3Q25

# Mexico City Industrial Market

# Market observations

## Economy

- The exchange rate averaged MXN $18.68 per USD during the third quarter, marking a downward trend compared to the end of 2024.
- The growth of e-commerce, driven by evolving consumer behavior, continues to reshape the industrial real estate landscape. This shift is creating strategic opportunities for logistics corridors, particularly in Mexico City, where demand for well-connected and efficient spaces is intensifying.
- The International Monetary Fund (IMF) revised Mexico's 2025 GDP growth forecast upward to 1%. However, it cautions that economic momentum may slow due to tighter fiscal policies, moderate investment levels, and ongoing trade tensions with the United States.

## Leasing Market Fundamentals

| | Current Quarter | Prior Quarter | One Year Ago | 12-month Forecast |
|---|---|---|---|---|
| Total Inventory (SF) | 138.1 M | 136.7 M | 128.9 M | ↑ |
| Vacancy Rate | 2.41% | 2.49% | 1.5% | → |
| Gross Absorption (SF) | 2.2 M | 0.6 M | 1.2 M | ↑ |
| Net Absorption (SF) | 0.7 M | -1.4 M | -0.3 M | → |
| Asking Rent (USD/SF/Year) | $11.54 | $11.81 | $10.95 | ↑ |
| U.Construction (SF) | 7.3 M | 5.6 M | 7.5 M | ↑ |

## Major Transactions

- Gross absorption in Class A industrial space reached approximately 2.2 million SF in Q3 2025. Cuautitlán led the market with around 980 thousand SF, confirming its position as the most active corridor. Tlalnepantla and AIFA-Zumpango also performed well, each exceeding 450 thousand SF.
- The CTT corridor accounted for over 1.1 million SF, representing more than half of the city's total gross absorption, reaffirming its role as the region's primary driver of industrial demand.

## Outlook

- The availability rate is expected to remain close to 2%, as new developments in CTT and northern submarkets offset ongoing absorption.
- Logistics investment is driving the expansion of Last Mile facilities into new urban zones. The Oriente corridor is emerging as a promising area for industrial development.
- Over the next six months, major industrial projects in Huehuetoca, Tepeji, and AIFA-Zumpango are expected to enter the market, significantly boosting Class A supply in northern Mexico City.

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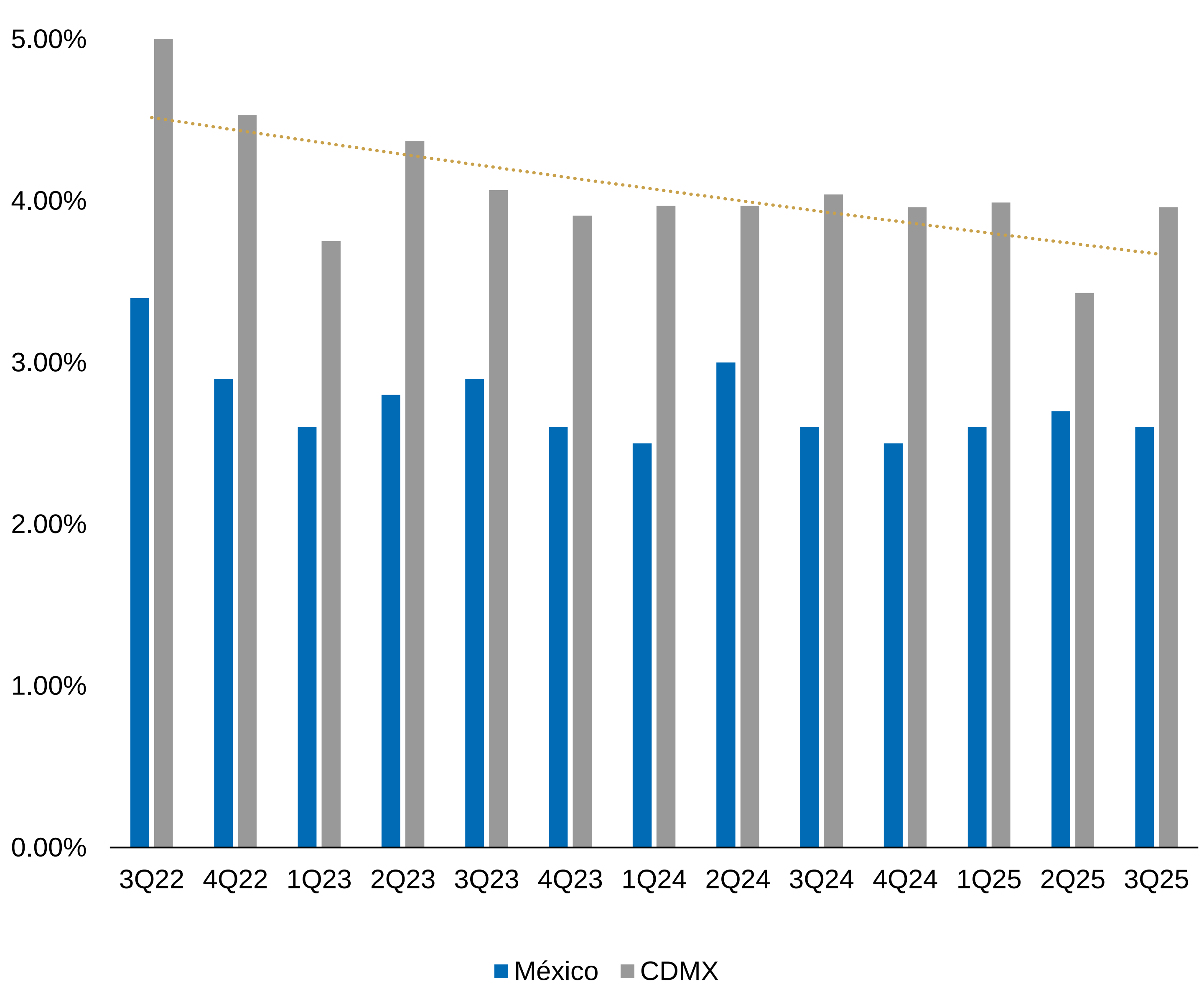
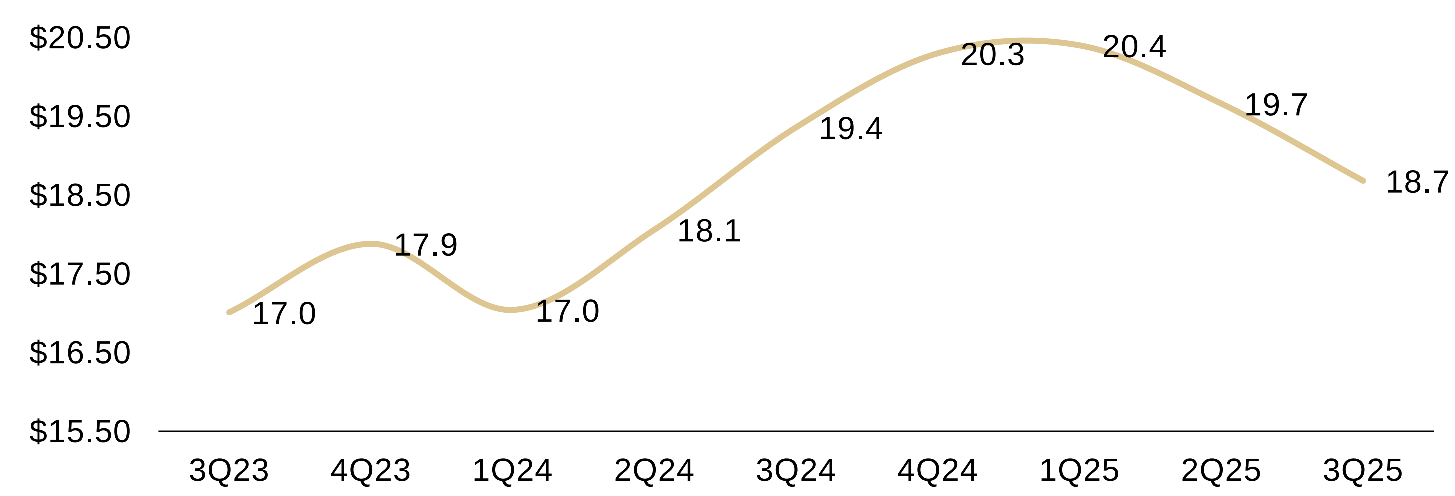
# Economic outlook

