

YoY Chg 12-Mo. Forecast

18.4%
Vacancy Rate ▲ ▲

9.4 K
Net Absorption, SQM ▲ ▼

\$14.80
Asking Rent, \$/SQM ▲ ▼

Overall, Net Asking Rent in US dollars

ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

2.7M
Monterrey Employment ▲ ▲

4.9%
Monterrey Unemployment Rate ▲ ▼

4.4%
Mexico Unemployment Rate ▲ ▼

ECONOMY

Some countries have made significant advances in the anti-Covid vaccination effort. The United States has already vaccinated 48% of its population, and in Canada 13% are already vaccinated. Mexico was the first country in Latin America to start with this arduous task and has so far completed 10% of vaccinations. Undoubtedly, these efforts alleviate the pandemic scenario in which the world finds itself and provide us with an encouraging outlook that already affects the growth of the Mexican economy with a small 0.4% GDP expansion during the first quarter compared to the previous year when it decreased 8.5%.

World Bank forecasts for the Mexican economy have improved and have been revised up to 5% for 2021, expecting the manufacturing industry and services to improve due to the increase in exports linked to the growth of the United States.

For 2022, a smaller growth of 2%-3% is forecasted due to the absence of fiscal stimuli like those implemented in the US but keeping the economic machinery active thanks to the vaccination efforts.

SUPPLY: Reduced absorption

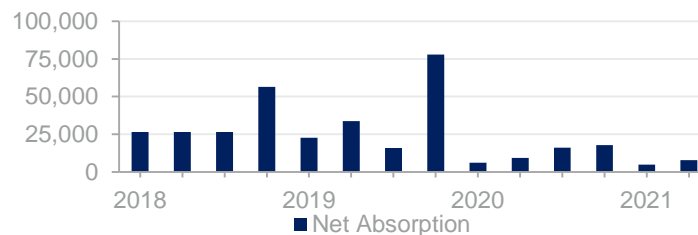
The availability of corporate space did not significantly increase in Monterrey in the first half of the year. In the first two quarters there have been no new large vacant blocks entering the market. The availability rate stood at 18.4%.

The dynamic that is more pervasive this year is the search for fit-out spaces. Most of these spaces were vacated due to the pandemic and since they have equipment and furniture, they are particularly attractive for tenants. However, there is still little activity and the net demand totaled 9,400 square meters.

PRICING: Prices remain stable

The majority of asking prices have little to no change. However, the landlords are actively promoting their vacant spaces with moderate rebates or with increased concessions, such as longer grace periods. At \$15.38 dollars per square meter per month for class A world class buildings, Monterrey's average asking rate offers an exceptional opportunity for corporations looking for large blocks of space in the market.

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	2021 ABSORPTION GENERAL (SQM)	2021 ABSORPTION CLASS A (SQM)	EN CONST. (SQM)	AVERAGE ASKING RATE (GENERAL)	AVERAGE ASKING RATE (CLASS A)
Valle	59736	10398	7726	17%	13%	0	0	0	\$16.42	\$16.42
Valle Poniente	37589	15470	11517	41%	31%	381	0	0	\$12.73	\$13.18
Margáin - Gómez Morín	299850	53681	52372	18%	17%	1780	210	0	\$20.42	\$23.05
Valle Oriente	510749	57767	48840	11%	10%	4842	2512	21396	\$16.38	\$17.80
Santa María	217149	34574	30732	16%	14%	1768	1768	48852	\$14.72	\$15.05
San Jerónimo - Const.	142021	13012	13012	9%	9%	0	0	23408	\$14.04	\$15.23
Monterrey - Centro	234714	59401	29598	25%	13%	604	0	55826	\$12.77	\$15.00
Sur - Contry	63607	30687	19820	48%	31%	61	0	0	\$11.36	\$13.18
Apodaca	19192	15931	11067	83%	58%	0	0	8212	\$12.12	\$12.84
TOTALES MONTERREY	1,584,607	290,921	224,684	18.4%	14.2%	9,437	4,490	157,694	\$14.80	\$15.38

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

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

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Santa María T3	Santa María	N/A	1,768	Rent
Torre XI	Valle Oriente	Millhouse	515	Rent
Helicon	Valle Oriente	Certum	384	Rent

