3Q25

Monterrey
Industrial Market Report

NEWMARK

Market Analysis

Economy

- In a statement from the Nuevo Leon Ministry of Economy, it was announced that the state is consolidating its national leadership in vehicle exports. From January to June 2025, the state recorded a 10.9% increase in the export of vehicle units compared to the same period in 2024, according to the National Institute of Statistics and Geography (INEGI) and the Administrative Registry of the Light Vehicle Automotive Industry (RAIAVL).

- In June of this year alone, growth was 6.7% compared to June 2024, despite a complex national outlook in which vehicle exports in the rest of the country saw an accumulated decline of 3.3% in the first half of the year.

Leasing Market Fundamentals

	Current Quarter	Prior Quarter	One Year Ago	12-Month Forecast
Total Inventory (SF)	118.0M	117.0M	107.0M	↑
Vacancy Rate	7.8%	8.5%	3.2%	→
Gross Absorption (SF)	3.1M	0.4M	2.9M	→
Net Absorption (SF)	0.7M	-2.4M	0.9M	→
Asking Rent (USD/SF/Year)	$7.94	$8.03	$7.80	→
U. Construction (SF)	7.8M	9.3M	12.0M	→

Major Transactions

Tenant	Submarket	Type	Square Feet
Quanta Computer	Santa Catarina	Lease	1,239,000
Kuehne Nagel	Apodaca	Lease	335,000
Confidential	Apodaca	Lease	203,000

Outlook

– A stable asking price around US$8.05 per square feet per year.

– Vacancy rate will remain on the rise, nearly 8.0%

– Accumulative gross absorption of 5.3 million square feet.

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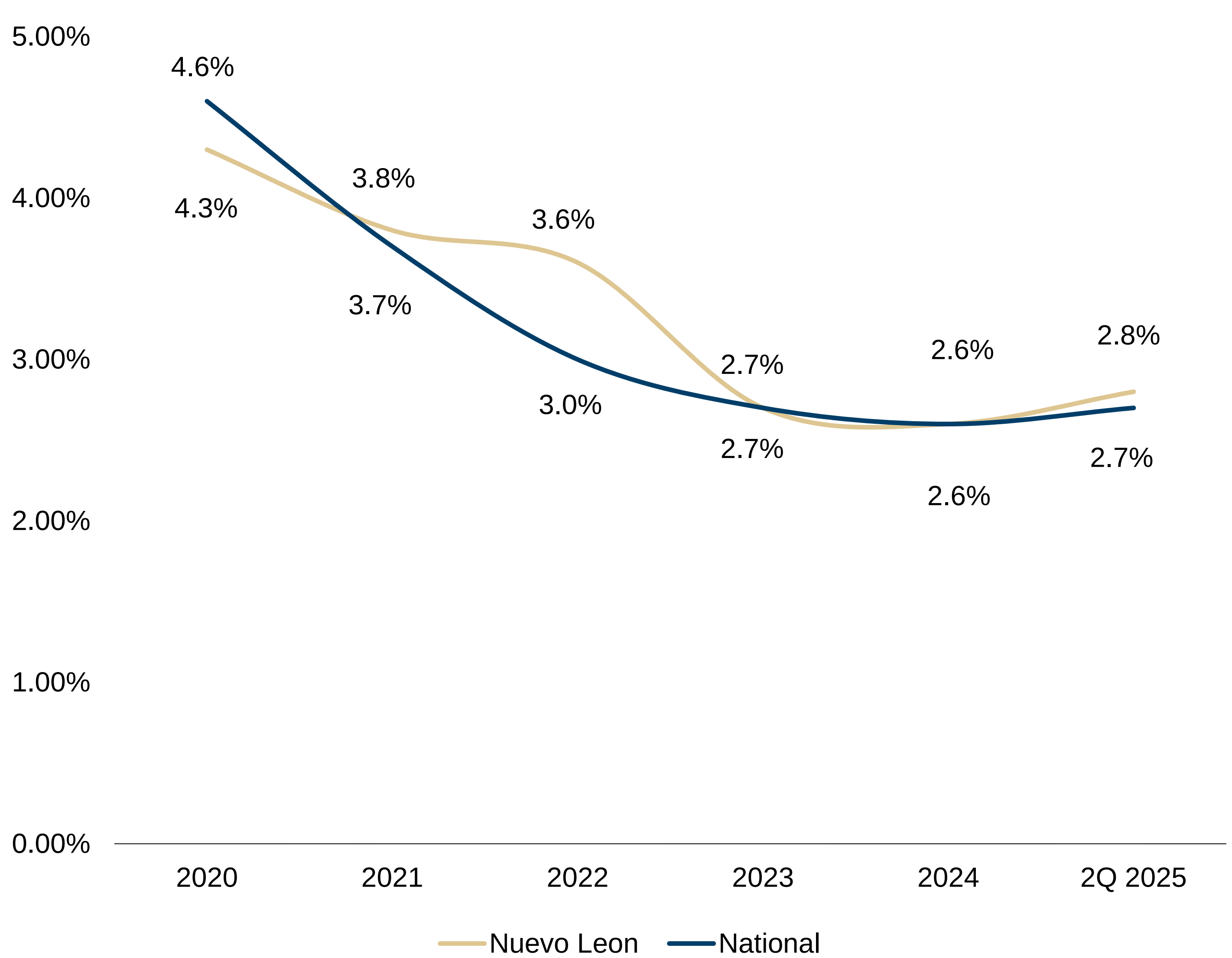
Economy