Q3 closed with a notable decline in the exchange rate, averaging MXN $18.68 per USD, contrasting with the previous year's close. Inflation remains stable, staying below 4%.

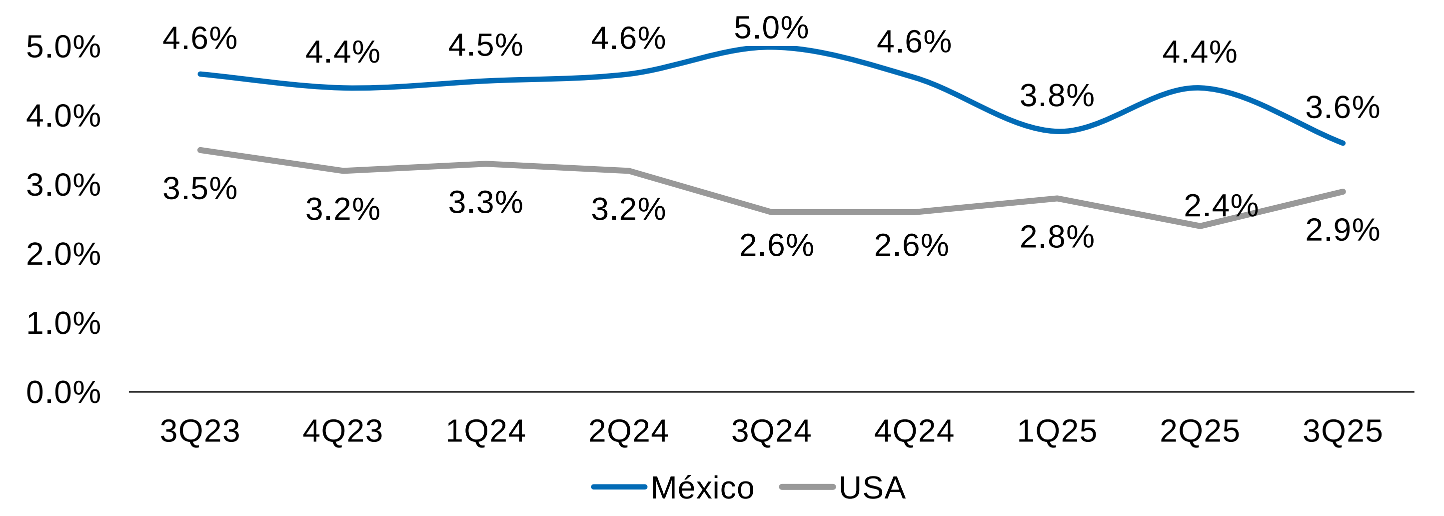
## Unemployment Rate




## Exchange Rate: Mexican Peso (MXN) to US Dollar (USD)




## Consumer Price Index (CPI)

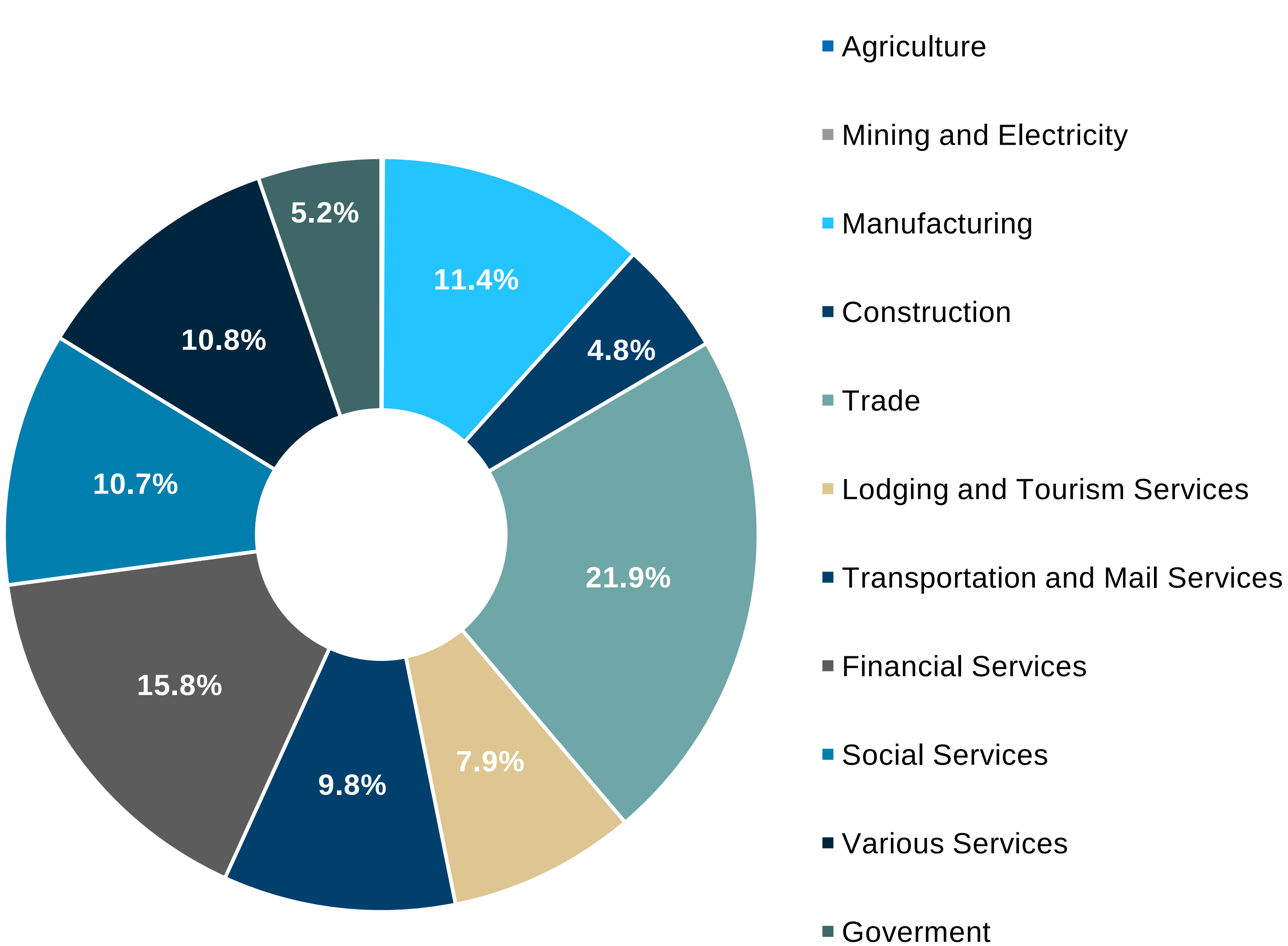



Source: Inegi, Banxico

