

NEWMARK

Latin America

Industrial Market

2H25

NMRK.LAT



Key Takeaways

Latin America's industrial market shows strength in a period of global trade policy adjustments.



818 M sf

Inventory



5.8%

Vacancy Rate



25.7M sf

2025 Absorption



\$8.56 USD/sf/year

Avg. Asking Lease Rate

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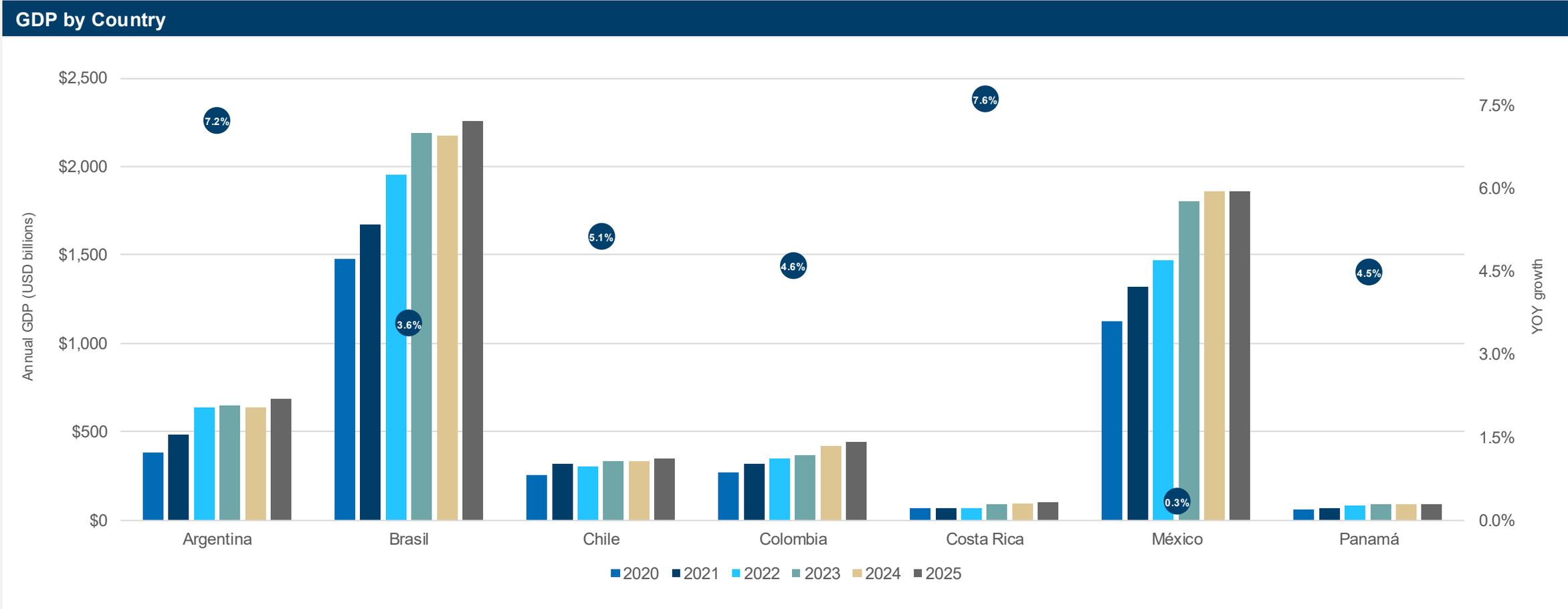
01

Economy



Economic growth limited by internal and external factors

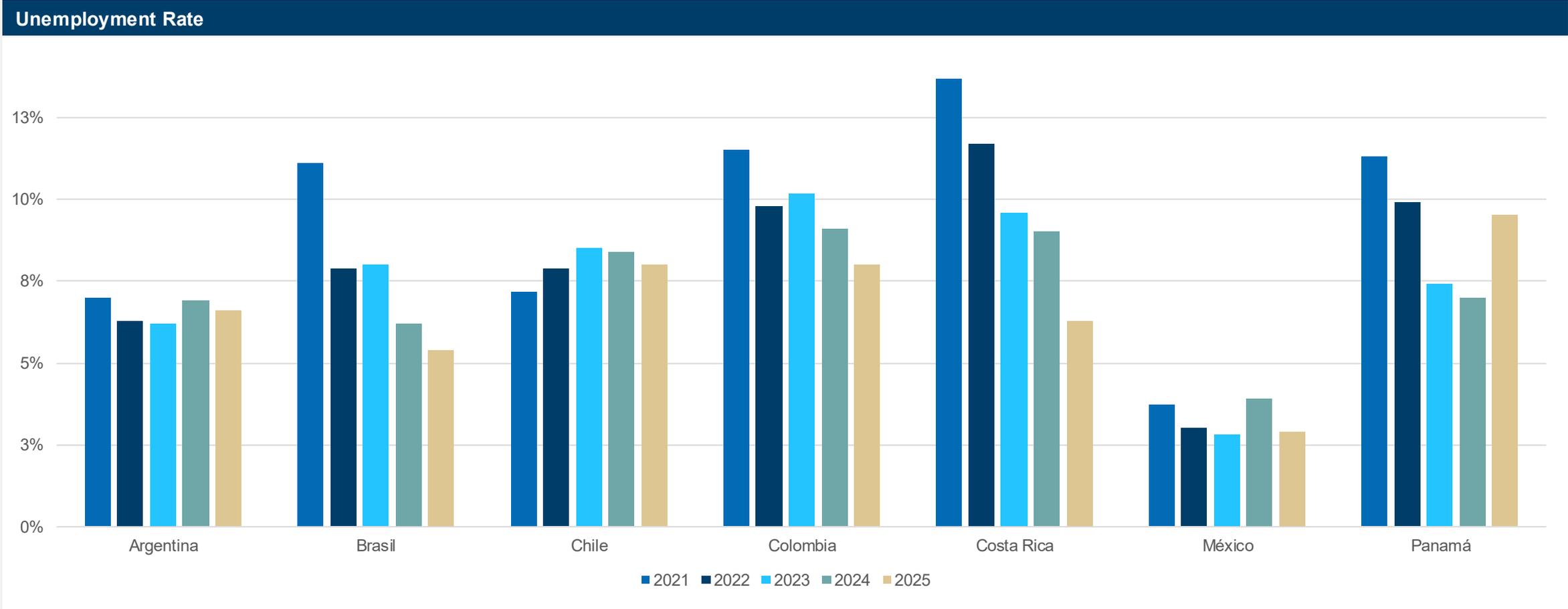
Weaker global growth, less dynamism in international trade and fall volatility of commodity prices have reduced the export impulse that traditionally sustains several Latin American economies. Trade tensions and higher levels of geopolitical uncertainty, have affected investment and business expectations in the region. On the domestic front, structural problems persist such as low productivity, insufficient investment, labor informality, and shallow financial markets. High interest rates in several countries have weakened domestic demand.



