



Guadalajara Metropolitan Area Industrial Market

Increasing prices of industrial land

The sustained demand for spaces, both existing and under construction, caused a decrease in vacancy to reach historically low levels in the last quarter. Consequently, according to municipal authorities in the Guadalajara metropolitan area, it is expected that the land reserved for this application will deplete in 5 years. The El Salto submarket displayed growth three times larger than in the previous quarter by construction volume.

New parks and incoming investments overcome infrastructure development

By the end of 2022, there were definitions on the infrastructure requirements for 2023. Vesta Park Guadalajara, Xtra Industrial Park Guadalajara, Parque Industrial Cortijo I, and Kampus Ixtlahuacán de los Membrillos are new parks under construction or development. Some of the projects to address the construction of new parks are the public bid for the reuse of water in El Ahogado basin, broadband on industrial land, and the inauguration of the Guadalajara-Colima highway.

Current Conditions

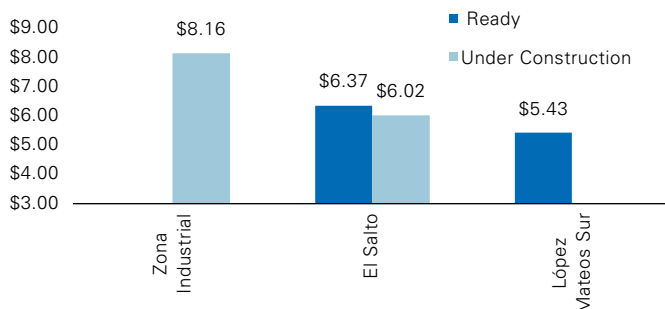
- Class A industrial inventory closed with 57.6 million square feet by the fourth quarter of 2022.
- Construction increased at a constant rate, reaching 3.3 million square feet.
- The vacancy rate in the Guadalajara MA continues decreasing, closing at 0.3%.

Market Summary

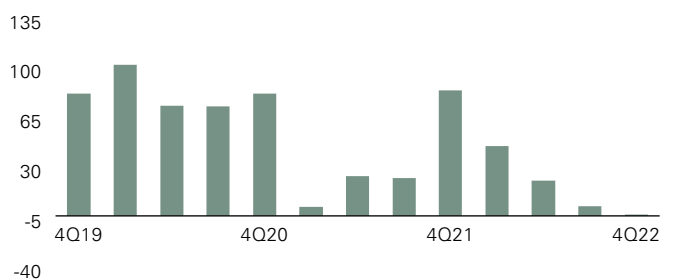
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	57.6M	56.3M	54.4M	↑
Vacancy rate	0.3%	0.5%	1.6%	↓
Quarterly absorption (SF)	922	72,872	941,280	↑
Average asking rent (USD/SF/year)	\$5.91	\$6.30	\$5.73	↑
Under construction (SF)	3.3M	2.0M	1.7M	↑

Market Analysis

ASKING PRICE (USD / SF / YEAR)



NET ABSORPTION (Millions SF)



Demand focuses on spaces under construction

El Salto submarket had the highest volume of industrial spaces constructed, which also had the strongest demand pressure for industrial spaces. It was observed that 93% of closings in the speculative industrial space market pertained to spaces under construction. This behavior will be evident on the total figures of activity in the first quarter of 2023, with several spaces being removed and entering the market already occupied. The López Mateos Sur submarket is preparing for the second stage of Molex, thereby strengthening the presence of the automotive industry in the state.

Macroeconomic conditions, Chip Act and Nearshoring drive the industrial boom

The industrial dynamics in Guadalajara city displayed a flow of investments pertaining to the arrival of large businesses involved in industries such as beverage and tobacco, manufacturing of electronic and automotive devices, all defined by direct foreign investment. Jalisco state, and its capital, has become more appealing due to favorable macroeconomic conditions, including episodes of instability in Europe and the post-pandemic crisis in semiconductors, that foster the relocation of funds. The US and Mexico governments have plans to realize such investments.

Main Industrial Park Under Development

Industrial Park	Sub-market	Status	Delivery date
Kampus Santa Rosa	El Salto-Aeropuerto	Under Construction	march & june 2023
Parque Industrial San Jorge	El Salto-Aeropuerto	Under Construction	february 2023
Vesta Park Guadalajara II	El Salto-Aeropuerto	Under Construction	october 2023
FlexPark El Salto	El Salto-Aeropuerto	Under Construction	february 2023
Xtra Industrial Park Guadalajara*	El Salto-Aeropuerto	Under Construction	march 2023
Centro Logístico Jalisco	López Mateos Sur	Under Construction	april 2023
Parque Pinar Empresarial	Zapopan Norte	Under Construction	january 2023

