

NEWMARK

Industrial Market San Luis Potosí

1H26

NMRK.LAT

Key insights

San Luis Potosí industrial market faced a slowdown in demand and reduced construction activity; however, supply remains balanced, rents continue to rise, and regional manufacturing strength preserves favorable medium-term prospects.



Construction dropped 80% year-over-year and is shifting toward BTS warehouses



Asking prices for completed warehouses increased 4.3% year-over-year



Availability rose to 6.0%



Interest from Asian players is increasing amid the decline in U.S. investment

Contents

Market Analysis	04
Economy	06
Market fundamentals	13



1

Market analysis

1H26

5

AS-68

AS-71

AS-71

Market Analysis



Economy

- **Broad-Based Economic Slowdown:** National GDP began 2026 in contraction, accompanied by weakness in manufacturing, construction, and trade. This environment limits the pace of industrial expansion and keeps investment decisions cautious.
- **Reinvestments Sustain Activity:** Although FDI remains elevated, more than 90% comes from reinvested earnings. New investment continues to account for less than 7% of the total, reflecting a more selective environment for new productive projects.
- **Tariffs Drive Industrial Demand:** North America's trade reconfiguration has favored exports and the gradual recovery of industrial absorption. However, the economic slowdown and weak investment continue to be the main risks to future growth.



Transactions

- **Logistik Industrial Park:** A lease transaction was identified for a warehouse from Prologis' portfolio totaling 104,410 SF for the automotive sector.
- In the same park, two warehouses under BTS projects were identified, adding up to a total of 322,917 SF, also for the automotive sector.



Market fundamentals

	Current Quarter	Prior Quarter	One Year Ago	12-Month Forecast
Total Inventory (SF)	38.6M	37.7M	35.9M	↑
Vacancy Rate	6.0%	5.9%	6.0%	↑
Gross Absorption (SF)	473,228	1.1M	1.8M	→
Net Absorption (SF)	-182,783	753,553	-0.7M	↑
Asking Rent (USD/SF/year)	\$6.44	\$6.34	\$6.11	→
U. Construction (SF)	559,728	0.9M	1.9M	↓



Outlook

- **Market Strengthens its Automotive Position:** The consolidation of automotive supply chains and specialized suppliers strengthens San Luis Potosí's competitiveness within the Bajío region, favoring future manufacturing expansions linked to the USMCA and nearshoring.
- **SLP Attracted Interest from Asian Competitors:** Although higher trade barriers have reduced Asia's competitiveness, interest from Chinese and Korean companies in establishing operations in Mexico remains a strategy to serve the North American market. In this context, and despite the cyclical economic slowdown, San Luis Potosí retains structural advantages to capture industrial expansions linked to automotive, electromobility, and the relocation of production chains.



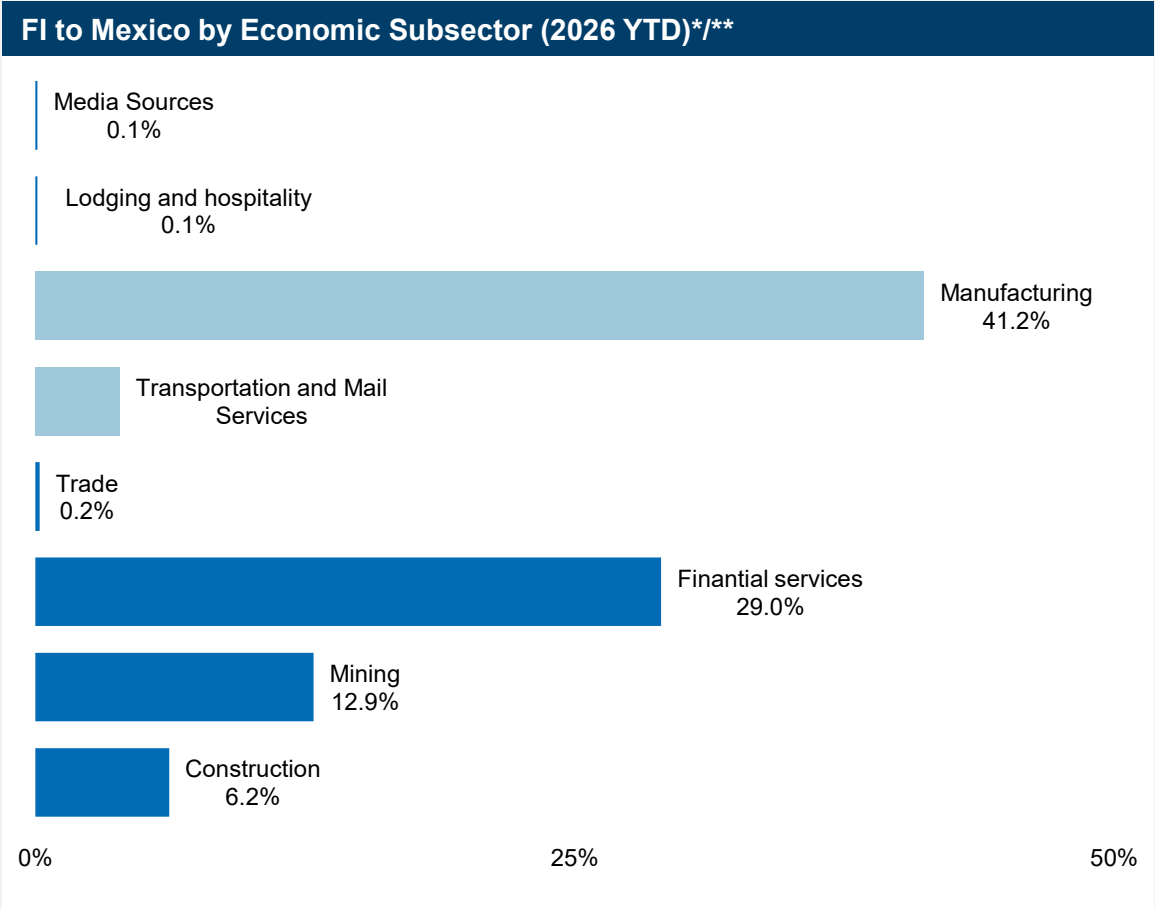
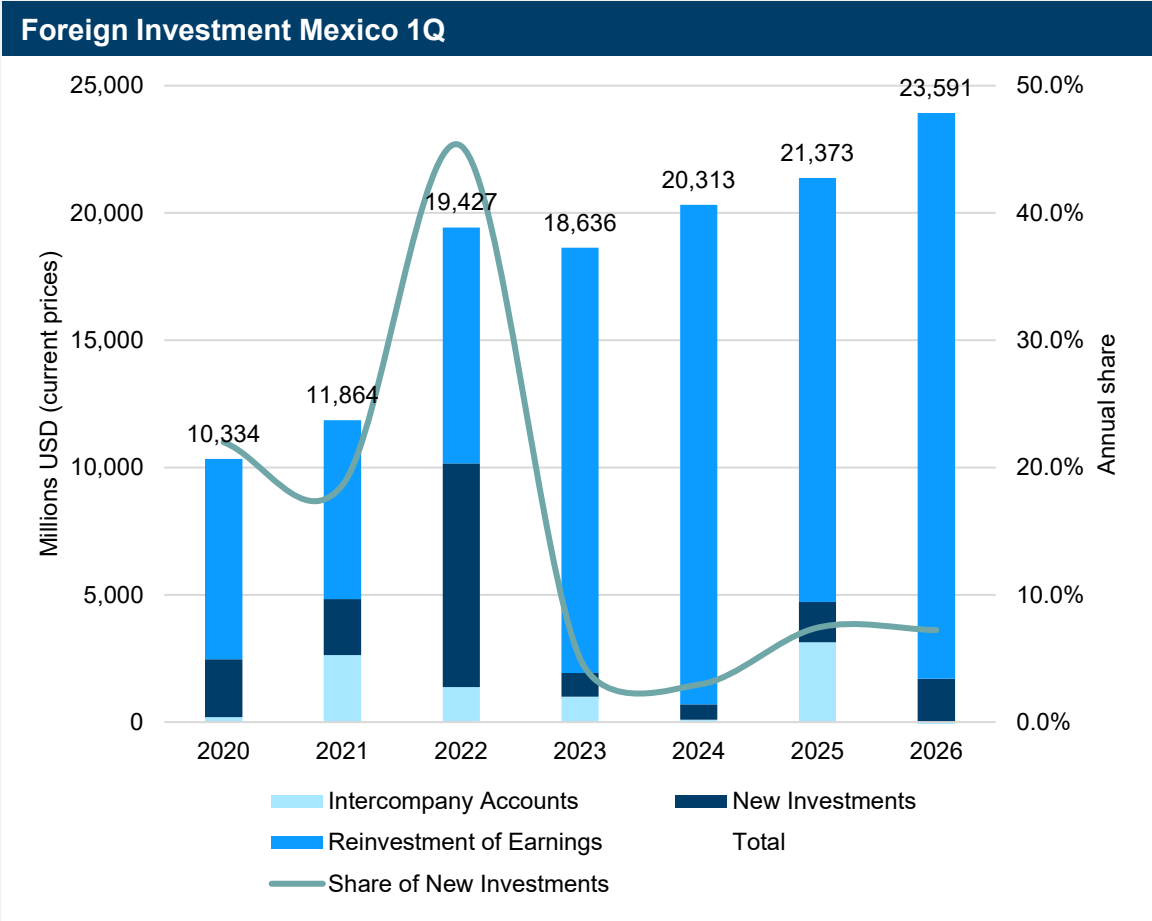
2