Economics

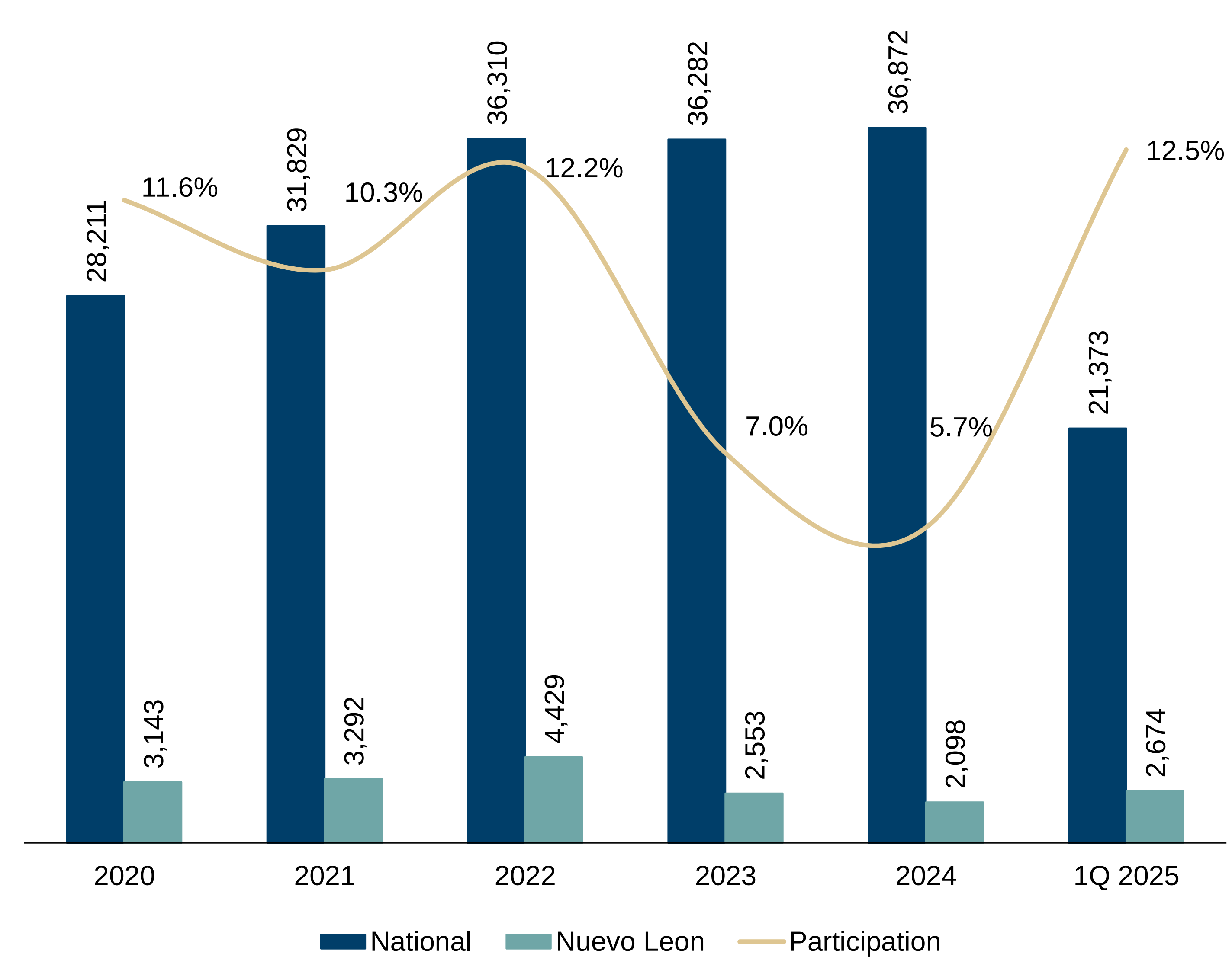
In the second quarter of 2025, the national unemployment rate was recorded at 2.7%, lower as the rate for Nuevo Leon was 2.8%. Additionally, Foreign Direct Investment (FDI) in Mexico by federal entity, based on 1Q 2025 data, amounted to 21,373 million dollars, with the state of Nuevo Leon accounting for 12.5% of this amount.

