
2Q2024

Guadalajara Industrial Market



Market Analysis

Economy

- The performance of the economic activity is affected by a scenario of stagnation before the definition of the national policy for the new six-year term. Despite increasing the annual behavior, the monthly behavior of secondary activity in April decreased by 0.5%.
- Foreign direct investment in Guadalajara remains low, and while the recovery of foreign exchange is expected to slow down, investments at the beginning of 2024 were higher than those in 2021.

Transactions

- The El Salto submarket had two major transactions in XtraPark and Plataforma Park Guadalajara.
- Smaller transactions were identified in the Antigua Zona Industrial and El Salto submarkets.

Market fundamentals

	Current Quarter	Prior Quarter	One Year Ago	12-Month Forecast
Inventory (SF)	64.3M	62.8M	60.8M	↑
Vacancy Rate	2.6%	1.5%	1.8%	↑
Gross Absorption (SF)	0.9M	1.5M	1.9M	→
Net Absorption (SF)	-0.7M	0.3M	-0.8M	↓
Asking Rent (USD/SF/year)	\$7.97	\$8.13	\$6.50	↑
U. Construction (SF)	3.0M	3.2M	1.2M	↑

Outlook

- The current national economic outlook has resulted in a moderate increase in the market prices of speculative warehouses, which is likely to impact the arrival of investments produced by the change of government.
- Industrial warehouses under construction may experience more significant price increases due to the impact of inflation on the cost of materials.
- The new economic policy will result in a slowdown in gross and net absorption values. This is due to the change of administration.

