



# Guadalajara Office Market

## Consolidating the market

During the first semester of 2023, the office market in the Guadalajara Metro Area showed positive results in terms of net and gross absorptions, a decreasing vacancy rate, and increasing leasing prices.

In this period, we observed an increase in asking prices within the Zona Financiera, Providencia, Plaza del Sol, and Vallarta submarkets, ranging between 8.8% and 18.7%. There were negative variations only in the Puerta de Hierro and Periférico Sur submarkets, going from -1.1% to -7.9%.

Over 10,000 m<sup>2</sup> entered the inventory in the Puerta de Hierro submarket. Further, one project under construction in the Vallarta submarket changed its use to residential.

There were discrete vacancies in all the submarkets, accumulating a total of over 14,000 m<sup>2</sup> of vacant spaces. This is directly related to the new scheme of hybrid offices and the relocation of spaces. However, the gross absorption remains constant, going from 34,644 m<sup>2</sup> during the last half, to 29,922 m<sup>2</sup> as of the closing of this half.

### Current Conditions

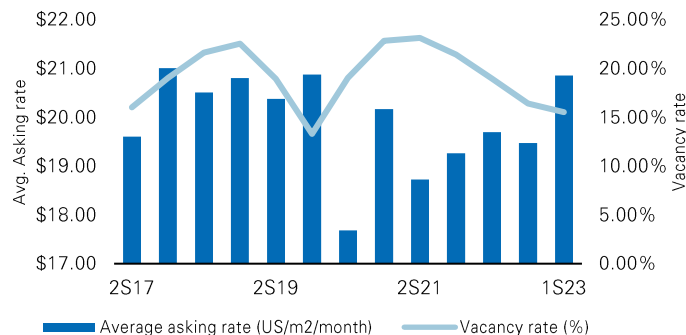
- The vacancy rate in Guadalajara continues to drop, and closed the first half at 15.5%, 0.9 less than last semester.
- The area under construction is 44,892m<sup>2</sup>, which will enter the market in the next two years.
- Leasing prices showed a 7.1% increase versus the second half of 2022.

### Market Summary

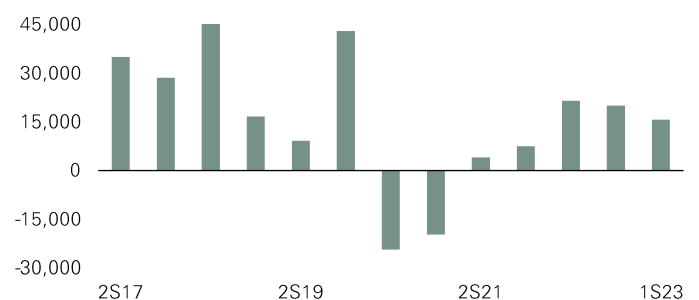
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (m <sup>2</sup> )	795,390	785,390	785,390	↑
Vacancy rate	15.5%	16.4%	19.0%	↓
Quarterly absorption (m <sup>2</sup> )	15,667	19,996	7,500	↓
Average asking rent (USD/m <sup>2</sup> /month)	\$20.85	\$19.47	\$19.69	↑
Under construction (m <sup>2</sup> )	44,892	66,892	66,982	↓

### Market Analysis

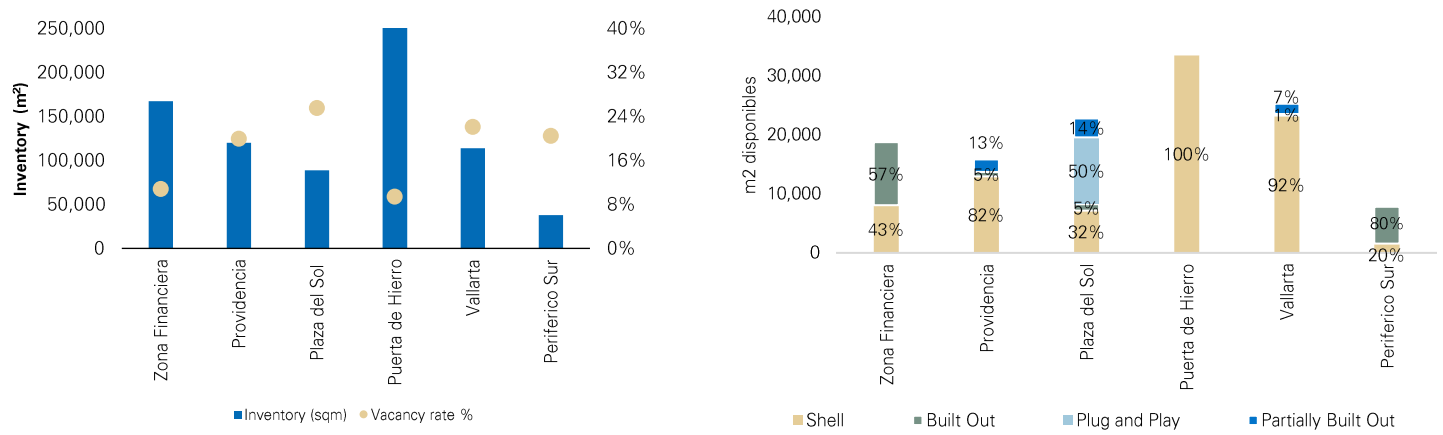
#### AVERAGE LEASE RATE AND VACANCY RATE



