

# Industrial Market Buenos Aires

1Q 2025



NEWMARK

# Market Outlook

1Q 2025

## Market Overview 1Q 2025

### Early-stage construction, softening rents, and the rise of the hybrid model: the industrial market is being redefined

The Buenos Aires industrial market is undergoing a turning point. A far cry from the record highs of last year, Q1 2025 shows a decline in average asking rents, now at USD 6.9 per m<sup>2</sup>/month (approx. USD 7.70 per SF/year). This adjustment reflects a major shift in development strategy: speculative projects increasingly coexist with build-to-suit agreements, where tenants secure space before completion.

With newly surveyed inventory now exceeding 37.7 million SF (3.5 million m<sup>2</sup>) and vacancy trending down to 4.9%, pricing pressure is emerging from a new dynamic. Developers are moving ahead without signed leases, but with potential tenants progressively committing as construction advances. This model—offering flexibility and customization—is gaining traction as a hybrid approach to pre-leasing.

The negative net absorption of -77,500 SF (-7,200 m<sup>2</sup>) doesn't point to weak demand, but rather to timing: deals are being negotiated, but not yet finalized. In this context, the key challenge for developers will be to define a sustainable rent floor that serves as a benchmark for upcoming contracts—without losing competitiveness in a changing market.

What's at stake today isn't just how much space is available, but how, when, and under what terms it gets leased. In this scenario, strategic planning will matter just as much as the end product.

Source: Information Compiled and Analyzed by Newmark Argentina

## Main Indicators

	1Q 2025	4Q 2024	1Q 2023	12 Month Forecast
Total Rentable Inventory*	38,451,083 SF	20,273,510 SF	18.346.583 SF	↗
Availability Rate	4.9 %	9.3 %	5.2 %	↘
Quarterly Net Absorption	-77,500 SF	365,976 SF	-451,007 SF	↘
Average Asking Rent	7.7 USD BNA/SF/year	8.8 USD BNA/SF/year	8.9 USD BNA/SF/year	↘
Surface Under Construction	2,443,395 SF	1,049,490 SF	2,249,655 SF	↗

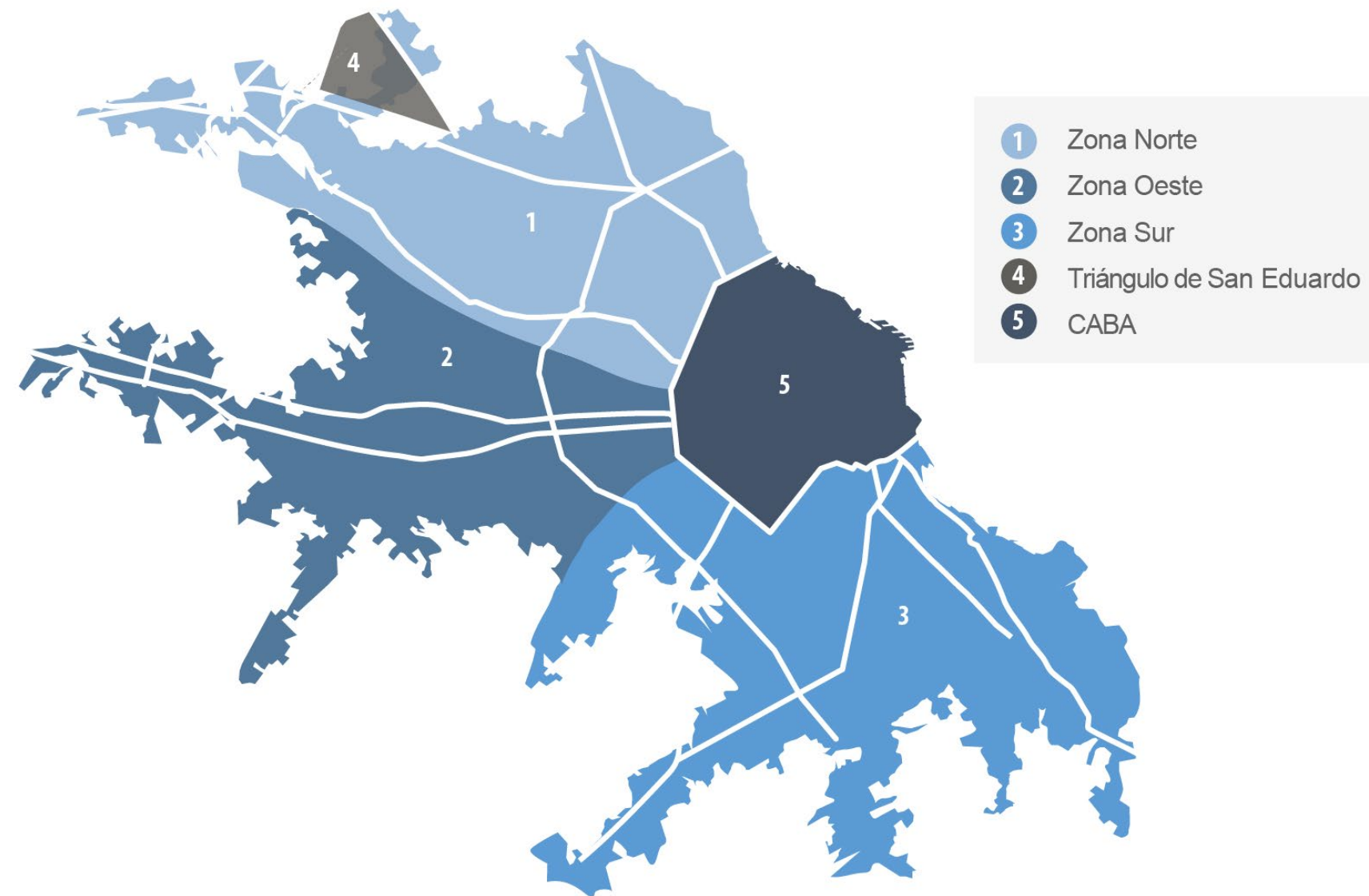
**\*Total Rentable Inventory Q1 2025:** Increase attributable to a methodological update in the survey, with no addition of new square meters to the stock.

