



Guanajuato Industrial Market

Demand increases and prices soar

Even though the overall size of operations underwent a reduction compared to the previous quarter, the main submarkets underwent an increase in prices driven by the occupation of speculative spaces. On the contrary, the inventory and construction areas kept growth rates. It stands out that, out of the total area under construction, 84% corresponds to BTS spaces belonging to new companies or that are being added to the specialized clusters in this market.

Automotive industry continues growing with openings and new investments

The third quarter stands out for the opening of plants associated with the automotive industry, such as Hiho, Metalsa, and Witzemann. In addition to new projects in clusters for automotive production, investments also translate into a growing inventory of 1% versus the previous quarter.

Current Conditions

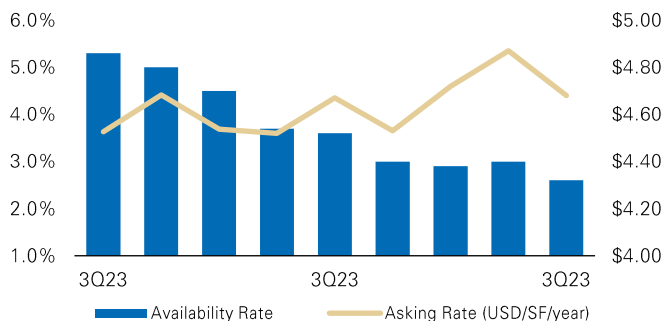
- The class A industrial inventory underwent a subtle increase versus the previous quarter, amounting to 0.6%.
- Weighed asking prices increased by 7% versus the previous quarter and 11% versus the same quarter last year.
- The vacancy rate increased slightly, going from 2.9% to 2.6% between the second and third quarter of 2023.

Market Summary

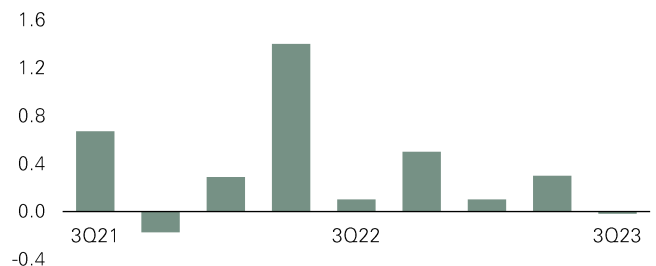
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	91.2M	90.6M	89.4M	↑
Vacancy Rate	2.6%	2.9%	3.6%	→
Quarter Net absorption (SF)	-0.02 M	0.3 M	0.1 M	→
Average asking rent (USD/SF/year)	\$5.22	\$4.87	\$4.67	↑
Under construction (SF)	3.0 M	2.6 M	1.2 M	↑

Market Analysis

AVERAGE LEASE RATE AND VACANCY RATE



NET ABSORPTION (Millions SF)



Prices grow in major submarkets

León and Silao recorded a surge in prices for speculative spaces versus the previous quarter, amounting 1% and 3%. The remaining submarkets had less significant increases. In this manner, the weighed market price grew by 7%. In this way, the increase in prices is related to the demand for speculative spaces. Lastly, the performance of the US dollar has led to the exchange rate in asking prices being pegged to the national currency.

Industrial closings remain constant

Guanajuato continues with the same pattern regarding incoming investments. These are expressed in the values of gross absorption. Compared to the previous year, there is a slight quarterly reduction in the values for gross absorption. The values for net absorption have decreased due to the entry of speculative buildings into the market. Industrial developers are driven by countries in the automotive sector and a profound exploration of Chinese markets.

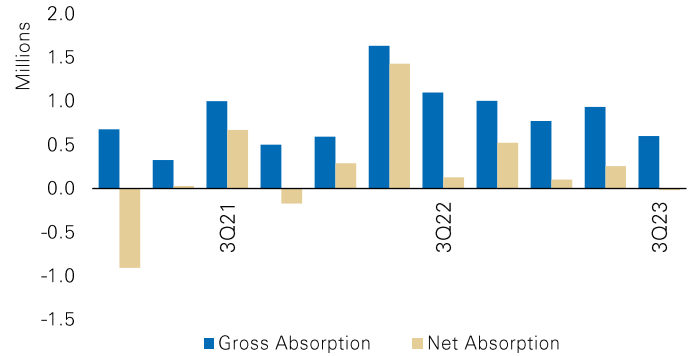
Average Asking Rates Range

AVERAGE ASKING RATES (USD / SF / Year)



Historic Net and Gross Absorption

NET ABSORPTION AND MARKET ACTIVITY (Million SF)



Market Summary

	Inventory (million SF)	Under Construction (million SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	YTD Net Absorption (million SF)	Asking Lease Rate (USD/SF/year)
Apaseo	8.2	0.6	53,228	0.7%	-	-	471,095	\$5.18
Celaya	13.0	0.4	559,362	4.3%	107,640	-44,067	-44,067	\$4.64
Irapuato	16.5	0.2	254,795	1.5%	-	-	-4,139	\$4.72
León	10.4	1.1	165,776	1.6%	294,470	-49,956	-273,825	\$5.20
Salamanca	4.3	0.08	202,578	4.7%	-	-	-	\$4.74
San José Iturbide	9.4	-	-	-	-	-	-	-
San Miguel de Allende	2.3	-	430,334	19.1%	-	-	-247,303	\$5.32
Silao	27.1	0.5	736,096	2.7%	197,885	75,402	892,586	\$5.18
Total	91.2	3.0	2,402,170	2.6%	599,996	-18,622	82,270	\$5.22

