

## Industrial Q2 2022

**6,3%**

Vacancy Rate



**115K**

Net Absorption, sqm



**\$7.00**

Asking Rent, per sqm



(Overall, All Property Classes)

### ECONOMIC INDICATORS Q2 2022

**2,438K**

Costa Rica Employment



**11.7%**

Costa Rica Unemployment



**3,302M<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 2022, Q2 2022 data still not available

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

### ECONOMY: Country decelerates economic growth due to expectations of the world economic behavior

According to the Central Bank of Costa Rica (BCCR), during the second half of 2022, the country reported an economic growth of 5.7%, showing a 4.7% slowdown compared to the same period of 2021. This impact is evidence of the international economic uncertainty, which has caused a significant impact on the country's economic forecast, pushing upwards the prices of imported producer goods, construction materials, and food. The inflation in Costa Rica, registered a YoY variation of 11.48%, affecting the purchasing power of the population and, therefore, the consumption levels. Related to the above, the BCCR increased the Monetary Policy Rate to 7.50%, in order to stabilize the inflation at target ranges.

### MARKET OVERVIEW: Logistic and industrial operations continue reporting high demand levels

Continuing the trend of recent periods, during the first half of the year, the industrial and logistics market continued reporting a solid performance, translated into record absorptions figures and pre-lease levels of projects under development. The foregoing is driven both by the continuous growth of multinational companies and by the requirements of local and regional companies, which seek greater efficiencies and sophistication for their storage and distribution operations. For its part, it continues to highlight the interest of FDI-related companies, mainly from the life sciences sector, in establishing operations in competitive and sophisticated industrial parks outside the Greater Metropolitan Area (GMA). These real estate requirements, backed by the benefits of the free trade zone regime, are expected to generate thousands of direct and indirect jobs and promote the economic development of these zones.

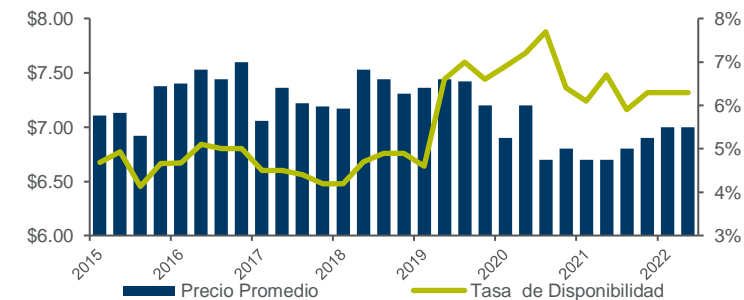
### OUTLOOK: High demand will keep solid performance of industrial and logistics assets, amid high expectations outside GMA

For the second half of 2022 and the upcoming 2023, high demand for industrial and logistics spaces is expected to continue, both by local and regional companies, as well as by multinational companies under the free trade zone regime. There are currently more than 170,000 sqm of new industrial and logistics supply under construction, which report prelease levels over 65%, showing the market appetite for new highly-competitive supply and the built-to-suit development trend for the operations of various multinational companies, due to their specific requirements. At a supply level for local companies, the development of new sophisticated inventory in the Heredia, Downtown and West San José submarkets stands out. For its part, for multinational companies, the development of consolidated submarkets such as Alajuela and Cartago continues to highlight, as well as the future development of new corridors outside GMA such as Grecia and Orotina.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



# MARKETBEAT COSTA RICA

## Industrial Q2 2022



### 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	261	1,779,800	97,400	5.5%	39,500	55,900	39,200	\$7.10	\$6.70	\$6.90
Cartago	168	822,200	32,000	3.9%	19,300	27,000	31,000	\$6.50	\$6.90	\$4.50
Heredia	289	1,476,700	73,800	5.0%	24,900	25,800	46,200	\$7.00	\$7.50	\$7.00
Downtown San José	303	1,182,400	100,200	8.5%	14,300	30,200	-	\$6.80	\$6.80	\$6.80
East San José	194	671,900	48,400	7.2%	3,000	16,200	26,800	\$7.00	N/A	\$6.50
West San José	129	609,600	58,800	9.6%	14,300	22,600	32,600	\$6.50	\$9.00	\$6.80
<b>Totals</b>	<b>1,344</b>	<b>6,542,600</b>	<b>410,600</b>	<b>6.3%</b>	<b>115,300</b>	<b>177,700</b>	<b>175,800</b>	<b>\$7.10</b>	<b>\$8.20</b>	<b>\$7.00</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	272	2,682,100	98,800	3.7%	119,000	119,200	168,000	\$8.60	\$8.10	\$7.80
Class B	811	3,369,600	226,700	6.7%	2,500	48,000	7,800	\$6.70	\$7.80	\$6.80
Class C	261	490,900	85,100	17.3%	(6,200)	10,500	-	\$4.30	-	\$5.40

### KEY TRANSACTIONS 2022

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

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Lanco & Harris Manufacturing Coyol	Alajuela	Lanco & Harris	6,000	Own Development
CEDI Numar Coyol	Alajuela	Numar	5,600	Own Development
Bodegas Quijote Belén	Heredia	Almacén Fiscal Sandal	5,300	Lease
Zeta Cartago – Edificio A4	Cartago	Biomerics	4,800	Lease
Bodegas Grupo Ultra Pavas	Downtown San José	Ópticas Jiménez	4,000	Lease
Terrazas Lindora – Bodega Pad D	West San José	AR Holdings	3,000	Lease
La Lima Free Zone	Cartago	Nextern	2,900	Lease
LatAm Parque Logístico Coyol	Alajuela	DHL	2,600	Lease
La Lima Free Zone	Cartago	Baylis Medical	2,400	Lease
Complejo Baden	Heredia	Construplaza	2,400	Lease
Parque Empresarial Lindora – Ofibodegas	West San José	Farmacias Saba	1,900	Lease

### KEY CONSTRUCTION COMPLETIONS 2022

PROPERTY	SUBMARKET	MAJOR OCCUPIER	SQM	OWNER / DEVELOPER
Parque Industrial CALECO	Alajuela	Bayer	24,300	Coyol Free Zone
LatAm Parque Logístico SJ - Verbena - Bloque 300	Downtown San José	Correos de CR y TuCalzado	19,000	LatAm Logistic Properties
La Lima Free Zone FF 2 y 3	Cartago	Terumo	14,600	Garnier

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