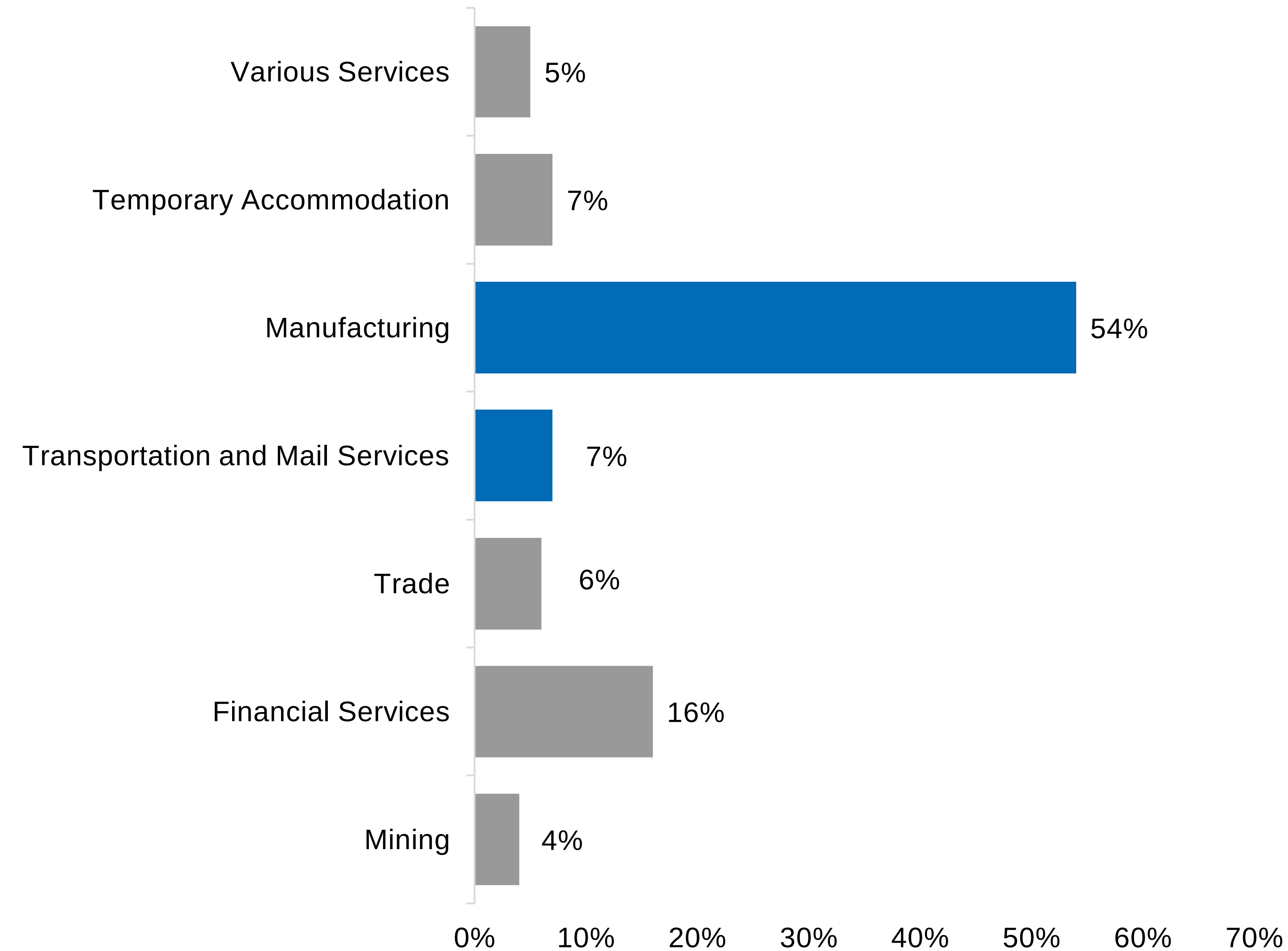
# Economic sectors

Manufacturing ranks as the third-largest source of formal employment in Mexico City, following commerce and financial services. The logistics sector accounts for approximately 10% of formal employment. Combined, these two sectors—closely tied to industrial real estate—represent over 21% of formal employment, underscoring their strategic importance.

