



# Queretaro Industrial Market

## Stable market

Queretaro’s industrial market has remained on a path of constant growth. Inventory grew by 398,264 square feet as of the end of the quarter, continuing the constant growth that has characterized the market.

Even though the net absorption at the closing of this period was -292,778 square feet, this scenario means that, among other factors, there is continuous development of industrial parks in submarkets such as El Marqués and Aeropuerto. It is precisely in the latter where there is greater activity, both for investment and lease of industrial spaces.

Regarding the vacancy rate, the difference represents only 0.4% versus the 2.0% reported during the previous quarter. Therefore, this could be considered consistent with the trend reported in previous periods.

As of the end of this quarter, construction continued constant, as there is an area of 2.5 million square feet located in Aeropuerto, El Marqués, and Querétaro Centro submarkets.

### Current Conditions

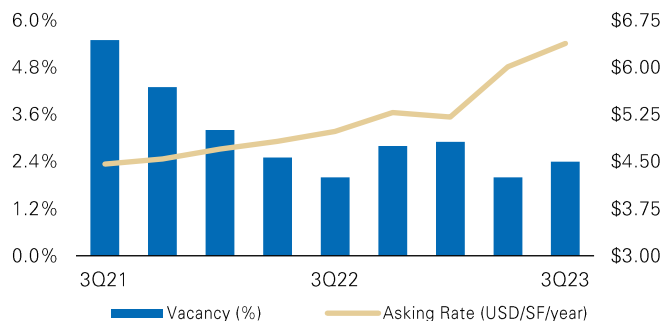
- Class A industrial inventory closed at 7.3 million square meters in Q3 2023.
- The vacancy rate grew, reporting 2.4%.
- The average lease price increased, reaching \$5.72 USD/m<sup>2</sup>/month.

### Market Summary

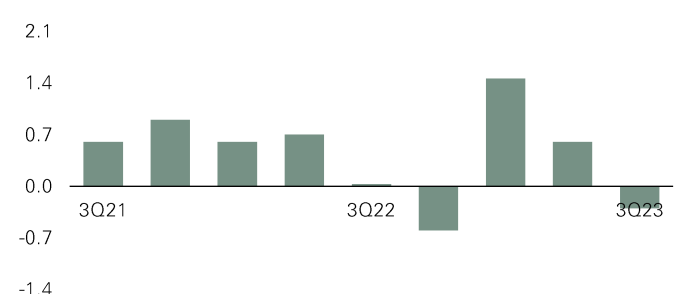
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Inventory (SF)	78.6 M	73.3 M	68.9 M	↑
Vacancy Rate	2.4%	2.0%	2.0%	→
Quarter Absorption (SF)	-0.3 M	0.6 M	0.03 M	↑
Average asking rent (USD/SF/year)	\$6.38	\$6.01	\$4.98	↑
Under construction (SF)	2.5 M	3.1 M	3.3 M	→

### Market Analysis

#### AVERAGE LEASE RATE AND VACANCY RATE



#### NET ABSORPTION (Millions SF)



## RESEARCH 3Q 2023

### Increase in asking prices

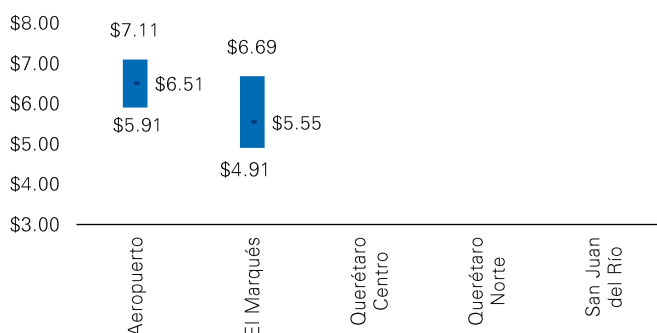
The asking price of industrial developments in Querétaro followed the tendency of industrial markets elsewhere in the country, maintaining steady growth. For the third quarter of the prior year, the price was \$4.98 USD/sf/year. As of the closing of this period, the average price reached \$6.38 USD/sf/year, which represents an increase of 28%.

### Vacancy rate at record lows

As of the end of Q3 2023, the vacancy rate in the class A industrial market closed at 2.4%. This figure is consistent with what was reported during the previous quarter and what was reported on the third quarter of the year prior. If it is taken into consideration that inventory expands constantly, the net absorption indicator will entail an indication of stability.

#### Average Asking Rates Range

AVERAGE ASKING RATES (USD / SF / Year)



The submarket with the greatest vacancy was Aeropuerto, with a rate of 6.4%.

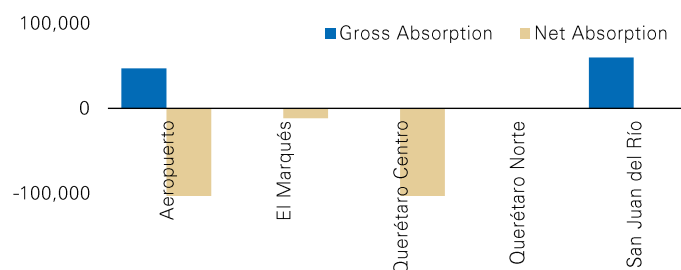
### Querétaro, growth of manufacturing

Moving away from its agricultural tradition, Queretaro industry leverages the presence of multinational brands to consolidate the secondary sector. Manufacturing industries represent a greater share of the State GDP than the food sector, thereby helping configure a market leaning on production.

