



Guadalajara Industrial Market

Deceleration by the end of the year

An increase in prices for land and the availability of infrastructure for the development of new industrial projects are conditions that continue to lead the market into speculative spaces. Throughout the year, the release into the market of new spaces drove negative results in terms of net absorption. However, the yearly trend was moving into positive figures due to the total number of closings, which were above 1.3 millions square feet on a quarterly average. Thus, asking prices are still growing and exceed the six-dollar marker. Nonetheless, there is a noticeable deceleration in terms of surface under construction that could be explained by the reduction of foreign direct investment in the state.

Investments in electromobility represent trust and the city's role in the race for microprocessors

Five projects associated with electromobility companies, Foxconn, and a logistics provider reached the El Salto submarket. Meanwhile, the Lagos de Moreno submarket is expected to enable the potential installation of a contract assembler in Guanajuato's automotive submarket.

Current Conditions

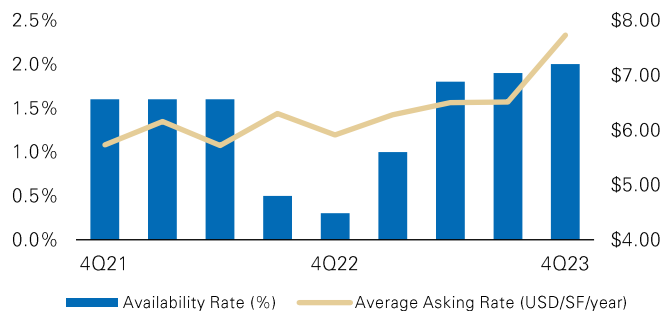
- The Class A industrial inventory reported growth for 2% versus the previous quarter.
- Construction decelerated its pace of expansion compared to the previous quarter and the previous year.
- The vacancy rate of Guadalajara increased slightly due to the addition of new spaces into the market.

Market Summary

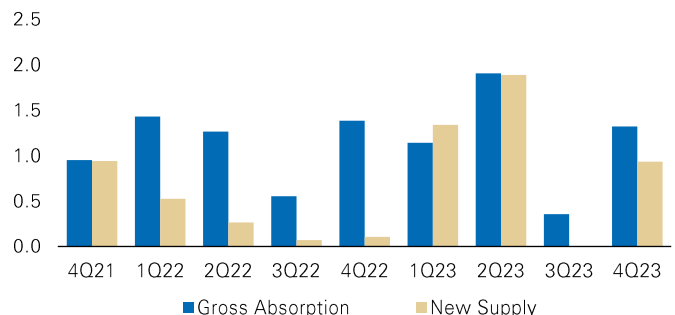
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	61.7M	60.8M	57.6M	↑
Vacancy rate	1.9%	2.0%	0.3%	↑
Quarterly net absorption (SF)	125,799	265,849	106,876	↑
Avg. asking rent (USD/SF/year)	\$7.73	\$6.51	\$5.91	↑
U. construction (SF)	2.9M	3.3M	3.3M	↑

Market Analysis

VACANCY RATE AND ASKING PRICE



GROSS ABSORPTION & NEW SUPPLY (Million SF)



Demand for speculative spaces increases in major submarkets

As of the end of the year, 77% of recorded operations are related to speculative spaces with early occupation. Even though the El Salto submarket concentrated nearly 89% of all operations during the quarter. The old Industrial Zone and Periférico Sur submarkets remained active for the second quarter in a row.

In the López Mateos and Lagos de Moreno submarkets, construction started for spaces intended to expand plants as requested by the occupants. In this manner, markets with limited availability of speculative spaces continue their operations oriented to BTS projects.