I. Economy	04
II. Market fundamentals	08

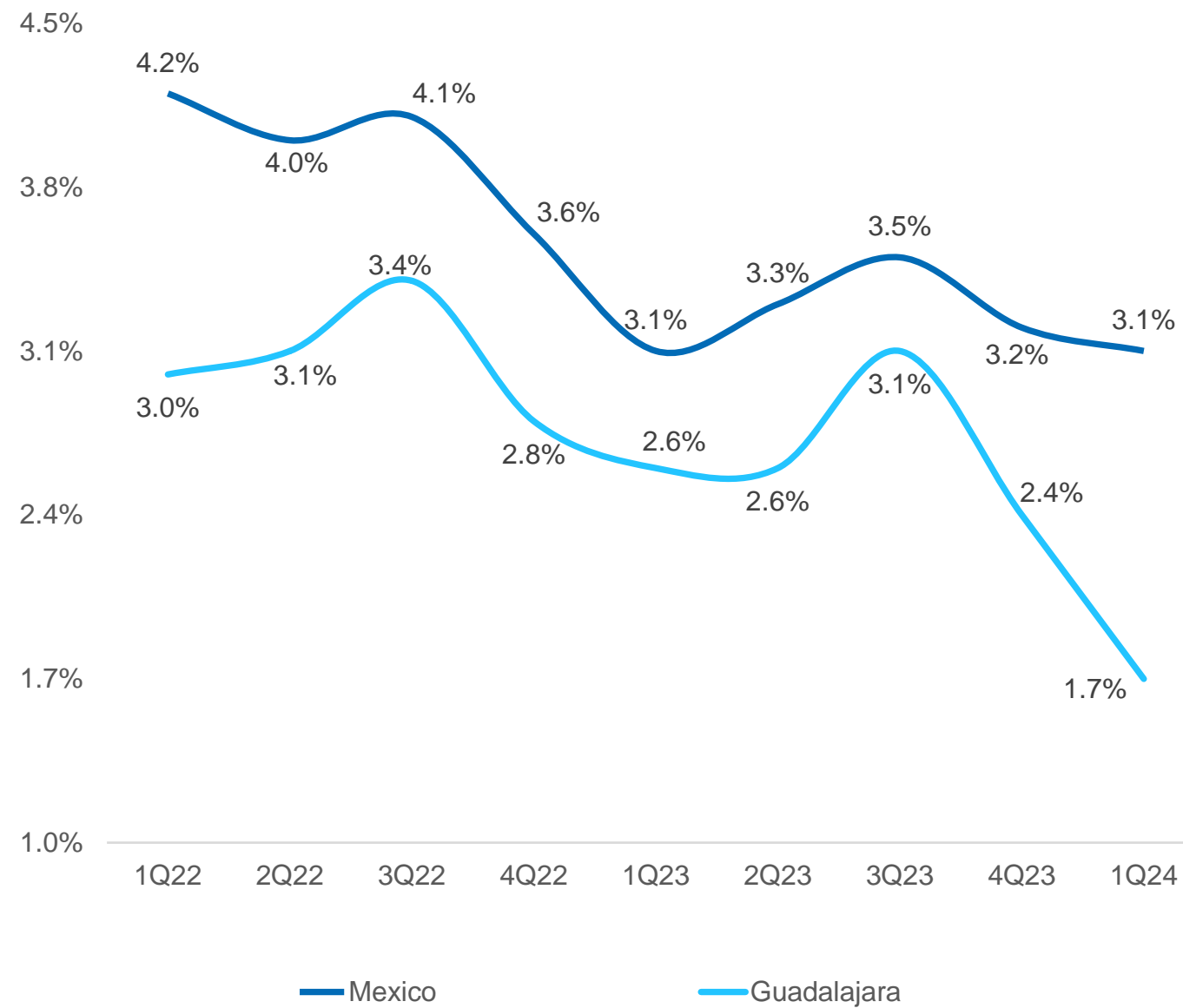
Economy



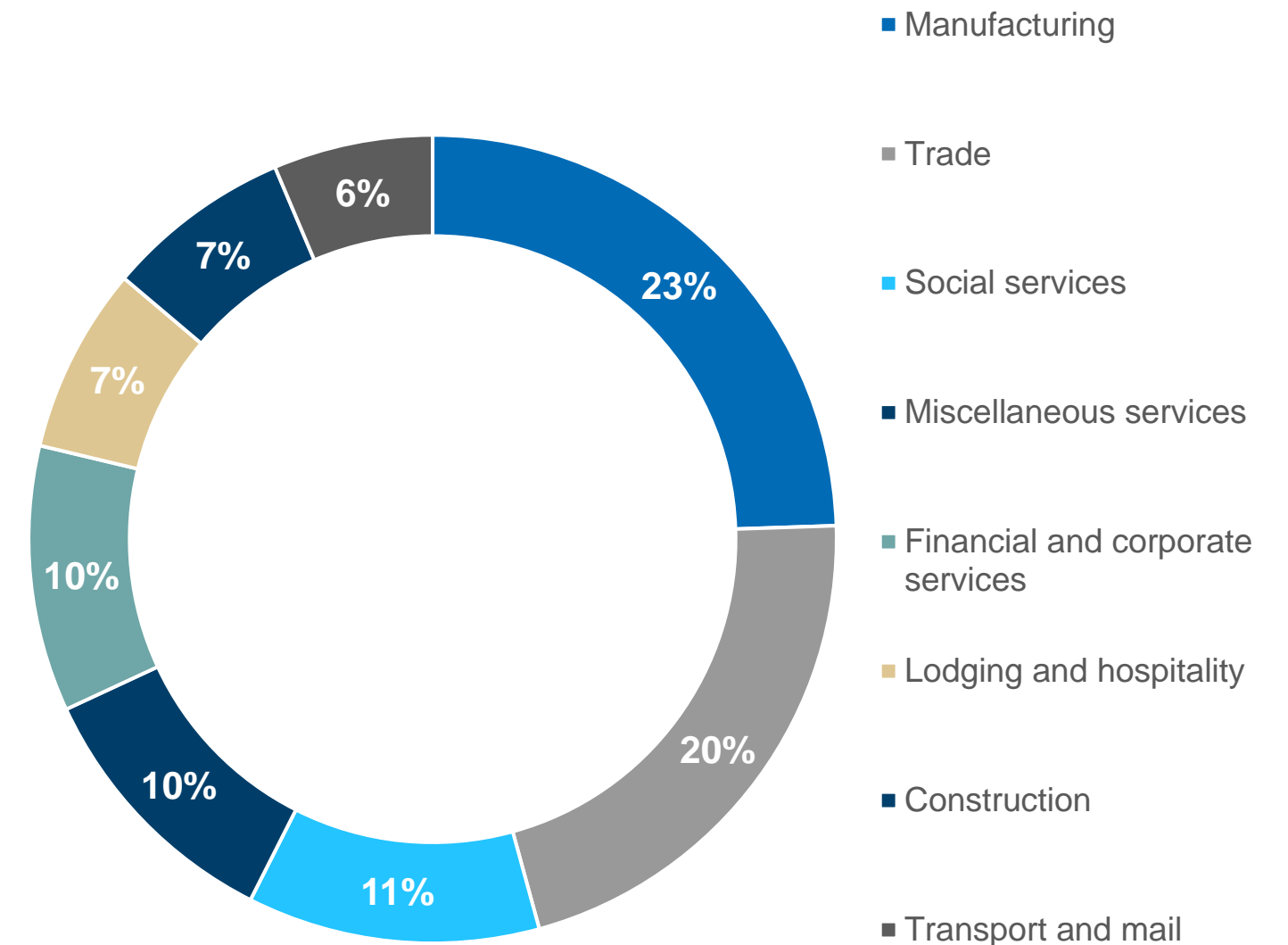
Employment

There has been a further decrease in unemployment rates both in Guadalajara and nationally. However, Guadalajara has seen an even greater decrease of 0.7 percentage points. The proportion of employment in manufacturing has remained at the same levels recorded since 2022, although there is a medium-term trend of decrease and a lower participation of women.