The constant development of spaces dedicated to industry in Querétaro is largely a response to the demand for spaces and warehouses servicing manufacturing industries, which differentiates this from markets such as Mexico City, where the priority is the logistics industry.

#### Net and Gross Absorption per Submarket

NET ABSORPTION AND MARKET ACTIVITY (SF)



### Market Summary

	Inventory (million SF)	Under Construction (million SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (million SF)	Net Absorption (million SF)	YTD Net Absorption (million SF)	Asking Rate (USD/SF/year)	U. Construction Asking Rent (USD/SF/Year)
Aeropuerto	22.6	1.0	1.5	6.4%	0.05	-0.15	0.7	\$6.51	\$6.05
El Marqués	3.4	0.6	0.1	2.2%	0	-0.1	0.1	-	\$5.91
Querétaro Centro	21.1	0.6	0.3	1.2%	0	-0.13	0.7	\$5.55	\$5.55
Querétaro Norte	23.6	0.4	0.2	0.6%	0	0.1	0.3	-	-
San Juan del Río	8.8	0	0	0	0.06	0	0	-	-
<b>Total</b>	<b>73.0</b>	<b>2.5</b>	<b>1.9</b>	<b>2.4%</b>	<b>0.11</b>	<b>-0.29</b>	<b>1.73</b>	<b>\$6.38</b>	<b>\$6.00</b>

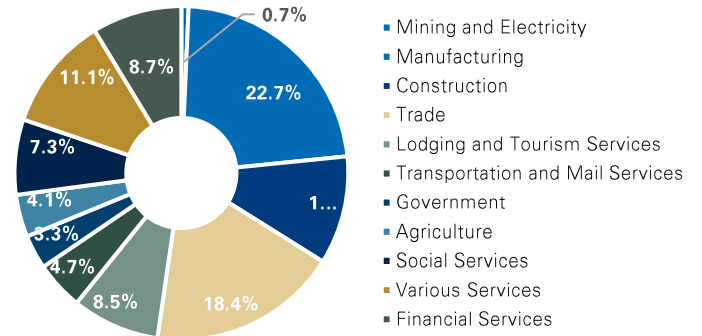
The state is taking a position toward nearshoring, leveraging its strategic location and sustainable economic development to become one of the most competitive states. The state seeks to attract not only the automotive and aeronautics industries, but it also seeks to develop infrastructure and dedicate investments to attract the data centers market.

The state also expects the arrival of new investments and the opening of new plants. This is the case for Brose, which will open a new plant, its fourth in the state and generating over 1,000 jobs.

Regarding its indicators, Querétaro was the third place in the country by its level of formal job occupation, with 62%. In terms of its GDP, it grew by 1% versus the previous quarter.

### Employment per Economic Sector

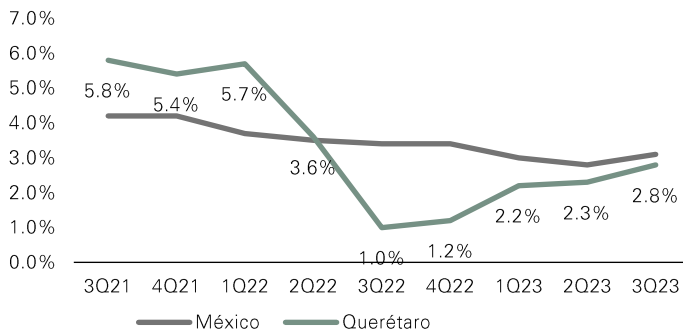
QUERÉTARO, SEPTEMBER 2023



Source: INEGI, ENOE

### Unemployment Rate

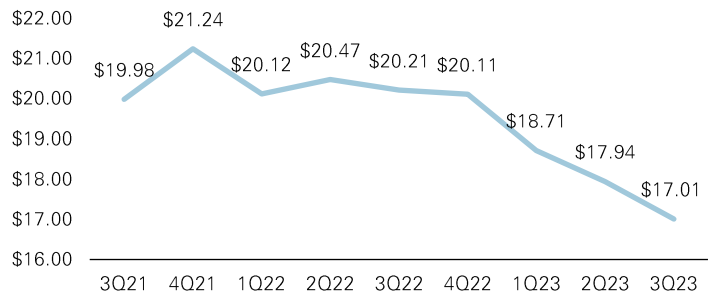
ANNUAL INDICATOR



Source: INEGI, ENOE

### Exchange Rate

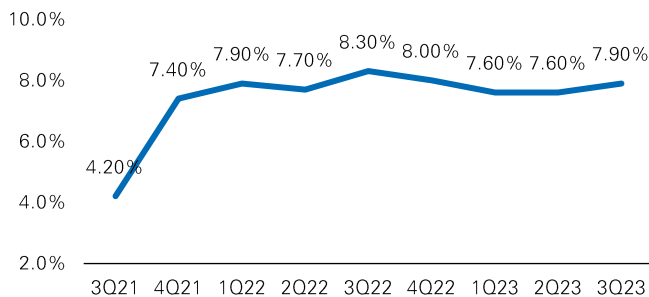
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

