

4Q2024

Guanajuato Industrial Market Report



NEWMARK

Market analysis

Economy

- In response to persistent inflation and global and U.S. economic growth, the Bank of Mexico reduced the interbank interest rate to 10%.
- Short-term interest rates decreased, while medium and long-term rates increased.
- General inflation is expected to converge to the 3% target by the third quarter of 2026, with both upward and downward risks influencing inflation forecasts.

Transactions

- An electronics company arrives in León to manufacture electric power generation equipment. A deal that surpassed 200,000 square feet.
- OpenGate arrives at Puerto Interior, marking the second most significant deal in the market with nearly 100,000 square feet.

Market fundamentals

	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Inventory (SF)	95.8M	95.8M	92.0M	↑
Vacancy Rate	2.9%	3.2%	2.8%	→
Gross Absorption (SF)	582,899	1.4M	968,900	→
Net Absorption (SF)	364,096	-288,611	311,435	↑
Asking Rent (USD/SF/year)	\$5.13	\$5.77	\$5.09	↑
Construction (SF)	1.3M	1.4M	2.6M	↓

Outlook

- The increase in prices will continue to be driven by the cost of materials for new projects.
- The market slowdown can be attributed to the disruption of investment dynamics that respond to both local policies and global investment processes

I. Economy	04
II. Market fundamentals	08

Economy

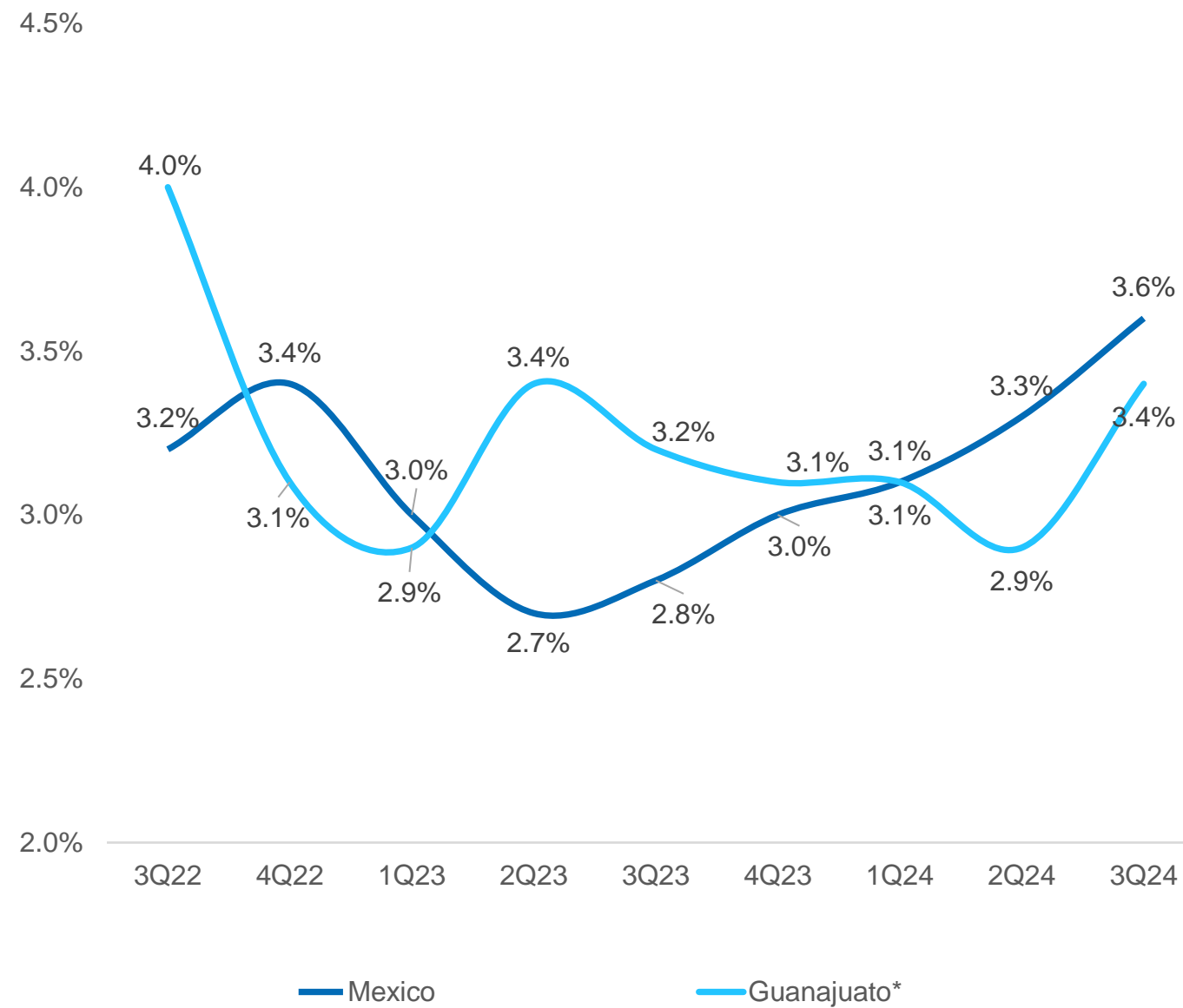


Employment

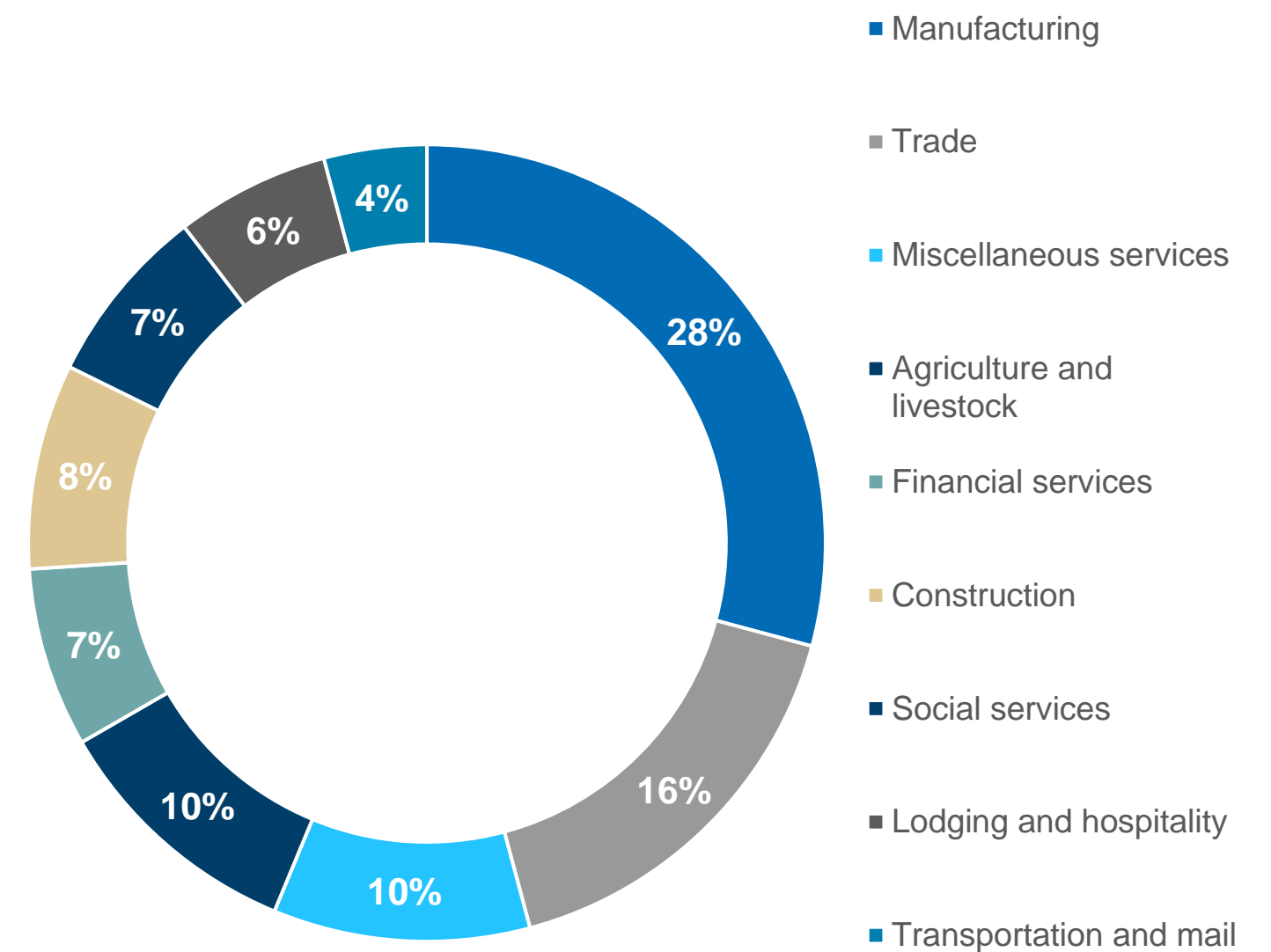
Similar to the national trend, unemployment accelerated at the end of the year, although Guanajuato experienced this to a lesser extent compared to the country's overall behavior.

Employment and commerce are strengthening their presence relative to the population employed in these subsectors.