Unemployment Rate



Recent Employment Trends in Guadalajara



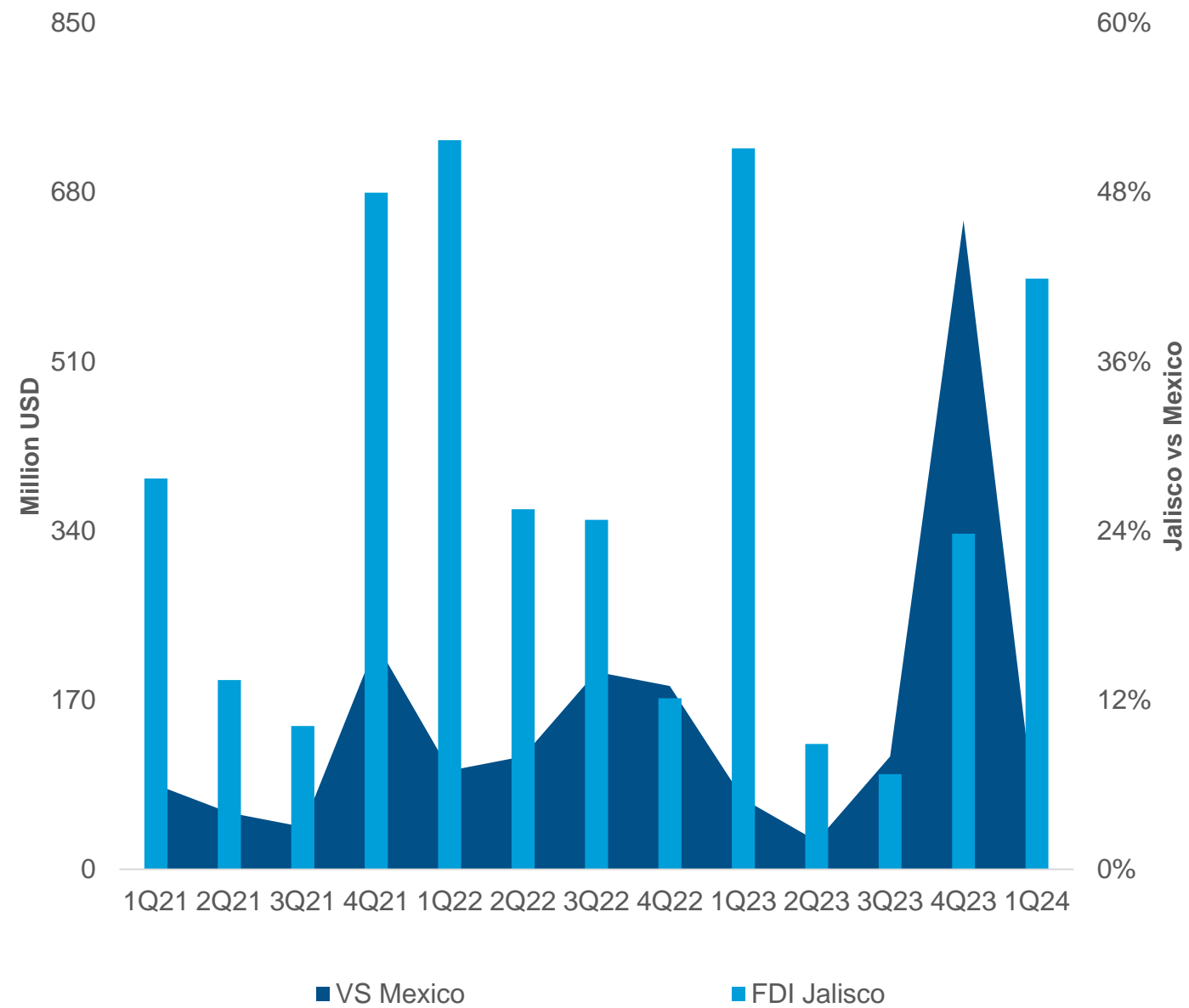
Source: INEGI.
Note: Official information available through 1Q 2024.

Investments

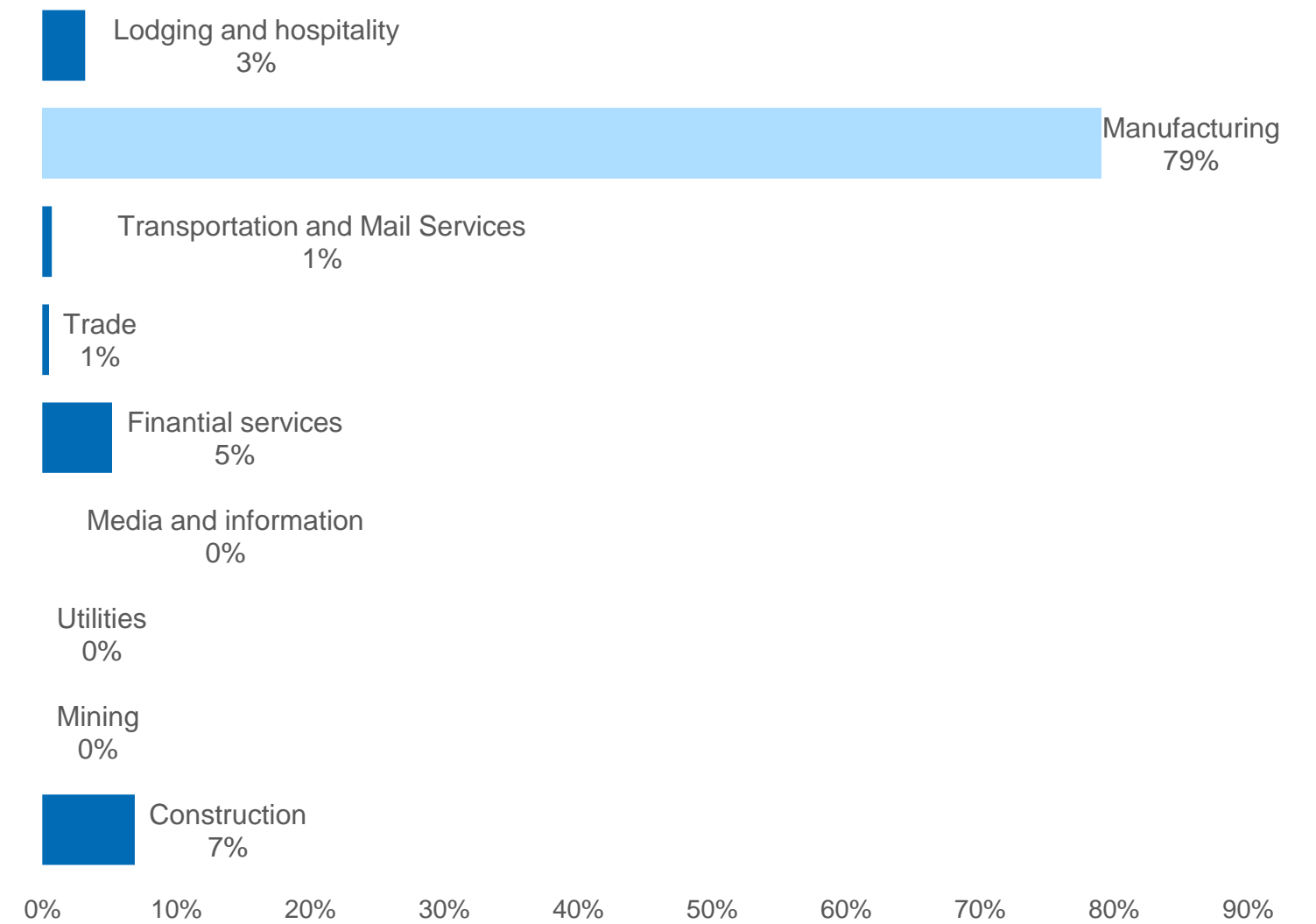
There was a decline in foreign investment in Guadalajara, which broke with the previous trend of sustained growth in comparison to 2023 and 2022. However, it is higher than that recorded at the beginning of 2021.