Economy

1H26

Foreign Investment

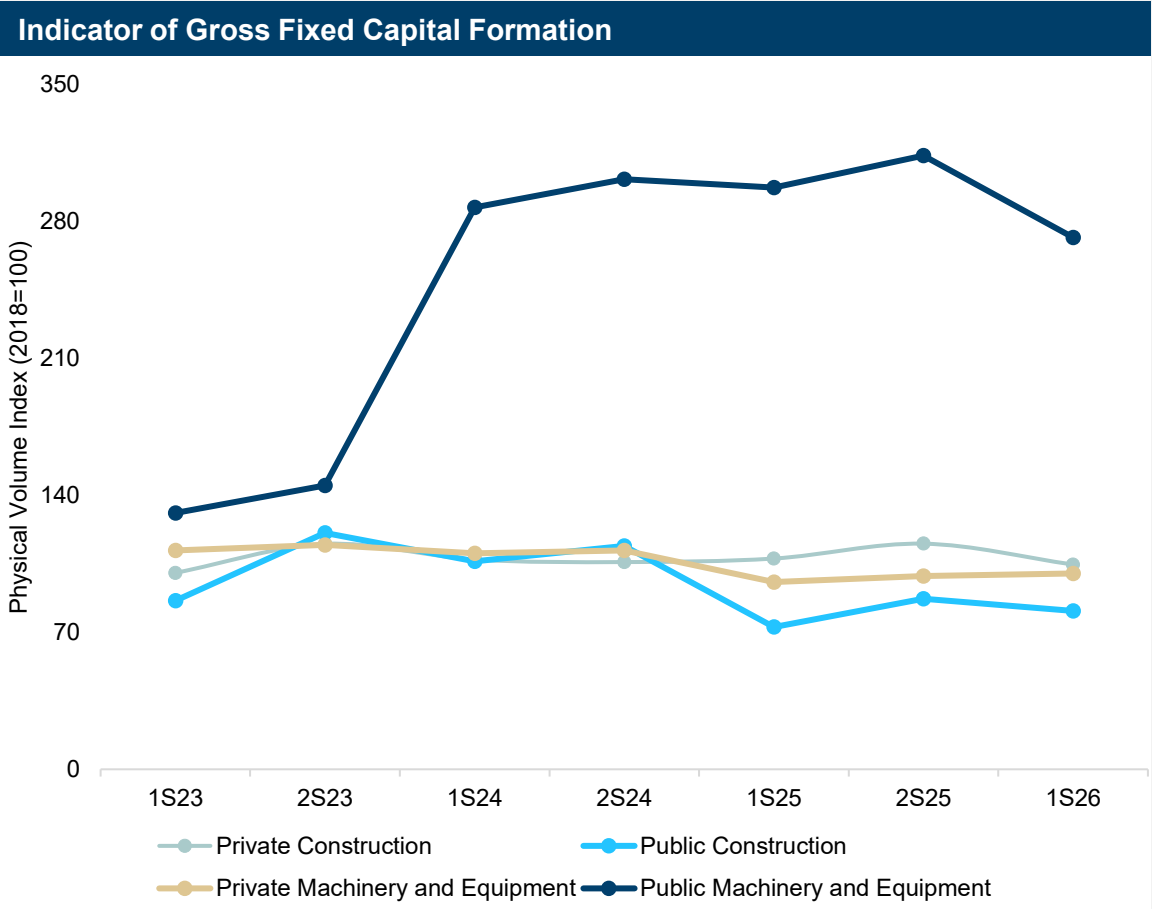
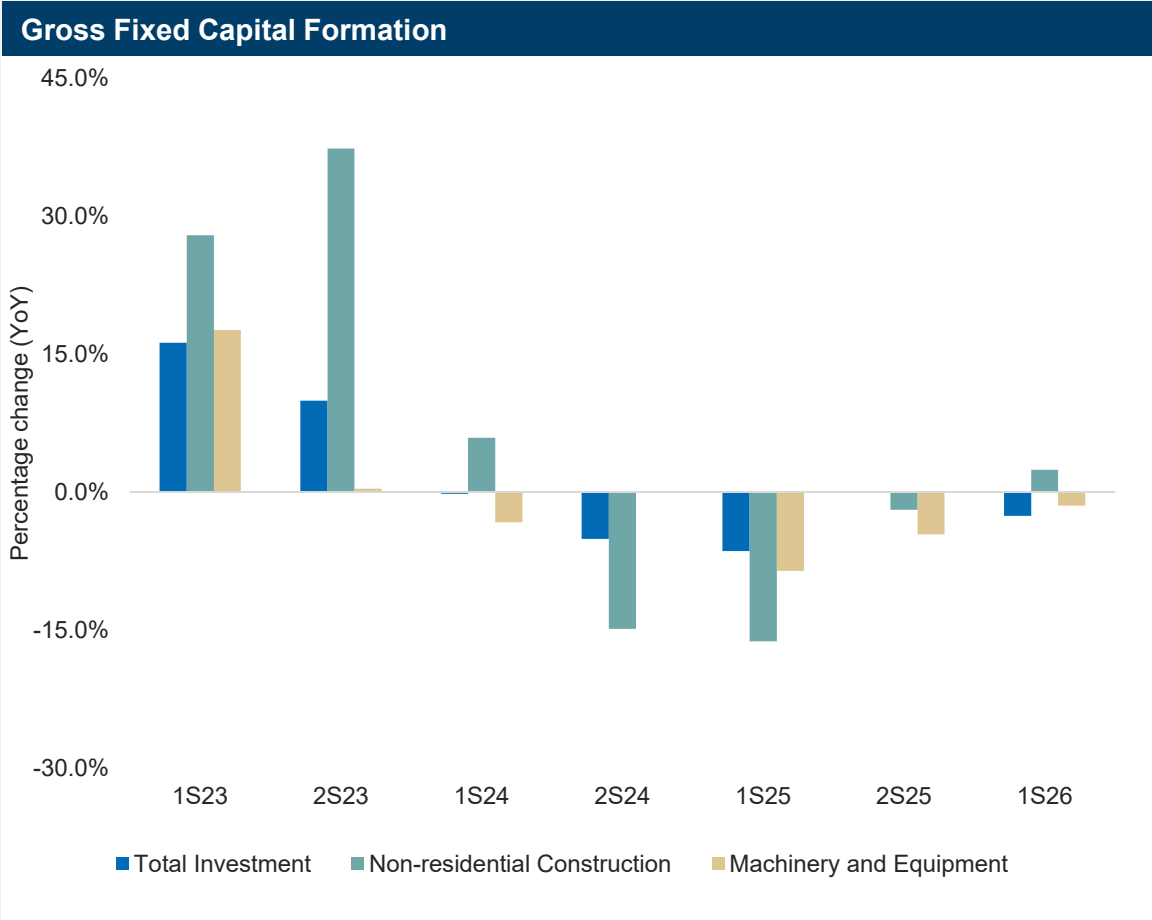
FDI reached a new high in 2026; however, more than 94% comes from reinvestment of earnings and less than 8% corresponds to new investments. Manufacturing concentrates more than 40% of flows, with a notable share from the automotive and electronics industries. This composition reflects confidence among already-established companies, although it also shows lower incorporation of new productive projects. For the industrial market, expansion continues to depend on reinvestments rather than new capital inflows.



Source: Ministry of Economy.
* National data only.
** Includes new investments, reinvested earnings, and intercompany accounts.

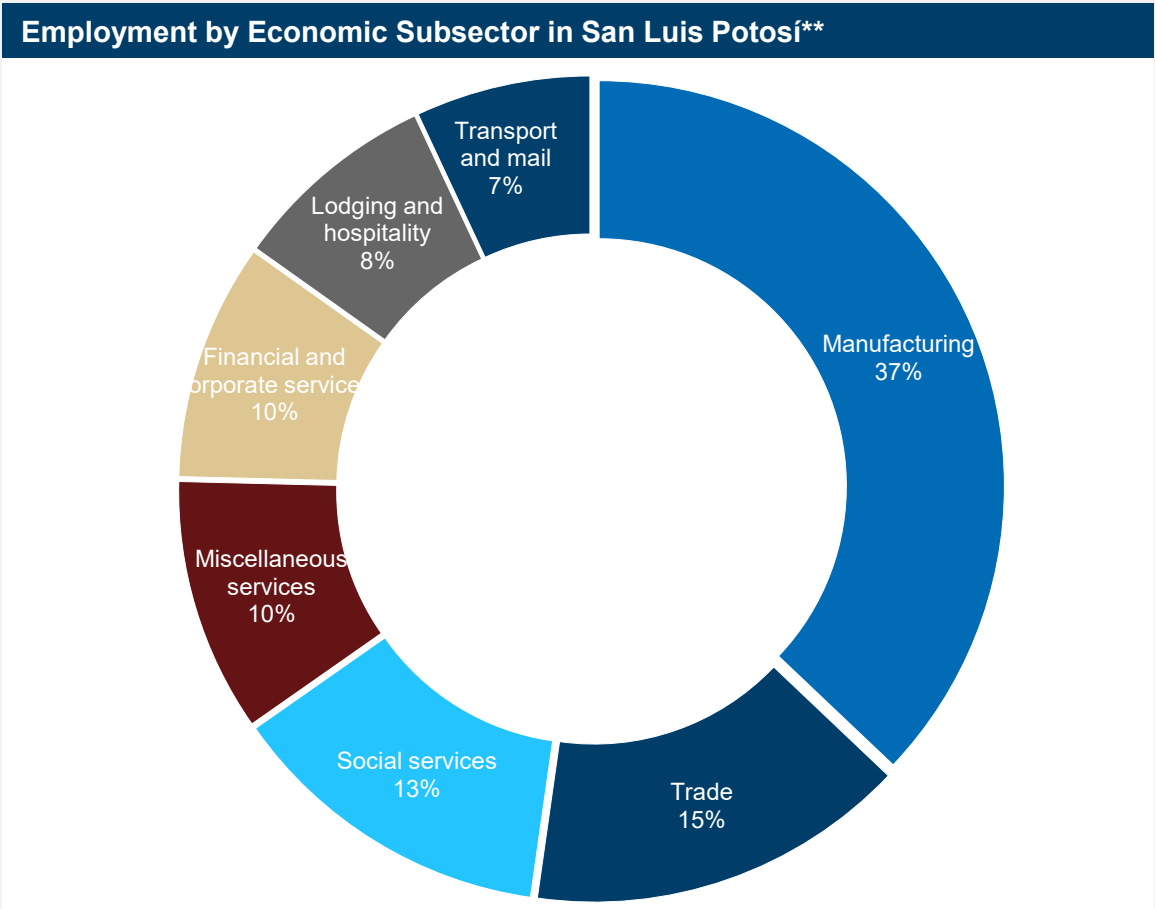
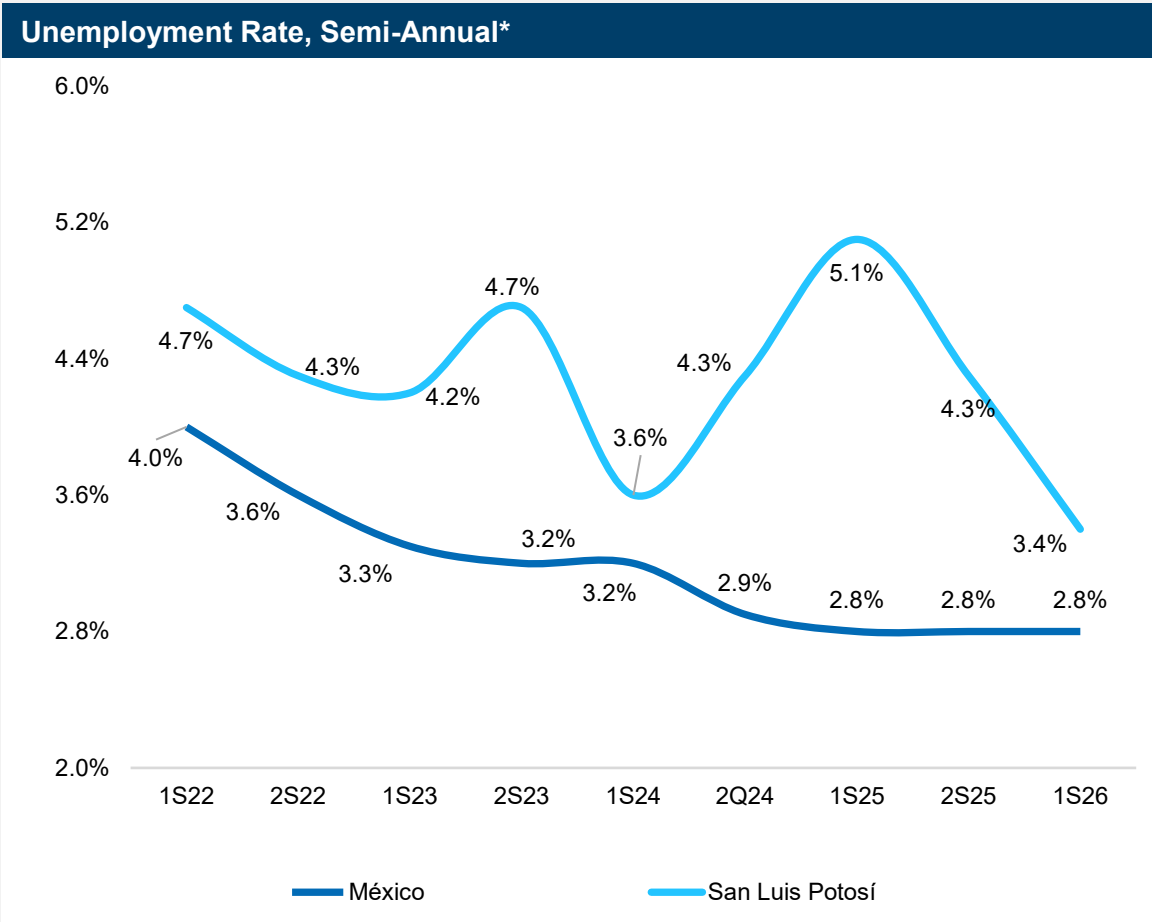
Domestic Investment

