
2S2024

Guadalajara Office Market



NEWMARK

Market Analysis

Economy

- On the eve of the most recent reports from the current cabinet, Jalisco has investment commitments amounting to nearly 890 million dollars and the creation of more than 11,000 jobs derived from technology companies.
- With positive figures anticipated by the end of 2024, Jalisco positions itself as one of the main strategists for service and commerce innovation, having significant development in the automotive industry, which could be affected by the tariff measures of the new President of the United States.

Transactions

- The Plaza del Sol corridor recorded the highest gross absorption, exceeding 5,000 square meters.
- The Periférico Sur corridor was the second to show the highest gross absorption at the end of this quarter, representing 22% of the total transactions carried out in Guadalajara.

Market fundamentals

	Current semester	Prior semester	A year ago	12-month Forecast
Inventory (sqm)	818,715	814,060	803,156	↑
Vacancy rate	11.0%	11.84%	15.8%	↓
Net Absorption (sqm)	4,645	30,550	-3,278	↑
Gross Absorption (sqm)	14,291	33,723	18,899	↓
Asking Price (USD/sqm/month)	\$20.10	\$20.58	\$21.09	↓

Perspectives

- The office inventory showed an increase of 1.9%; however, it is expected to remain stable due to construction delays and the change in use experienced by some projects.
- Gross absorption maintains positive numbers; however, there was a decrease in the availability rate, which is due to the lack of new entries in the market.

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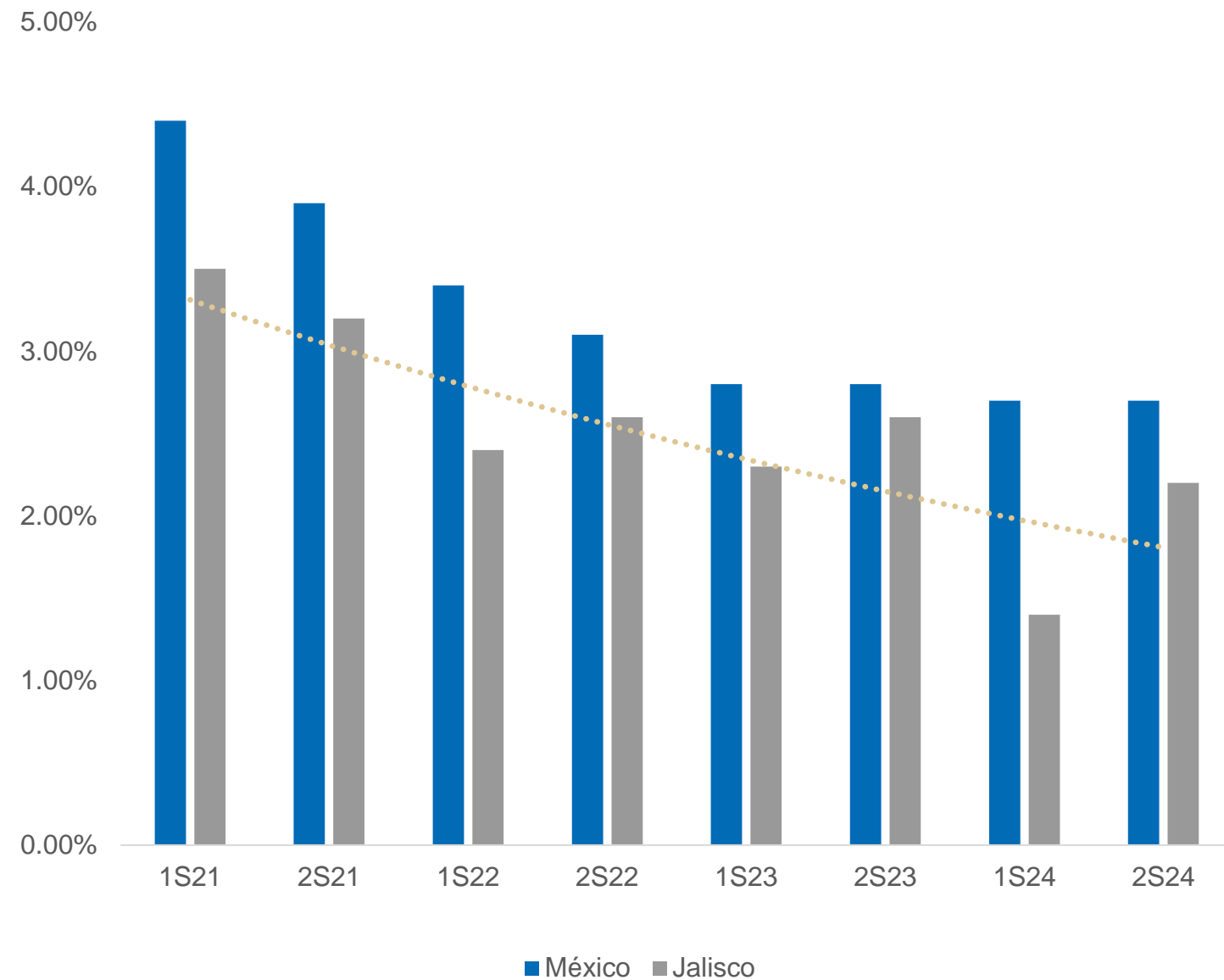
Economy



