



Guadalajara Metropolitan Area Industrial Market

Nearshoring Enhances the Industrial Market

The construction area of industrial spaces increased 5% versus the previous quarter and previous year, driven by the demand that resulted in a drop in vacancy. On the other hand, there was an increase in the vacancies that resulted in net negative absorption totals. Finally, the market continues moving towards the opening of new completely occupied spaces. In this manner, the asking prices and gross absorption figures adjusted upwards compared to the trend during the year prior.

State Government Focuses its Policies to Address Investments Attracted by Nearshoring

Considering the challenge represented by the arrival of companies engage in highly specialized global supply chains, the Jalisco government announced the *Jalisco Tech Hub Act*. With a budget of 2,290 million pesos, 72% will be used to develop professional skills among the population, 5% for tax incentives, and 23% for the territorial reserve as well as the power and water infrastructure.

Current Conditions

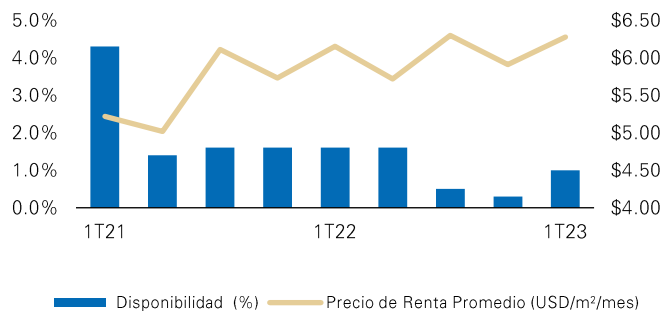
- The class A industrial inventory grew 2% versus the previous quarter and 5% versus the previous year.
- Construction keeps a trend of continuous growth.
- The vacancy in the Guadalajara Metropolitan Area increased versus the previous quarter, although it was lower than the year prior.

Market Summary

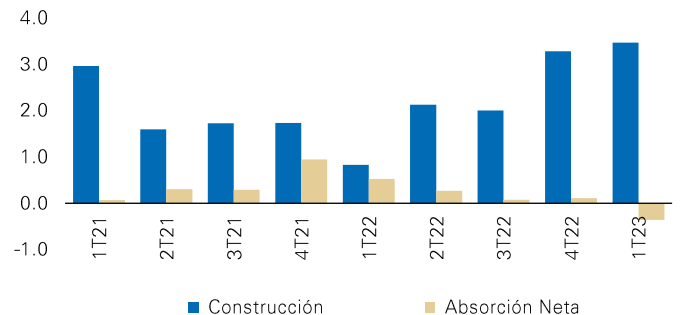
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	58.9M	57.6M	52.8M	↑
Vacancy rate	1.0%	0.3%	4.3%	↓
Quarterly absorption (SF)	-362,944	922	68,341	↑
Average asking rent (USD/SF/year)	\$6.28	\$5.91	\$5.22	↑
Under construction (SF)	3.5M	3.3M	3.0M	↑

Market Analysis

VACANCY RATE AND ASKING PRICE



UNDER CONSTRUCTION AND NET ABSORPTION (Millions SF)

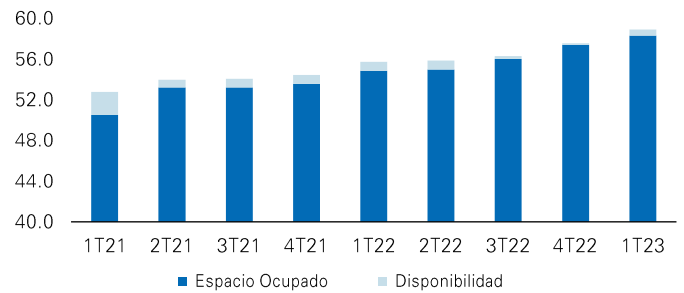


Nearshoring Fosters a Hybrid Model for the Development of the Industrial Market

The market of speculative spaces continues substituting for a hybrid model oriented towards the development oriented to *build to suit spaces*. The closing of leases for industrial spaces is executed since the planning or construction phase, which allows for the negotiation of adaptations required by the new investors. This contributed to a marked trend of less vacant area, which remained constant throughout last year.