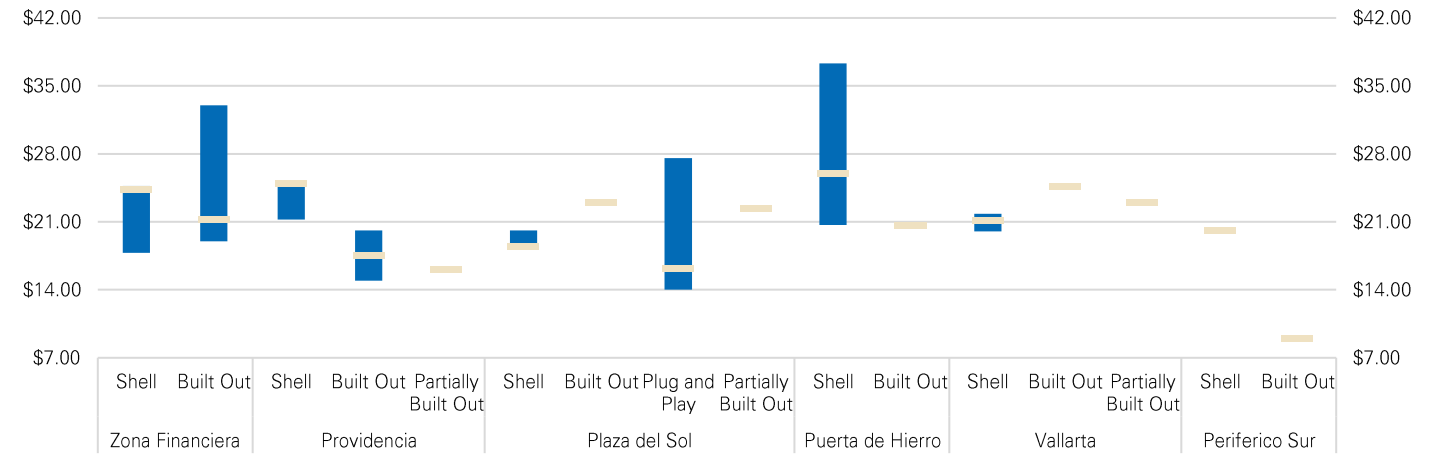
#### NET ABSORPTION (M<sup>2</sup>)



**Vacancy per Submarket** **Available Space by Condition**



**Average Asking Rates and Ranges**



**Submarket Stats**

	Inventory (m²)	Deliveries (m²)	Under Construction (m²)	Vacancy (m²)	Vacancy Rate (%)	Gross Absorption (m²)	Net Absorption (m²)	Average Asking Price (USD/m²/month)
Zona Financiera	167,714			18,193	10.8%	1,354	378	\$22.57
Providencia	120,092			24,009	20.0%	6,593	6,464	\$22.86
Plaza del Sol	89,059		31,487	22,802	25.6%	2,496	209	\$18.11
Puerta de Hierro	266,332	10,000		25,121	9.4%	17,365	14,804	\$20.45
Vallarta	114,114		13,405	25,262	22.1%	1,713	-342	\$21.34
Periférico Sur	38,079			7,817	20.5%	402	-5,846	\$18.42
<b>Total</b>	<b>795,390</b>	<b>10,000</b>	<b>44,892</b>	<b>123,203</b>	<b>15.5%</b>	<b>29,922</b>	<b>15,667</b>	<b>\$20.85</b>