## Employment by Sector of Economic Activity




## Foreign Direct Investment




Source: Inegi, Banxico

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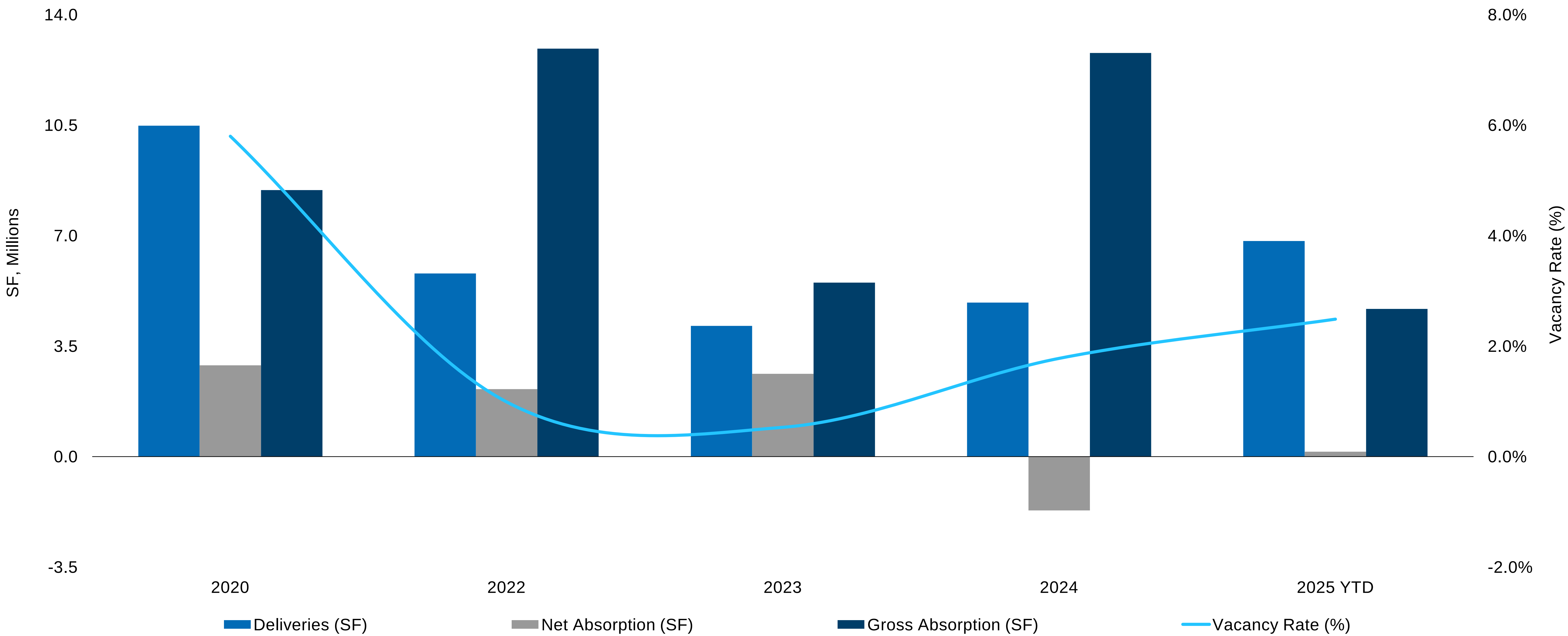
# Leasing Market Fundamentals

# Vacancy Rate Above 2%

The supply of industrial warehouses remains at levels similar to the post-pandemic period, considering the growth of Class A inventory alongside isolated vacancies in the CTT corridor during the first half of 2025.

