



Guanajuato Industrial Market

Year-end with high expectations

At the end of 2022, an increase in net absorption values turned drove the decrease in the availability rate. The conditions that made an attractive closing was the stabilization of prices throughout the year. On the other hand, although construction area decreased by 30% against last quarter, new industrial expansions have been announced for early next year. Such was the case of the arrival of manufacturing and logistics companies during they year, which found opportunities in strategic location, as well as competitive options.

Sale of industrial portfolios in Apaseo

At the end of the year, two investment operations between industrial developers were observed. *Advance Real Estate* and *BTS Development* sold part of its inventory located in Apaseo. For the other side, Guanajuato closes with investments of more than 2 billion dollars and a continuous increase in the value of its exports. The growing of industrial sector is expected to continue by 2023, and Manufacturing sectors are expected to strengthen their presence through soon-to-be-initiated expansions.

Current Conditions

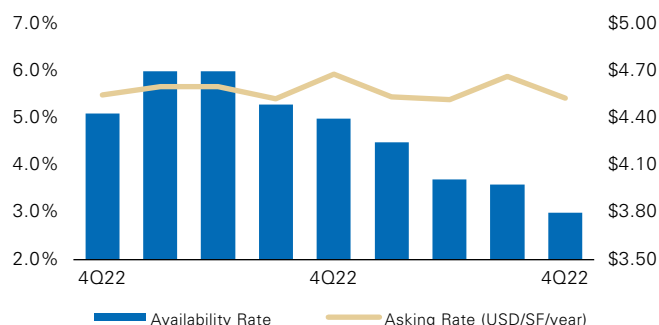
- Class A industrial inventory consists of 89.8 million square feet at the end of the fourth quarter.
- There was a decrease in average asking lease prices compared to the previous quarter.
- The availability rate dropped from 3.6% to 3.0% between the third and fourth quarters of 2022.

Market Summary

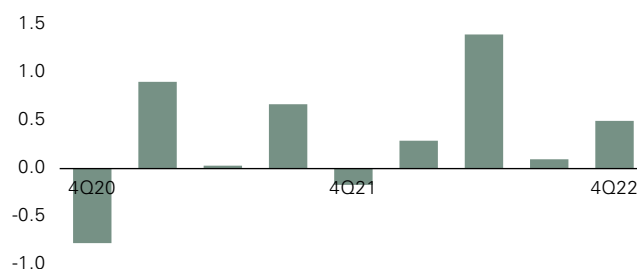
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	89.8M	88.5M	87.8M	↑
Vacancy rate	3.0%	3.6%	5.0%	↓
Quarterly absorption (SF)	0.5M	0.1M	-0.2 M	↑
Average asking rent (USD/SF/year)	\$4.52	\$4.54	\$4.60	→
Under construction (SF)	0.9M	1.2M	1.0 M	→

Market Analysis

AVERAGE LEASE RATE AND VACANCY RATE



NET ABSORPTION (Millions SF)



Maximum prices increase per submarket

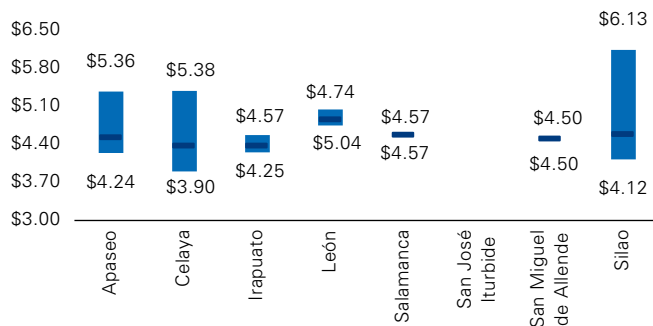
The net absorption area was driven by competitive prices of Guanajuato's submarket. At the end of the fourth quarter, the submarkets with increases in their maximum prices were Apaseo, Celaya, Irapuato and León. The drops in prices for the rest submarkets were explained by the exit of inventory with high prices. The main characteristics and competitive location of warehouses are the best qualities in the market.

Manufacturing and logistics companies increase their presence

Investments by manufacturing and logistics played an important role in transactions throughout the year. Investments and expansions in automotive, electronics, food, plastic, metalworking and textile sectors stand out. During the next year, companies will continue to strengthen their presence. For this reason, BTS-oriented transactions will continue to drive industrial inventory growth.

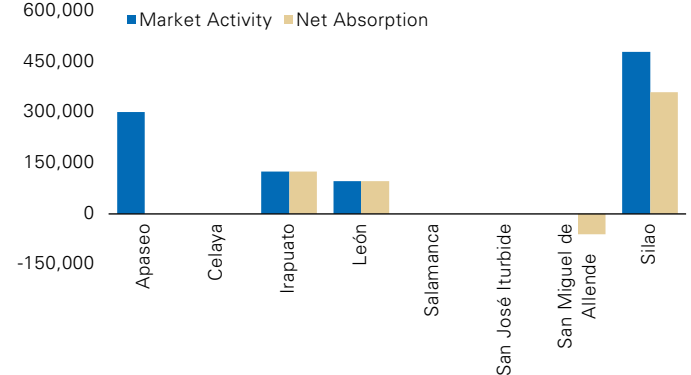
Average Asking Rates Range

AVERAGE ASKING RATES (USD / SF / Year)



Net Absorption and Activity per Submarket

NET ABSORPTION AND MARKET ACTIVITY (SF)



