
1Q24

Saltillo Industrial Market



NEWMARK

Market Analysis

Leasing Market Fundamentals

- At the end of 1Q 2024, given the Market demand and the previously occupied new supply, a vacancy rate of 0.7% was recorded.
- Under Construction space remains stable with a figure of just over 3.9 million square feet, where 61.4% corresponds to build-to-suit developments.
- Since the beginning of 2024, just over 335,000 square feet have been commercialized, where 84.5% were focus on the Ramos Arizpe submarket.
- This quarter closed with an average asking rent of US\$6.87 per square feet per year.

Outlook

- We expect a moderate growth for the next quarter in terms of industrial inventory, with a new supply of just over 538,000 square feet.
- Due to low vacancy of existing speculative space, out of more than 1.24 million square feet in the planning stage, it is anticipated that at least 452,000 square feet will begin construction next quarter.
- With the completion of new speculative buildings for the next quarter (if it remains vacant), an upward trend in the asking rent is expected, with a new figure of US\$6.90 per square feet per year.

Market Indicators

	Inventory (million SF)	Under Construction (million SF)	Vacancy (million SF)	Vacancy Rate	Net Absorption (million SF)	Accumulated Net Absorption (million SF)	Total Asking Rent (USD/SF/Year)
Arteaga	7.27	0.42	0.0	0.0%	0.0	0.0	-
Ramos Arizpe	29.6	2.65	0.28	1.0%	0.17	0.17	\$6.87
Saltillo	6.48	0.88	0.0	0.0%	0.05	0.05	-
Market	43.4	3.97	0.28	0.7%	0.22	0.22	\$6.87