Unemployment Rate



Source: Secretariat of Labor and Social Welfare (Nuevo Leon), 2Q 2025

Foreign Direct Investment (Million Dollars)

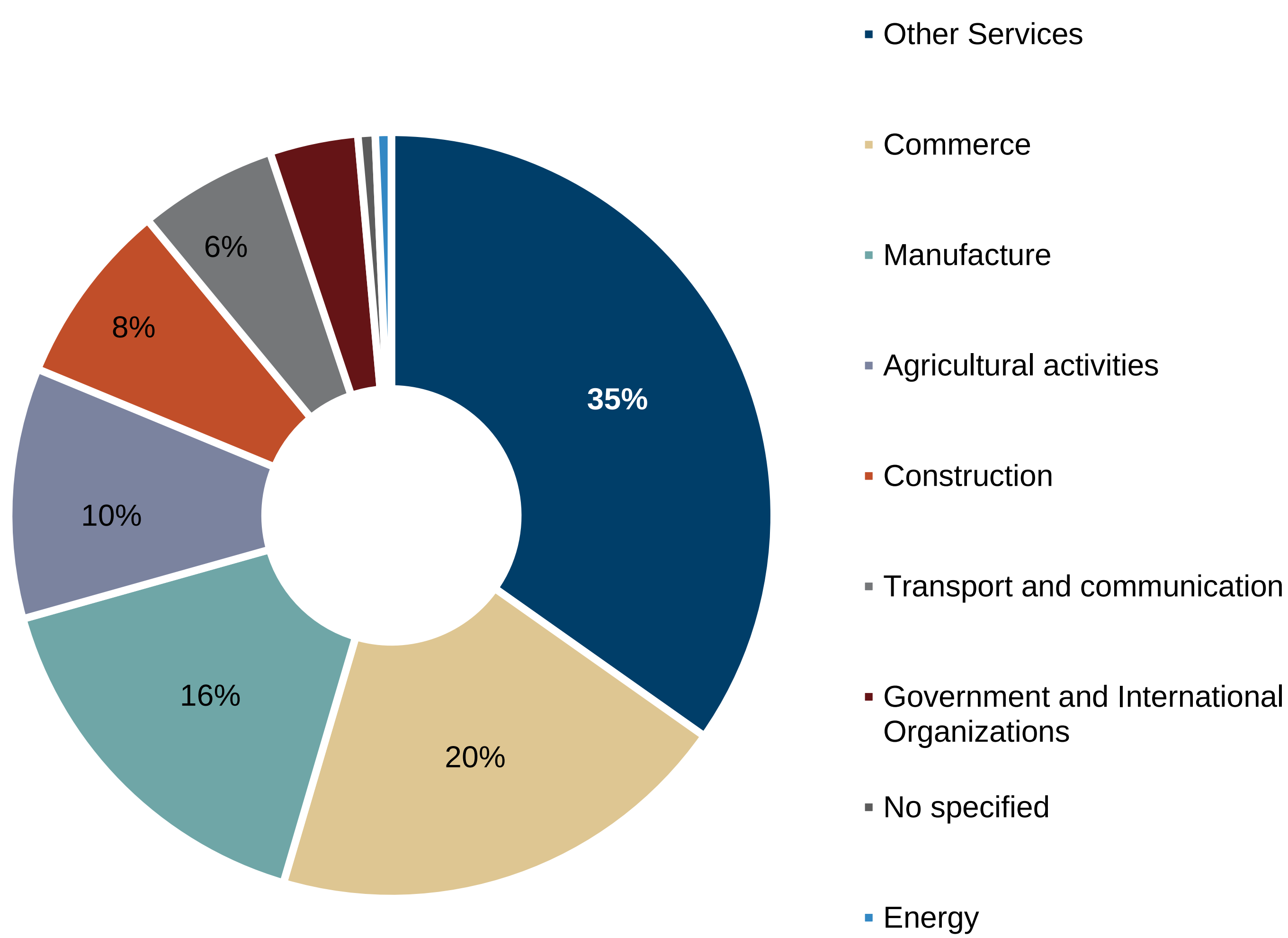


Source: Ministry of Economy (Nuevo Leon), 1Q 2025

Employment by Sector and Economic Position in Nuevo Leon

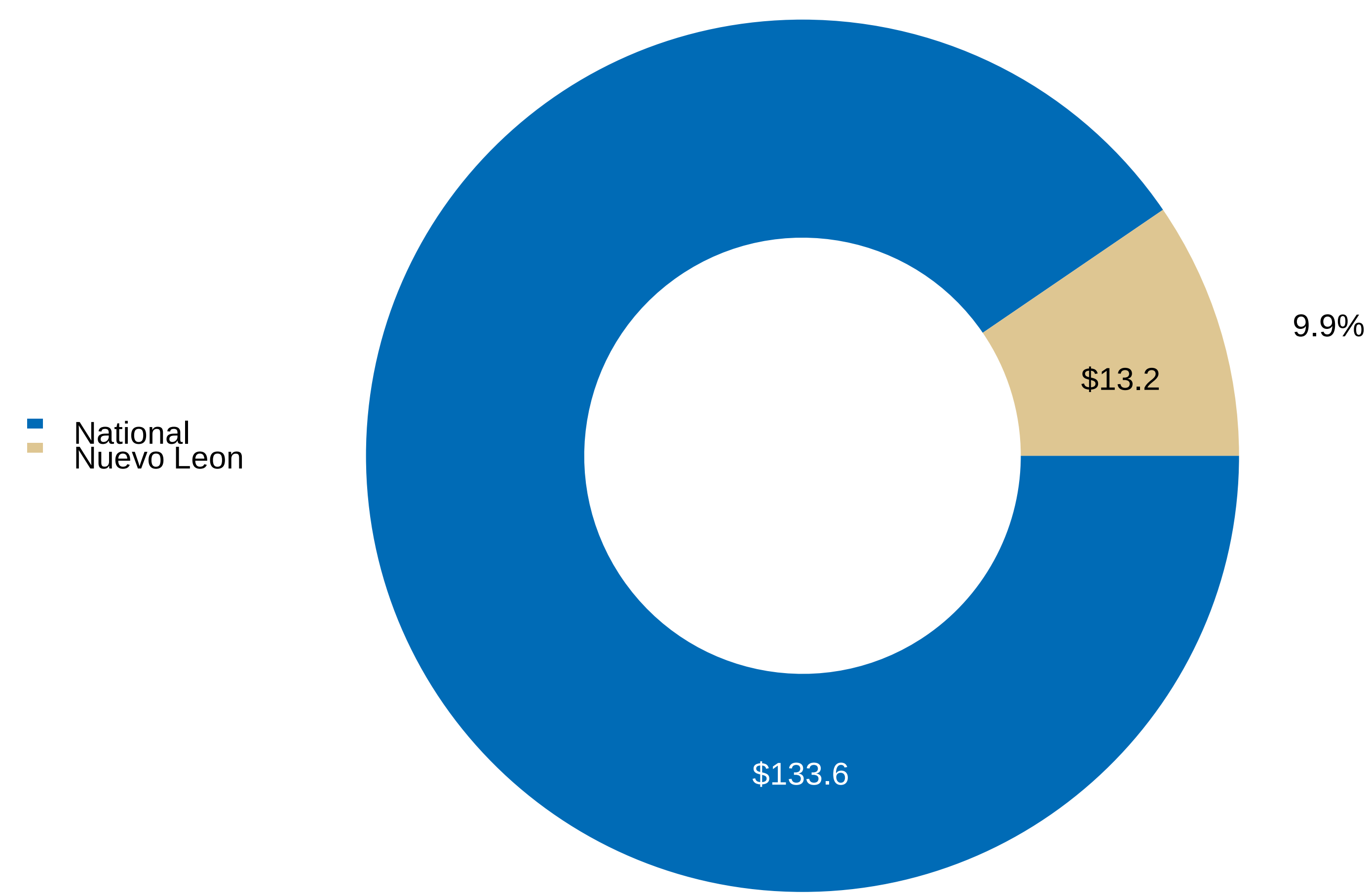
The September Labor Information document from the Secretariat of Labor and Social Welfare of Nuevo Leon indicated that economic activity by sector for 2Q 2025 recorded the following data: 35% in other services, 20% in commerce, and 16% in the manufacturing industry, among others. Furthermore, the Quarterly Exports by Federal Entity (ETEF) report, also for 1Q 2025, indicated that Nuevo Leon accounted for 9.9% of a total of 133.6 billion dollars.

