

La Laguna Industrial Market

Market Analysis

Leasing Market Fundamentals

	Current Semester	Prior Semester	12-Month Forecast
Inventory (SF)	16.0M	15.9M	↑
Vacancy Rate	1.3%	1.3%	↑
Gross Absorption (SF)	258,300	780,200	→
Net Absorption (SF)	258,300	780,200	→
Asking Rent (USD/SF/Year)	\$5.30	\$5.09	↑
U. Construction (SF)	0.9M	0.7M	↓

Market Indicators

	Inventory (million SF)	Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Asking Lease Rent (USD/SF/Year)
Total	16.9	906,400	202,700	1.3%	258,300	258,300	\$5.30

Outlook

- With the completion of new speculative Class A buildings (271,000 square feet) in the next semester, an asking price of around US\$5.57 per square feet per year is expected.
- A vacancy rate of around 1.4% due to the completion of new industrial space in the development stage.
- Commencement of construction for a little over 645,000 square feet of speculative space currently in the planning stage.

1S24

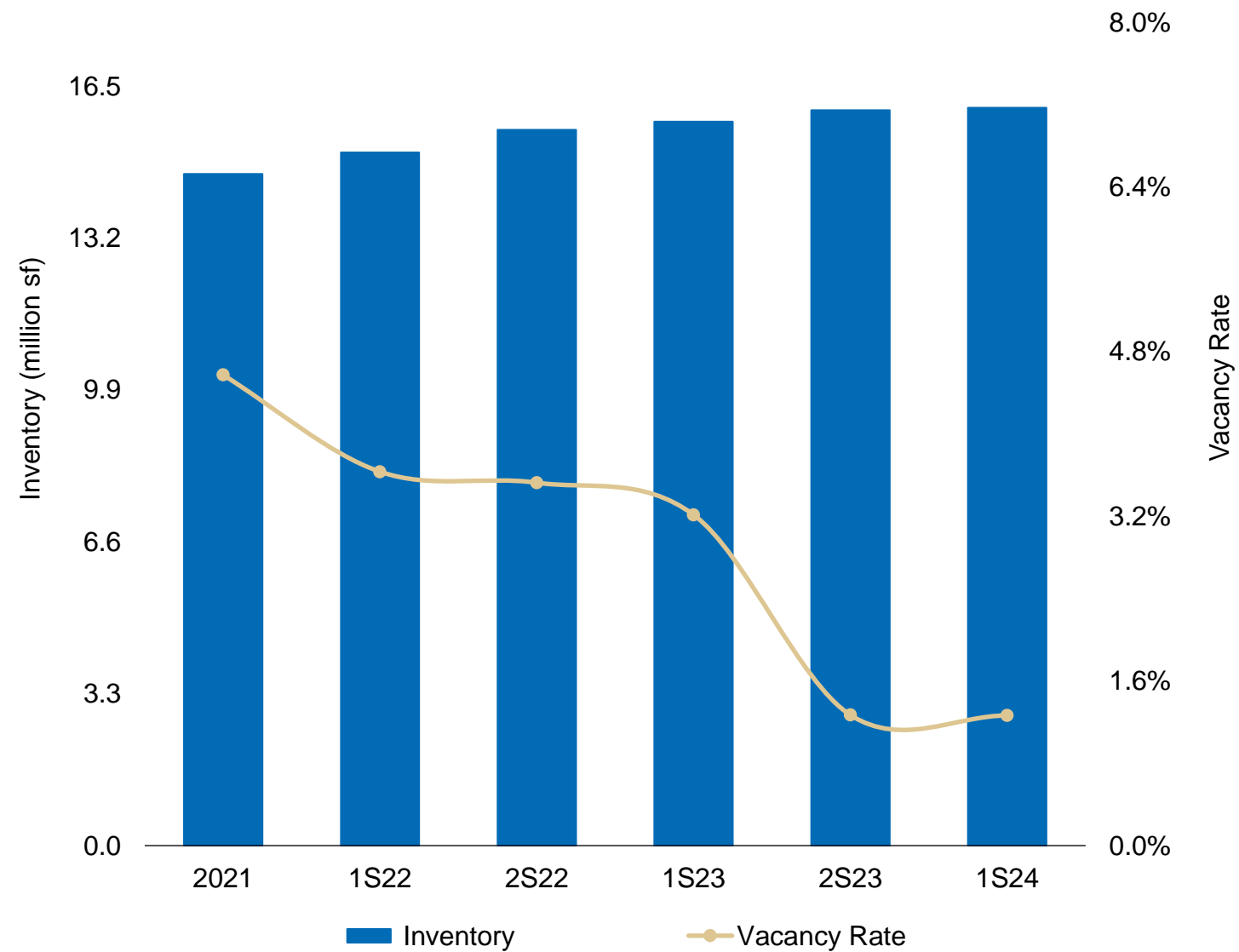
Leasing Market Fundamentals



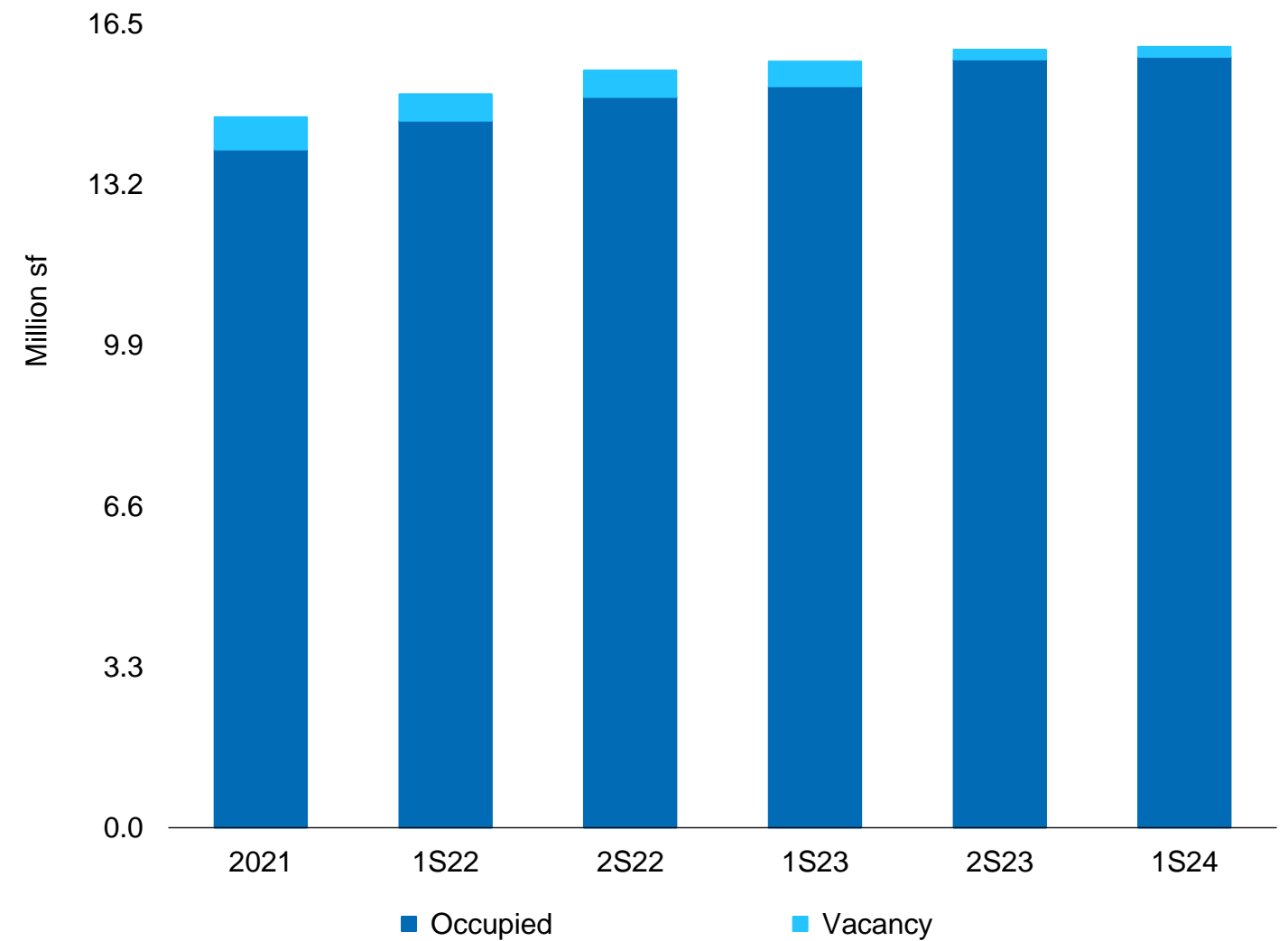
Market Demand

Due to the low demand for industrial space in La Laguna compared to the previous semester, the vacancy rate registered again at 1.3%, equivalent to a vacancy space of slightly over 202,700 square