



Queretaro Office Market

Indicators trending upwards

The city of Querétaro closes this year with positive figures and the addition of two new projects. During the second half of this year, the asking prices featured an increase with variations above 1% in most of its submarkets. The average asking price in the city was \$17.67, which is 12% above the asking price from last year.

Most submarkets featured positive net absorptions, standing between 300 and 1,900 sqm. Only the Juriquilla submarket featured negative net absorption. This situation was directly caused by the addition of more than 23,000 sqm in two buildings. The activity remains constant, representing more than 20,000 square meters.

The vacancy rate had a minor increase of 4.1% compared to the previous half.

During this half, more than 10,600 sqm of office spaces within the Juriquilla submarket remain active. These are expected to be completed next year.

It was observed that, as of the closing of this half, activity in the office market was reactivated. This was mainly driven by the pharmaceutical, technology, and service industries.

Current Conditions

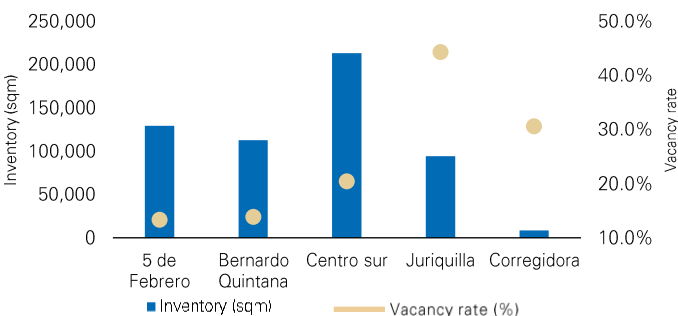
- The vacancy rate increased, going from 20.8% in the previous semester to 21.6% in this half.
- Asking prices featured a 1.1% increase to reach an average of \$17.67 USD/sqm/month.
- Two projects entered the Juriquilla submarket, representing over 23,000sqm.
- During the year, gross absorption overall represented more than 30,000sqm.

Market Summary

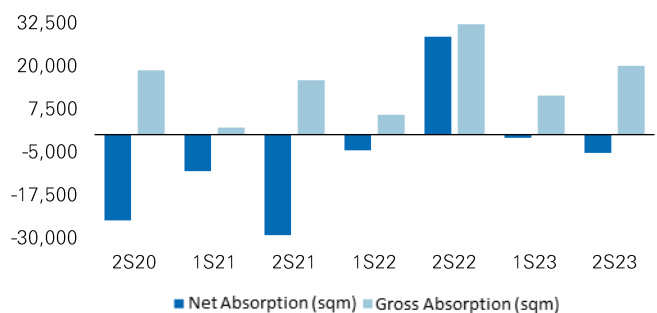
	Current Quarter	Prior Quarter	One year Ago	12-month Forecast
Inventory (sqm)	557,807	554,274	554,274	↑
Vacancy Rate	21.6%	20.8%	20.7%	↑
Net Absorption (sqm)	-5,314	-904	28,499	↑
Avg. Asking Price (USD/sqm/month)	\$17.67	\$17.47	\$15.84	↑
U. Construction (sqm)	10,600	11,128	11,128	↓

Market Analysis

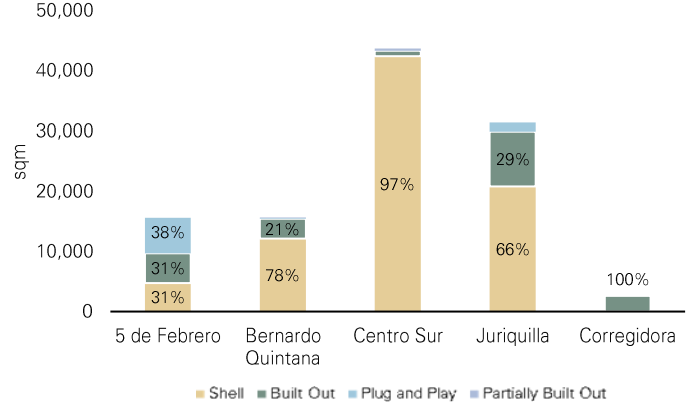
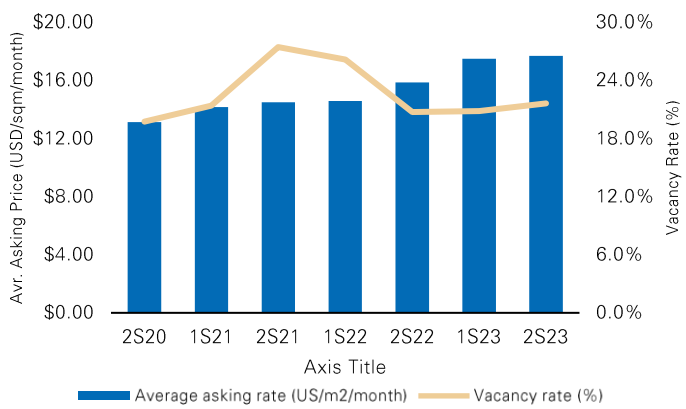
VACANCY RATE VS INVENTORY



