



Querétaro Office Market

Recovery step by step

During the second half, Queretaro city displayed some improvement in the office market, going from a negative net absorption of -4,502m² to 28,499m². This trend was caused by a gross absorption that is still growing, as it went from 5,762m² in the first half to 32,136m² in the second half.

Overall, the asking prices increased, with variations above 5%. The average asking price for the whole city closed the year at \$15.84 USD/m²/month. Only the Centro Sur submarket decreased by a total of -4.6%.

The vacancy rate decreased for over 5 percent compared to the previous half of the year. However, there is still a surplus in the Queretaro markets, as there are still approximately 115 thousand vacant square meters, which represent 20.7% of the total inventory of Class A and A+ offices.

During this half, there were no reports of new construction projects entering the existing inventory. Therefore, the measure of more than 11,000 m² of offices under construction remains valid. These are located on the 5 de Febrero and Bernardo Quintana submarkets.

Current Conditions

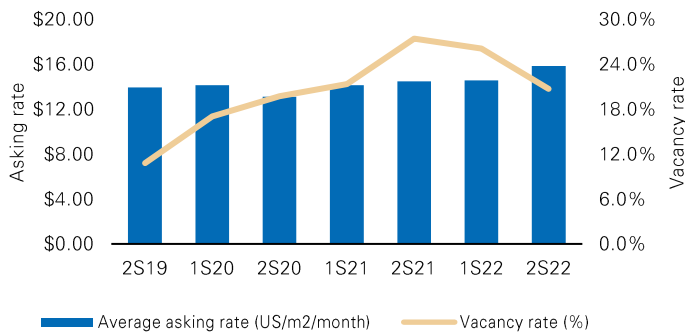
- The vacancy rate decreased to 20.7%.
- There was some improvement observed in net absorption, going from -4,502 to 28,499m² during this half.
- The asking prices increased and the average asking price closed at \$15.84 USD/m²/month.

Market Summary

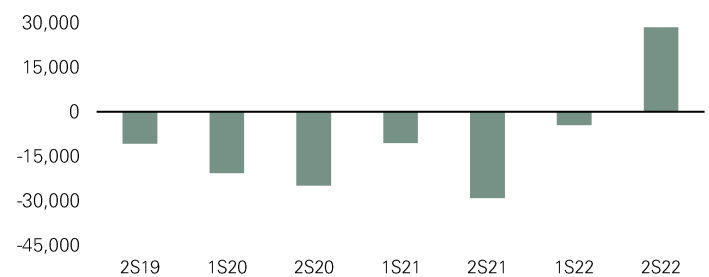
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (m ²)	554,274	554,274	562,248	↑
Vacancy rate	20.7%	26.1%	27.4%	↓
Quarterly absorption (m ²)	28,499	-4,502	-42,777	↑
Average asking rent (USD/m ² /month)	\$15.84	\$14.56	\$14.48	↑
Under construction (m ²)	11,128	11,128	33,901	↑