Inventory Evolution



Market Summary

	Inventory (Million SF)	Under Construction (Million SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Net Absorption YTD (SF)	Asking Rate (USD/SF/year)	Under Construction Asking Rate (USD/SF/year)
Zona Industrial	1.9	0.4	217,906	11.7%	56,565	-162,407	-188,112	\$ 8.52	\$ 9.27
El Salto	25.9	1.5	1,040,168	4.0%	1,171,295	193,095	-139,674	\$ 7.00	\$ 6.95
López Mateos Sur	6.2	0.7	-	0.0%	-	-	72,474	-	-
Periférico Sur	9.0	-	-	-	95,111	95,111	171,643	-	-
Zapopan Norte	16.0	0.1	-	-	-	-	-	-	-
Total	61.7	2.9	1,258,075	2.0%	1,322,971	125,799	-83,669	\$7.73	\$7.64

Main Industrial Parks Under Development

Industrial Park	Submarket	Status	Delivery date
San Jorge Industrial Park	El Salto-Aeropuerto	Under construction	March 2024
Pinar Empresarial Park	Zapopan Norte	Under construction	March 2024
El Salto Park Guadalajara III*	El Salto-Aeropuerto	Under construction	April 2024
Plataforma Park Guadalajara*	El Salto-Aeropuerto	Under construction	December 2023
Centro Logístico Jalisco	López Mateos Sur	Under construction	October 2024
FINSA Jalisco El Salto	El Salto-Aeropuerto	Under construction	December 2023
Proximity Parks Guadalajara*	Zona Industrial	Under construction	April 2024
Planta Santa Clara-Jugos del Valle	Lagos de Moreno	Under construction	March 2024

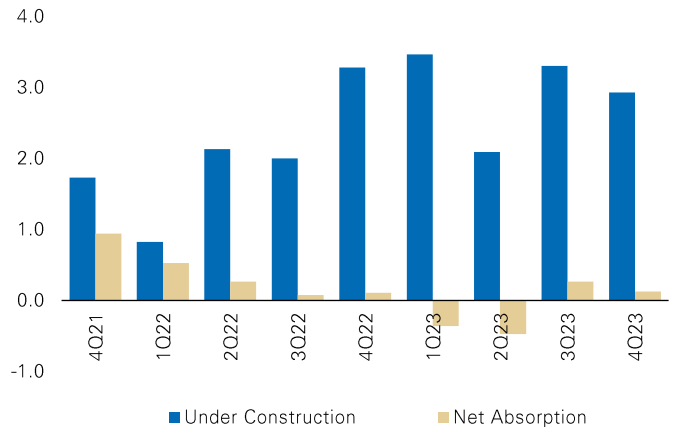
*New industrial park

Closings drive positive net absorption results

The behavior of closings during this quarter showed trends similar to what was described above: expansion of companies, renewal of leases, and spaces that enter the market already leased. The continuous inclusion of new industrial spaces into the market and the quarterly average of lease operations resulted in a positive net absorption by the end of the year.

Even though the market is focused on speculative spaces as a reflection of the growth in the sector overall, the number of operations involving these spaces has decreased due to two factors: costs of land and infrastructure plus the decrease of foreign investment.