Branch by Economic Activity



Source: Secretariat of Labor and Social Welfare (Nuevo Leon), 2Q 2025

Export Value (Billion Dollars)



Source: QEFE INEGI, 1Q 2025

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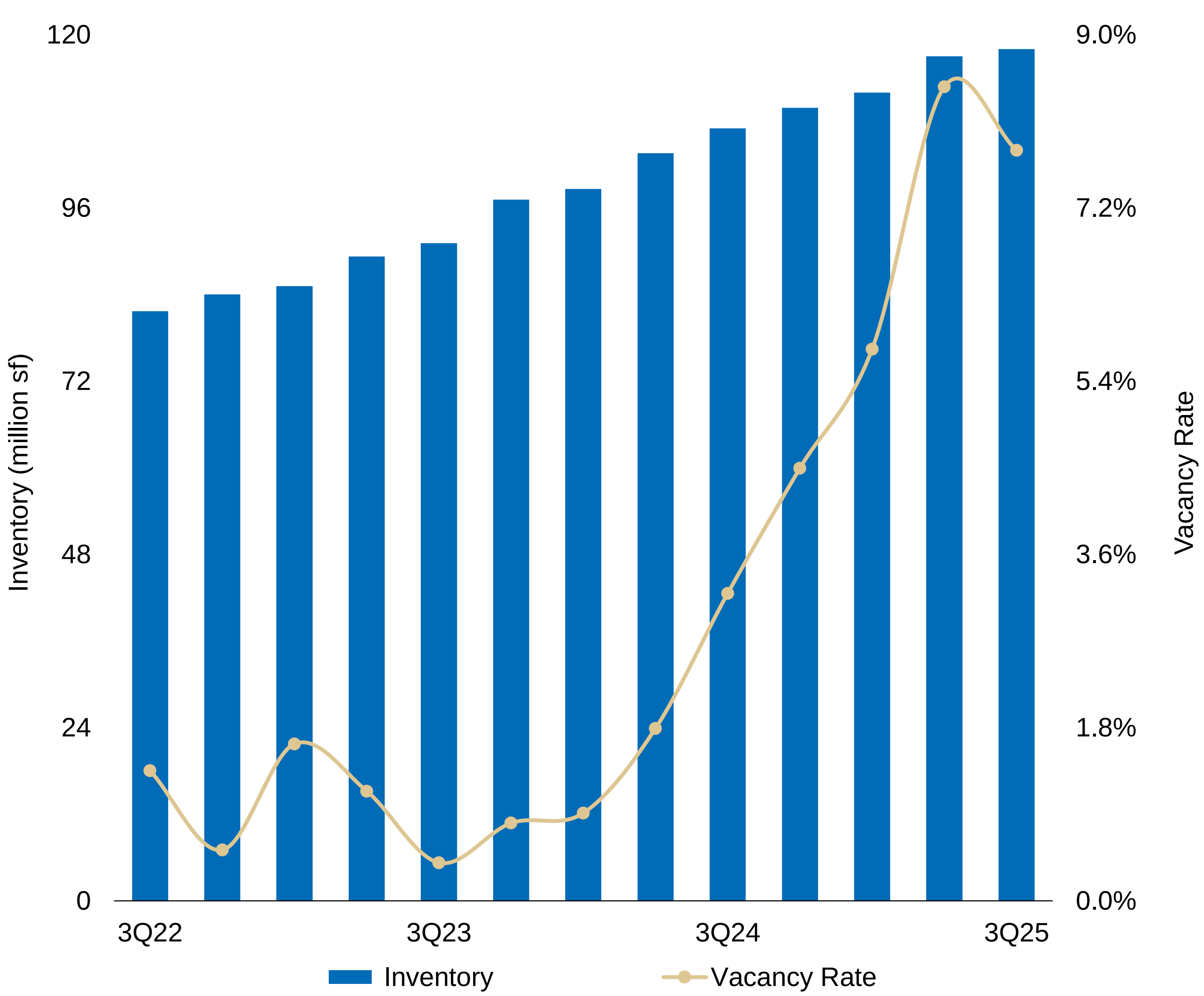
Leasing Market Fundamentals