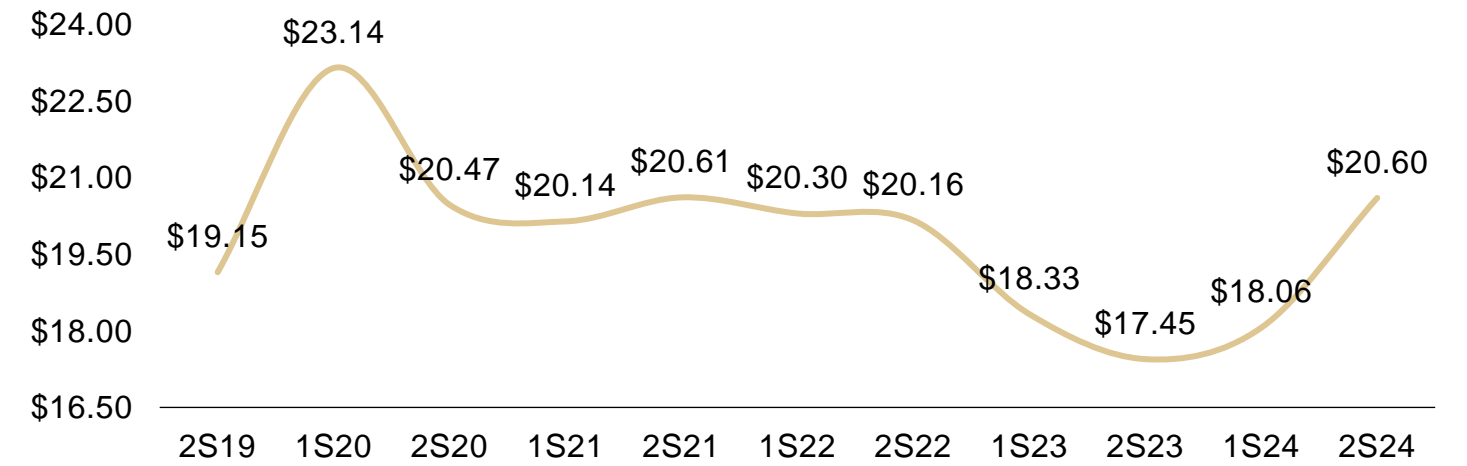
Economic outlook

According to opportunities and strategies in the state, employment figures remain steady, with the state being among the first to generate slightly more than 12,000 formal permanent and temporary jobs, a figure expected to see a slight increase due to the end-of-year holiday season.

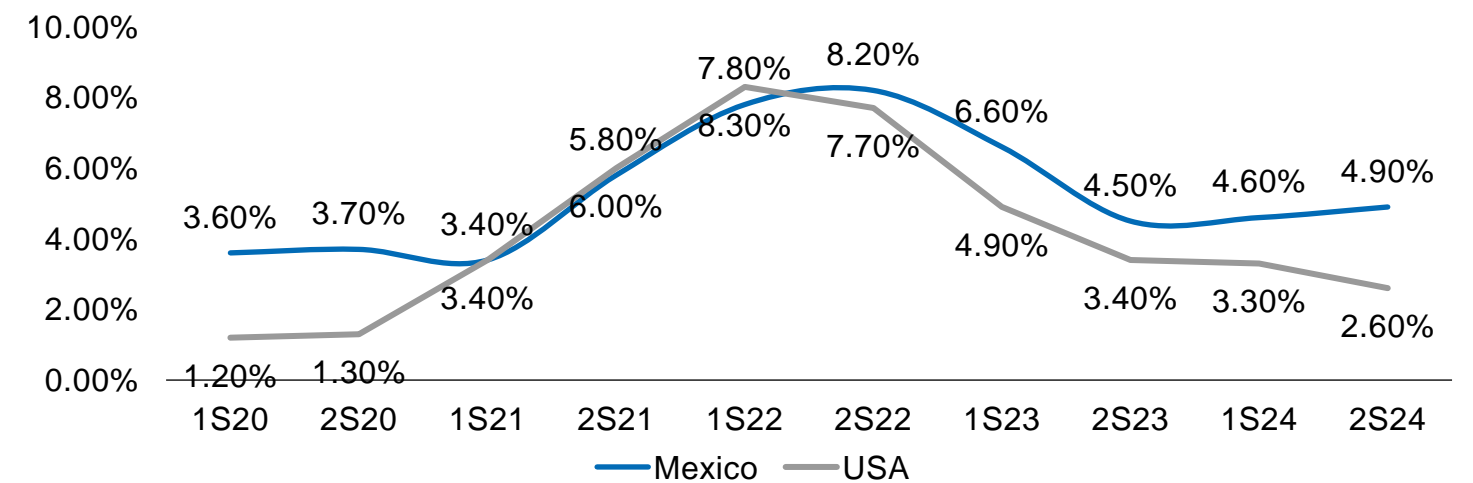
Unemployment Rate



Exchange Rate. Mexican pesos (MXN) per U.S. Dollar(USD)



Consumer Price Index (INPC)

