

Industrial Q1 2022

	YoY Chg	12-Month Forecast
3.2% Vacancy Rate	▼	▼
2.9 M Net Absorption, SF	▲	▲
\$4.74 Asking Rent, PSF/Year <i>Overall Net asking rent</i>	▲	▲

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Month Forecast
2.7M Monterrey - Employment	▲	▲
4.7% Mty - Unemployment Rate	▲	▼
3.6% Mx - Unemployment Rate	▲	▼

Economy

At the beginning of 2022, Monterrey continues taking big steps to consolidate as the industrial hub of northeast Mexico. Many industrial investment projects that had been at planning stages since last year are finally being materialized and they are adding more companies to the space demand pipeline. The industrial market has shown to be very resilient in the face of the adversities of the last two years. Many companies have moved their production from Asia to Mexico, where Monterrey has played a central role, due to its proximity to the United States and a large supply of qualified labor. This is a market that has the automotive industry and its entire value chain as one of its flagship sectors; also, the electronics industry continues to grow strongly, among many others. Special attention will have to be paid to the energy supply within the industrial parks of the main northern markets, to strengthen the different sectors, both logistics and manufacturing.

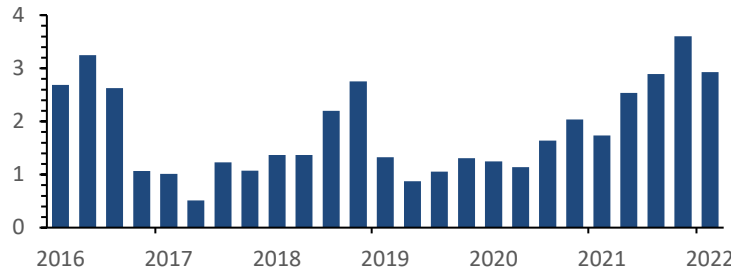
Demand

Speculative warehouses in the city of Monterrey have faced a growing demand since the beginning of the year, close to three million square feet (SF). This has increased the number of square feet under construction now totaling almost four million SF which will add to the available space. Currently the availability rate is 3.2%; taking a look at the history of the last few years for this indicator, the Monterrey market has a linear and stable dynamism.

Pricing

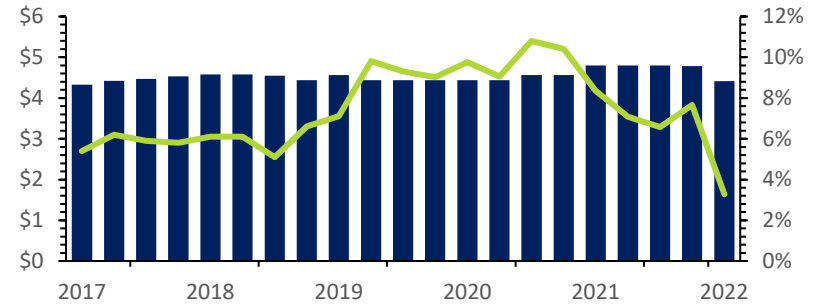
The increasing costs of construction supplies are reflected in the asking rental prices for industrial buildings. In Monterrey, across the different submarkets, asking rents quote in a range from \$3.84 to \$5.40 dollars per square foot per year, for class A buildings. Also, as a consequence of the increase in construction prices and the overall growing demand build-to-suit projects have increased their prices. However, in some areas, such as the Apodaca market, spec warehouses quote above the overall market average rents.

SPACE DEMAND / DELIVERIES



■ Net Absorption M SF

OVERALL VACANCY & ASKING RENT



■ Asking Rent, \$PSF — Vacancy Rate

Industrial Q1 2022

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORTION (SF)	YTD OVERALL NET ABSORTION (SF)	UNDER CONSTRUCTION (SF)	CONST COMPLETION (SF)	AVERAGE ASKING PRICE CLASS A*	AVERAGE ASKING PRICE CLASS B*
Apodaca	54,727,678	1,757,796	3.2%	1,293,510	1,293,510	2,831,824	1,059,356	\$5.40	\$5.28
Guadalupe	15,887,603	152,398	0.9%	51,979	51,979	358,794	0	\$5.04	N/A
San Nicolás	4,214,166	400,138	9.5%	0	0	0	0	\$5.88	\$3.60
Escobedo	7,924,108	639,289	8.0%	731,817	731,817	0	0	\$4.92	\$4.92
Ciénega de Flores	18,887,216	289,667	1.5%	584,080	584,080	1,106,161	744,707	N/A	N/A
Santa Catarina	13,367,484	470,497	3.5%	269,256	269,256	241,277	0	\$5.04	\$4.56
Monterrey	1,154,622	0	0%	0	0	155,096	0	\$5.04	\$4.56
Pesquería	1,834,398	159,888	8.7%	0	0	0	0	\$4.20	\$4.56
Salinas Victoria	4,335,606	139,393	3.2%	0	0	0	0	\$3.84	\$4.56
TOTAL	122,332,881	4,009,066	3.28%	2,930,642	2,930,642	4,693,152	1,804,063	\$4.92	\$4.56

* Asking rents reflect US\$ psf / year

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
BTS	Apodaca	Toro	658,529	Rent
BTS Expansión	Ciénega de Flores	Johnson Controls	304,216	Rent
Spec II	Escobedo	Ryder Logistics	279,864	Rent
KAS 01	Apodaca	Corning	201,000	Rent

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	HECTARES	TYPE
Terreno	Salinas Victoria	Bosch	43	User

KEY CONSTRUCTION COMPLETIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF
MTY 042	Apodaca	Fibra Macquarie	183,040
Spec 01	Apodaca	Hubs Parks	199,132

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