



# Queretaro Industrial Market

## A stable end of the year

Queretaro’s industrial market remains one of the most dynamic in the country, with an inventory of 79.6 million square feet and an accumulated net absorption of 1.6 million square feet during the year. In its turn, the availability rate was 2.4%.

In terms of net absorption, the number as of the close of this period was -96.9 thousand square feet. This is the result of contrasting vacancies of previously occupied spaces versus the 529,584 square feet of gross absorption recorded during this period.

As of the end of this year, the construction of new developments remains on hold for 2024. There were no additions to the inventory. Nonetheless, the surface under construction reached 3.2 million square feet focused on the Aeropuerto submarket. This is more than the 0.8 million square feet reported in the previous period. It is necessary to highlight that, during this period, some projects that were not counted in the previous quarter were included, and the updated totals were compared against the last report.

### Current Conditions

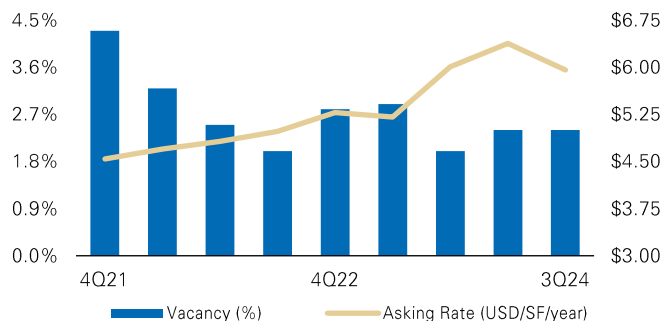
- Class A industrial inventory closed at 79.6 million square feet in Q4 2023.
- The vacancy rate remains at 2.4%.
- The average lease price was recorded to be \$5.96 USD/SF/year, partially below the previous period.

### Market Summary

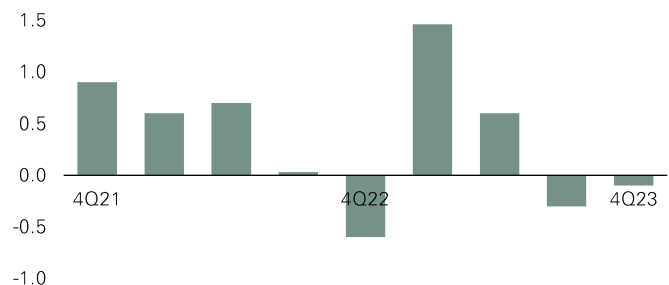
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Inventory (SF)	79.6 M	78.6 M	71.5 M	↑
Vacancy Rate	2.4%	2.4%	2.8%	↑
Quarter Net Absorption (SF)	-0.1 M	-0.3 M	-0.7 M	→
Average asking rent (USD/SF/year)	\$5.96	\$6.38	\$5.28	↑
Under construction (SF)	3.2 M	2.5 M	2.8 M	→

### Market Analysis

#### AVERAGE LEASE RATE AND VACANCY RATE



#### NET ABSORPTION (Millions SF)



### Negative net absorption

Even though there was a gross absorption of slightly over 529 thousand square feet during the last quarter, the net absorption stands at 96.8 thousand square feet under the break-even point. This figure is the consequence of major vacancies in submarkets such as Aeropuerto and El Marqués.

In this manner, a good portion of the current availability is directly associated with buildings that were previously occupied, instead of new spaces entering the inventory. This is the opposite to the foreseeable outlook for the first quarters of 2024, when it is expected that Querétaro’s industrial inventory will expand, particularly in the Aeropuerto submarket.

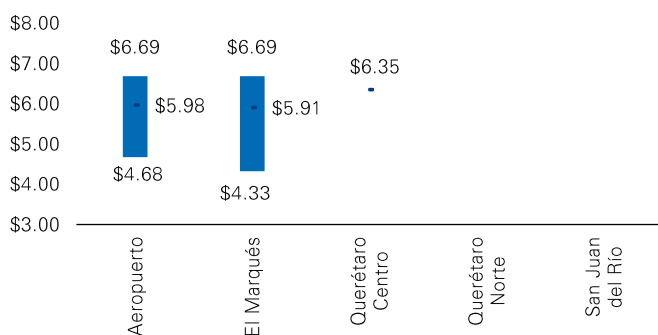
### Asking prices waiting on 2024

The average lease price remains at \$5.96 USD/SF/year, even below the \$6.38 from the previous period. This represents a greater availability in the El Marqués submarket, where the average price was lower.

Regardless, considering that the recorded values for the market under construction remain stable, it is foreseeable that the overall price in Querétaro will maintain the same trend observed this year and may even increase, because new properties will enter the inventory in 2024.