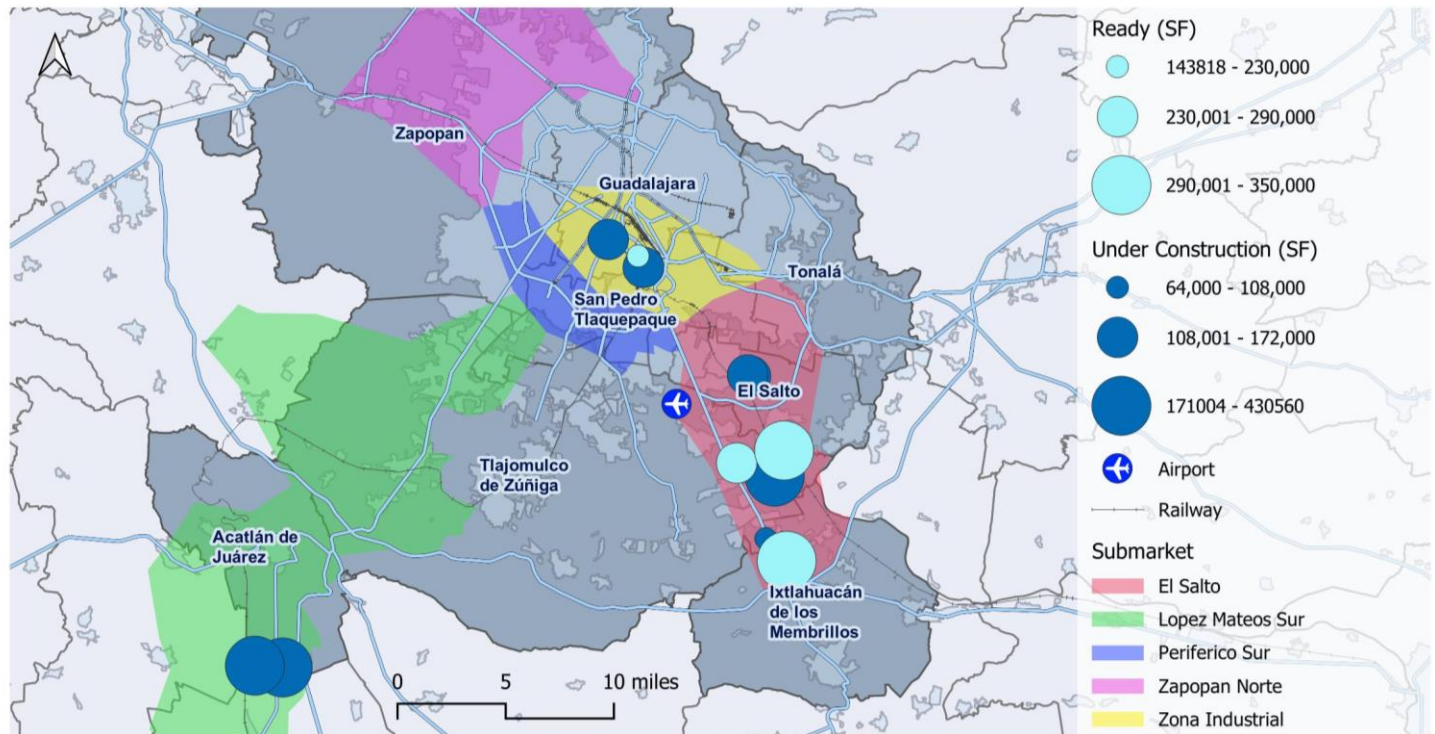
Under Construction and Net Absorption (Millions SF)



Market Summary

	Total Inventory (Millions SF)	Under Construction (Millions SF)	Total Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Asking Rate (USD/SF/year)	Asking Rate Under Construction (USD/SF/year)
Lagos de Moreno	2.8	0.2	-	-	-	-	-	-

Vacancy by Submarket

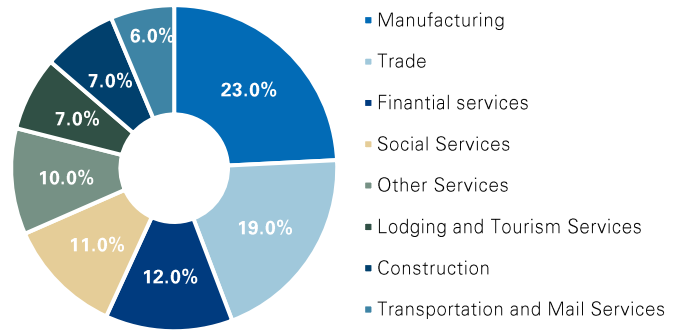


A decrease in new foreign investments

As of the end of the year, 60% of all foreign investment was tagged for the manufacturing sector. The deceleration of industrial growth in Guadalajara can be explained by the overall attraction of investments for 2024. Jalisco plummeted to the 11th position in terms of total foreign currency received for the manufacturing industry. The subdivisions that attracted the most investment were the manufacture of beverages, with 57%, followed by the manufacture of vehicles, with 19%, and the manufacture of electronic devices, with 15%. Among the outstanding investments for the beverages industry, we find the plant expansion at the Coca-Cola complex for the Santa Clara and Jugos del Valle brands. This investment entailed 133 million dollars, and it broke ground early in the fourth quarter.