## Economy

- Year-on-year inflation reached 66.9% in March 2025, showing a slowdown compared to the peaks of the second half of 2024. The unemployment rate stood at 5.7% at the end of 2024, reflecting an improvement over the previous year.
- The official exchange rate averaged ARS 1,053.50 per dollar, in a context of reduced volatility and a narrowing exchange gap.
- The recent lifting of foreign exchange controls in Argentina, alongside a new IMF agreement and the adoption of a floating band regime, has sparked expectations regarding exchange rate dynamics and their impact on the market.

## Market Fundamentals

- Except for isolated transactions, demand is showing greater caution and longer decision-making processes, with deals under negotiation but not closing immediately. This dynamic reflects the new hybrid pre-leasing model, which decouples the timing of construction from the timing of absorption.
- Average asking rents dropped to USD 6.9 per m<sup>2</sup>/month (approx. USD 7.7 per SF/year) amid an ongoing shift in development strategies, with early-stage build-to-suit agreements gaining ground as a more flexible leasing option.
- Submarkets are moving at different speeds: Pilar-Fátima-Escobar is absorbing new spaces at more competitive rates, while the Southern Zone is gradually entering a recovery phase.



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

**The first quarter of 2025 revealed sharp contrasts across industrial zones:** *Triángulo San Eduardo* remains a premium hub with low vacancy (1.9%) and high rents (USD 7.83/m<sup>2</sup>/month ≈ **93.7 USD/ft<sup>2</sup>/year**). In contrast, *Escobar-Campana-Zárate* is experiencing a temporary oversupply, with the market’s highest vacancy (19.1%)—though this is expected to shift next quarter.

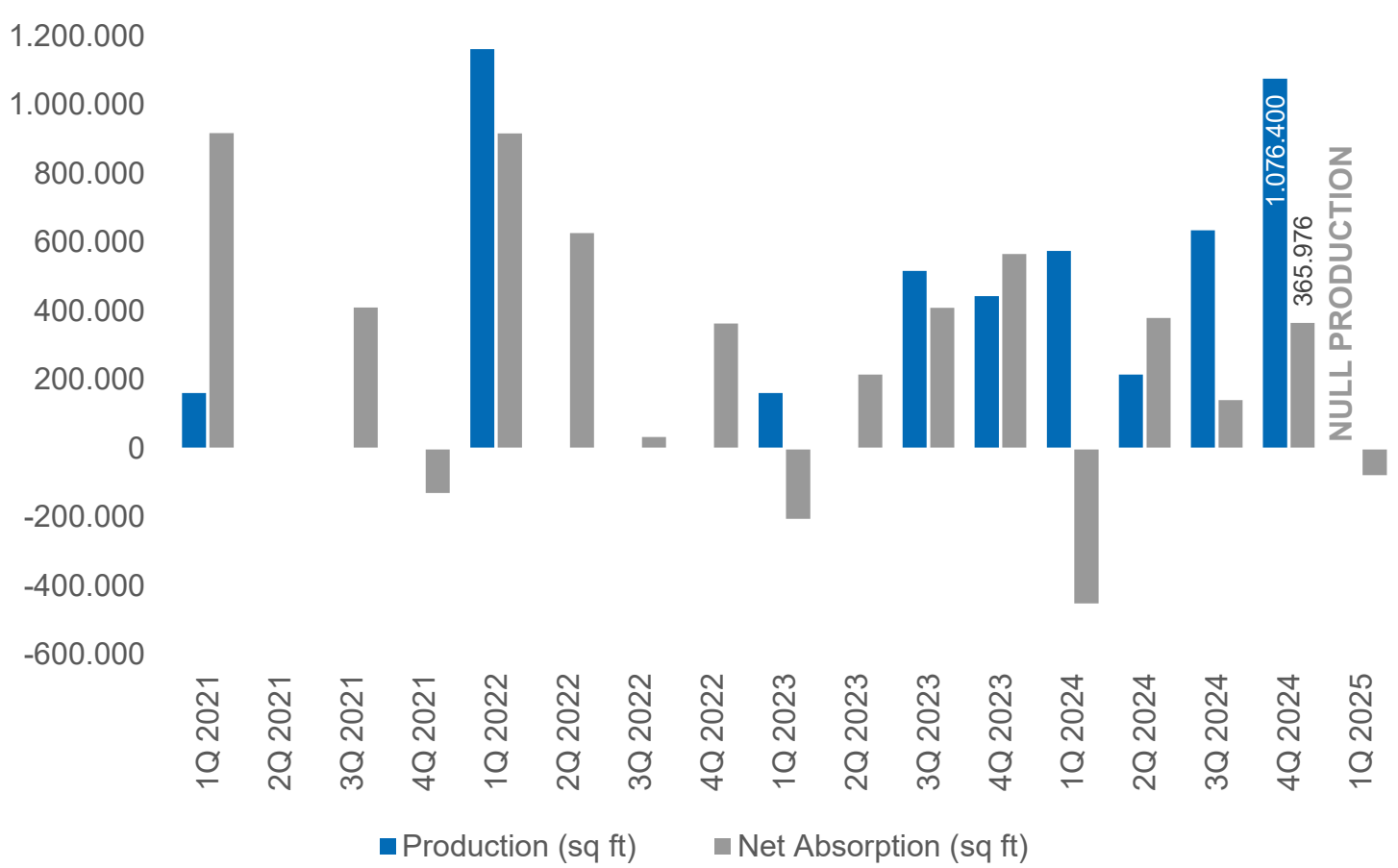
*Pilar-Fátima* stood out with strong activity: **476,870 ft<sup>2</sup>** (44,300 m<sup>2</sup>) absorbed and **1,076,400 ft<sup>2</sup>** (100,000 m<sup>2</sup>) under construction, despite lower rental values.