feet. If this trend continues in the second semester, coupled with the completion of new speculative Class A spaces in the region, a vacancy rate of around 1.4% is expected.

Inventory & Vacancy Rate



Occupied Space & Vacancy Space

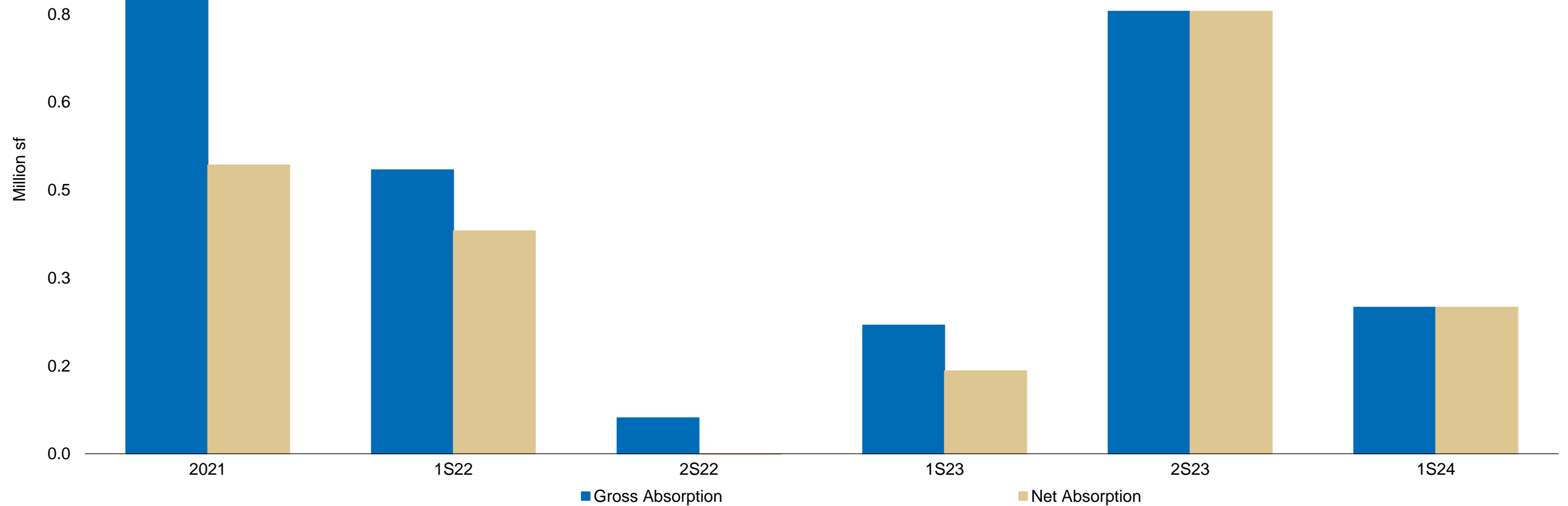


Absorptions

So far this year, there has been a recorded gross absorption of 258,300 square feet, corresponding to a build-to-suit operation, resulting in a net absorption of 258,300 square feet as well. By the end of the year, a similar trend in terms of commercialized space is expected, with some projects anticipated to be finalized in the area.