**Construction Deliveries, Net Absorption, Gross Absorption, and Vacancy**

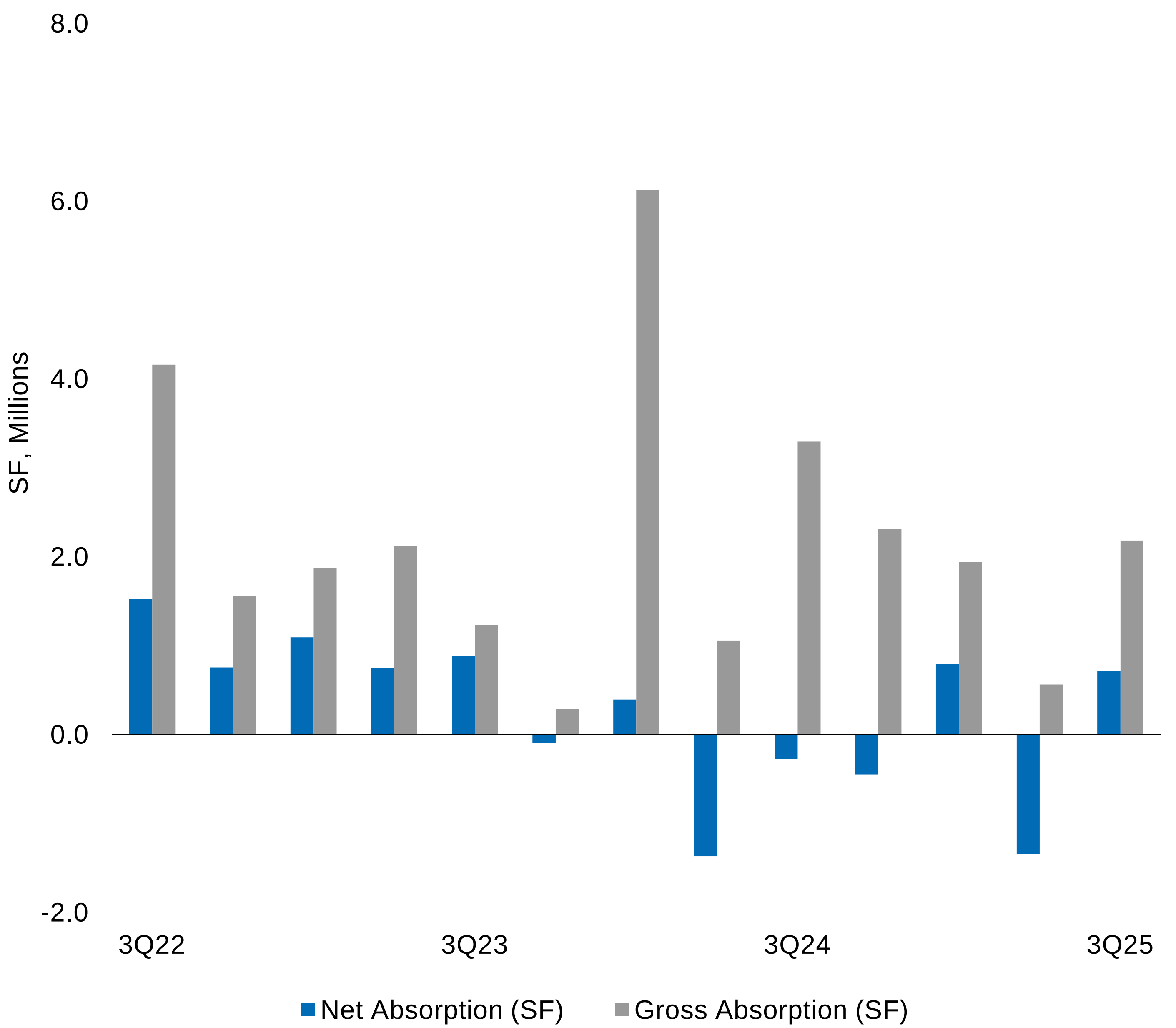



Source: Newmark Research

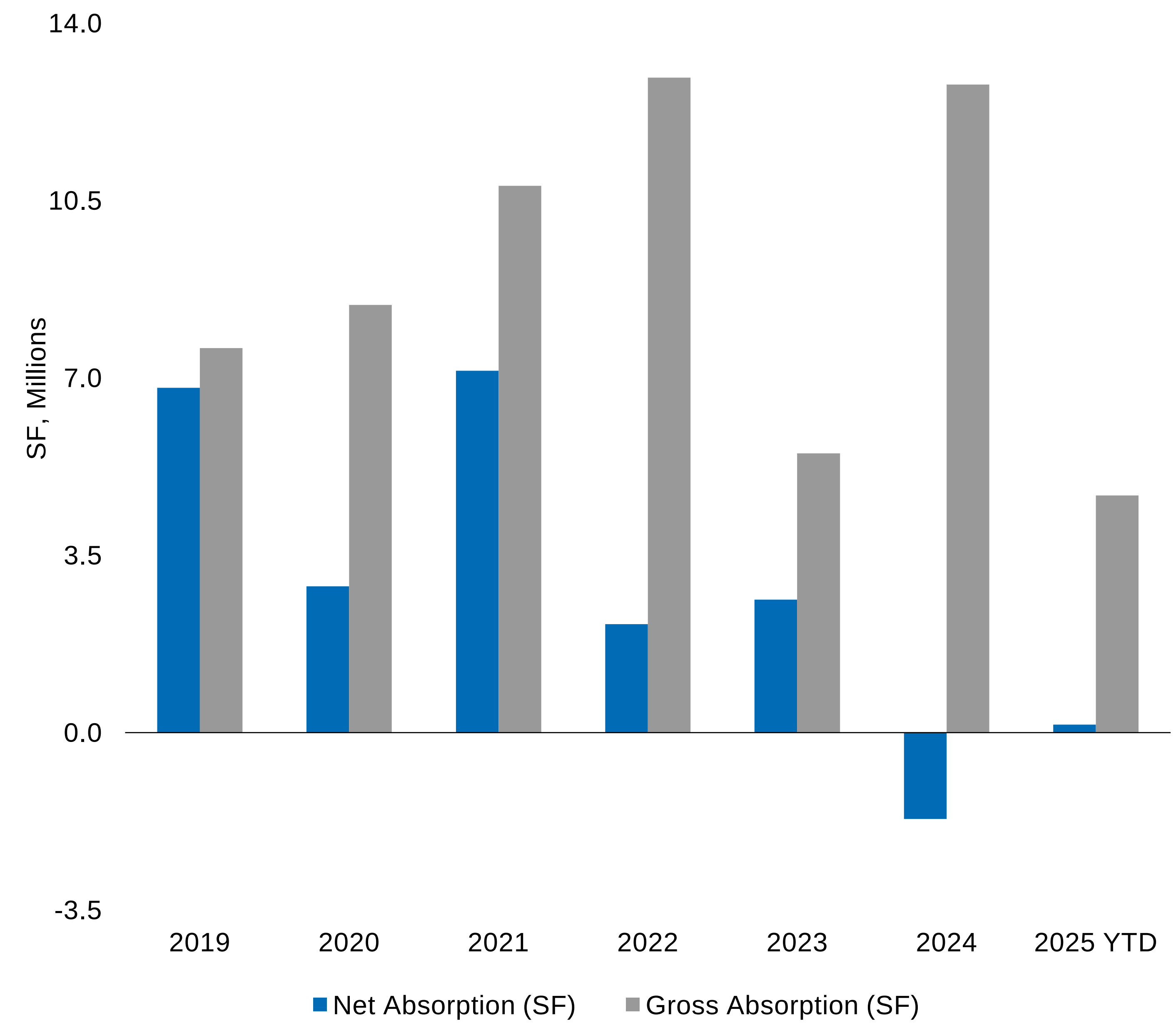
# Recovery in Gross Absorption Compared to Q2 2025

In Q3 2025, gross absorption totaled 2.2 million SF, while net absorption reached 714 thousand SF in Class A industrial spaces across Mexico City. These results reversed the negative figures from the previous quarter and returned the annual total to positive territory, contrasting with the weaker performance of the first half of the year.