Productive investment remains weak, particularly in machinery and equipment, reflecting caution in the expansion of productive capacity. However, during 1S26 non-residential construction grew again in annual terms, and private investment showed a recovery against the deterioration in public investment. For the industrial market, this improvement is relevant because it suggests a gradual reactivation of projects linked to manufacturing, logistics, and real estate development, even in a low-growth economic environment.



Employment

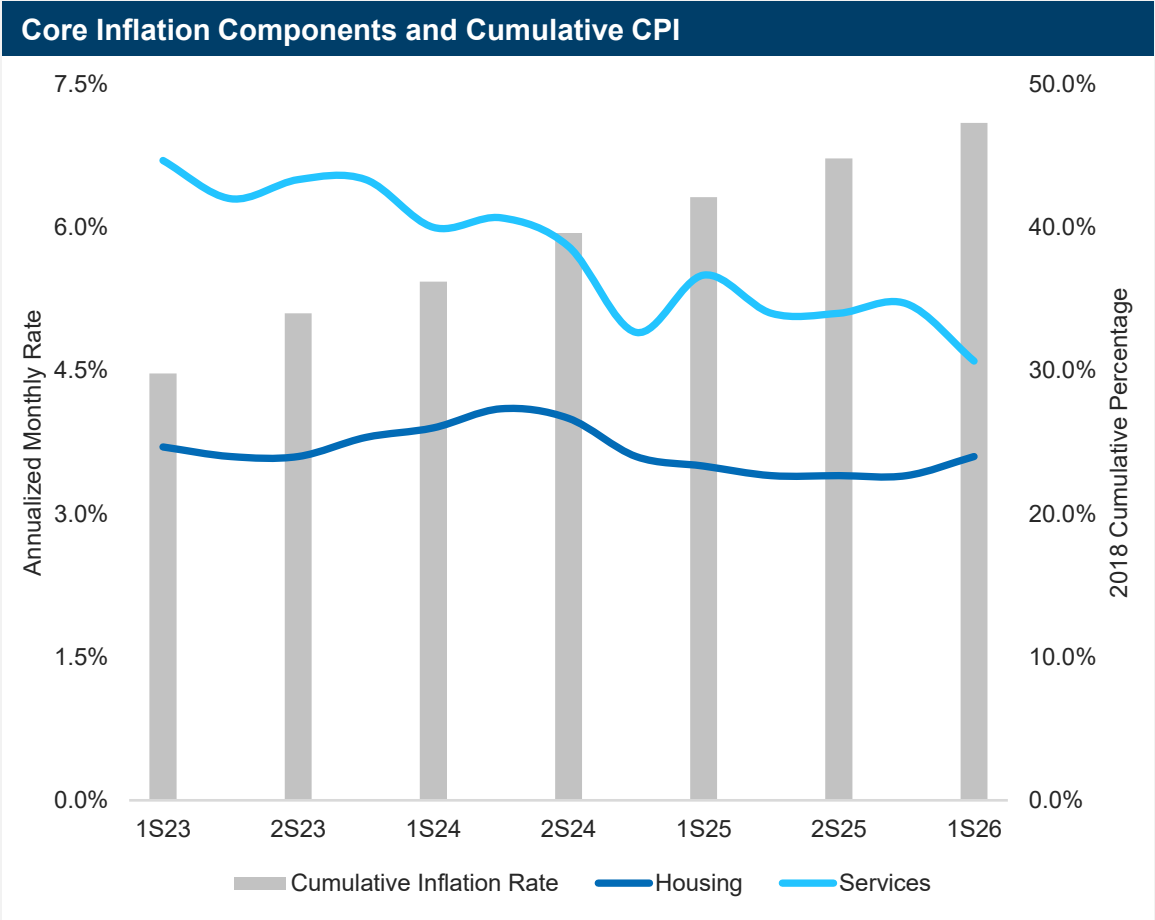
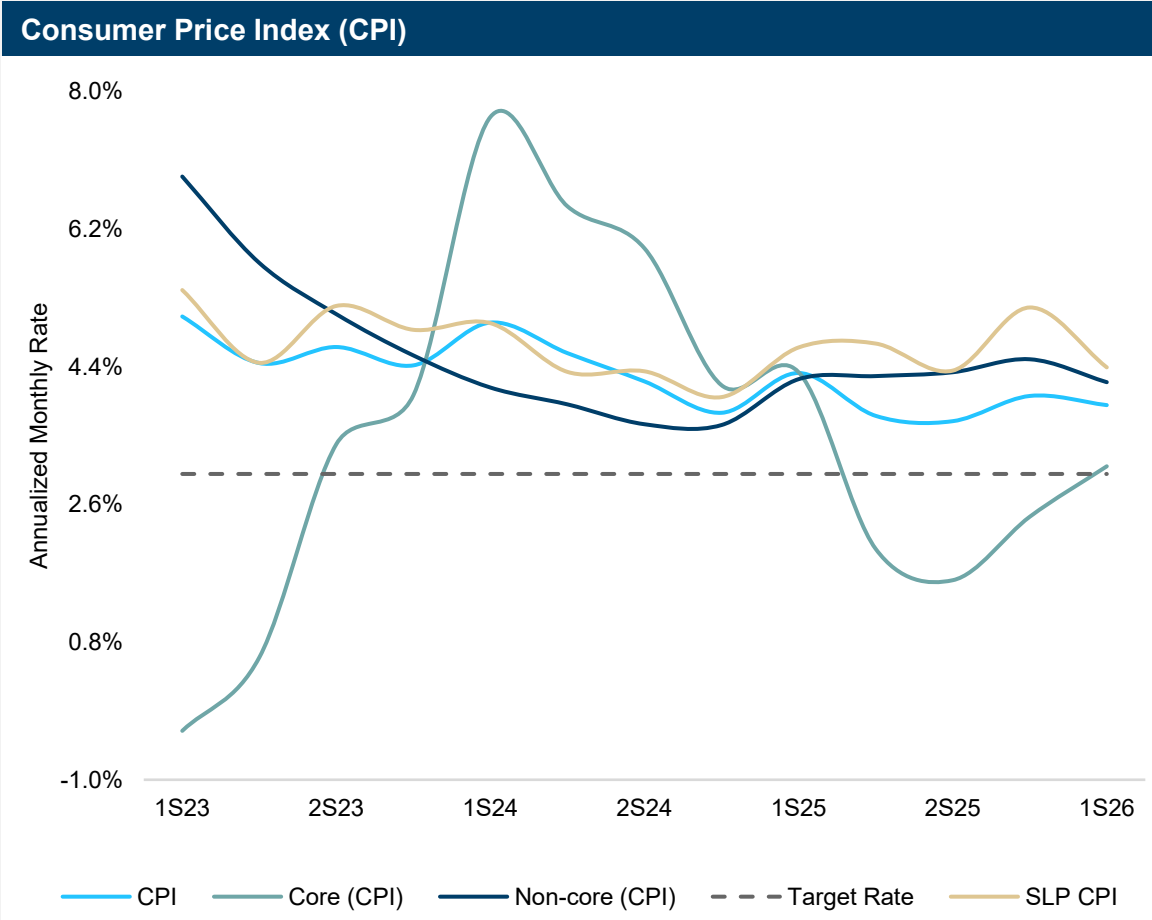
The unemployment rate in San Luis Potosí fell to 3.4% in 1H26, approaching historically low levels and narrowing the gap relative to the national indicator (2.8%). Manufacturing continues to account for close to a third of formal employment, remaining the main driver of local economic activity. For the industrial market, a stable employment environment favors continued demand associated with expansions by already-established companies.



Source: INEGI.
Notes: *Preliminary Insights to 1S 2026.
**Official information available through 1Q 2026.

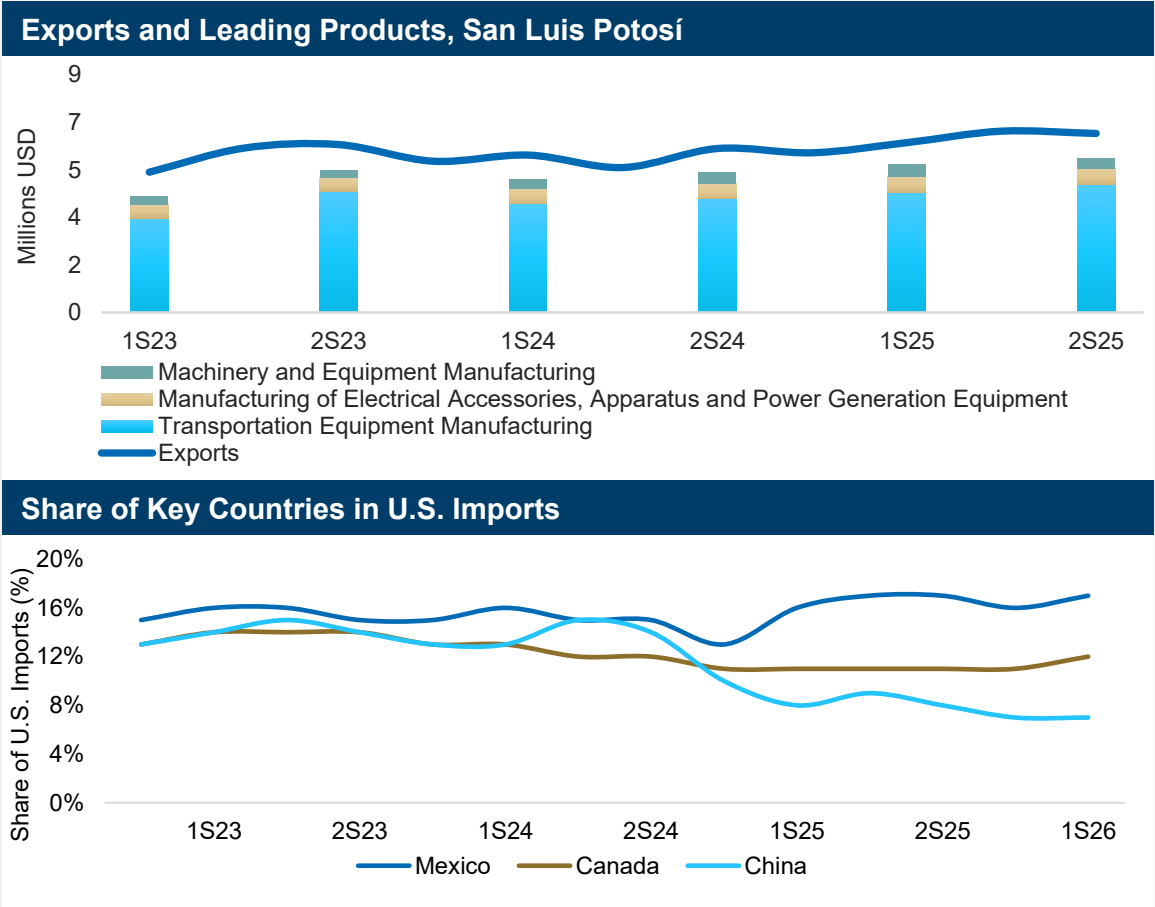
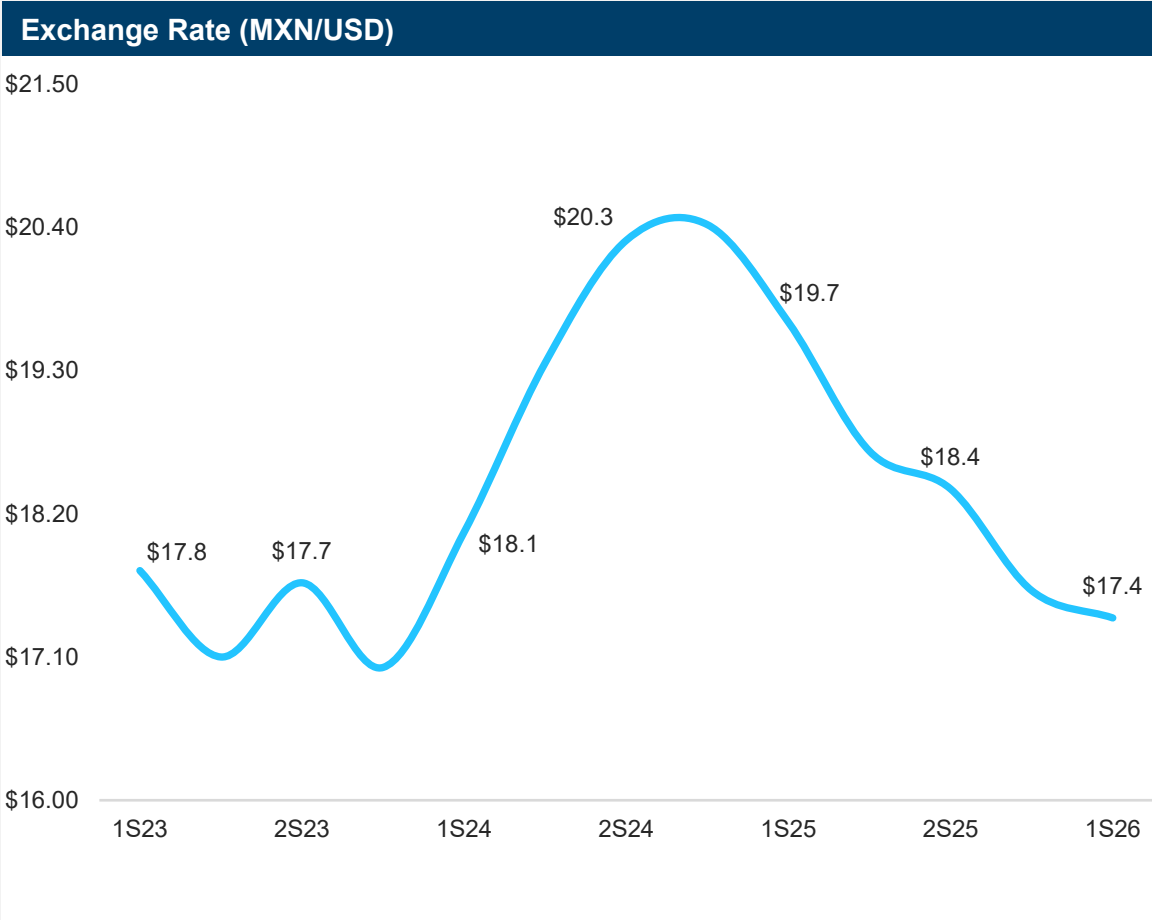
Inflation

Headline and core inflation maintain a downward trend relative to the levels observed in 2023, although they remain above the target rate. The moderation in services-related components stands out, while cumulative inflation continues to reflect significant increases in real estate costs. For the industrial market, this behavior favors a gradual stabilization of construction and operating costs. The reduction in inflationary pressures also improves conditions for private investment and the development of new projects during the second half of 2026, as was the case with inflation in San Luis Potosí, which fell to 4.4%.



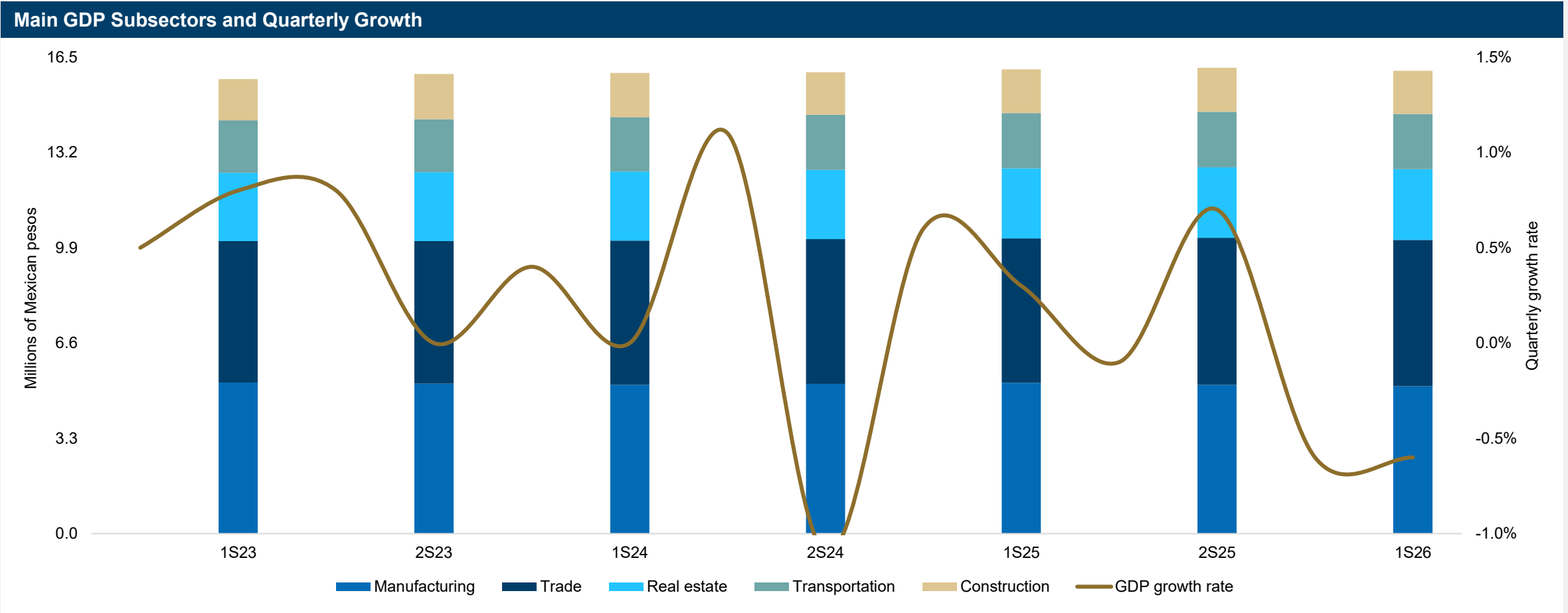
Exchange Rate and Exports

Mexico continues to consolidate its position as the leading supplier of U.S. imports, while China keeps losing share. However, growth in state-level exports has been moderate relative to the scale of this opportunity. The strengthening of exports has not yet translated into a proportional acceleration in manufacturing or real estate activity. For the industrial market, this suggests there is additional growth potential if productive relocation and the substitution of imports from Asia continue to deepen during the second half of 2026.