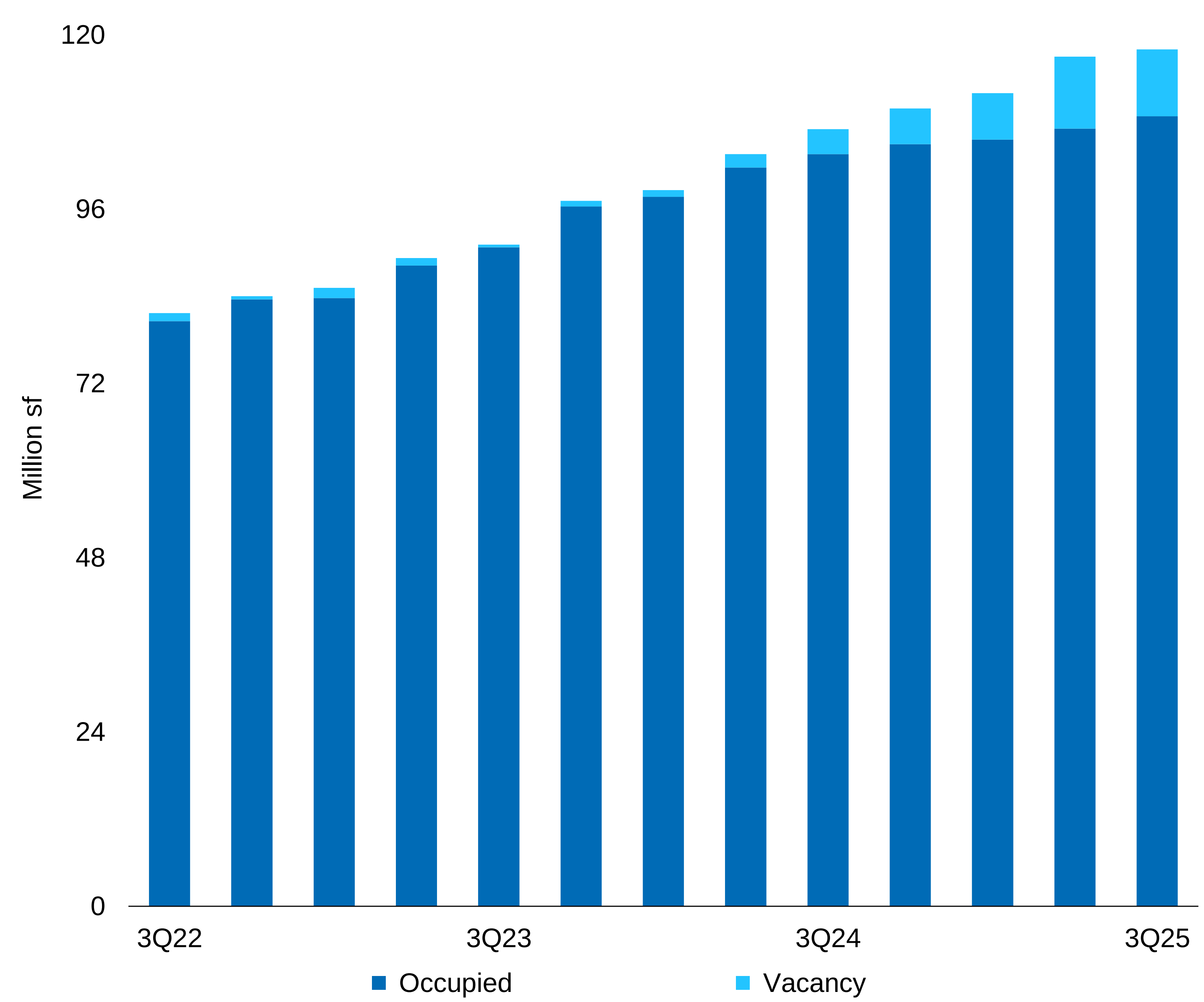
Market Demand

The third quarter showed a slight change in demand for Class A industrial space, recording a decrease in the vacancy rate to 7.8%, which translates to just over 9.2 million square feet vacant for lease. One of the main reasons for this drop in the vacancy rate is the leasing of a speculative building of just over 1.2 million square feet.