## Gross Absorption and Net Absorption




## Annual Gross Absorption and Net Absorption

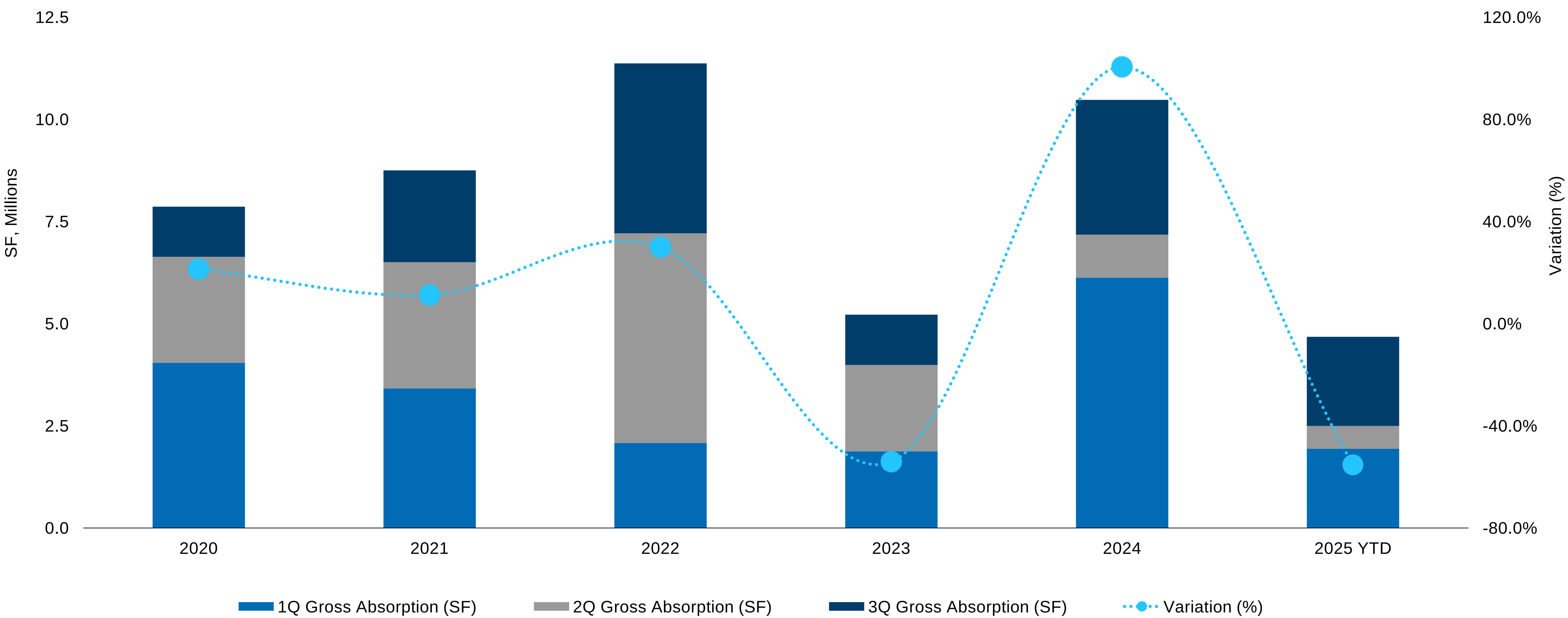



Source: Newmark Research

# Gross Absorption in Q3 2025

The 2.2 million SF of gross absorption recorded in Q3 2025 represents a slight recovery compared to the previous year. However, the annualized total remains 55% below the volume recorded in 2024.

## YTD Gross Absorption and Year-over-Year Variation

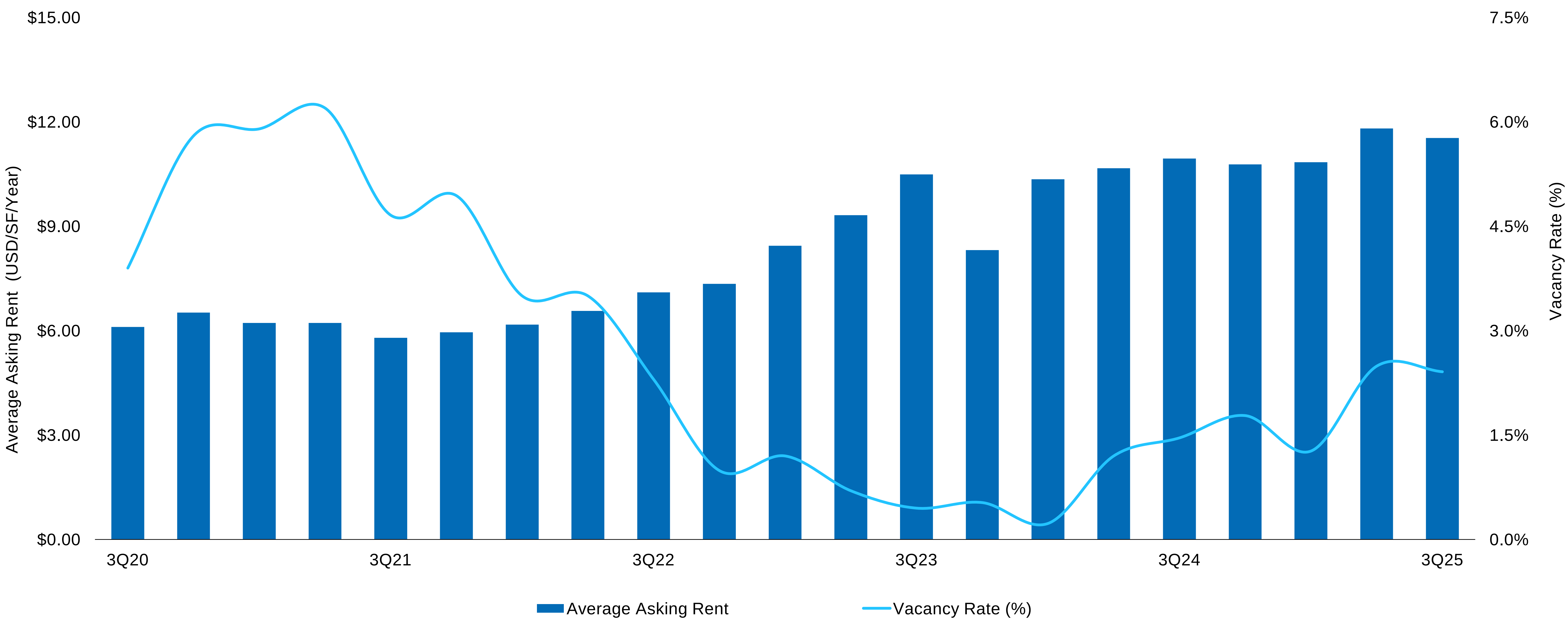



Source: Newmark Research

# Vacancy Rate at 2.4%

Throughout 2024, the vacancy of Class A industrial space in Mexico City remained below 2%.In the last two quarters, however, the rate has slightly increased, driven by inventory growth. The average rental rate remains at 11.54 USD/SF/Year, with the CTT corridor at 12 USD/SF/Year.