GDP Evolution

In 1Q26, the Mexican economy posted a quarterly contraction of -0.6%, while annual growth stood at just between 0.2% and 0.4%. The simultaneous decline in primary (-1.4%), secondary (-1.1%), and tertiary (-0.6%) activities confirms a break from the cycle observed in 2025. Manufacturing, trade, and construction concentrate the deterioration, while real estate activities maintain a more stable trajectory. For the industrial market, this environment helps explain the moderation observed in absorption, investment, and construction during the first half of 2026.





3

Market fundamentals

1H26

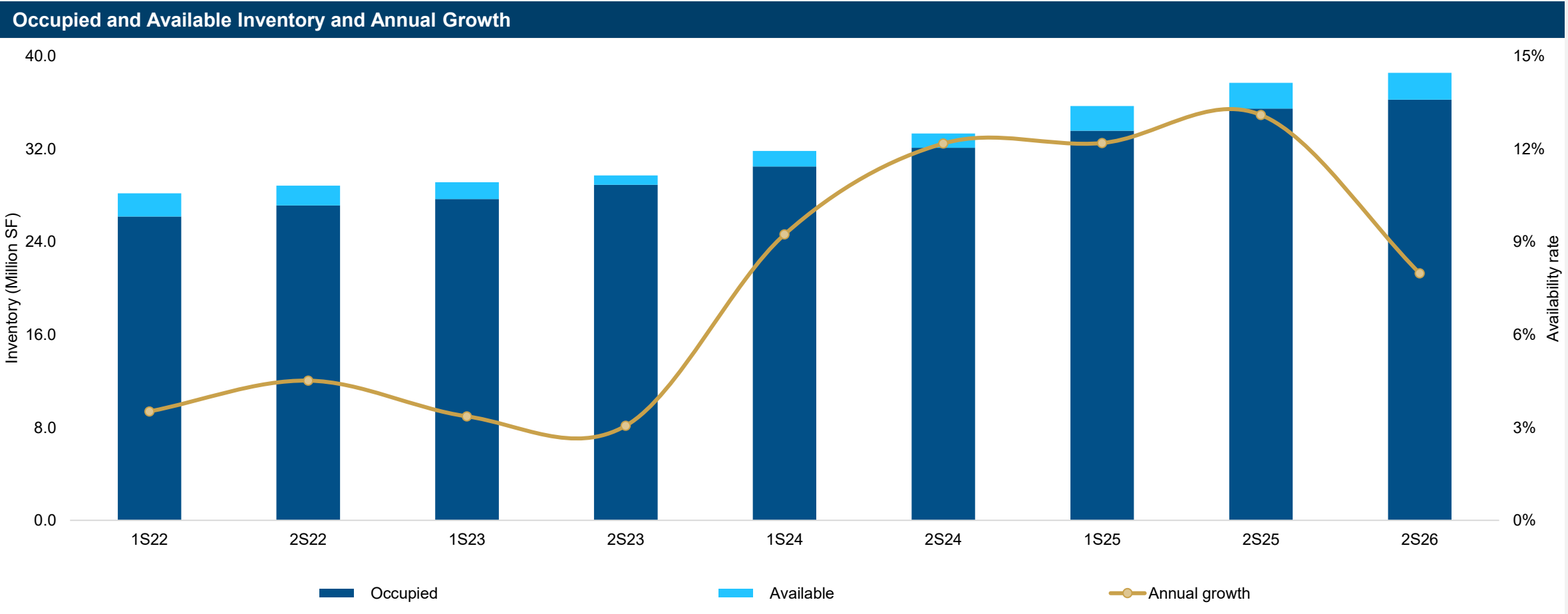
Market Summary

This is a market that prioritizes stability over growth. Availability stands at 6.0% (2.3 million SF), while gross absorption fell to 473,228 SF and net absorption returned to negative territory (-182,783 SF), signaling insufficient demand to absorb recent supply. Nevertheless, prices continue rising to \$6.44/SF/year, reflecting landlord discipline and limited supply under construction (559,728 SF). Investors will regard the slow recovery in demand as the main risk, while real estate experts favor the promotion of well-located assets suited to the market.

Market Statistics								
	Inventory (Million SF)	Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Asking Lease Rate (USD/SF/year)	Construction Asking Rent (USD/SF/Year)
Total	38.6	559,728	2,306,761	6.0%	473,228	-182,783	\$6.44	\$6.33

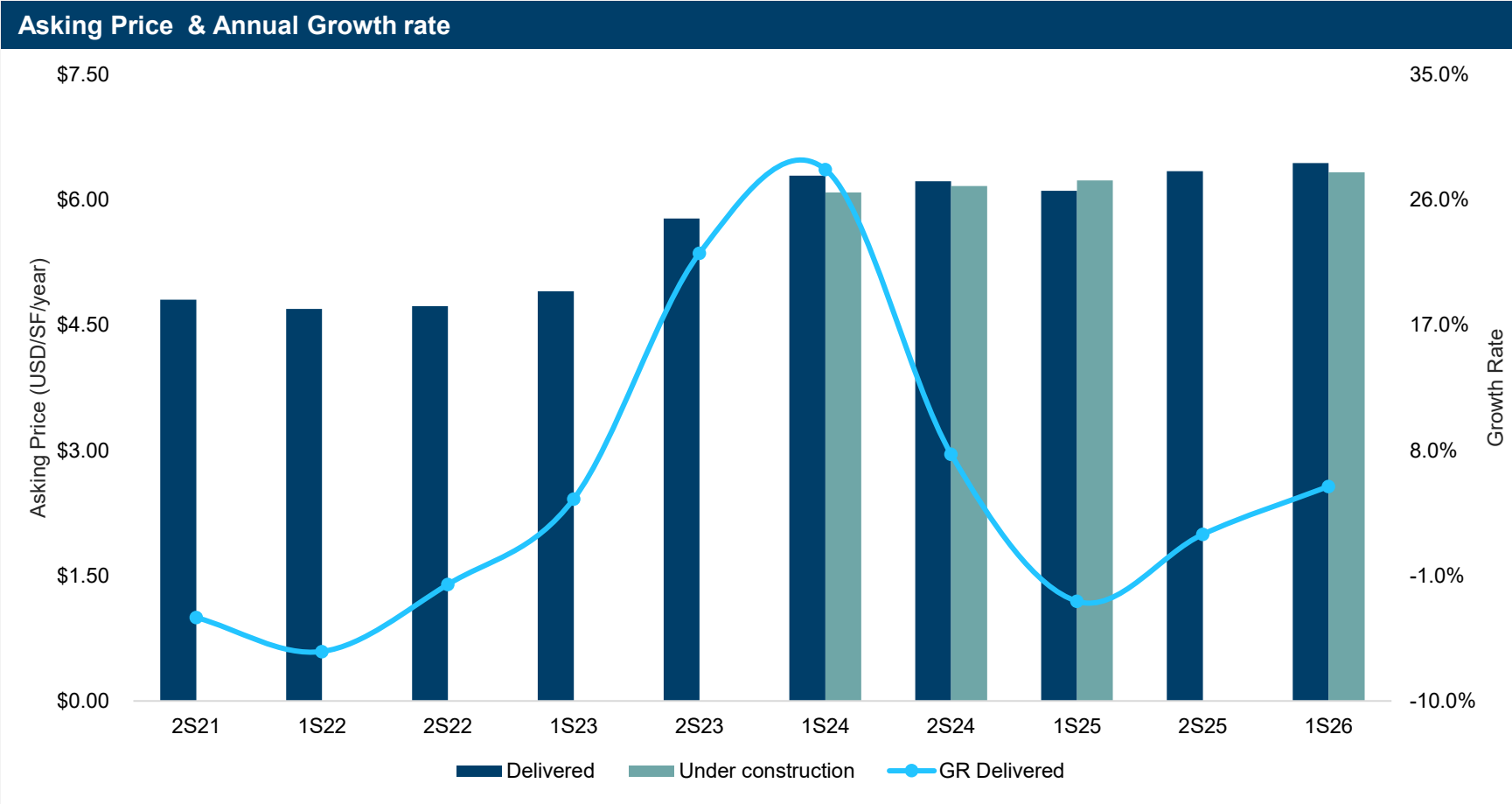
Inventory Trends

Inventory continues to grow and now exceeds 38.6 million SF, but the trend in availability responds more to a slowdown in demand. The availability rate is stabilizing around 6.0%, within a range still healthy for the market, while occupied inventory maintains an upward trajectory. The main signal for investors is that the reduction in new developments limits the risk of oversupply heading into 2027. If absorption manages to recover over the coming months, the market could absorb vacant space without the need for significant rent adjustments, preserving the value of existing assets.



Source: Newmark Research.
* Annually available information.