1Q24

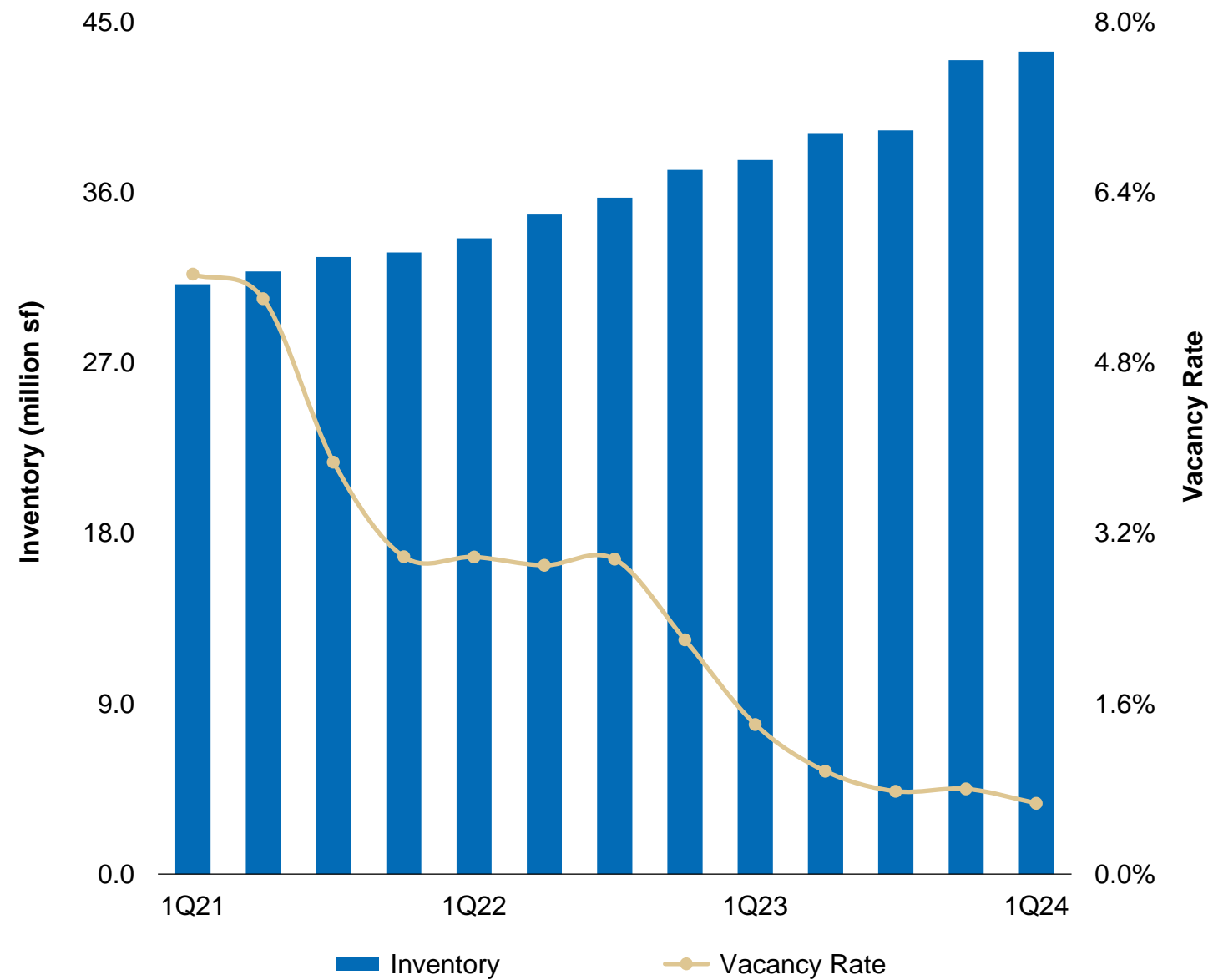
Leasing Market Fundamentals



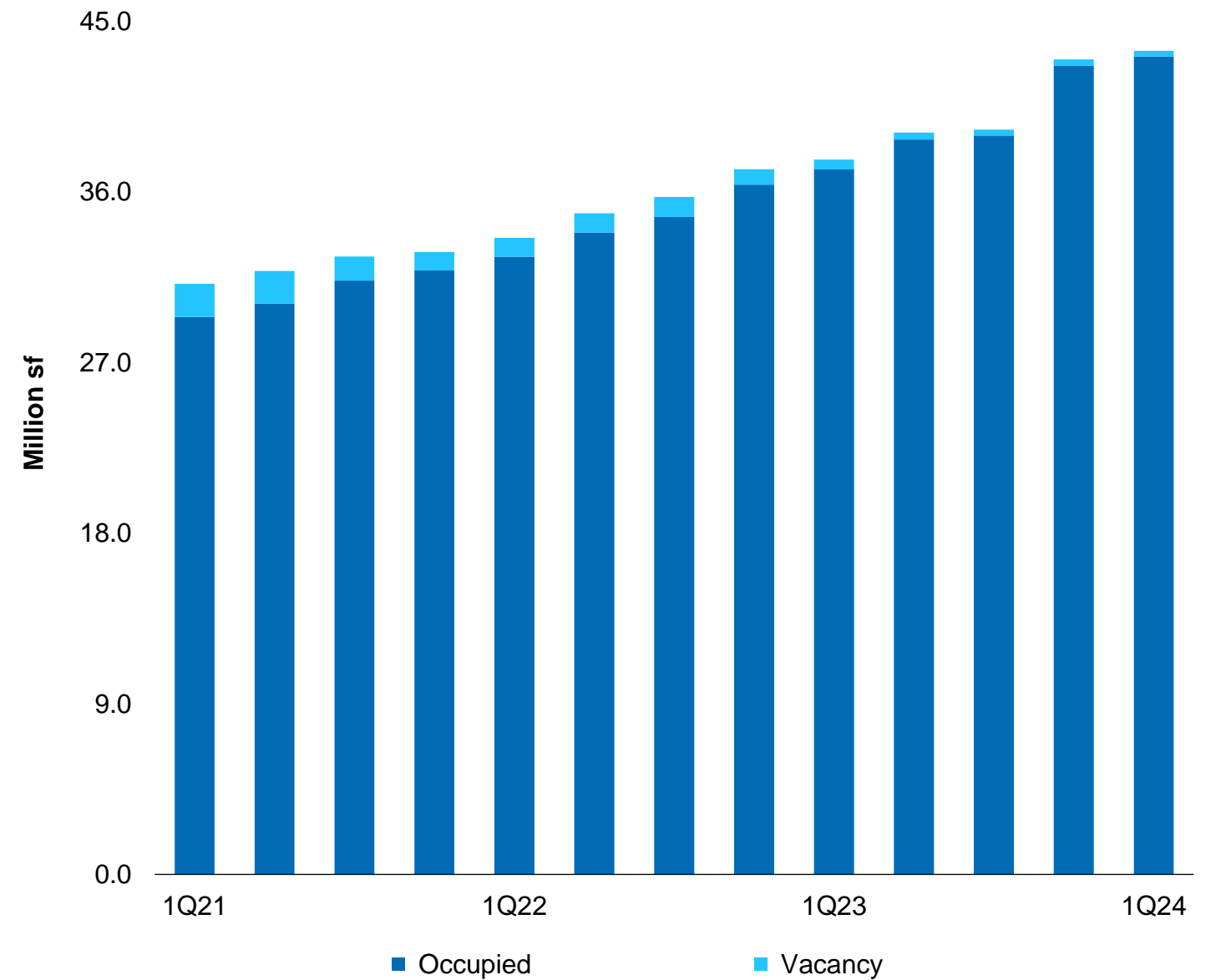
Market Demand

The vacancy rate showed a downward trend compared to the same period last year, moving from 1.4% to 0.7%. This is due to the leasing of existing space in the market, coupled with the new supply previously leased in the area. The Class A/B industrial inventory continues its growth, moving from 4Q 2023 with a figure of 42.9 million square feet to 43.4 million square feet; it is expected to continue increasing moderately in the coming months.