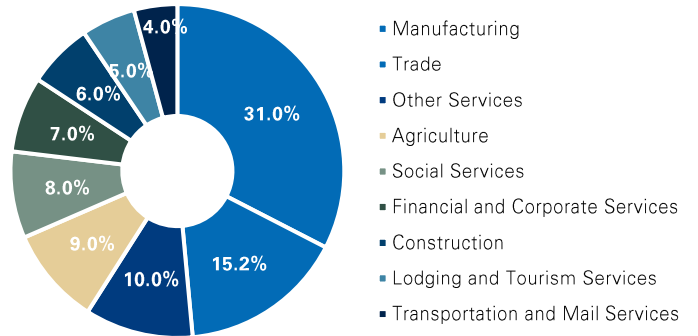
Automotive industry establishes itself as economic driver

Out of all the direct foreign investment in the state of Guanajuato during this year dedicated to the manufacturing sector, 84% were tagged for the automotive industry. These investments are largely targeted to the industries of manufacturing vehicles and auto parts.

This market had the largest increase in the vacancy rate in all of Mexico. It is expected that the sustained investment in key industries will have a positive influence on the job market in the state. This is buttressed by a favorable performance in the national economic indicators, such as the exchange rate and the inflation rate.

Employment per Economic Sector

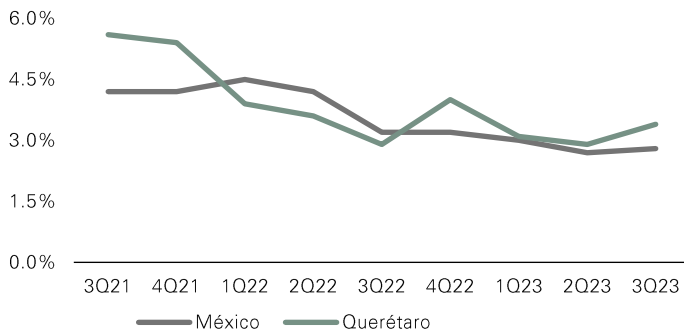
GUANAJUATO, SEPTEMBER 2023



Source: INEGI, ENOE

Unemployment Rate

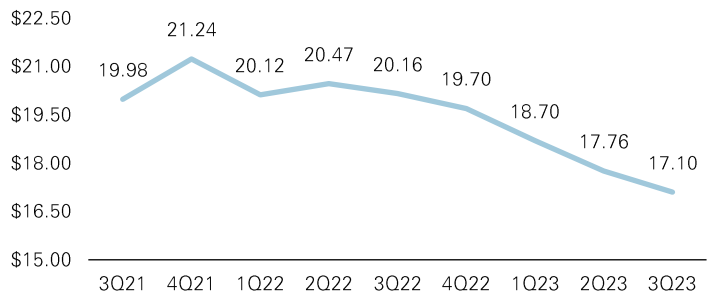
ANNUAL INDICATOR



Source: INEGI, ENOE

Exchange Rate

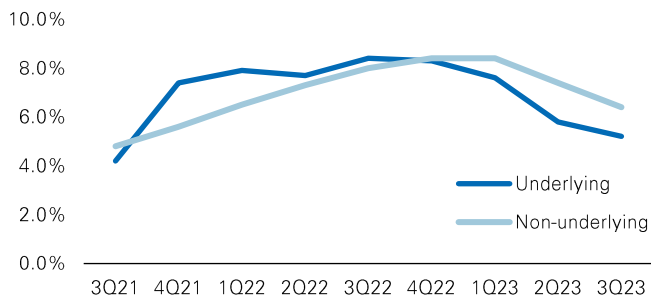
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

Consumer Price Index (CPI)

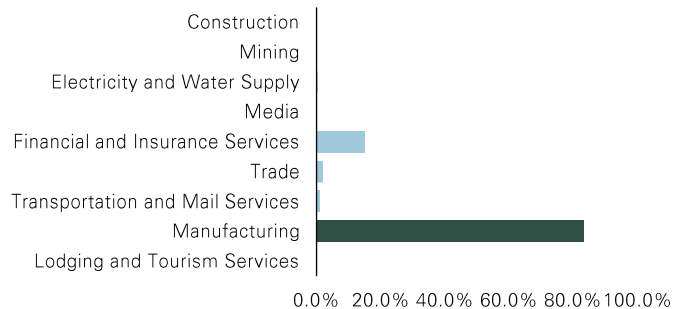
ANNUAL INDICATOR



Source: Banxico

Foreign Direct Investment Guanajuato

PERCENTAGE



Source: CEFP

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

Fernando Lara

Market Research Analyst
Fernando.Lara@nmrk.com

newmark.mx

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.lat/reportes-de-mercado/.

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision the recipient may make in response to this publication and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download or in any other way reproduce this publication or any of the information it contains. This document is intended for informational purposes only, and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter.