2S2024

Latin America Industrial Market

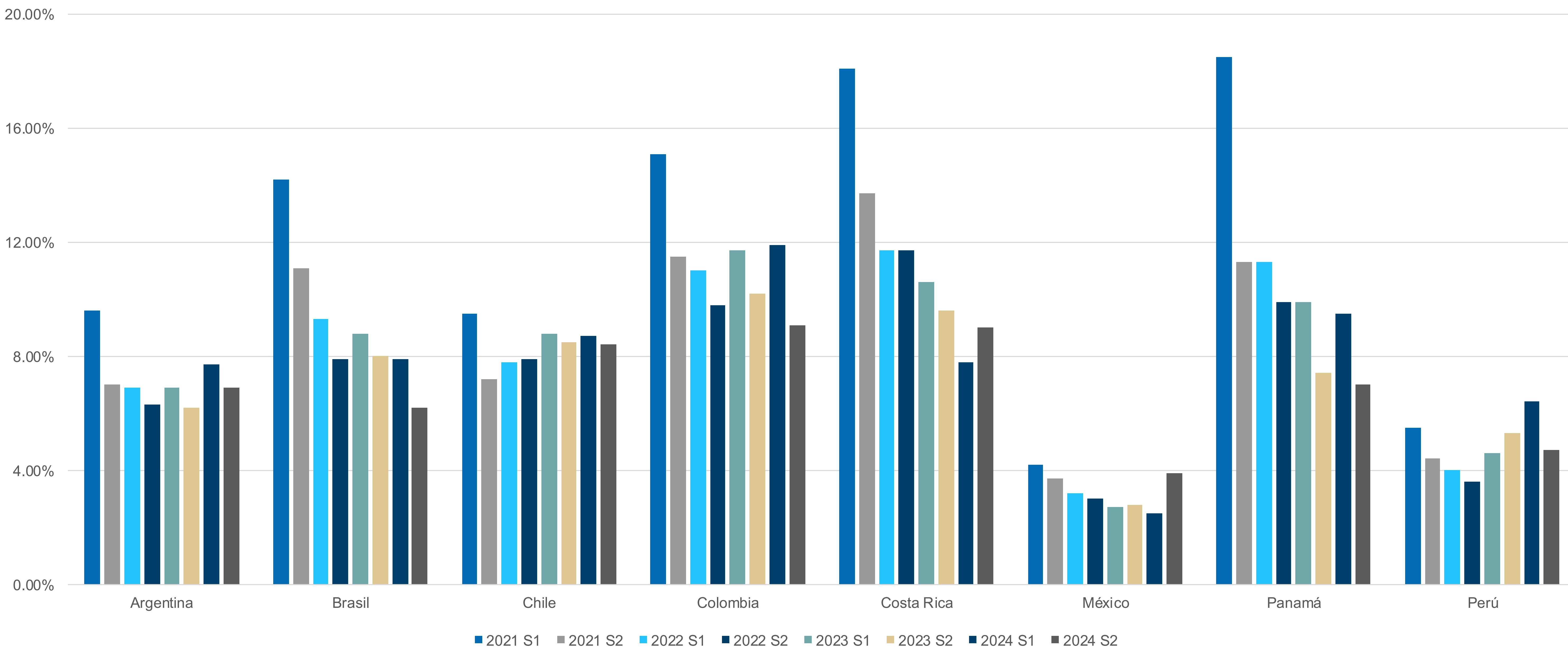
2S2024

Economics

Unemployment Rates

Generally, in Latin America, unemployment rates continue a downward trend.

Quarterly Unemployment Rate by Country 2021-2024

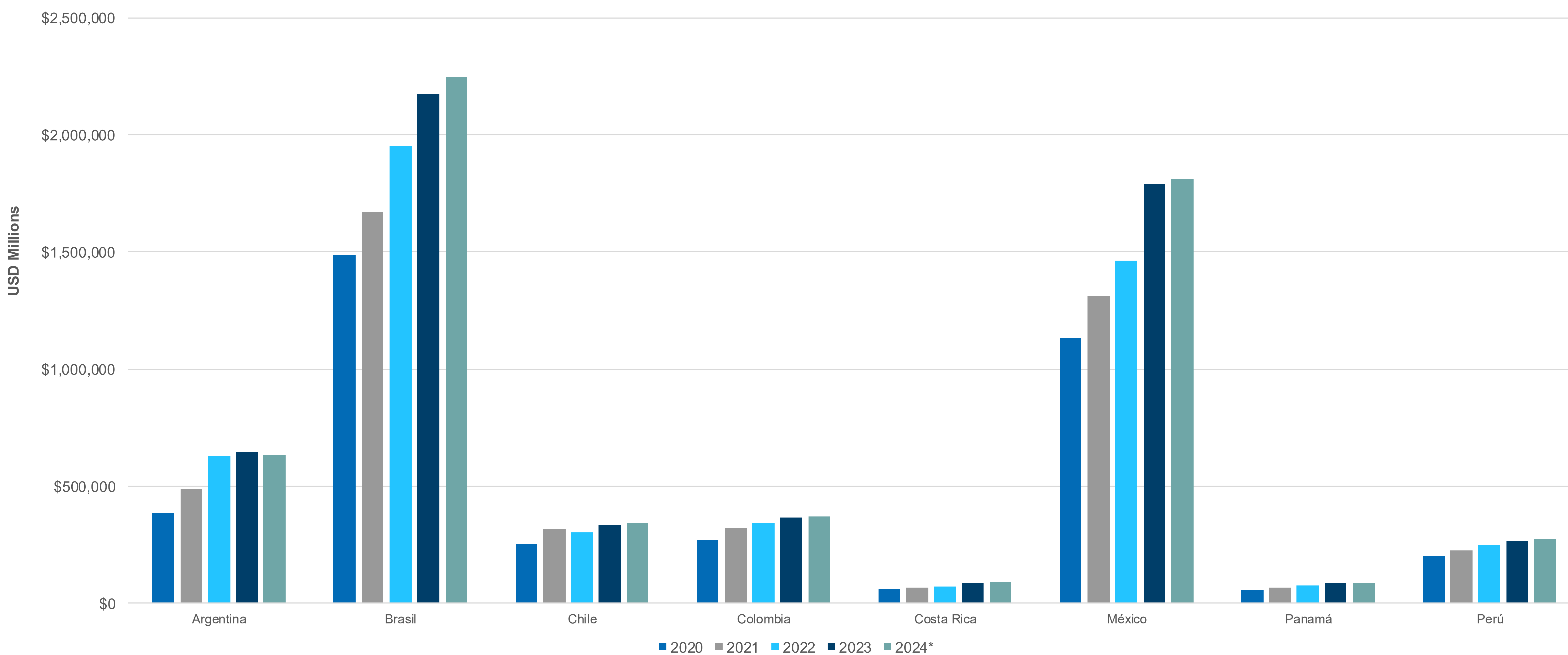


Source: United Nations Economic Commission for Latin America and the Caribbean (ECLAC); Based on official figures from the countries.

Economic Outlook

Given the economic situation, we have seen lower growth rates over the past semesters. We expect this reduction in rates to persist throughout 2025.

Gross Domestic Product (GDP)

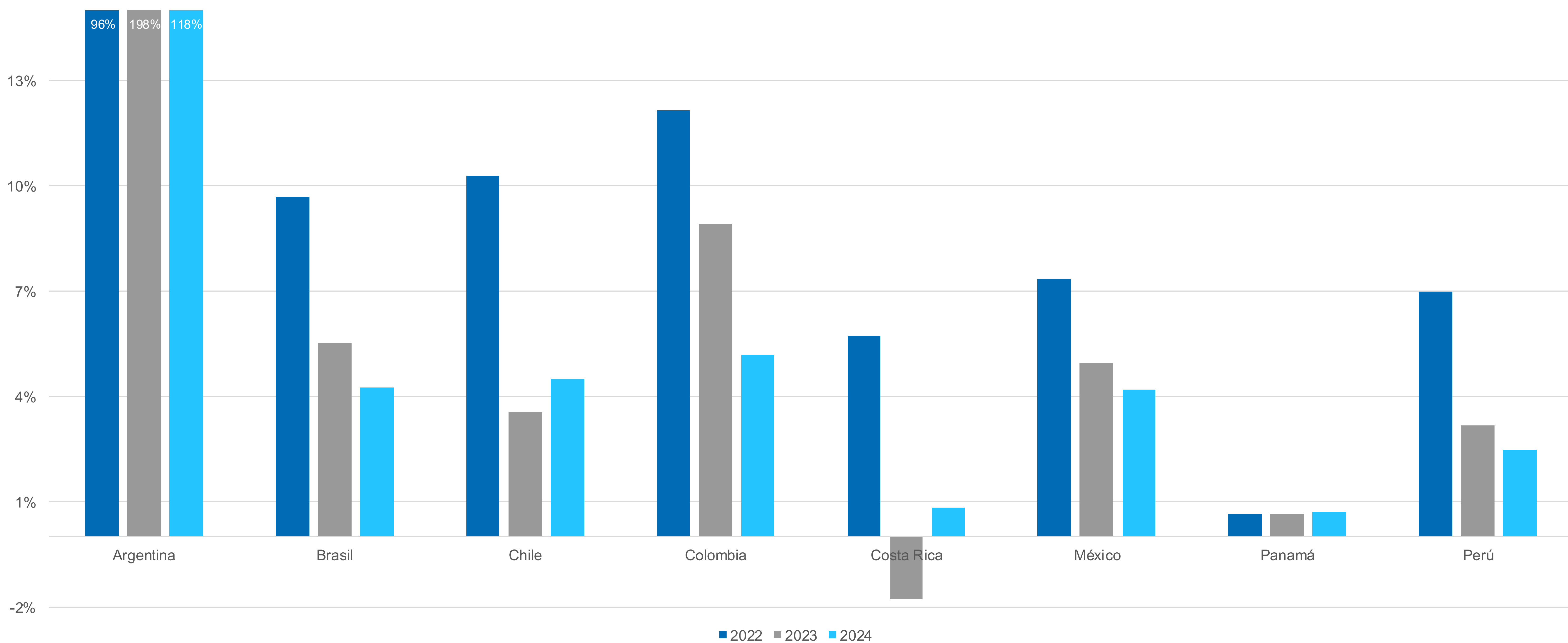


Source: United Nations Economic Commission for Latin America and the Caribbean (ECLAC); Based on official figures from the countries.

Annual Growth Rate of the Core Consumer Price Index

We can observe that the inflation index is relatively controlled throughout the region, except for the case of Argentina, which, it should be noted, experienced a significant reduction in its Core Consumer Price Index (CPI) during the last semester.

Consumer Price Index (CPI)

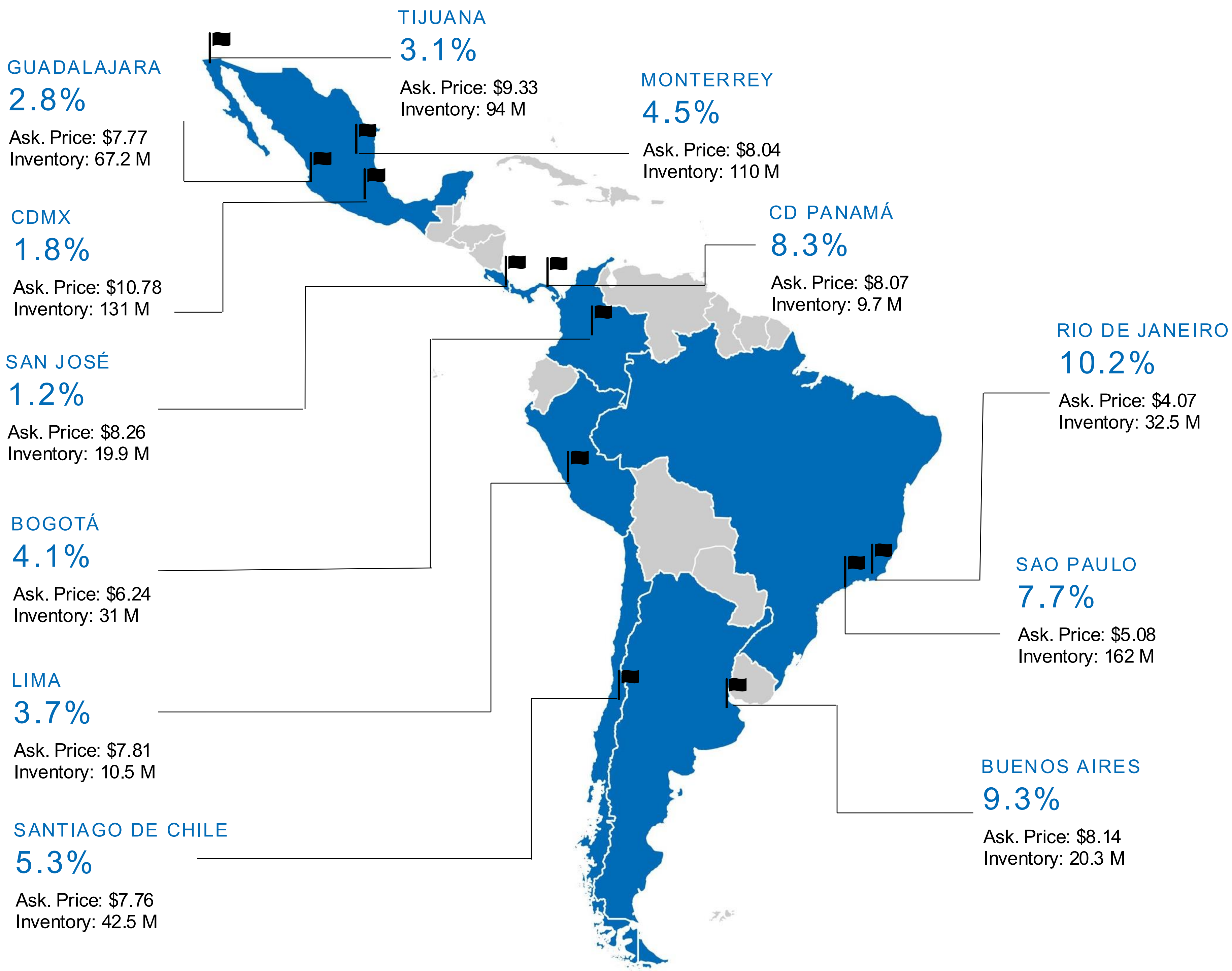


Source: United Nations Economic Commission for Latin America and the Caribbean (ECLAC); Based on official figures from the countries.

2S2024

Market Fundamentals

Latin America Industrial Market Indicators 2S 2024



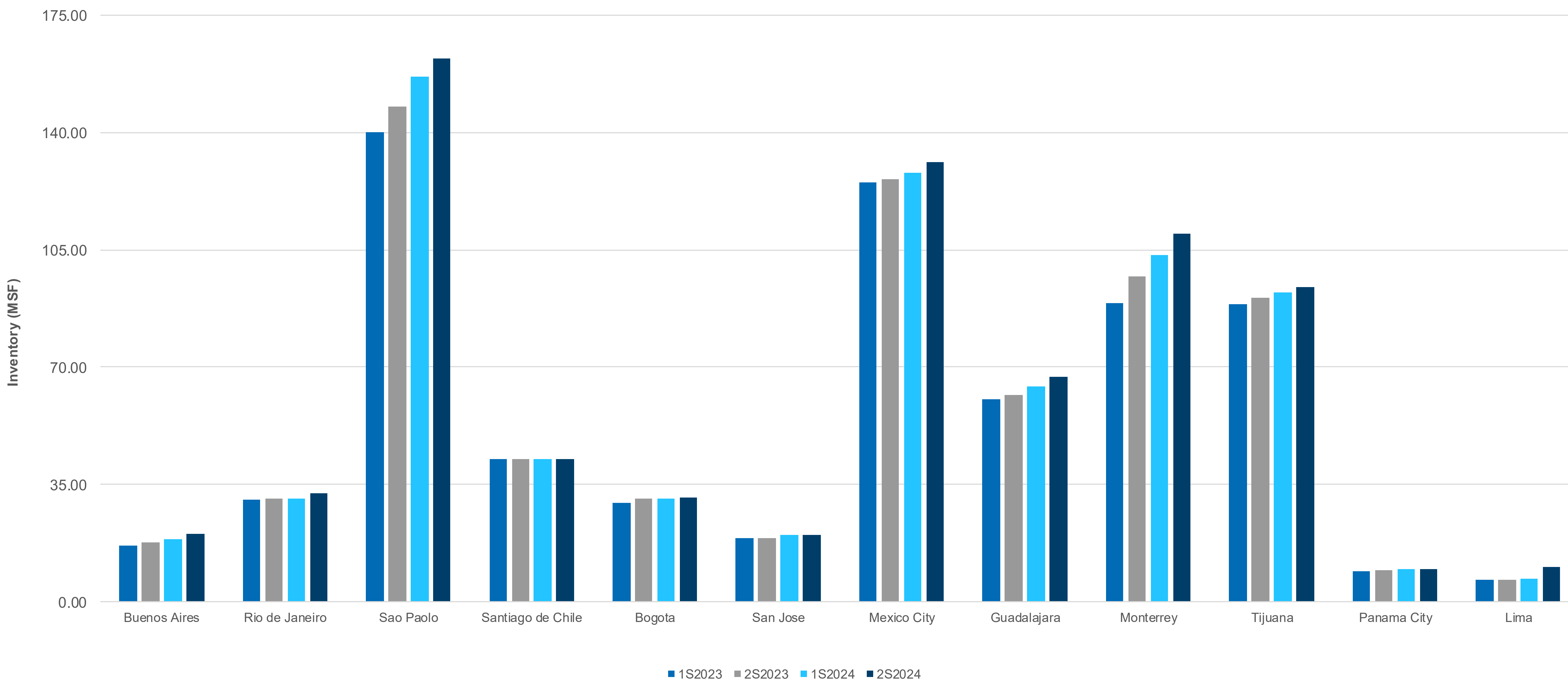
4.7%	Vacancy Rate
$7.61	Asking Price (USD/SF/year)
730 M	Inventory (SF)
52.6 M	Construction (SF)

Source: Newmark Research

Inventory Growth Continues

At a slower pace, inventories in all Latin American cities continue to increase.

Inventory

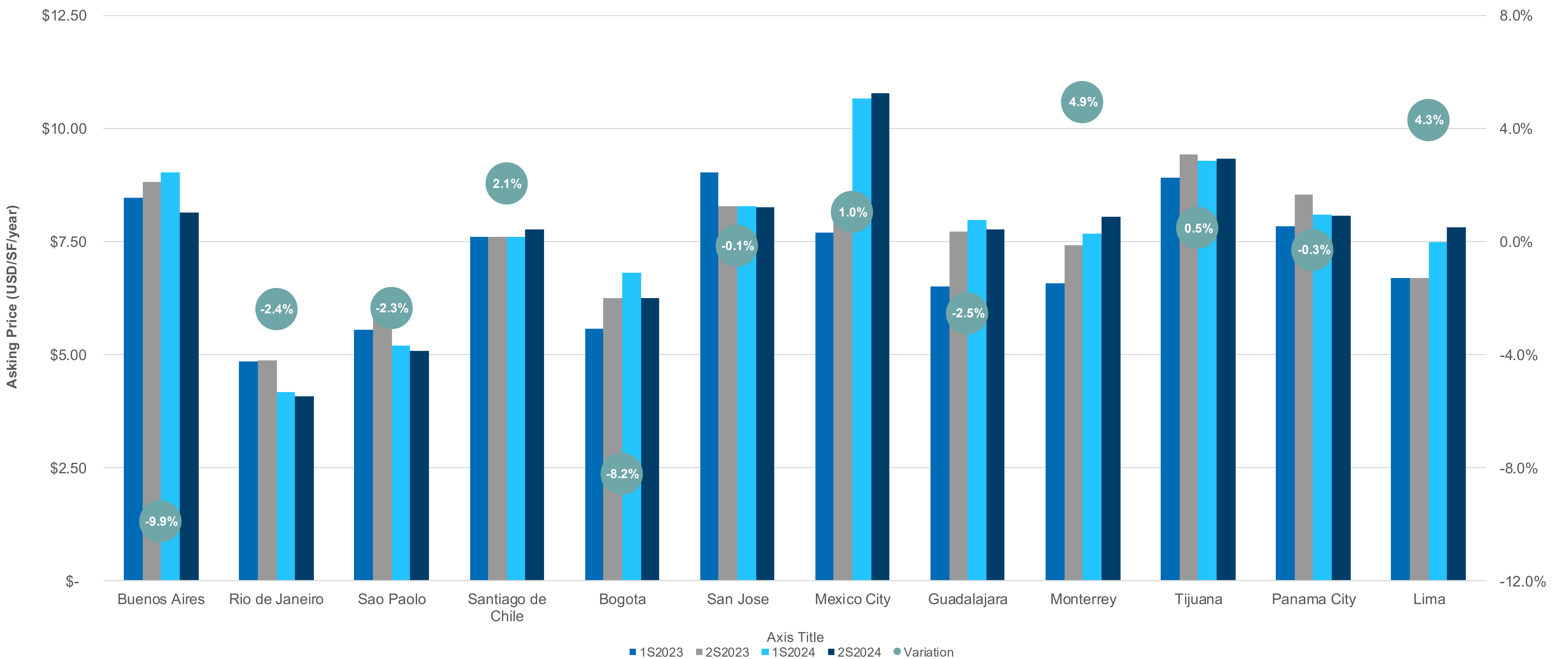


Source: Newmark Research

Prices with Small Variations

During the period, price increases and decreases were observed throughout the region. This resulted in the average rental price closing at $7.61 USD/SF/year,

Asking Prices

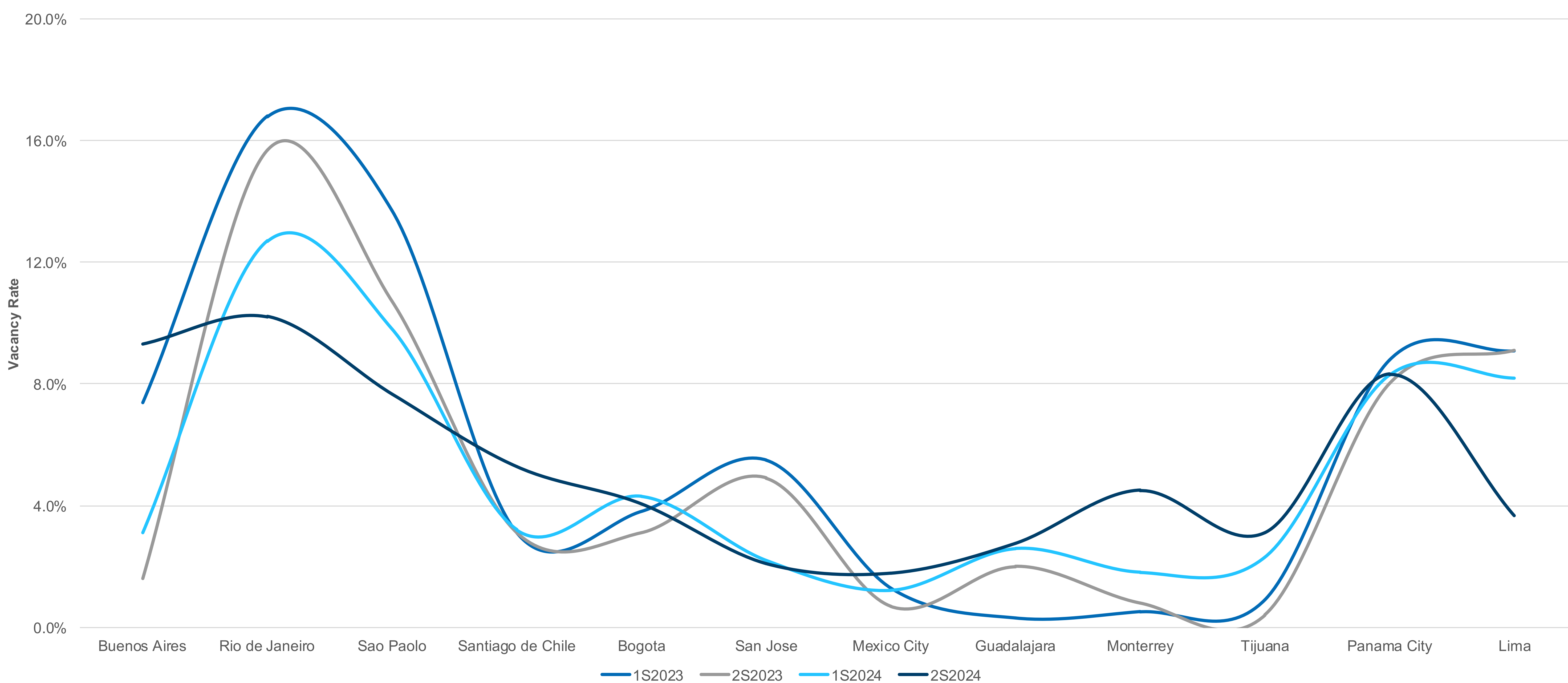


Source: Newmark Research

Variation in Vacancy Rates

Rio de Janeiro, Sao Paulo, and Lima continue their decline in vacancy rates. Conversely, Santiago and the Mexican markets have reported the highest vacancy rates in the last two years this semester.

Vacancy Rate

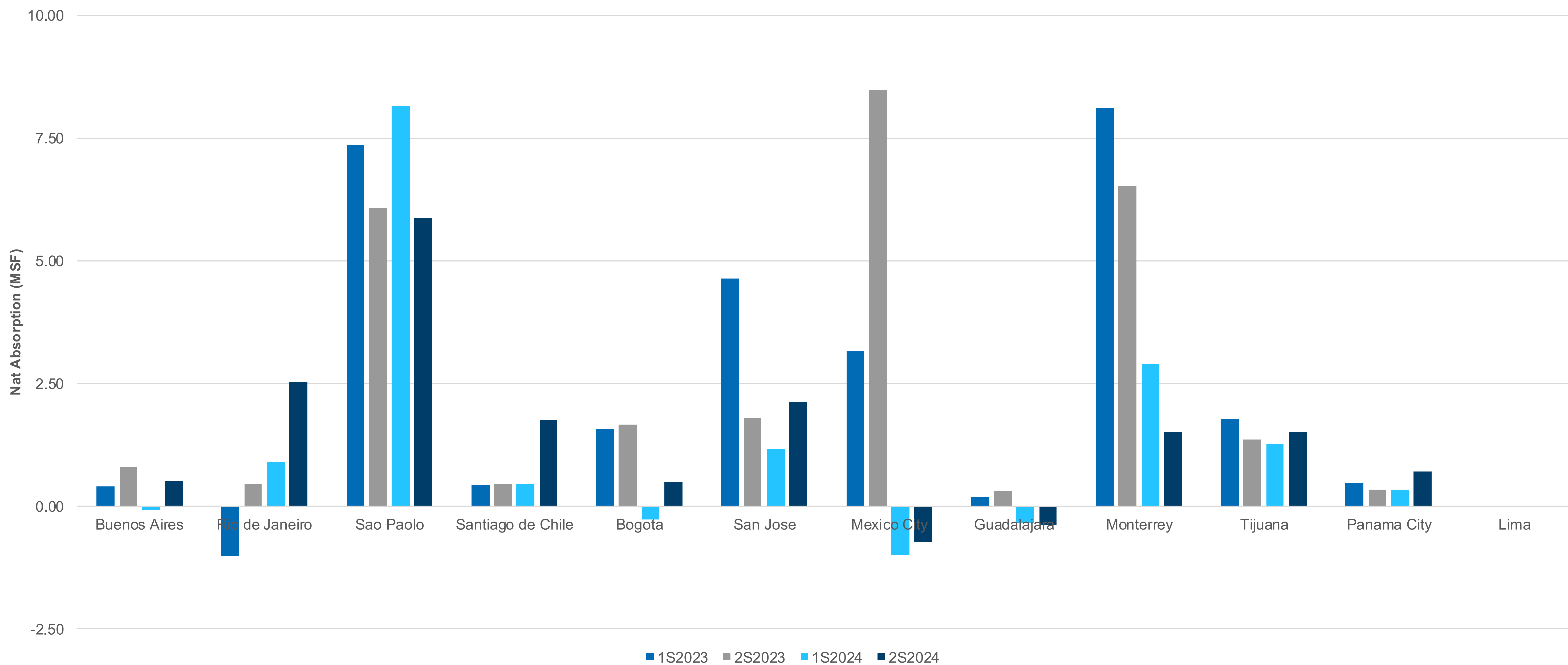


Source: Newmark Research

Mexican Cities in Transition

Net absorption in Mexican cities has generally declined over the past couple of years due to the increasing inventory. In contrast, Brazilian cities have experienced good performance. Buenos Aires and Bogota have shown significant recoveries.

Net Absorption



Source: Newmark Research

Latin America Industrial Market 2S2024

City	Inventory (MSF)	Construction (MSF)	Vacancy (MSF)	Vacancy Rate	2S24 Net Absorption (MSF)	2024 Net Absorption (MSF)	Asking Price (USD/SF/year)
Buenos Aires	20.27	1.60	1.89	9.3%	0.51	0.44	$ 8.14
Rio de Janeiro	32.52	1.95	3.32	10.2%	2.52	3.41	$ 4.07
Sao Paulo	162.12	14.34	12.43	7.7%	5.87	14.03	$ 5.08
Bogota	31.05	0.40	1.26	4.1%	0.48	0.20	$ 6.24
San Jose	19.93	3.11	0.42	2.1%	2.12	3.16	$ 8.26
Monterrey	109.89	11.19	4.94	4.5%	1.50	4.41	$ 8.04
Guadalajara	67.19	3.40	1.86	2.8%	- 0.38	- 0.73	$ 7.77
Mexico City	131.28	5.80	2.33	1.8%	- 0.73	- 1.72	$ 10.78
Tijuana	93.96	3.06	2.92	3.1%	1.50	2.76	$ 9.33
Panama City	9.70	1.51	0.81	8.3%	0.70	1.15	$ 8.07
Santiago de Chile	42.52	4.10	2.24	5.3%	1.75	2.20	$ 7.76
Lima	10.50	2.14	0.38	3.7%	-	-	$ 7.81
Total	**730.93**	**52.59**	**34.81**	**4.8%**	**15.84**	**29.31**	**$ 7.61**

Source: Newmark Research

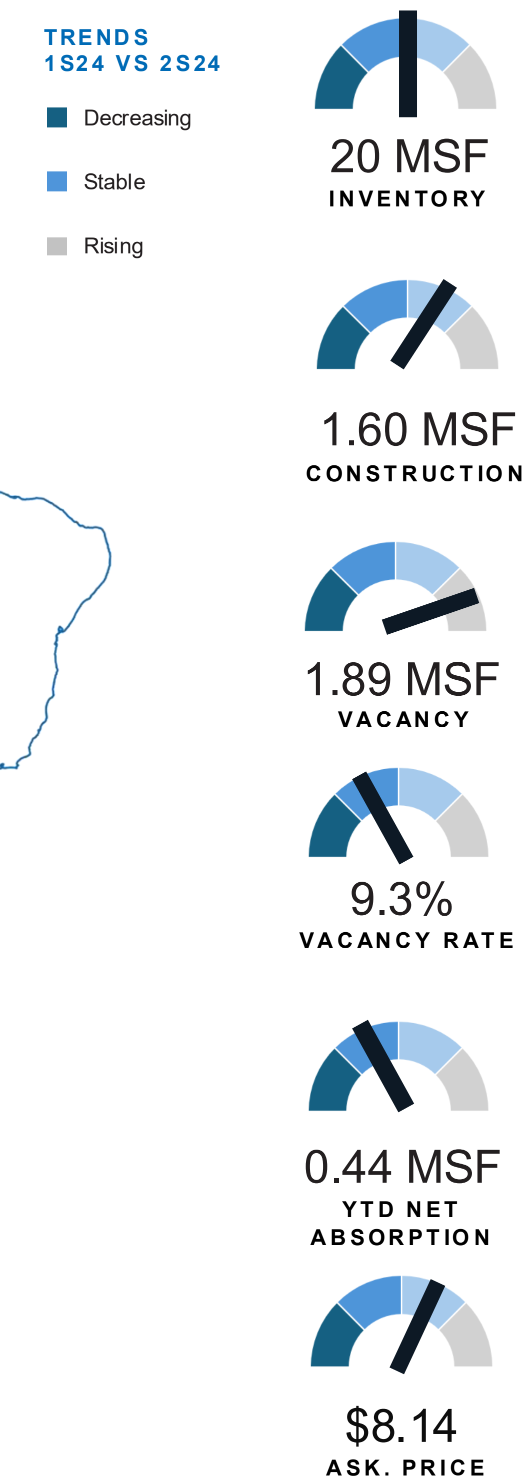
2S2024

City Outlook

Buenos Aires, Argentina

In the last months of 2024, Argentina's economy showed signs of stabilization, although challenges remain. High inflation and the August devaluation impacted consumption and investment, but monthly inflation began to slow, generating moderate expectations. Unemployment closed at 6.9%, while commerce and services showed some recovery. GDP grew by 3.6% in 4Q2024, although it has an annual decline of 2%. The sustainability of these improvements will depend on policies that strengthen investment and growth in 2025.

During the second half of 2024, the industrial market in Buenos Aires experienced growth with the completion of new developments, raising the inventory to 20.27 MSF. This pushed vacancy up to 9.3%, due to the incorporation of unoccupied spaces. Net absorption was 0.51 MSF, and the average rent decreased to $8.14 USD/sf/year. With 1.6 MSF under construction, the sector faces an adjustment phase, where future demand will determine the sustainability of this expansion.



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Rio de Janeiro, Brazil

Brazil's economy slowed in the third quarter, with GDP growth of only 0.9% compared to the previous period. The GDP year-to-date (up to September) was R$2.99 trillion, 3.3% higher than the same period last year. Annual growth in 2024 is expected to reach 3.5%, slightly higher than in 2023 (3.2%). The labor market has been active, with an increase in the employed population and a decrease in unemployment. The trade balance was positive, reaching record levels, mainly due to exports to China. However, the loss of confidence due to fiscal policy, high levels of public debt, and rising inflation have a strong impact on the country's economic performance. Following a series of cuts initiated in August 2023, the Selic rate at the beginning of 2024 was 11.25% per year. Inflation has remained high, at 4.7%.

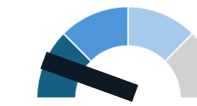
High-end industrial and logistics leases in Rio de Janeiro recovered significantly by the end of 2024, with a net absorption of 2.52 MSF in the second half of the year. These results contributed to record annual figures. Despite an increase in warehouse inventory, the vacancy rate fell by 2 percentage points in the quarter to 10.2%, a historic low. Asking rents remained stable at USD $4.07 sf year. The strong demand, driven mainly by e-commerce players, demonstrates that the segment continues to have potential.

TRENDS
1S24 VS 2S24

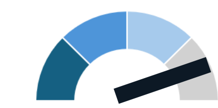
Decreasing

Stable

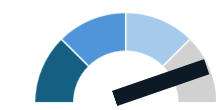
Rising



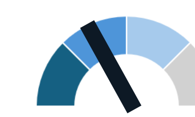
32 MSF
INVENTORY



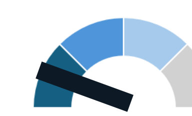
1.95 MSF
CONSTRUCTION



3.32 MSF
VACANCY



10.2%
VACANCY RATE



3.41 MSF
YTD NET ABSORPTION

$4.07
ASK. PRICE

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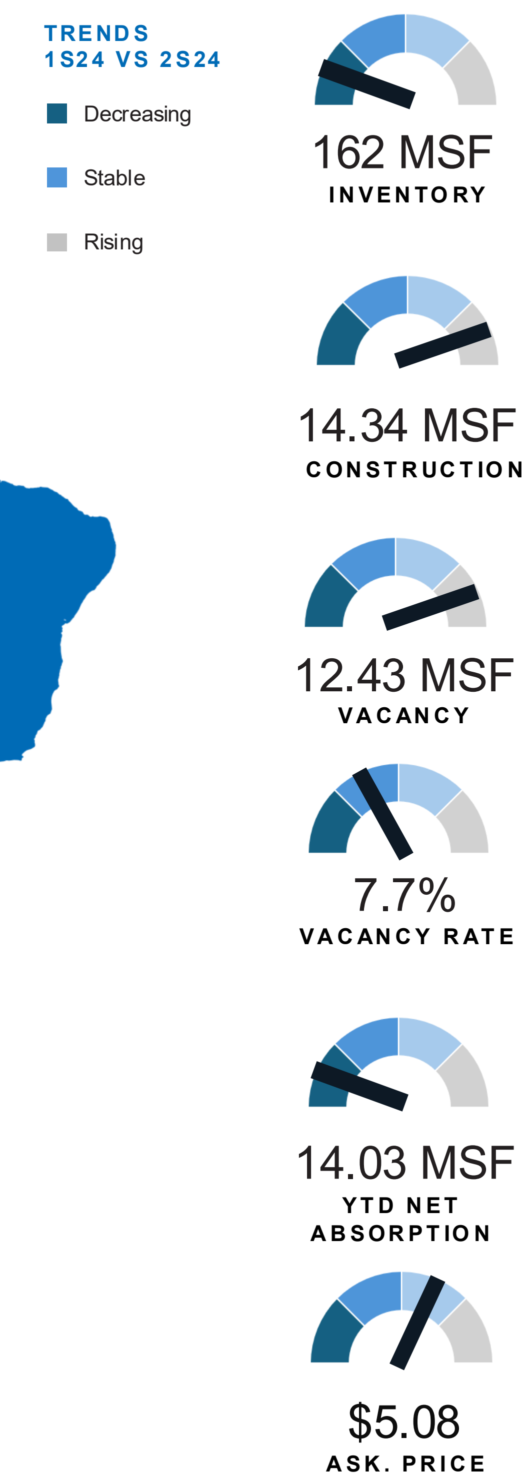
Sao Paulo, Brazil

Demand indicators for industrial and logistics facilities have grown steadily in recent years and continued in the last semester of the year. Despite a slight decline in net absorption in 2S 2024, a record 14.03 MSF has been reached year-to-date, resulting in a decrease from 9.8% (1S24) to 7.7% (2S24) in vacancy rates. High-end new deliveries increased again in the last semester of the year, with the new inventory at year-end totaling 8.8 MSF, which is below 2023's 9.8 MSF. In 2025, almost 14 MSF of new industrial and logistics warehouses will be added. Rental prices increased by 9% (2H vs. 1H).



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Santiago de Chile, Chile

The last quarter of 2024 showed GDP growth of 2.3%, with projections of 1.5%-2.5% for 2025-2026. Annual inflation reached 4.2%, driven by the appreciation of the dollar and rising labor costs. The Central Bank reduced the interest rate to 5.0% in December to stimulate the economy. However, bank credit remained weak, particularly affecting the commercial sector. Domestic demand remained moderate, while investment showed signs of recovery in strategic sectors.

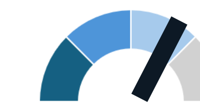
A total of 2.3 MSF entered the market, divided among 9 buildings, including 4 new ones and 5 expansions. Net absorption was 1.75 MSF, 17% less than in 2023, with higher demand for Class A warehouses.
The average rental price closed at $7.76 USD/sf/year, with a slight decrease. In 2025, an additional 3.2 MSF will be added, with 88% of the space in Class A warehouses. The market is growing but faces challenges such as obtaining permits.

TRENDS
1S24 VS 2S24

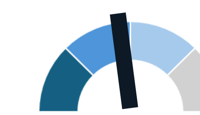
Decreasing

Stable

Rising



42 MSF
INVENTORY



4.10 MSF
CONSTRUCTION

2.24 MSF
VACANCY

5.3%
VACANCY RATE

2.20 MSF
YTD NET ABSORPTION

$7.76
ASK. PRICE

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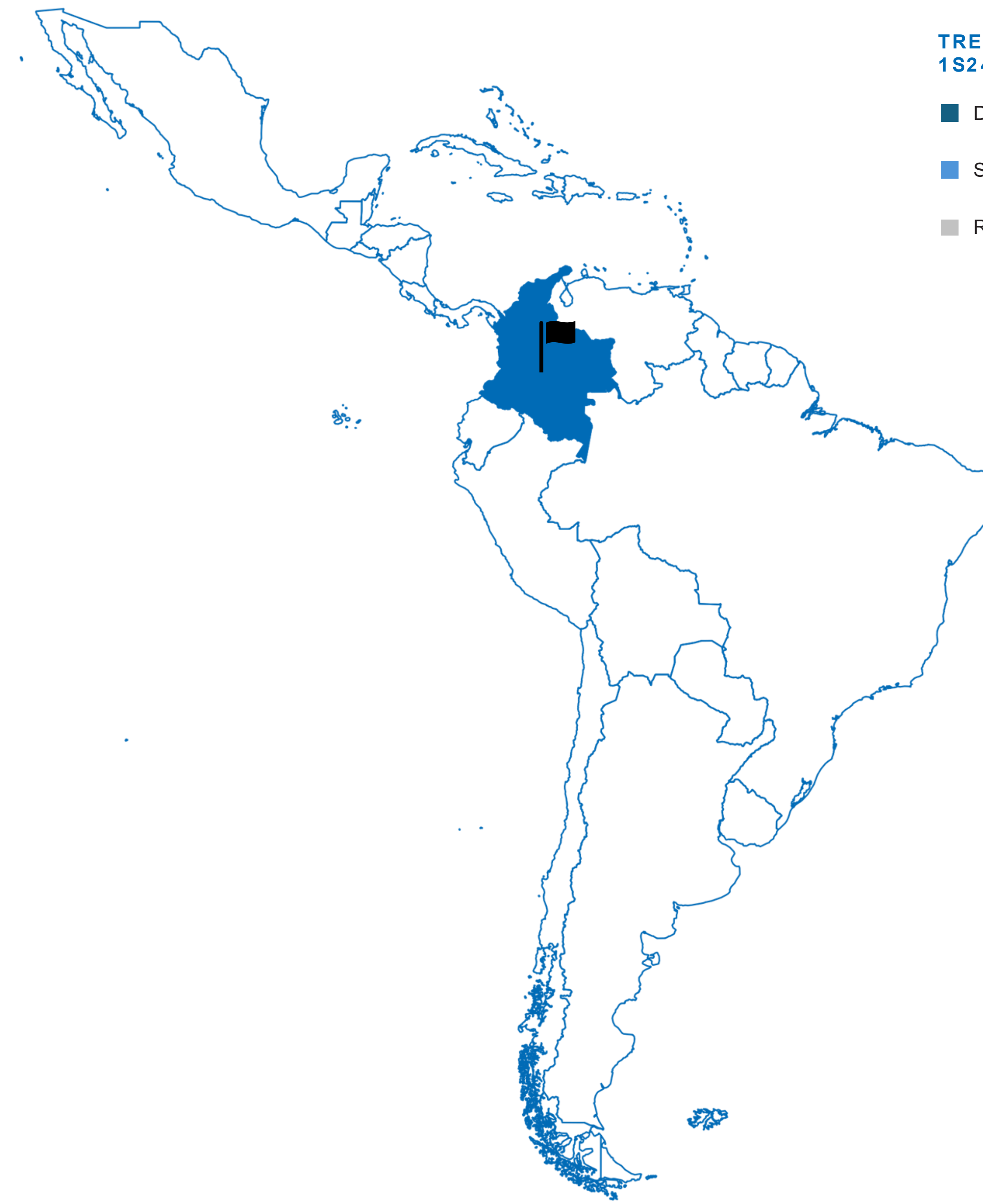
Bogota, Colombia

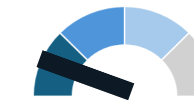
2024 closes with mixed signals in the Colombian economy. While a slight recovery has been observed in key sectors such as agriculture and public administration, foreign investment has diminished significantly. Economic growth remains below expectations, with a projected expansion of 1.3% for the year according to the World Bank, and uncertainty continues to affect business decisions.
Meanwhile, construction remains in negative territory, with cumulative contraction throughout the year, affected by high-interest rates and rising input costs, which have limited the start of new projects.

The industrial market showed moderate recovery, driven by demand in e-commerce, logistics, and transportation. Although absorption was negative in the first semester, the second showed improvement, ending the year in positive territory.
High construction and financing costs limited new developments, although some build-to-suit (BTS) warehouses strengthened the inventory. The scarcity of Class A spaces slightly increased rental and sale prices, while Free Zones (ZF) remained stable. For 2025, moderate inventory growth and sustained demand are expected.

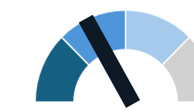


TRENDS
1S24 VS 2S24

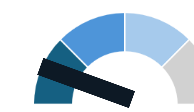
- Decreasing
- Stable
- Rising



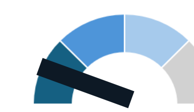
31 MSF
INVENTORY



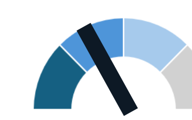
0.40 MSF
CONSTRUCTION



1.26 MSF
VACANCY



4.1%
VACANCY RATE



0.20 MSF
YTD NET ABSORPTION

$6.24
ASK. PRICE

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San Jose, Costa Rica

In 2024, Costa Rica's economy is expected to continue growing moderately, with GDP driven by sectors such as tourism and technology. Inflation will remain controlled thanks to the Central Bank's efforts, although there may be fluctuations due to changes in energy prices. The labor market will show improvements, particularly in technological sectors, although informality remains a challenge. The construction and real estate sector will experience a resurgence, especially in sustainable projects. In international trade, Costa Rica benefits from its free trade agreements, with key exports in agricultural and technological products. Despite facing challenges such as climate change and the need for fiscal reforms, the country has significant opportunities in environmental sustainability and renewable energies.

The increase in the industrial market supply not only responds to the current momentum but also aligns with optimistic forecasts regarding the continued inflow of foreign capital. The decrease in the availability rate to 2.1% is a crucial indicator that reveals multiple aspects of the real estate market in the Greater Metropolitan Area (GAM). This figure not only indicates that the new inventory is being absorbed quickly and effectively, but it also underscores the strength of demand.

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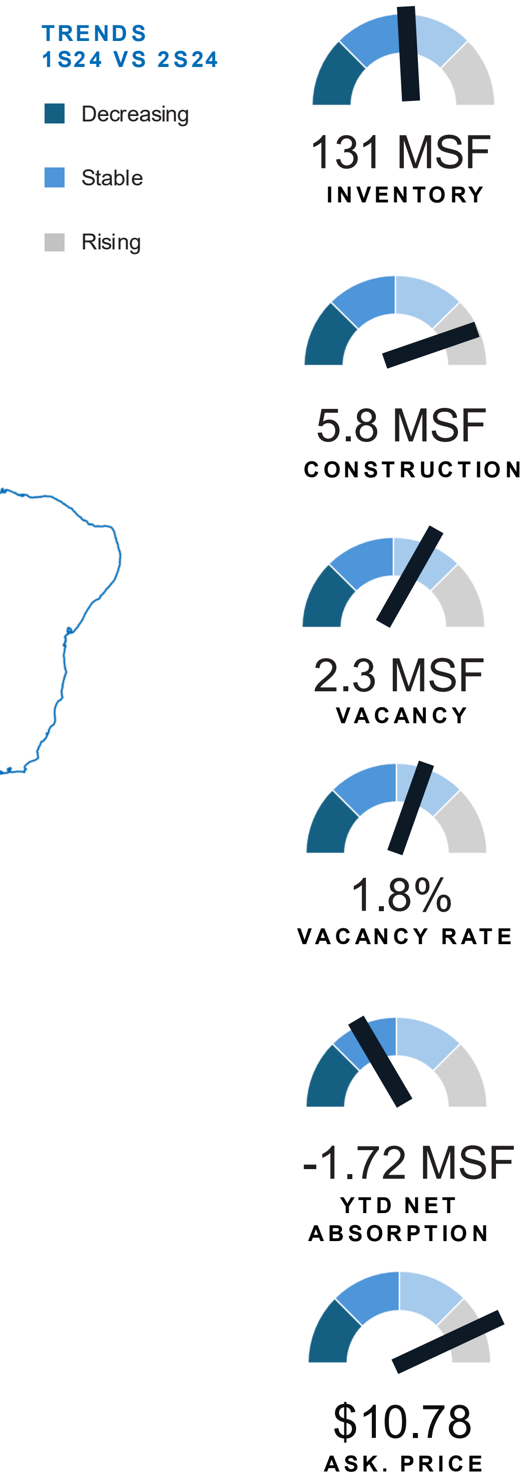
Mexico City, Mexico

Uncertainty in the economic relations between Mexico and the United States directly affects the exchange rate, reaching 20.30 Mexican pesos (MXN) per US dollar (USD), levels not seen since 2022. The unemployment rate continues on a downward trend with a national average of 2.5%.
Foreign investment increased by 2.3% compared to 2023, reaching a historic high. 54% of the total FDI focused on the manufacturing sector.

An increase in operations in Last Mile industrial spaces is expected, highlighting activity in Vallejo-Azcapotzalco and Tlalnepantla, key submarkets in Mexico City that offer a logistical advantage due to their location within the urban area.



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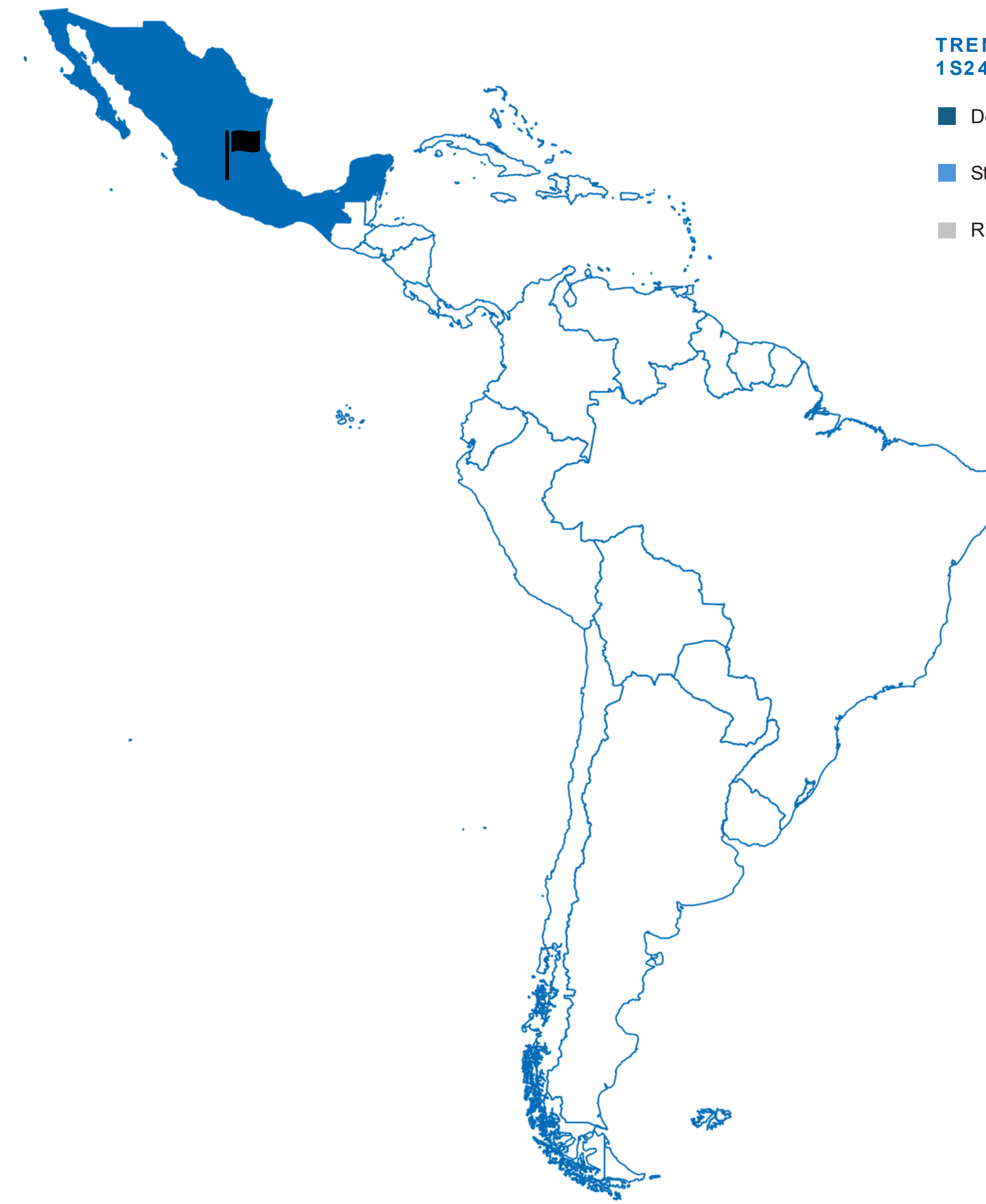
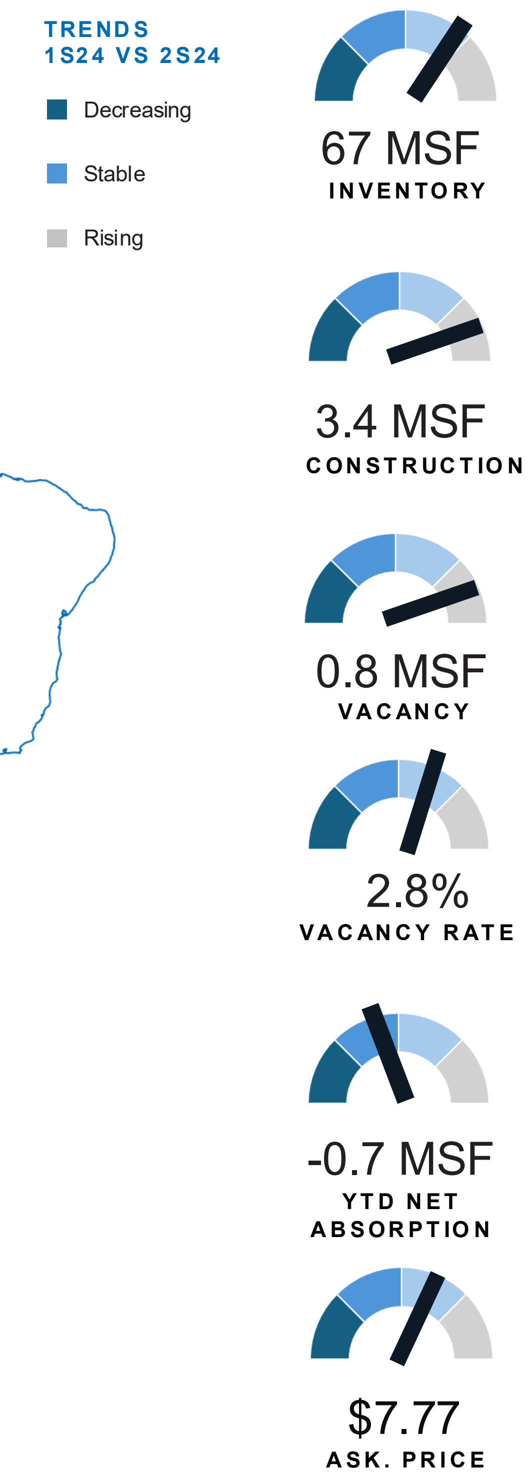
Guadalajara, Mexico

The uncertainty in economic policy between the new governments of Mexico and the United States has caused a slowdown in the Guadalajara market. Asking prices increased by 0.5% compared to the same period last year. However, the local market has no intention of slowing down, as market indicators report growth during the same period in inventory (8.8%), construction (16.3%), availability (48%), and gross absorption (70%), reinforcing confidence in investments. This is understandable considering the resumption of investment announcements in semiconductors (Foxconn – Nvidia, Micron, ASE Group), electronics (Bosch), and automotive (Flex, Bader).





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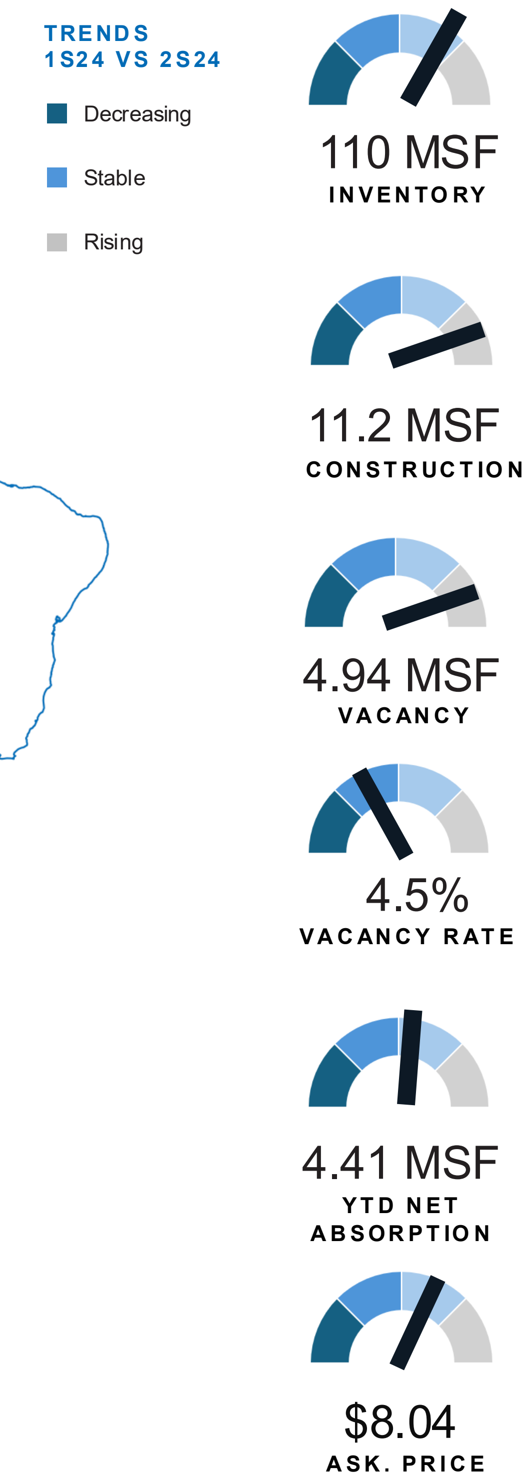
Monterrey, Mexico

