

## Industrial Q2 2021

YoY Chg 12-Mo. Forecast

4.2%

Vacancy Rate



797.5K

Lease Activity, SQM



\$5.51

Class A Asking Rent, PSQM

ECONOMIC INDICATORS  
Q2 2021

YoY Chg 12-Mo. Forecast

4.5M

Mexico City  
Employment

7.4%

Mexico City  
Unemployment Rate

4.4%

Mexico  
Unemployment Rate

Source: INEGI

## ECONOMY

The first half of the year has witnessed a gradual reopening of diverse economic sectors. This has been possible following the deployment of anti-Covid vaccination campaigns. In the same way that the reopening has not been uniform, the reactivation of the Mexican economy has been uneven. Those sectors highly linked to export activities to the United States have benefited from the robust reactivation of that country, which is by far the largest trade partner of Mexico. Some export-oriented Mexican sectors have reached record activity levels. Also, the flow of remittances has continued growing, while inflationary pressures build up. Most analysts forecast a 5% growth for Mexico's GDP in 2021; although, this is still not enough to compensate for the 8.5% contraction it had in the previous year.

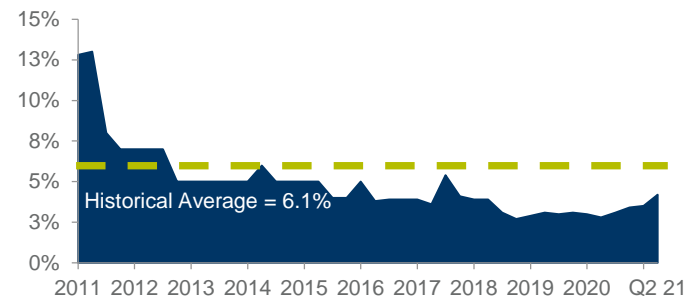
## DEMAND

The dynamism of logistics has been the main driver of activity for Mexico City, but transactions have also been closed for manufacturing operations. However, as investment remains stagnant, the activity that demands industrial buildings remains with little change. This was reflected in an availability rate of 4.2%, moderately higher than the 2.8% observed a year ago. Even so, the industrial real estate market continues to maintain a healthy level of activity, with 797 thousand square meters under lease accumulated through the first half of the year. However, this is still below the historical average of 900,000 square meters for the last ten years. The inventory of buildings under construction increased and currently totals 400,000 square meters.

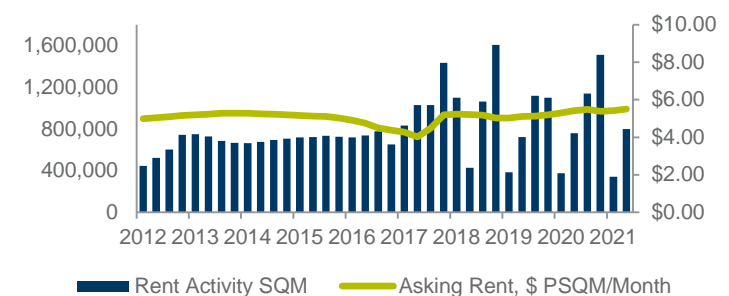
## PRICES

Class A building standard asking rates averaged \$5.51 dollars per square meter per month, a moderate 2% annual increase. Class B asking rates also showed a minor adjustment, going up to \$4.69 dollars per square meter per month.

## OVERALL VACANCY



## LEASE ACTIVITY/ASKING RENT



# MARKETBEAT MEXICO CITY



## Industrial Q2 2021

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	162,515	4.1%	181,673	18,213	84,200	\$5.46	\$4.81
Tultitlán	1,405,621	53,414	3.8%	32,212	1,447	72,500	\$5.57	\$4.55
Vallejo-Azcapotzalco	1,347,811	20,217	1.5%	46,107	31,000	12,000	\$6.63	\$5.50
Naucalpan	907,516	24,500	2.7%	12,500	5,200	5,000	\$6.78	\$5.74
Tepotztlán	1,949,608	120,875	6.2%	181,353	0	45,550	\$5.17	\$3.96
Tlalnepantla	1,869,518	89,736	4.8%	60,163	38,026	13,400	\$6.05	\$4.85
Toluca-Lerma	3,634,872	163,570	4.5%	240,080	7,000	145,500	\$4.94	\$3.95
Iztapalapa	940,300	31,970	3.4%	40,250	19,843	0	\$6.10	\$4.92
Huehuetoca-Teoloyucan	635,467	36,221	5.7%	3,220	0	22,000	4.12	\$3.30
<b>MEXICO CITY TOTALS</b>	<b>16,654,497</b>	<b>703,018</b>	<b>4.2%</b>	<b>797,557</b>	<b>120,729</b>	<b>400,150</b>	<b>\$5.51</b>	<b>\$4.69</b>

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

### KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
San Cayetano	Toluca	Manufactura	51,000	A
Toluca Park II	Toluca	Logístico	11,814	A
Logicenter Cuautitlán	Cuautitlán	Logístico	10,449	A
El Convento	Tepotztlán	Manufactura	8,886	A
Miguel Hidalgo 4	Iztapalapa	Manufactura	8,003	B

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