By the beginning of 2024, there was a slight deceleration in the growth of foreign direct investment (FDI) in Guadalajara's manufacturing sector. This resulted in levels of FDI that were comparable to those recorded during 2021.

Foreign Direct Investment (FDI)



FDI by subsector (YTD 2023)

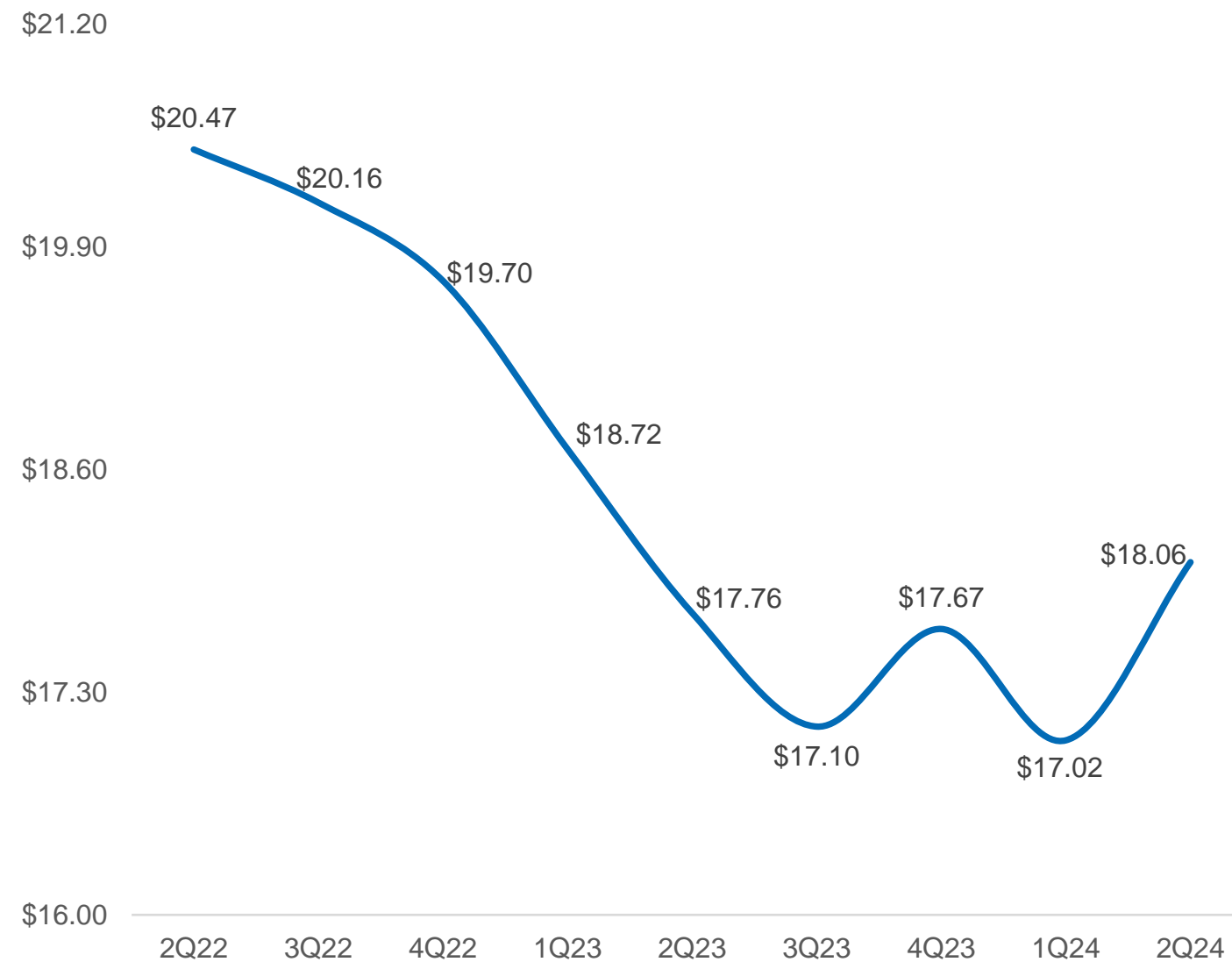


Source: Secretaría Economía
 Note: Official information available through 1Q 2024.

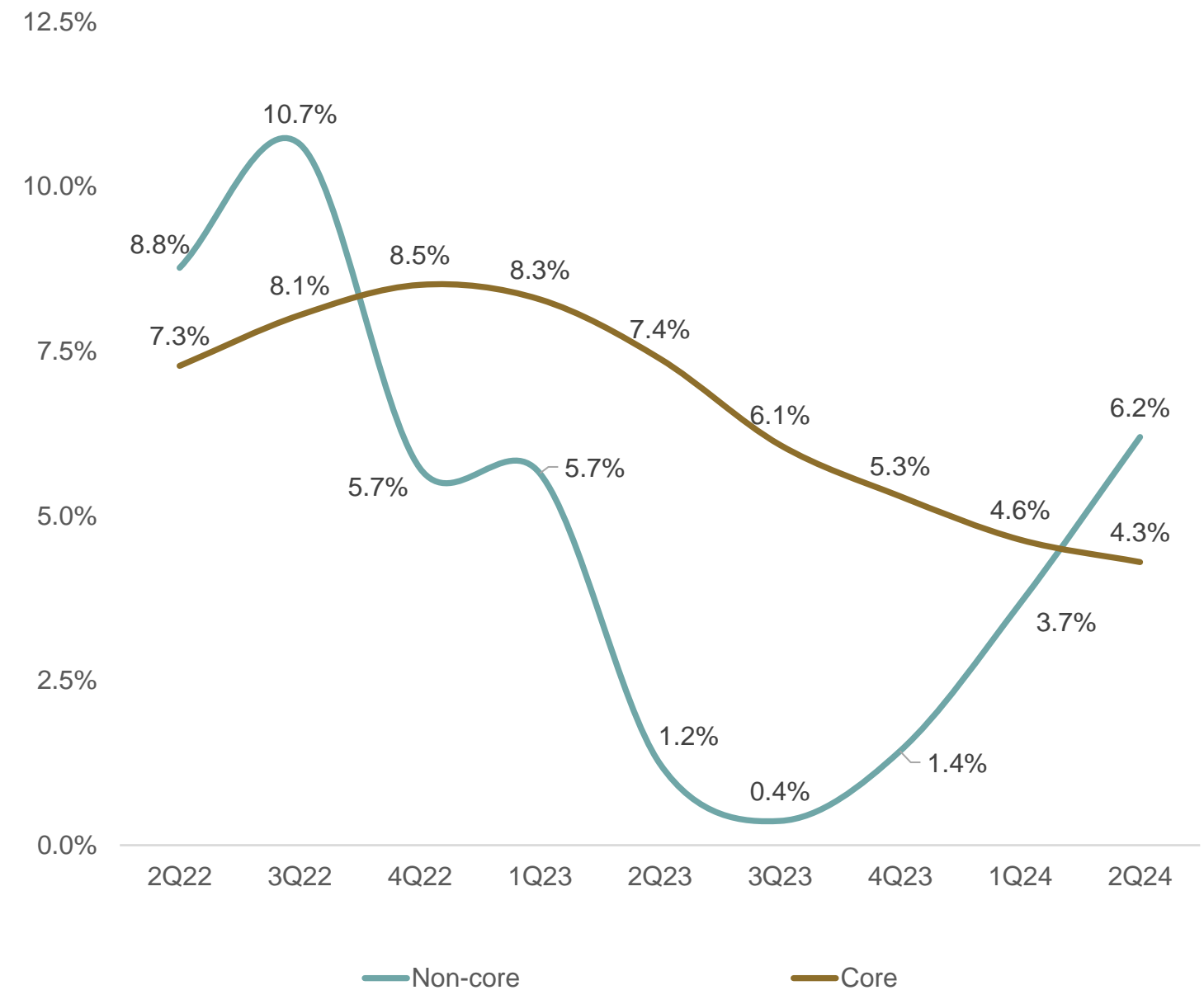
Inflation-devaluation

A shift in federal policy has resulted in a depreciation in the peso against the dollar, reaching levels seen a year ago. Core inflation remained consistent, but non-core inflation increased by 100% when compared to the preceding period.

Exchange Rate



Consumer Price Index (CPI)



Source: Banco de México and INEGI.

2Q24

Market fundamentals



Market Summary

Domestic economic uncertainty exacerbated the downward trend in gross absorption, while the influx of new empty warehouses resulted in negative net absorption figures. The rise in non-core inflation caused exit prices for warehouses under construction to increase by 3.4%, while local currency warehouses prices declined due to the dollar exchange rate in view of the change of government.

Submarket Statistics (Guadalajara city)

	Inventory (Million SF)	Under Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Gross Absorption YTD (SF)	Net Absorption (SF)	Net Absorption YTD (SF)	Asking Lease Rate (USD/SF/year)	U. Construction Asking Rate (USD/SF/year)
Zona Industrial	2.0	327,226	108,124	5.5%	49,514	218,972	33,368	94,702	\$12.22	-
El Salto	27.9	2,157,450	1,390,440	5.0%	666,948	1,738,978	-812,155	-423,822	\$7.56	\$7.42
López Mateos Sur	6.4	520,762	-	0.0%	165,679	165,679	165,679	165,679	-	\$8.15
Periférico Sur	9.0	-	73,281	0.8%	-	-	-	-72,205	\$8.40	-
Zapopan Norte	16.1	-	110,008	0.7%	-	109,212	-69,535	-110,008	\$10.03	-
Total	61.3	3,005,438	1,681,853	2.7%	882,142	2,232,841	-682,642	-345,654	\$7.97	\$7.82

Submarket Statistics (Outside Guadalajara City)

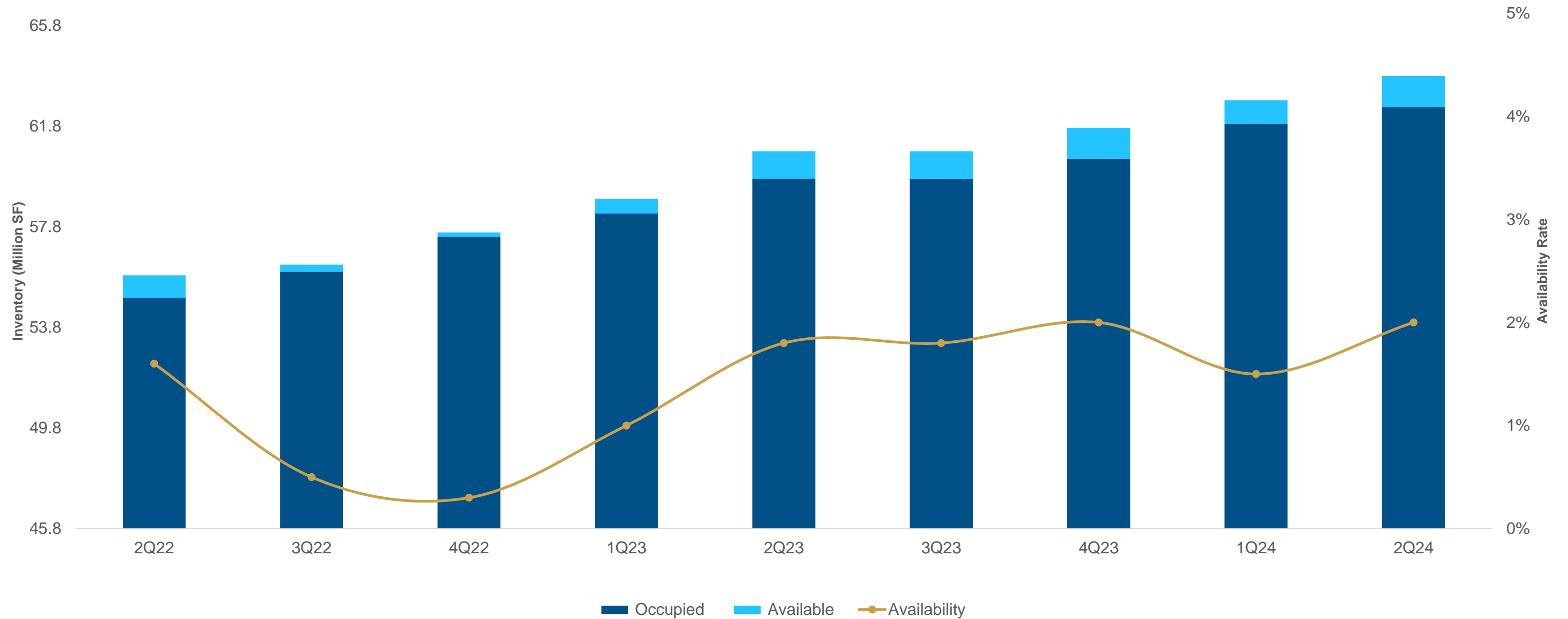
Lagos de Moreno	3.0	-	-	0.0%	-	-	-	-	-	-
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Inventory and Vacancy Trends

The level of growth recorded since 2023 (2%) was maintained with the increase in inventory.

The vacancy doubled in relative terms and broke with the upward trend in the values of the availability recorded in the previous year.