Gross Absorption

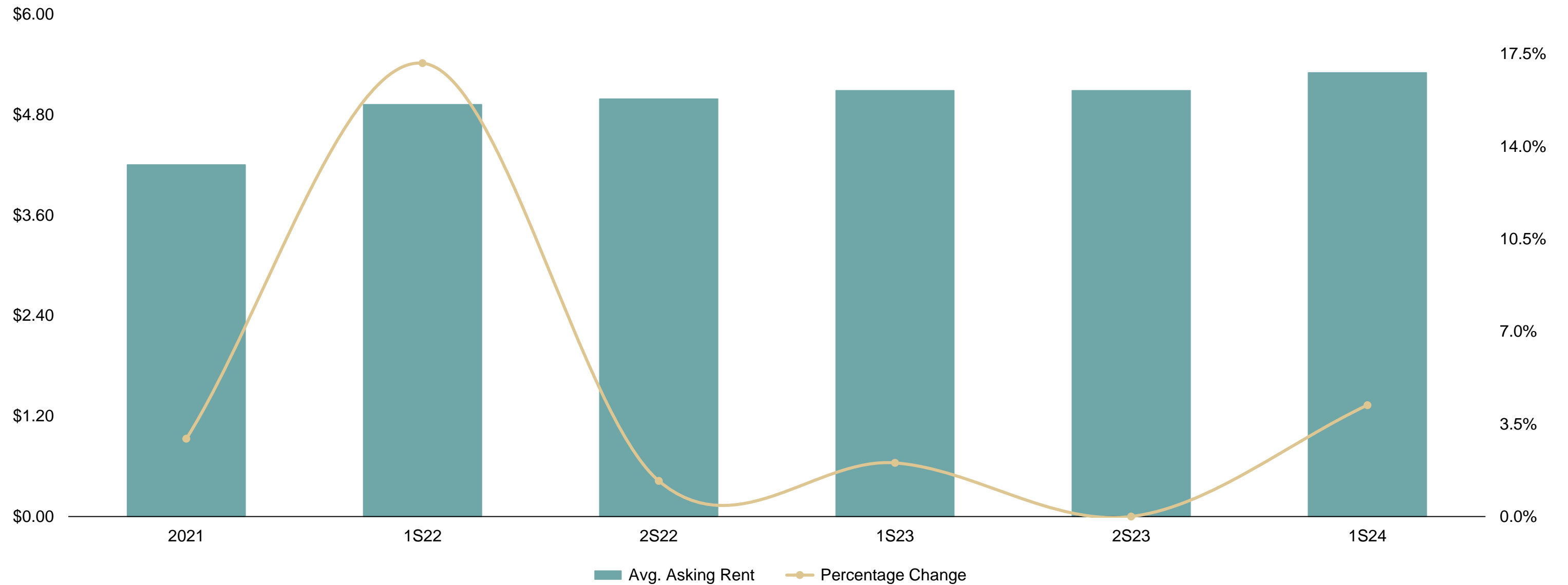
Net Absorption



Average Asking Rent

the average asking price registered an increase to US\$5.30 per square feet per year compared to the previous semester and the same semester a year ago, both of which had a price of US\$5.09 per square feet per year. This upward trend is due to the price adjustment of existing vacant space in the region. Another increase is expected in the next semester, primarily due to the completion of speculative Class A spaces currently under construction.