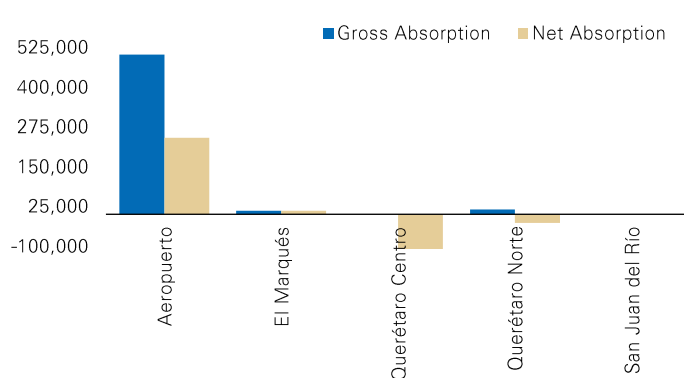
#### Average Asking Rates Range

AVERAGE ASKING RATES (USD /SF / Year)



#### 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	2.3	1.2	5.1%	0.5	0.2	0.9	\$5.98	\$6.21
El Marqués	3.4	0.8	0.1	1.9%	0.0	0.0	0.1	\$6.35	\$6.39
Querétaro Centro	21.1	-	0.6	3.0%	0.0	-0.3	0.4	\$5.91	-
Querétaro Norte	23.6	0.1	0.0	0.2%	0.0	0.0	0.3	-	\$5.98
San Juan del Río	8.8	-	0.0	0	0.0	0.0	0.0	-	-
<b>Total</b>	<b>79.6</b>	<b>3.2</b>	<b>1.9</b>	<b>2.4%</b>	<b>0.5</b>	<b>-0.1</b>	<b>1.6</b>	<b>\$5.96</b>	<b>\$6.19</b>

## RESEARCH 4Q 2023

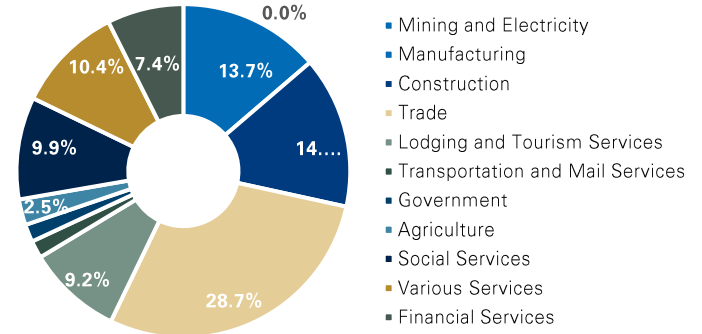
After the years of the pandemic, Querétaro is gaining back some indicators pushing upwards. Tourism, in the areas of lodging and services, are the areas that recovered most dramatically, recording a 10% increase in terms of total economic activity by the end of the year.

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.

## Employment per Economic Sector

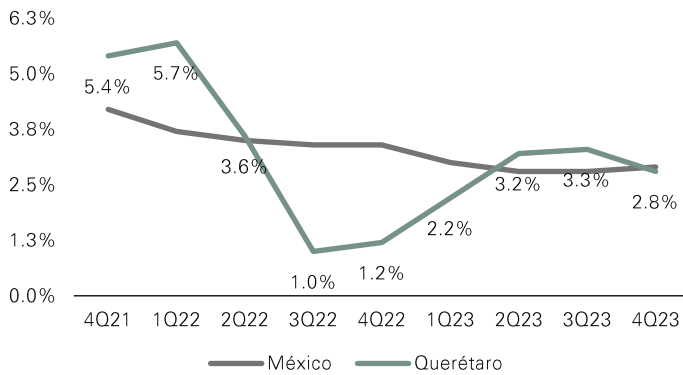
QUERÉTARO, NOVEMBER 2023



Source: INEGI, ENOE

## Unemployment Rate

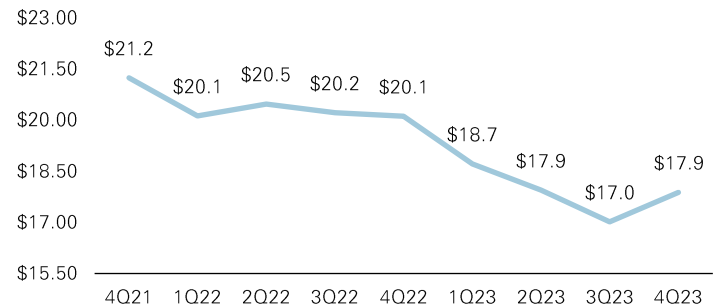
ANNUAL INDICATOR



Source: INEGI, ENOE

## Exchange Rate

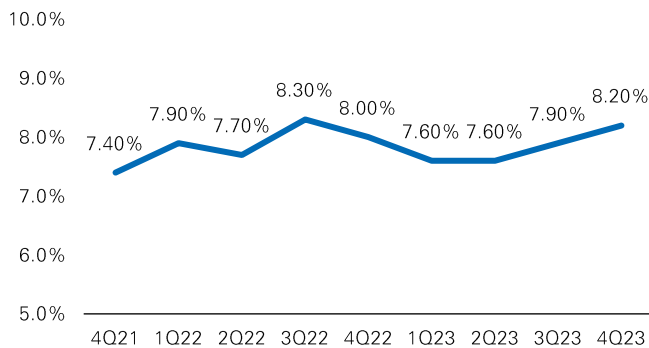
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