Ready inventory and vacancy

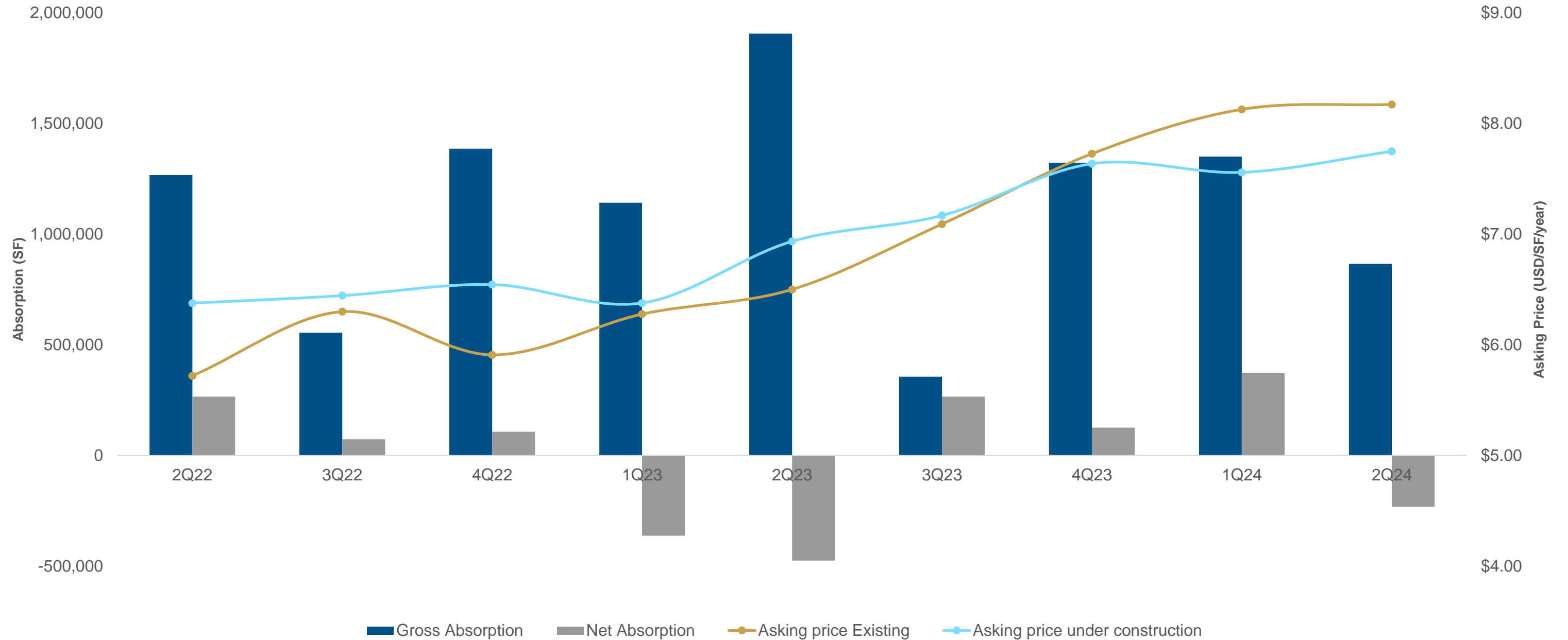


Absorption and asking price

Compared to the previous quarter and the previous year, gross absorption was 43% lower. Net absorption was negative due to the entry of three new available speculative warehouses.

Due to the depreciation of the dollar, which affected prices in local currency, prices for speculative speculative were slightly lower than in the previous quarter.

Absorption and asking price types

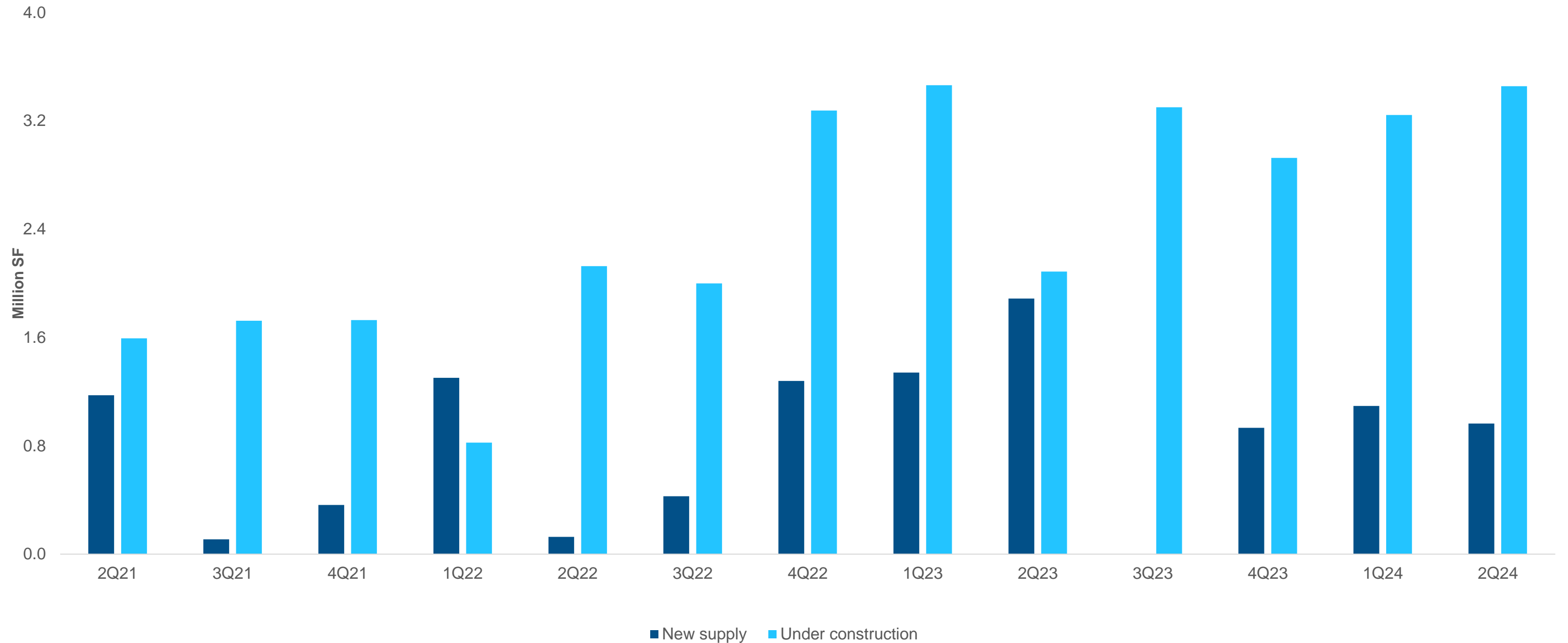


New supply

The level of construction has maintained its momentum, although it is expected to slow down in 2023.

Although slower than a year ago, the quarterly inflow of new warehouses into the market continued its upward trend over the last three quarters.

New Inventory and warehouses under construction



Construction, main deals & Spec vs *BTS*

The market continues to be focused on developing speculative warehouses and making large investments in the El Salto submarket.

