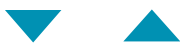




**7.20%**  
Vacancy Rate



**7,9K**  
Net Absorption, sqm



**\$7.10**  
Asking Rent, per sqm



(Overall, All Property Classes)

**ECONOMIC INDICATORS  
Q1 2020**

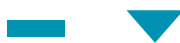
**2,426K**  
Costa Rica  
Employment



**20.1%**  
Costa Rica  
Unemployment



**2,449M<sup>1</sup>**  
Foreign Direct  
Investment (FDI)<sup>2</sup>



<sup>1</sup> FDI reflects YOY data in US\$

<sup>2</sup> Data reported for Q1 2020, Q2 2020 data still not available

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

**ECONOMY: General contraction of economic activities and a modest recovery expected for 2021**

According to the Central Bank of Costa Rica (BCCR) the Economic Activity Monthly Index (IMAE) reported a 7.5% YoY decrease during past May. Similarly, the production of companies under the special regime contracted 12.1%, while the definitive regime did so by 7.0%, reversing the higher growth trend that it had been shown during previous years. According to the latest BCCR macroeconomic projections, Costa Rican GDP would contract by 5% during 2020, while key economic activities such as manufacturing, commerce and construction would also contract by 4.5%, 8.2% and 8.7%, respectively. For its part, a 2.3% GDP upturn and a gradual recovery of the FDI flows in the sectors that have reported a better performance in the current context are expected for 2021.

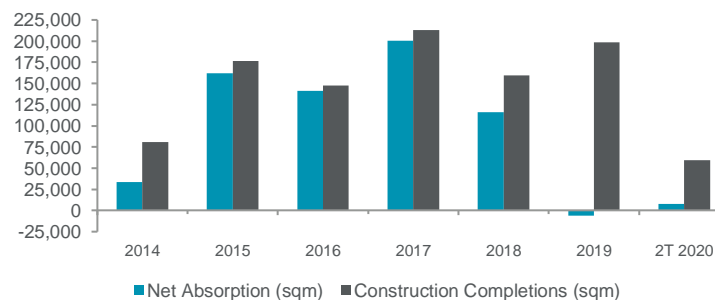
**MARKET OVERVIEW: Current situation has generated mixed impact levels that vary by industry and sector**

During Q2 2020, the industrial and logistics market reported varying levels of affectation by market niche, as a result of the current situation. On one hand, it is important to highlight the relocation of local small and medium-sized enterprises (SMEs), in order to reduce their operating costs and facilitate their business continuity. In this way, some cost-efficient projects in key locations have benefited from this demand, offering competitive commercial conditions, space ranges and characteristics according to said needs. On the other hand, certain key segments of companies under the Free Trade Zone (FTZ) Regime, such as medical and life sciences industries, have reported growing figures in their operations during the current pandemic, which has triggered an increase in their real estate requirements.

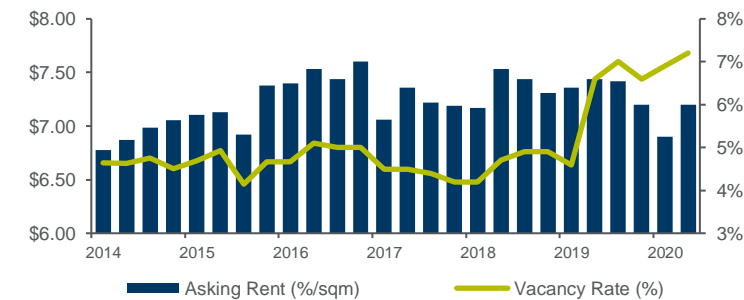
**OUTLOOK: Local companies will prioritize business continuity and FDI companies will energize the market**

Given the uncertainty about the pandemic length, during the rest of the year, a general cautious behavior is expected in the market, in which companies continue to focus their strategic decisions on ensuring their business continuity, with various implications by industry and market segment. At a local level, the pandemic has accelerated the digital adoption and business model transformation of many companies, triggering a series of real estate requirements focused on reducing costs by integrating offices, warehouses, distribution centers and point of sale (POS) in the same site. For its part, the solid performance reported by certain key FDI-related sectors during the pandemic is expected to induce a significant dynamism in the country's industrial and logistics market during the upcoming months.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



# MARKETBEAT COSTA RICA

## Industrial Q2 2020



**CUSHMAN &  
WAKEFIELD**  
AB Advisory

### 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 <sup>2</sup> )	OVERALL AVG ASKING RENT (HT)	OVERALL AVG ASKING RENT (OS)	OVERALL AVG ASKING RENT (W/D)
Alajuela	239	1,592,800	114,600	7.2%	17,900	26,600	60,900	\$7.00	\$7.20	\$7.40
Cartago	155	704,600	32,300	4.6%	(2,000)	300	46,600	\$6.60	\$8.00	\$5.30
Heredia	278	1,458,500	103,800	7.1%	(9,700)	27,200	15,500	\$7.80	\$8.10	\$6.70
San José Centro	301	1,191,200	107,000	9.0%	3,400	44,000	-	\$7.00	\$8.20	\$6.40
San José Este	195	670,300	39,800	5.9%	900	11,700	-	\$7.30	N/A	\$7.00
San José Oeste	116	564,200	47,200	8.4%	(2,600)	6,100	11,500	\$6.60	\$8.40	\$6.80
<b>Total</b>	<b>1,284</b>	<b>6,181,600</b>	<b>444,700</b>	<b>7.2%</b>	<b>7,900</b>	<b>115,900</b>	<b>134,500</b>	<b>\$7.10</b>	<b>\$8.10</b>	<b>\$7.10</b>

### 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 <sup>2</sup> )	OVERALL AVG ASKING RENT (HT)	OVERALL AVG ASKING RENT (OS)	OVERALL AVG ASKING RENT (W/D)
Class A	258	2,482,400	73,800	3.0%	14,400	33,700	116,800	\$8.30	\$8.50	\$7.60
Class B	769	3,202,500	277,500	8.7%	1,800	72,300	16,000	\$6.70	\$8.10	\$6.60
Class C	257	496,700	93,400	18.8%	(8,300)	9,900	1,700	\$3.70	N/A	\$5.50

### KEY TRANSACTIONS 2020

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

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Parque Industrial BES	Alajuela	Grupo Tical	6,500	Lease
Condal Pavas	Downtown San José	Keith & Ramírez	6,500	Lease
Parque Industrial Badem	Heredia	Coansa	5,500	Lease
Multiplex Coyal	Alajuela	Yamuni	4,900	Lease
Parque Industrial La Valencia	Heredia	Bioland	3,800	Buy
Parque Industrial Badem	Heredia	Best Brands	2,500	Lease
Multiplex Coyal	Alajuela	BIR Alimentos	2,400	Lease
Parque Industrial Badem	Heredia	Servicios Int. Entrega Rapida	2,000	Lease
Multiplex Coyal	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 Coyal I – Building 500	Alajuela	Intcomex	9,300	LatAm Logistic Properties
Bodega SyS San Isidro	Heredia	Corporación SyS	7,500	Own Development
Coyal Free Zone – Lot 38 – Philips	Alajuela	Philips	5,700	Coyal Free Zone

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