*Zona Oeste* and *Zona Sur* showed relative stability, with early signs of recovery.

Overall, the market is in transition—some zones correcting past imbalances, others capitalizing on new momentum, as absorption works to catch up with expanding inventory.

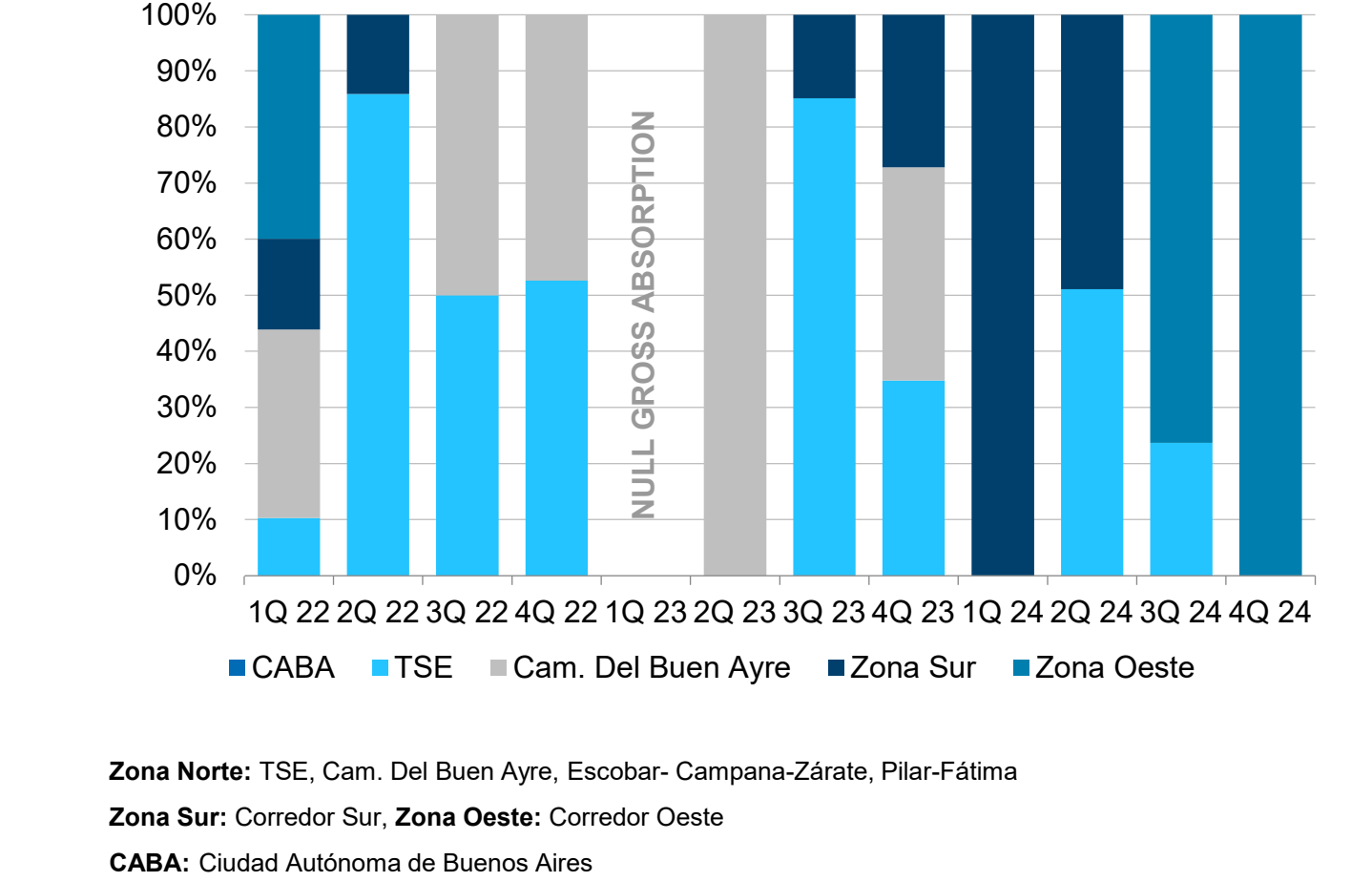
Quarterly Net Absorption and Production

1Q 2022 – 1Q 2025



Quarterly Gross Absorption by Zone

1Q 2022 – 1Q 2025



Source: Information Compiled and Analyzed by Newmark Argentina