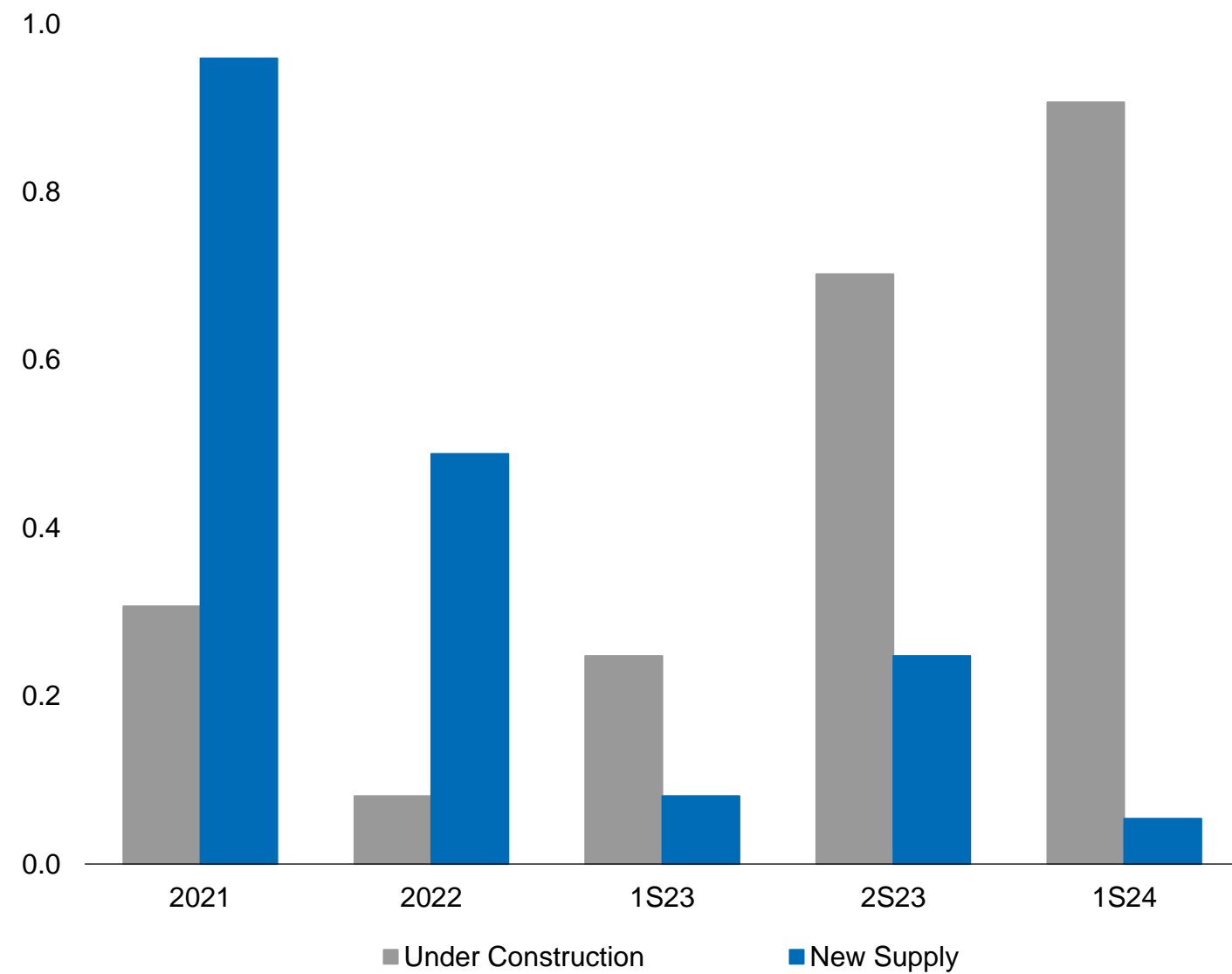
Avg. Asking Rent (USD/SF/Year) & Percentage Change