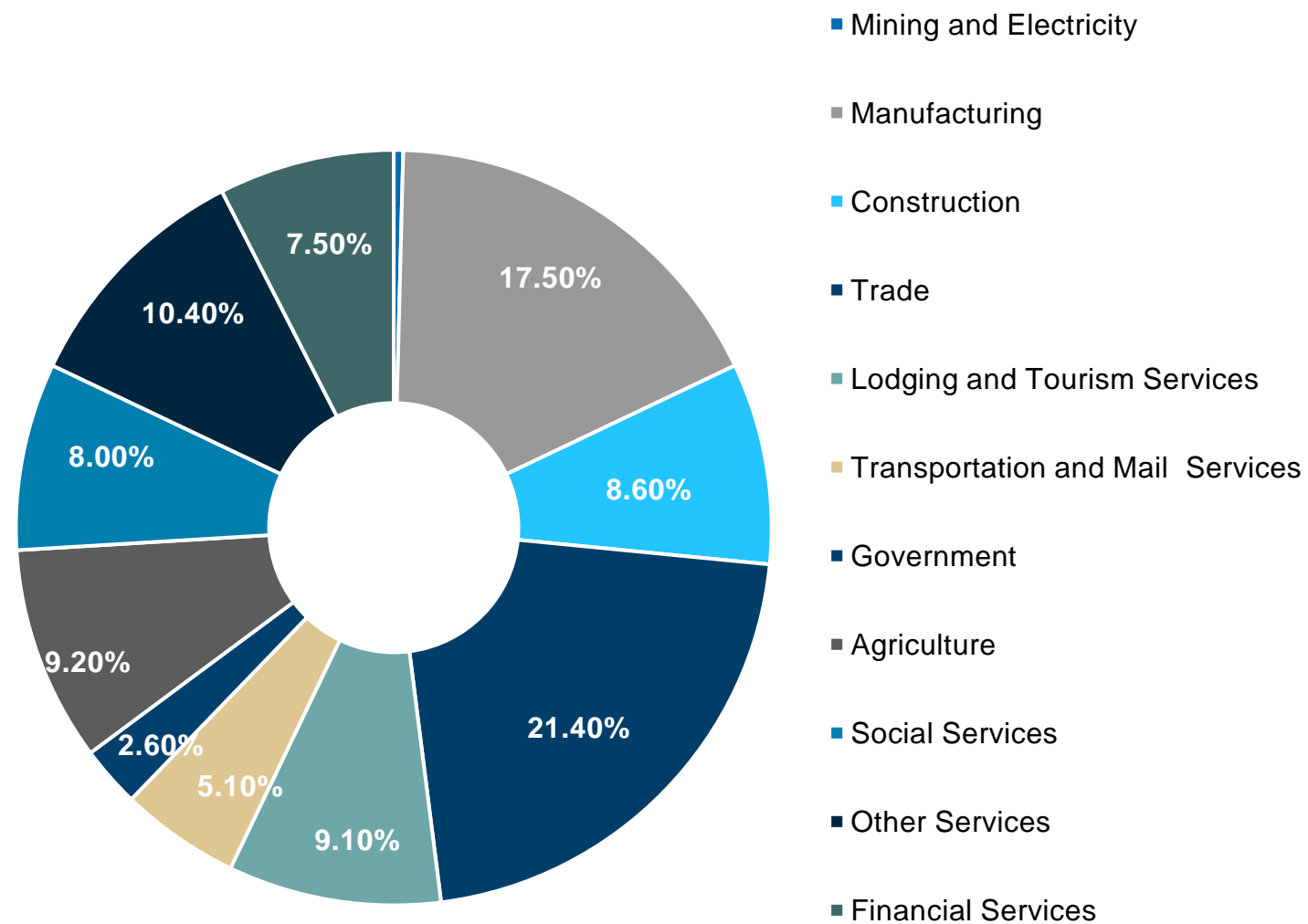


Fuente: Inegi, Banxico

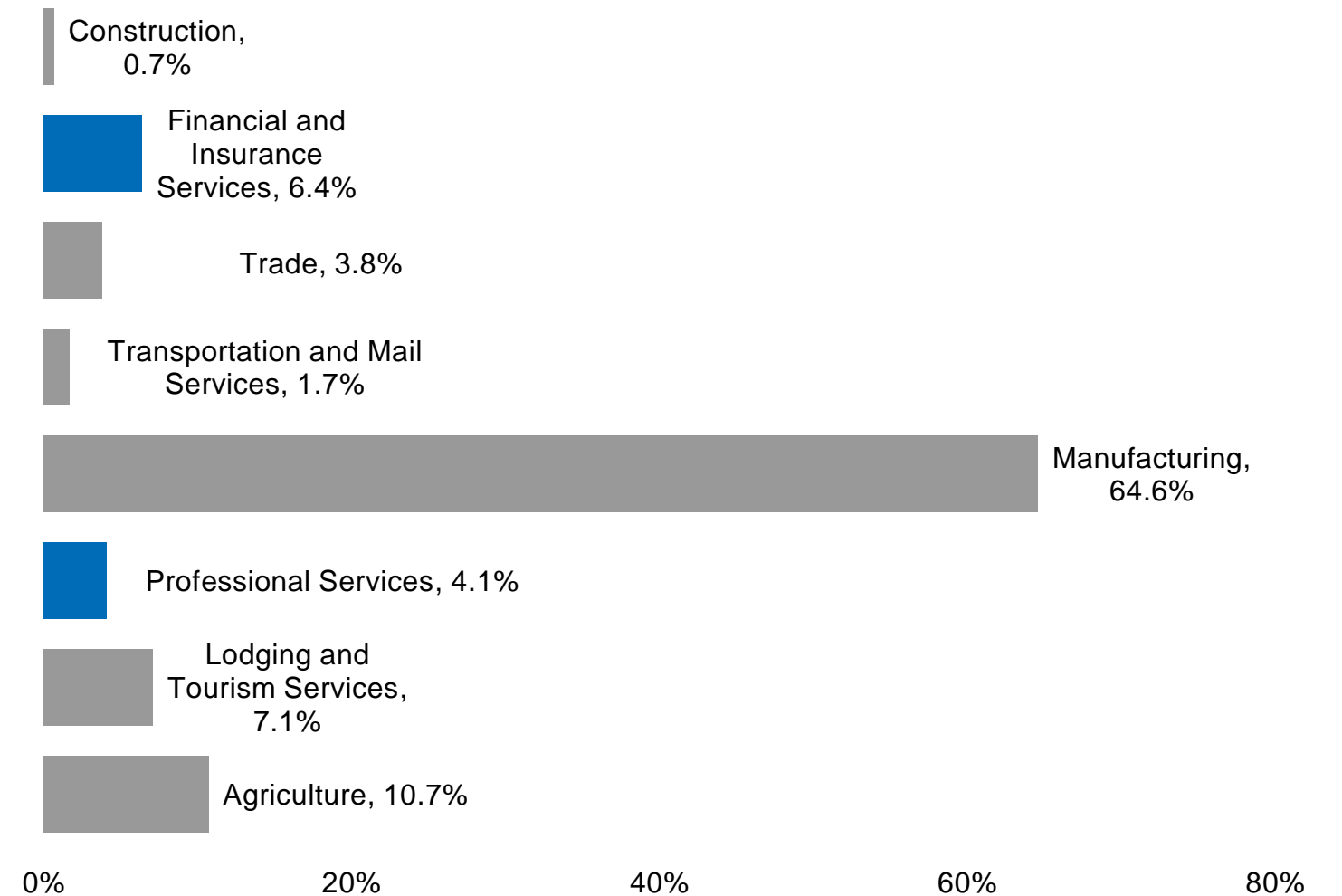
Economic sectors

The metropolitan area of Guadalajara is set to end the year as one of the main tourist powerhouses in the country, with an estimated 16 million visitors and an economic impact of over 32 million pesos, as well as an average hotel occupancy rate of 76% in the area.

Employed per Economic Sector



Foreign Direct Investment



Fuente: Inegi, Banxico, Secretaría de Economía

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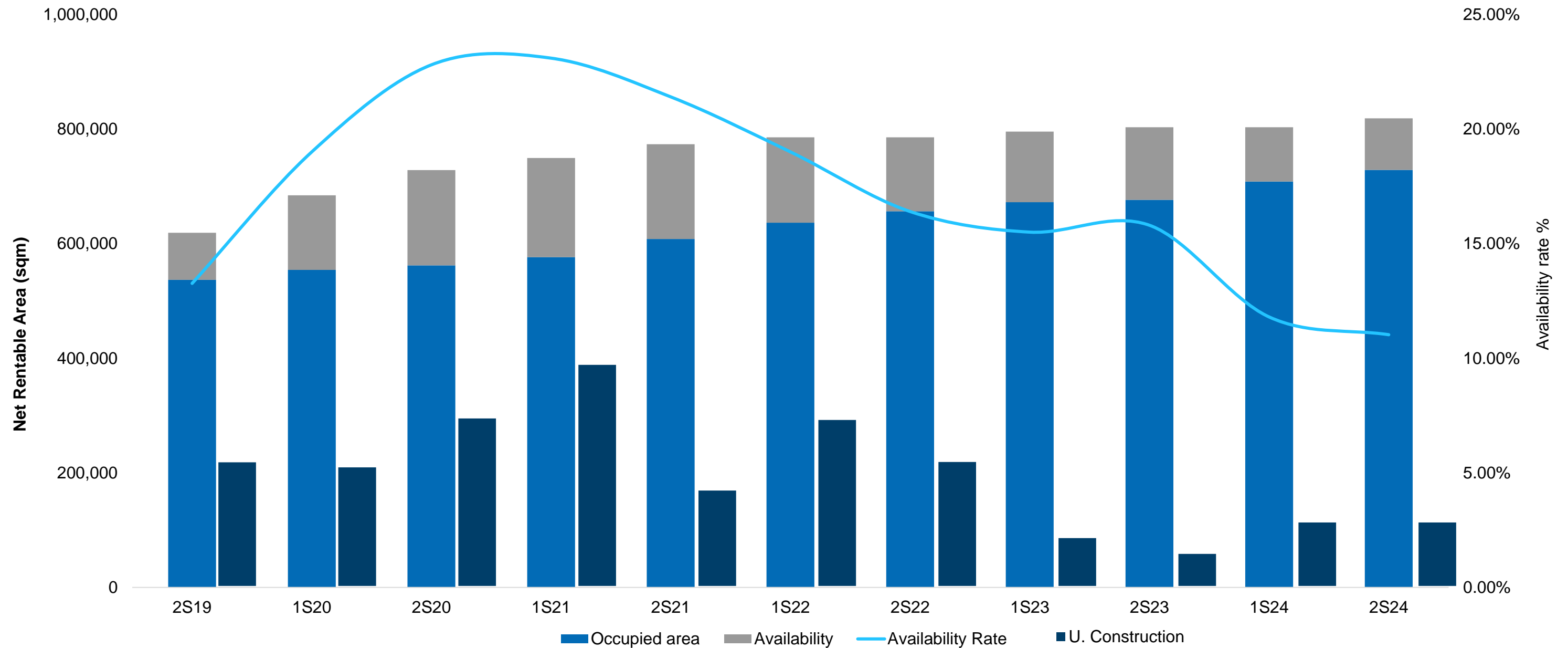
Market Fundamentals