Market Analysis

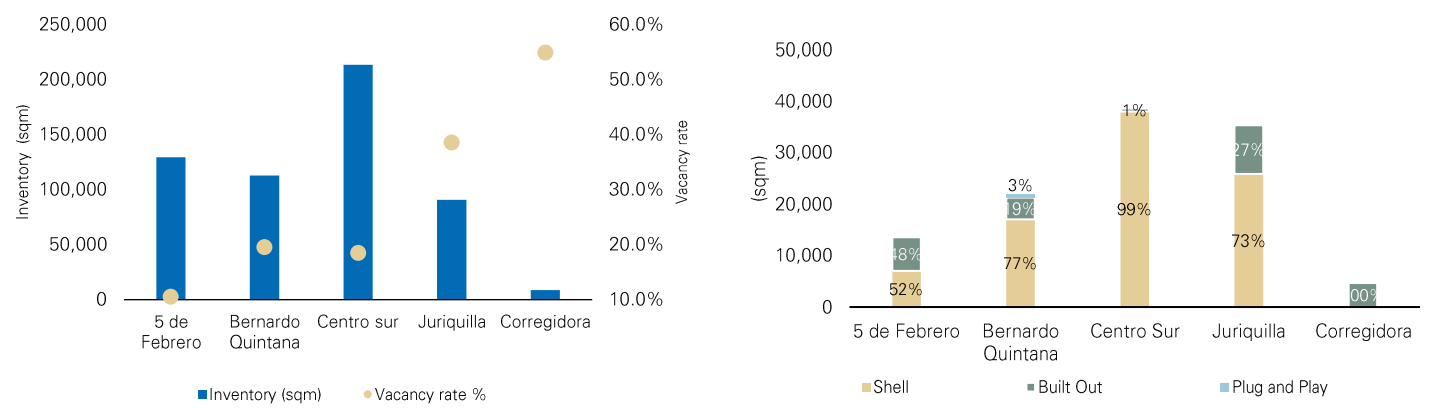
AVERAGE LEASE RATE AND VACANCY RATE



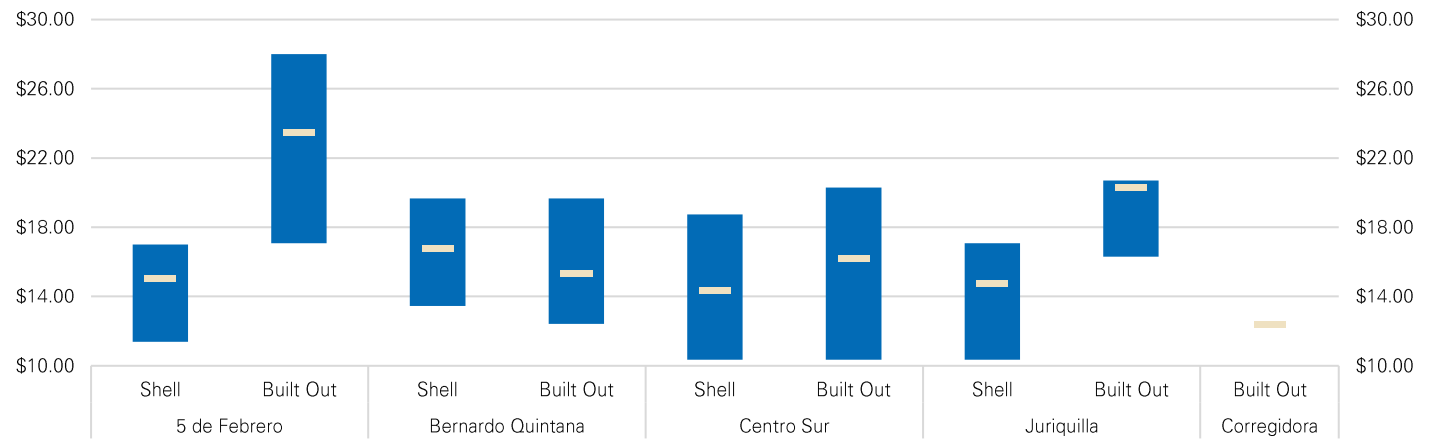
NET ABSORPTION (M²)



Vacancy per Submarket **Available Space by Condition**



Average Asking Rates Range



Submarket Stats

	Total Inventory (m²)	Deliveries (m²)	Under construction (m²)	Total Vacancy (m²)	Vacancy Rate (%)	Total Activity (m²)	Net Quarterly Absorption (m²)	Average Asking Rate (USD/m²/month)
5 de Febrero	129,141			13,575	10.5%	3,281	463	\$19.11
Bernardo Quintana	112,805			22,018	19.5%	3,632	2,947	\$16.49
Centro sur	213,183		7,595	39,361	18.5%	9,963	9,830	\$14.40
Juriquilla	90,643		3,533	34,911	38.5%	15,259	15,259	\$16.22
Corregidora	8,502			4,665	54.9%			\$12.42
Totals	554,274		11,128	114,530	20.7%	32,136	28,499	\$15.84