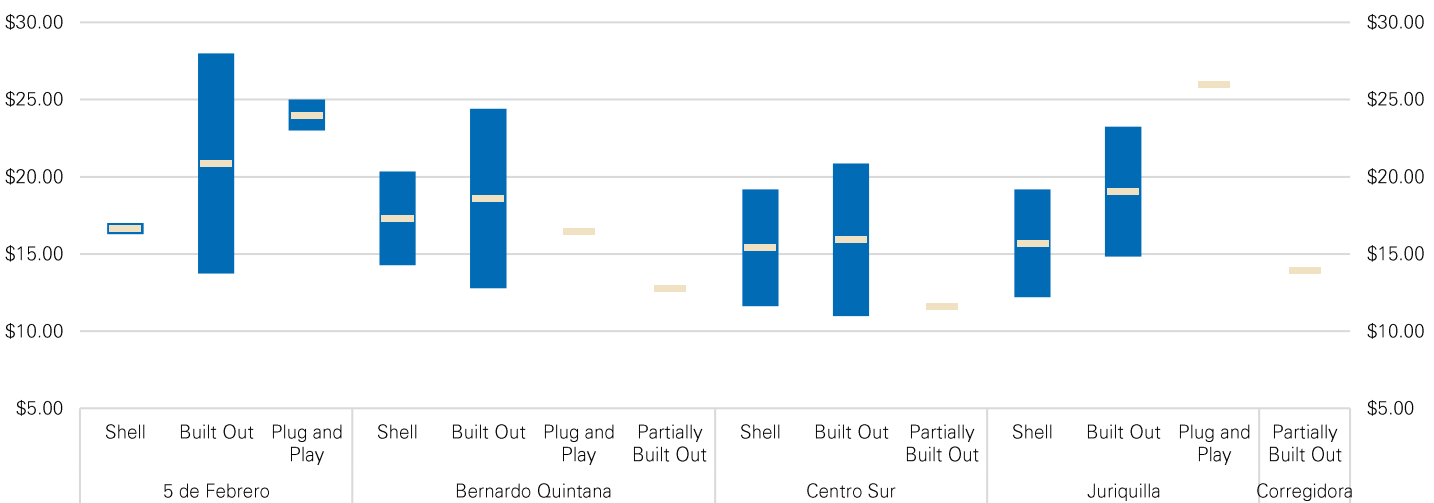
NET AND GROSS ABSORPTION (SQM)



Average Lease Rate and Vacancy Rate **Available Space by Condition**



Average Asking Rates Range



Submarket Stats

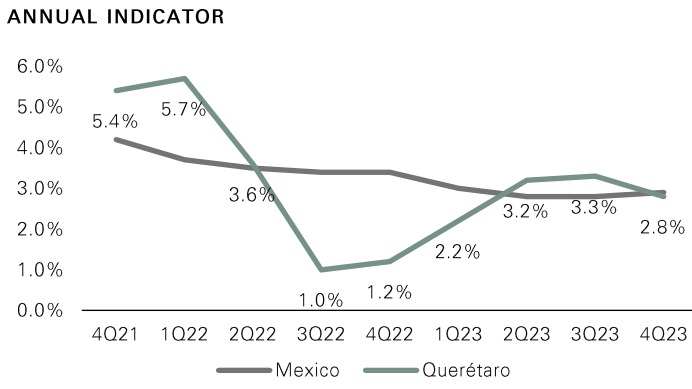
	Inventory (sqm)	Deliveries (sqm)	Under Construction (sqm)	Vacancy (sqm)	Vacancy Rate (%)	Gross Absorption (sqm)	Net Absorption (sqm)	Average Asking Price (USD/sqm/month)
5 de Febrero	129,141	0	0	17,227	13.3%	1,489	1,489	\$20.38
Bernardo Quintana	112,805	0	0	15,644	13.9%	2,254	1,857	\$17.76
Centro sur	213,183	0	0	43,567	20.4%	452	324	\$16.22
Juruquilla	94,176	23,533	10,600	41,708	44.3%	13,896	-10,905	\$18.45
Corregidora	8,502	0	0	2,601	30.6%	1,920	1,920	\$13.95
Totals	557,807	23,533	10,600	120,747	21.6%	20,011	-5,314	\$17.67

