

Industrial Market Buenos Aires

4Q 2024



NEWMARK

Market Overview 4Q 2024

From Boom to Expectation: The Expansion of Premium Spaces Redefines the Industrial Market in Buenos Aires

During the fourth quarter of 2024, the industrial market in Buenos Aires reached a turning point. The sustained high demand for premium spaces—a trend seen in recent periods—drove the completion of significant developments that increased the total rentable inventory to 20,273,510 SF (1,883,455 m²), an increase of 1,076,400 SF (100,000 m²) compared to the previous quarter.

However, this growth has resulted in a vacancy rate rising to 9.3%, not due to released space but because of the addition of new areas that remain unoccupied. This phenomenon reflects a transition in the sector, where future absorption capacity will determine whether this expansion is sustainable.

With a net absorption of 365,976 SF (34,000 m²) that remains consistent with the previous year, and an increase in the average asking rental rate to approximately 8.81 USD/SF/year (converted from 7.9 USD/m²/month), the market is showing clear signs of both speculation and opportunity.

At the same time, the area under construction closed at 1,049,490 SF (97,500 m²), suggesting an adjustment in the pace of new developments as market players carefully evaluate demand trends.

This context positions the industrial and logistics market at a key juncture, where the incorporation of premium spaces is redefining the dynamics of supply and demand, and opening a scenario of expectation and opportunity for the coming periods.

Main Indicators

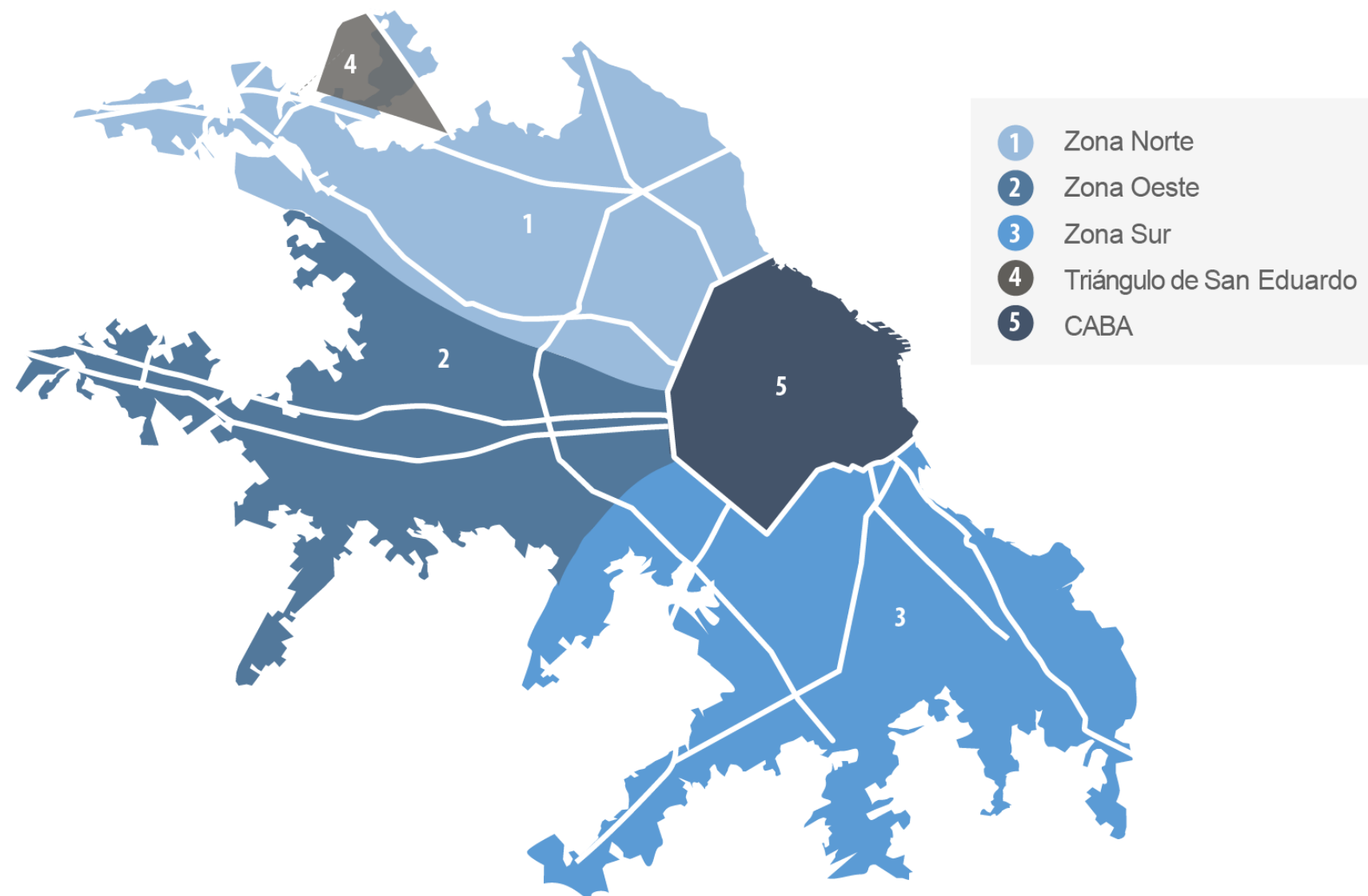
	4Q 2024	3Q 2024	4Q 2023	12 Month Forecast
Total Rentable Inventory	20,273,510 SF	19,196,931 SF	17,771,791 SF	↗
Availability Rate	9.3 %	5.6 %	1.6 %	↗
Quarterly Net Absorption	365,976 SF	141,007 SF	369,202 SF	↗
Average Asking Rent	8.81 USD BNA/SF/year	8.52 USD BNA/SF/year	8.80 USD BNA/SF/month	↗
Surface Under Construction	1,049,490 SF	1,598,439 SF	1,961,183 SF	↘