Source: Economic Commission for Latin America and the Caribbean CEPAL; Based on official country figures.

Unemployment on the fall

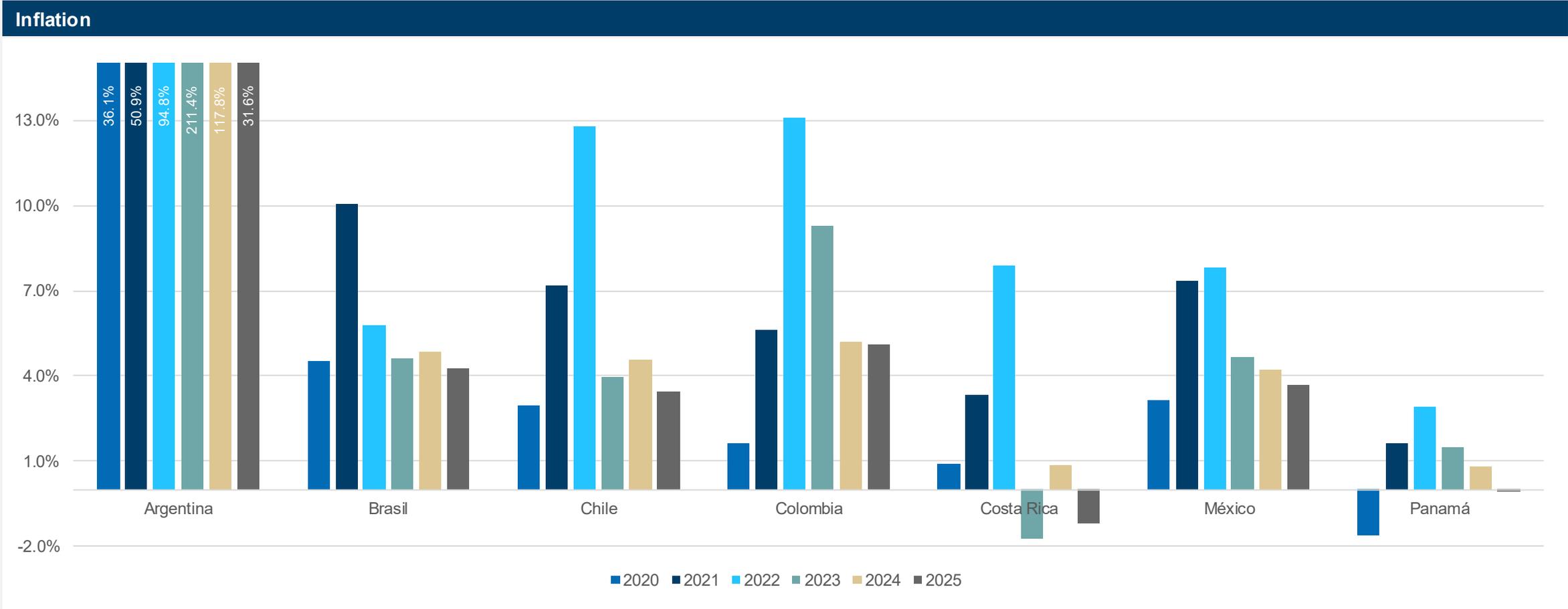
Unemployment in Latin America has continued to fall over the past year, reaching record lows of close to 6%. However, the improvement is superficial in some cases, as strong levels of informality, gender inequality, and gaps for young people persist, indicating that the quality of employment has not advanced at the same pace as the quantity.



Source: Economic Commission for Latin America and the Caribbean CEPAL; Based on official country figures.

Inflationary slowdown

In 2025, inflation in most Latin American countries decreased significantly. The region managed to contain inflationary pressures despite external shocks such as trade tensions and tariffs imposed by the U.S.



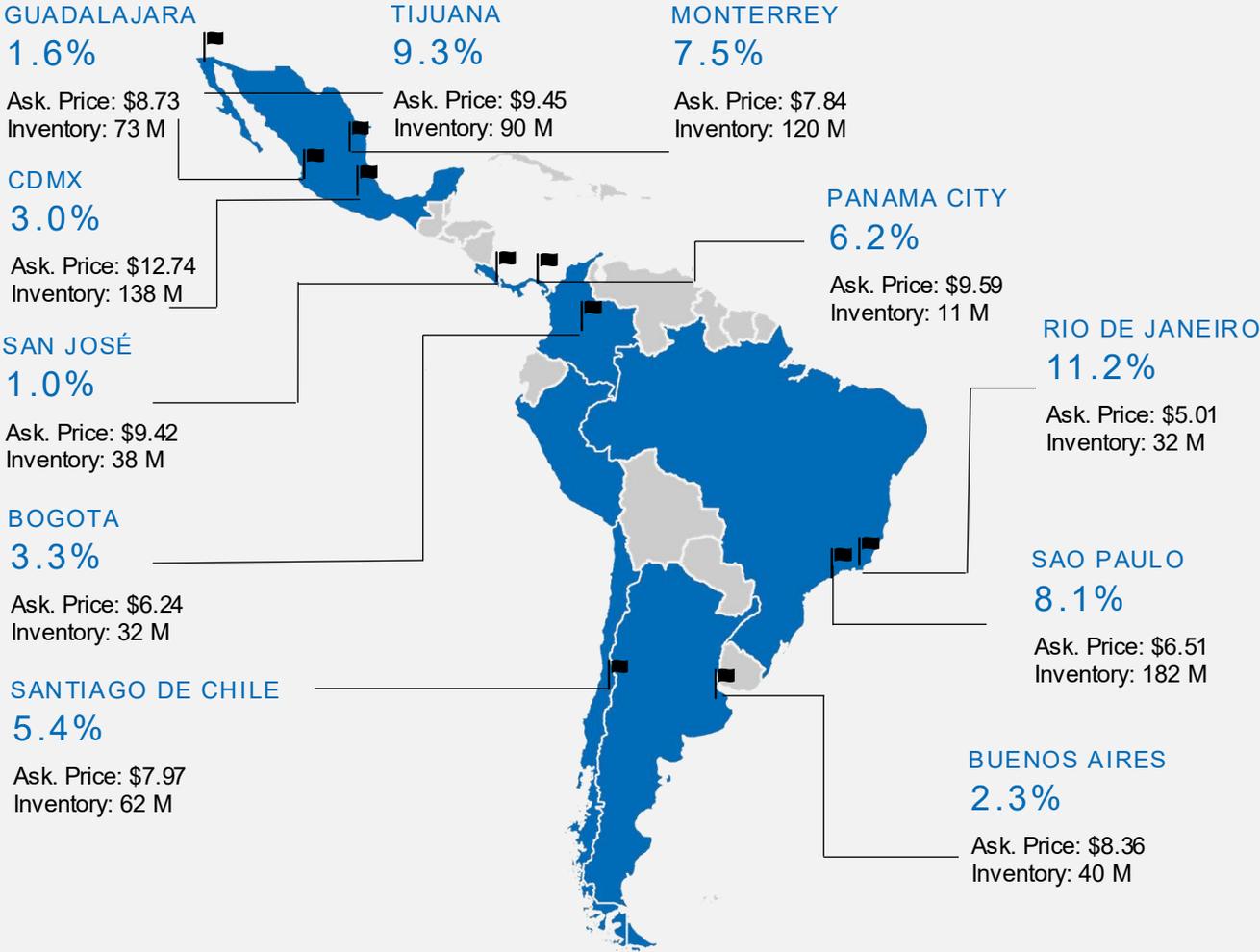
Source: Economic Commission for Latin America and the Caribbean CEPAL; Based on official country figures.

02

Market Fundamentals



Market Key Indicators

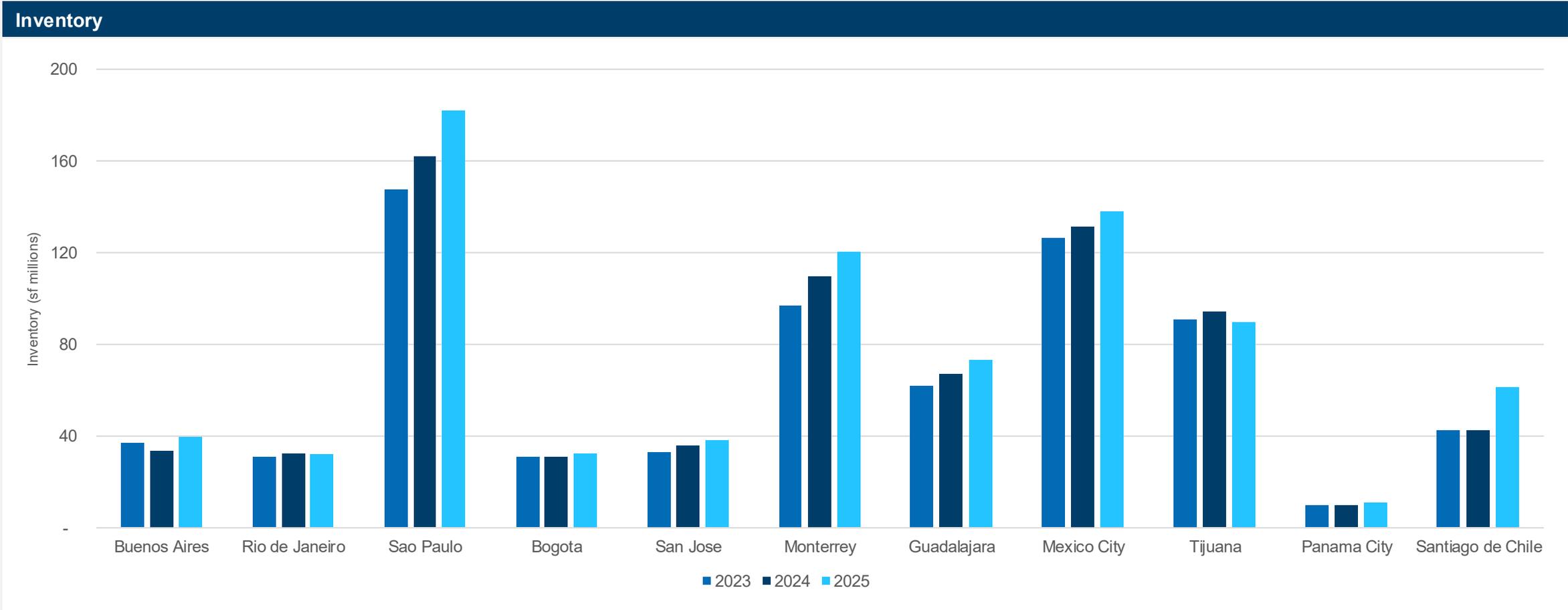


Latin America Industrial Market

| City | Inventory (sf) | Construction (sf) | Vacancy (sf) | Vacancy Rate | 1H25 Absorption (sf) | 2H25 Absorption (sf) | 2025 Absorption | Asking Price (USD/sf/year) |
|-------------------|--------------------|-------------------|-------------------|--------------|----------------------|----------------------|-------------------|----------------------------|
| Buenos Aires | 39,513,600 | 2,952,565 | 890,409 | 2.3% | 899,870 | 550,040 | 1,449,911 | \$ 8.36 |
| Rio de Janeiro | 32,015,709 | 450,896 | 3,583,500 | 11.2% | 46,890 | - 172,902 | - 126,012 | \$ 5.01 |
| Sao Paulo | 182,153,129 | 15,893,796 | 14,705,914 | 8.1% | 6,352,295 | 9,043,924 | 15,396,219 | \$ 6.51 |
| Bogota | 32,445,075 | 161,460 | 1,080,813 | 3.3% | 1,713,693 | 542,796 | 2,256,490 | \$ 6.24 |
| San Jose | 37,975,780 | 2,348,037 | 283,879 | 1.0% | 1,072,536 | 3,100,366 | 4,172,901 | \$ 9.42 |
| Monterrey | 120,556,190 | 7,379,411 | 9,049,299 | 7.5% | - 3,055,422 | 1,029,566 | - 2,025,856 | \$ 7.84 |
| Guadalajara | 73,209,215 | 4,030,266 | 1,155,483 | 1.6% | 2,085,353 | - 553,722 | 1,531,631 | \$ 8.73 |
| Mexico City | 138,169,559 | 7,885,556 | 4,118,199 | 3.0% | - 557,209 | 1,619,433 | 1,062,224 | \$ 12.74 |
| Tijuana | 89,885,954 | 6,458,034 | 8,317,300 | 9.3% | - 1,017,639 | - 870,312 | - 1,887,952 | \$ 9.45 |
| Panama City | 10,724,957 | 710,833 | 659,952 | 6.2% | 405,146 | 632,224 | 1,037,370 | \$ 9.59 |
| Santiago de Chile | 61,515,097 | 9,304,961 | 3,297,745 | 5.4% | 1,206,526 | 1,635,837 | 2,842,363 | \$ 7.97 |
| Totals | 818,164,265 | 57,575,816 | 47,142,493 | 5.8% | 9,152,040 | 16,557,249 | 25,709,289 | \$ 8.56 |

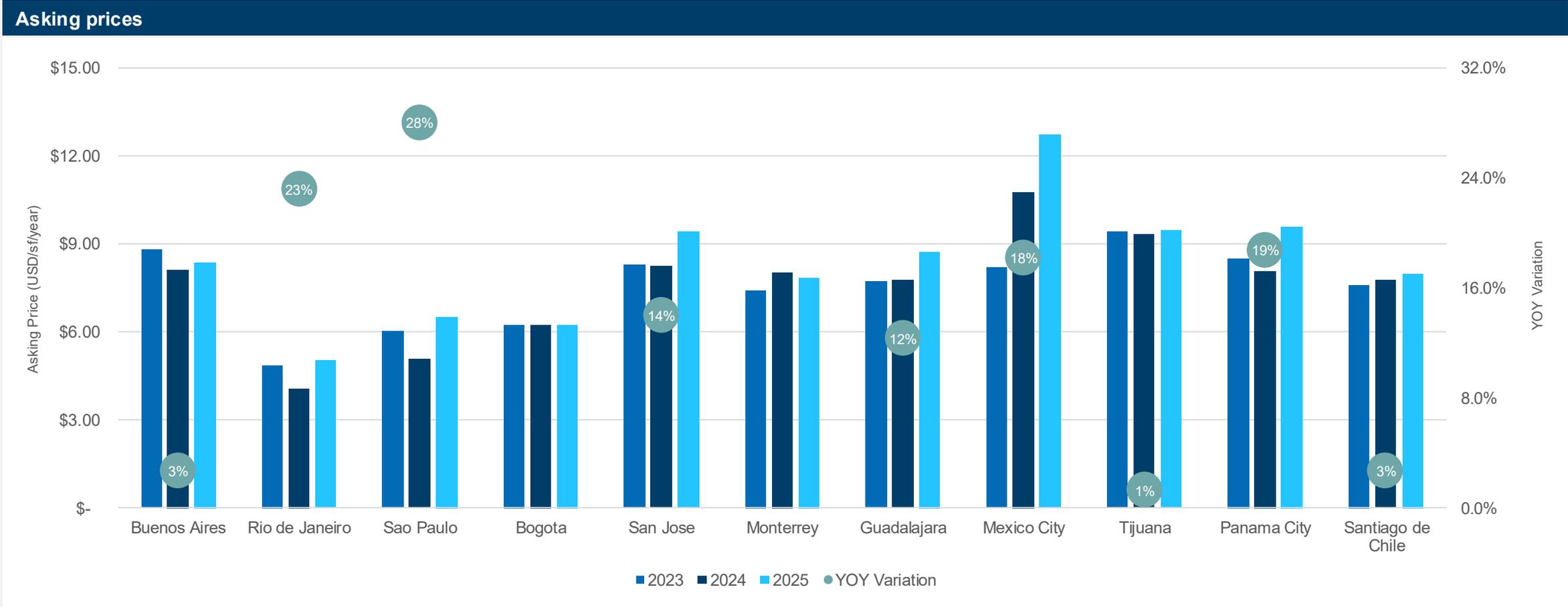
Slow but sustained growth in inventories

At the end of 2025, class A industrial inventory in Latin America reached 8.18M sf. Although this only represents a 9% increase from the previous year, it means that conditions in all cities in the region remain favorable for industrial development even after a turbulent year and uncertainty in global trade.