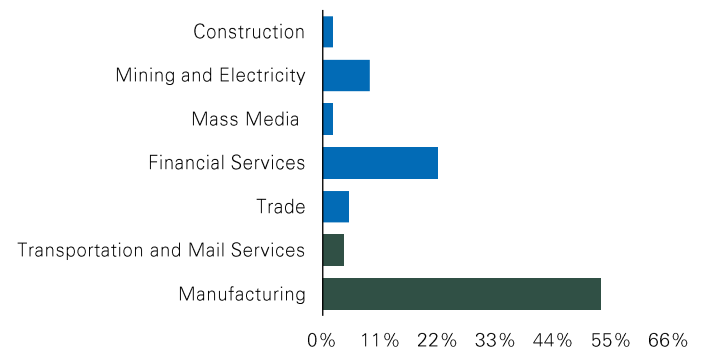
## Consumer Price Index (CPI)

ANNUAL INDICATOR



Source: Banxico

## Foreign Direct Investment



Source: CEFP

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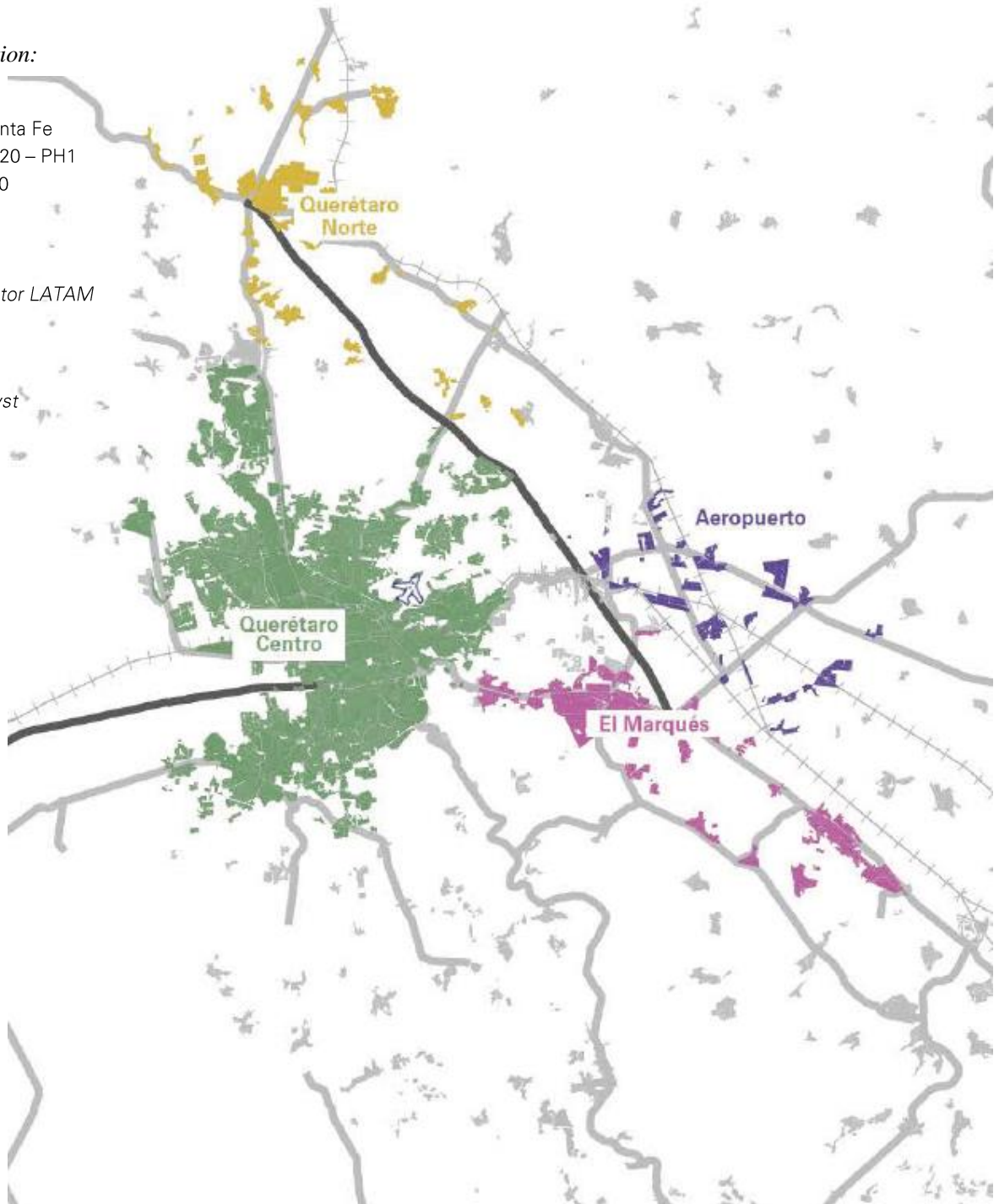
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