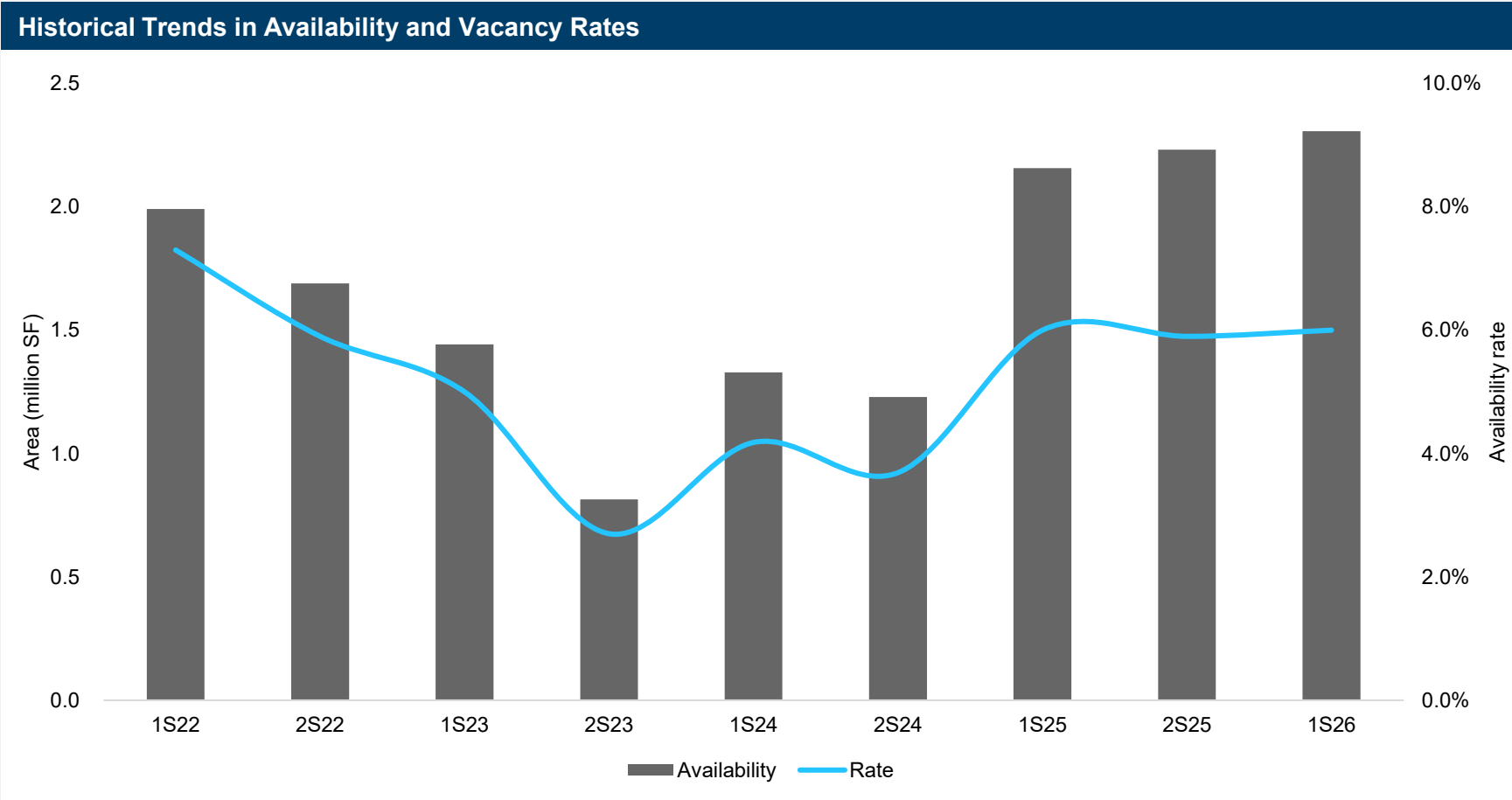
Trend in asking prices



- Average rent reached \$6.44/SF/year, a new series high, accumulating more than 31.8% growth since 2023.
- The increase occurs despite rising availability and slowing absorption, a sign that future supply is beginning to tighten faster than demand.
- The decline in construction reduces the risk of price pressure over the coming quarters.
- For investors, the main message is that fundamentals continue to support elevated rent levels even during a phase of slower market growth.

Availability Trends

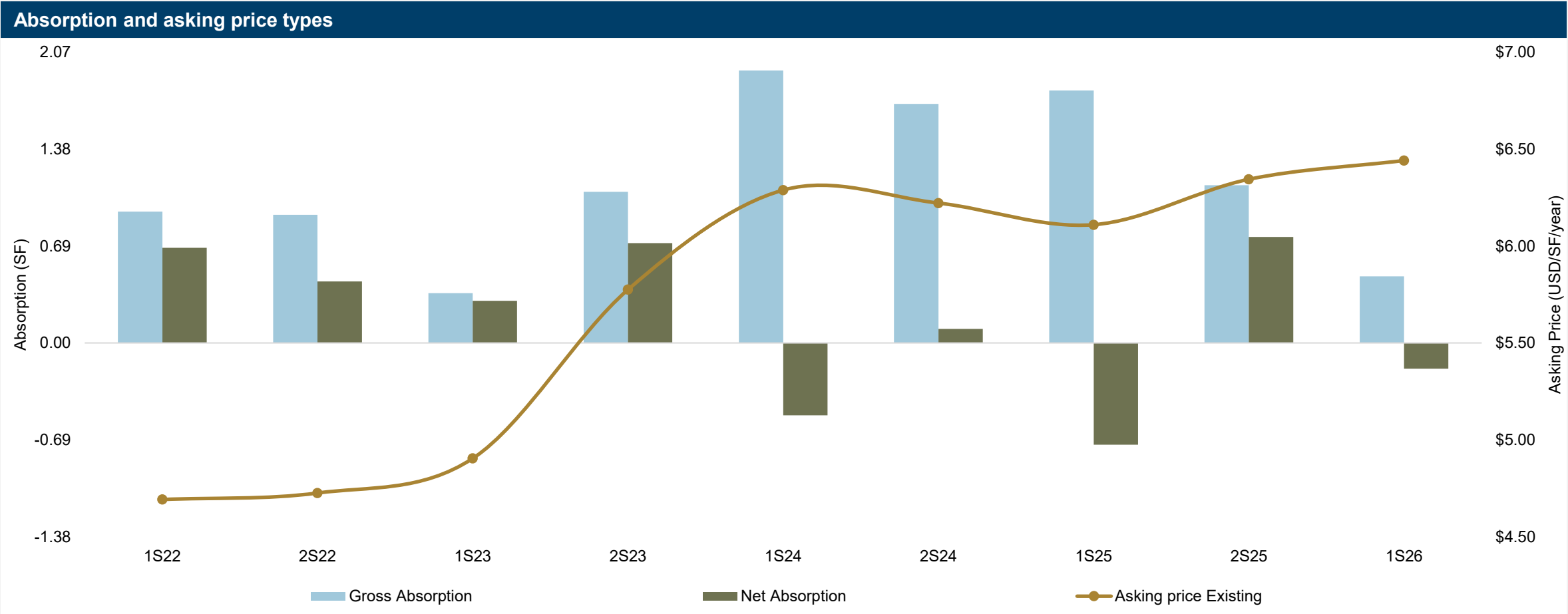
Availability has stabilized near 6.0% after the sharp increase observed since 2S24. While available space rose to 2.3 million SF in 1S26, the absence of accelerated growth suggests the market is gradually absorbing recent supply additions rather than entering a new oversupply cycle.



Parque Colinas San Luis y WTC 3

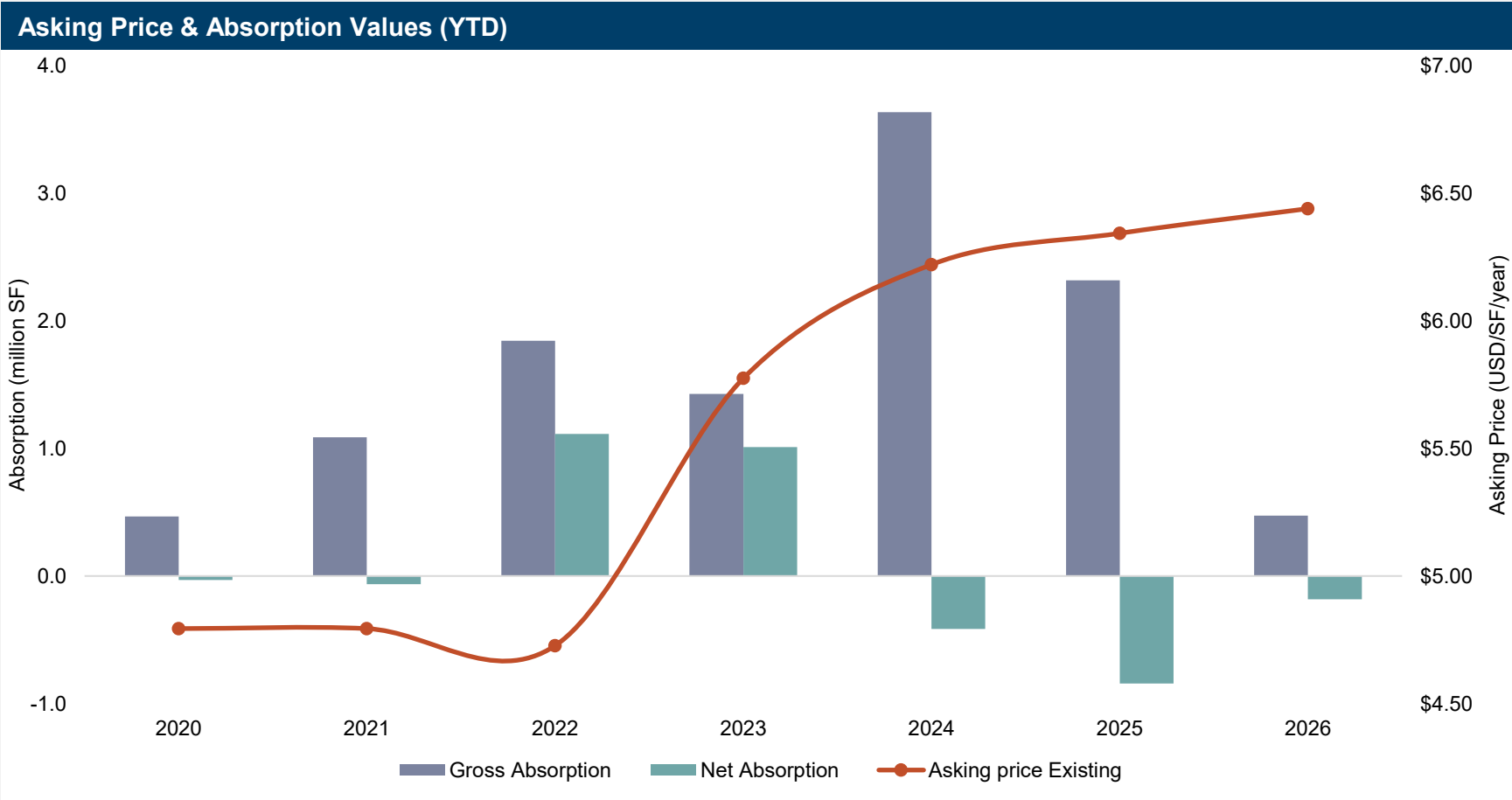
Absorption and Asking price

Gross absorption fell to 473,228 SF, its lowest level since 2023, while net absorption returned to negative territory (-182,783 SF). Demand shows a lower capacity to absorb available supply, reflecting a more cautious market during 1H26. Even so, rents continue rising and reach a new high of \$6.44/SF/year. The combination of lower construction and firm pricing suggests that the current adjustment stems from demand rather than a structural oversupply.