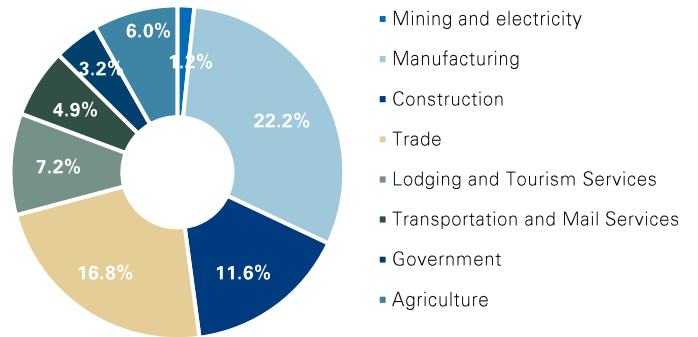
Querétaro is one of the most appealing states for foreign investment due to its strategic location and infrastructure, but also because it shows great dynamism with the arrival of new businesses and manufacturing industries. For those reasons, Querétaro was considered the fifth state by the total contribution to improve the national economic output.

According to figures observed in the last months, Querétaro changed for the better, growing 5.2% versus the year prior.

In the recent GDP growth, the predominant activities are on the secondary and tertiary sectors, whereby manufacturing and trade remain the activities that create the most jobs. These results have allowed for a low unemployment rate in the state.

Employment per Economic Sector

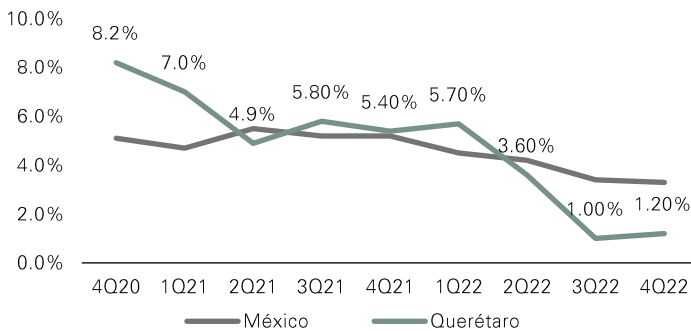
MEXICO CITY AND METROPOLITAN AREA, 4Q2022



Source: INEGI, ENOE

Unemployment Rate

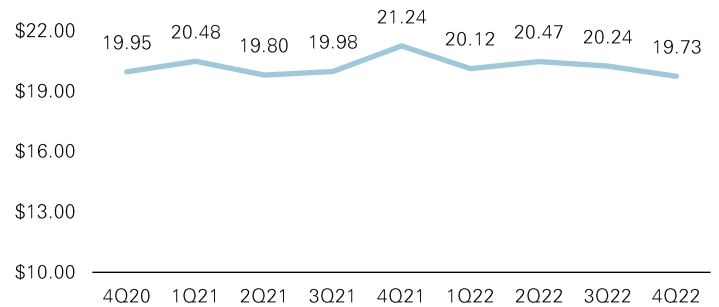
ANNUAL INDICATOR



Source: INEGI, ENOE

Exchange Rate

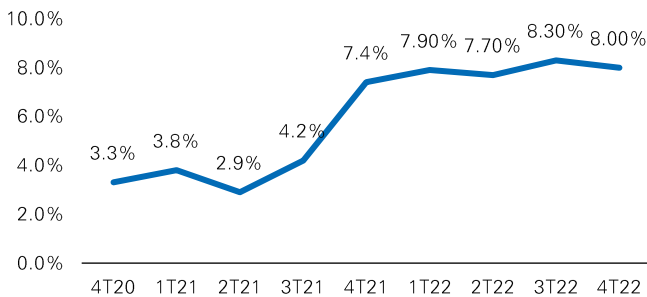
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

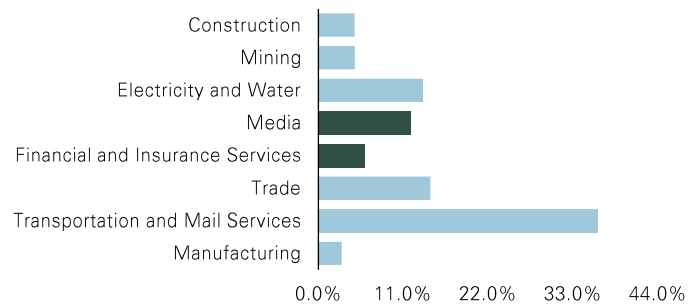
Consumer Price Index

ANNUAL INDICATOR



Source: Banxico

Foreign Direct Investment



Source: CEFP

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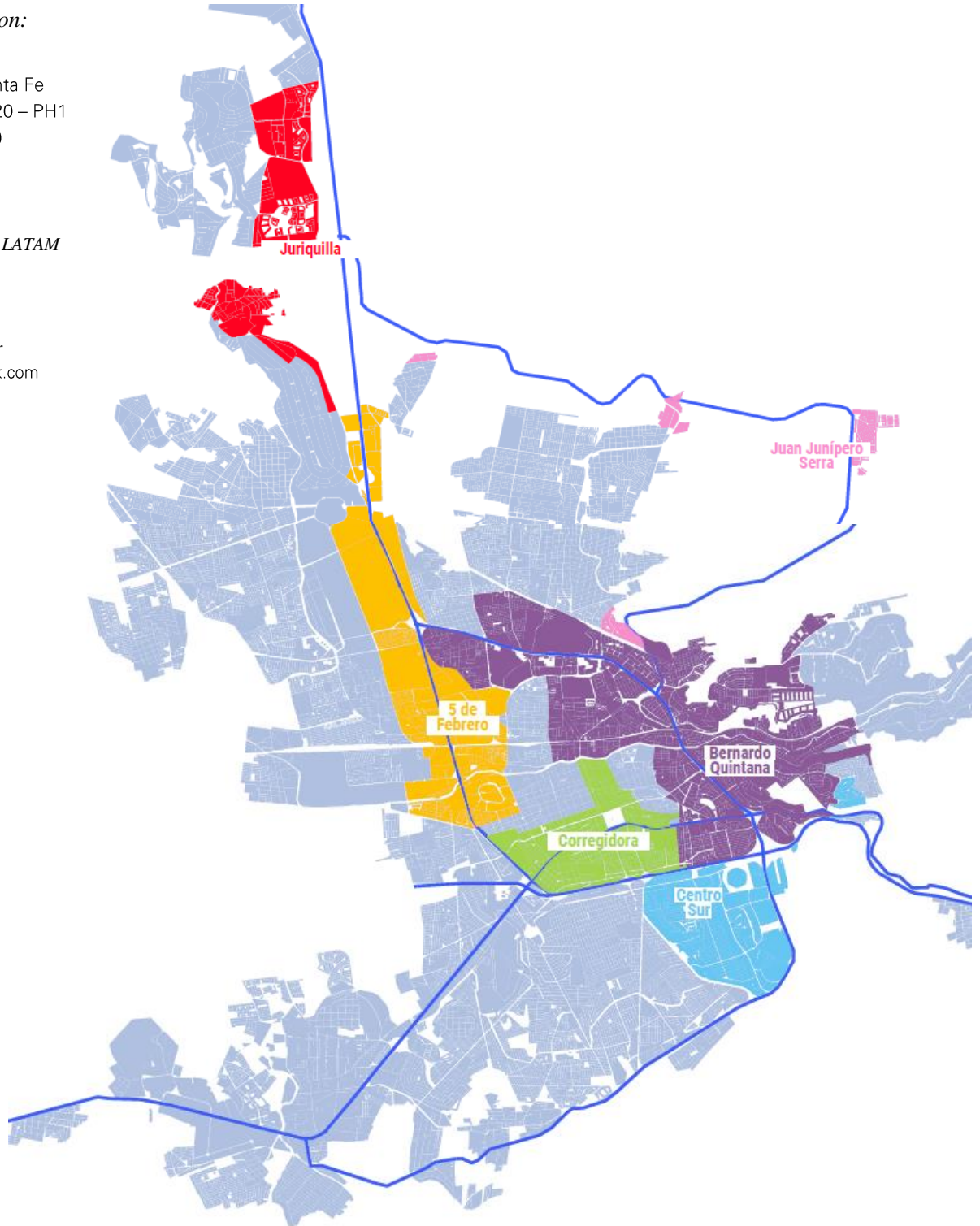
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Newmark ha implementado una base incluyendo la disponibilidad, precios de renta, absorción y rentas efectivas. Nuestros reportes de mercado se encuentran disponibles en <https://nmrk.lat/reportes-de-mercado/>

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