



# Queretaro Office Market

## Recovery underway

The city of Queretaro continued steady during the first half of the year. Asking prices had increases, presenting variations of over 5% in all the submarkets, with an average asking price in the city of \$17.47; i.e., 10% higher than the asking price on the previous half.

There were some negative absorptions in the 5 de Febrero and Centro Sur submarkets. The remaining submarkets displayed positive absorptions above 5,000 meters. The activity remained constant, showing more than 11,000 square meters.

During this quarter, no project under construction entered the existing inventory. Therefore, the more than 11,000 m<sup>2</sup> of office space within the 5 de Febrero and Bernardo Quintana submarkets remain active, with an expected deliver by next year.

It is expected that spaces under construction will remain active, as it has been observed that some of these buildings change their use to residential or medical offices from one half to the next.

### Current Conditions

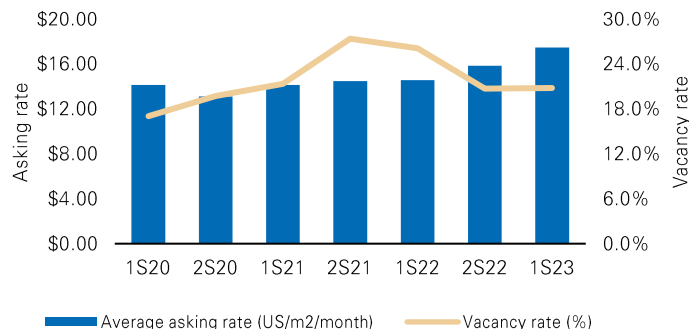
- The vacancy rate closed this period at 20.8%.
- Asking prices increased by 10.3%, reaching an average of \$17.47 USD/m<sup>2</sup>/month.
- There was a relevant decrease in net absorption, going from 28,499m<sup>2</sup> to -904 m<sup>2</sup>.

### Market Summary

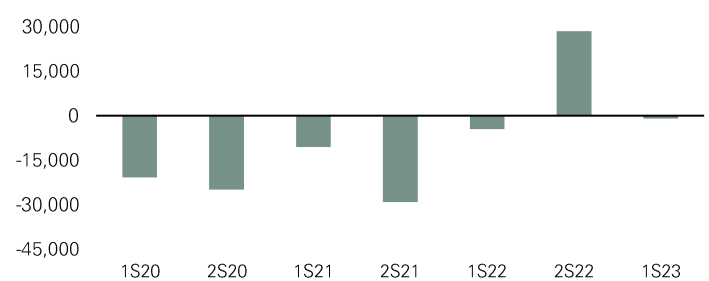
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Inventory (m <sup>2</sup> )	554,274	554,274	554,274	↑
Vacancy Rate	20.8%	20.7%	26.1%	↓
Net absorption (m <sup>2</sup> )	-904	28,499	-4,502	↑
Average asking rent (USD/m <sup>2</sup> /month)	\$17.47	\$15.84	\$14.56	↑
Under construction (m <sup>2</sup> )	11,128	11,128	11,128	↑