Inventory & Vacancy Rate



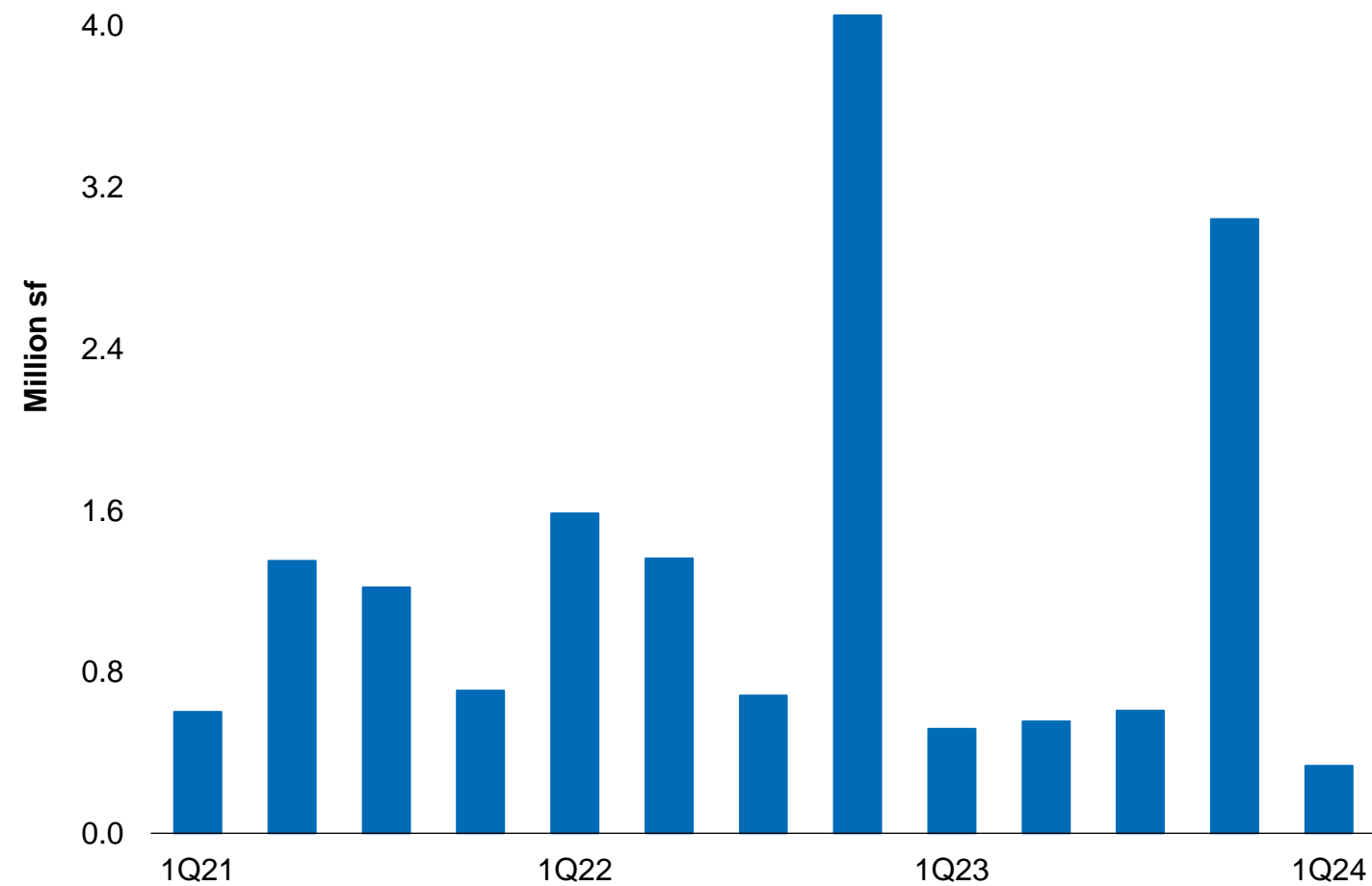
Occupied Space & Vacancy Space



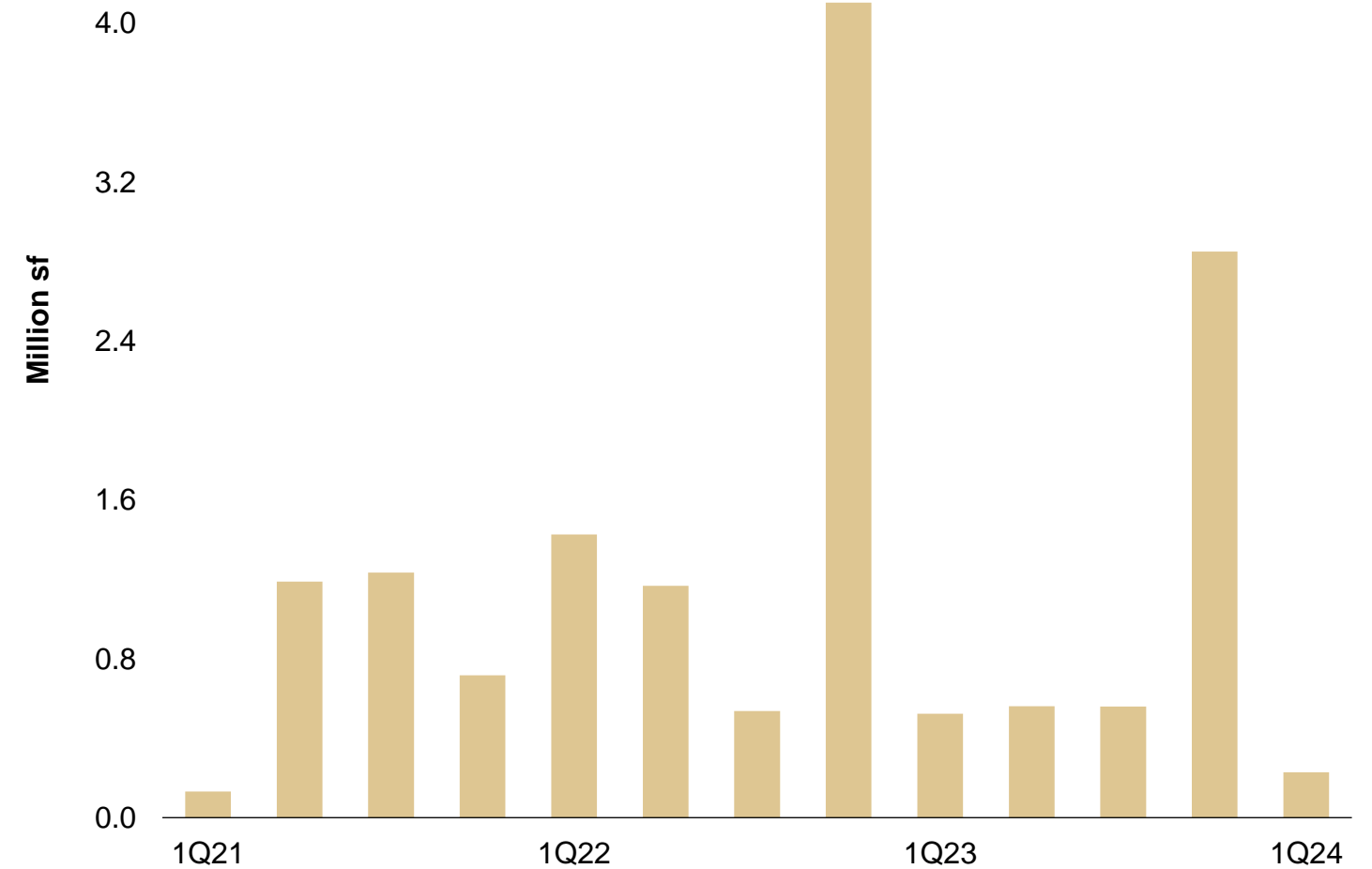
Absorptions

In terms of gross absorption, a figure of more than 335,000 square feet was recorded in this quarter, where 84.5% was commercialized in the Ramos Arizpe submarket and 15.5% in the Saltillo submarket. It is worth mentioning that of the square feet commercialized, 64.3% corresponds to leasing operations, 26.1% to build-to-suit projects and 9.6% to the expansion of an existing building. Likewise, a net absorption of 226,000 square feet was recorded.