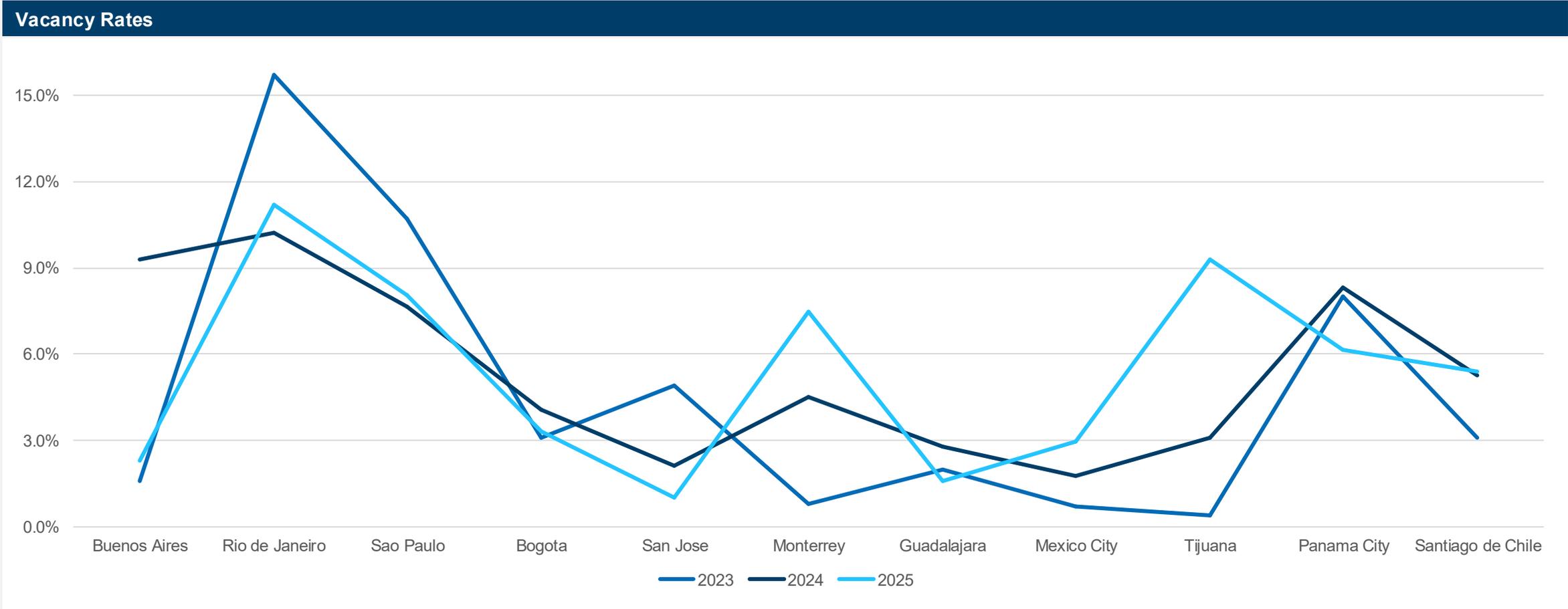
Generalized price increases

The average rental price of the region increased, on average 11.3% from the end of 2024 to the end of 2025. This increase corresponds to the continuous consolidation of the logistics and manufacturing industries throughout the region, which are increasingly demanding higher quality spaces for their operations.



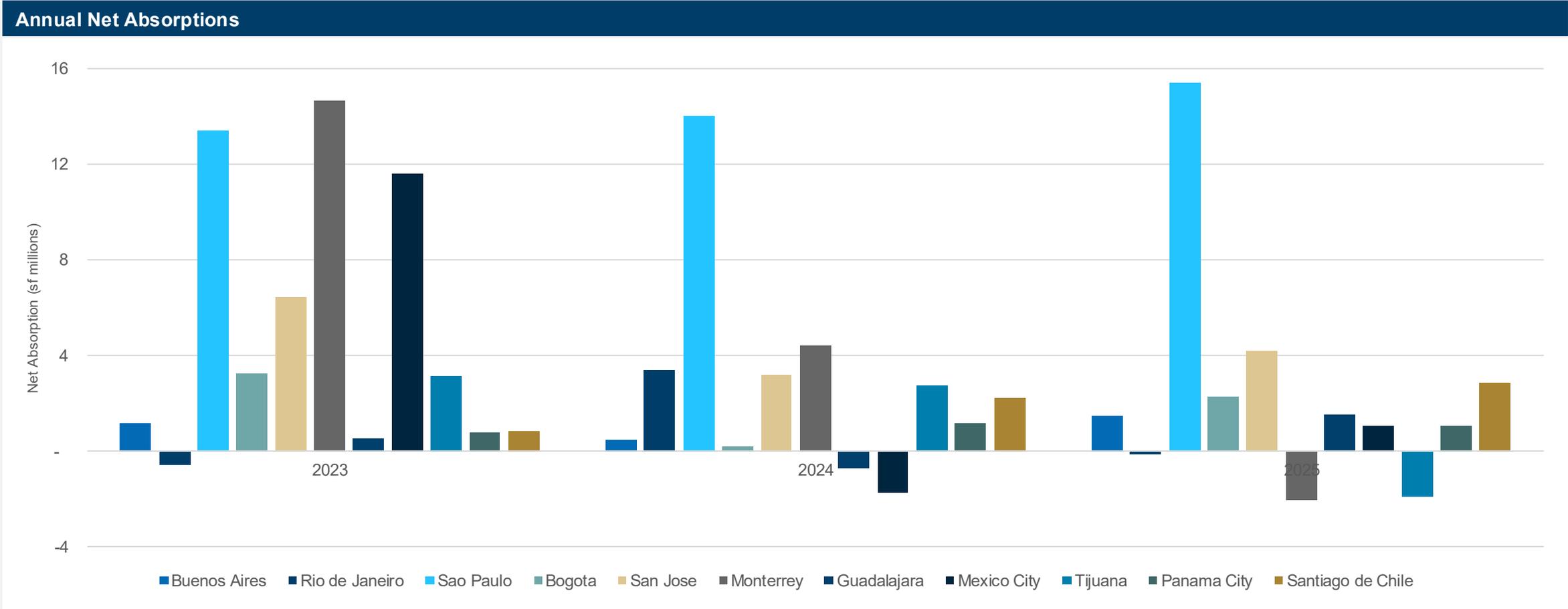
Stability in vacancy behavior

Overall, industrial market availability increased 1 percentage point over the past year. This increase is directly linked to the continued growth in inventories. The most important jumps were observed in Mexican border cities, which, given their location, are particularly sensitive to the decisions made in the United States regarding global trade conditions.



Decrease in demand

Absorptions in the region showed a decrease of 12% compared to 2024 (29.3M sf) and a significant drop since 2023 (55.1M sf). This decrease is mainly located in Mexican border cities, where the deliveries of new speculative buildings was not absorbed by the market due to the adjustment in demand that we saw throughout 2025.



03

Cities



Buenos Aires, Argentina



39.5 M
INVENTORY



2.9 M
CONSTRUCTION



0.89 M
VACANCY



2.3%
VACANCY RATE



1.44 M
ANNUAL
ABSORPTION



\$8.36
ASK. PRICE

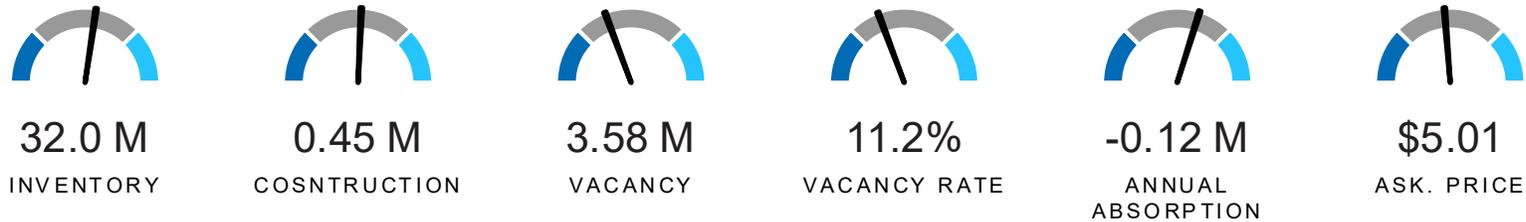
The Argentine economy showed a sustained inflationary slowdown in 2025, with YOY inflation of 31.4% in November (INDEC) and greater exchange rate stability under the BCRA's managed floating scheme. Foreign trade accumulated a surplus of USD \$9.3B as of November, while GDP grew 3.3% year-on-year. The unemployment rate stood at 6.6%. The reduction of the exchange rate gap favored predictability in rents and corporate decisions.