Economy

- Inflation, while still high, began to slow in the last quarter of the year, raising hopes for a moderate recovery in the medium term. However, consumption remained under pressure due to the loss of purchasing power.
- The retail and service sectors saw a slight rebound, driven by exchange rate stability and government policies, but industries like construction and manufacturing continued to struggle with high costs and currency restrictions.
- The official exchange rate reached AR\$ 1,044.50, and the gap with the parallel market narrowed as volatility in the currency market eased.

Market Fundamentals

- The industrial market reached a total inventory of approximately to 20,273,510 SF (1,883,455 m²), with a vacancy rate of 9.3%, driven by the addition of new space rather than the release of existing assets.
- With a net absorption of 365,976 SF (34,000 m²) during the quarter, the average asking rental rate increased to 8.81 USD/SF/year (7.9 USD/m²/month), reflecting sustained demand for premium spaces despite economic challenges.
- The area under construction closed at 1,049,490 SF (97,500 m²), marking a slowdown compared to previous quarters, in a context where the market is carefully evaluating the pace of future absorption.



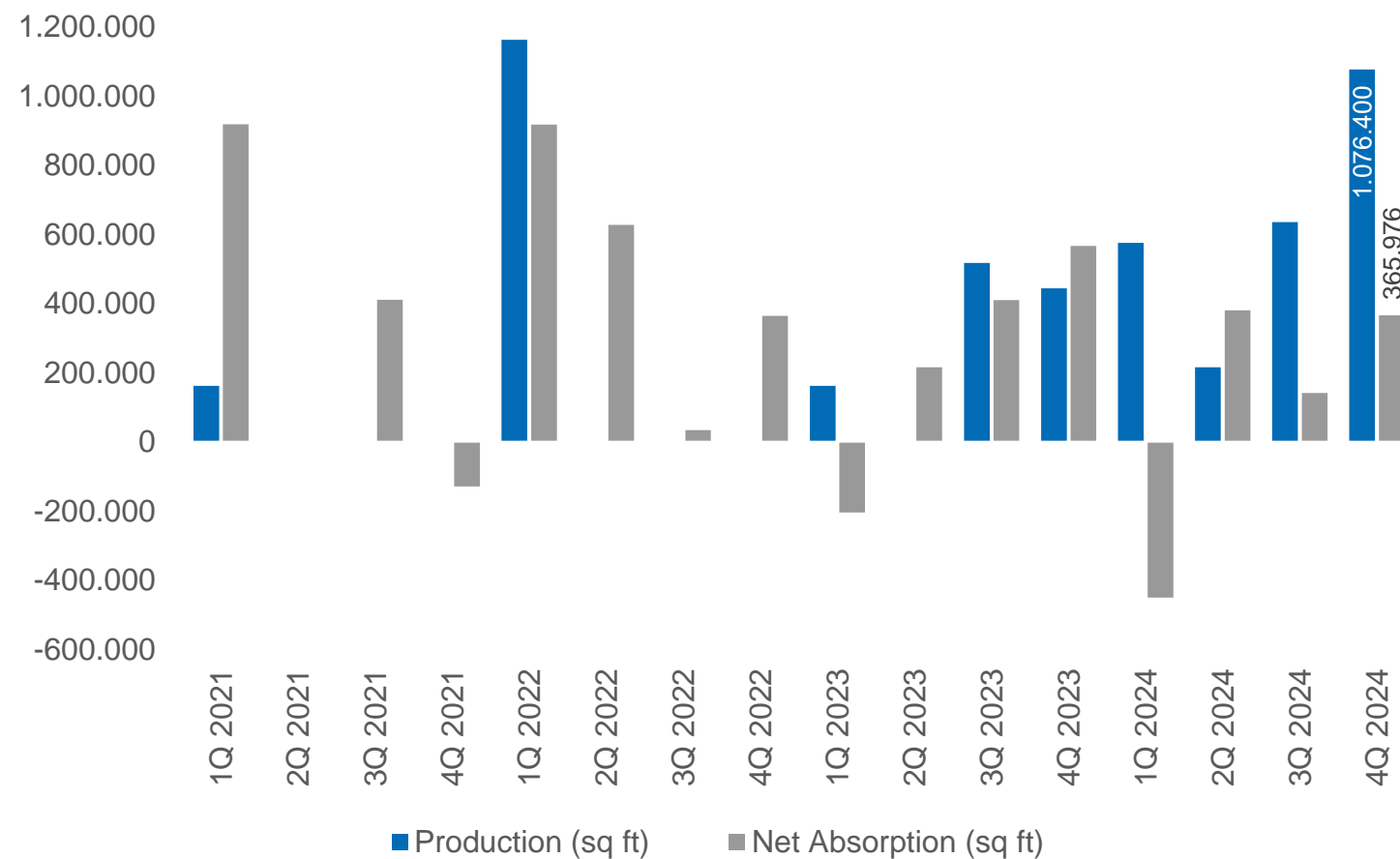
Industrial Map with Division by Zone| Bs.As. | Argentina

Demand

In the fourth quarter of 2024, a net absorption of 365,976 SF (34,000 m²) was recorded, marking a significant increase compared to the previous quarter. This result accompanies the delivery of 1,076,400 SF (100,000 m²) of new industrial spaces, consolidating the trend of accelerated absorption in a context of growing supply. Despite the increase in vacancy, these spaces are projected to be quickly occupied, demonstrating a strong responsiveness to the availability of high-specification square footage.

