



**7.7%**  
Vacancy Rate



**35,5K**  
Net Absorption, sqm



**\$6.70**  
Asking Rent, per sqm



(Overall, All Property Classes)

**ECONOMIC INDICATORS  
Q3 2020**

**2,348K**  
Costa Rica  
Employment



**23.2%**  
Costa Rica  
Unemployment



**2,354M<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 Q2 2020, Q3 2020 data still not available

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

**ECONOMY: Economic decline rate decreases and production under special regimes recovers**

The BCCR reported a YOY variation of -7.7% of the Monthly Economic Activity Index (IMAE), in the previous August, slightly better than the figure reported in Q2 (-8.6%). The production of special regimes contracted 0.1% in year-on-year terms, which represents a recovery compared to the previous months, while the definitive regime continued to report a strong decrease of 9.3%. The above reaffirms that the impact of the health crisis has been considerably less in the special regimes and allows us to visualize a possible recovery in the production of these regimes. According to the macroeconomic projections of the BCCR, the GDP would contract by 4.5% during 2020, while for next year a recovery of the GDP of 2.6% and a modest and gradual recovery of the flows of Foreign Direct Investment is expected, in the sectors that have reported better performance in the current context.

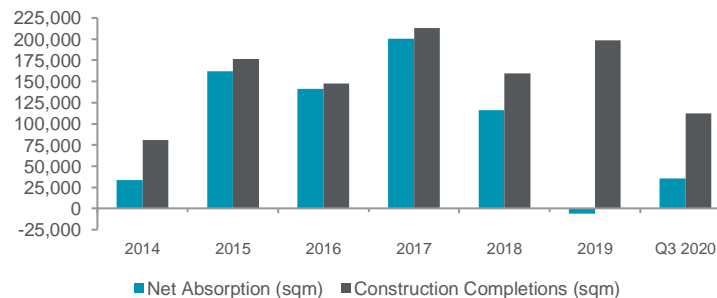
**MARKET OVERVIEW: Rising vacancy rates across the market push rental prices downwards**

During the Q3 of the year, the negative impact of the pandemic in certain sectors of the logistics and industrial market was highlighted, mainly those more sensitive to cost and consumption. A general increase in the vacancy rates of the main submarkets has pushed down the rental prices for each subtype of inventory. On the other hand, it is important to note that a growing number of companies in non-strategic sectors continue to seek to locate outside the GAM, thanks to the benefits granted by the free zone regime. For its part, the demand for logistics spaces from local companies continues to be limited, aimed at reducing operating costs and facilitating business continuity.

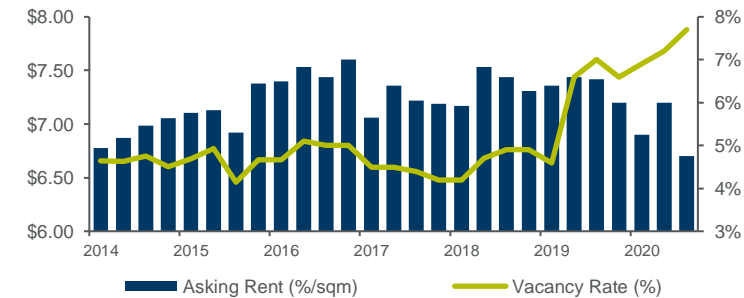
**OUTLOOK: Companies under the Free Trade Zone Regime lead job creation during the pandemic**

Over the next few months, expansions of companies under the Free Trade Zone Regime will result in the creation of thousands of jobs and will partially offset the high level of unemployment reported in the country, as a result of the current pandemic. On the other hand, for the industrial and logistics market, the low demand for local-business spaces represents a significant challenge; however, it is also possible to visualize market opportunities by seeking greater operational and business-related efficiencies. Traditional submarkets such as Cartago, Alajuela and Heredia continue reporting new inventory under construction, even during the current circumstances. For 2021, a slight and gradual economic recovery is projected as confidence among market players recovers.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



# MARKETBEAT COSTA RICA

## Industrial Q3 2020



**CUSHMAN &  
WAKEFIELD**  
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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 <sup>2</sup> )	OVERALL AVG ASKING RENT (HT)	OVERALL AVG ASKING RENT (OS)	OVERALL AVG ASKING RENT (W/D)
Alajuela	246	1,655,700	134,400	8.1%	44,100	60,300	39,000	\$6.70	\$6.80	\$7.10
Cartago	157	708,300	27,400	3.9%	7,000	9,400	72,900	\$6.30	\$6.60	\$4.80
Heredia	276	1,444,800	104,800	7.3%	(19,500)	34,400	11,500	\$7.10	\$7.50	\$6.40
San José Centro	302	1,176,700	119,500	10.2%	6,100	51,100	-	\$6.60	\$6.70	\$6.10
San José Este	193	660,500	52,100	7.9%	5,400	18,200	-	\$6.70	N/A	\$6.60
San José Oeste	115	549,300	39,800	7.2%	(7,600)	11,800	39,800	\$6.20	\$7.80	\$6.70
<b>Total</b>	<b>1,289</b>	<b>6,195,300</b>	<b>478,000</b>	<b>7.7%</b>	<b>35,500</b>	<b>185,200</b>	<b>163,200</b>	<b>\$6.70</b>	<b>\$7.50</b>	<b>\$6.60</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	248	2,527,500	83,700	3.3%	36,000	70,800	146,500	\$7.80	\$8.00	\$7.20
Class B	786	3,287,400	306,600	9.3%	700	110,200	15,100	\$6.30	\$7.30	\$6.20
Class C	255	380,400	87,700	23.1%	(1,200)	4,200	1,600	\$3.50	N/A	\$4.90

### KEY TRANSACTIONS 2020

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

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
La Lima Free Zone – FF 20 y 21	Cartago	Confidential	20,000	Buy
La Lima Free Zone – FF 2 y 3	Cartago	Confidential	14,600	Buy
La Lima Free Zone – FF 4	Cartago	Confidential	11,000	Lease
Coyol Free Zone – FF 54	Alajuela	CooperVision	10,000	Buy
Parque Industrial BES	Alajuela	Grupo Tical	6,500	Lease
Coyol Free Zone – FF 32	Alajuela	Smith & Nephew	6,400	Buy
Parque Industrial Badem	Heredia	Coansa	5,500	Lease
Coyol Free Zone – FF 6	Alajuela	Medtronic	5,100	Lease
Multipx Coyol	Alajuela	Yamuni	4,900	Lease
Parque Industrial La Valencia	Heredia	Bioland	3,800	Buy

### KEY CONSTRUCTION COMPLETIONS 2020

PROPERTY	SUBMARKET	MAJOR OCCUPIER	SQM	OWNER / DEVELOPER
Multipx Coyol	Alajuela	Grupo Vargas, Yamuni	28,800	GTU Desarrollos
Coyol Free Zone – Lote 54 – CooperVision II	Alajuela	CooperVision	10,000	Coyol Free Zone
LatAm Parque Logístico Coyol I – Edificio 500	Alajuela	Avon, Intcomex	9,300	LatAm Logistic Properties

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