Inventory

The inventory of Class A and A+ offices is over 800,000 square meters. The corridor with the largest share is Puerta de Hierro, holding 33% of the total inventory, followed by Zona Financiera with 20%, and Providencia with 15%. The remaining 32% is divided among the Plaza del Sol, Vallarta, and Periférico Sur corridors. The availability rate has remained steady at 11.0% at the end of the quarter.

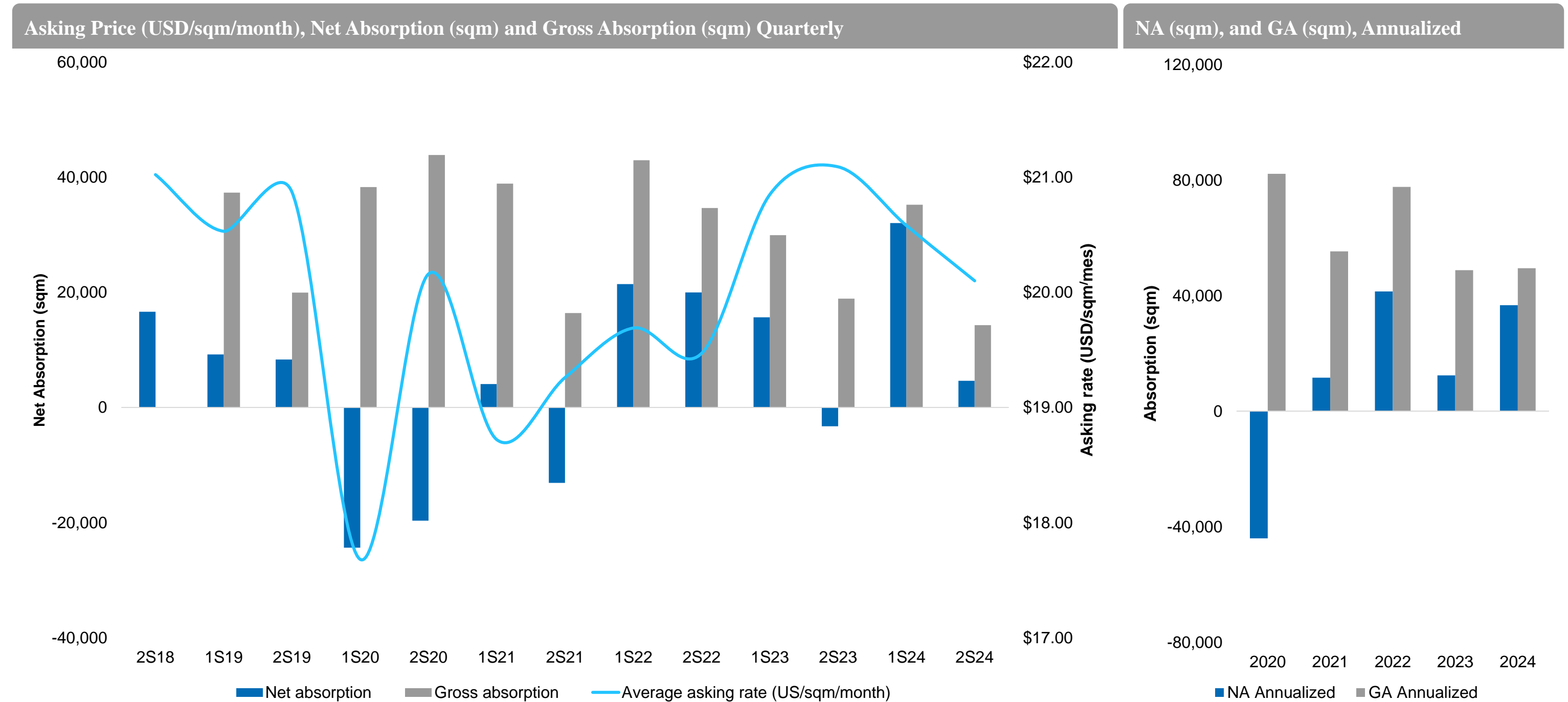
Occupied, Available, and Area Under Construction vs. Availability Rate