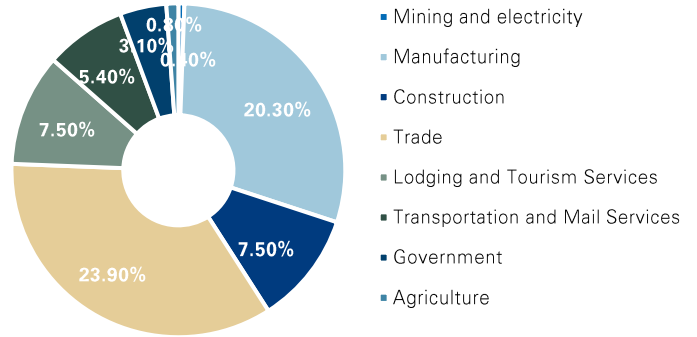
Jalisco appears as one of the main destinations of investment for Asian companies entering the country. Chinese investors have shown to be among the most interested in the state. It is expected that more businesses in the automotive, food processing, and electronics industries will establish themselves in the state by the end of the year.

During the first months of the year, Jalisco state attracted foreign investments of over 170 million, with third highest amount in the country.

The state has created over 40,000 jobs so far in 2023, representing 48% of the total created throughout 2022. Jalisco's unemployment rate on the second quarter of 2023 was 1.9%, which means the state has one of the lowest unemployment rates, showing a firmer consolidation process in terms of its economic development.

### Employment per Economic Sector

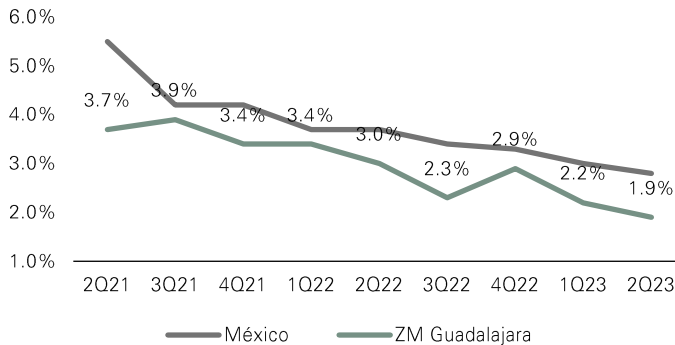
JALISCO, 2023



Source: INEGI, ENOE

### Unemployment Rate

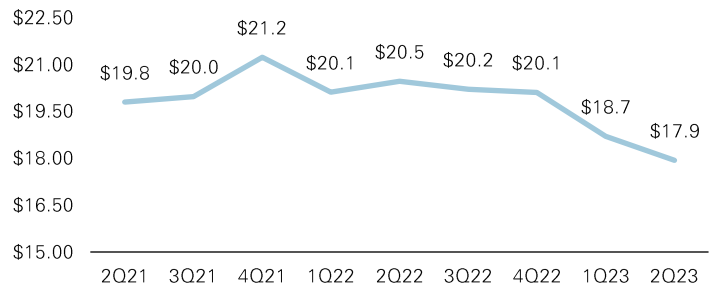
ANNUAL INDICATOR



Source: INEGI, ENOE

### Exchange Rate

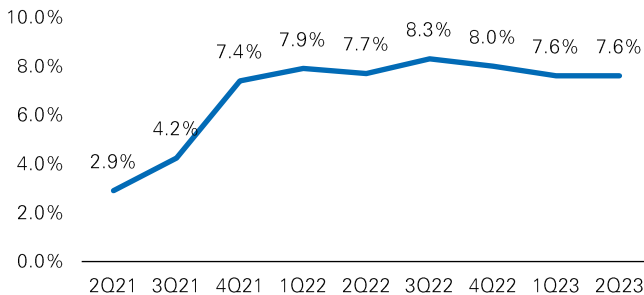
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

