



Industrial Q4 2019

9.0%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

7,371,264

Net Absorption, SF



\$4.44

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q4 2019

2.5M

Monterrey
EmploymentYoY
Chg12-Mo.
Forecast

3.2%

Monterrey
Unemployment Rate

3.6%

Mexico
Unemployment Rate

Source: INEGI

ECONOMY: Foreign Investment Keeps Flowing In

The product of an intense lobbying activity by Monterrey's government, Chinese companies announced new investment projects that will exceed 160 million dollars and will create more than 1,850 new jobs.

"These announcements represent the consolidation of the promotional efforts that we have been making in the investment agency with these companies for several months, with some even for more than a year," said local authorities¹.

Currently, Chinese companies represent 22% of the portfolio of projects under negotiation in the statistics of the Ministry of Economy and Labor. A growing number of Asian companies are opening operations at Monterrey, among which Lenovo, Hofusan, Bromake, Mexin, Didi, Broad-Ocean, are escalating their profile.

DEMAND: Leasing Increases After Weak Start in 2019

After a beginning of the year full of uncertainty about the landing of new firms at Monterrey, the industrial real estate activity finally took off by midyear, having a healthy performance and ending the year at a moderately expanding ratio.

There was good leasing activity across the different industrial submarkets in Monterrey. Even some large-scale industrial buildings that had remained available for years finally got leased in the larger submarkets such as Apodaca and Santa Catarina.

In the second half of the year, increased absorption reduced the vacancy rate to 9.0%.

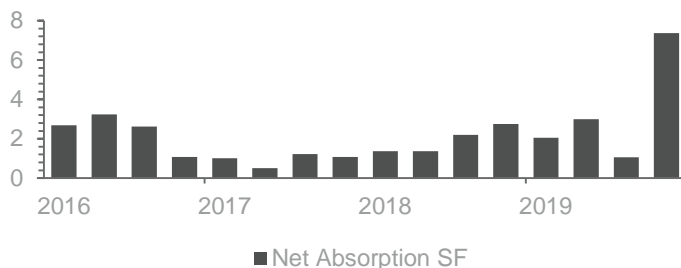
PRICING: Asking Rents Remain Stagnant

Throughout the year, the asking prices for the different submarkets have remained almost static. Only markets with little inventory or very homogeneous supply have shown a different evolution.

From 2012 to 2016, there was an increase in asking prices, which in 2018 and 2019 seems to have stopped, according to the quotes of the available spaces.

1. Staff. (2019). Confirman tres empresas chinas inversiones en el estado por 160 MDD. Martes 10 de Diciembre, de Secretaria de Economía Sitio web: <http://www.nl.gob.mx/noticias/confirman-tres-empresas-chinas-inversiones-en-el-estado-por-160-mdd>

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT MONTERREY



Industrial Q4 2019

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	AVERAGE ASKING PRICE CLASS A*	AVERAGE ASKING PRICE CLASS B*
Apodaca	50,014,605	5,143,629	10.2%	420,082	3,598,388	5,597,974	446,815	\$0.42	\$0.42
Guadalupe	14,795,134	974,290	6.5%	174,375	559,308	1,708,711	40,230	\$0.38	\$0.30
San Nicolás	3,742,536	222,064	5.9%	16,964	157,265	502,130	0	\$0.37	\$0.35
Escobedo	6,449,610	797,883	12.3%	65,919	1,292,118	600,709	162,879	\$0.40	\$0.34
Ciénega de Flores	17,646,328	893,827	5.0%	268,871	719,933	1,007,797	215,278	\$0.38	\$0.36
Santa Catarina	13,877,527	1,174,132	8.4%	0	476,619	1,020,675	99,708	\$0.32	\$0.28
Monterrey	1,203,305	617,453	51.3%	16,243	16,243	321,001	0	\$0.42	\$0.34
Pesquería	1,834,397	262,920	14.3%	0	41,892	200,729	52,509	\$0.35	\$0.30
Salinas Victoria	3,831,974	139,393	3.6%	348,038	509,497	103,600	0	\$0.30	\$0.30
MONTERREY TOTALS	113,395,417	10,225,591	9.02%	1,310,492	7,371,264	11,063,327	1,017,419	\$0.37	\$0.35

*Rental rates reflect weighted net asking \$psf/month

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
MTY 026	Escobedo	DHL	218,577	Lease
ATP B015	Ciénega de Flores	Lenovo	180,015	Lease
Mic 7,8,12	Apodaca	Celestica	390,000	Lease
Milenium I Building 1	Apodaca	Jabil	306,059	Lease
Building 3	Escobedo	Walmart	265,220	Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Rocktenn	Guadalupe	N/A	174,375	Sale
Rómulo Díaz no. 1878	Monterrey	Simsa	16,243	Sale

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF
MT 6	Apodaca	Savy Capital	122,089
PDN 2	Escobedo	Puerta del Norte	103,011
Spec VI	Apodaca	Vynmsa	52,216

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