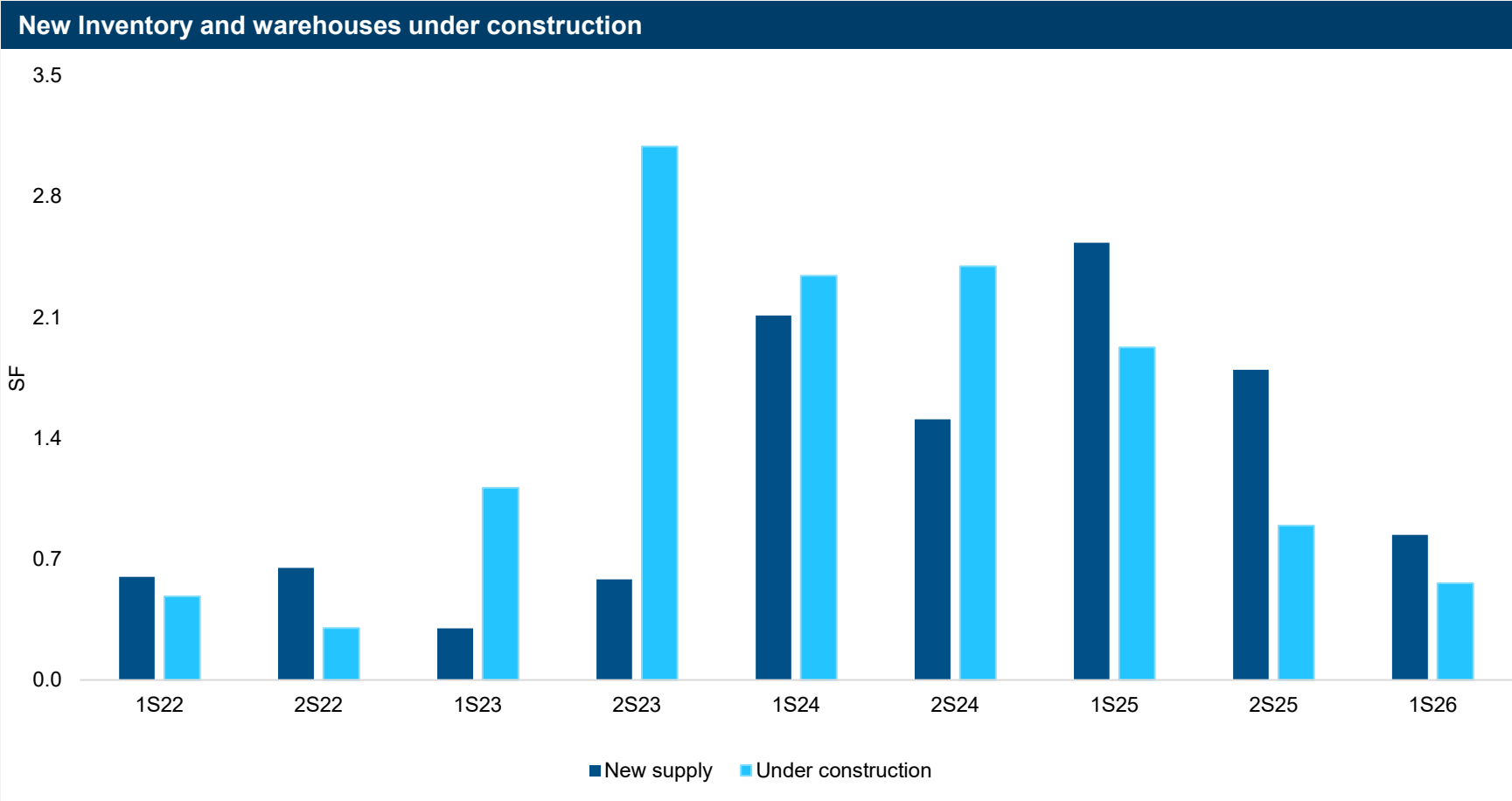


Annual Price Trends and YTD Market Absorption

Cumulative absorption remains below the 2024 highs, while net absorption stays negative due to move-outs and as an indicator of the extended time new supply still needs to stabilize. Nevertheless, rents continue rising to \$6.44/SF/year, showing that the market retains pricing power. Low construction reduces oversupply risks and favors a gradual recovery in fundamentals once demand accelerates again.



Growth trends

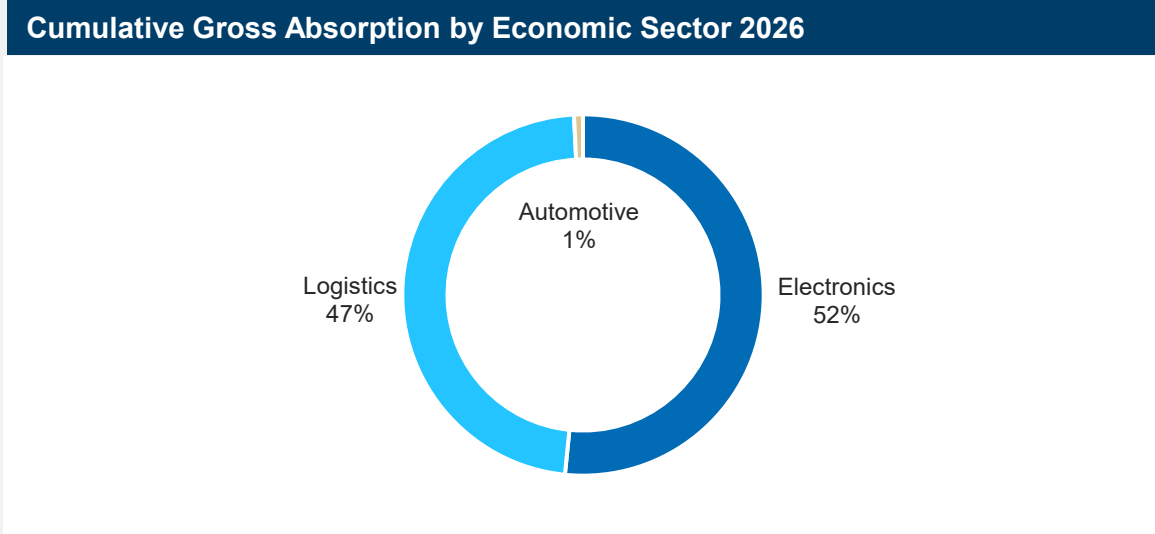
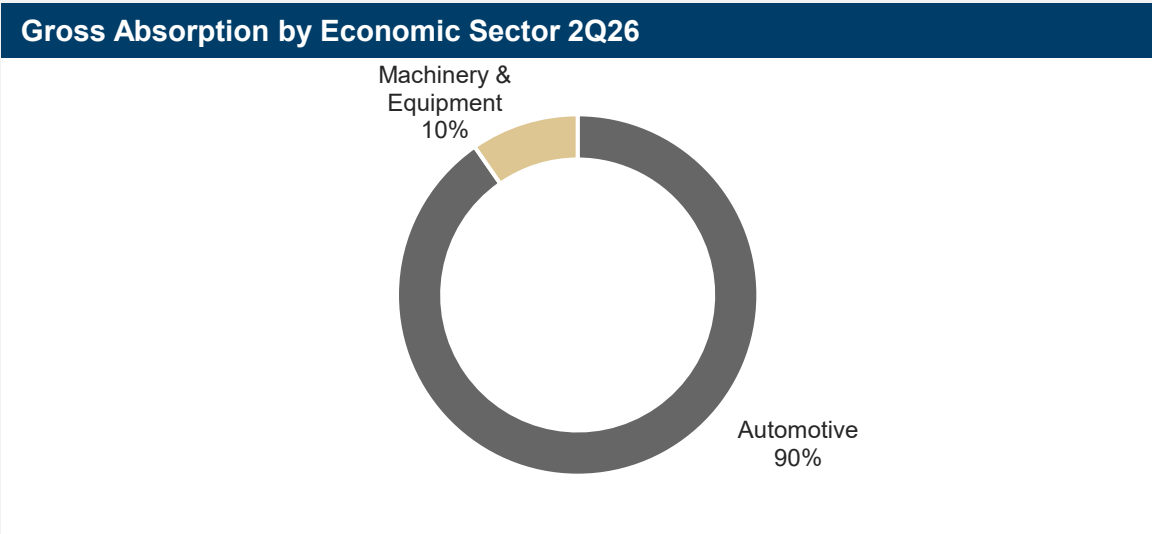


- The delivery of new inventory continues to slow, and construction dropped to 559,723 SF, its lowest level since 2022.
- The simultaneous decline in both indicators reflects developers' reduced willingness to add supply in an environment of moderate absorption.
- While this limits inventory growth potential in the short term, it also reduces the risk of oversupply, favoring a gradual stabilization of availability and preserving the conditions that have sustained rent growth.