The Class A industrial market ended 2025 with a strong recovery in demand: annual net absorption reached 1.44 MSF, while vacancy was compressed to 2.3%. Deliveries totaled 1.22 MSF and the pipeline under construction remains disciplined. The average income was \$8.36 USD/sf/year. The market enters 2026 with solid fundamentals, low availability in prime corridors and more rational growth.



Carolina Wundes
Market Research & Data Analytics Manager

Rio de Janeiro, Brazil



Brazil's economy lost momentum in the second half, but GDP is expected to grow between 2.2% and 2.4% in 2025. The 2026 forecast was revised up from 1.5% to 1.6%. Inflation has eased but remains above target, with slow convergence.

The exchange rate is expected to remain stable, with the dollar between BRL 5.65 and 5.70. The labor market remains solid, though moderating, and Copom kept the Selic rate at 15.00%, reinforcing a cautious stance amid elevated uncertainty and its commitment to inflation convergence. Industrial production lost momentum at the end of 2025, pressured by high interest rates and weak demand, reflecting a slowdown primarily in the manufacturing sector.

The industrial and logistics market in Rio de Janeiro closed 2025 in an adjustment phase, marked by weakened demand, negative net absorption (-120 thousand sf in 2025), and rising vacancy from 10.2% 1st half to 11.2%.

Average asking rents remained stable at \$ 5.01 USD/sf/year.



Mariana Hanania
Pesquisa de Mercado

Sao Paulo, Brazil



182.2 M
INVENTORY



15.9 M
CONSTRUCTION



14.7 M
VACANCY



8.1%
VACANCY RATE



15.4 M
ANNUAL
ABSORPTION



\$6.51
ASK. PRICE

On a full-year basis, total absorbed area reached 15.4M sf , about 10% higher than 2024, setting a new record in the historical series. New inventory delivered were significant, more than doubling the volume recorded in the previous quarter. Despite the substantial volume of new supply, the vacancy rate in the state of São Paulo increased slightly from 7.5% (3Q) to 8.1%, but practically stable from 1st half. Asking rental rates continued to rise, posting a 6% increase compared to 1st half.



Mariana Hanania
Pesquisa de Mercado

Bogota, Colombia



32.4 M

INVENTORY



0.16 M

COSNTRUCTION



1.0 M

VACANCY



3.3%

VACANCY RATE



2.2 M

ANNUAL
ABSORPTION



\$6.24

ASK. PRICE

In the second half of 2025, the Colombian economy sustained moderate growth of close to 2.5%, driven mainly by trade, transport and services, according to DANE. Inflation continued to decelerate, although at levels still above the target, maintaining a prudent monetary environment and a high cost of financing. Private investment showed a partial recovery, with companies prioritizing efficiency and cost control, while FDI remained below historical averages. Looking ahead to the beginning of 2026, volatility in rates and business caution continue to condition decisions on expansion, occupancy and new real estate developments.

In the second half of 2025, the industrial market consolidated the recovery that began at the beginning of the year, with an absorption that exceeded the incorporation of new supply and kept the market structurally adjusted. Demand was concentrated in logistics, retail and mass consumption, with greater depth in consolidated corridors and a preference for BTS schemes. In addition, limited availability sustained upward pressure on rents towards the end of the year.



Aurora Turriago
Marketing, Corporate Communications & Research Director

San Jose, Costa Rica



37.9 M
INVENTORY



2.3 M
CONSTRUCTION



0.3 M
VACANCY



1.0%
VACANCY RATE



4.2 M
ANNUAL
ABSORPTION



\$9.42
ASK. PRICE

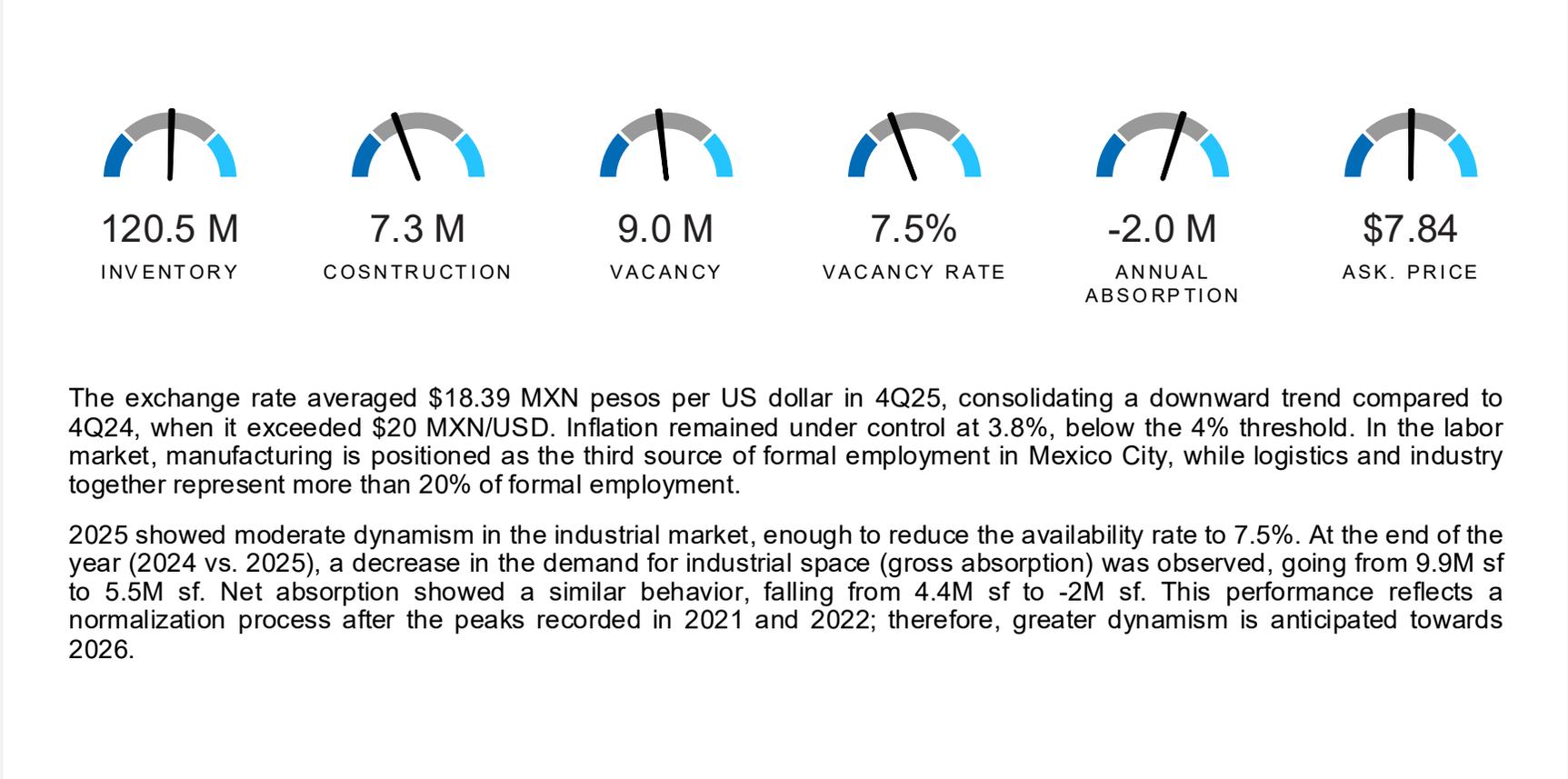
According to data from the Central Bank of Costa Rica, the country managed to attract significant flows of foreign direct investment at the end of the previous year, especially in strategic sectors such as technology, corporate services and advanced manufacturing. Among the companies that have chosen to reinvest in the Costa Rican market are renowned multinationals in areas such as financial services and consumer products.

The GAM industrial market in Q4 2025 is supported by solid local fundamentals and an external context that continues to favor nearshoring, albeit at a more moderate pace. Costa Rica offers a stable investment climate, strong institutions, and a free zone regime that continues to attract FDI in advanced manufacturing—especially medical devices, electronics, and high value-added services—sustaining high levels of industrial absorption in 2024-2025 and facilitating the expansion of already established companies.



César Guerrero
Senior Research Analyst, Central America

Monterrey, Mexico



The exchange rate averaged \$18.39 MXN pesos per US dollar in 4Q25, consolidating a downward trend compared to 4Q24, when it exceeded \$20 MXN/USD. Inflation remained under control at 3.8%, below the 4% threshold. In the labor market, manufacturing is positioned as the third source of formal employment in Mexico City, while logistics and industry together represent more than 20% of formal employment.

2025 showed moderate dynamism in the industrial market, enough to reduce the availability rate to 7.5%. At the end of the year (2024 vs. 2025), a decrease in the demand for industrial space (gross absorption) was observed, going from 9.9M sf to 5.5M sf. Net absorption showed a similar behavior, falling from 4.4M sf to -2M sf. This performance reflects a normalization process after the peaks recorded in 2021 and 2022; therefore, greater dynamism is anticipated towards 2026.



Luis Moreno
Senior Market Analyst Northeast

Guadalajara, Mexico



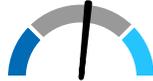
73.2 M
INVENTORY



4.0 M
CONSTRUCTION



1.1 M
VACANCY



1.6%
VACANCY RATE



1.5 M
ANNUAL
ABSORPTION



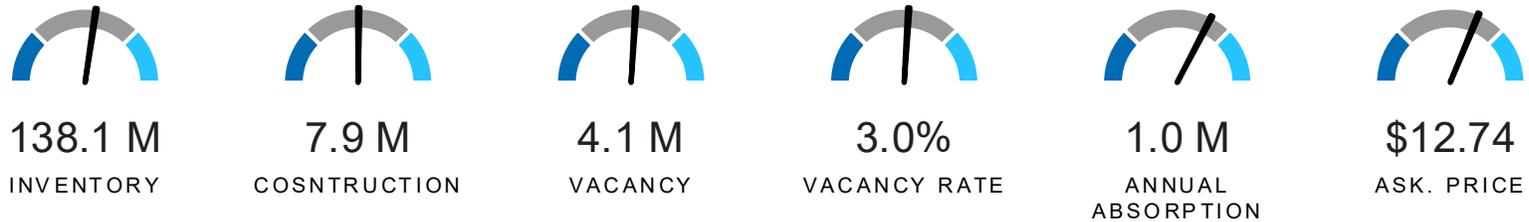
\$8.73
ASK. PRICE

2H25 showed a normal slowdown after the peak of 1H25: absorption fell from 2M to -553 thousand sf, reflecting vacancies and new supply in stabilization. Even so, the year closed with 142,292 m². Inventory reached 73.2 M sf and construction was down to 4.0M sf, a sign of a more selective pipeline. Vacancy remained low (1.58%) and prices rose to \$8.73 USD/sf/year, confirming a solid market despite the adjustment.



Fernando Lara
Market Research Analyst

Mexico City, Mexico



Mexico City closed 2025 with 7.4M sf of gross absorption, 42% less than in 2024, despite the rebound in 2H25, when 4.95M sf and a net absorption of 1.6M sf were reached. The CTT corridor led the year with 3.65M sf, while AIFA-Zumpango stood out with 1.0 M sf in 4Q25 alone. Availability reached 2.9%, driven by occasional vacancies in Tepetzotlán and Cuautitlán, although the expectation of stability between 2% and 3% is maintained.

The market anticipates an increase in prices, which already reach \$12.74 USD/sf/year, especially in corridors such as CTT, Tlalnepantla and Iztapalapa. For 2026, inventory growth of more than 5M sf is projected, supported by developments in AIFA-Zumpango, Huehuetoca-Tepeji and Tultitlán. In addition, the pharmaceutical sector is gaining relevance with a private investment of around 700 million US dollars, reinforcing the industrial potential within the framework of the USMCA.



Oscar Granados
Market Research Analyst

Tijuana, Mexico



89.9 M
INVENTORY



6.4 M
CONSTRUCTION



8.3 M
VACANCY



9.3%
VACANCY RATE



-1.8 M
ANNUAL
ABSORPTION



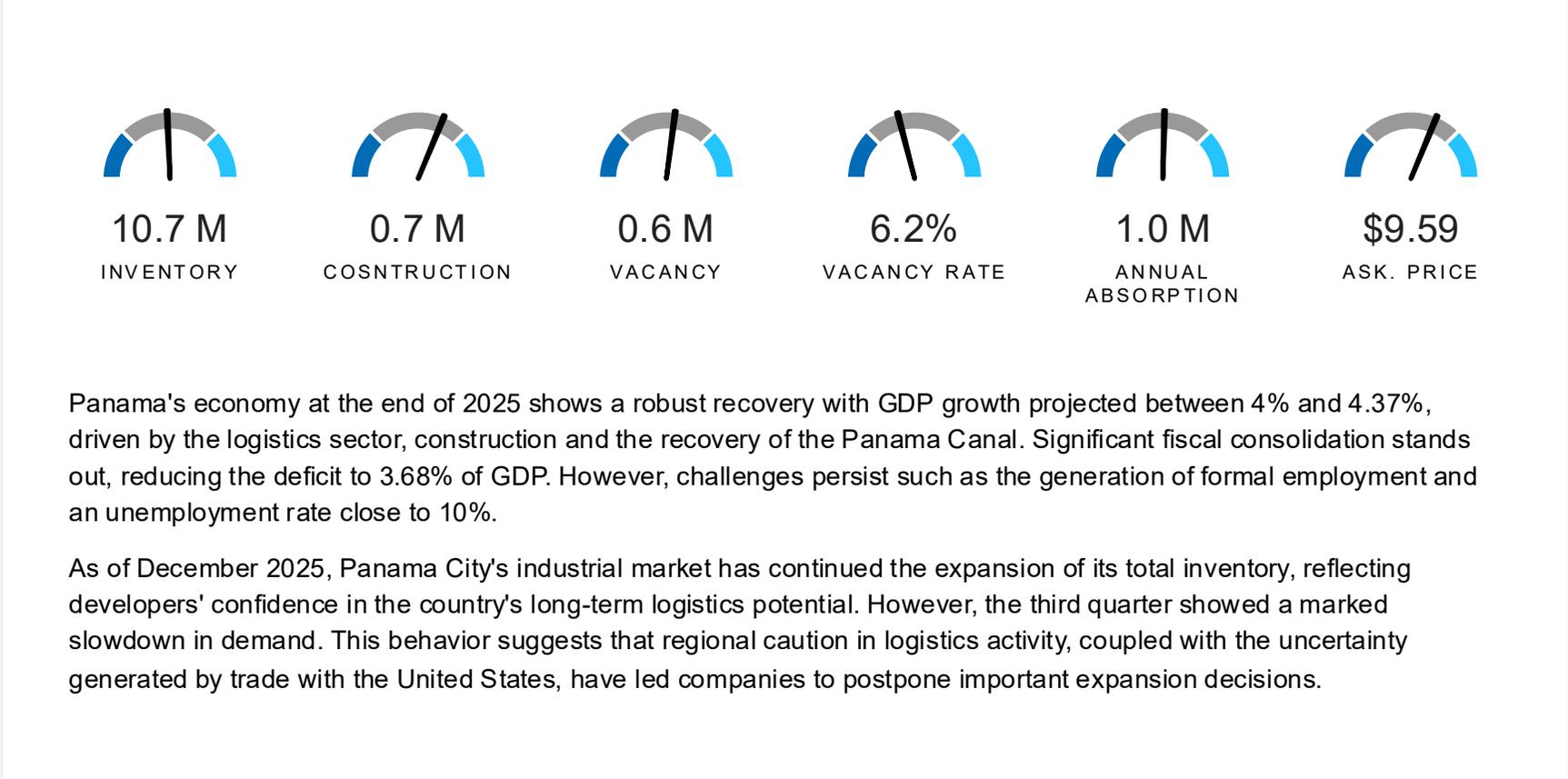
\$9.45
ASK. PRICE

Tijuana is going through an adjustment in the face of tariff pressures that have moderated expansions and FDI inflows. Net absorption remains negative due to unemployment and continuous income; Gross absorption exceeds one million sf, evidencing an active demand although more focused on higher quality warehouses. With 6 million square feet under development, vacancy could increase in 2026; however, interest in the market supports a positive expectation in the medium term. Rents remain firm, with greater room for negotiation, due to the constant increase in vacancy.



Lizbeth López
Market Research Analyst Northwest

Panama City, Panama



Panama's economy at the end of 2025 shows a robust recovery with GDP growth projected between 4% and 4.37%, driven by the logistics sector, construction and the recovery of the Panama Canal. Significant fiscal consolidation stands out, reducing the deficit to 3.68% of GDP. However, challenges persist such as the generation of formal employment and an unemployment rate close to 10%.

As of December 2025, Panama City's industrial market has continued the expansion of its total inventory, reflecting developers' confidence in the country's long-term logistics potential. However, the third quarter showed a marked slowdown in demand. This behavior suggests that regional caution in logistics activity, coupled with the uncertainty generated by trade with the United States, have led companies to postpone important expansion decisions.



César Guerrero
Senior Research Analyst, Central America

Santiago de Chile, Chile



61.5 M
INVENTORY



9.3 M
CONSTRUCTION



3.2 M
VACANCY



5.4%
VACANCY RATE



2.8 M
ANNUAL
ABSORPTION



\$7.97
ASK. PRICE

The Santiago Class A warehouse market is moving into a more disciplined phase of rebalancing after the outsized wave of new supply earlier in the year. In 4Q 2025, vacancy tightened to 5.4% (from 7.4% in 1Q), net absorption rose to 2.8M sf, and new deliveries fell back to 455 thousand sf, following the prior semester's spike. Average asking rents edged up to \$7.97 USD/sf/year, reinforcing that leasing conditions are improving as supply and demand return to a healthier cadence. Looking ahead, vacancy should continue converging toward its long-run equilibrium (around 4.4%) as a sizable 2026–2028 pipeline delivers with stronger leasing discipline and a higher share of build-to-suit and pre-leased space, supporting expansion without materially disrupting occupancy.

Far from signaling a slowdown, this semester marks a transition toward a more rational market. As demand regains traction and new supply normalizes, the focus shifts from growth by volume to quality of execution. With a sizable 2026–2028 pipeline ahead, the differentiator will be discipline—driving pre-leasing and build-to-suit commitments that allow expansion without destabilizing occupancy. In this phase, stable occupancy and predictable cash flows become the most effective hedge. The winning strategy is straightforward: discipline today to capture value tomorrow



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