Unemployment Rate



Recent Employment Trends in Guanajuato

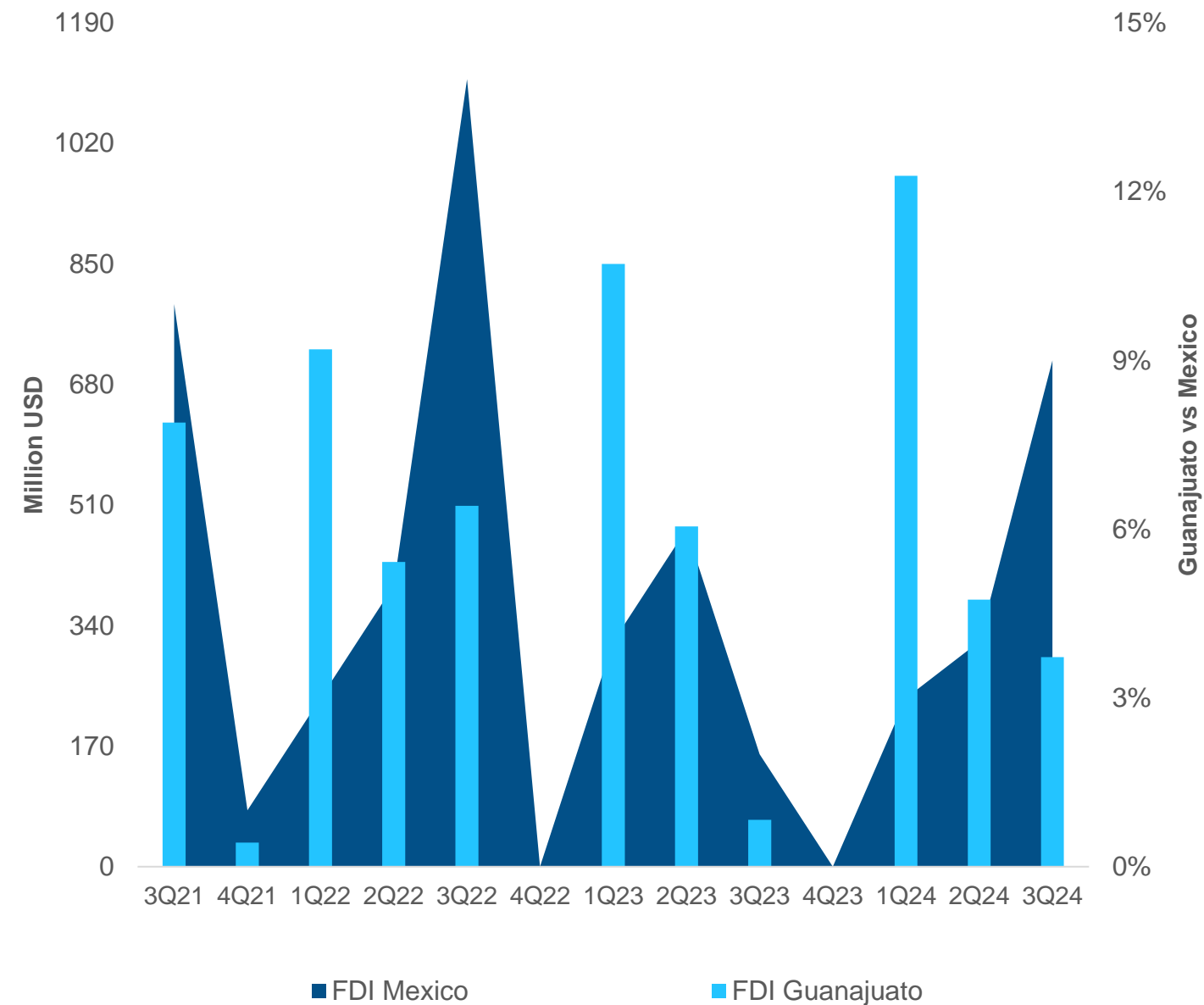


*Statal
Source: INEGI.
Note: Official information available through 3Q 2024.