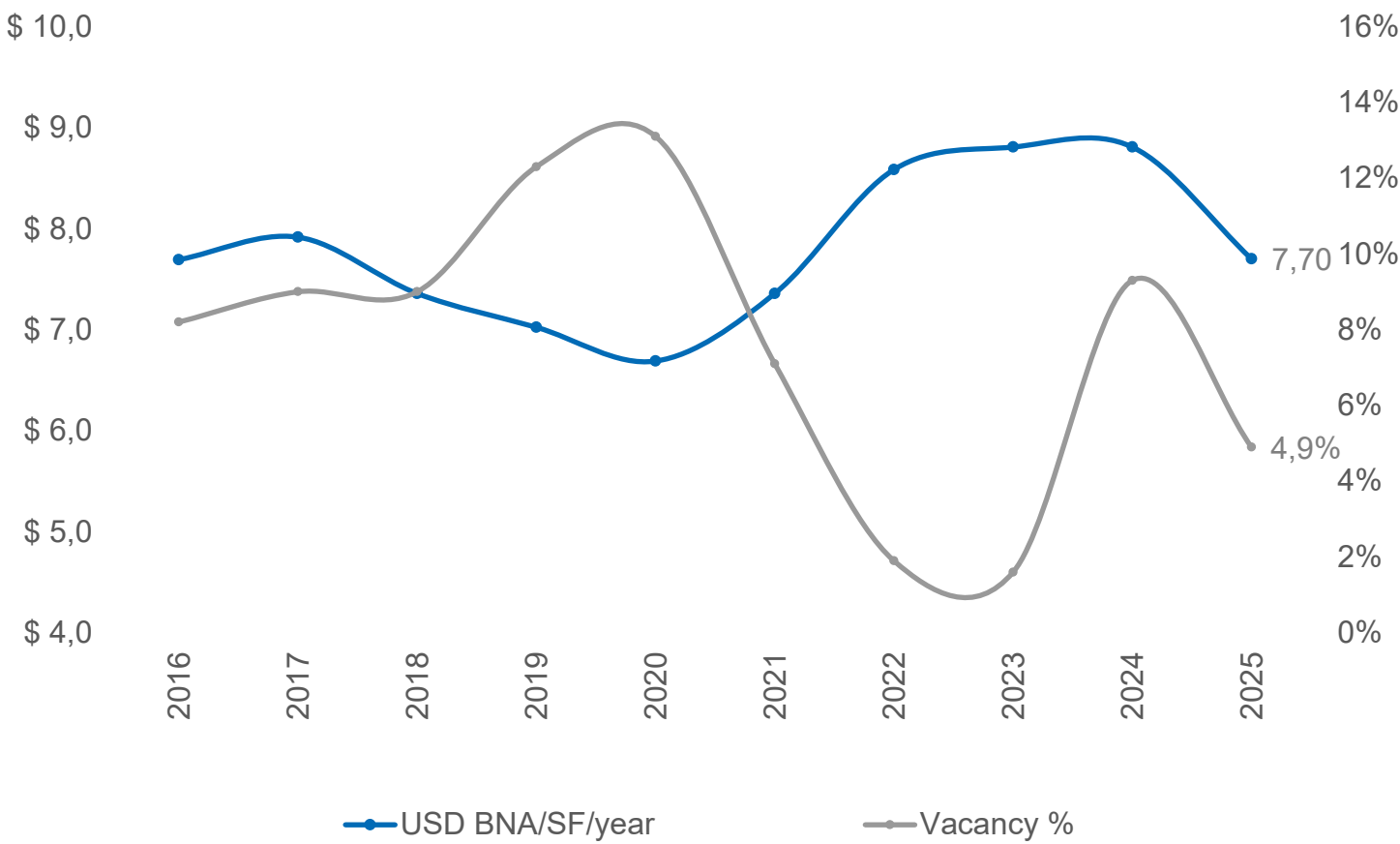
# Availability and Future Surface

1Q 2025

In Q1 2025, the average asking rent declined to USD 6.9/m<sup>2</sup>/month (≈ 82.5 USD/ft<sup>2</sup>/year), reflecting an adjustment after the 2024 peak. With 2,443,411 ft<sup>2</sup> (227,000 m<sup>2</sup>) under construction—mainly in *Pilar–Fátima* and *Zona Oeste*—the market continues to expand, but with more selective demand. Vacancy dropped to 4.9%, driven by pre-lease activity and the advance of *build-to-suit* schemes.