### Consumer Price Index (CPI)

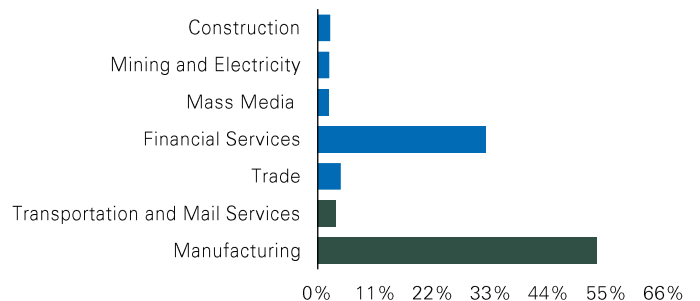
ANNUAL INDICATOR



Source: Banxico

### Foreign Direct Investment

PERCENTAGE



Source: CEFP

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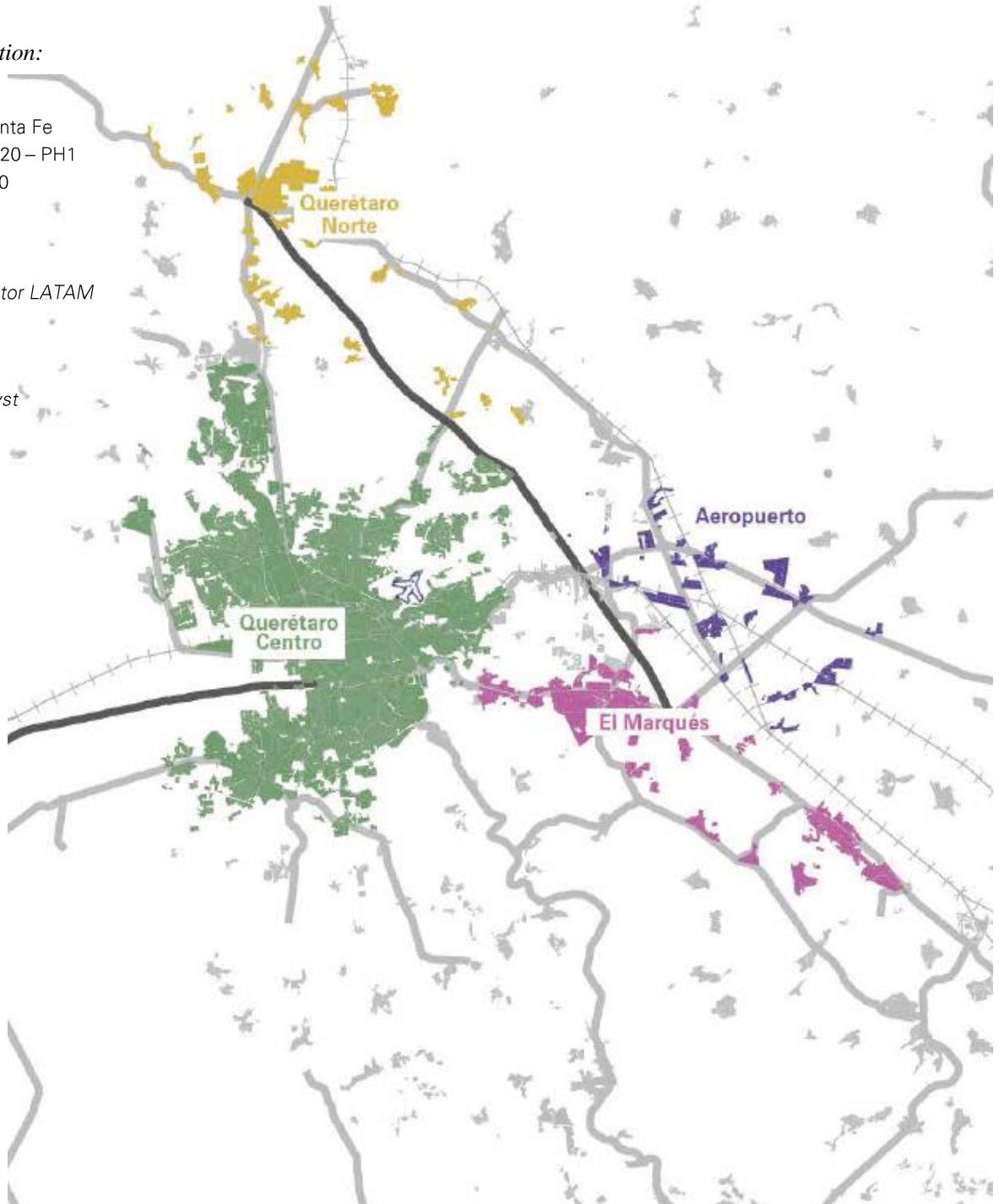
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