



6.9%

Vacancy Rate



7K

Net Absorption, sqm



\$6.90

Asking Rent, per sqm



(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2020

2,183M

Costa Rica
Employment



12.5%

Costa Rica
Unemployment



2,536M¹

Foreign Direct
Investment (FDI)²



¹ FDI reflects YOY data in US\$

² Data reported for Q4 2019, Q1 2020 data still not available

Source: Central Bank of Costa Rica (BCCR) and National Institute of Statistics and Census (INEC)

ECONOMY: Manufacturing under special regimes remains stable and supports country production levels

As of Q1 2020, sanitary measures and the general business lockdown to contain the contagion rate of COVID-19 caused a significant decrease in the country's economic activity. Thus, the production measured by the Monthly Economic Activity Index (IMAE) registered a low YOY variation of 0.9% in March, according to figures reported by the Central Bank of Costa Rica (BCCR). Retail registered a YOY decrease of 1.6% while construction (-15.6%) accumulated 16 consecutive months of negative variations. For its part, manufacturing presented a 4.3% growth, explained by the performance of companies under special regimes, due to a higher external demand for medical implements and food products. Special regimes manufacturing grew at a 10.5% rate, while definitive regime manufacturing experienced a 0.2% contraction.

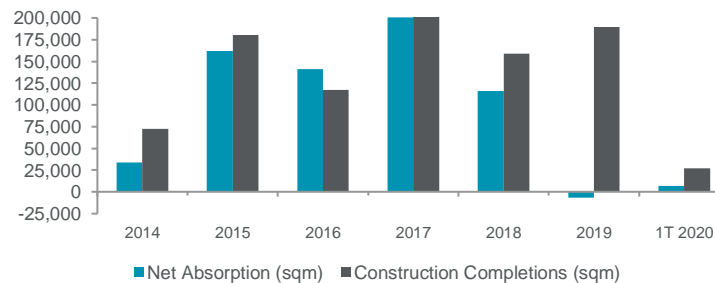
MARKET OVERVIEW: COVID-19 challenges supply chains and tests business resilience

The general situation caused by COVID-19 has caused various effects within each industry, with sectors such as retail/commerce, restaurants, hotels, construction and companies under the definitive regime being the most affected. This has generated a series of direct and indirect impacts on the supply chains of these companies and their respective real estate requirements. Due to the above, and in order to maintain liquidity in times of uncertainty, certain investment projects have been placed on hold until the situation stabilizes. As it is still an on-going situation, the effects in the main real estate variables will be reflected until the upcoming periods.

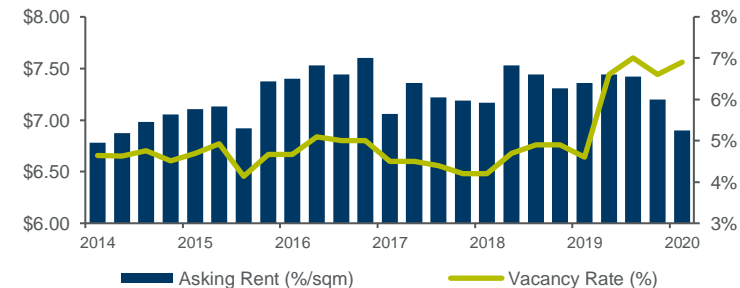
OUTLOOK: New operations and attractive projects will boost the market

During the next months, a significant economic contraction is expected, as well as a general increase in unemployment, mainly affecting local companies. For the industrial and logistics market this represents a challenge in the supply and demand for spaces. However, it is also possible to visualize market opportunities by seeking greater operational efficiencies, as well as continuing to attract companies under special regimes, such as those related to the life sciences sector. The development of more than 20 projects in submarkets such as Cartago, Alajuela and Heredia will depend on the evolution of the current situation. A slight and gradual economic recovery is projected for 2021, which will largely depend on the evolution of the pandemic and the recovery of Costa Rica's main trading partners.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT COSTA RICA

Industrial Q1 2020



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MARKET STATISTICS (BY SUBMARKET)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	YTD NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CNSTR (m ²)	OVERALL AVG ASKING RENT (HT)	OVERALL AVG ASKING RENT (OS)	OVERALL AVG ASKING RENT (W/D)
Alajuela	235	1,575,700	121,300	7.7%	(2,500)	800	69,300	\$7.20	\$7.20	\$7.50
Cartago	154	704,700	21,900	3.1%	(1,800)	300	40,800	\$6.70	\$8.00	\$5.40
Heredia	277	1,454,000	97,200	6.7%	(6,400)	23,700	12,000	\$7.80	\$8.30	\$6.70
Downtown San José	298	1,169,100	94,200	8.1%	15,700	22,500	7,900	\$7.10	\$8.20	\$6.40
East San José	194	674,900	44,500	6.6%	800	6,700	-	\$7.30	N/A	\$7.00
West San José	118	588,000	43,500	7.4%	1,100	3,600	-	\$6.60	\$8.50	\$6.80
COSTA RICA TOTALS	1,276	6,166,400	422,600	6.9%	6,900	57,600	130,000	\$7.20	\$8.20	\$7.10

MARKET STATISTICS (BY CLASS)

HT = High Tech/Flex OS = Office Service/Flex W/D = Warehouse/Distribution

CLASS	TOTAL BUILDINGS	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CNSTR (m ²)	OVERALL AVG ASKING RENT (HT)	OVERALL AVG ASKING RENT (OS)	OVERALL AVG ASKING RENT (W/D)
Class A	256	2,477,300	80,200	3.2%	(5,900)	6,600	107,100	\$8.50	\$8.70	\$7.60
Class B	763	3,196,900	269,500	8.4%	10,800	43,700	22,900	\$6.70	\$8.20	\$6.60
Class C	257	492,200	72,900	14.8%	2,000	7,300	-	\$3.80	N/A	\$5.60

KEY TRANSACTIONS 2020

*Rental rates reflect gross asking US\$/sqm/month

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Bodega SyS San Isidro	Heredia	Corporación SyS	7,500	Own Development
LatAm Parque Logístico Coyoil I – E500	Alajuela	Intcomex	6,700	Lease
Condal Pavas	Downtown San José	Keith & Ramírez	6,500	Lease
Multipx Coyoil	Alajuela	Yamuni	4,900	Lease
Parque Industrial La Valencia	Heredia	Bioland	3,800	Buy
Parque Industrial Badem	Heredia	Best Brands	2,500	Lease
Multipx Coyoil	Alajuela	BIR Alimentos	2,400	Lease
Multipx Coyoil	Alajuela	Mar Profundo	1,200	Lease
Acobo Pavas	Downtown San José	Teletica	1,000	Lease

KEY CONSTRUCTION COMPLETIONS 2020

PROPERTY	SUBMARKET	MAJOR OCCUPIER	SQM	OWNER / DEVELOPER
LatAm Parque Logístico Coyoil I – E500	Alajuela	Intcomex	9,300	LatAm Logistic Properties
Bodega SyS San Isidro	Heredia	Corporación SyS	7,500	Own Development

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