Gross Absorption



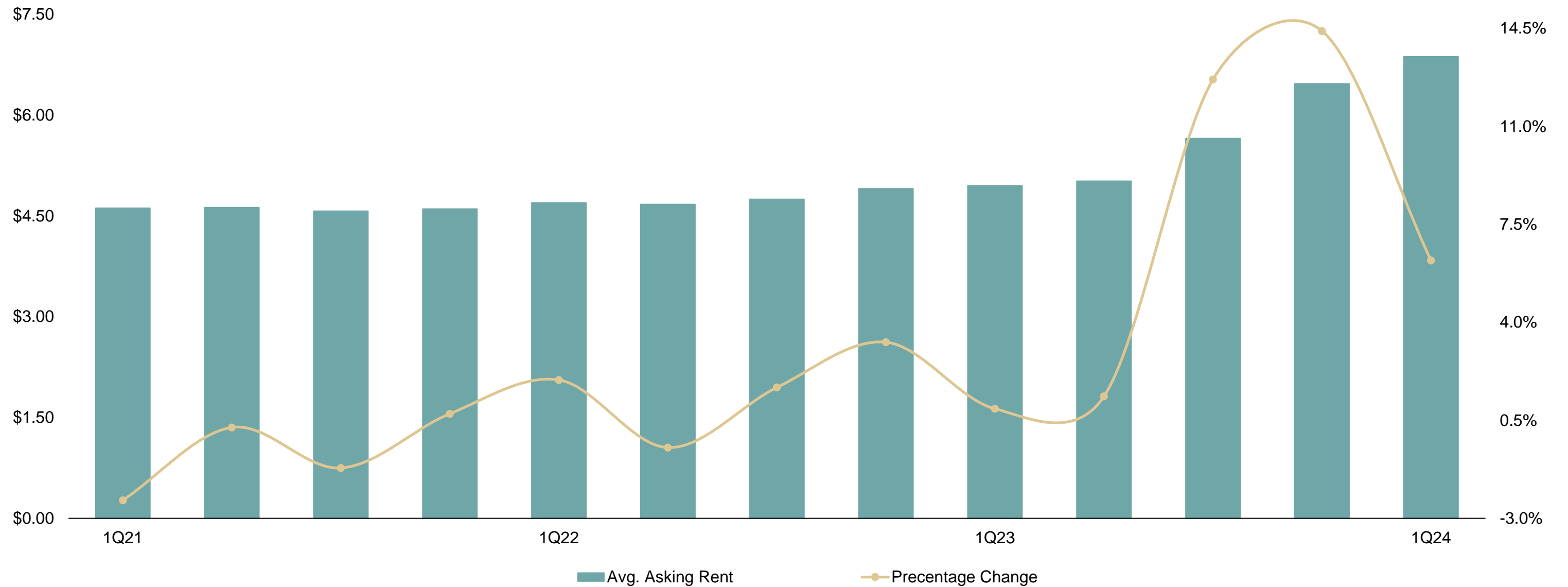
Net Absorption



Average Asking Rent

When comparing the average asking rent with the same quarter of the previous year, an upward trend is observed, moving from US\$4.95 per square feet per year to US\$6.87 per square feet per year. With the completion of new speculative Class A space, an increase in asking rent is expected in the next quarter, mainly in the Ramos Arizpe area.

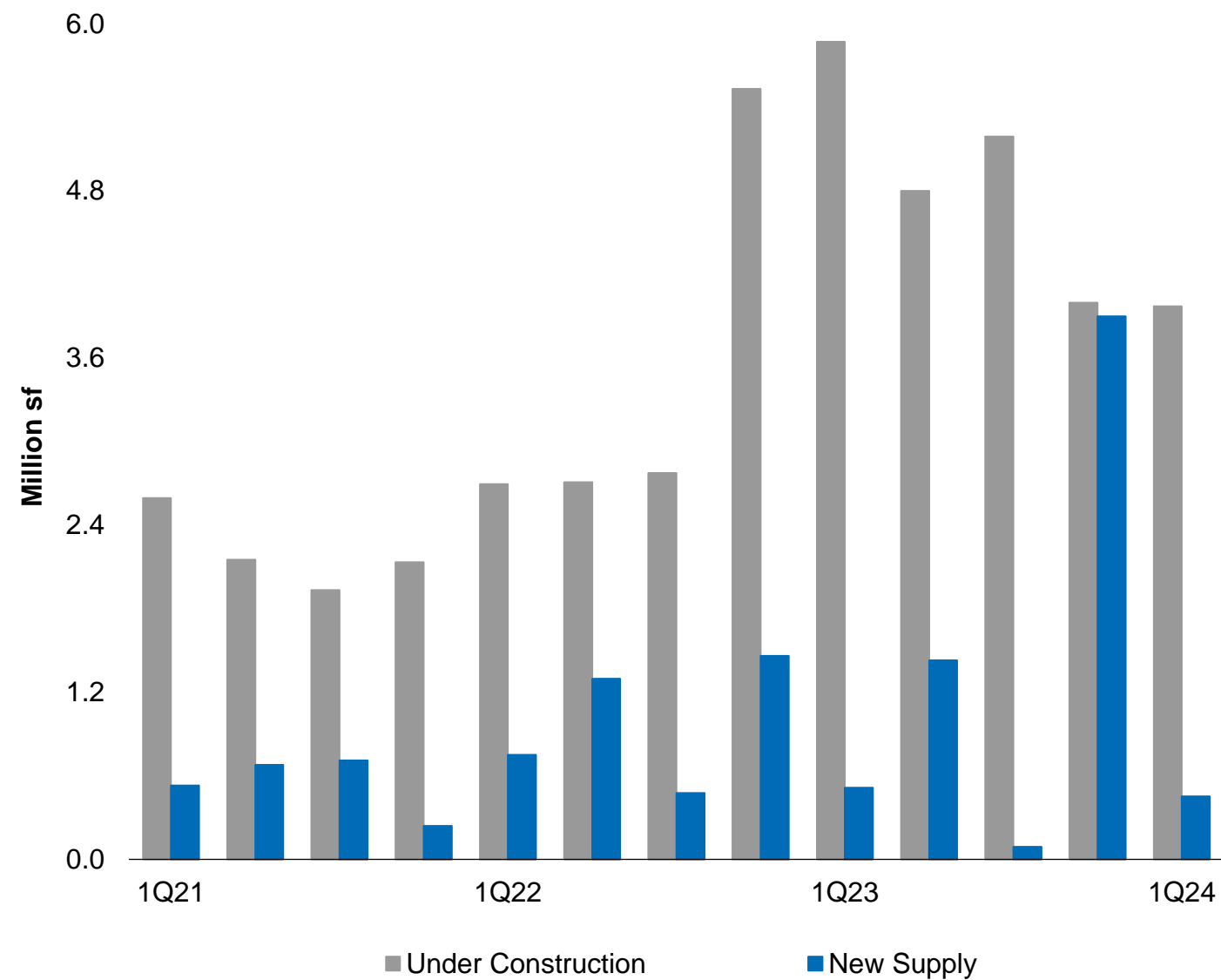
Avg. Asking Rent (USD/SF/Year) & Percentage Change