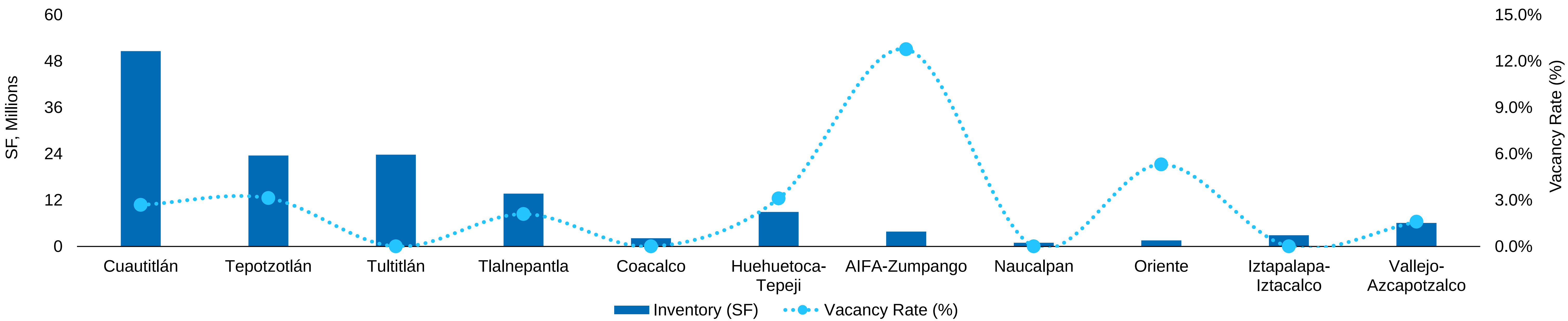
## Average Asking Rent and Vacancy Rate



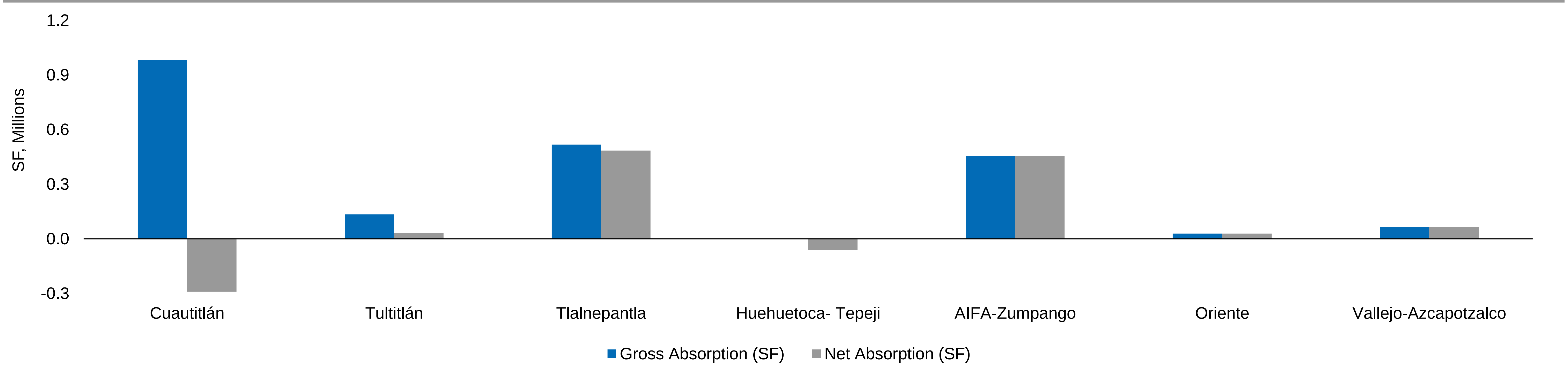

Source: Newmark Research

# Activity in Mexico City's submarkets

**Inventory vs. Vacancy Rate**



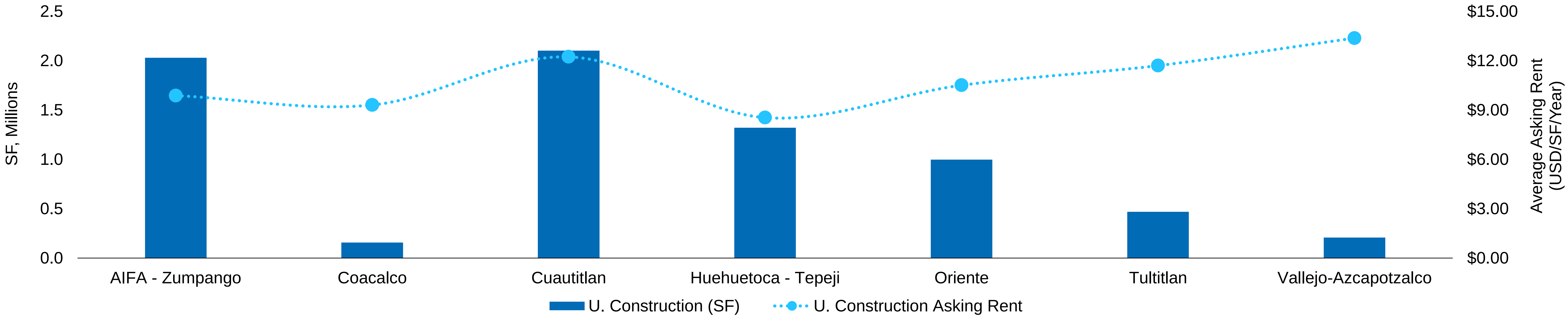

**Net Absorption and Gross Absorption by Submarket**



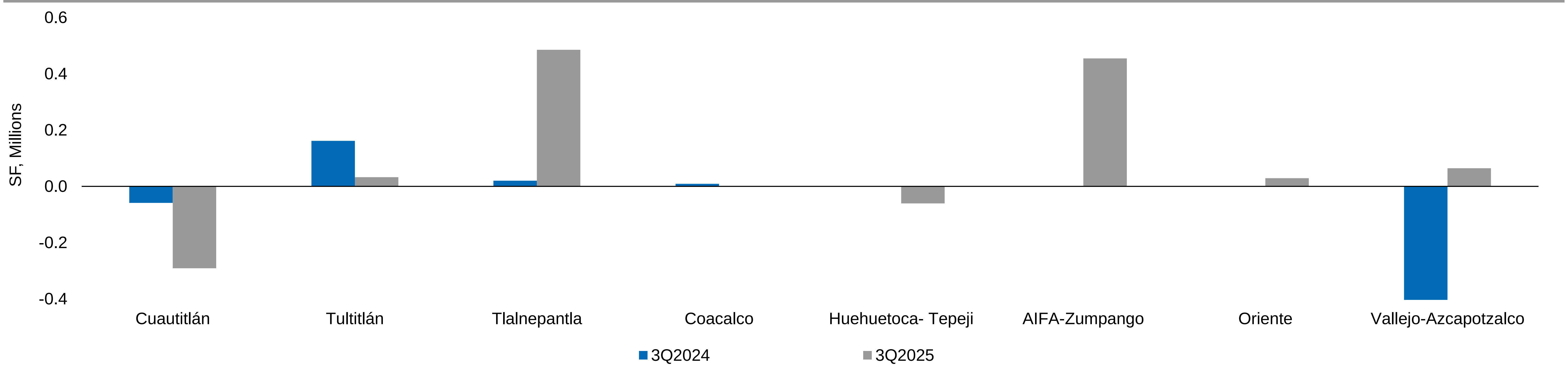

Source: Newmark Research

# Activity in Mexico City's submarkets

## Construction vs. Asking Rent by Submarket




## Net Absorption for the Third Quarter 2024 vs 2025




Source: Newmark Research

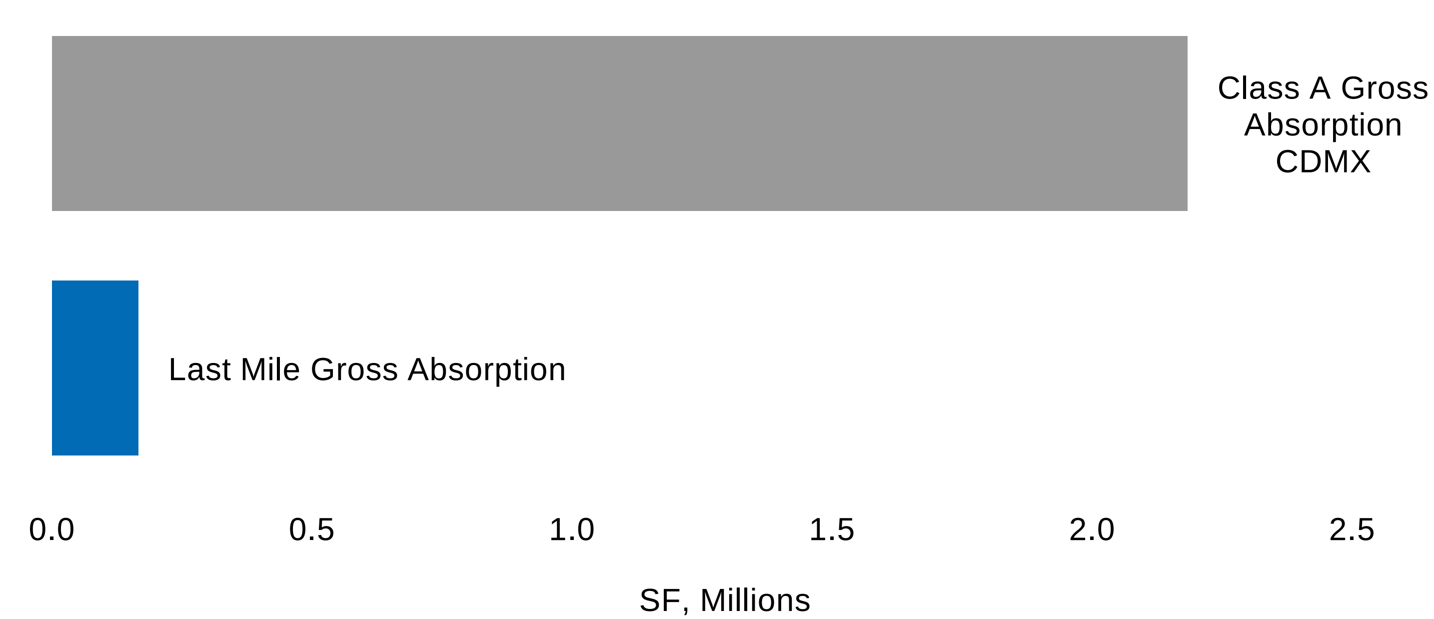
# 3Q25 *Last Mile* Vacancy

| Project Name | Developer | Submarket | Vacancy (SF) | Asking Lease Rate (USD/SF/Year) | Status |
|---|---|---|---|---|---|
| Last Touch Interlogix Lomas II | Interlogix | - | 15,715 | $14.49 | Delivered |
| Last Touch Interlogix Postes | Interlogix | - | 11,528 | $14.49 | Delivered |
| OD Vallejo 1 | O´Donnell | Vallejo-Azcapotzalco | 275,878 | $13.94 | Delivered |
| Jysa Park Norte 35 | Jysa | Vallejo-Azcapotzalco | 115,604 | $13.13 | Delivered |
| CPA Eulalia Gómez | CPA | Vallejo-Azcapotzalco | 111,481 | NA | Construction |
| Vesta La Villa | Vesta | Vallejo-Azcapotzalco | 207,963 | $13.38 | Construction |

## Last Mile Asking Rent

| Lower Asking Lease Rate (USD/SF/Year) | Higher Asking Lease Rate (USD/SF/Year) | Average Asking Lease Rate (USD/SF/Year) |
|---|---|---|
| $9.33 | $16.71 | $11.37 |

## Last Mile Gross Absorption vs Class A Gross Absorption 1Q25




Source: Newmark Research

