

# MARKETBEAT MONTERREY



CUSHMAN &  
WAKEFIELD

Office 3Q 2020

**15.1%**

Vacancy Rate

YoY  
Chg



12-Mo.  
Forecast



**16.1 K**

Net Absorption, M2



**\$14.54**

Asking Rent, \$/M2



Overall, Net Asking Rent

## ECONOMIC INDICATORS Q3 2020

**2.5M**

Monterrey  
Employment

YoY  
Chg



12-Mo.  
Forecast



**3.9%**

Monterrey  
Unemployment Rate



**5.2%**

Mexico  
Unemployment Rate



## ECONOMY

A contraction is expected for the Mexican economy due to the “COVID -19” pandemic. The International Monetary Fund estimates a 10.5% contraction in GDP in 2020.

Mexico will not only be one of the most affected economies in Latin America, but also in the world, ranking among the 5 most affected by its external scenario and the internal conditions that have arisen so far this year.

Factors that could motivate a rebound in the economy such as advances in vaccines and treatments, as well as measures to deal with this crisis. Support to stimulate economic performance has not yet been ruled out.

Nuevo León shows a downward trend in its economic activity. In addition to the pandemic events, it can be attributed to events related with overall North American trade.

## SUPPLY: Inventory keeps growing

Availability experienced a slight drop, to 15.2%. However, a considerable increase is expected in the following quarters, following the completion of new projects.

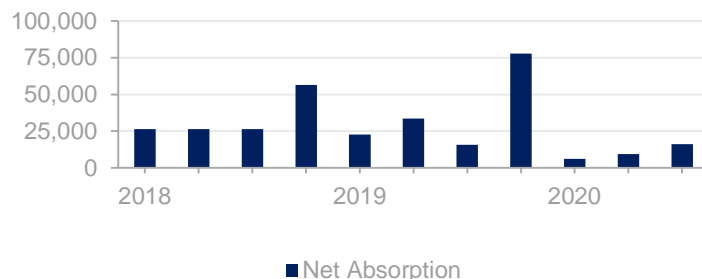
The Margain submarket showed a good absorption level this quarter, with 4,960 sqm, followed by Valle Oriente submarket, that reached 1,720 sqm.

The pandemic delayed some construction works due to restrictions and new requirements to operate. Although activity has been low compared to other years, the office market continues its performance in terms of occupation and new construction, the latter in record levels. In the coming quarters we will see an increase in inventory as some large projects are close to be completed.

## PRICING: Prices remain stable

The asking price level is sustained, reaching US\$15.18 per sqm/month for class A buildings. Overall, prices stay unchanged, but the new government requirements to finish projects have delayed project completions.

## SPACE DEMAND



## OVERALL VACANCY & ASKING RENT





## MARKET STATISTICS

SUBMARKET	INVENTORY* (SQM)	GENERAL AVAILAB* (SQM)	AVAILAB CLASS A (SQM)	AVAILAB RATE. GENERAL*	AVAILAB RATE. CLASS A	2020 ABSORPTION GENERAL (SQM)	2020 ABSORPTION CLASS A (SQM)	EN CONST. (SQM)	AVERAGE ASKING RATE (GENERAL)	AVERAGE ASKING RATE (CLASS A)
Valle	93,819	13,129	8,870	13.9%	9.5%	570	0	2,430	\$19.77	\$20.74
Valle Poniente	37,589	15,750	2,535	41.9%	6.7%	418	418	21,824	\$13.18	\$14.09
Margáin - Gómez Morín	306,929	47,142	27,709	15.3%	9.0%	5,188	4,960	0	\$18.43	\$17.66
Valle Oriente	472,015	34,997	16,038	7.4%	3.4%	6,230	1,720	64,638	\$15.35	\$15.07
Santa María	194,099	36,473	9,853	18.7%	5.1%	1,156	906	58,746	\$14.30	\$14.38
San Jerónimo - Const.	104,502	15,832	7,898	15.1%	7.6%	1,646	527	77,650	\$12.72	\$12.62
Monterrey - Centro	229,747	36,076	4,401	15.7%	1.9%	729	462	78,321	\$12.79	\$15.36
Sur - Contry	70,710	15,352	4,222	21.7%	6.0%	245	245	41,705	\$12.50	\$14.32
Apodaca	19,192	17,119	12,255	89.2%	63.9%	0	0	8,000	\$11.82	\$12.39
<b>TOTALES MONTERREY</b>	<b>1,528,602</b>	<b>231,870</b>	<b>93,781</b>	<b>15.2%</b>	<b>6.1%</b>	<b>16,184</b>	<b>9,239</b>	<b>353,314</b>	<b>\$14.54</b>	<b>\$15.18</b>

\* Generals, includes: class, A, B and C

\* The rental rates reflect the starting price US \$ per m2 / month

## KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Punto Valle	Margáin – Gómez Morín	BAT	4,754	Lease
Moll del Valle	Valle	Vallesca	570	Lease

\*Renewals not included in leasing statistics

## SALES TRANSACTIONS EXAMPLES Q3 2020

PROPERTY	SUBMARKET	SELLER/BUYER	SQM	AP / \$ P SQM
Torre Evalor	San Jerónimo	Confidential	395	Confidential
Centro Cuauhtémoc	Monterrey	Confidential	332	Confidential
Balzac	Santa María	Confidential	250	Confidential

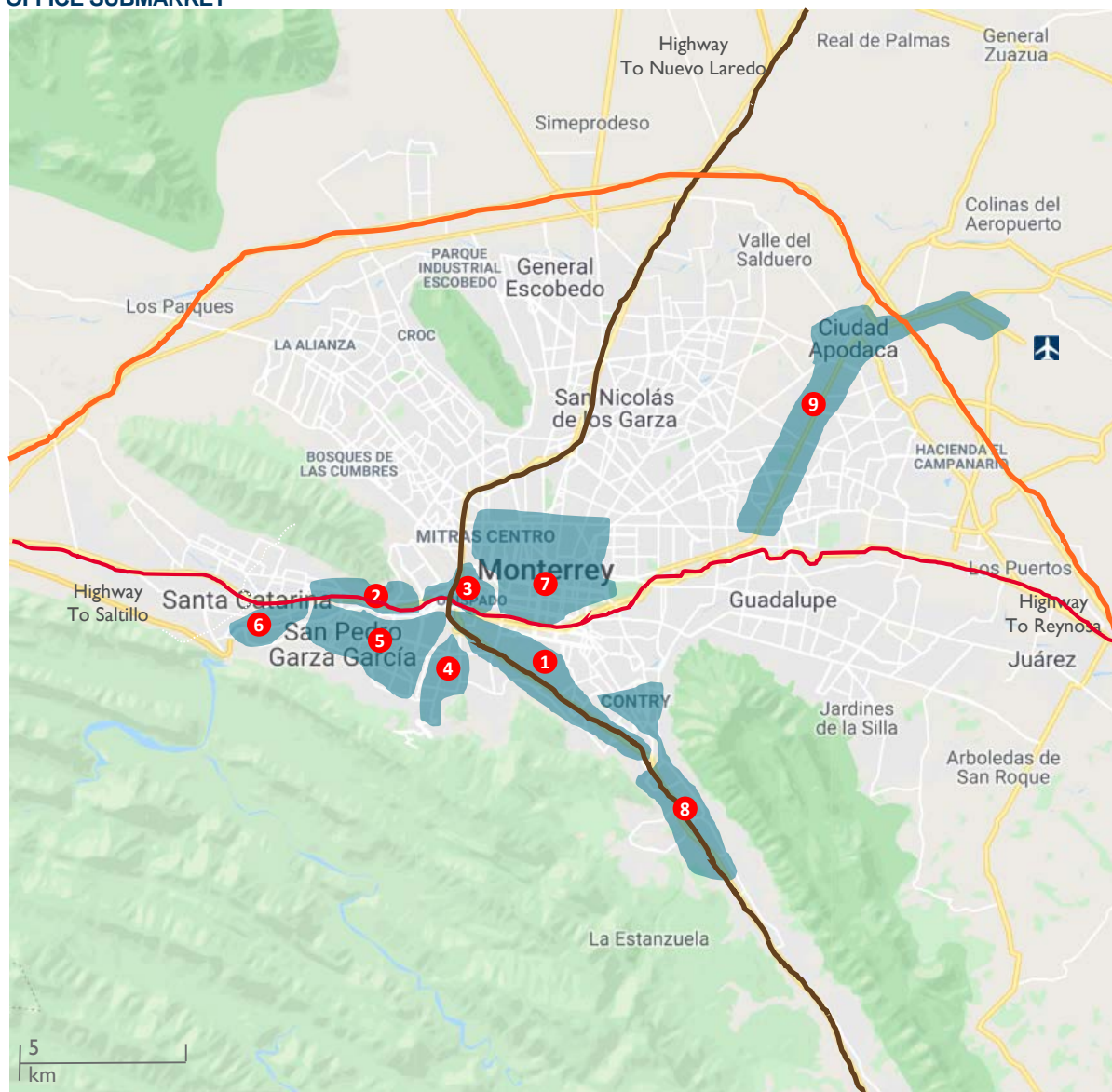
## KEY CONSTRUCTION COMPLETIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	SQM	OWNER
Nave 01	Apodaca	-	7,728	Ancore
Torre Evalor	San Jerónimo	-	7,560	Evalor Patrimonio





## OFFICE SUBMARKET



## SUBMARKET

- 1 VALLE ORIENTE
- 2 SANTA MARÍA
- 3 SAN JERÓNIMO
- 4 RICARDO MARGAIN
- 5 VALLE
- 6 VALLE PONIENTE
- 7 CENTRO
- 8 SUR
- 9 APODACA

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