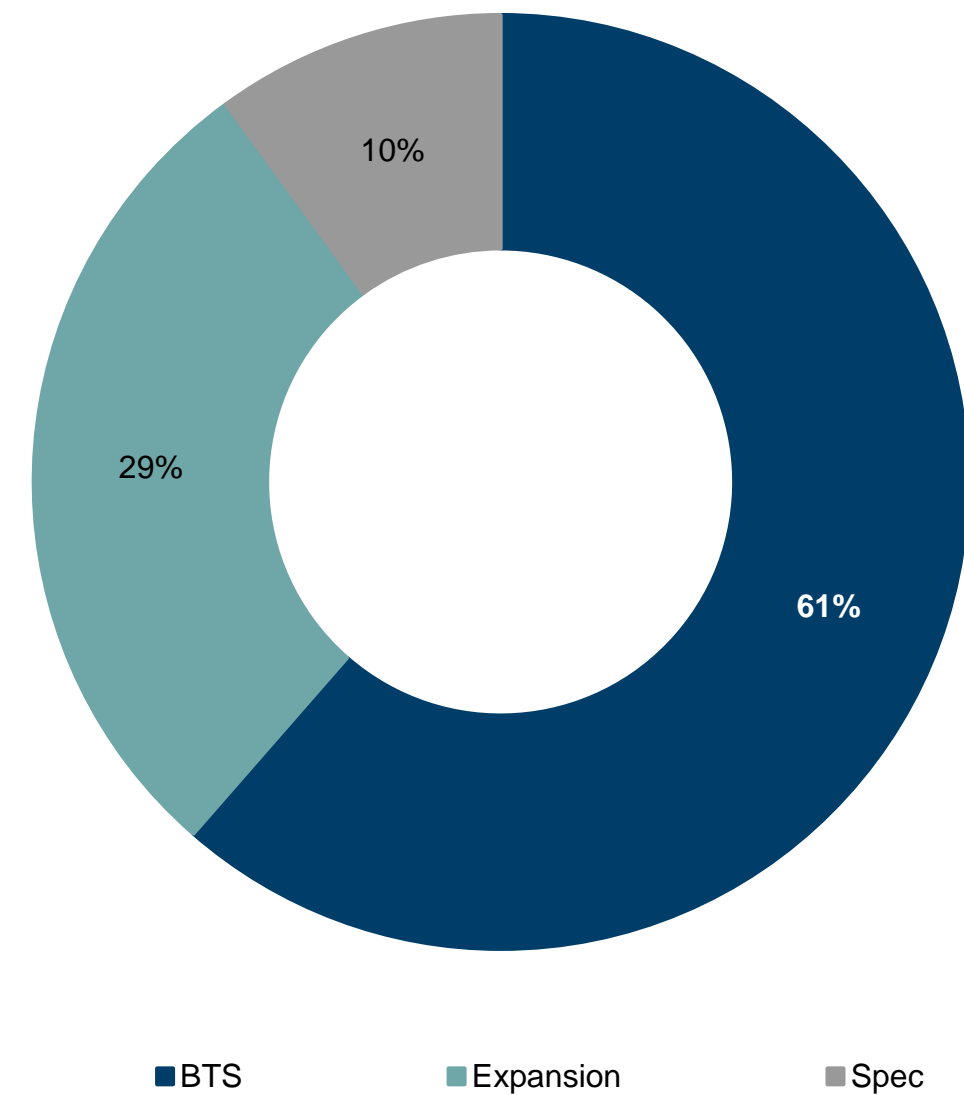
Space Under Construction

In various submarkets, there is a record of just over 3.9 million square feet in the construction stage and a new supply of 451,000 square feet, of which 61.4% corresponds to build-to-suit projects, 28.6% to expansions of existing buildings, and 10.0% to speculative buildings. Likewise, the submarket with the largest construction space is Ramos Arizpe with 67.0%.