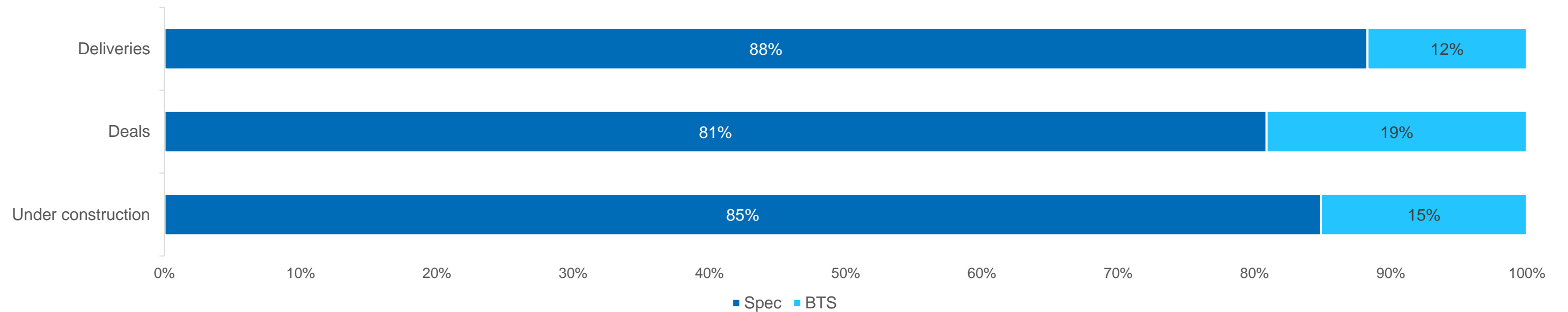
Parks under construction

Industrial Park	Submarket	Delivery date	Area (SF)
El Salto Park Guadalajara III*	El Salto-Aeropuerto	4Q2024	960,429
Plataforma Park Guadalajara*	El Salto-Aeropuerto	1Q2025	696,226
FlexPark El Salto	El Salto-Aeropuerto	4Q2024	293,233

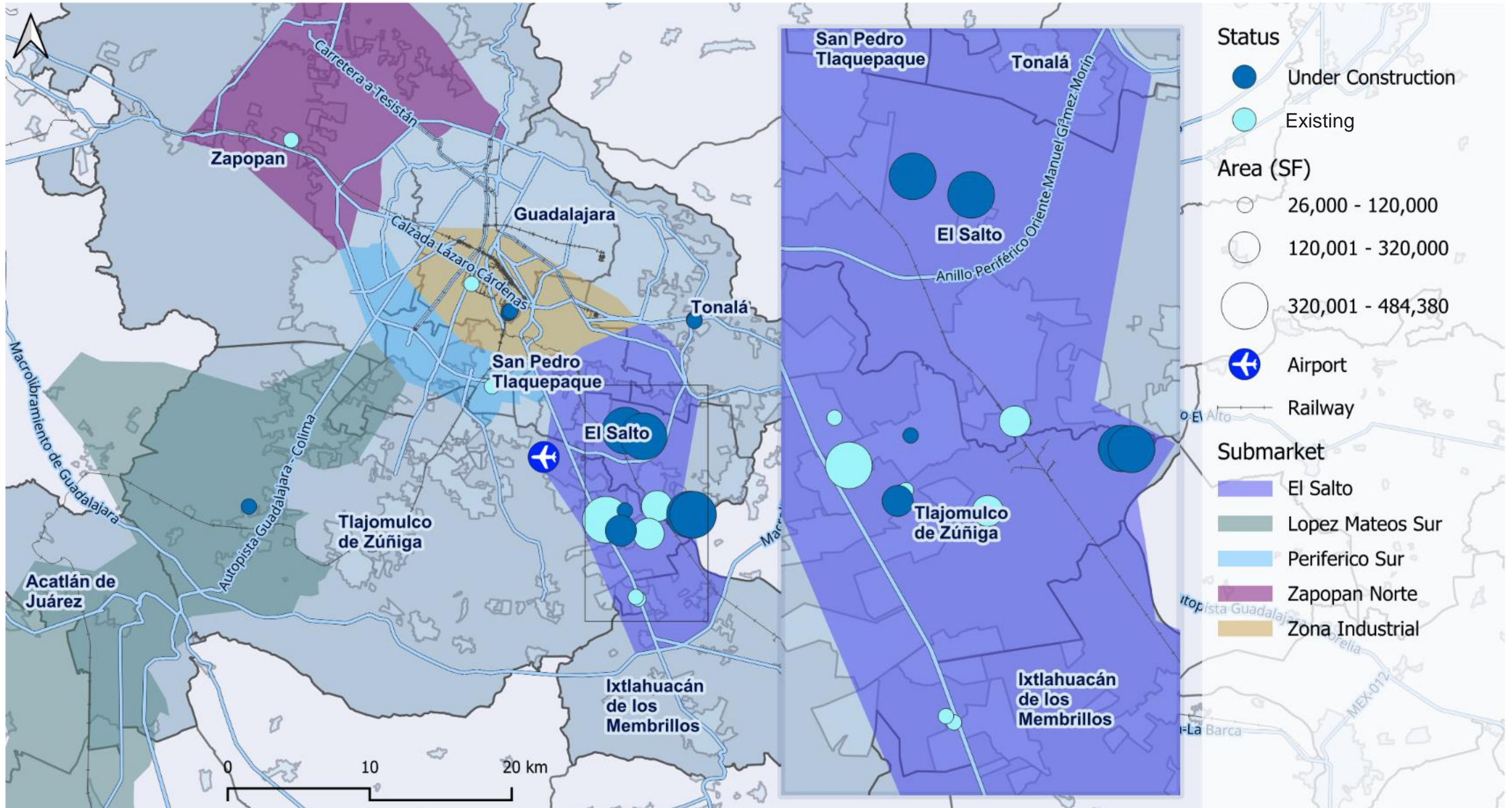
*New park

Main deals

Industrial Park	Submarket	Type	Area (SF)
Plataforma Park Guadalajara	El Salto-Aeropuerto	Spec	170,394
Plataforma Park Guadalajara	El Salto-Aeropuerto	Spec	418,160



Locations of speculative developments



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