* New

Market Summary

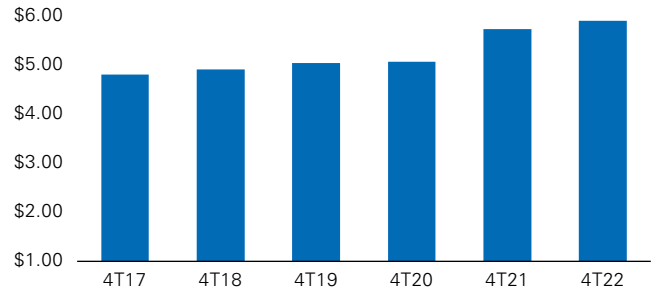
	Total Inventory (Millions SF)	Under Construction (Millions SF)	Total Vacancy (Thousands SF)	Vacancy Rate	Gross Absorption (Thousands SF)	Net Absorption (Thousands SF)	Accumulative Absorption (Thousands SF)	Asking Rate (USD/SF/year)	Asking Rate Under Construction (USD/SF/year)
Zona Industrial	1.9	0.1	-	-	-	-	-	-	\$8.16
El Salto	22.3	2.4	76.1	0.3%	448.3	106.9	470.1	\$6.37	\$6.02
López Mateos Sur	5.9	0.5	72.5	1.2%	937.5	-	59.1	\$5.43	-
Periférico Sur	9.0	-	-	-	-	-	183.5	-	-
Zapopan Norte	15.7	0.3	-	-	-	-	261.6	-	-
Total	54.8	3.3	148.6	0.3%	1,385.9	106.9	974.2	\$5.91	\$6.54

Prices stabilized by the end of year

Closings on existing spaces and moderation in the face of uncertain economic conditions in the new year explain why there was a slight decrease in industrial space prices. Even the prices for spaces under construction are being revised. Therefore, price hikes are expected, albeit in a more stable pace, because the economic conditions and demand in the industrial market will build up gradually, even if investments are announced.

Historical Asking Price

ASKING PRICE (USD / SF / year)