After the years of the pandemic, Querétaro is gaining back some indicators pushing upwards. Tourism, in the areas of lodging and services, are the areas that recovered most dramatically, recording a 10% increase in terms of total economic activity by the end of the year.

Querétaro closes 2023 with a GDP growth of 1.3%, improving its position in the Competitiveness Index, reaching second place. Further, there was a clear improvement regarding the perception of its indicators related to the financial sector and corruption in the state.

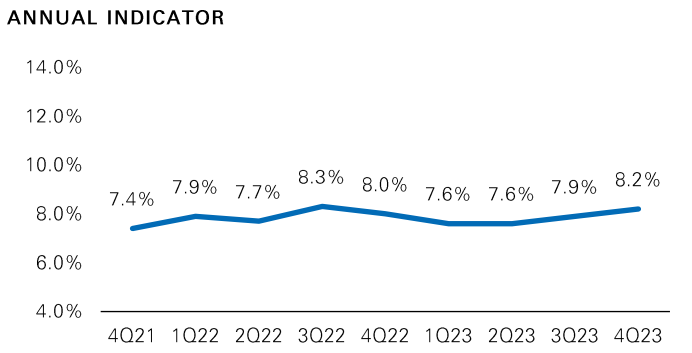
Likewise, the results in the Quarterly Indicator of Economic Activity by State (7.3%) meant that the state had the fourth strongest growth. Activities in the tourism, telecommunications, and logistics sectors had the most outstanding growth.