Under Construction & New Supply



Type of Buildings (1Q24)



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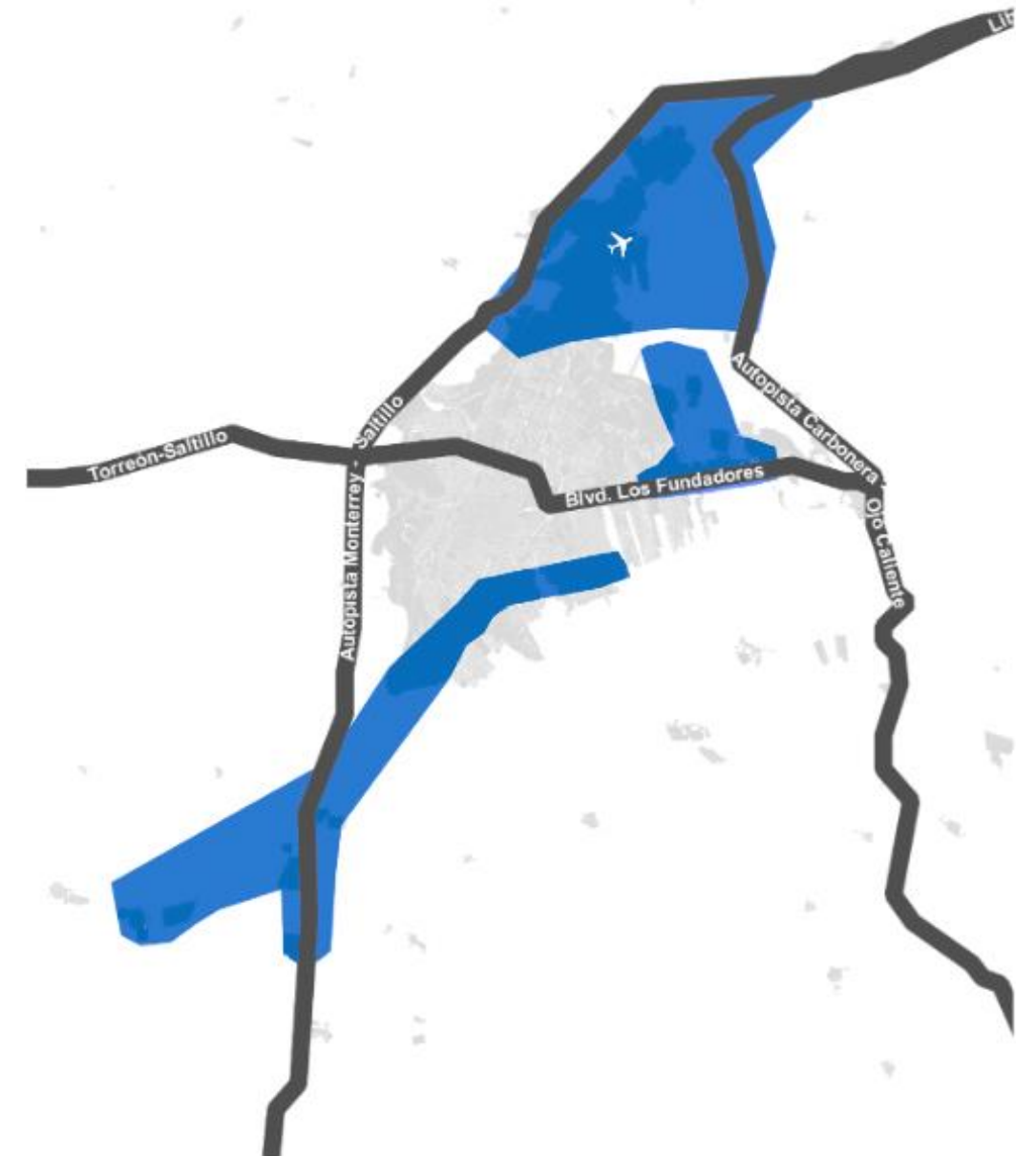
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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at <https://nmrk.lat/reportes-de-mercado/>.

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