



Guadalajara Metropolitan Area Industrial Market

Speculative spaces lead the market

An increase in gross absorption of 31% versus the previous quarter and 23% versus the previous year, driven by the occupation of new speculative spaces, representing sustained investments. It stands out that the occupation of new industrial spaces and construction has slowed down, with negative net absorption results due to the entry of new available supply. However, given the trend in demand, prices continue surging.

Technology Cluster, international appeal for companies linked to nearshoring

The Irish company Aptiv, provider of technology for the electric vehicle industry, announced the opening of a plant in Guadalajara, on the El Salto submarket. With an investment of 40 million dollars, it confirms that Guadalajara has consolidated as a technologically appealing destination for the electric vehicle industry. The arrival of technology companies associated with nearshoring has also drawn the attention of countries such as Germany, England, Israel, China, and India, which seek to invest in Guadalajara.

Current Conditions

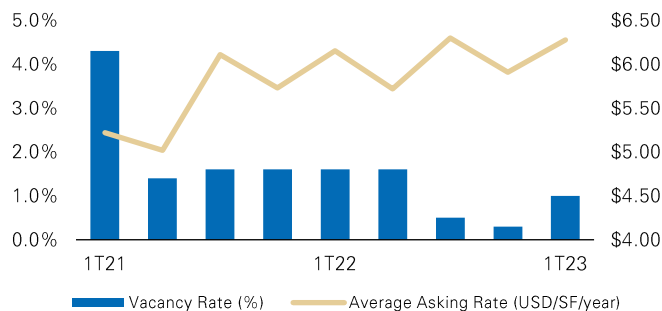
- Class A industrial inventory grew 3% versus the previous quarter and 8% versus the first quarter of 2022.
- Construction decreased compared to the prior quarter but compared to the previous year, the expansion trend continued.
- The vacancy rate in the Guadalajara Metropolitan Area increased compared to the previous quarter.

Market Summary

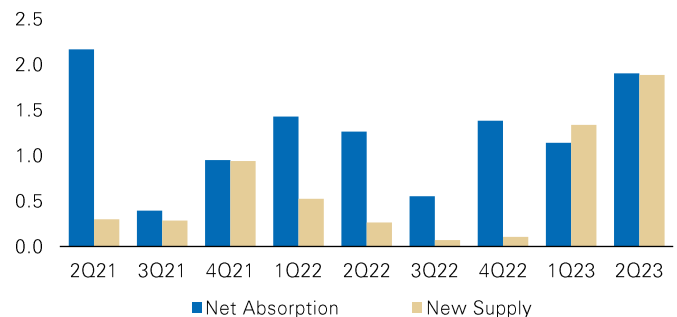
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	60.8M	58.9M	55.8M	↑
Vacancy rate	1.8%	1.0%	1.6%	↑
Quarterly absorption (SF)	-475,317	-362,944	265,602	↓
Average asking rent (USD/SF/year)	\$6.50	\$6.28	\$5.72	↑
Under construction (SF)	2.1M	3.5M	2.1M	↓

Market Analysis

VACANCY RATE AND ASKING PRICE



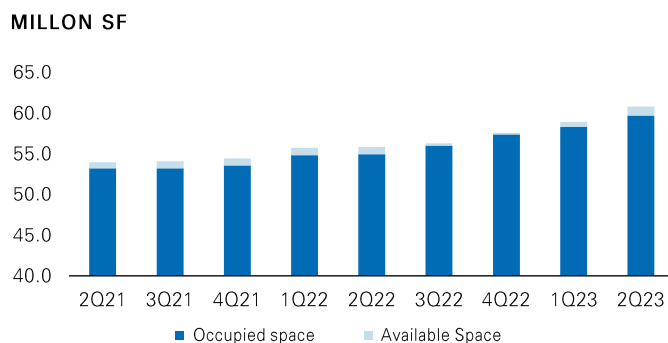
GROSS ABSORPTION & NEW SUPPLY (Million SF)



Industrial FIBRAs and supply of Class B spaces expand their presence

Fibra Uno acquired an industrial park within the most active industrial submarket (El Salto). The strategy to address the demand by investors is built around the notion of leveraging the presence of existing speculative spaces in the main submarkets. It is worth mentioning that the development of BTS spaces has decreased as a share of the total activity in the market during the year. On the other hand, the supply on demand for industrial spaces has resulted in the entry of Class B spaces with characteristics resembling Class A.

Inventory Evolution



Market Summary

	Inventory (Million SF)	Under Construction (Millions SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	YTD Net Absorption (SF)	Asking Lease Rate (USD/SF/year)	Under Construction Asking Rate (USD/SF/year)
Zona Industrial	1.9	0.3	-	-	30,860	30,860	-	-	\$8.05
El Salto	25.0	1.2	1,048,209	4.2%	1,490,642	535,907	868,041	\$6.56	\$6.78
López Mateos Sur	6.2	0.5	42,744	0.7%	384,630	29,730	29,730	\$5.18	-
Periférico Sur	9.0	-	-	-	-	-	-	-	-
Zapopan Norte	16.0	-	-	-	-	-	-	-	-
Total	60.8	2.1	1,090,953	1.8%	1,906,132	-475,317	-838,311	\$6.50	\$6.94

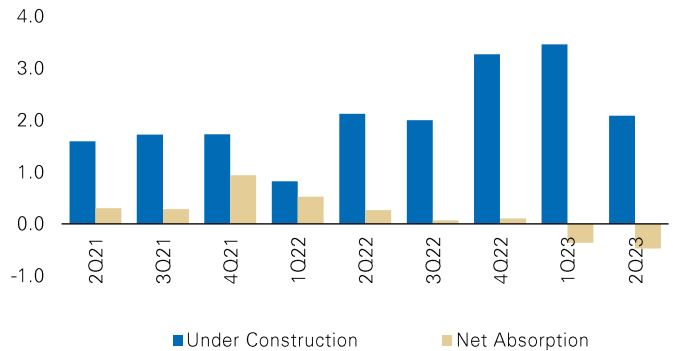
Main Industrial Park Under Development

Industrial Park	Sub-market	Status	Delivery date
Parque Industrial San Jorge	El Salto-Aeropuerto	Planeado	agosto 2023
Vesta Park Guadalajara II	El Salto-Aeropuerto	Under construction	diciembre 2023
Roca El Salto	El Salto-Aeropuerto	Under construction	septiembre 2023
Centro Logístico Jalisco	López Mateos Sur	Under construction	noviembre 2023
FINSA Jalisco El Salto	El Salto-Aeropuerto	Under construction	diciembre 2023

Slowdown in the development of new industrial parks

Prices for industrial land were observed to increase in the main submarkets. The construction of electricity infrastructure remains one of the key challenges to improve investments in the short term. During this year, the strategy for industrial expansion was the development of new speculative spaces. The construction of over 60,000 square meters stands out, as this is the volume of construction expected by the closing of this year.

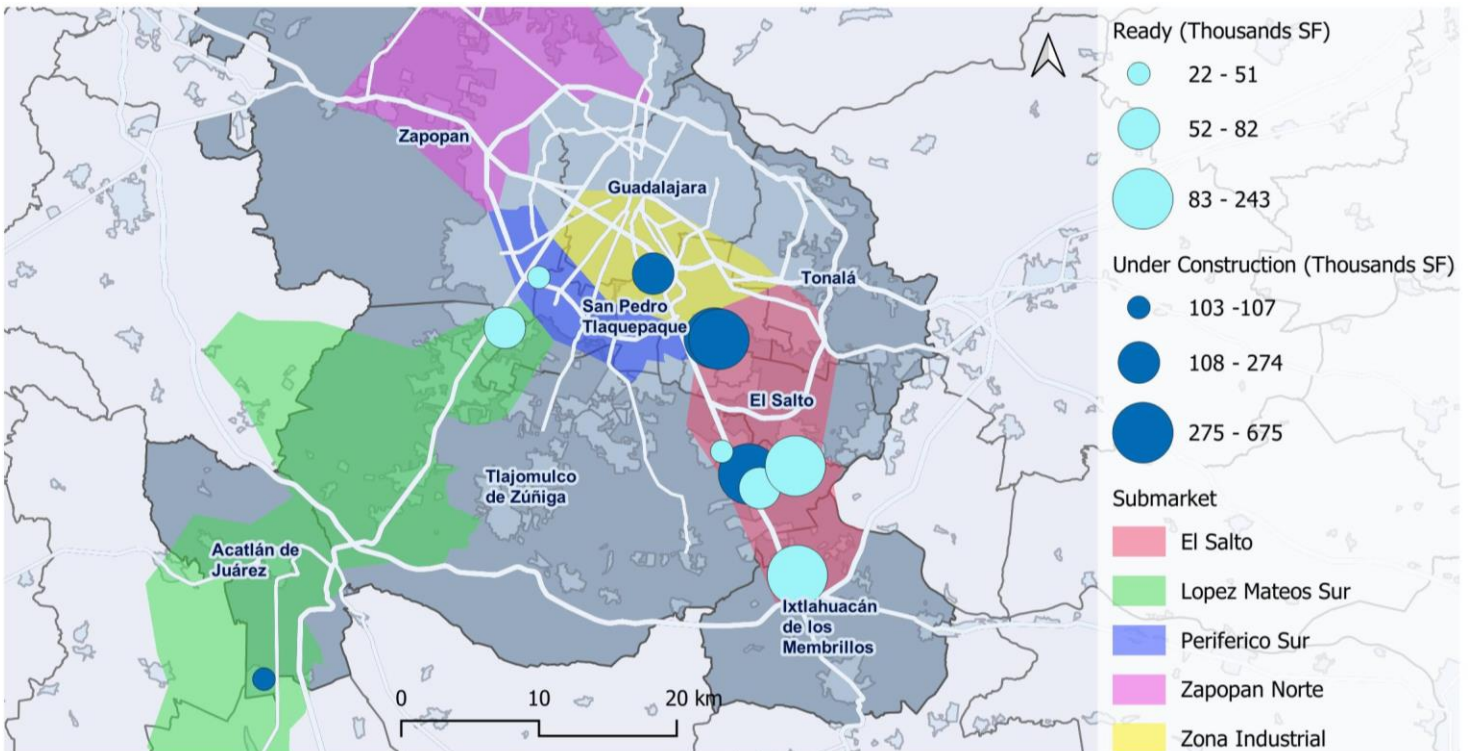
Under Construction and Net Absorption (Millions SF)



Market Summary

	Inventory (Millions SF)	Under Construction (Millions SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Asking Lease Rate (USD/SF/year)	Under Construction Asking Rate (USD/SF/year)
Lagos de Moreno	2.8	-	-	-	-	-	-	-

Vacancy by Submarket

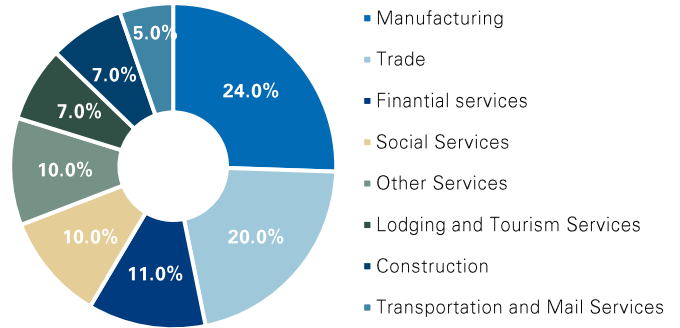


Nearshoring benefits from economic conditions for incoming investments in manufacturing

Incoming investments driven by the relocation of global manufacturing companies to Mexico resulted in high capital flows towards manufacturing. Conditions of the Mexican peso has also created interest and financial speculation abroad. Another interesting condition was the reduction of inflation indicators. In Mexico, it stands out that there was a decrease in the number of unemployed economically active population, a situation that was also observed in Guadalajara. However, underlying inflation remains high compared to before the pandemic.

Employment by Sector of Economic Activity

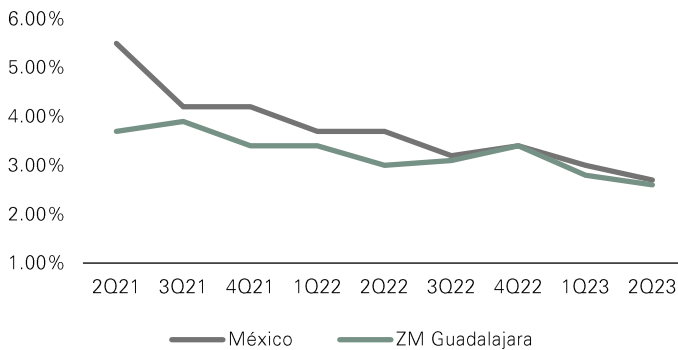
METROPOLITAN AREA GDL, JUNE 2023



Source: INEGI, ENOE

Unemployment Rate

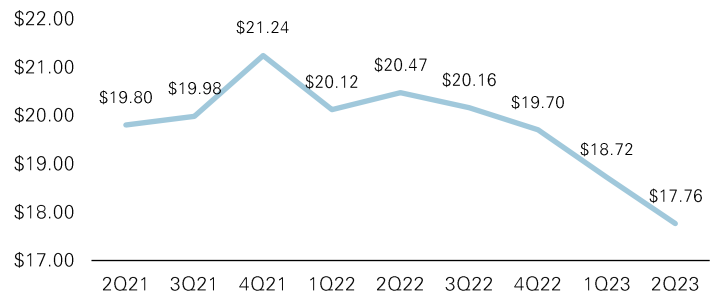
ANNUAL INDICATOR



source: INEGI, ENOE

Exchange Rate

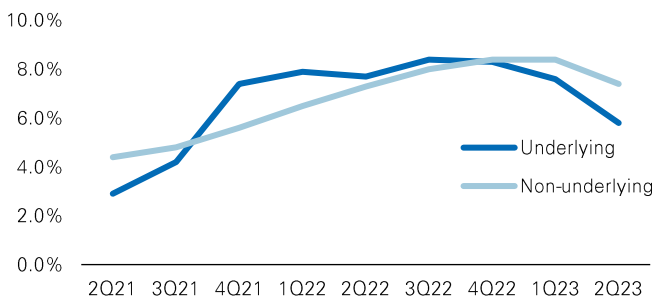
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

Consumer Price Index (CPI)

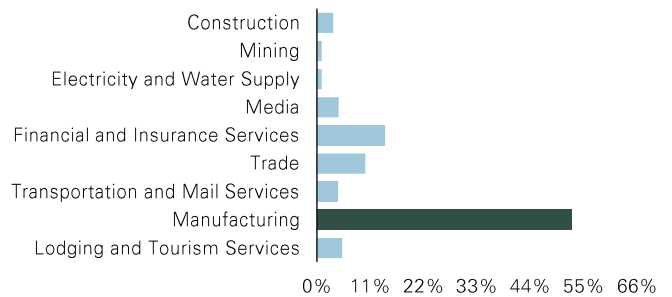
ANNUAL INDICATOR



Source: INEGI, INPC

Foreign Direct Investment Jalisco

PERCENTAGE



Source: CEFP

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