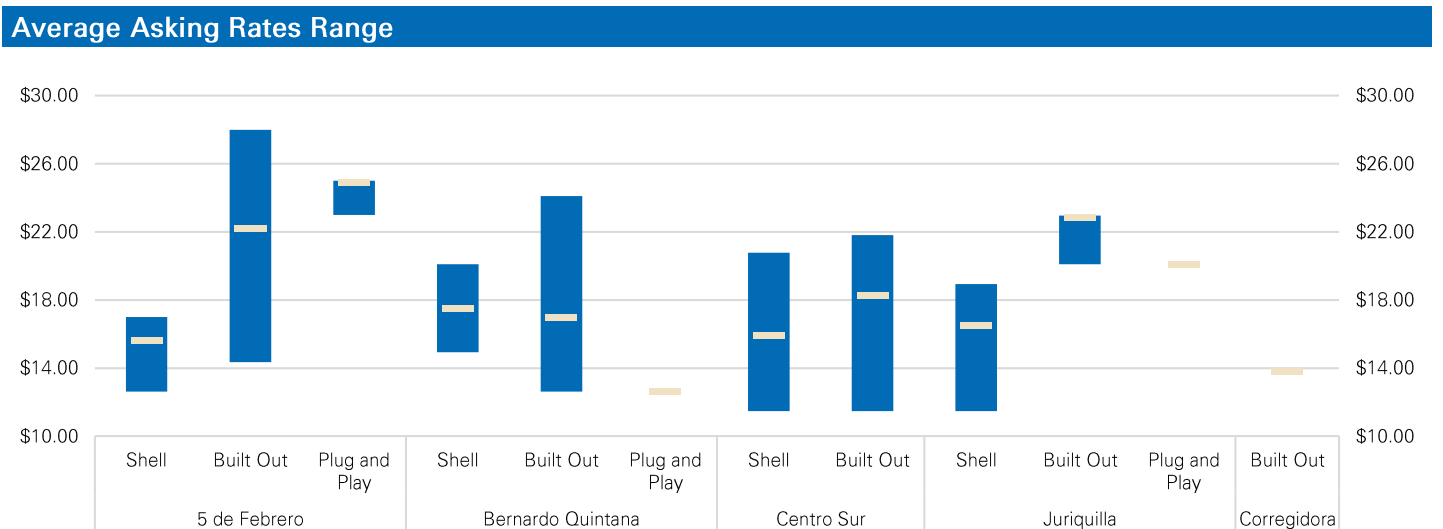
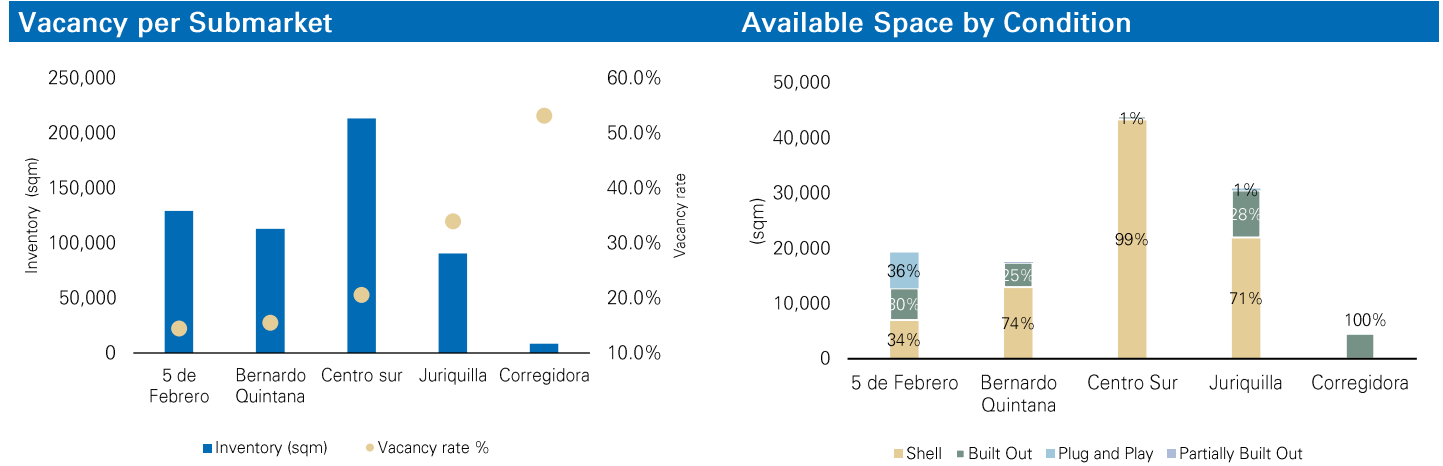
### Market Analysis

#### AVERAGE LEASE RATE AND VACANCY RATE



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





Submarket	Inventory (m²)	Deliveries (m²)	Under construction (m²)	Vacancy (m²)	Vacancy Rate (%)	Gross Absorption (m²)	Net Absorption (m²)	Average Asking Price (USD/m²/month)
5 de Febrero	129,141			18,716	14.5%	517	-5,142	\$20.65
Bernardo Quintana	112,805			17,501	15.5%	5,682	4,516	\$17.36
Centro sur	213,183		7,595	43,891	20.6%	923	-4,531	\$15.96
Juriquilla	90,643		3,533	30,803	34.0%	4,108	4,108	\$18.29
Corregidora	8,502			4,521	53.2%	144	144	\$13.78
<b>Totals</b>	<b>554,274</b>		<b>11,128</b>	<b>115,433</b>	<b>20.8%</b>	<b>11,374</b>	<b>-904</b>	<b>\$17.47</b>

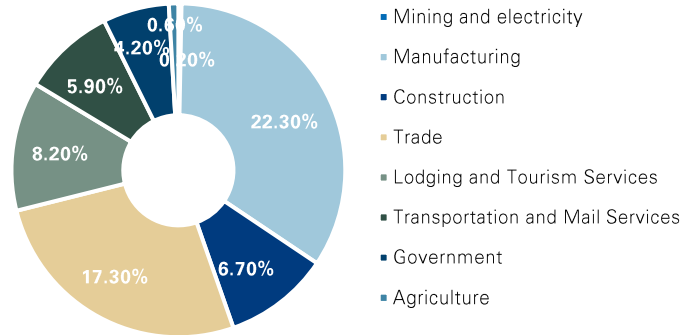
Querétaro remained one of the states with the greatest appeal for new investments and major expansions in the first half of the year. For instance, DHL Express announced its expansion in the HUB center, located in the airport, with a total investment of USD 120 million and over 200 new associated jobs.

Likewise, the figures reported in this period for the state of Querétaro are positive, with a 1% GDP growth versus the years of the pandemic, making it among the top performers nationwide.

After the announcement of new measures by the government –in addition to the constant growth of the secondary and tertiary sectors, mostly associated with the manufacturing, technology, and automotive industries– there are efforts to profit from nearshoring trend in the state.

### Employment per Economic Sector

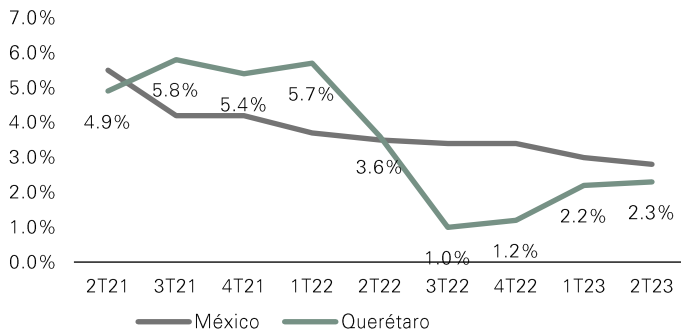
QUERÉTARO, 2Q23



Source: INEGI, ENOE

### Unemployment Rate

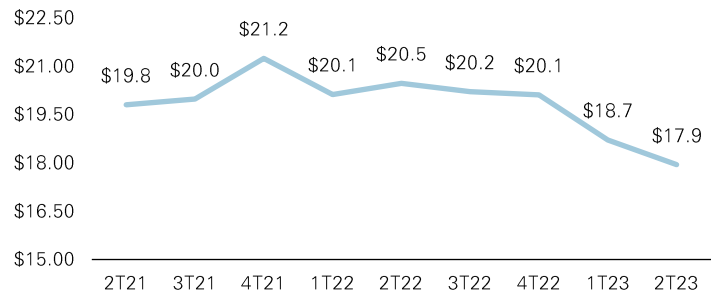
ANNUAL INDICATOR



Source: INEGI, ENOE

### Exchange Rate

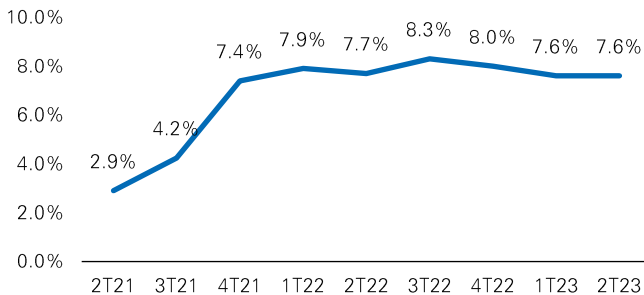
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

