaya corridors. Even with the general slowdown in investment inflows, the state's industrial market remains dynamic. During year-end 2021, corridors with low market activity showed high absorption values.

The growth for industrial infrastructure development in the San José Iturbide and San Miguel de Allende corridors is expected to increase. Evidence of this is the announcement of an investment of US \$15 million in an area of 60 hectares for the installation of the WorldPort Industrial Park in San José Iturbide.

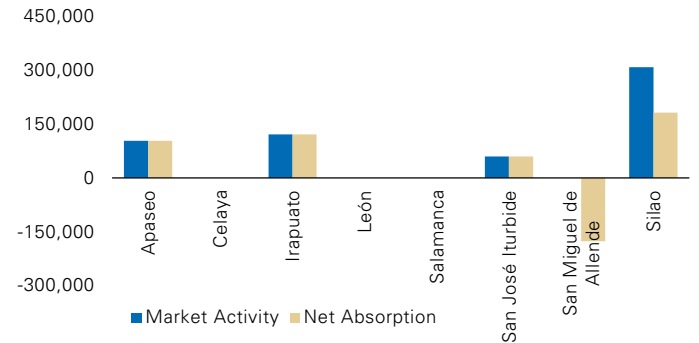
Average Asking Rates Range

AVERAGE ASKING RATES (USD / SF / YEAR)



Net Absorption and Activity per Submarket

NET ABSORPTION AND MARKET ACTIVITY (SF)



Market Summary

	Total Inventory (Million SF)	Under Construction (Million SF)	Total Vacancy (Million SF)	Vacancy Rate	Gross Absorption (Million SF)	Net Absorption (Million SF)	Asking Rate (USD/SF/year)
Apaseo	7.1	0.1	0.7	10.6%	0.1	0.1	\$4.66
Celaya	12.7	0.1	0.5	4.1%	-	-	\$4.30
Irapuato	16.5	0.0	0.3	2.1%	0.1	0.1	\$4.37
León	9.6	0.5	0.5	4.8%	-	-	\$4.67
Salamanca	4.3	0.0	0.2	4.7%	-	-	\$4.46
San José Iturbide	9.4	-	-	-	-	-	-
San Miguel de Allende	2.0	0.1	0.2	9.0%	-	-0.2	\$4.68
Silao	26.3	-	1.6	5.9%	0.3	0.2	\$4.55
Total	87.8	0.9	4.0	4.5%	0.6	0.3	\$4.54

Conditions that boost industrial sector trust

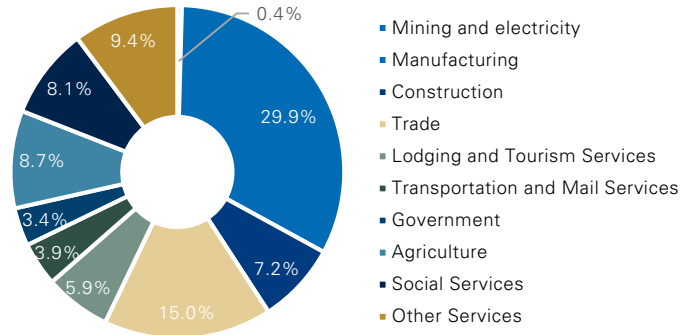
Growth in the industrial sector is expected to benefit from the post-pandemic economic recovery. According to the industrial activity indicator of México, it showed a slight growth with respect to December 2021.

The total value of exports from Guanajuato indicates that 68% of the share is related to products for the transportation equipment manufacturing. Other relevant sectors are plastic and rubber manufacturing, as well as the food industry.

The unemployment rate continues its downward trend in Guanajuato, whereas the unemployment rate for the country increased. And lastly, while the Mexican currency is gaining strength relative to the U.S. dollar, consumer prices are rising.

Employment per Economic Sector

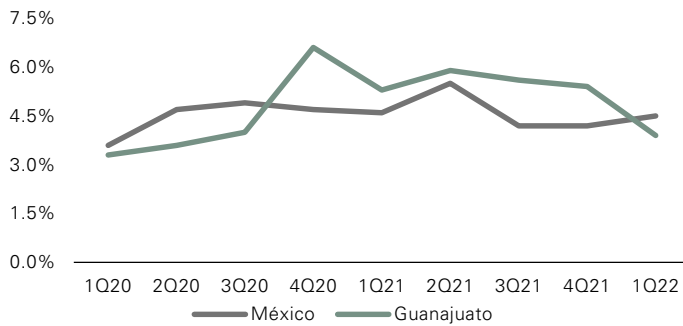
GUANAJUATO, MARCH 2022



Source: INEGI, ENOE

Unemployment Rate

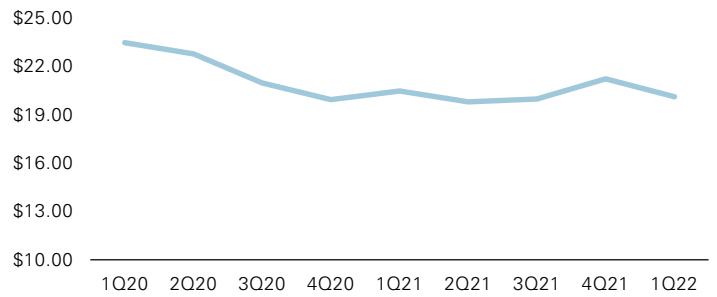
ANNUAL INDICATOR



Source: INEGI, ENOE

Exchange Rate

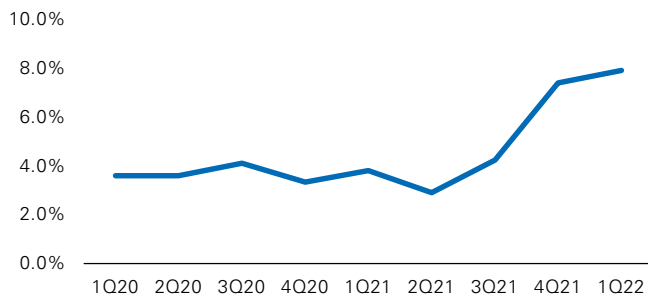
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

Consumer Price Index (CPI)

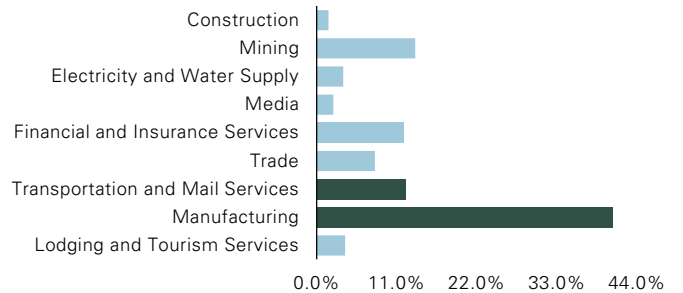
ANNUAL INDICATOR



Source: Banxico

Foreign Direct Investment

PERCENTAGE



Source: CEFP

RESEARCH 1Q 2022

For further information:

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@nmrk.com

Fernando Lara

Market Research Analyst
Fernando.Lara@nmrk.com

newmark.mx

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