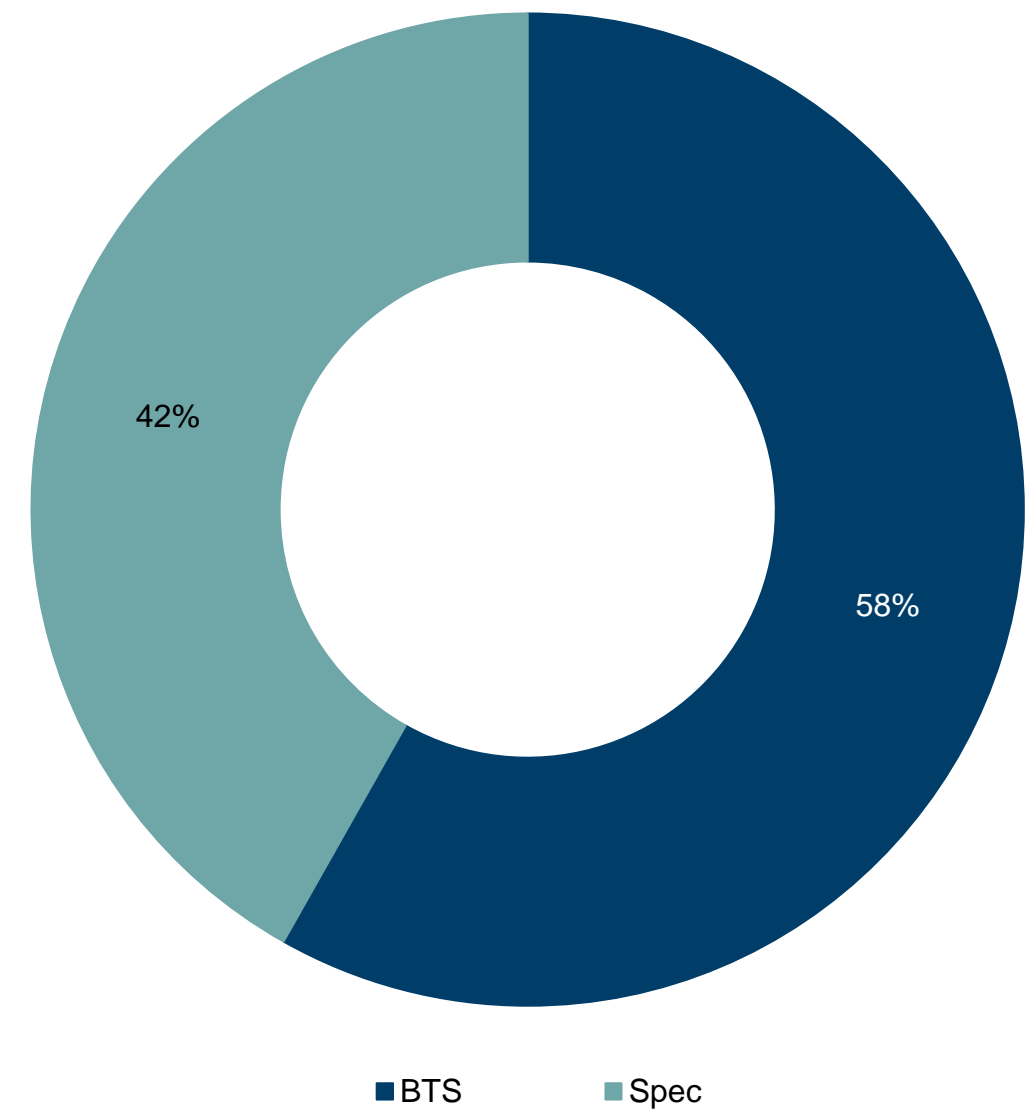
Space Under Construction

In the first semester of the current year, La Laguna recorded a construction volume of slightly over 906,400 square feet, surpassing the 701,900 square feet observed in the first semester of the previous year. Regarding the space under construction, 58.2% corresponds to build-to-suit developments. Additionally, only a new offering of 53,800 square feet was registered, which was previously occupied.