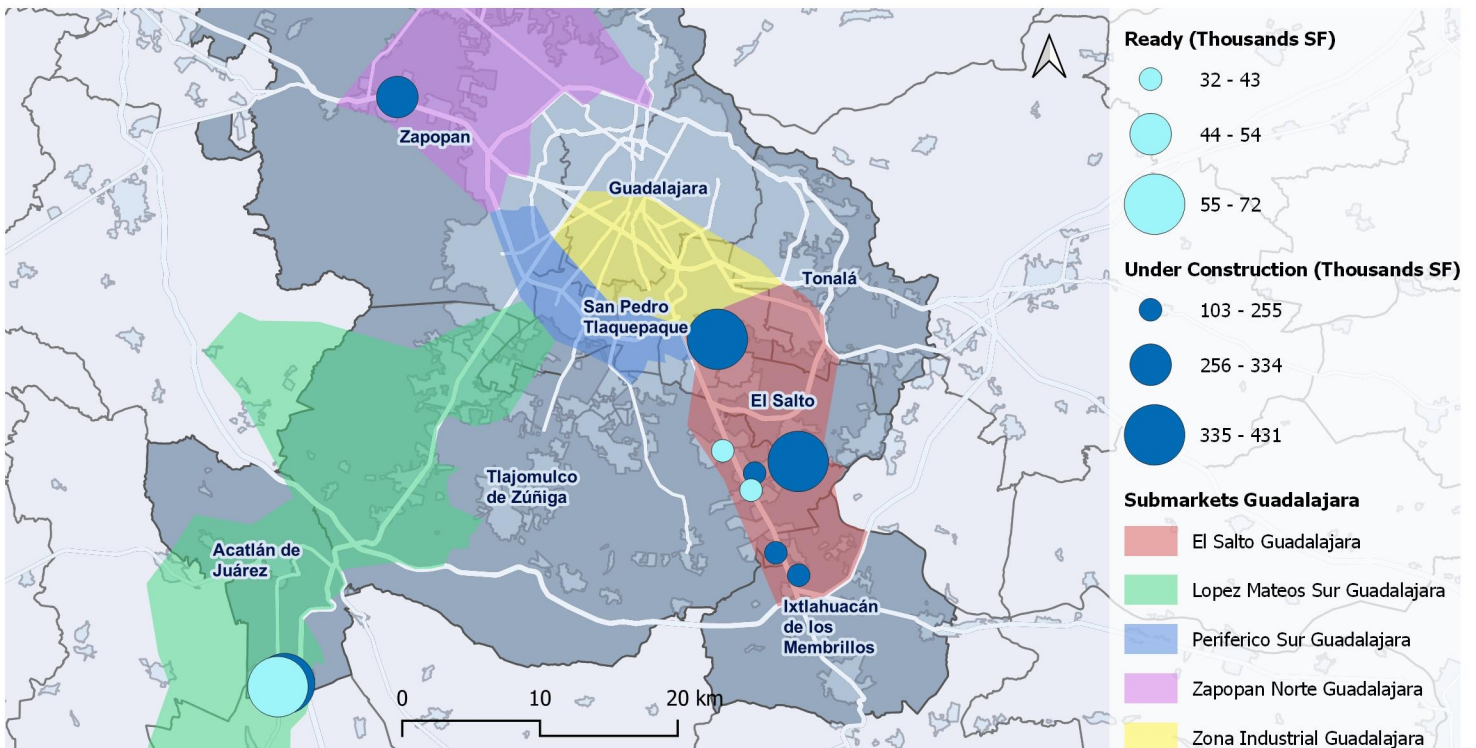


Market Summary

	Total Inventory (Millions SF)	Under Construction (Millions SF)	Total Vacancy (Thousands SF)	Vacancy Rate	Gross Absorption (Thousands SF)	Absorption (Thousands SF)	Asking Rate (USD/SF/year)	Asking Rate Under Construction (USD/SF/year)
Lagos de Moreno	2.8	-	53.5	1.9%	-	-	152	*

* Nave en venta

Availability by Submarket

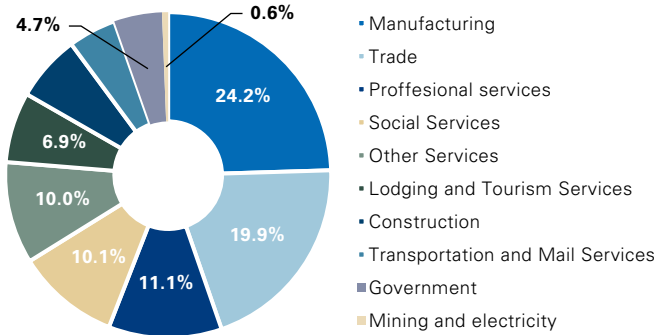


Investments on industrial economy also favors other sectors

Investment in the industrial sector translated into an expansion of job openings by the end of year. This indicator was also linked to a positive increase in the number of locals employed in the construction and agriculture sectors. In addition to observing favorable economic conditions, such as a stable exchange rate versus the US dollar and a stop to the soaring inflation. These circumstances enable sustained investments in the industrial sector, which continued growing as of the end of year.

Empleo por Sector de la Actividad Económica

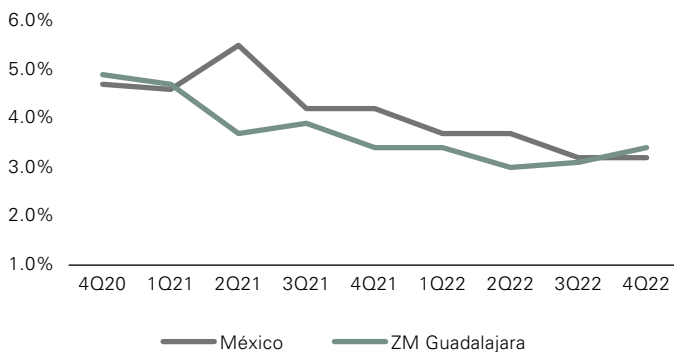
ZONA METROPOLITANA GDL, DECEMBER 2022



Fuente: INEGI, ENOE

Unemployment Rate

ANNUAL INDICATOR



source: INEGI, ENOE

Exchange Rate

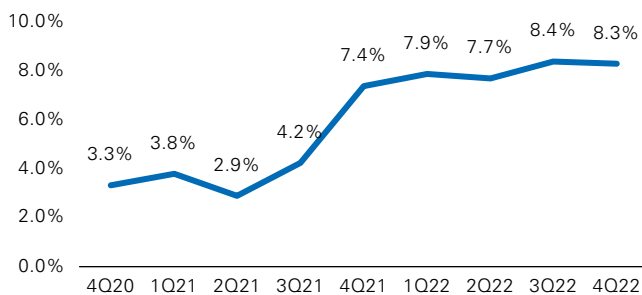
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

Consumer Price Index (CPI)

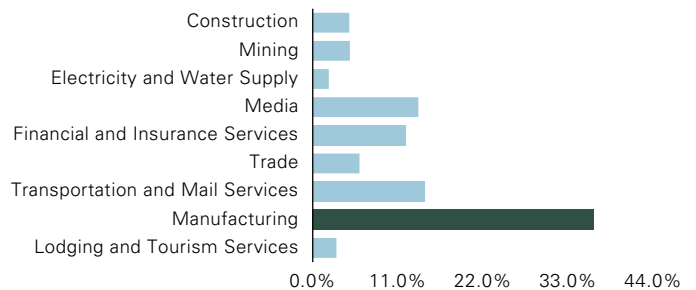
ANNUAL INDICATOR



Source: INEGI, INPC

Foreign Direct Investment

PERCENTAGE



Source: CEFPI

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