



YoY Chg      12-Mo. Forecast

**6.7%**

Vacancy Rate



**49,8K**

Net Absorption, sqm



**\$6.70**

Asking Rent, per sqm



(Overall, All Property Classes)

### ECONOMIC INDICATORS Q2 2021

YoY Chg      12-Mo. Forecast

**2,403K**

Costa Rica Employment



**18.1%**

Costa Rica Unemployment



**1,816M<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 2021, Q2 2021 data still not available

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

### ECONOMY: Economic recovery process persists, guided by exports of companies under special regimes

In June 2021, the production of companies under special regimes registered an interannual growth of 30.7%, growing at rates over 30% for the third consecutive month. At a slower pace, economic-activity recovery process of companies under the local regime also stands out, whose YOY production grew by 5.9%. On the other hand, according to data from Procomer, during the first half of 2021 the country exported \$7,106 million, a figure that represents a 26% growth compared to the same period of 2020. Exports of medical and precision equipment, mostly corresponding to FDI-related companies, continue to lead the country's international trade, with a 35% share of total exports and a 46% interannual growth. The unemployment rate stood at 18.1%, showing a significant reduction compared to the highest level reported during the pandemic.

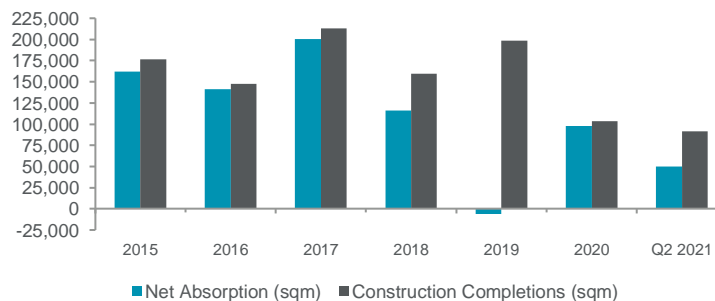
### MARKET OVERVIEW: FDI-related companies continue to drive industrial development

During Q2 2021, overall market vacancy was 6.7%, keeping within the average range reported in the year prior to the pandemic. Throughout 2021, the development and expansion process of industrial projects of companies under the free trade zone regime in the Alajuela submarket has continued. Said submarket reports a low vacancy rate of 2.8% in class A projects, as opposed to 12.6% in class B projects. However, the upcoming development of several class A logistics projects in this submarket, which report diverse prelease levels, could give the first signs of an oversupply stage. For its part, the wide differences between net and gross absorption figures throughout the year reflect various transactions of companies seeking for better operational, functional and commercial terms, in line with the structural changes that the pandemic has triggered.

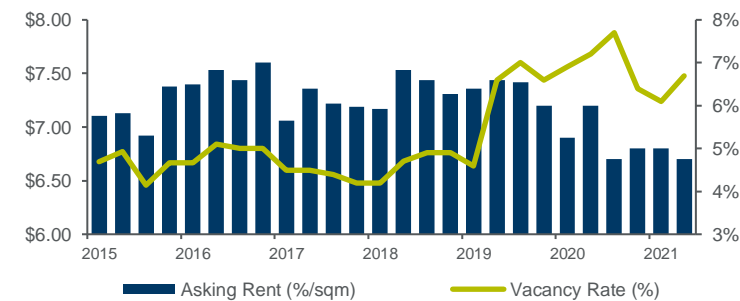
### OUTLOOK: Logistics market with new class A inventory in Downtown San José and possible oversupply in Coyoil

During the upcoming months, the development of class A logistics inventory in Downtown San José is expected to absorb the unsatisfied demand for this type of product in the area. The foregoing could imply the vacancy of existing class B and C spaces, as the market continues to sophisticate. On the other hand, the potential oversupply of logistics spaces in the Alajuela submarket may trigger caution in new developments, as well as greater negotiation ranges in commercial terms by landlords and developers. For its part, tax incentives and public-private efforts to attract investments outside the Greater Metropolitan Area are expected to materialize in transactions throughout the year.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



# MARKETBEAT COSTA RICA

## Industrial Q2 2021



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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	248	1,676,400	110,600	6.6%	11,900	28,800	103,800	\$6.80	\$7.00	\$6.90
Cartago	161	753,500	28,300	3.8%	34,100	45,100	85,600	\$6.30	\$6.80	\$4.80
Heredia	281	1,468,700	101,400	6.9%	12,500	19,800	6,700	\$7.00	\$7.40	\$6.80
Downtown San José	300	1,173,500	86,500	7.4%	200	19,400	-	\$6.80	\$6.70	\$6.70
East San José	194	657,800	32,500	4.9%	2,000	8,100	-	\$7.00	\$6.80	\$6.40
West San José	122	566,900	61,600	10.9%	(10,900)	17,100	18,900	\$6.10	\$8.30	\$7.00
<b>Total</b>	<b>1,306</b>	<b>6,296,800</b>	<b>420,900</b>	<b>6.7%</b>	<b>49,800</b>	<b>138,300</b>	<b>215,000</b>	<b>\$6.70</b>	<b>\$7.90</b>	<b>\$6.80</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	225	2,336,700	98,400	4.2%	46,700	71,900	181,000	\$8.10	\$8.60	\$7.70
Class B	819	3,462,200	252,700	7.3%	17,300	60,100	34,000	\$6.60	\$7.30	\$6.70
Class C	262	497,900	69,800	14.0%	(14,200)	6,300	-	\$4.30	N/A	\$5.30

### KEY TRANSACTIONS 2021

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

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
SAE-A-Spinning – Stage III	Cartago	SAE-A-Spinning Textile	22,400	Own Development
Coyol Free Zone	Alajuela	Establishment Labs	13,500	Lease
Coyol Free Zone	Alajuela	Teradyne	11,000	Lease
Centro de Logística Cargill	West San José	Cargill	10,900	Own Development
Parque Logístico San José	Downtown San José	Confidential	8,100	Lease
Parque Logístico San José	Downtown San José	Confidential	5,800	Lease
Bodegas Acobo Uruca	Downtown San José	Neón Nieto	5,600	Lease
Parque Logístico Distrito 7	Downtown San José	Multiperfiles	4,500	Lease
Parque Logístico San José	Downtown San José	Confidential	3,600	Lease

### KEY CONSTRUCTION COMPLETIONS 2021

PROPERTY	SUBMARKET	MAJOR OCCUPIER	SQM	OWNER / DEVELOPER
La Lima Free Zone – Terumo Blood & Cell Tech	Cartago	Terumo Blood & Cell Tech	20,000	Garnier & Garnier
Coyol Free Zone – Teradyne	Alajuela	Teradyne	4,500	Coyol Free Zone
Coyol Free Zone – SMC Medical	Alajuela	SMC Medical	3,700	Coyol Free Zone

\*Note: The differences regarding previous reports in terms of the number of buildings and inventory by class are due to an internal reclassification process, in accordance with current market parameters, requirements and trends.

Daniel Alvarez, CCIM  
Chief Executive Officer  
[daniel.alvarez@ab-latam.com](mailto:daniel.alvarez@ab-latam.com)

Bernal Rodríguez  
Director – Logistics and Industrial Serv.  
[bernal.rodriguez@ab-latam.com](mailto:bernal.rodriguez@ab-latam.com)

Cushman & Wakefield | AB Advisory  
Plaza Tempo, 4<sup>th</sup> Floor, Module B  
Escazú, San José, Costa Rica

+506 4031-1040

[www.ab-latam.com](http://www.ab-latam.com)

[www.cushwake.com](http://www.cushwake.com)

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