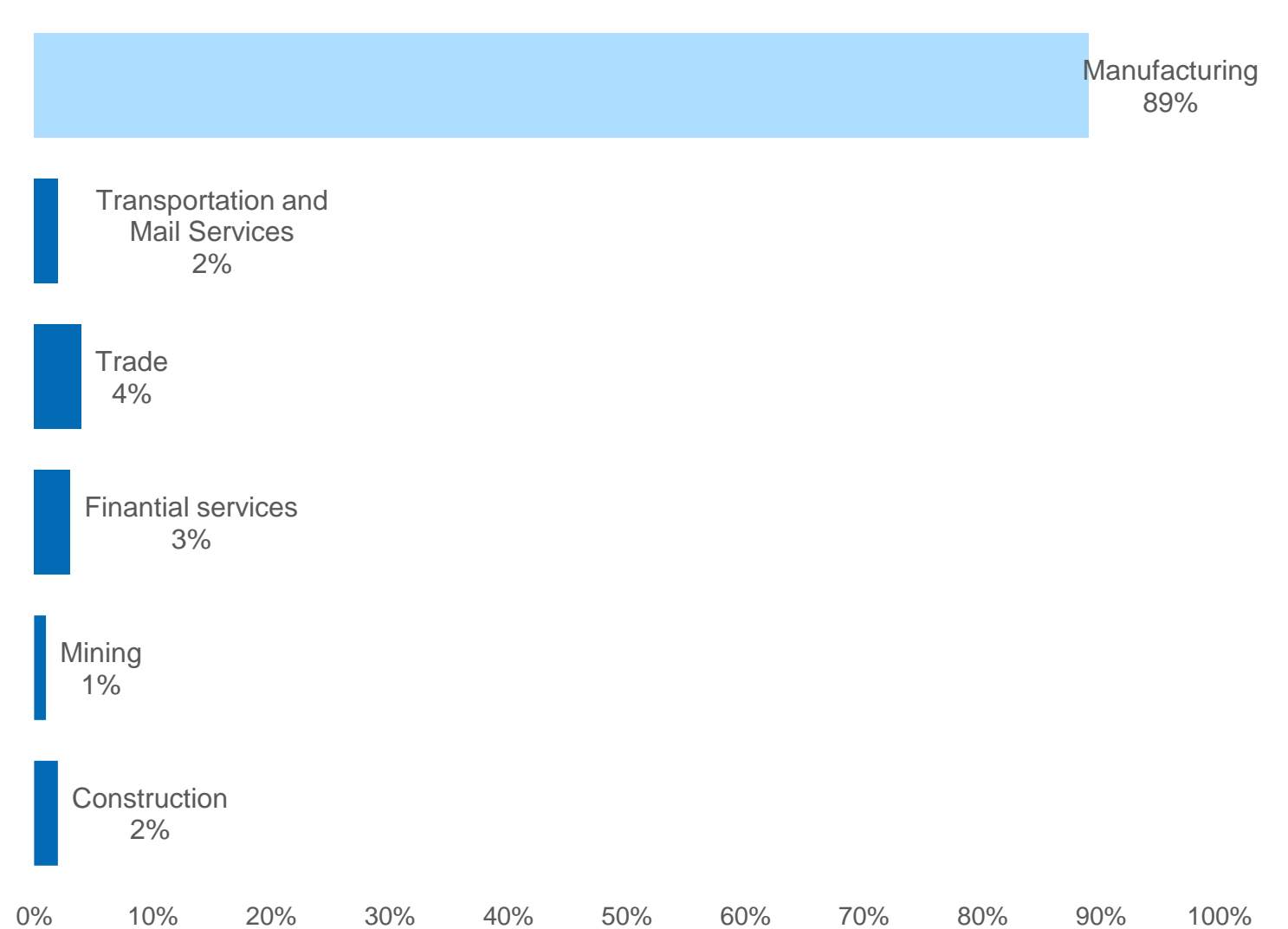
Investments

Even though several subsectors, including manufacturing, experienced a slowdown in Foreign Direct Investment (FDI), the end of the year saw a significant influx of foreign currency, even representing 9% of the country's total investment.

Foreign Direct Investment (FDI)



FDI by subsector (Guanajuato state YTD 2024)

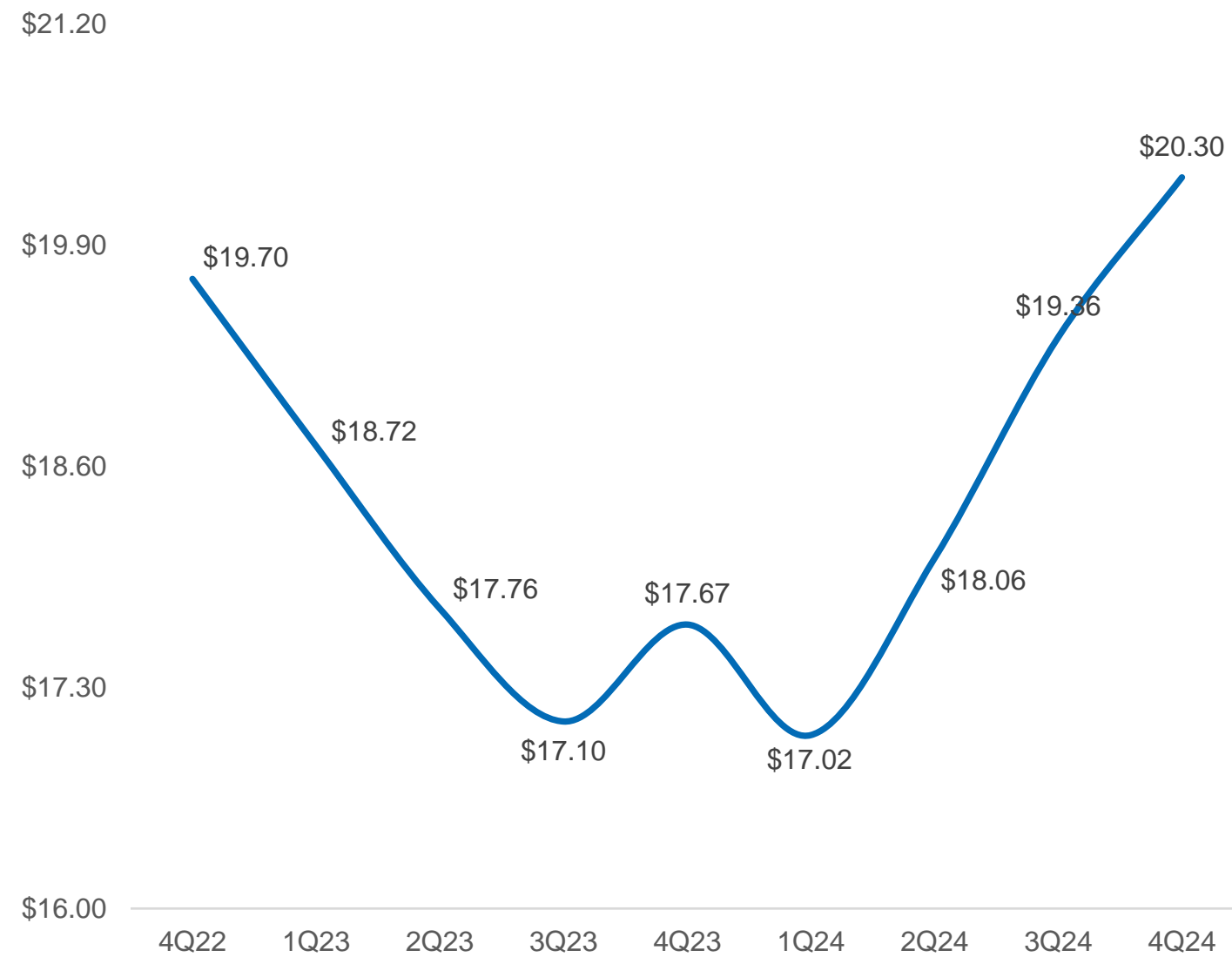


Source: Secretaría Economía
 Note: Official information available through 3Q 2024.

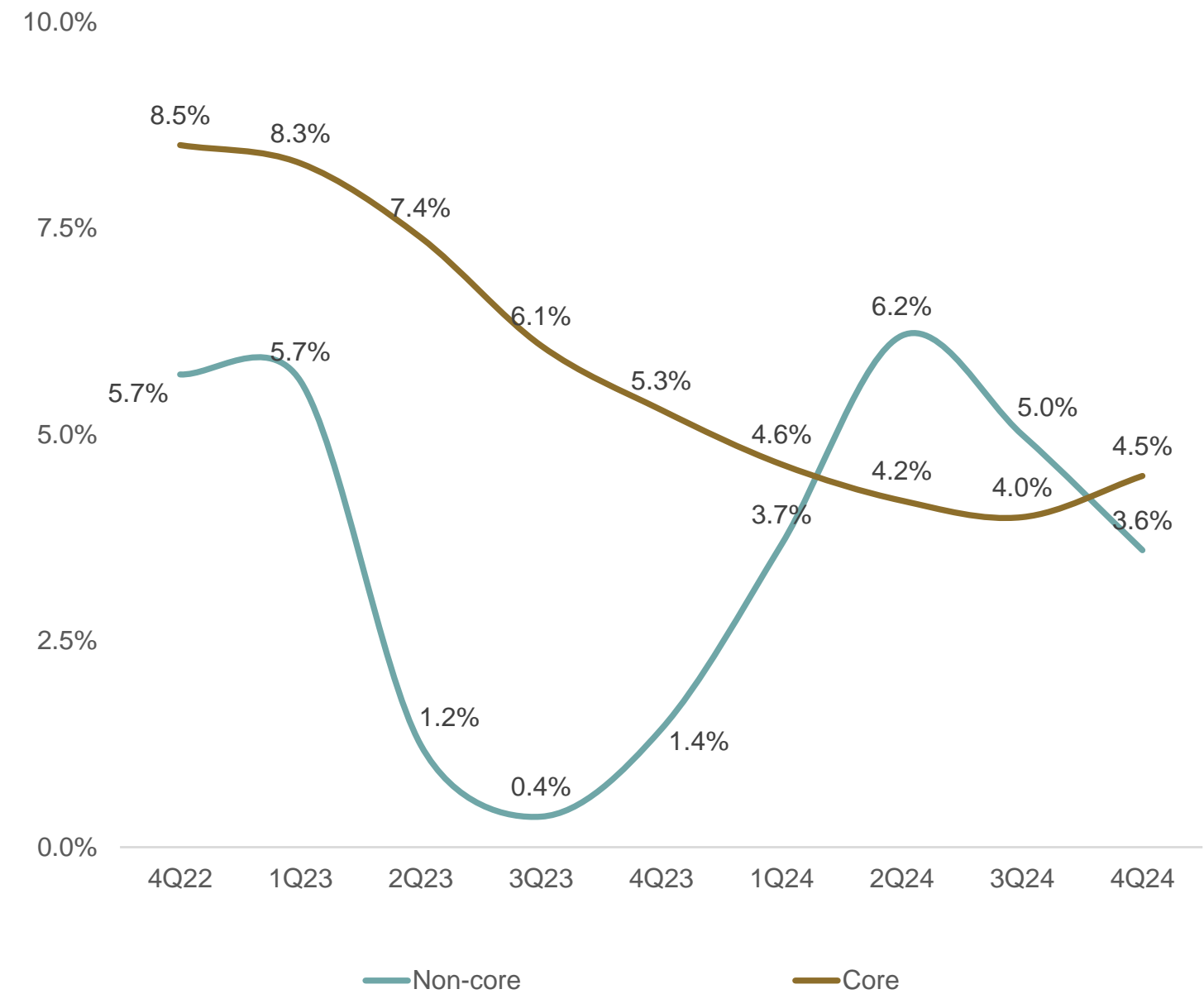
Inflation-devaluation

The exchange rate of the peso against the dollar surpasses the same period recorded since 2022 and continues its upward trend. In contrast, inflation is trending downward, even being lower than the core inflation

Exchange Rate



Consumer Price Index (CPI)



Source: Banco de México and INEGI.

4Q24

Market fundamentals



Market Summary

The market shows signs of a slowdown, as seen in the decline of construction, new inventory, and gross absorption values. However, prices have increased for buildings under construction. Availability has also been impacted, decreasing by 0.3 percentage points.

Submarket Statistics

	Inventory (Millions SF)	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)
Apaseo	9.7	236,806	267,106	2.70%	44,842	1,035,121	44,842	-268,010	\$5.11	-
Celaya	12.9		515,289	3.90%		151,706		44,067	\$4.37	-
Irapuato	17.2	731,945	515,031	3.10%	39,256	39,256	-147,379	-399,125	\$5.24	\$5.10
León	11.8		366,371	3.00%	237,688	1,476,269	205,397	-26,770	\$5.62	-
Salamanca	4.3		245,740	5.60%	38,298	38,298	38,298	38,298	\$4.66	-
San José Iturbide	9.7			0		161,459			-	-
San Miguel de Allende	2.2		369,320	15.30%		219,056.13		68,362	\$5.37	-
Silao	28.0	349,827	471,663	1.70%	222,834	991,441	222,834	240,659	\$5.54	\$5.80
Total	95.8	1,318,578	2,750,521	2.90%	582,919	4,112,606	363,992	-302,519	\$5.13	\$5.51

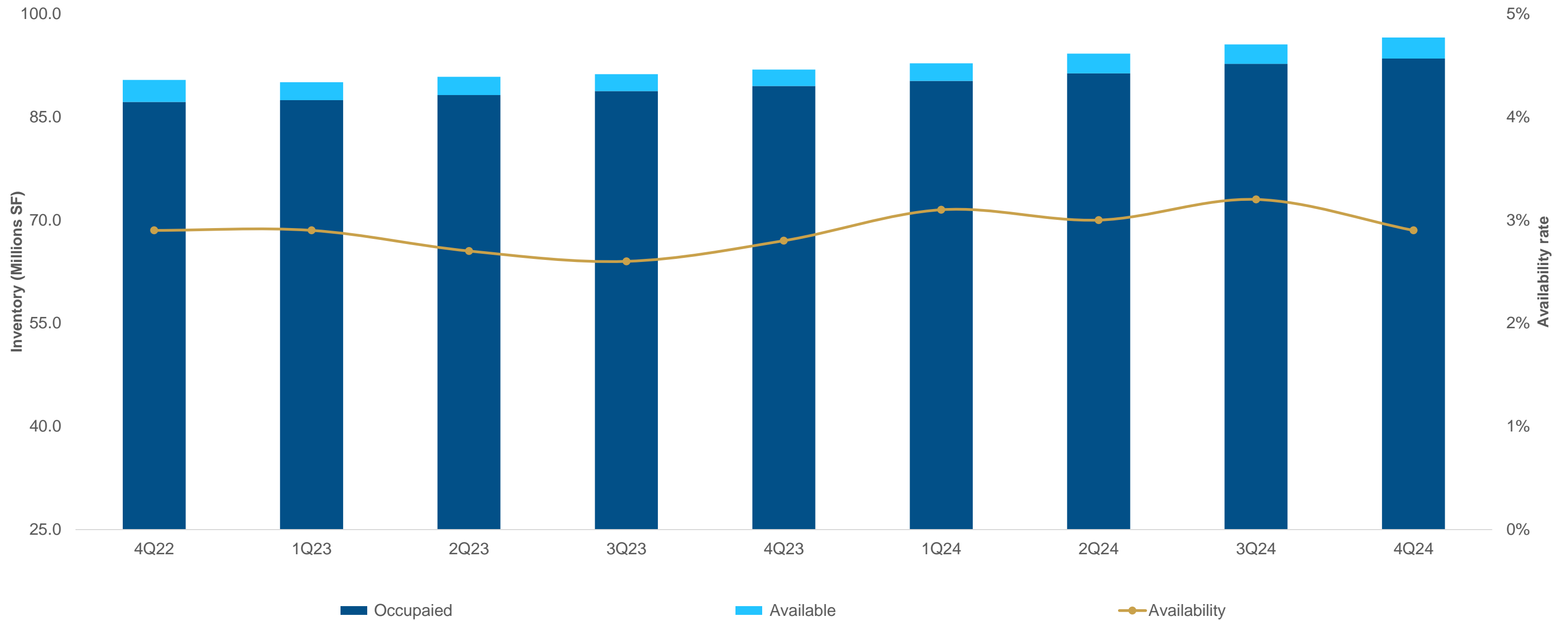
**Adjustment of availability for duplicate value and reclassification warehouse

Inventory and Availability Trends

The first indicator of a slowdown is the drop in inventory growth, which ended at 0.5% compared to the previous quarter.

However, inventory continues to grow steadily, with availability rates fluctuating around 3%.

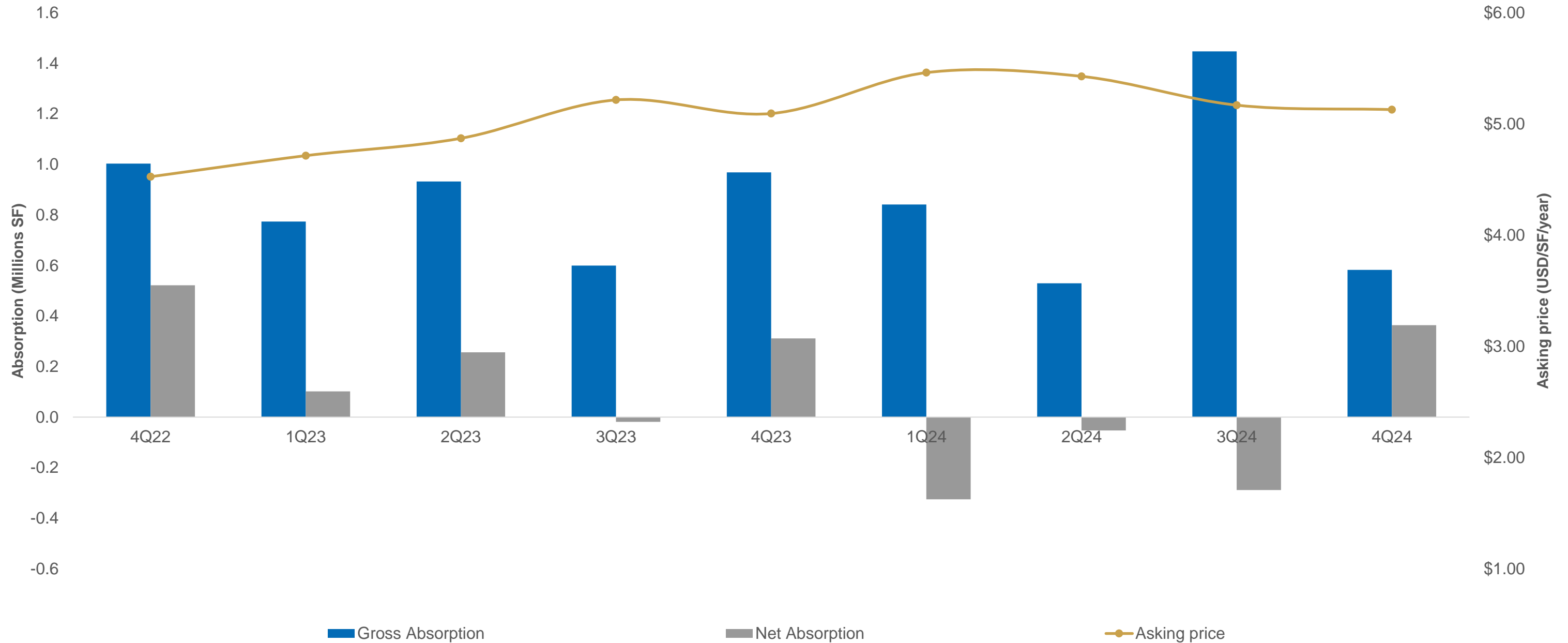
Ready inventory and vacancy



Absorption and asking price

The slowdown in the market was also recognized in the behavior of gross absorption values, which broke with the growth dynamic. In the case of net absorption, it is observed that there is no new speculative inventory unoccupied and there is active occupancy of the existing availability.

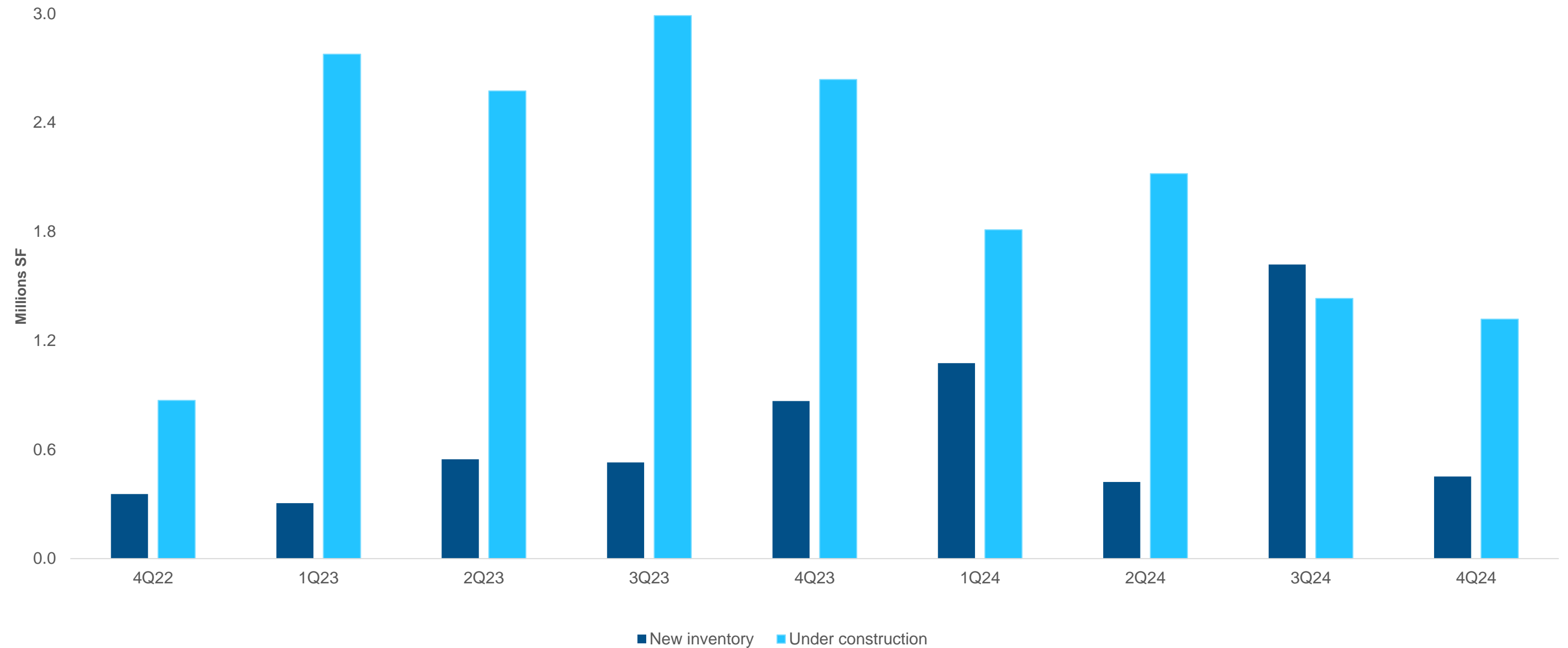
Absorption and asking price types



New supply

Construction experienced a slowdown during this quarter, with a 44% decrease compared to the previous quarter. However, inventory inflows continue their upward trend, with a 55% growth compared to the same period.

New Inventory and warehouses under construction



Construction and main operations

The slowdown is also evident in the new inventory, which is focused solely on build-to-suit (BTS) facilities, while the operations for the quarter were only for speculative projects.

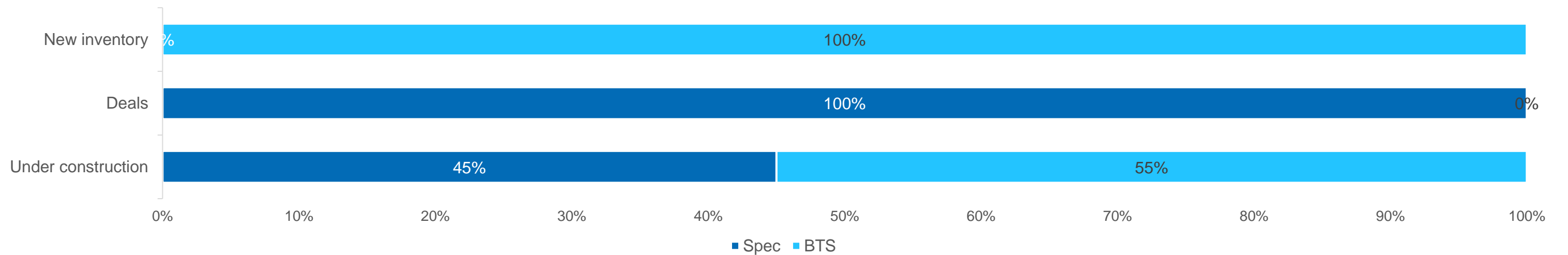
For projects under construction, there is a balance of projects in the market.

Parks under construction

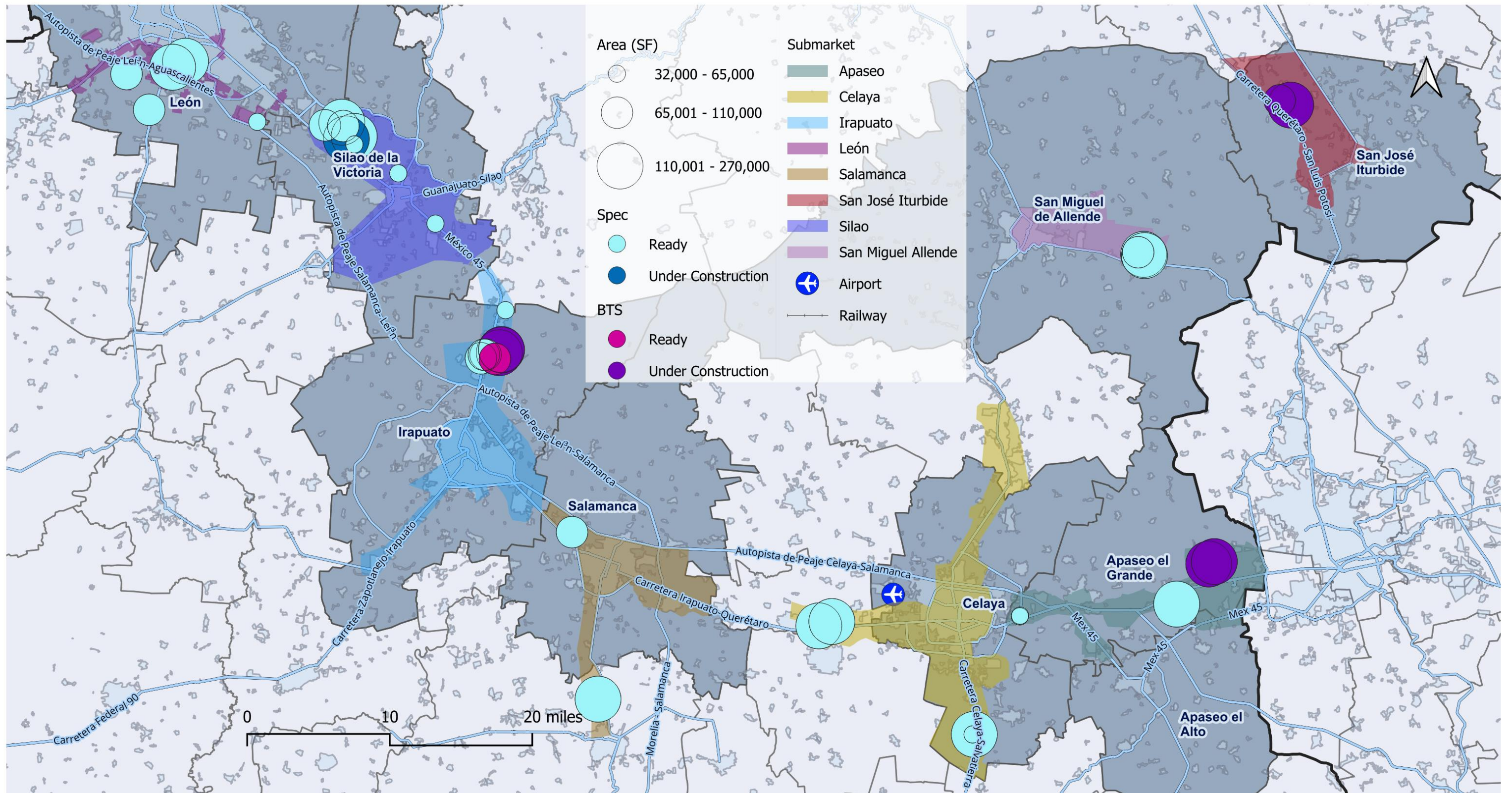
Industrial Park	Submarket	Delivery quarter	Area (SF)
Castro del Río Industrial Park	Irapuato	1T2025	269,098
Castro del Río Industrial Park	Irapuato	1T2024	247,570
Colinas de Apaseo	Apaseo	2T2025	236,806
Puerto Interior Industrial Park	Silao	2T2025	215,278
Castro del Río Industrial Park	Apaseo	2T2025	215,278

Main deals

Industrial Park	Submarket	Type	Area (SF)
Puerto Interior	Silao	Especulativa	104,431
Stiva Leon Industrial Park	León	Especulativa	237,688



Locations for speculative developments



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