Market Summary

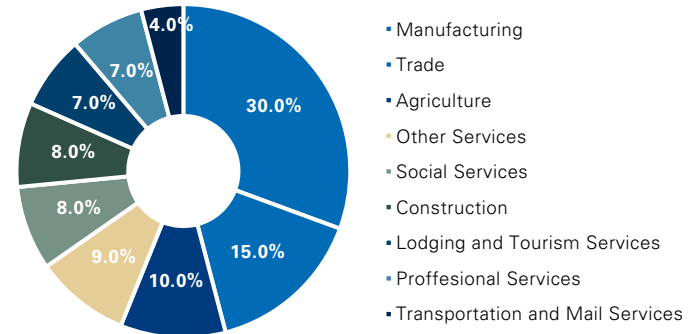
	Total Inventory (Millions SF)	Under Construction (Thousand SF)	Total Vacancy (Thousand SF)	Vacancy Rate	Activity (Thousand SF)	Absorption (Thousand SF)	Absorption (Thousand Year-To-Date SF)	Asking Rate (USD/SF/year)
Apaseo	8.1	107.6	524.0	6.5%	301.4	-	275.7	\$4.53
Celaya	12.7	103.3	381.2	3.0%	-	-	-	\$4.37
Irapuato	16.5	-	242.8	1.5%	125.1	125.1	214.9	\$4.37
León	10.0	592.0	115.8	1.2%	97.8	97.8	745.9	\$4.85
Salamanca	4.3	-	285.2	6.6%	-	-	59.5	\$4.57
San José Iturbide	9.4	-	-	-	-	-	59.8	-
San Miguel de Allende	2.2	68.4	61.0	2.8%	-	61.0	175.8	\$5.02
Silao	26.5	-	1,082.5	4.1%	479.1	360.0	866.2	\$4.58
Total	89.8	871.4	2,692.5	3.0%	1,003.4	521.8	2,397.8	\$ 4.53

Automotive subsector increases export value

The transportation equipment manufacturing accounts 70% of the value of Querétaro exports. Its growth will continue and is expected to strengthen with the presence of complementary manufacturing companies. From the foreign direct investment, 97% came from automotive.

Employment per Economic Sector

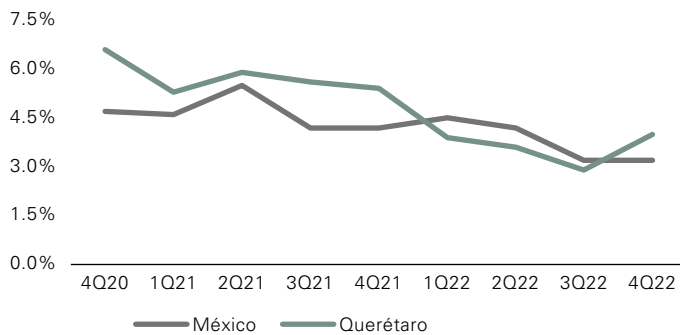
GUANAJUATO, DECEMBER 2022



Source: INEGI, ENOE

Unemployment Rate

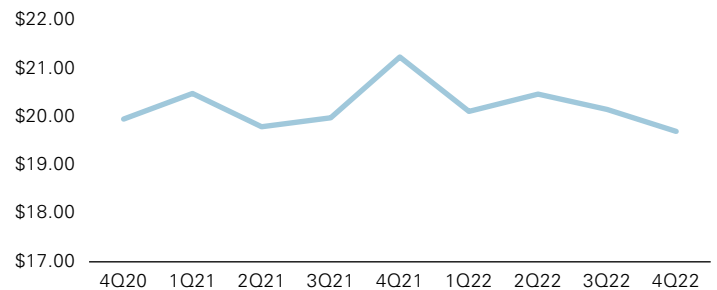
ANNUAL INDICATOR



Source: INEGI, ENOE

Exchange Rate

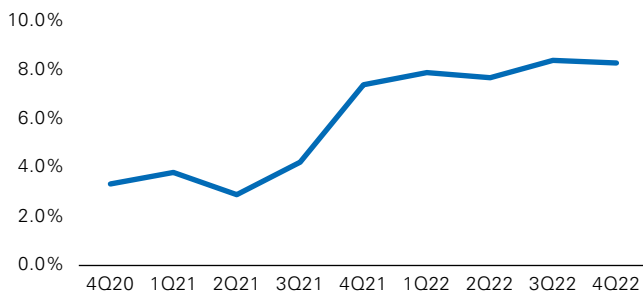
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

Consumer Price Index (CPI)

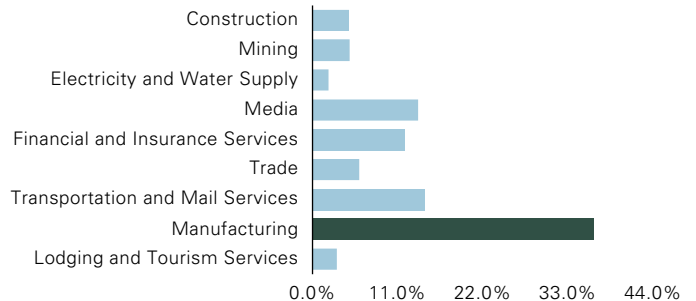
ANNUAL INDICATOR



Source: Banxico

Foreign Direct Investment

PERCENTAGE



Source: CEFPI

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