2024 recorded an annual gross absorption of 9.9 MSF, alongside a net absorption of 4.4 MSF. Consequently, the industrial market showed an increase in the availability rate, reaching 4.5%. This is mainly due to the completion of new speculative Class A space in various submarkets. The standout type of operation during 2024 was leasing, representing 50.9% of the space marketed. Construction space reached 11 MSF, with speculative space development predominating at 56.5%.



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Tijuana, Mexico

Absorption in 2024 fell below the figures recorded in previous years due to the complex economic landscape created by elections on both sides of the border. The average rental price is expected to continue rising, along with the major industrial markets in the country.

TRENDS
1S24 VS 2S24

- Decreasing
- Stable
- Rising

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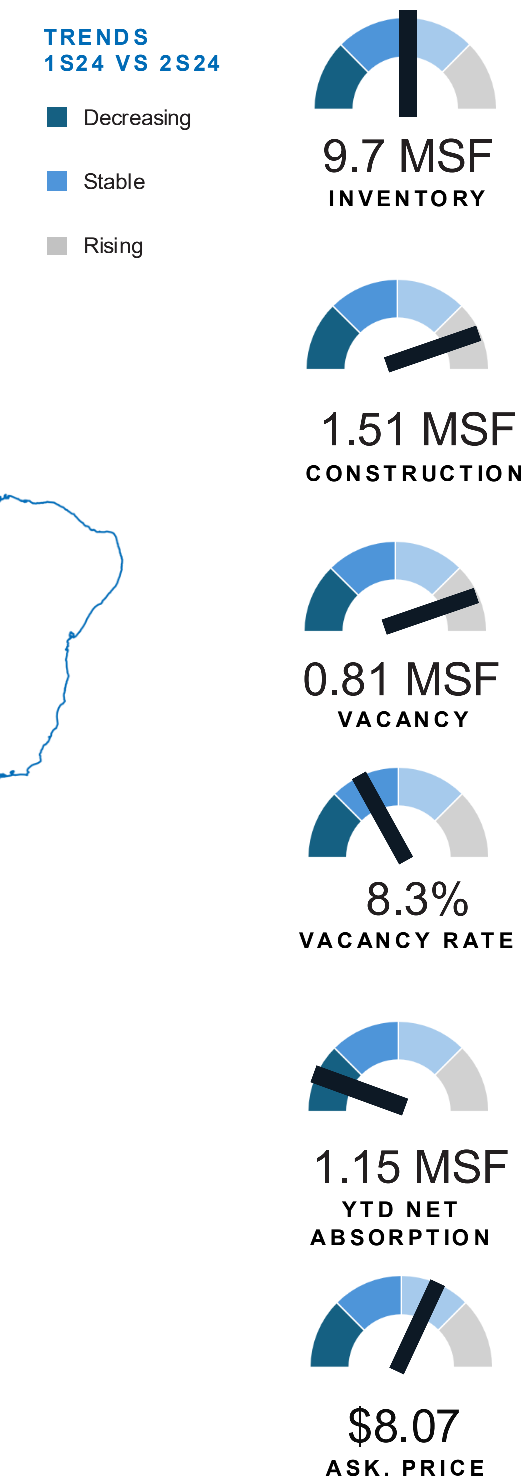
Panama City, Panama

In 2024, Panama's economy is expected to continue on a growth path, largely driven by the Panama Canal and its role as a logistics and financial services hub in the region. A moderate increase in GDP is anticipated, supported by investment in infrastructure and international trade. Inflation will remain under control, aided by monetary policy and the use of the US dollar as the official currency. The labor market will show improvements, with a gradual decrease in unemployment thanks to the development of sectors like construction and technology. In real estate, the recovery of the sector is expected to continue.

The dynamism in the industrial market has been primarily concentrated in already established sectors such as the Eastern Periphery and the Reverted Areas. These submarkets continue to experience steady growth due to their developed and developing infrastructure, as well as their proven logistical connectivity, including efficient access to main routes, ports, and airports. In these areas, the availability of modern facilities and auxiliary services continues to attract various companies looking to optimize their operations.



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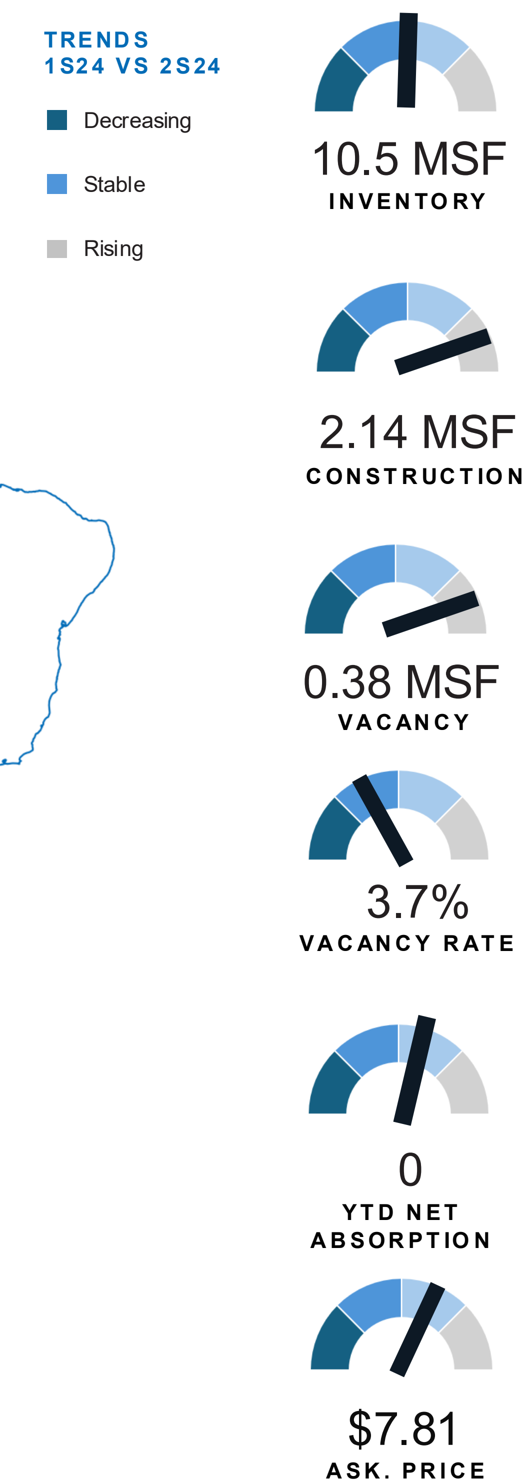
Lima, Peru

The Peruvian economy continued its upward recovery trend following the contraction in 2023. This was reflected in the Gross Domestic Product, which reached 4.2% at the end of 2024, driven by increased household consumption and gross fixed investment, as well as the rise in exports of goods and services, coupled with improvements in extraction, transformation, and service activities. Additionally, in the fourth quarter, the Chancay Megaport was inaugurated as part of the APEC forum, which Peru hosted. This port is expected to exponentially increase the country's trade activities with the world, especially with the Asian continent, and boost other economic sectors.

The second half of 2024 saw an increase in inventory, mainly concentrated in Callao and Lima Sur. Both submarkets received new leasable spaces, but they were delivered with tenants already in place, so vacancy did not increase significantly.
Meanwhile, the rental price per square meter increased by 3.72% compared to the first half of the year. In the medium term, the sector's activity is expected to grow as a result of the impact of the Chancay Megaport's operations beginning.



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