# Mexico City statistics 3Q25

| | Inventory (million SF) | Construction (SF) | Vacancy (SF) | Vacancy Rate | Gross Absorption (SF) | Gross Absorption YTD (SF) | Net Absorption (SF) | Net Absorption YTD (SF) | Asking Lease Rate (USD/SF/Year) | Construction Asking Rent (USD/SF/Year) |
|---|---|---|---|---|---|---|---|---|---|---|
| **CTT** | **97.94** | **2,572,895** | **2,097,784** | **2.1%** | **1,116,421** | **2,138,389** | **- 258,398** | **- 1,253,069** | **$12.40** | **$12.14** |
| Cuautitlán | 50.62 | 2,103,277 | 1,360,812 | 2.7% | 981,689 | 1,664,712 | - 290,873 | - 572,812 | $12.47 | $12.24 |
| Tepotzotlán | 23.56 | - | 736,972 | 3.1% | - | 282,229 | - | - 736,972 | $12.26 | - |
| Tultitlán | 23.76 | 469,618 | - | - | 134,732 | 191,447 | 32,475 | 56,715 | - | $11.71 |
| Tlalnepantla | 13.67 | - | 286,600 | 2.1% | 518,018 | 617,111 | 485,145 | - 178,998 | $13.51 | - |
| Coacalco | 2.13 | 157,196 | - | - | - | - | - | - | - | $9.31 |
| Huehuetoca - Tepeji | 8.95 | 1,321,818 | 277,924 | 3.1% | - | 824,170 | - 60,816 | 672,636 | $7.22 | $8.54 |
| AIFA - Zumpango | 3.86 | 2,030,717 | 492,771 | 12.8% | 454,882 | 654,843 | 454,882 | 654,843 | $9.75 | $9.88 |
| Naucalpan | 0.98 | - | - | - | - | - | - | - | - | - |
| Oriente | 1.55 | 997,437 | 82,279 | 5.3% | 29,127 | 29,127 | 29,127 | 29,127 | $7.76 | $10.51 |
| Iztapalapa-Iztacalco | 2.92 | - | - | - | - | - | - | - | - | - |
| Vallejo-Azcapotzalco | 6.11 | 207,963 | 97,435 | 1.6% | 64,454 | 417,812 | 64,454 | 232,651 | $11.93 | $13.38 |
| **Total** | **138.11** | **7,288,026** | **3,334,793** | **2.4%** | **2,182,903** | **4,681,452** | **714,395** | **157,191** | **$11.54** | **$11.34** |

Source: Newmark Research

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