Under Construction & New Supply



Type of Buildings (1S24)



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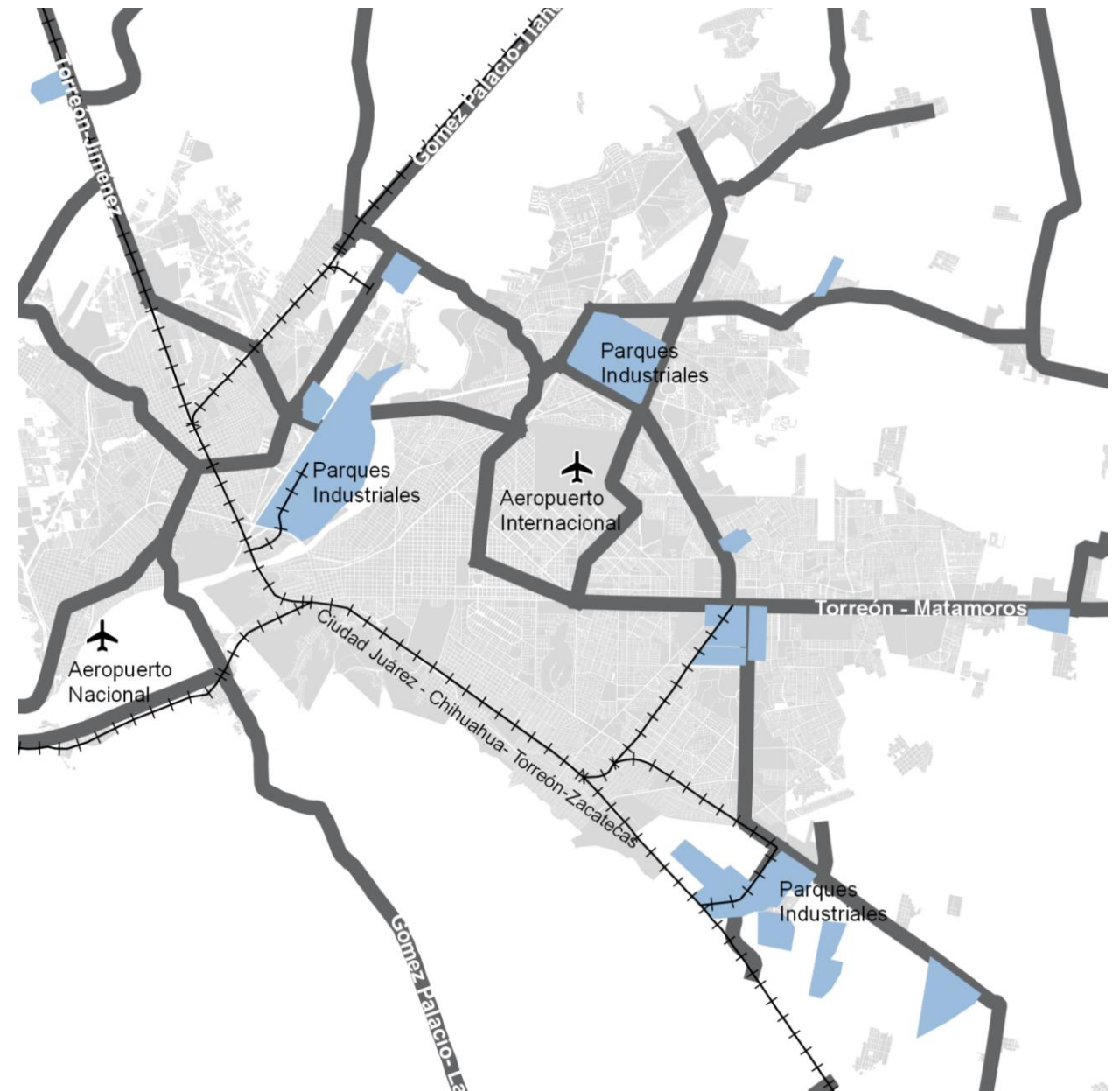
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Newmark has implemented a proprietary database, and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective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

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