Unemployment Rate



Source : INEGI, ENOE

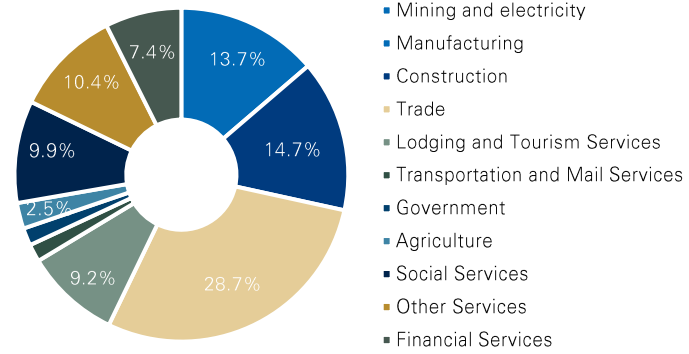
Consumer Price Index



Source : Banxico

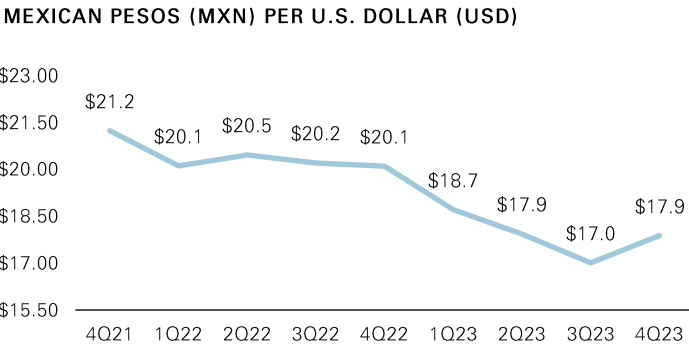
Employment by Economic Sector

QUERÉTARO, NOVEMBER 2023



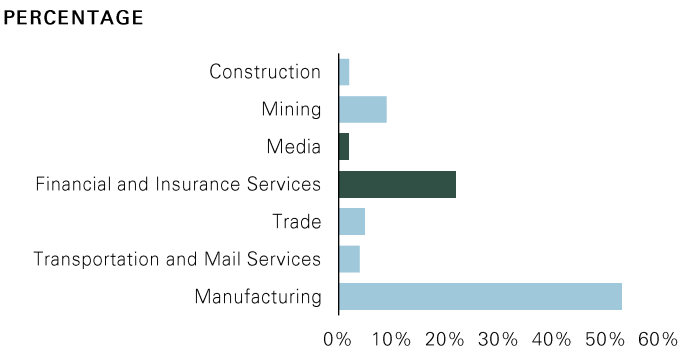
Source: INEGI, ENOE

Exchange Rate



Source : Banxico

Foreign Direct Investment



Source : CEFP

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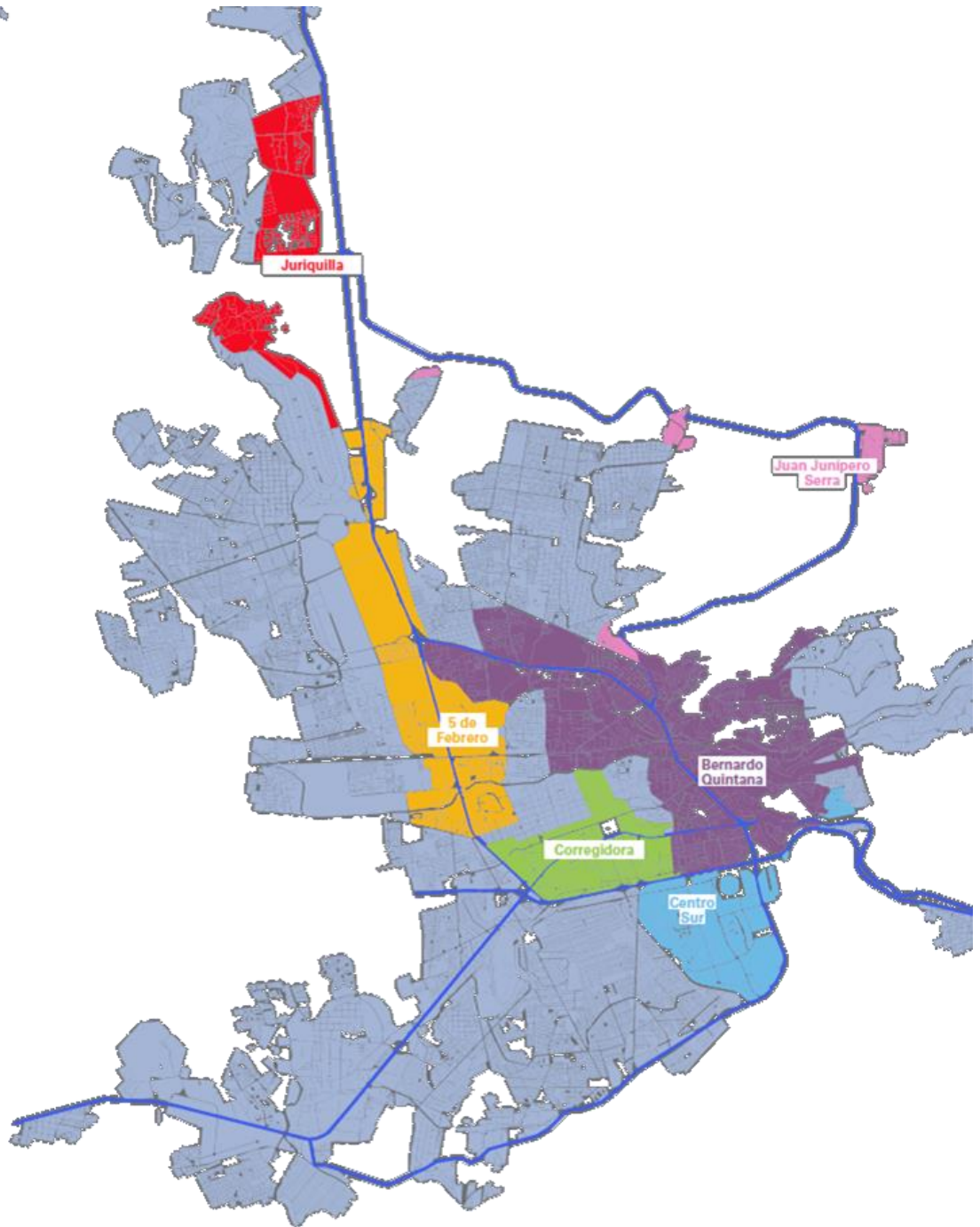
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