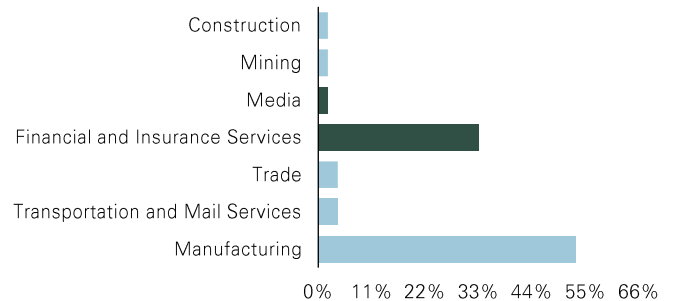
### Consumer Price Index

ANNUAL INDICATOR



Source: Banxico

### Foreign Direct Investment



Source: CEFP

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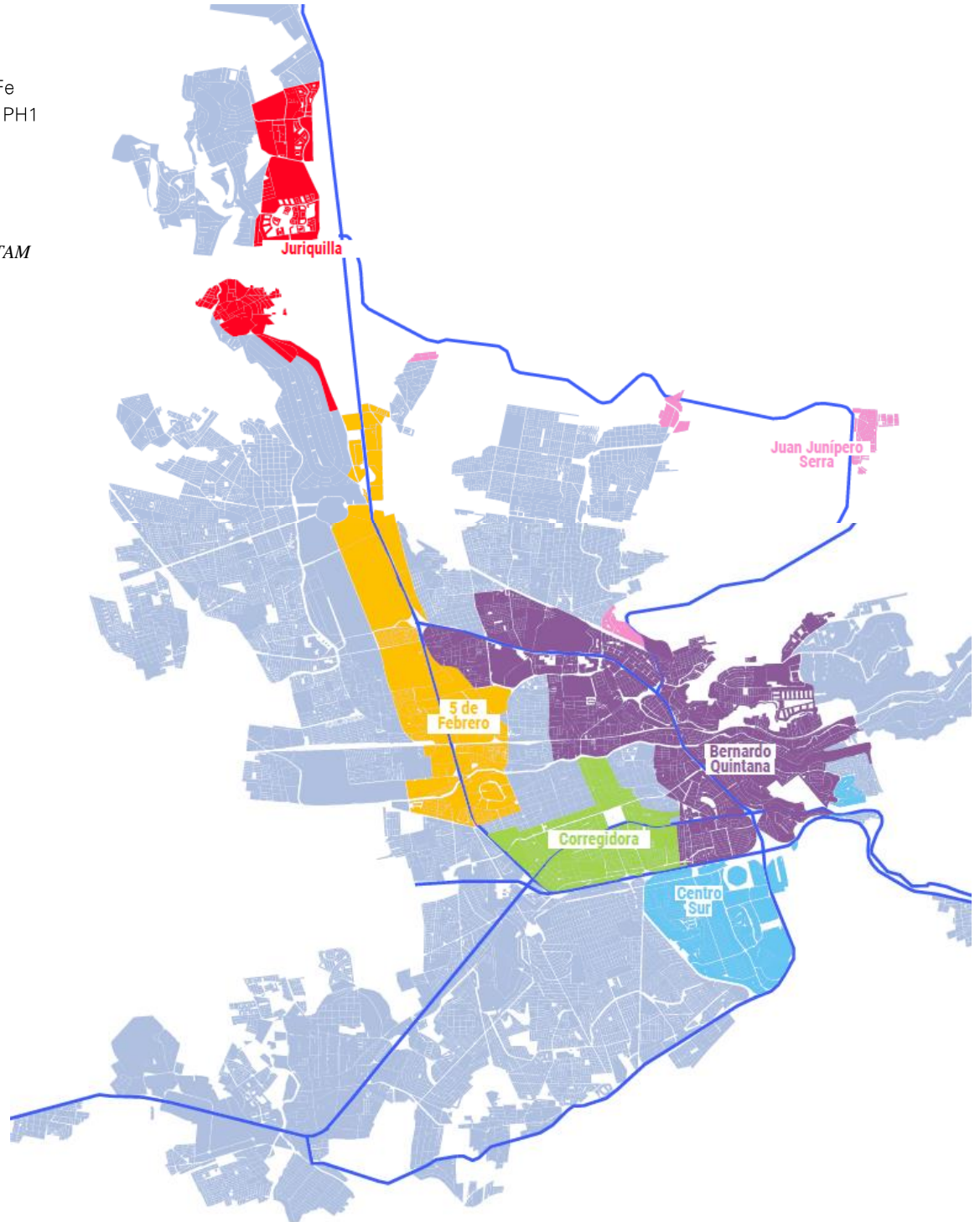
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