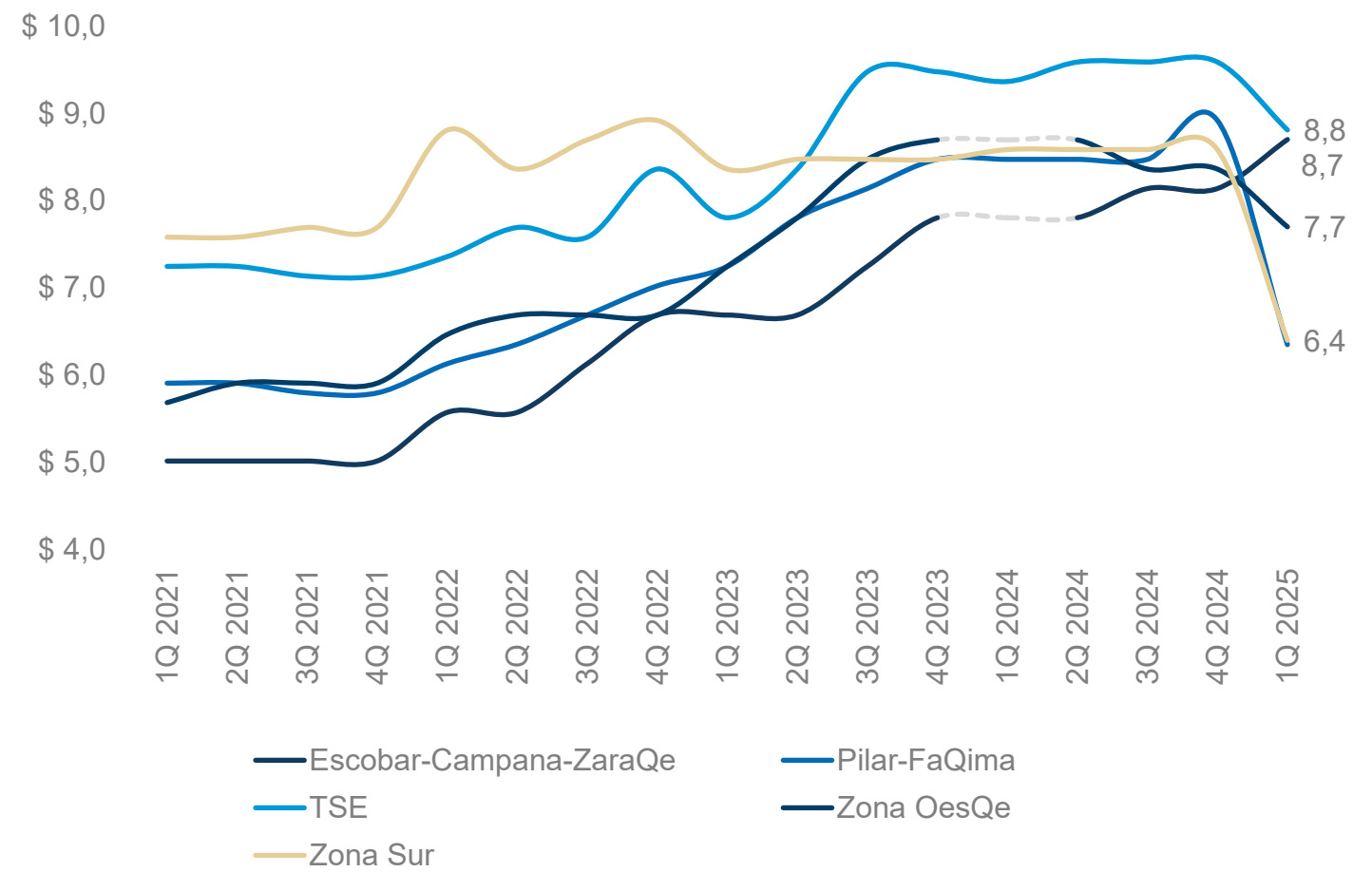
Rental spreads are widening: *Triángulo San Eduardo* leads with rates above USD 7.5/m<sup>2</sup>/month (≈ 89.7 USD/ft<sup>2</sup>/year), while *Zona Sur*, *Escobar-Campana-Zárate* and *Pilar–Fátima* are realigning toward greater price stability in the face of oversupply.

Asking Rent & Vacancy (2016 - 1Q 2025)



Average Asking Rent (USD BNA/SF/year)

1Q 2025



Source: Information Compiled and Analyzed by Newmark Argentina



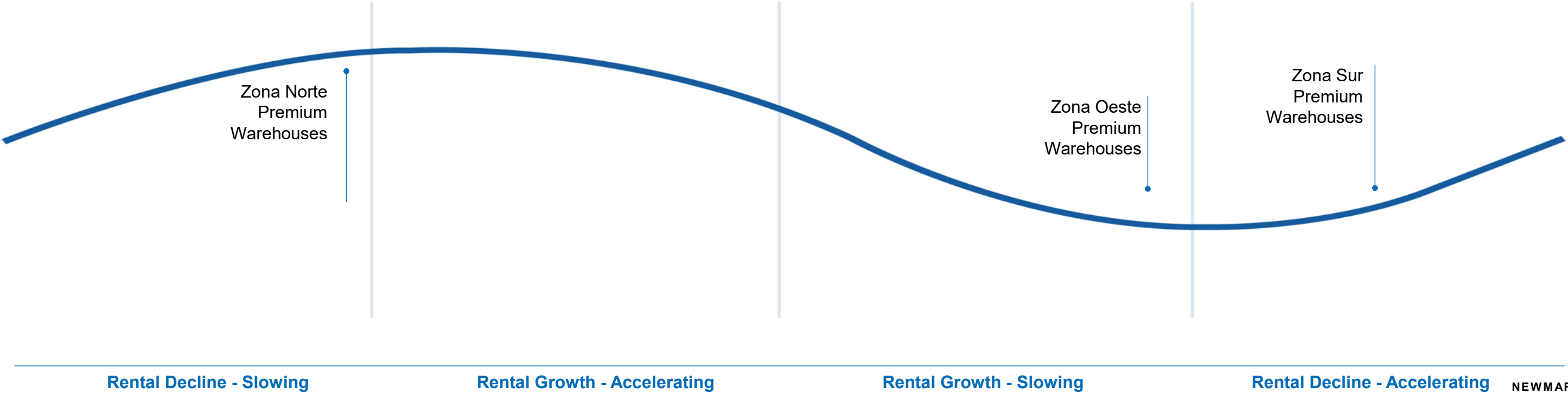
# Data and Trends

1Q 2025

## Market Statistics

Subzone	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	5,081,110	973,344	19.1%	-624,307	172,223	8.70
Pilar – Fátima	Norte	6,028,409	291,761	4.8%	476,87	1,076,400	6.33
Triángulo San Eduardo	Norte	13,778,881	258,334	1.9%	-	139,931	8.81
Zona Oeste	Oeste	3,659,727	71,042	1.9%	-	1,054,865	7.70
Zona Sur	Sur	9,902,040	285,243	2.9%	69,965	-	6.26
TOTAL	Sur	38,451,083	1,879,724	4.9%	-77,500	2,443,411	7.7

## Industrial Market Cycle



# From Speculative to Secured: The New Rules of Build-to-Suit

1Q 2025

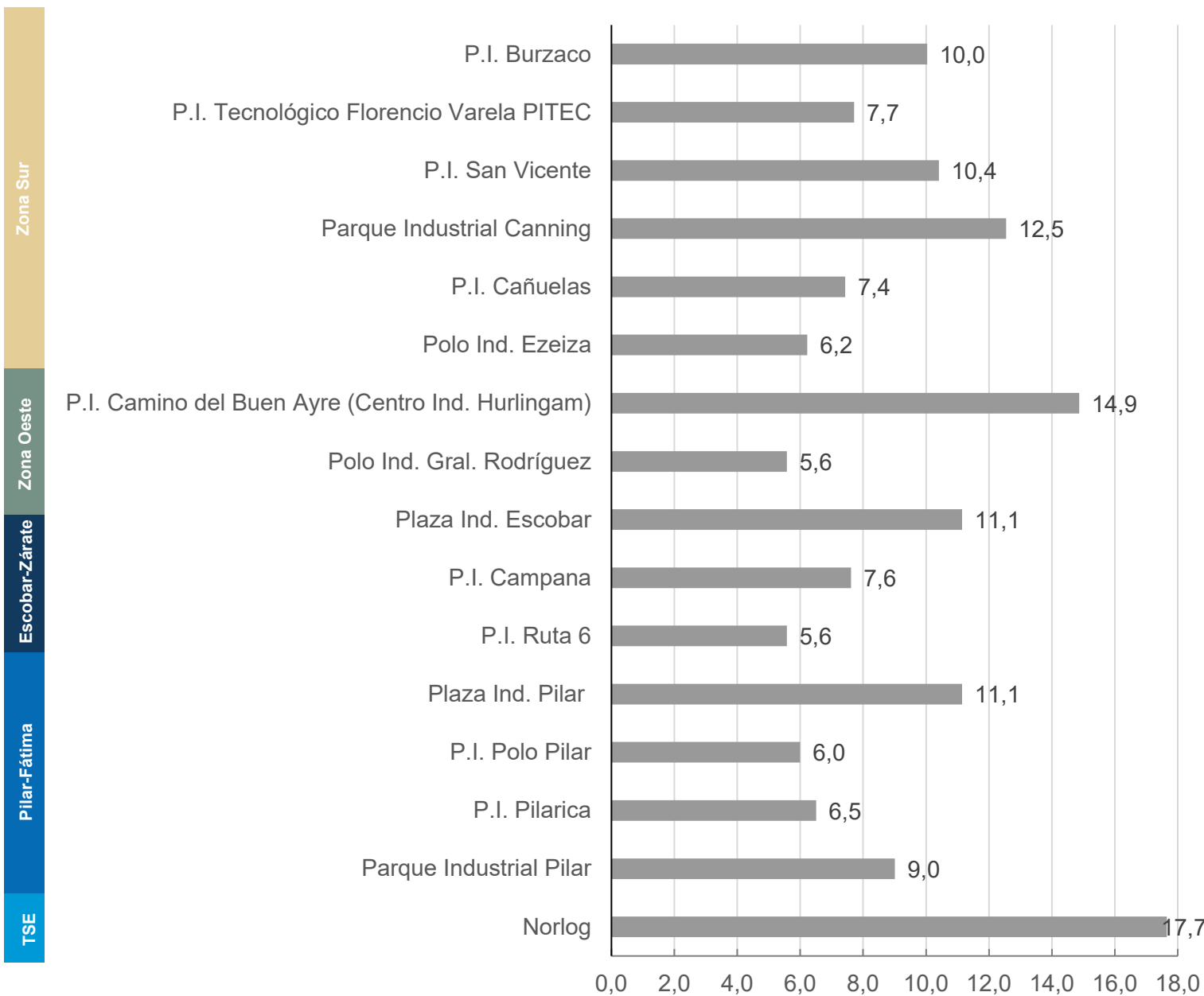


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# Industrial Parks

1Q 2025

Average Asking Price (USD BNA/SF)



**Industrial park market is defined by a broad range of high-quality options tailored to corporate needs.**

In the **Southern Zone**, **Parque Industrial Burzaco**, **PITEC (Parque Industrial Tecnológico Florencio Varela)**, and **Parque Industrial San Vicente** offer competitive pricing and solid availability, supporting agile site selection and installation. **Parque Industrial Cañuelas** and **Polo Industrial Ezeiza** also stand out for their strategic location near key logistics corridors.

In the **Western Zone**, **Parque Industrial Camino del Buen Ayre (Centro Industrial Hurlingham)** and **Parque Industrial Canning** are positioned as high-standard developments, with strong connectivity and a consolidated offering. They are complemented by **Polo Industrial General Rodríguez**, further strengthening the western logistics axis.

In the **Northern Zone**, parks are grouped into three key sub-areas. In **Escobar–Campana–Zárate**, **Plaza Industrial Escobar** and **Parque Industrial Campana** are seeing strong momentum and attractive lease values. In the **Pilar–Fátima cluster**, **Parque Industrial Pilar**, **Pilarica**, **Polo Pilar**, **Plaza Pilar**, and **Ruta 6 parks** offer scalable infrastructure and a wide range of available lots for expanding companies. Lastly, in the **TSE subzone (Tigre–San Fernando–Escobar)**, **Norlog** has consolidated its role as a next-generation logistics hub, designed for large-scale operations.

Overall, this ecosystem of industrial parks offers flexibility, scale, and strategic positioning—allowing companies to align location choices with their operational models.

Source: Information Compiled and Analyzed by Newmark Argentina



# Economic Outlook

**Inflation (CPI):** In March 2025, the Consumer Price Index rose by 3.7% month-over-month, bringing cumulative inflation to 8.6% for Q1 and 66.9% year-over-year.

**Economic Activity (EMAE):** In February 2025, Argentina’s economic activity expanded by 5.7% YoY, driven primarily by growth in the trade and services sectors.

**Foreign Trade:** March 2025 closed with a trade surplus of USD 323 million, with exports totaling USD 6.329 billion and imports reaching USD 6.006 billion.

**Wholesale Prices (IPIM):** The domestic wholesale price index rose by 1.5% in March, signaling a slowdown compared to previous months.

**Income Distribution:** In Q4 2024, average per capita income was ARS 442,596, while the median stood at ARS 300,000—highlighting a high degree of income disparity.

**Official Exchange Rate (March 2025 average):** ARS 1,053.50 per USD, with the gap against parallel market rates narrowing.

**Macroeconomic Outlook:** The recent lifting of foreign exchange controls in Argentina, alongside a new IMF agreement and the adoption of a managed float within a currency band, signals a structural shift in the country’s macroeconomic framework. In the corporate real estate sector, this liberalization is generating expectations around exchange rate dynamics and their potential effects on investment decisions, asset valuations, and financing access. Nevertheless, initial market volatility and broader macroeconomic challenges continue to warrant caution.

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

## Economic Indicators

Capital City	Buenos Aires
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Population (estimated 2024)	47,067,641
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Year-over-Year Inflation (CPI)	66,9 %
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Gross Domestic Product (GDP) Seasonally Adjusted Variation	1,4 %
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Currency	ARS
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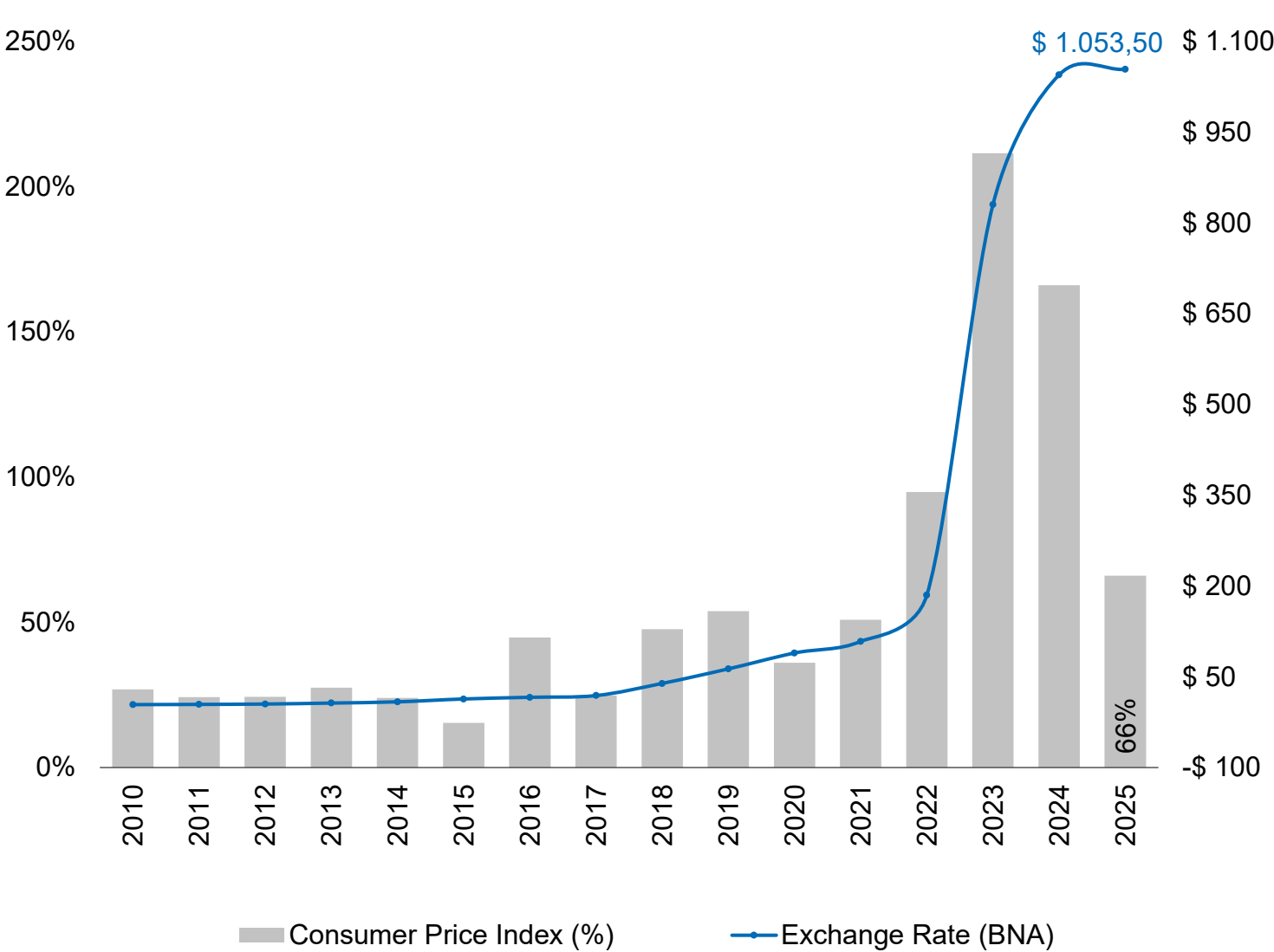
Unemployment Rate	5,7 %
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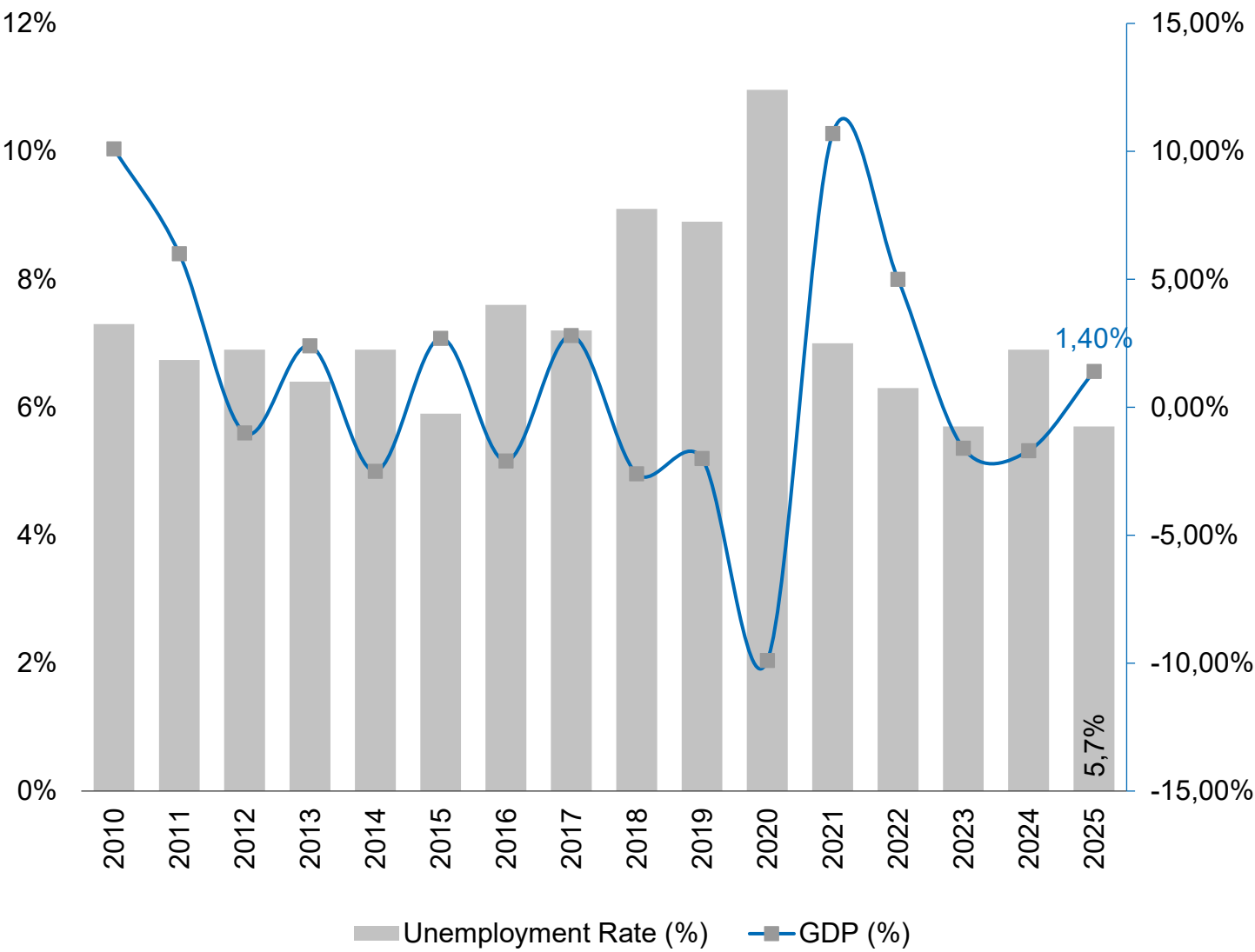
# Economic Outlook

1Q 2025

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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# 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).