Employment by Sector of Economic Activity

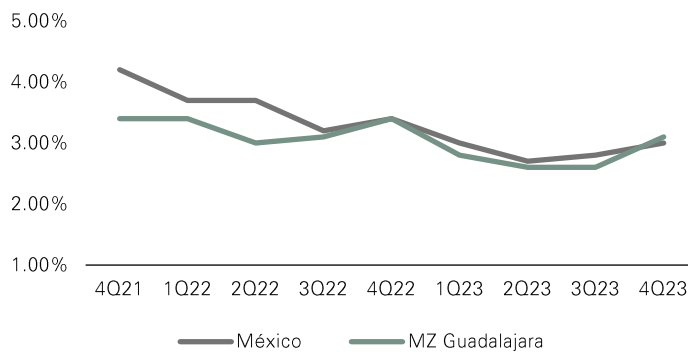
METROPOLITAN AREA GDL, DECEMBER 2023



Source: INEGI, ENOE

Unemployment Rate

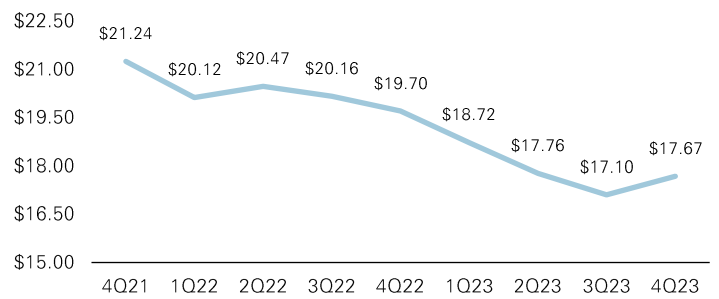
ANNUAL INDICATOR



source: INEGI, ENOE

Exchange Rate

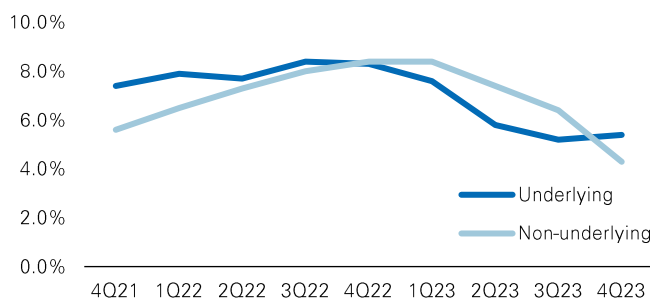
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

Consumer Price Index (CPI)

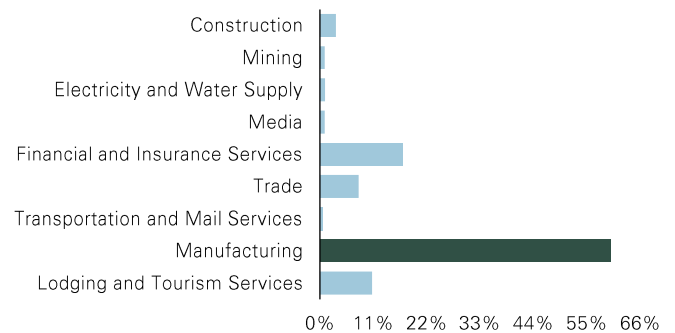
ANNUAL INDICATOR



Source: INEGI, INPC

Foreign Direct Investment

PERCENTAGE



Source: CEFP

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