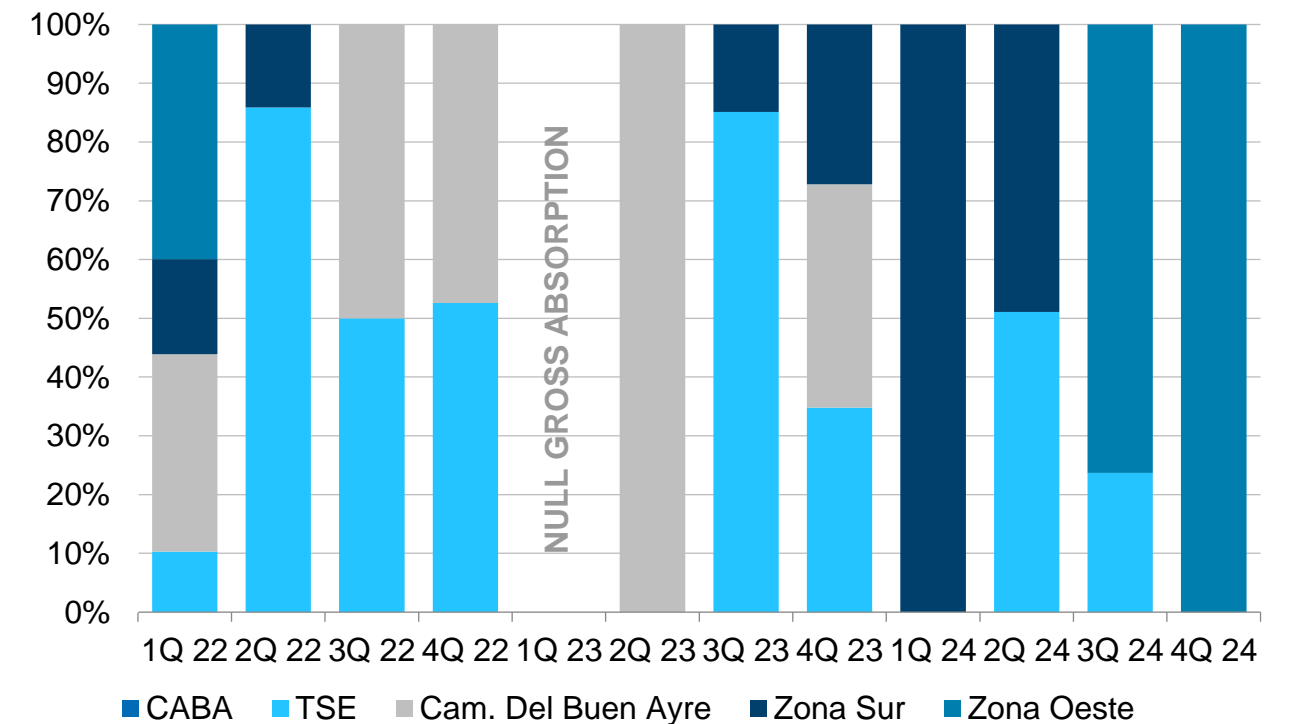
Quarterly Net Absorption and Production

1Q 2022 – 4Q 2024



Quarterly Gross Absorption by Zone

1Q 2022 – 4Q 2024



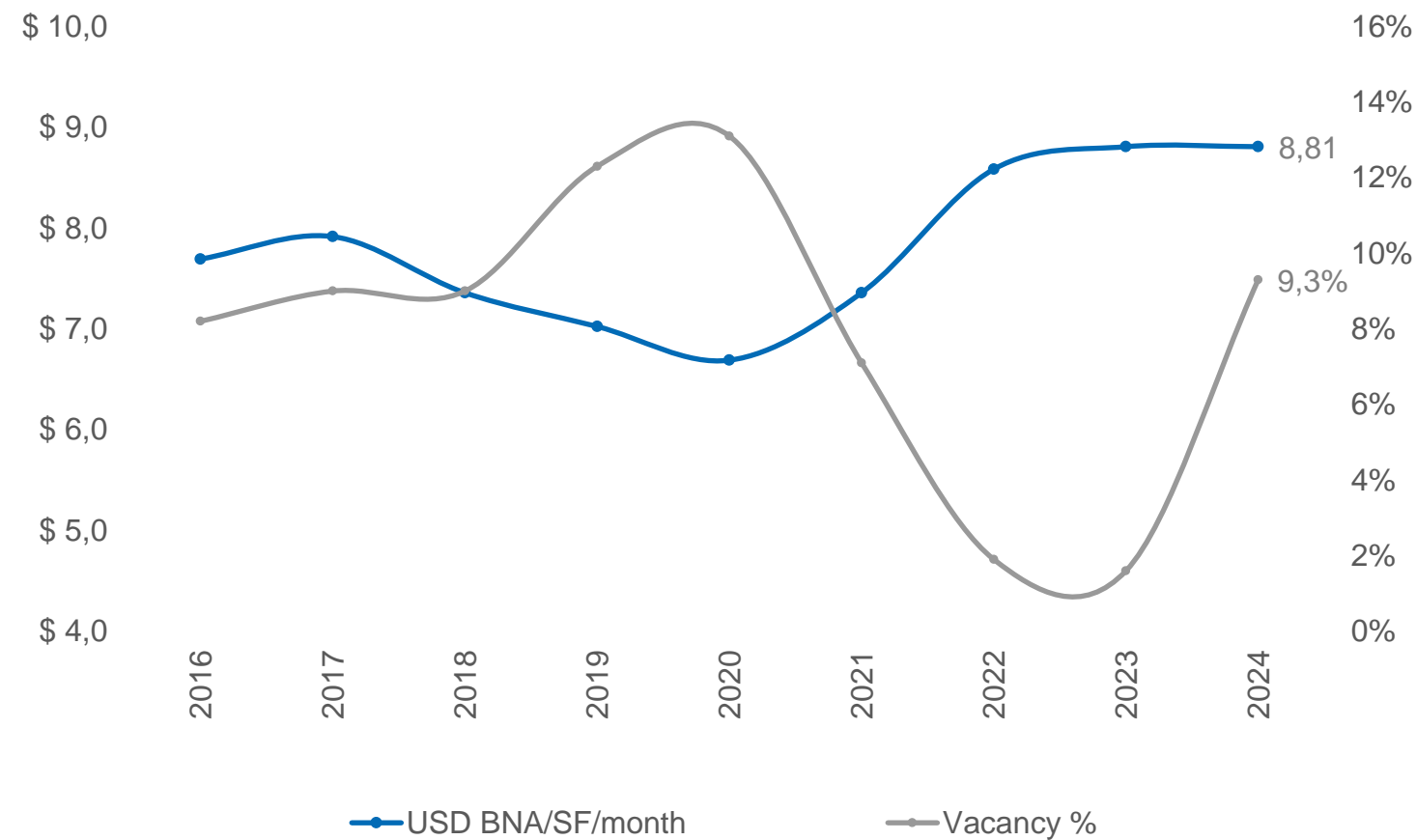
Zona Norte: TSE, Cam. Del Buen Ayre, Escobar- Campana-Zárate, Pilar-Fátima
Zona Sur: Corredor Sur, **Zona Oeste:** Corredor Oeste
CABA: Ciudad Autónoma de Buenos Aires

Source: Information Compiled and Analyzed by Newmark Argentina

Availability and Future Surface

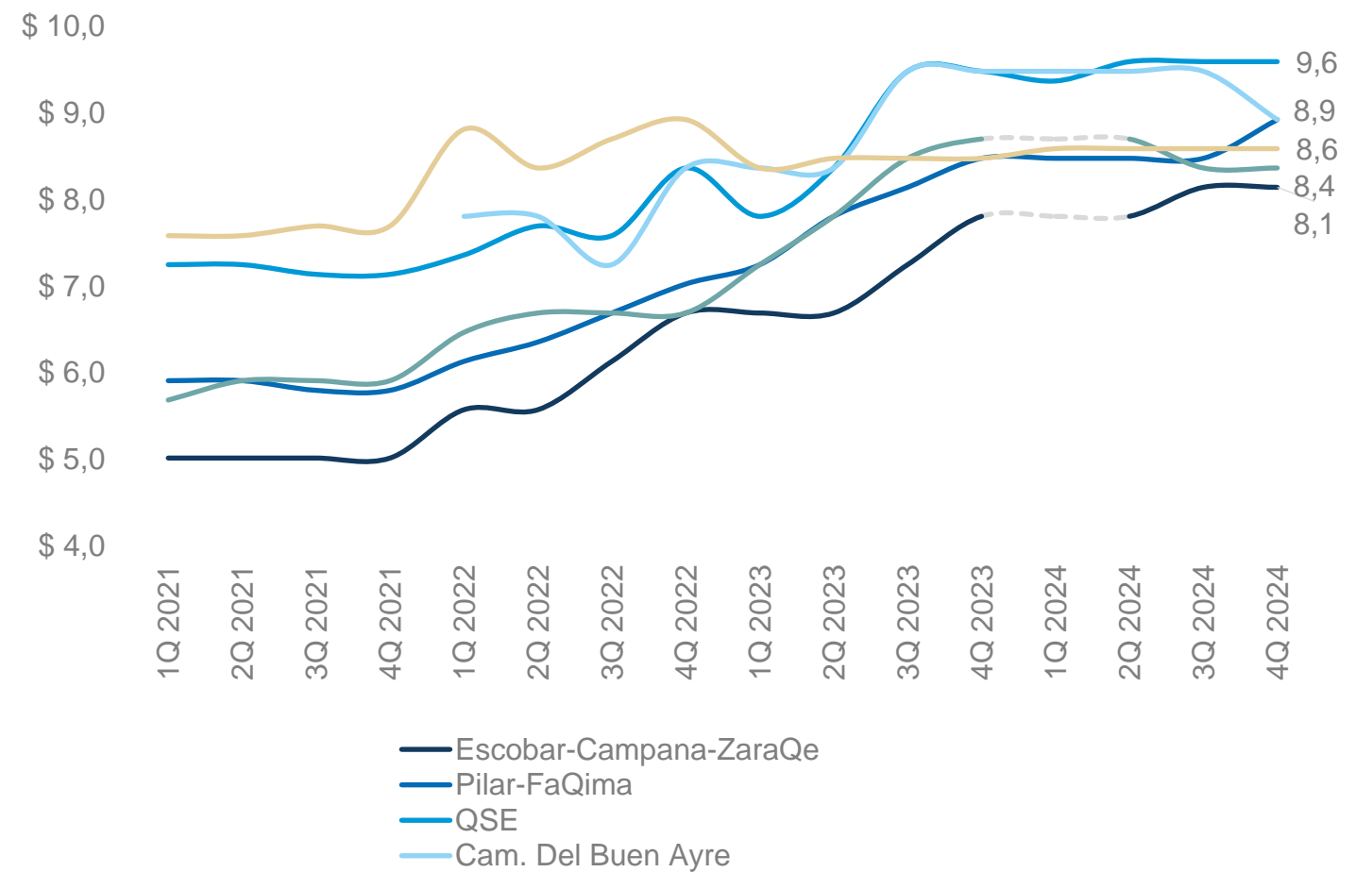
In the fourth quarter of 2024, the vacancy reached 9.3%, marking a turning point between the delivery of new square meters and the market's absorption rate. The average asking rent was set at 8.81 USD/ft²/year (7.9 USD BNA/m²/month), with Pilar-Fátima and the Corredor Buen Ayre leading in asking prices. This behavior reflects a dynamic balance between growing supply and consolidating demand, highlighting the key role of new developments in meeting the requirements for large volumes in an evolving market.

Asking Rent & Vacancy (2016 - 4Q 2024)



Average Asking Rent (USD BNA/SF/year)

4Q 2024



Source: Information Compiled and Analyzed by Newmark Argentina

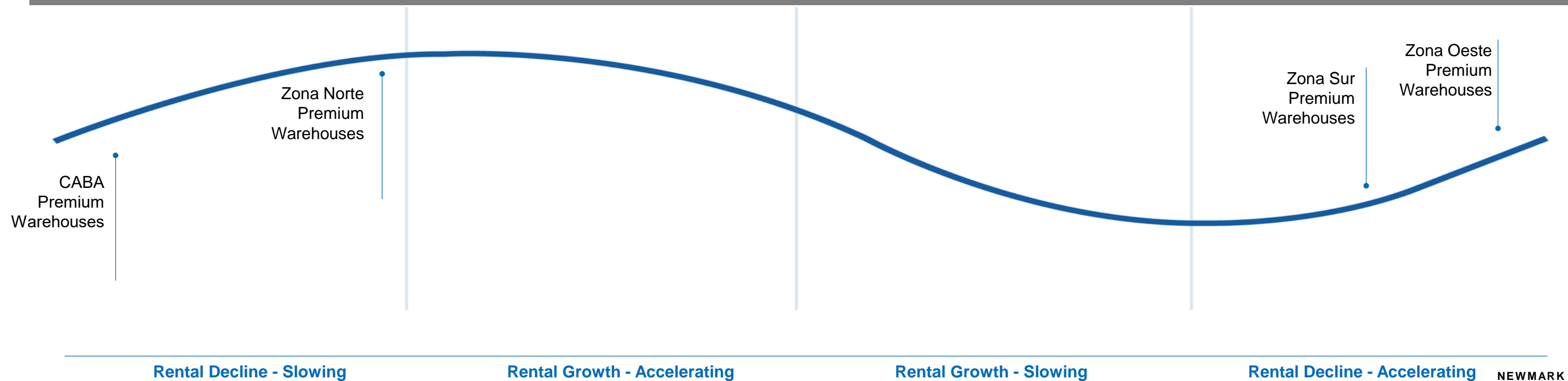
Data and Trends

4Q 2024

Market Statistics

	Zone	Total Inventory (SF)	Total Availability (SF)	Availability Rate (%)	Qtr. Net Absorption (SF)	Under Construction (SF)	Average Asking Rent (USD BNA/SF/month)
Campana – Zárate	Norte	1,173,276	363,716	31.2 %	-	-	8.1
Pilar – Fátima	Norte	3,308,821	753,480	22.8 %	-	1,011,816	8.9
Triángulo San Eduardo	Norte	8,219,477	300,972	3.7 %	-	-	9.6
Camino Del Buen Ayre	Norte	753,480	64,584	8.6 %	-64,584	-	8.9
Zona Oeste	Oeste	1,575,311	53,820	3.4 %	430,560	-	8.4
Zona Sur	Sur	4,780,292	346,601	7.3 %	-	-	8.6
Ciudad de Buenos Aires	CABA	462,852	-	0.0 %	-	37,674	-
TOTAL		20,273,510	1,852,484	9.3%	365,976	1,049,490	8.8

Industrial Market Cycle



The Incorporation of Premium Spaces Challenges the Absorption Capacity

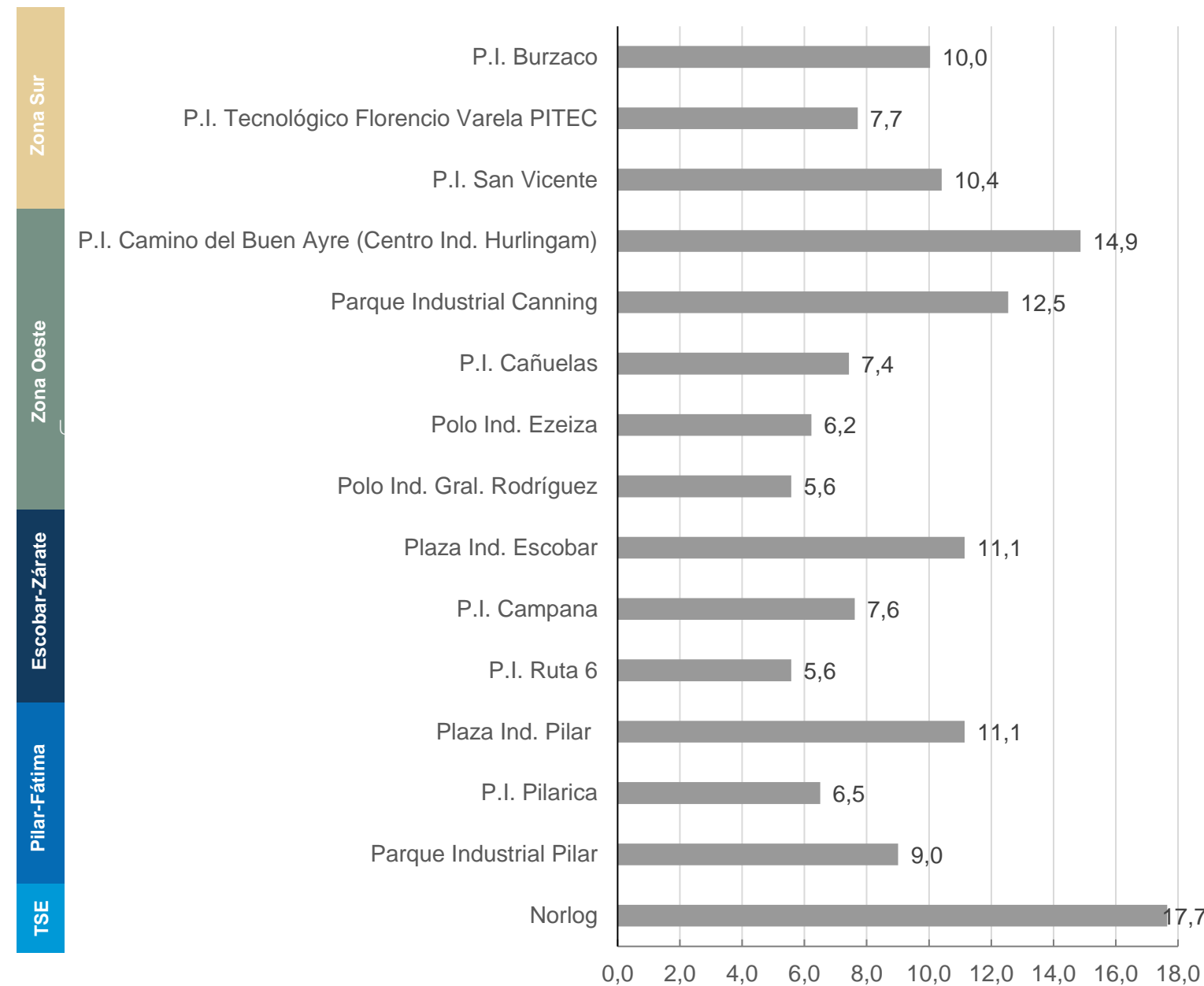
4Q 2024



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Industrial Parks

Average Asking Price (USD BNA/SF)



In the current scenario of the industrial parks market, the diversity and quality of options available for companies stand out.

In **Zona Sur**, the Parque Industrial Burzaco, the Parque Industrial Tecnológico Florencio Varela (PITEC), and the Parque Industrial San Vicente offer competitive prices and a wide availability of spaces, making it easier for companies to choose strategic locations for their operations.

In **Zona Oeste**, the Parque Industrial Camino del Buen Ayre and the Parque Industrial Canning are well positioned with high-quality facilities, serving as outstanding choices for companies looking to optimize their operations.

In **Zona Norte**, a wide range of options reinforces the strategic importance of this region. The Plaza Industrial Escobar and the Parque Industrial Campana, which belong to the Escobar-Zárate subgroup, reflect an environment conducive to business growth, with attractive prices and a varied supply. In the Plaza-Pilar subgroup, the Parque Industrial Pilar and the Plaza Industrial Pilar stand out for their facilities tailored to the demands of expanding companies. Finally, in the TSE (Tigre-San Fernando-Escobar) subgroup, Norlog excels with its high-quality infrastructure designed for contemporary logistics companies, while the Polo Industrial Ezeiza and the Polo Industrial General Rodríguez contribute to a robust industrial environment.

This set of industrial parks reflects a commitment to excellence and adaptation to market demands, offering companies diverse alternatives for their development.

Source: Information Compiled and Analyzed by Newmark Argentina

Economic Outlook

In the last months of 2024, the Argentine economy showed some signs of stabilization, although significant challenges persist. The effects of the August devaluation and high inflation continued to impact purchasing power, while consumption and investment in key sectors remained limited. However, at the beginning of the year's last quarter, monthly inflation showed signs of slowing down, generating moderate expectations of improvement in the medium term.

In the labor market, the unemployment rate closed the third quarter at **7.6%**, higher than the **5.7%** recorded in the same period last year. The construction and manufacturing industries continued to face difficulties due to limited access to foreign currency and high financial costs, while sectors such as retail and services experienced a gradual recovery driven by government measures and greater exchange rate stability.

The official exchange rate stands at **AR\$ 1,044.50**, with the gap against the parallel market gradually narrowing thanks to reduced volatility in the foreign exchange market. In the construction sector, costs continued to rise, driven mainly by increasing labor expenses.

GDP recorded **3.60% growth** for **4Q2024**, bringing the annual accumulated figure to **-2% year-on-year**, while cumulative CPI reached **166%**. Despite ongoing challenges, the last quarter of 2024 revealed a potential shift in some macroeconomic indicators. The sustainability of these improvements will largely depend on the government's ability to implement policies that attract investment and strengthen economic activity heading into 2025.

Source: INDEC, CAC and Information Compiled and Analyzed by Newmark Argentina

Economic Indicators

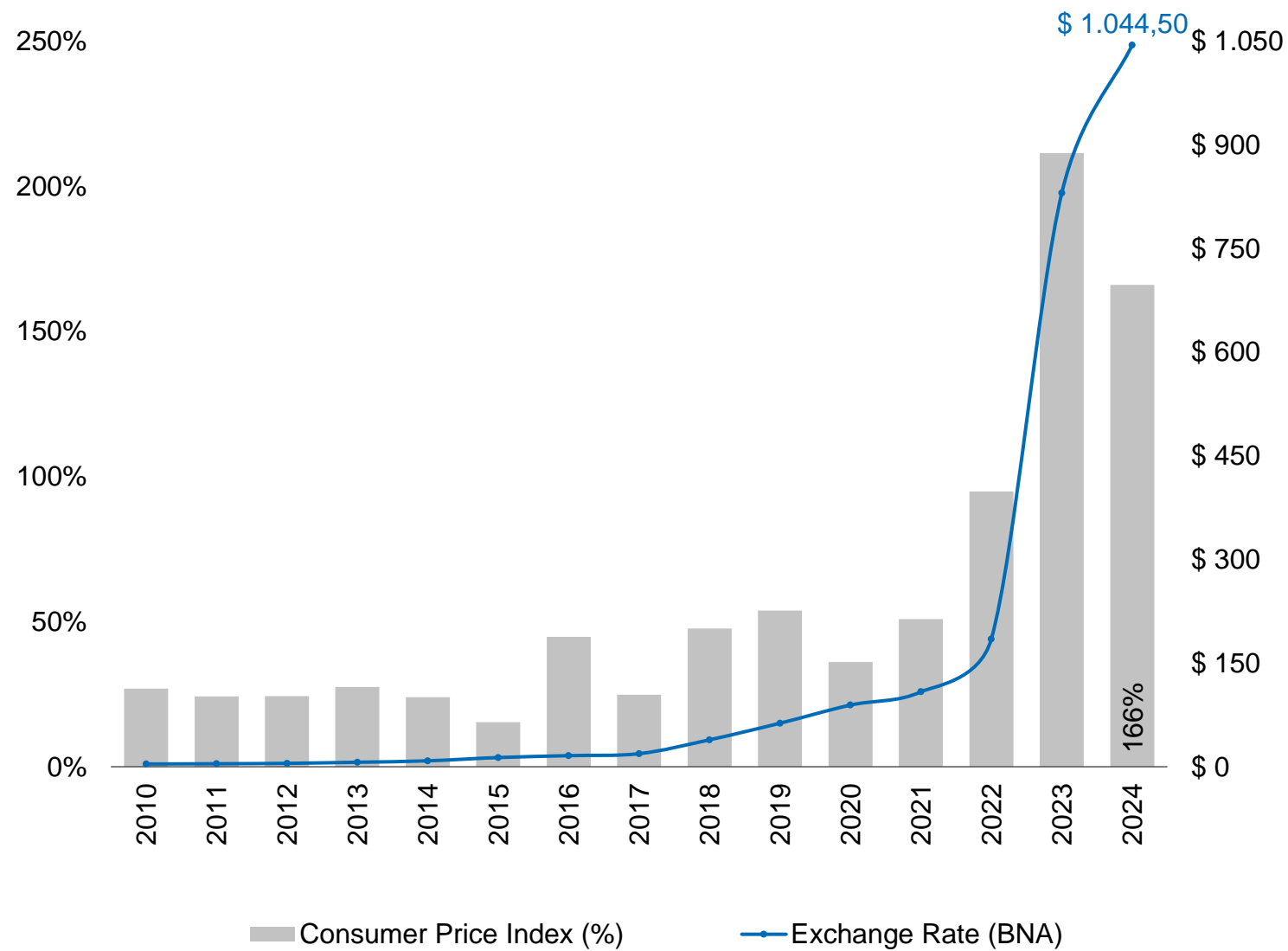
Capital City	Buenos Aires
Population (estimated 2024)	47,067,641
GDP MM	US\$ 594.228
GDP per capita MM	US\$ 12.625
Currency	ARS
Unemployment Rate	6,9 %



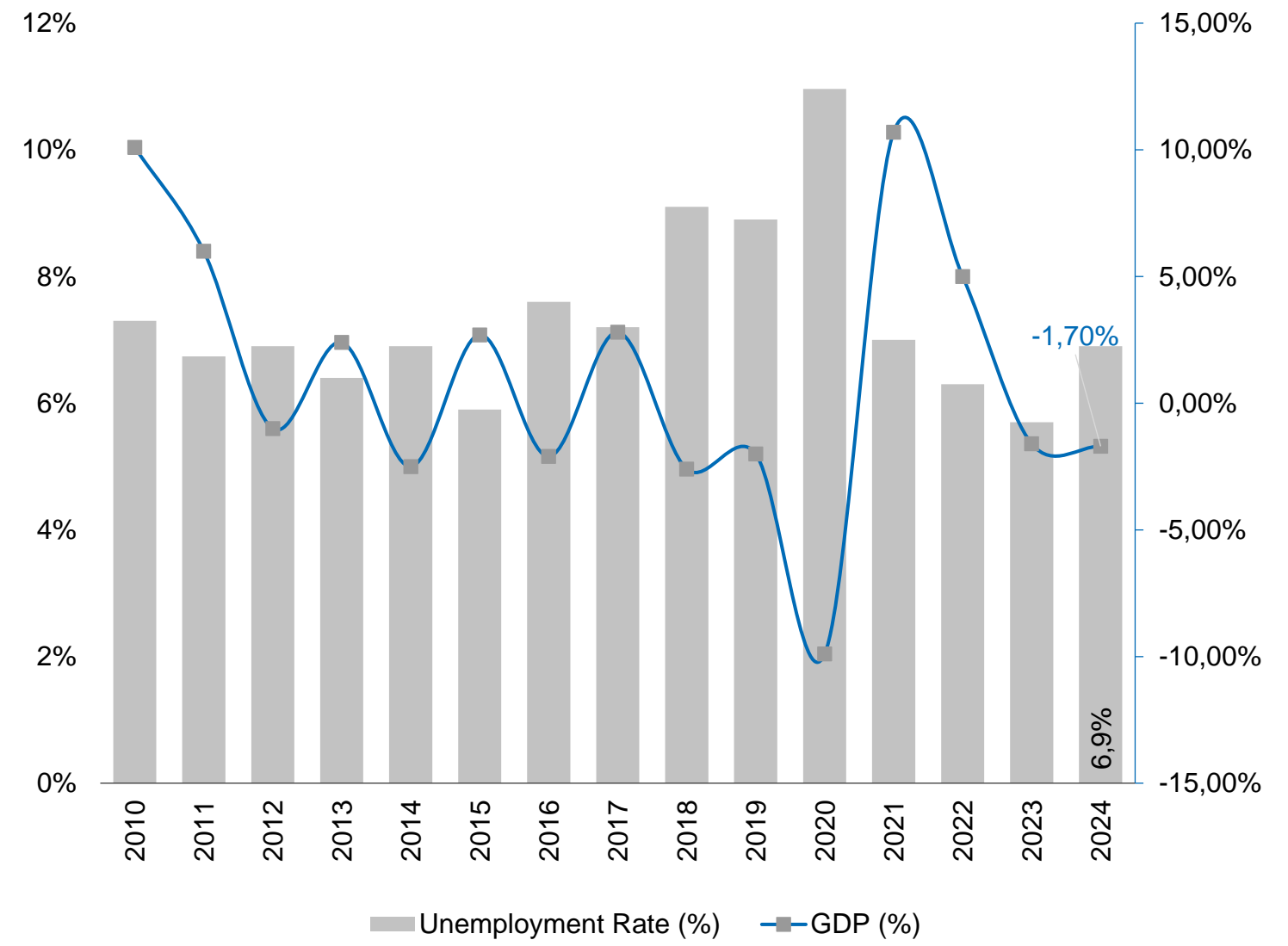
Economic Outlook

4Q 2024

Exchange Rate (BNA) – Consumer price index (%)



GDP : Percentage Variation & Unemployment rate (%)



Source:
 Banco de la Nación Argentina, INDEC
 1999-2007/2015-2021 INDEC. 2008-2014 Calculated using the weighted geometric average of the consumer price indexes provided by the provisional statistics institutes.

INDEC
 2015 = World Bank estimated value. 2021= World Bank estimated value (June 2021 projection)

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

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Key Terms

Absorption

A measure of the change in occupied space.

Availability

Space marketed for lease regardless of when the space will be available or whether the space is vacant or occupied.

Deliveries

The total RBA of properties added to the inventory once construction has been completed.

Direct Space

Available space offered for lease by the building owner, landlord, or owner representative.

Leasing Activity

The volume of leases signed including new leases, direct and sublet leases, extensions and renewals, and leases signed in proposed or under construction buildings.

Occupancy

Any space physically occupied by a tenant, regardless of lease status of the space.

Rentable Building Area (RBA)

A measurement of the total SF in a building including the tenant and common areas such as the lobby and hallways.

Sublet Space

Available space offered for lease by a building tenant seeking a subtenant to fulfill the remaining lease obligation.

Under Construction

Buildings under construction are defined by the time the foundation is poured through the time the building is certified for occupancy.

Vacancy

Space not physically occupied by a tenant, regardless of the lease status or availability of space.

Weighted Average Rent

The asking dollar amount for the use of available space, weighted by size (the average does not include negotiable or unpublished rates and is reported as full service including operating costs).