Inventory Evolution

MILLON SF



Main Industrial Park Under Development

Industrial Park	Sub-market	Status	Delivery date
Kampus Santa Rosa	El Salto-Aeropuerto	Construcción	june 2023
Parque Industrial San Jorge	El Salto-Aeropuerto	Planeado	july 2023
Vesta Park Guadalajara II	El Salto-Aeropuerto	Construcción	october 2023
Roca El Salto*	El Salto-Aeropuerto	Construcción	may 2023
Xtra Industrial Park Guadalajara	El Salto-Aeropuerto	Construcción	april 2023
Centro Logístico Jalisco	López Mateos Sur	Construcción	april 2023
FINSA Jalisco El Salto*	El Salto-Aeropuerto	Construcción	may 2023

* New

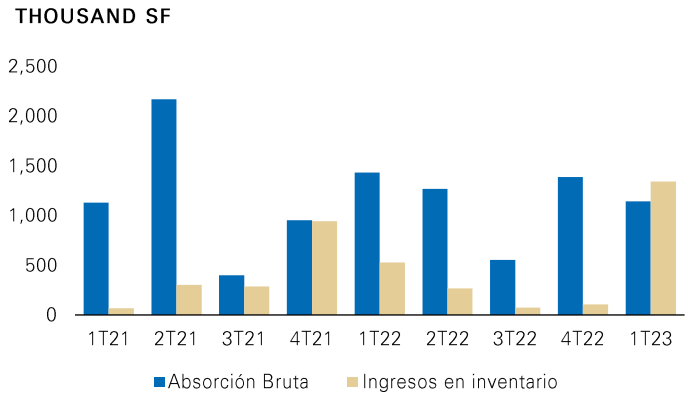
Market Summary

	Total Inventory (Millions SF)	Under Construction (Millions SF)	New Supply (SF)	Total Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Asking Rate (USD/SF/year)	Asking Rate Under Construction (USD/SF/year)
Zona Industrial	1.9	0.1	-	30,860	1.7%	-	-30,860	\$7.45	\$8.16
El Salto	23.4	2.5	1,063,290	423,434	1.8%	863,650	-332,134	\$6.34	\$6.30
López Mateos Sur	5.9	0.9	-	72,474	1.2%	-	-	\$5.43	-
Periférico Sur	9.0	-	-	-	-	-	-	-	-
Zapopan Norte	16.0	-	278,120	-	-	278,120	-	-	-
Total	58.9	3.5	1,341,410	580,298	1.0%	1,141,770	-362,994	\$6.28	\$6.38

Market Closings Related to the Nearshoring Phenomenon

Businesses related to the global nearshoring phenomenon demand wide surfaces of new industrial spaces. During the last year, the number of class A leases that were equal to or more than half of the total area of an industrial space represented 60% of all closings. As of the first quarter of 2023, the gross absorption surface of occupied new spaces represented 96%.

