

Industrial Q3 2021

3.8%
Vacancy Rate Class A

YoY Chg
12-Mo. Forecast



7,027,430
Net Absorption, SF



\$4.80
Asking Rent, PSF
Overall, Net Asking Rent



ECONOMIC INDICATORS Q3 2021

2.7M
Mty Employment

YoY Chg
12-Mo. Forecast



4.9%
Mty Unemployment Rate



4.2%
Mx Unemployment Rate
Source: BLS



ECONOMY

According to the local ministry of Economy and Labor “The manufacturing sector will be the one that will boost growth during 2021, mainly due to external demand, while other sectors will continue to be depressed, mainly services”.

The industrial sector has kept growing since the beginning of the year. This has produced a recovery of jobs thanks to the exports-oriented activities. It has been possible to recover pre-pandemic production levels, helping to improve the local and national economy.

The industrial sectors that contribute the most are basic metal industries, manufacturing of metal products, manufacturing of accessories, electrical appliances, and electrical power generation equipment, and manufacturing of transportation equipment. A sector of great importance such as construction, which decreased by -20% during 2020, continues to show a decline.

The advance of the vaccination against the covid-19 continues. This is allowing a gradual reopening in the different economic sectors. The news of the reopening of the border with the United States will be a breakthrough and will bring further impulse to the manufacturing activities.

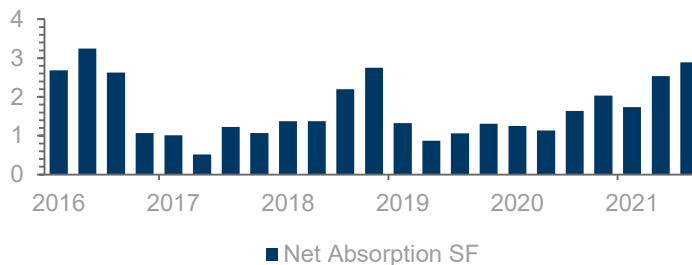
DEMAND: Healthy absorption

Despite the difficulties brought by the Covid-19 pandemic, the industrial market of Monterrey has continued expanding. This year 2.8M square feet of absorption have taken place in the market, exceeding the 1.6M square feet that were absorbed in the previous year. Large new buildings are about to enter the market in the first months of next year, slightly increasing the availability of class A buildings.

PRICING: Asking Rents

Most asking prices have a slight increase that is aligned with the inflation that has accelerated from last year. The average class A asking rent stands at \$4.80 dollars per square foot per year. Some of the new projects that have entered the market tend to promote an above-average starting price, due to the rise in the prices of construction materials, especially steel.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q3 2021

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	VACANCY RATE CLASS A	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	ASKING PRICE AVERAGE CLASS A*	ASKING PRICE AVERAGE CLASS B*
Apodaca	53,647,469	3,180,129	5.93%	701,591	2,352,680	709,468	874,025	\$0.42	\$0.35
Guadalupe	15,887,603	804,193	5.06%	0	518,101	358,794	0	\$0.42	\$0.33
San Nicolás	4,106,786	363,646	8.85%	57,640	292,991	0	0	\$0.40	\$0.30
Escobedo	7,247,787	604,933	8.35%	678,202	916,602	0	0	\$0.41	\$0.40
Ciénega de Flores	18,771,009	1,689,768	9.00%	175,317	861,268	287,697	744,707	\$0.40	\$0.35
Santa Catarina	13,074,869	851,231	6.51%	1,076,529	1,583,458	113,979	0	\$0.36	\$0.38
Monterrey	1,154,622	0	0.00%	202,286	269,485	155,096	0	\$0.42	\$0.42
Pesquería	1,834,398	262,921	14.33%	0	0	0	0	\$0.39	\$0.35
Salinas Victoria	4,335,606	139,393	3.22%	0	232,846	0	0	\$0.35	\$0.30
TOTALS	120,060,149	7,896,214	6.58%	2,891,565	7,027,430	1,625,034	1,618,732	\$0.40	\$0.35

*Rental rates reflect weighted net asking \$psf/month

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
B009	Ciénega de Flores	Wagner	159,209	Lease
Spec I	Escobedo	Venanpri	552,379	Lease
MO 05	Monterrey	Quanta Computer	202,286	Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
BTS	Guadalupe	Sumitomo	160,780	Sale

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF
Ap 05	Apodaca	Avante	149,909
Spec VI	Ciénega de Flores	Vynmsa	282,064

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