Recent Construction Projects, Key Transactions & Performance

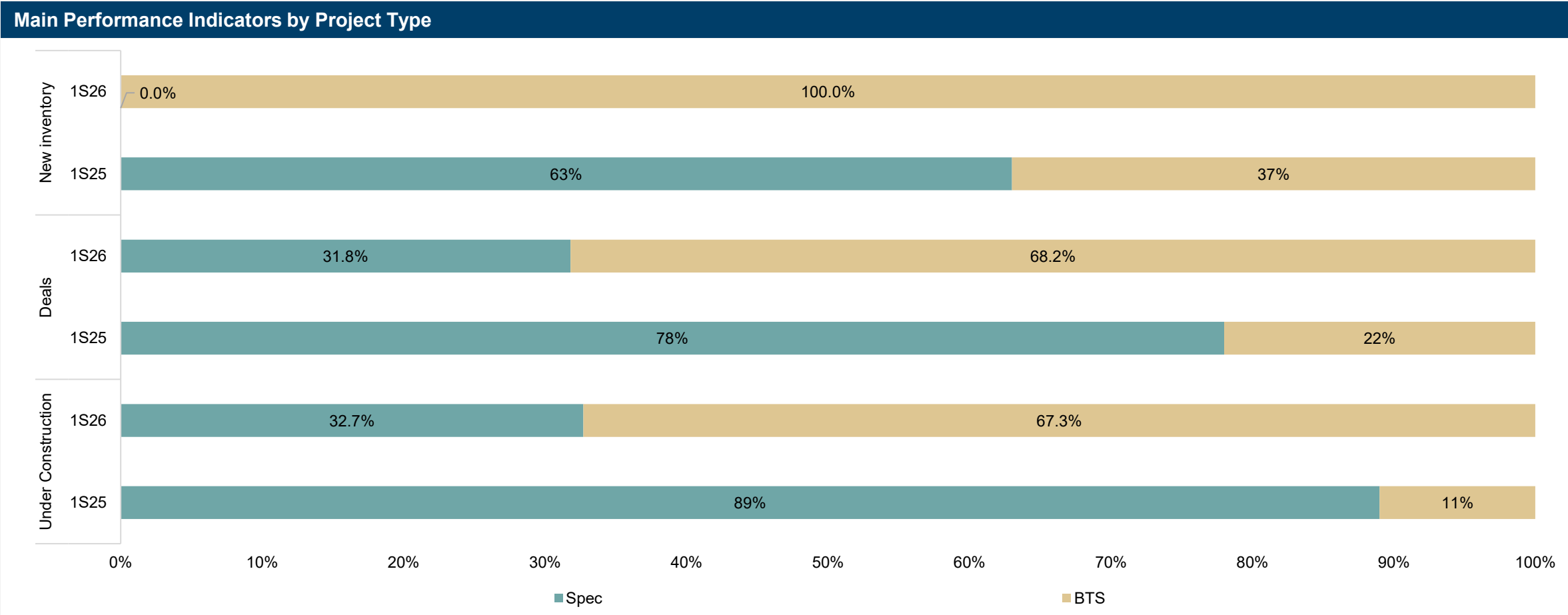
Main parks under construction			
Industrial Park	Type	Delivery date	Total area (SF)
Logistik II Industrial Park	BTS	2S26	226,042
Logistik II Industrial Park	BTS	2S26	96,875
Logistik II Industrial Park	BTS	2S26	53,820

Main deals		
Industrial Park	Type	Total area (SF)
Logistik II Industrial Park	BTS	226,042
Logistik II Industrial Park	Spec	104,571
Logistik II Industrial Park	BTS	96,875



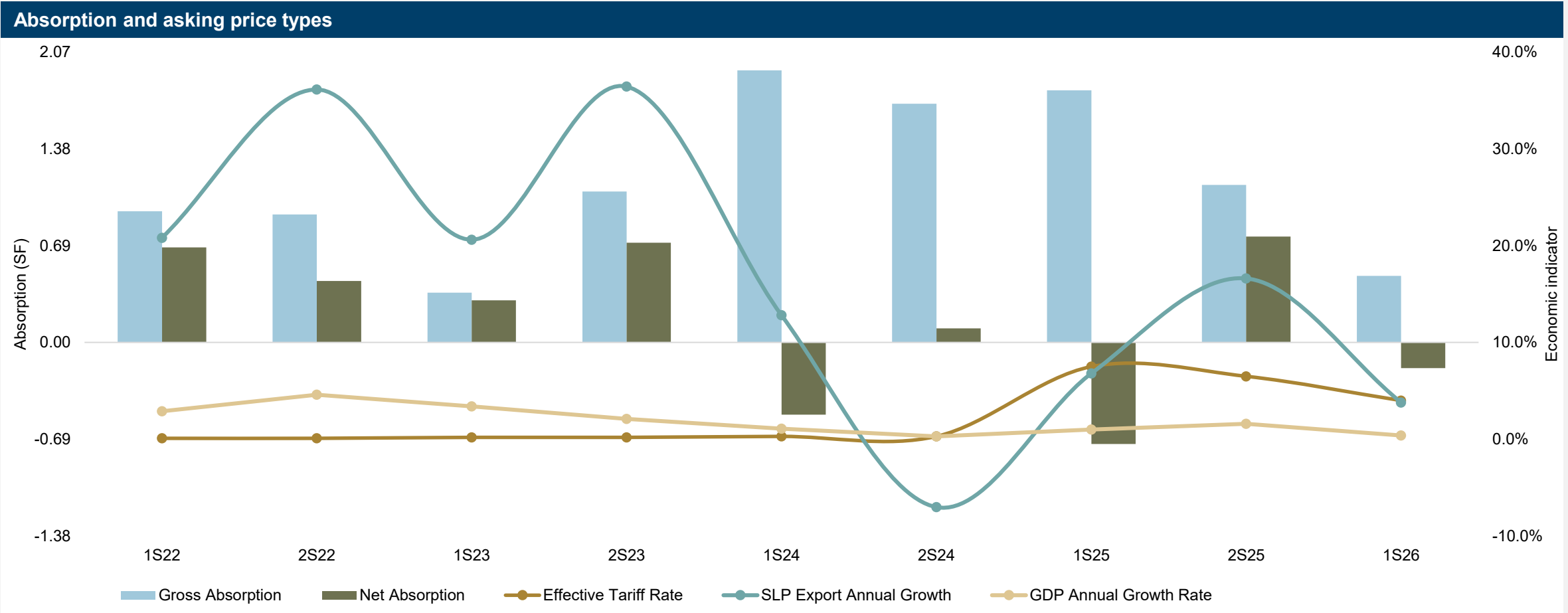
Speculative Market vs. *BTS*

Construction activity shows a significant shift in risk allocation. While operating inventory continues to be dominated by speculative space, 67% of construction and the entirety of new inventory correspond to BTS projects. This shift suggests that developers favor pre-secured demand over speculative growth. In an environment of moderate absorption and higher availability, the market favors expansion backed by specific users, reducing the likelihood of adding supply without defined occupancy.

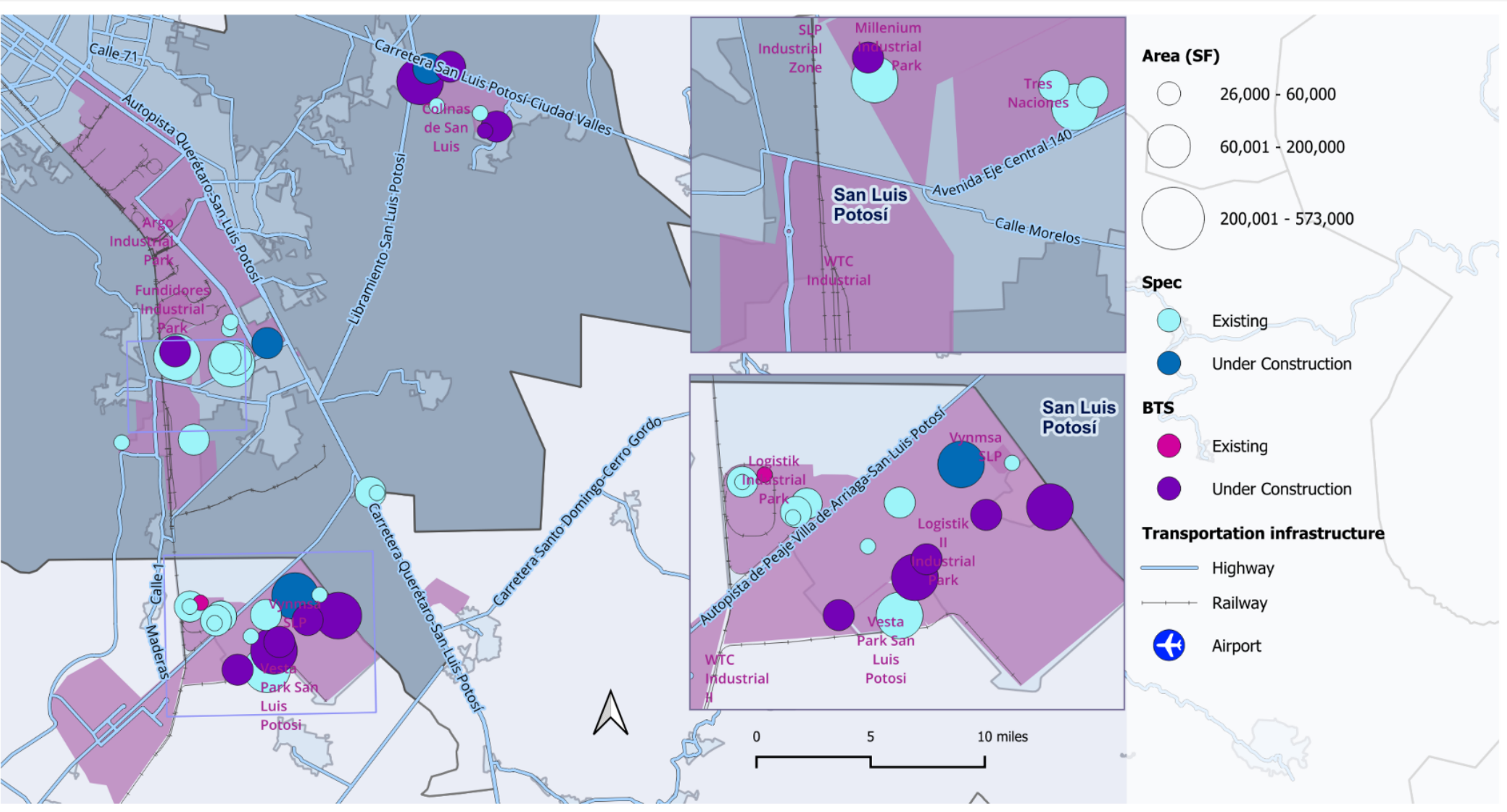


Absorption and Asking price

Leasing activity slowed significantly during 1S26, with gross absorption falling to 473,000 m², one of the weakest results since 2023. Net absorption remained negative at -183,000 SF, reflecting subdued occupier demand amid slower export growth (3.8%), modest GDP expansion (0.4%), and a still uncertain trade environment.



Industrial Market Location



Mauricio Mondragón*Market Research Director**Latin America*

mauricio.mondragon@nmrk.com

Fernando Lara*Market Research Analyst**Bajío*

Fernando.lara@nmrk.com

Ciudad de México

Corporativo Espacio Santa Fe

Carr. México Toluca 5420-PH Santa Fe,

Cuajimalpa, México, CDMX 05320

t 555-980-2000

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.la/reportes-de-mercado/.

All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision the recipient may make in response to this publication and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download or in any other way reproduce this publication or any of the information it contains. This document is intended for informational purposes only, and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter.