
1Q24

Queretaro Industrial Market



NEWMARK

Market observations

Economy

- The exchange rate reaches \$17.00 MXN for each US Dollar (USD). This value is similar to that recorded in the third quarter of 2023.
- Together, manufacturing and logistics already represent a share close to 90% of foreign direct investment for Querétaro.

Major Transactions

- With operations in the Airport and El Marqués submarkets, absorption totals 828 thousands of SF.
- A significant movement of 322 thousands of SF in El Marqués is highlighted, representing almost the entire absorption in that submarket.

Leasing Market Fundamentals

	Current Quarter	Prior Quarter	One Year Ago	12-month Forecast
Inventory (SF)	80.93 M	79.6 M	73.0 M	↑
Vacancy Rate	3.3%	2.4%	2.9%	→
Quarterly Net Absorption (SF)	-0.75	-0.1 M	1.5 M	↑
Average Asking Rent (USD/SF/Year)	\$6.28	\$5.96	\$5.22	↑
Under Construction (SF)	4.87	3.2 M	3.2 M	→

Outlook

- The delivery of industrial projects in most of the Querétaro submarkets is expected throughout the year. However, it is anticipated that a significant portion of these will be occupied before entering the market, as is already the case with most speculative origin projects.
- It is expected that the rental price will continue to rise broadly, reinforced by the delivery of new developments.

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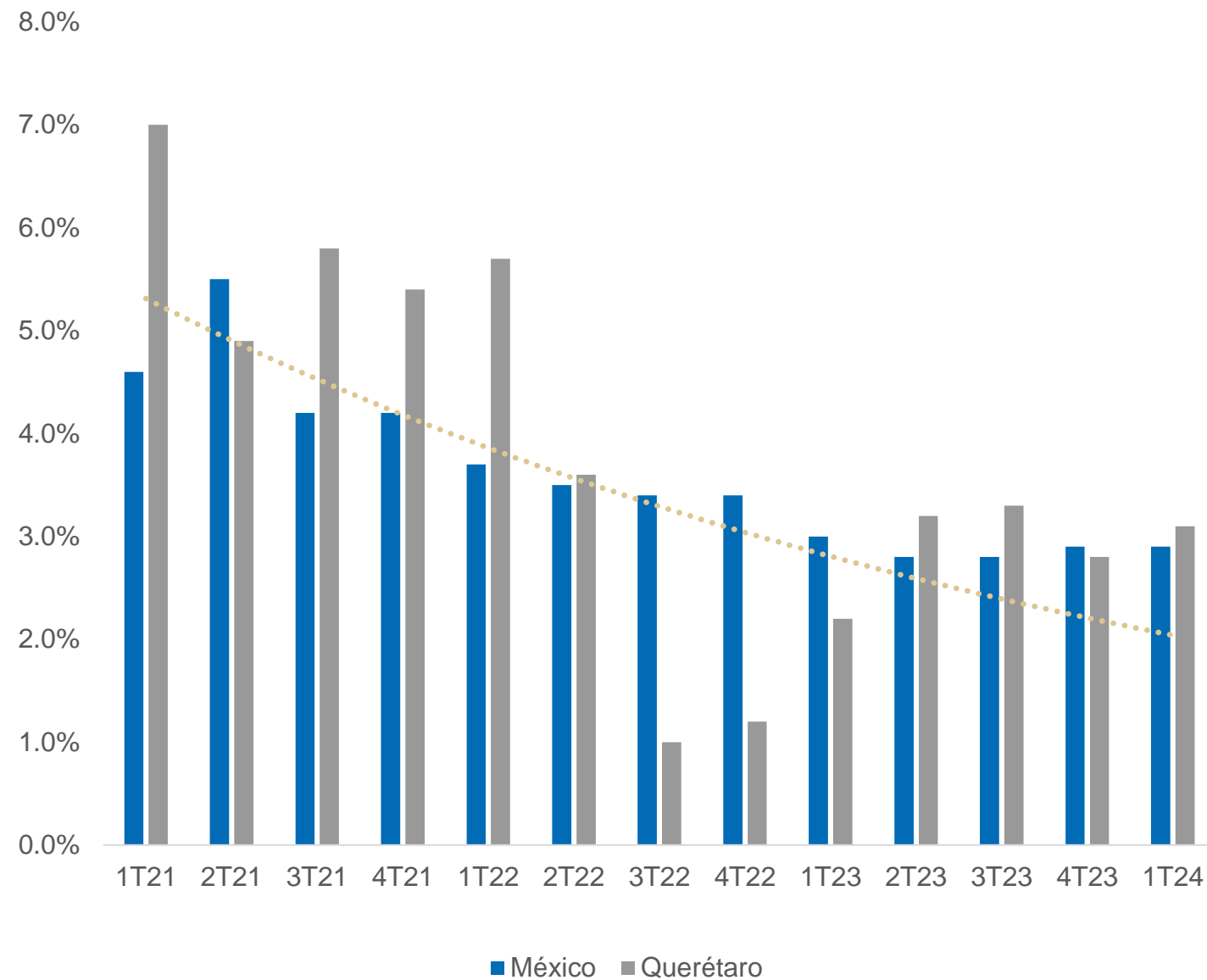
Economy



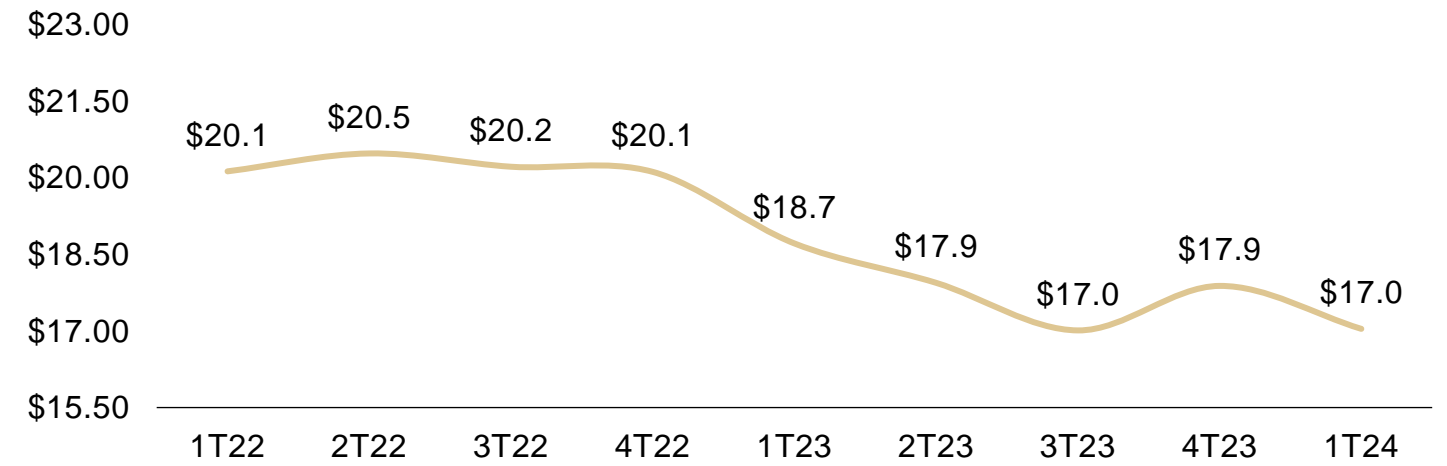
Economic outlook

The exchange rate continues to decline, reaching below \$17 Mexican Pesos (MXN) per US Dollar (USD) at some points during this quarter.

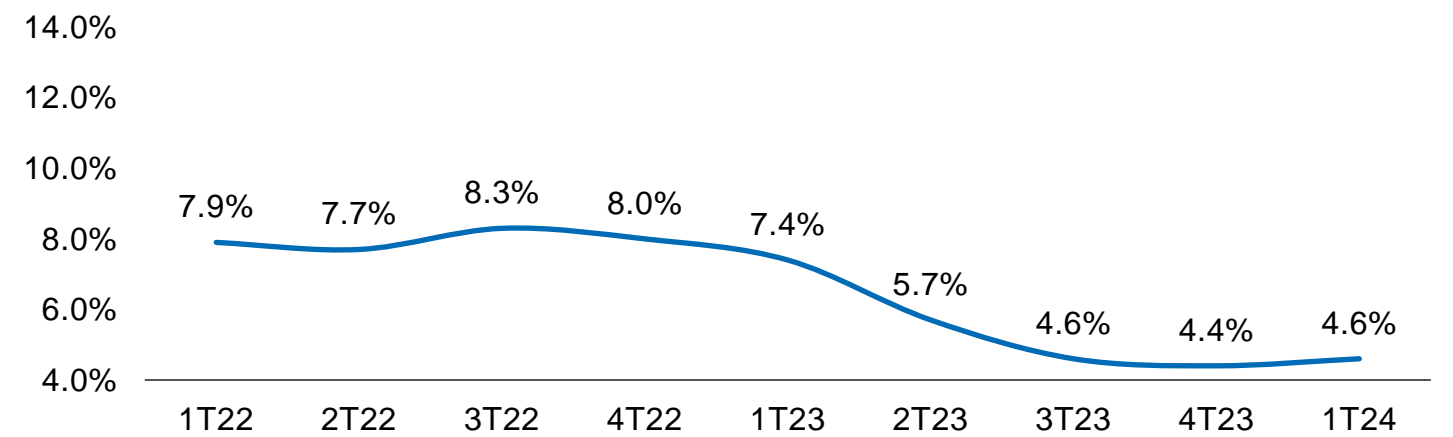
Unemployment Rate



Exchange Rate: Mexican Peso (MXN) to US Dollar (USD)



Consumer Price Index (CPI)

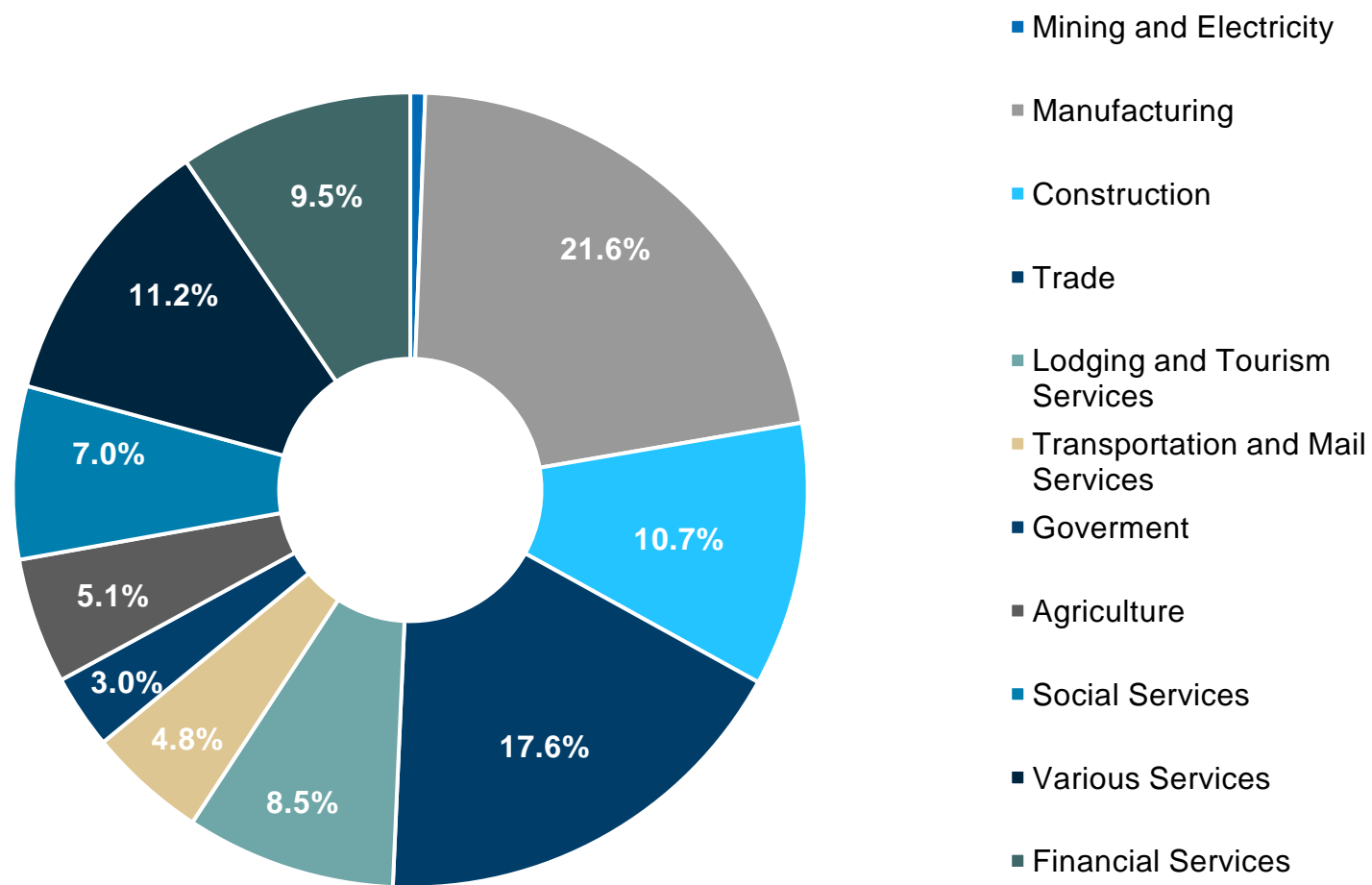


Source: Inegi, Banxico

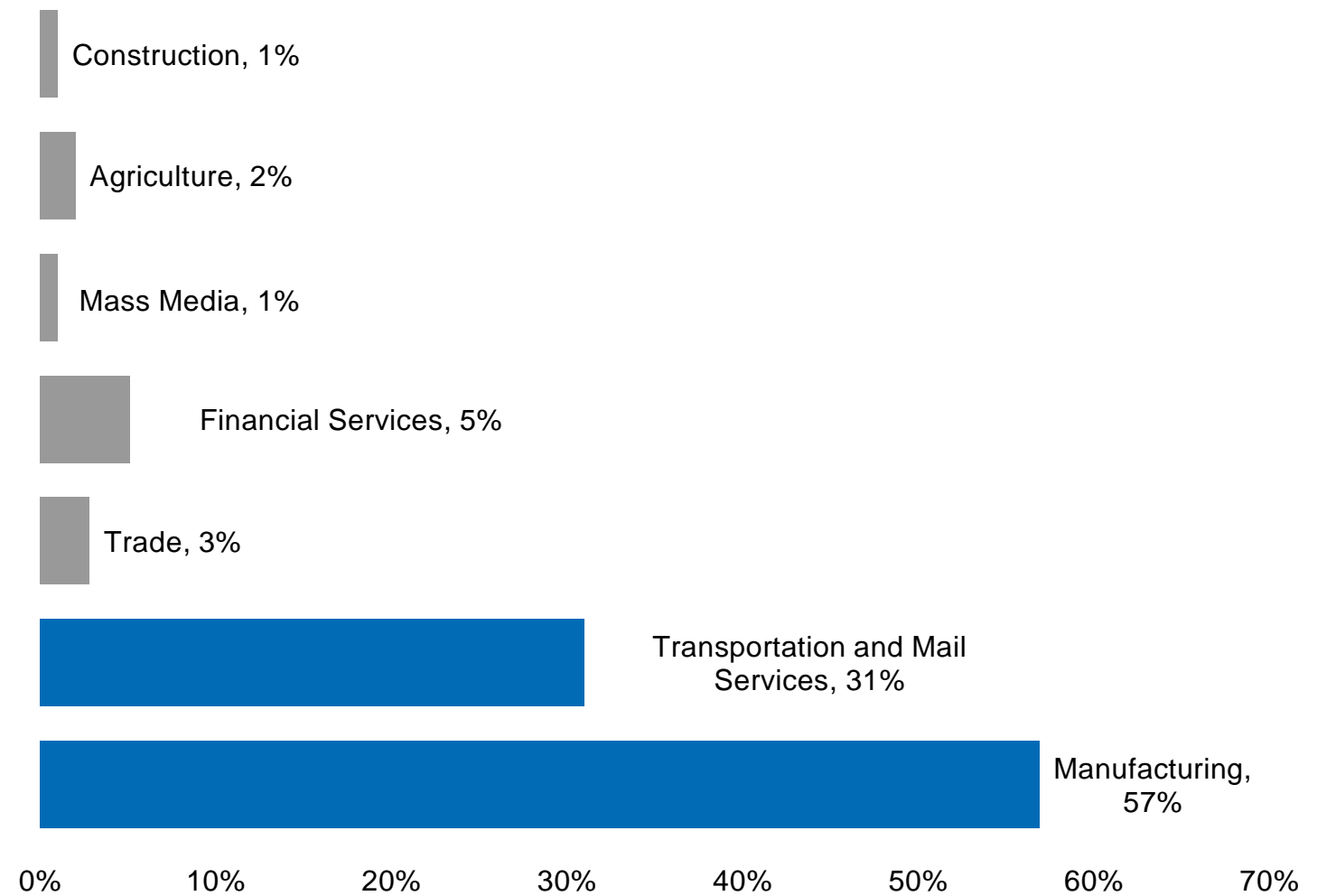
Economic sectors

The manufacturing industry remains as the most representative sector of formal employment in Querétaro, ahead of commerce and economic activities linked to the primary sector; historically strong in the entity.

Employment by Sector of Economic Activity



Foreign Direct Investment



Source: Inegi, Banxico

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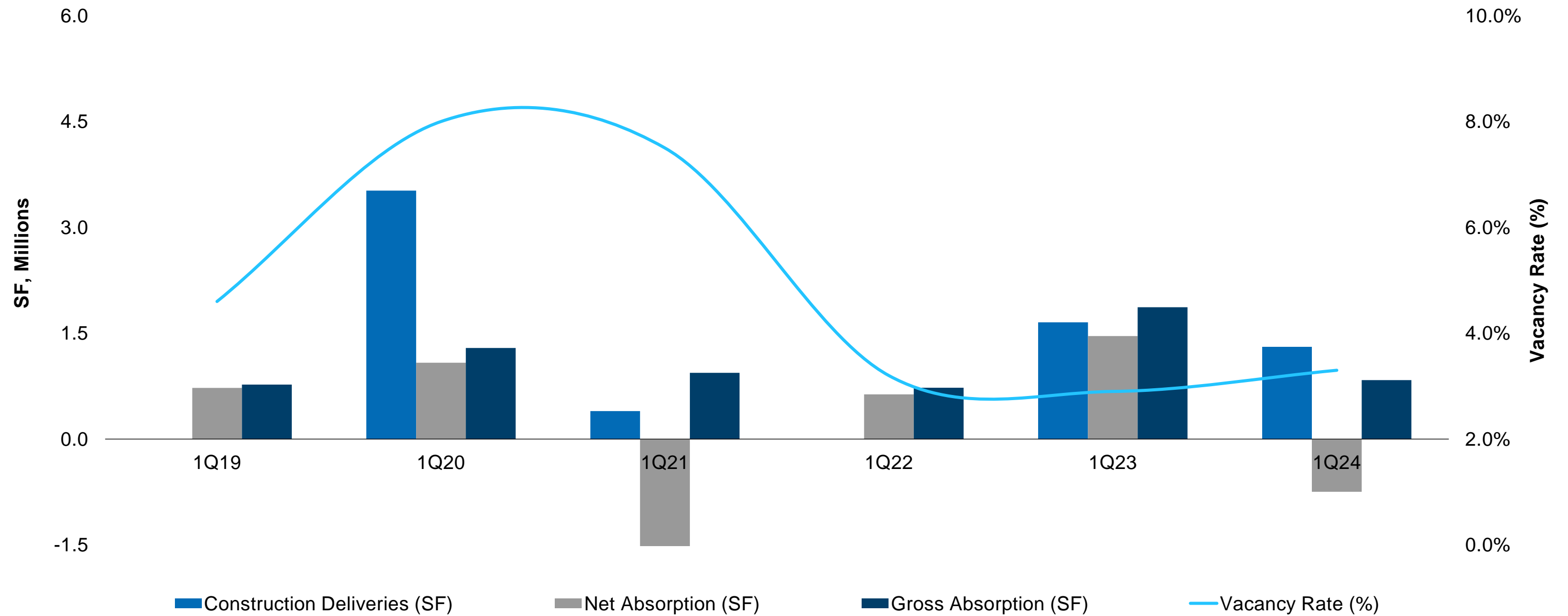
Leasing Market Fundamentals



Inventory growth at the beginning of the year

The availability rate reaches 3.3%, mainly due to the incorporation of developments into the inventory in various submarkets..

Construction Deliveries, Net Absorption, Gross Absorption, and Vacancy

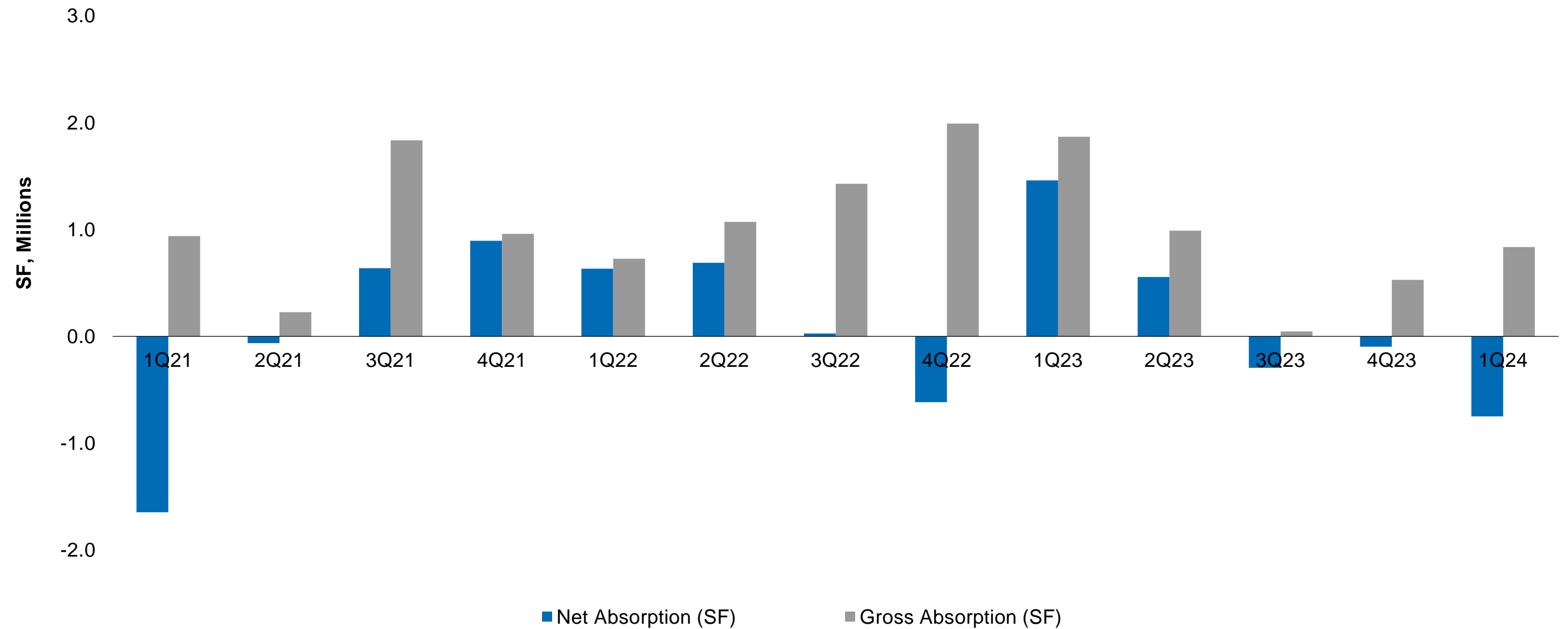


Source: Newmark Research

Gross absorption rebounds in contrast with the end of 2023

Net absorption registers a negative value due to the delivery of developments. This phenomenon will be possible to observe for the rest of the year due to the presence of projects under construction in 4 of the 5 submarkets; awaiting incorporation into the inventory during this 2024.

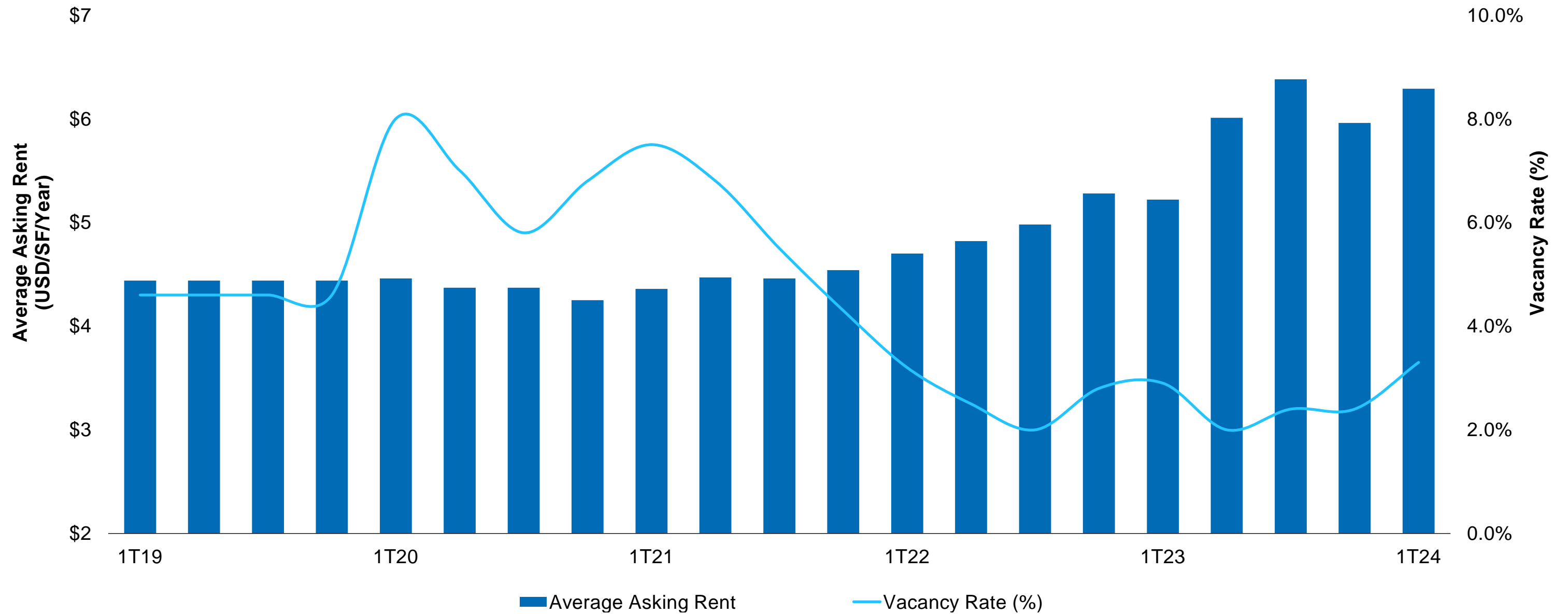
Gross Absorption and Net Absorption



Asking rent continues upward trend

The average rental price rebounds to reach \$ 6.28USD/SF/Year; in line with the generalized price increase in the country's main markets.

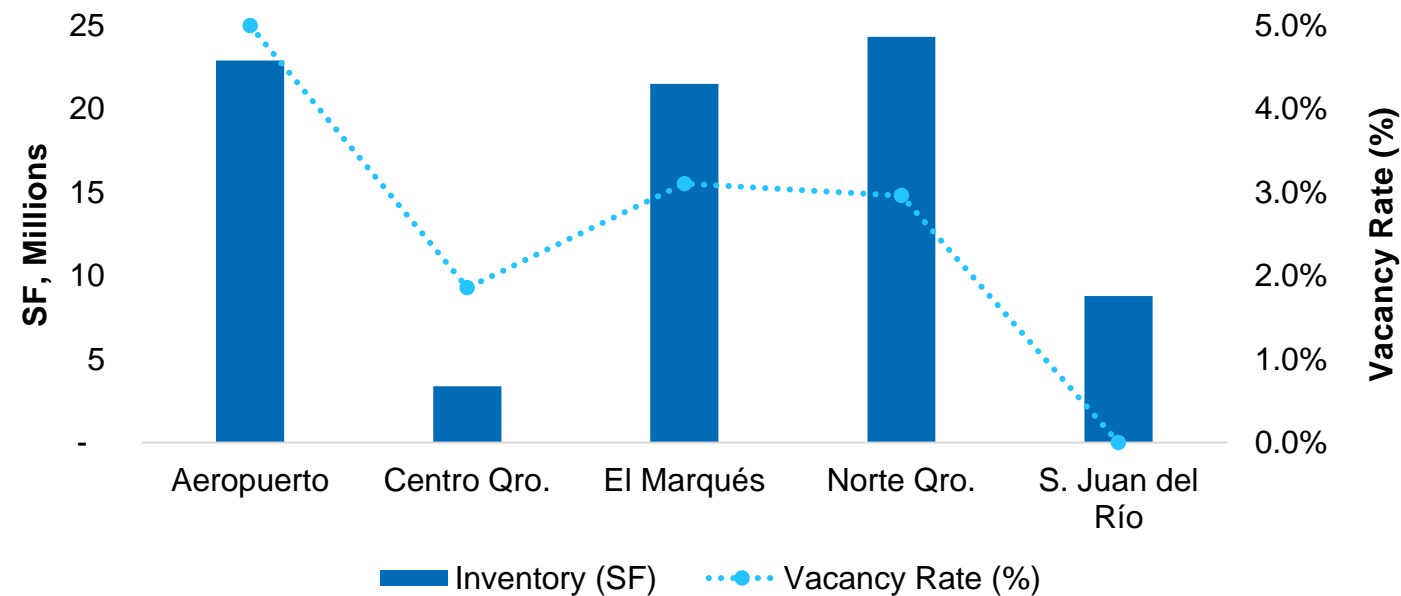
Average Asking Rent and Vacancy Rate



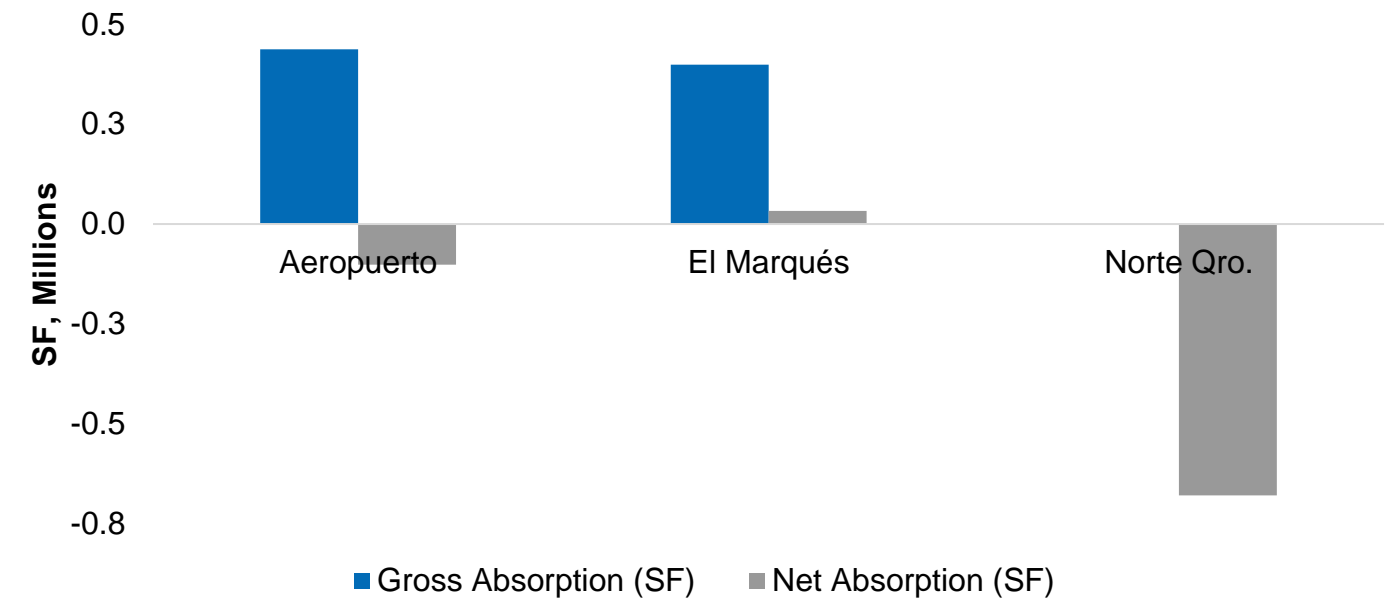
Source: Newmark Research

Activity distributed among Queretaro's submarkets

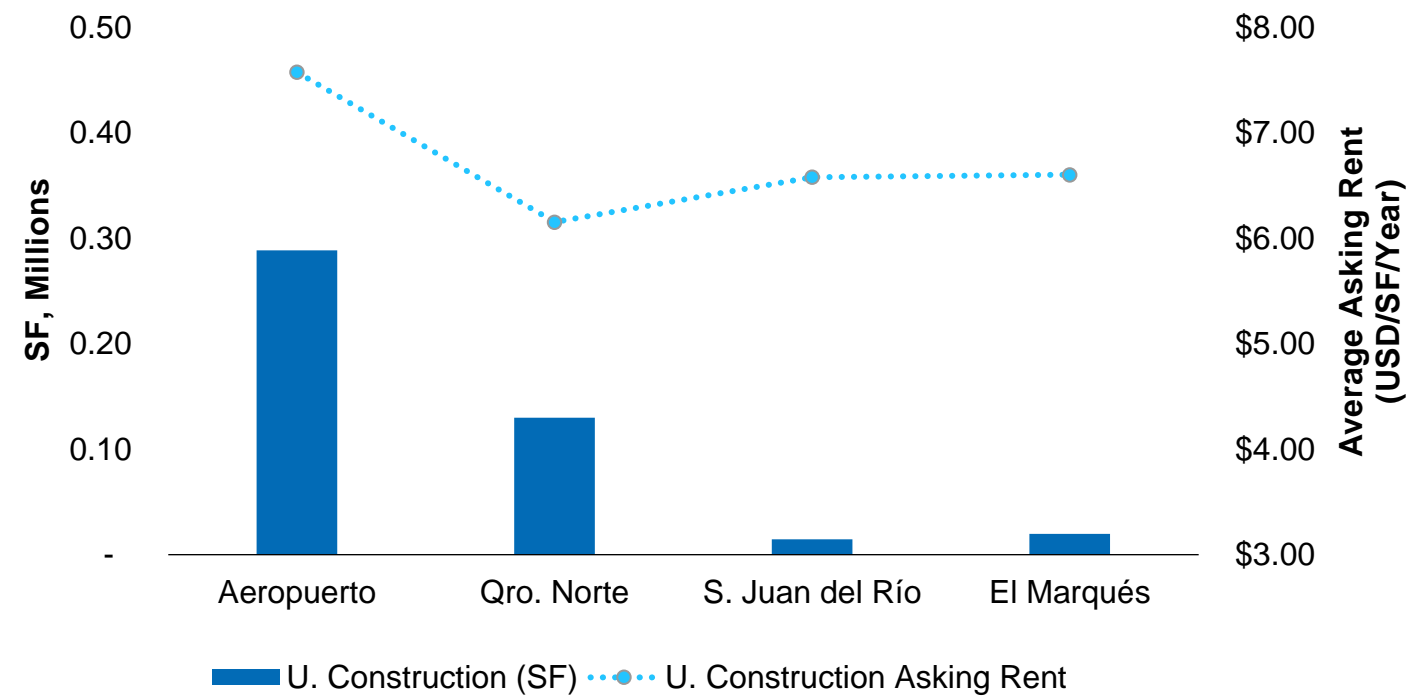
Inventory vs. Vacancy Rate



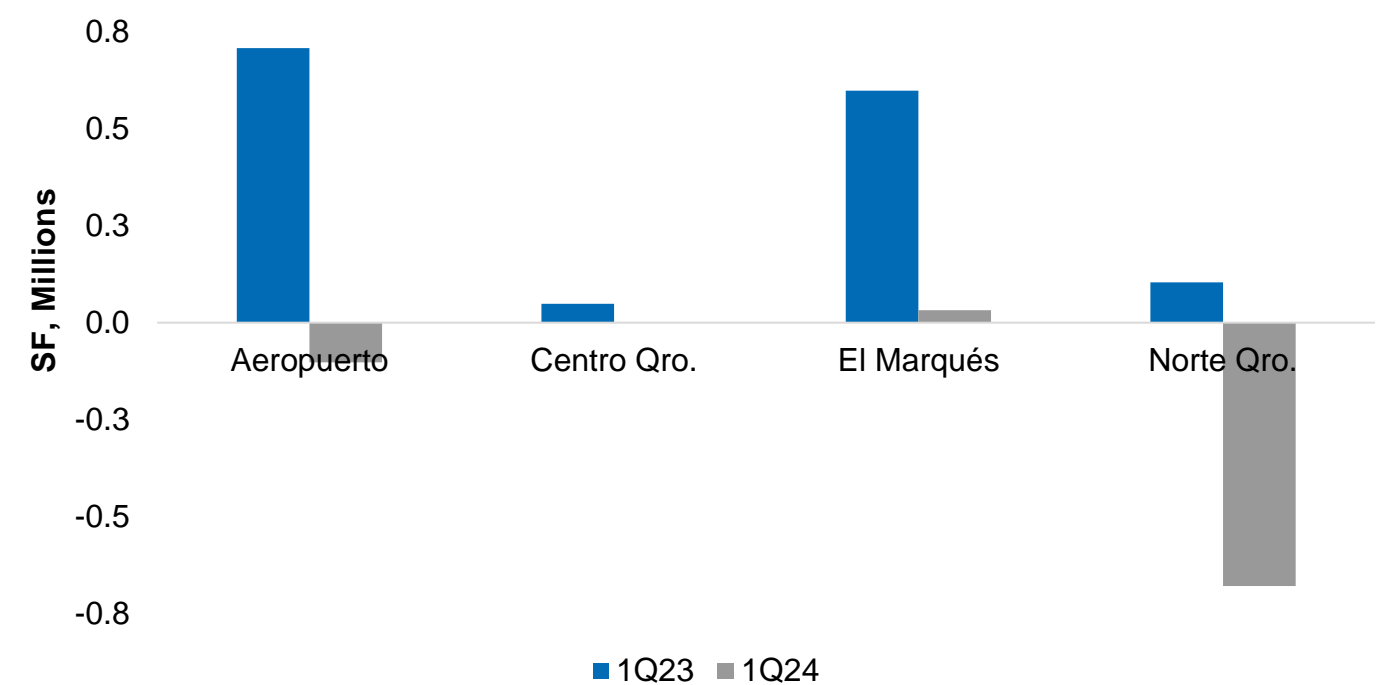
Net Absorption and Gross Absorption by Submarket



Construction vs. Asking Rent by Submarket



Net Absorption for First Quarter 2023 vs 2024



Source: Newmark Research

Queretaro statistics 1Q24

The development of new projects in the Airport submarket stands out.

The consideration of new inventory leads to negative net absorptions in two of the 5 submarkets of Querétaro.

	Inventory (million SF)	Under Construction (million SF)	Deliveries (million SF)	Vacancy (million SF)	Vacancy Rate	Gross Absorption (million SF)	Net Absorption (million SF)	Asking Lease Rate (USD/SF/Year)	U. Construction Asking Rent (USD/SF/Year)
Aeropuerto	22.91	3.10	0.26	1.19	5.2%	0.44	- 0.10	\$6.07	\$7.57
Centro Qro	3.39	-	-	0.06	1.9%	-	-	\$6.35	-
El Marqués	21.51	0.21	0.37	0.67	3.1%	0.39	0.03	\$6.06	\$6.60
Norte Qro	24.32	1.39	0.68	0.72	3.0%	-	- 0.68	\$6.85	\$6.15
San Juan del Río	8.79	0.16	-	-	-	-	-	-	\$6.58
Total	80.93	4.87	1.31	2.64	3.3%	0.84	- 0.75	\$6.28	\$7.09

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