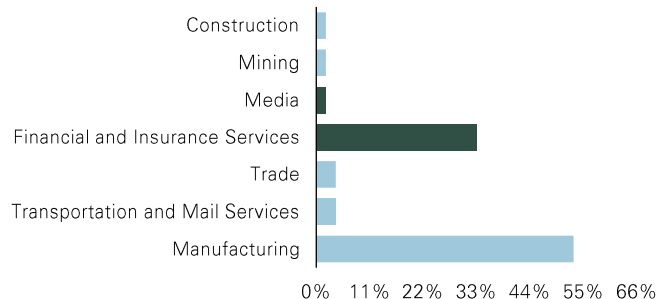
### Consumer Price Index

ANNUAL INDICATOR



Source: Banxico

### Foreign Direct Investment



Source: CEFPI

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

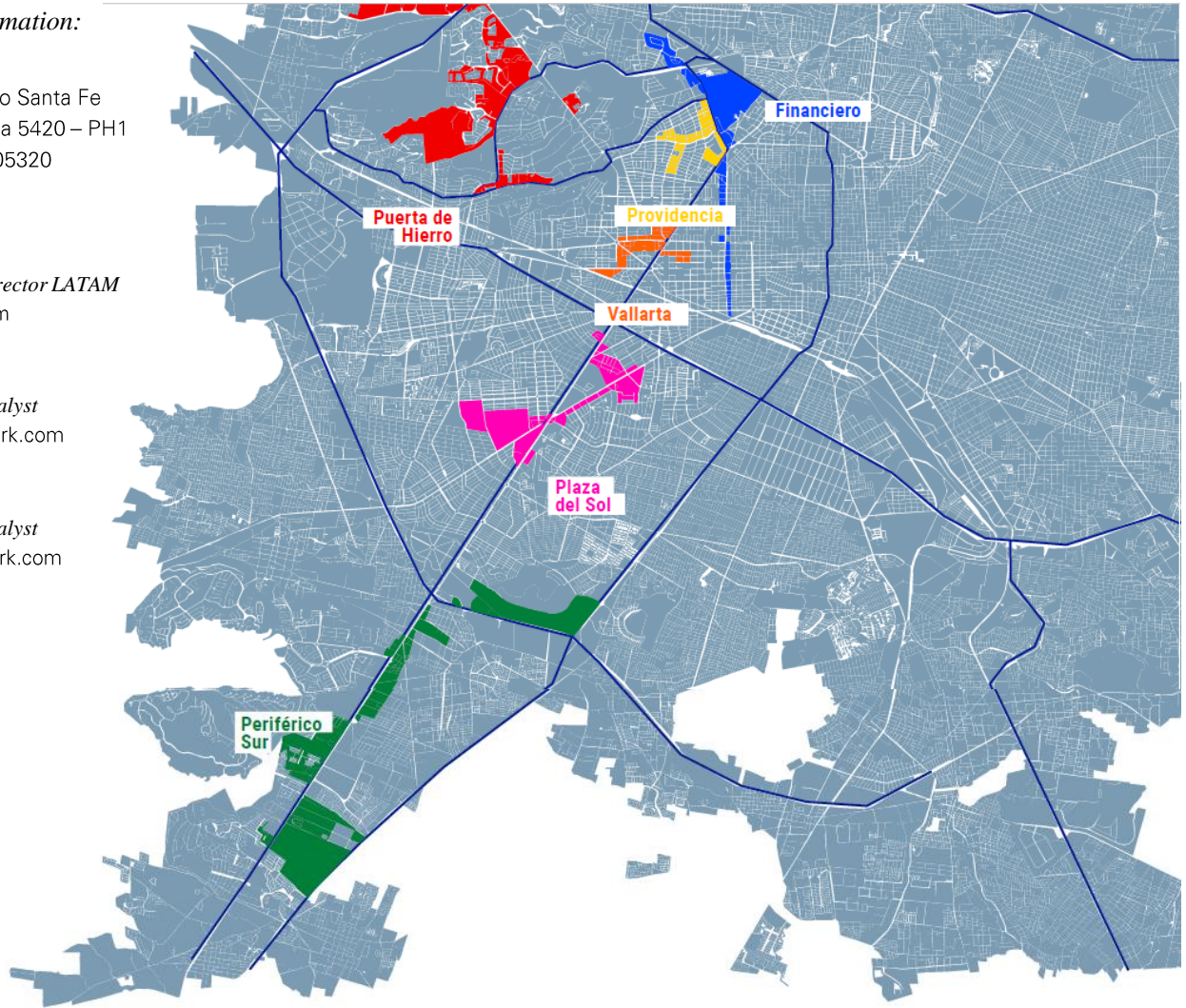
**Karen Gutiérrez**

Market Research Analyst  
karen.gutierrez@nmrk.com

**Esperanza Díaz**

Market Research Analyst  
esperanza.diaz@nmrk.com

[newmark.mx](http://newmark.mx)



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