Fuente: Newmark Research

Occupation and Vacancy

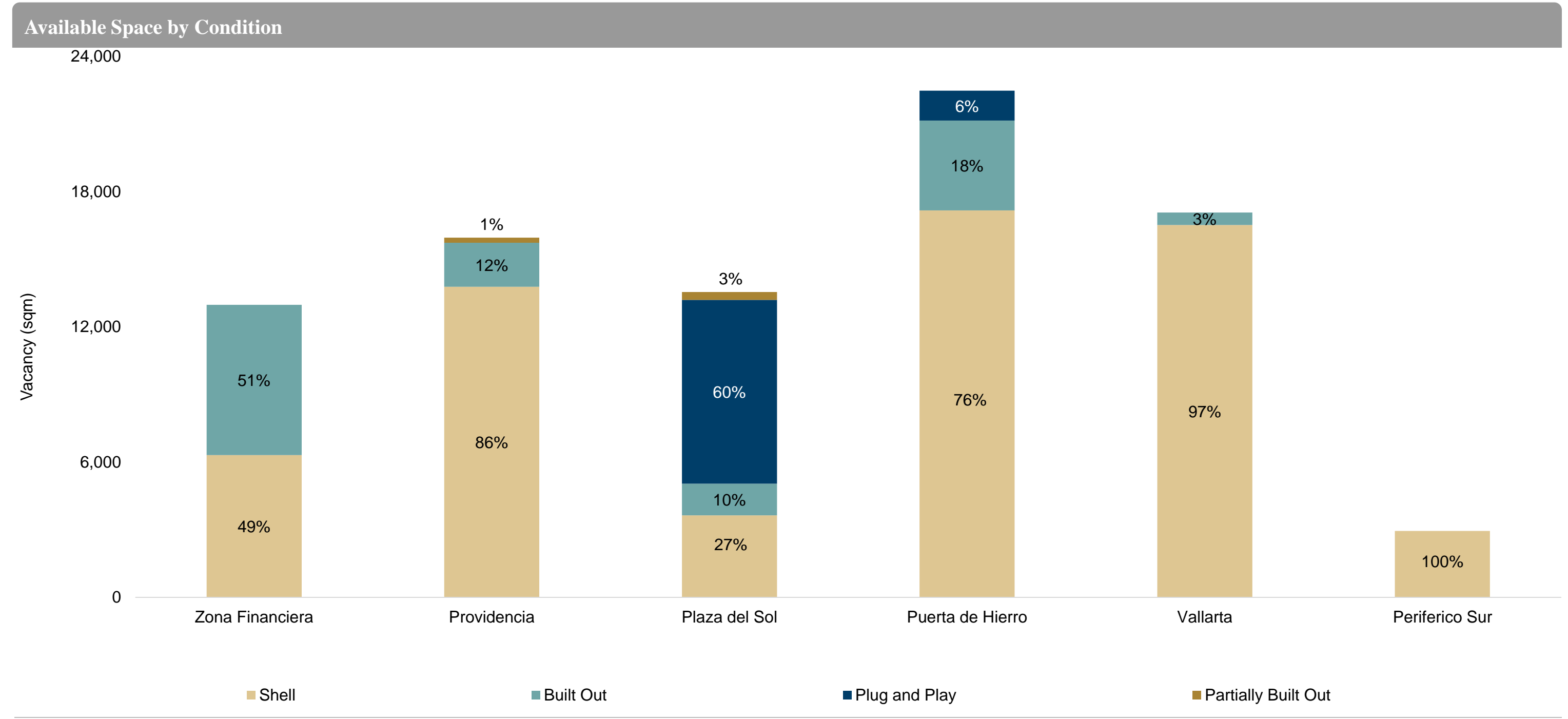
The average asking price showed a slight decrease, dropping from \$20.58 to \$20.10 by the end of this quarter, which represents a 2.3% decrease compared to the previous quarter. The gross market absorption recorded 14,291 square meters, while the net absorption was 4,645 square meters.



Fuente: Newmark Research

Delivery Condition

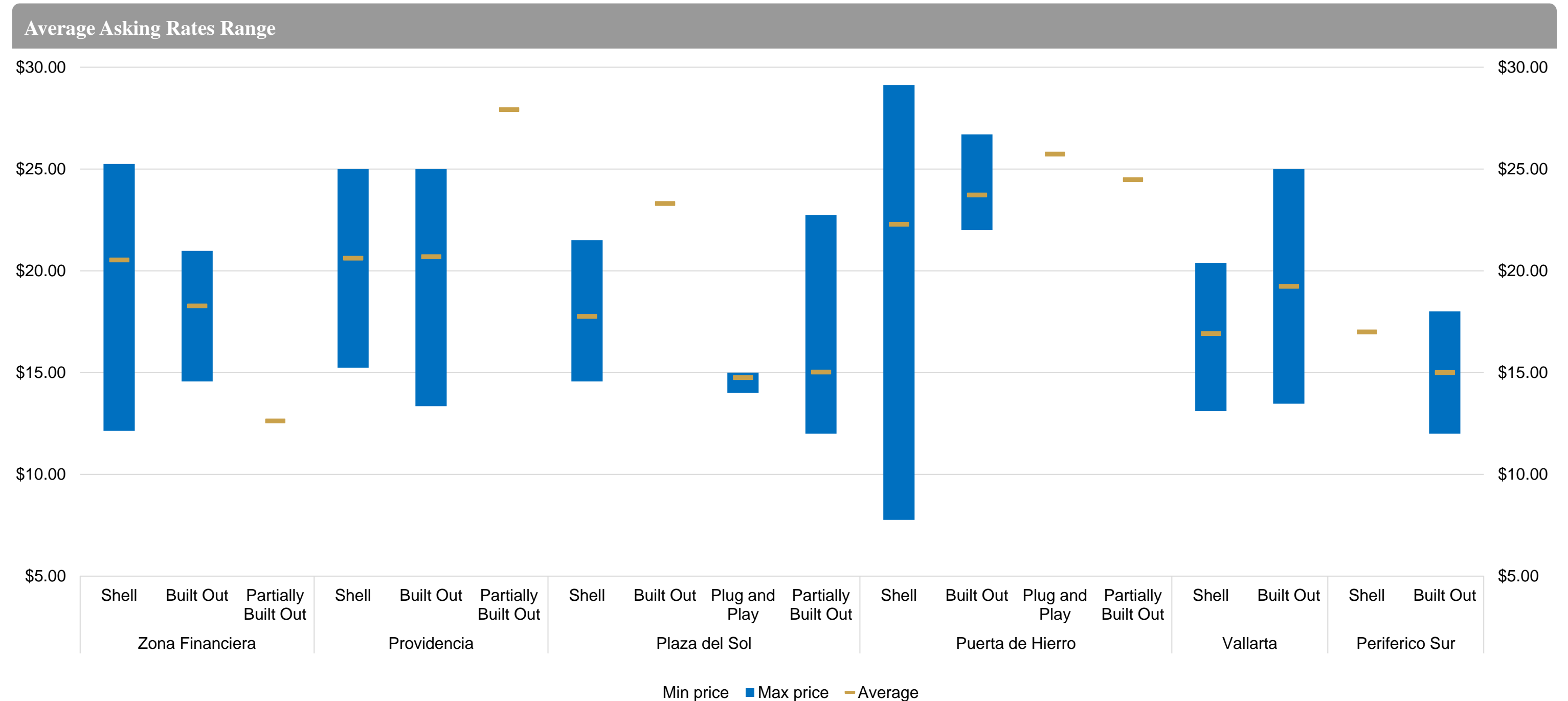
71% of the available rentable office space is delivered in shell condition. 17% of the spaces are built out, and the remaining percentage is delivered plug and play or partially built out. Only the Plaza del Sol corridor offers 60% of its spaces plug and play.



Fuente: Newmark Research

Asking Prices

The price range under certain delivery conditions goes from \$7.70 to \$29.13 USD/sqm. Spaces delivered as shell offer prices ranging from \$7.77 to \$29.13 USD/sqm, while spaces delivered fully fitted have prices ranging from \$12.00 to \$26.70 USD/sqm. These values depend on location, finishes, infrastructure, included services, and the layout of the spaces.

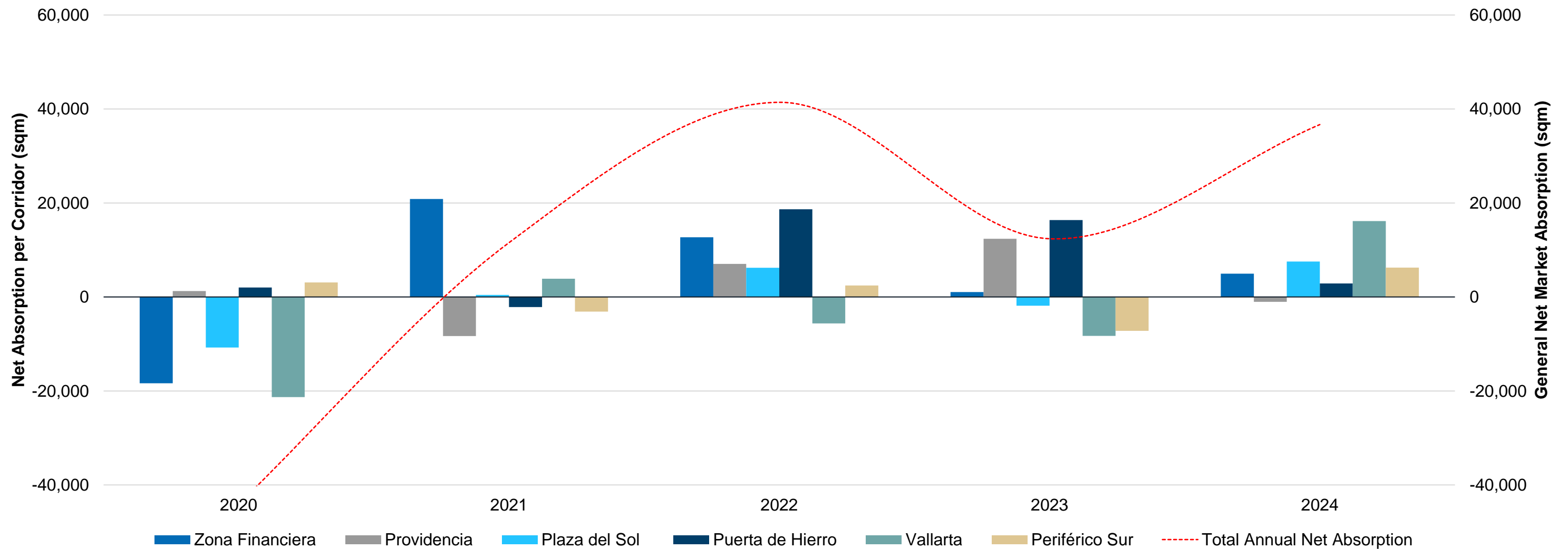


Fuente: Newmark Research

Net Absorptions by corridor

By the end of 2024, there was a cumulative net absorption of 36,680 sqm, just 3,000 sqm below what was projected in previous semesters.

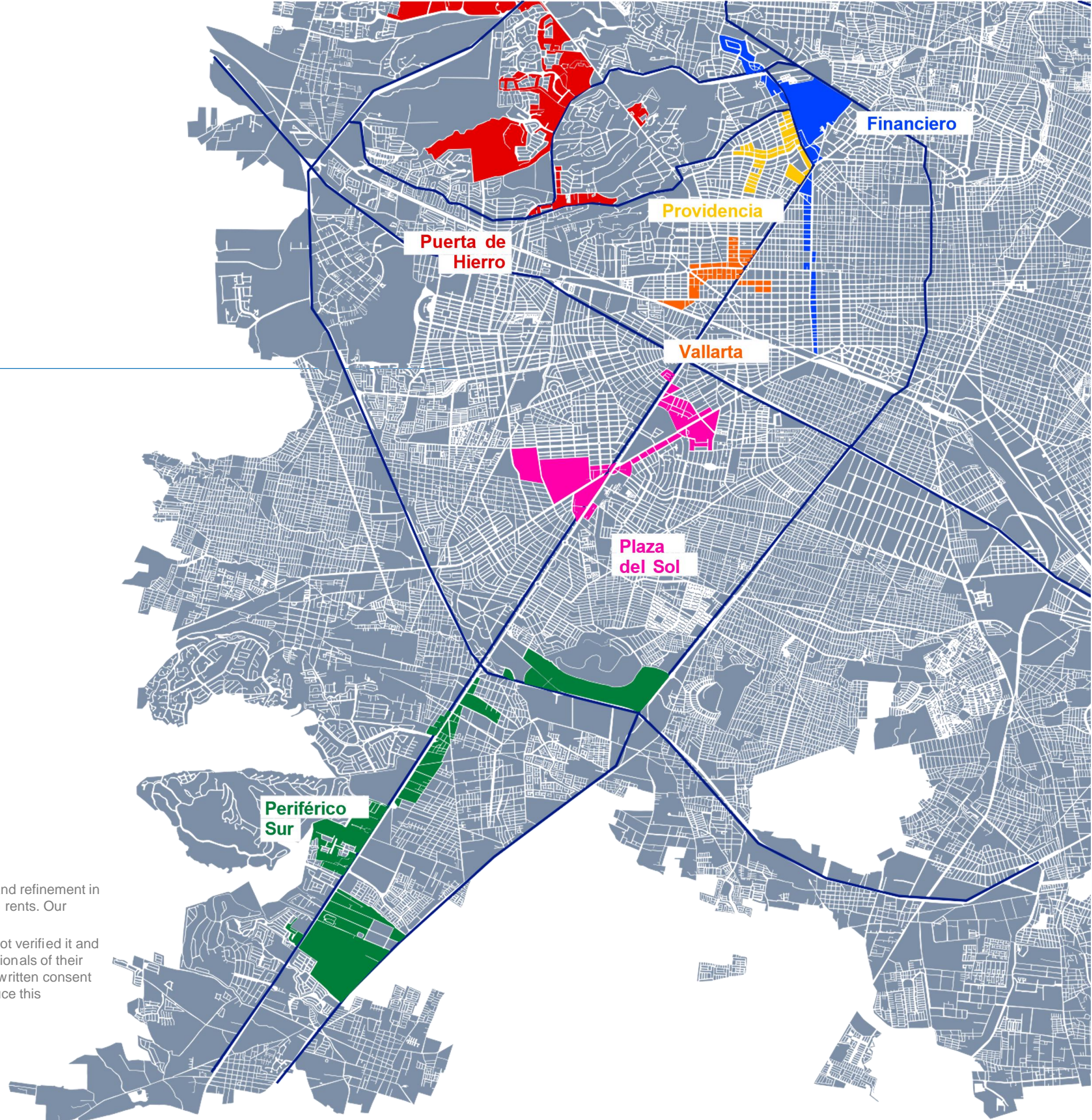
Annualized Net Absorptions by Corridor and total Market



Fuente: Newmark Research

Statistics by submarket

	Inventory (sqm)	Deliveries (sqm)	Vacancy (sqm)	Vacancy Rate (%)	Gross Absorption (sqm)	Annual Gross Absorption (sqm)	Net Absorption (sqm)	Annual Net Absorption (sqm)	Avr. Asking Price (USD/sqm/month)
Zona Financiera	167,714		12,582	7.5%	2,537	4,958	2,005	6,070	\$20.50
Providencia	124,747	4,655	19,141	15.3%	795	-1,053	-4,510	5,182	\$20.85
Plaza del Sol	105,089		17,339	16.5%	5,317	7,531	5,317	7,587	\$16.83
Puerta de Hierro	268,972		21,179	7.9%	1,648	2,858	-2,161	8,275	\$22.75
Vallarta	114,114		17,076	15.0%	870	16,138	870	16,138	\$19.87
Periférico Sur	38,079		2,943	7.7%	3,124	6,248	3,124	6,248	\$17.61
T o t a l	818,715	4,655	90,260	11.0%	14,291	36,680	4,645	49,500	\$20.10



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Newmark has implemented its own database, and the follow-up methodology has been revised. With this expansion and refinement in our data, there may be adjustments to historical statistics, including availability, rental prices, absorption, and effective rents. Our market reports are available at <https://nrmk.lat/reportes-de-mercado/>.

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