*Renewals not included in leasing statistics

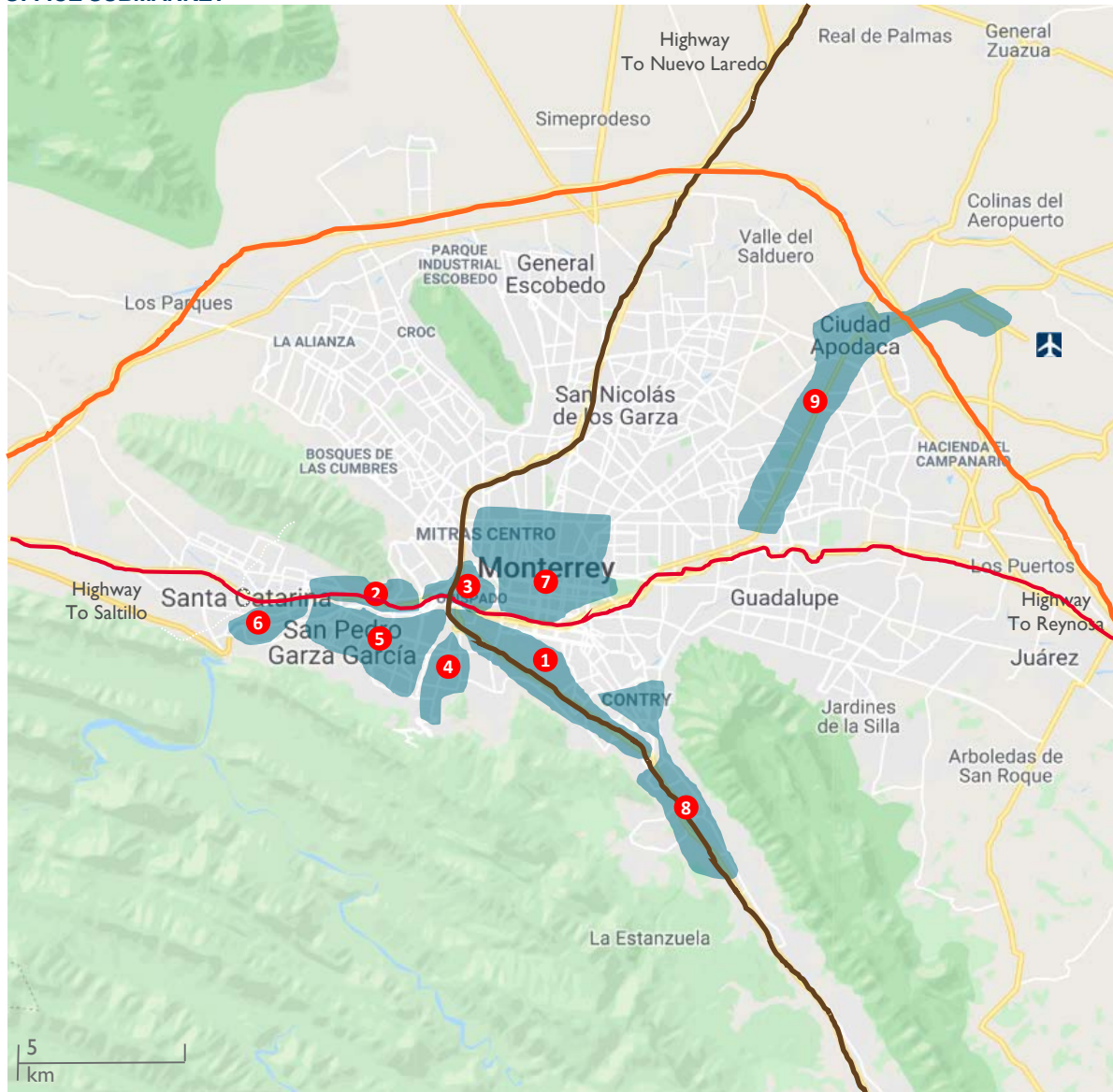
KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER/BUYER	SQM	AP / \$ P SQM
Sofía	Margáin – Gómez Morín	Grupo LEA	533	Confidential
Lola	Monterrey – Centro	N/A	182	Confidential
Lola	Monterrey – Centro	N/A	176	Confidential

KEY CONSTRUCTION COMPLETIONS 2021

PROPERTY	SUBMARKET	TENANT	SQM	OWNER
Boreal	Valle Oriente	-	18,000	Inmobiliem y Desarrollos Lomix
Hélice	San Jerónimo	-	14,000	Ucalli

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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