

## Industrial Q1 2021

YoY Chg      12-Mo. Forecast

**3.5%**

Vacancy Rate



**340.8K**

Lease Activity, SQM



**\$5.41**

Class A Asking Rent, PSQM



Net Asking Rent

### ECONOMIC INDICATORS Q1 2021

YoY Chg      12-Mo. Forecast

**4.0M**

Mexico City Employment



**6.9%**

Mexico City Unemployment Rate



**5.5%**

Mexico Unemployment Rate



Source: INEGI

### ECONOMY

The Mexican economy continues to face unprecedented challenges related to the COVID-19 shock. Deceleration in investment, private consumption and government spending remain great concerns. That said, the outlook has two trends that provide stability. First, is a more resilient financial system standing up to the combined supply and demand shocks. And second, is the new free-trade agreement, USMCA, bringing certainty to trade relations between Mexico, the United States and Canada, which is resulting in a positive performance in international trade.

### DEMAND

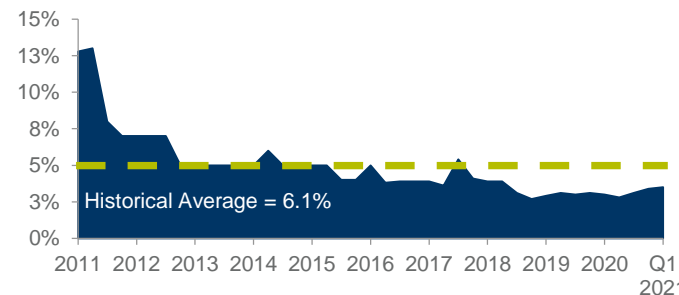
Despite the continued recovery of international trade, many chains of value only had a moderate real estate activity in the first quarter. Also, as a consequence of the stagnation of investment, new demand for industrial buildings had little change. Within Mexico City's industrial real estate submarkets there was a moderately expanding amount of activity, driven mainly by logistics demand, supported by large retailers and the continued ascent of e-commerce. This resulted in a 3.5% vacancy rate, still one of the lowest levels ever recorded. Tepotzotlán submarket sustained its role as the most dynamic area today for industrial real estate in Mexico City; this region has caught up with Cuautitlán, the submarket with the largest inventory, in terms of lease activity.

The overall construction pipeline had a 30% year-over-year contraction, pointing to a growing awareness among developers about the challenges that the local economy keeps facing.

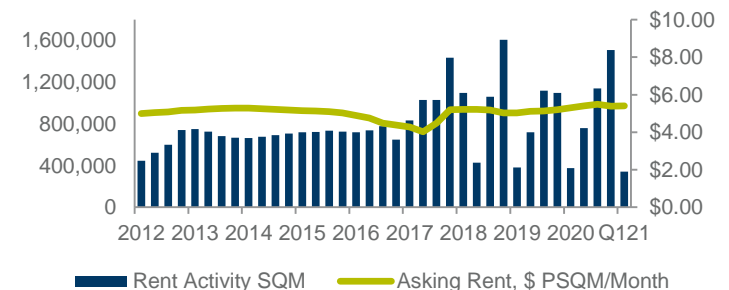
### PRICES

Class A building standard asking rates averaged \$5.41 dollars per square meter per month, a moderate 1.8% annual increase. Class B asking rates also showed a minor adjustment, going up to \$4.27 dollars per square meter per month.

### OVERALL VACANCY



### LEASE ACTIVITY/ASKING RENT



SUBMARKET	INVENTORY (SQM)	OVERALL VACANT (SQM)	OVERALL VACANCY RATE	2021 LEASING ACTIVITY (SQM)	2021 SALES ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	DIRECT WEIGHTED AVG NET RENT CLASS A	DIRECT WEIGHTED AVG NET RENT CLASS B
Cuautitlán	3,963,784	126,840	3.2%	110,090	12,000	29,450	\$5.31	\$4.75
Tultitlán	1,405,621	43,574	3.1%	22,310	0	59,700	\$4.62	\$4.03
Vallejo-Azcapotzalco	1,347,811	20,217	1.5%	15,840	0	0	\$6.50	\$5.50
Naucalpan	907,516	24,500	2.7%	12,500	5,200	0	\$6.90	\$5.67
Tepotzotlán	1,949,608	113,070	5.8%	116,400	0	5,200	\$4.85	\$3.75
Tlalnepantla	1,869,518	80,390	4.3%	25,710	6,730	9,400	\$5.90	\$4.81
Toluca-Lerma	3,634,872	101,750	2.8%	30,700	7,000	110,025	\$4.60	\$3.95
Iztapalapa	940,300	32,900	3.5%	4,100	0	0	\$5.30	\$4.50
Huehuetoca-Teoloyucan	635,467	34,950	5.5%	3,220	0	0	4.27	\$3.30
<b>MEXICO CITY TOTALS</b>	<b>16,654,497</b>	<b>578,191</b>	<b>3.5%</b>	<b>340,870</b>	<b>30,930</b>	<b>213,775</b>	<b>\$5.41</b>	<b>\$4.27</b>

\*Rental rates reflect weighted net asking US\$ per square meter/month

## KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Megapark	Tepotzotlán	DeRemate.com	48,000	A
Prologis Park Izcalli	Cuautitlán	Newell Brands	15,235	A
Benito Juarez 10	Tultitlán	Argos Eléctrica	11,595	B
O'Donnell Parque Logístico	Cuautitlán	Kuehne + Nagel	10,827	A

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