Gross Absorption & New Supply

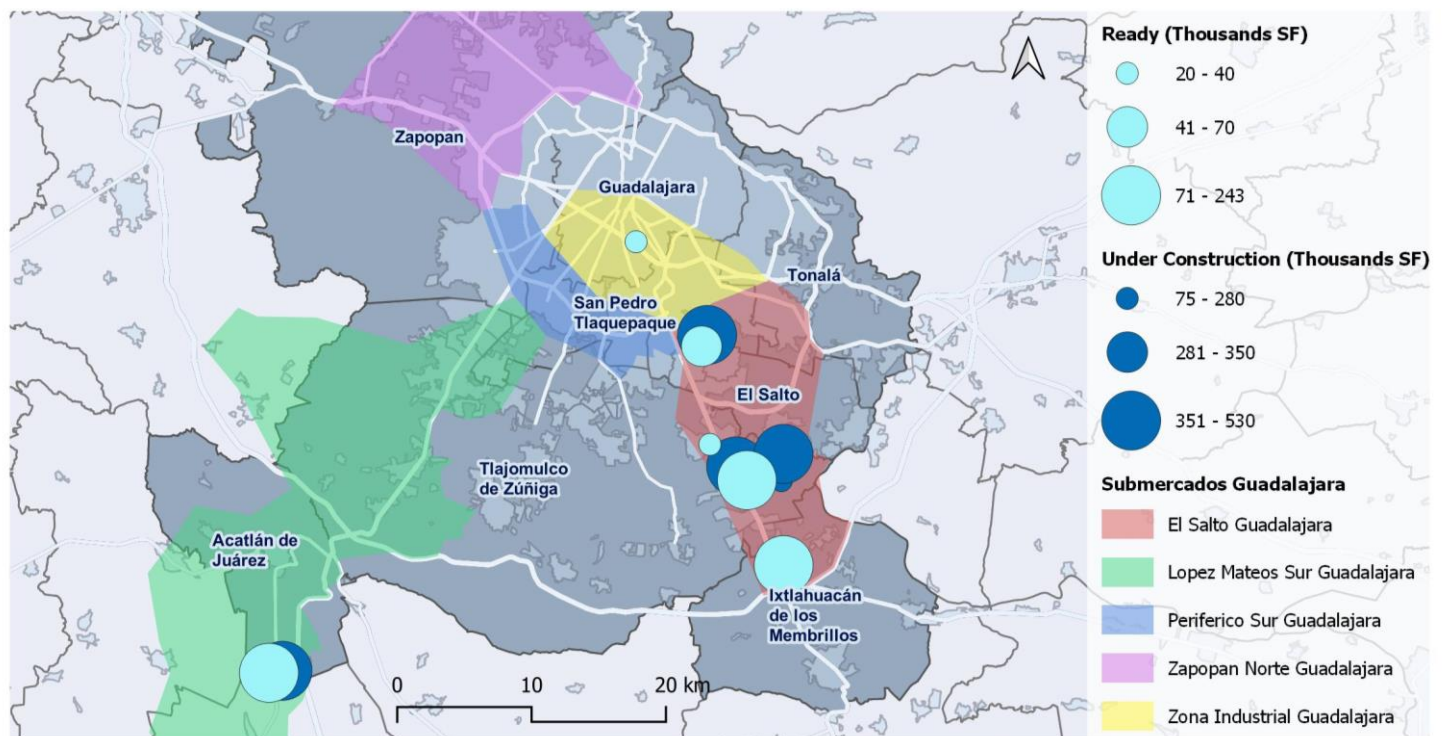


Market Summary

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

* For sale

Availability by Submarket



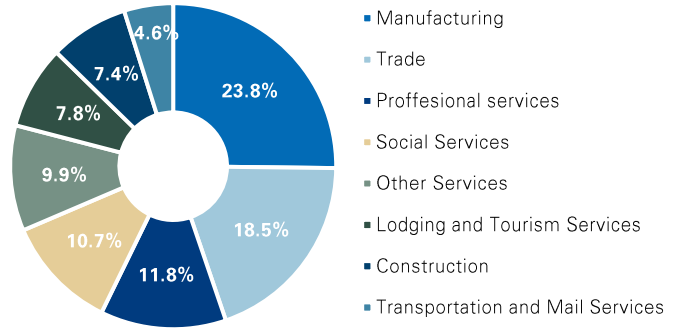
Economic Conditions Allowed for Investment from Major Economies

During the last year, Direct Foreign Investment (DFI) in Jalisco hailed from the United States, Germany, United Kingdom, and China. Pertaining to the first three countries, Jalisco was in the top three nationwide by the total capital attracted per country. In the case of China, out of the total DFI from 1999 to 2022, Jalisco was the second destination.

Economic conditions in Mexico as of early 2023 continued with a positive trend due to the low unemployment rates (Guadalajara is the lowest nationwide), consumer price index, and the Mexican peso exchange rate. However, the persistent underlying inflation, geopolitical conditions, and crisis in the banking system entail a slow down of investment and growth in the industrial sector.

Empleo por Sector de la Actividad Económica

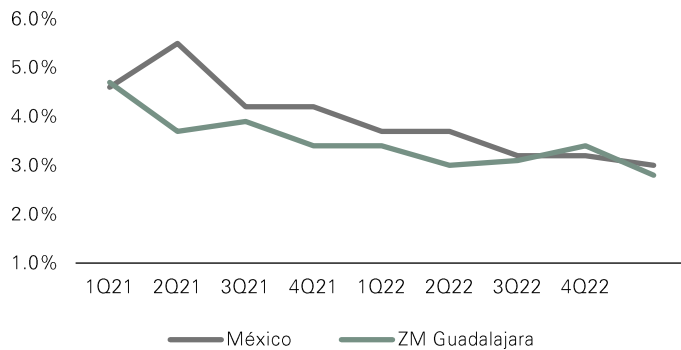
METROPOLITAN AREA GDL, MARCH 2023



Source: INEGI, ENOE

Unemployment Rate

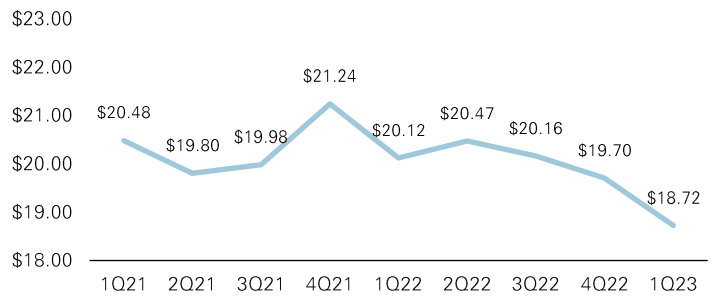
ANNUAL INDICATOR



source: INEGI, ENOE

Exchange Rate

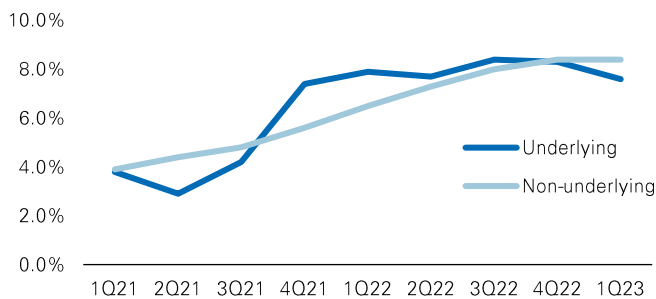
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

Consumer Price Index (CPI)

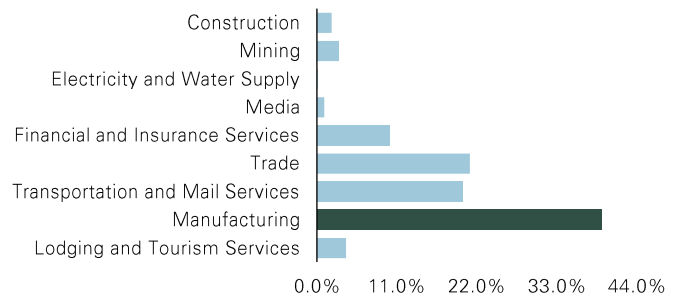
ANNUAL INDICATOR



Source: INEGI, INPC

Foreign Direct Investment

PERCENTAGE



Source: CEFP

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