Inventory & Vacancy Rate



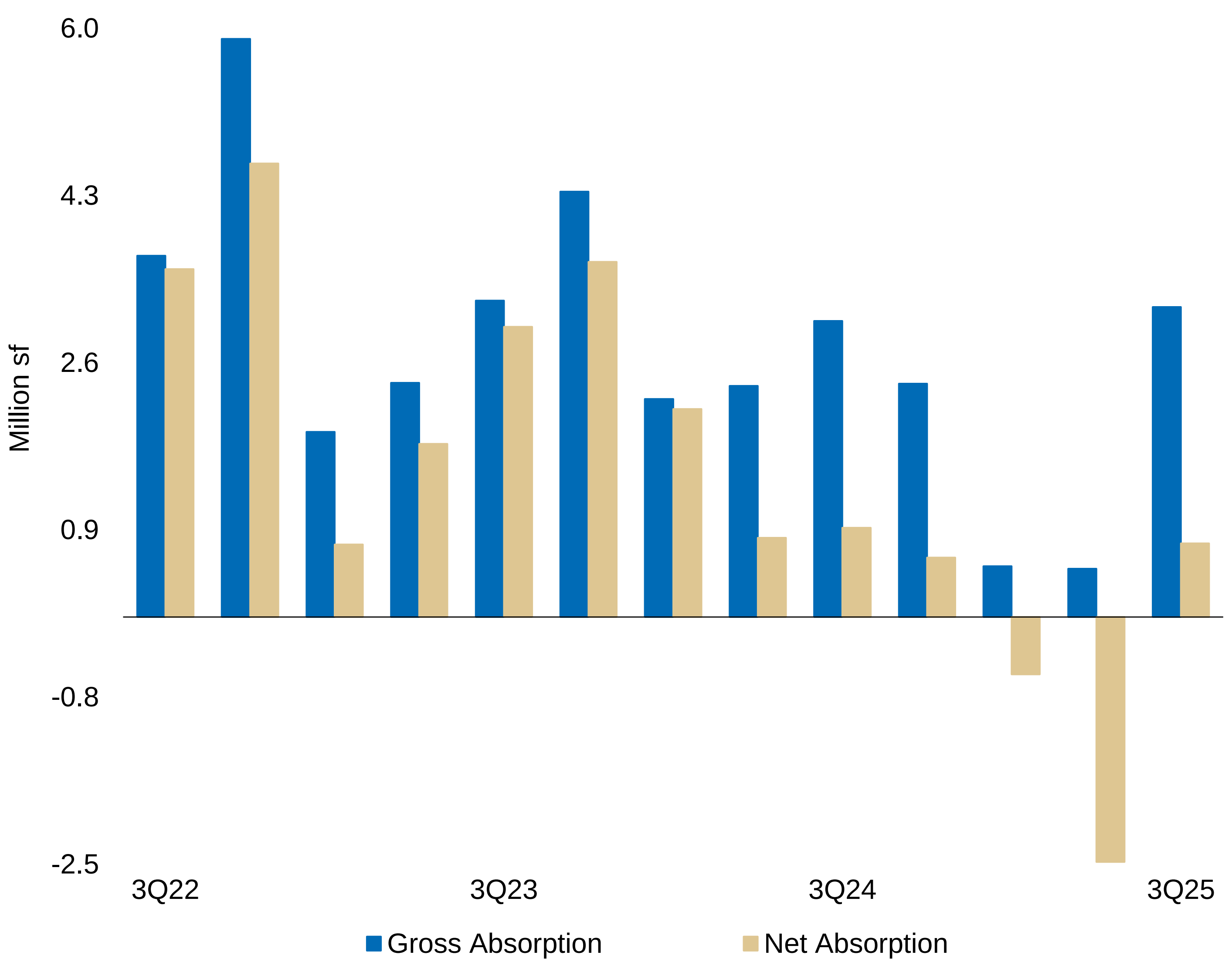
Occupied Space & Vacancy Space



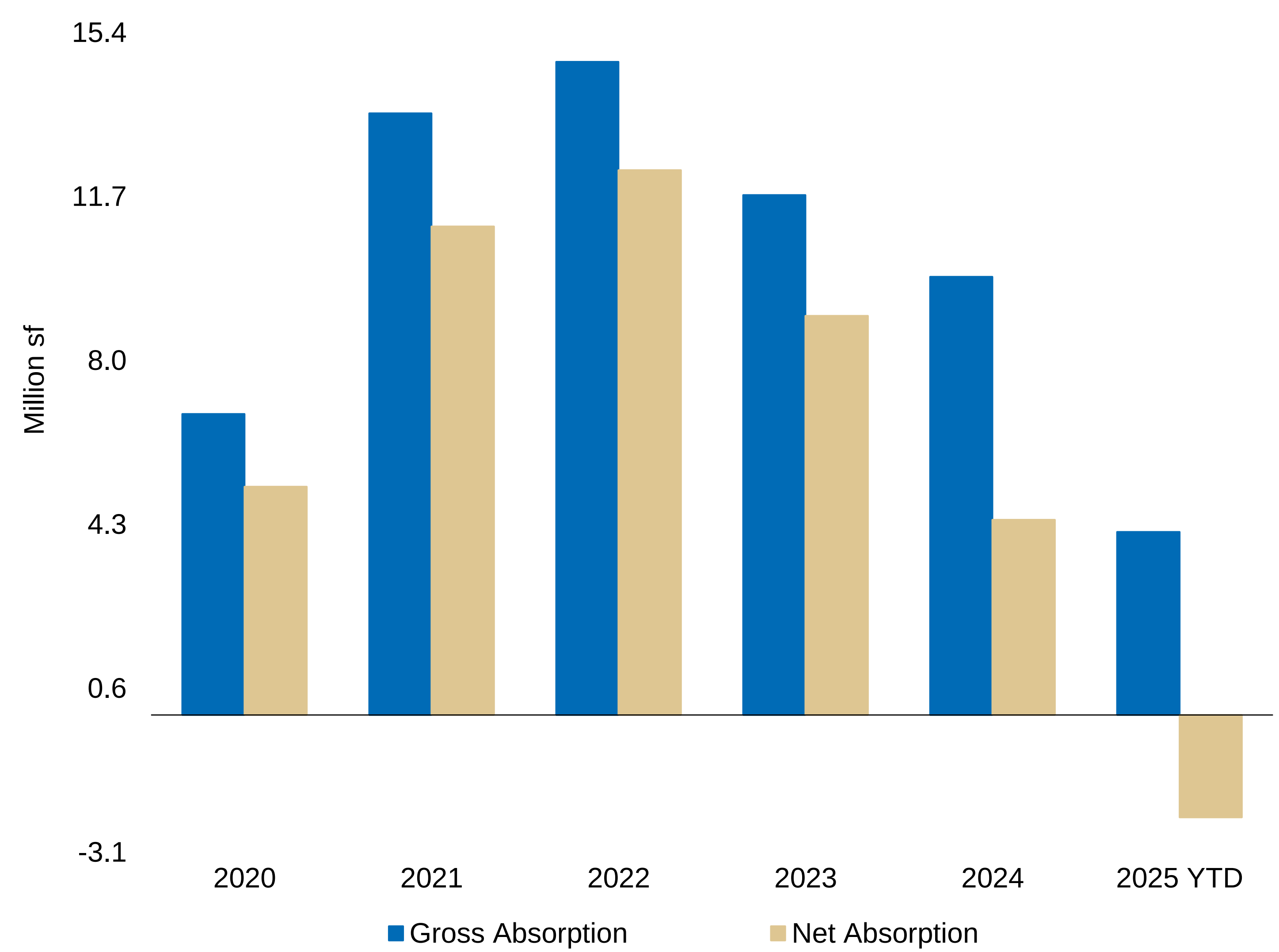
Absorptions

The quarter showed an upward trend in both gross absorption and net absorption, compared to what has been observed since the first quarter, closing with figures of 3.1 million square feet and 744,700 square feet, respectively. In addition, the accumulated gross and net absorption registered 4.1 million square feet and -2.3 million square feet, respectively.

Gross Absorption vs Net Absorption (Quarter)



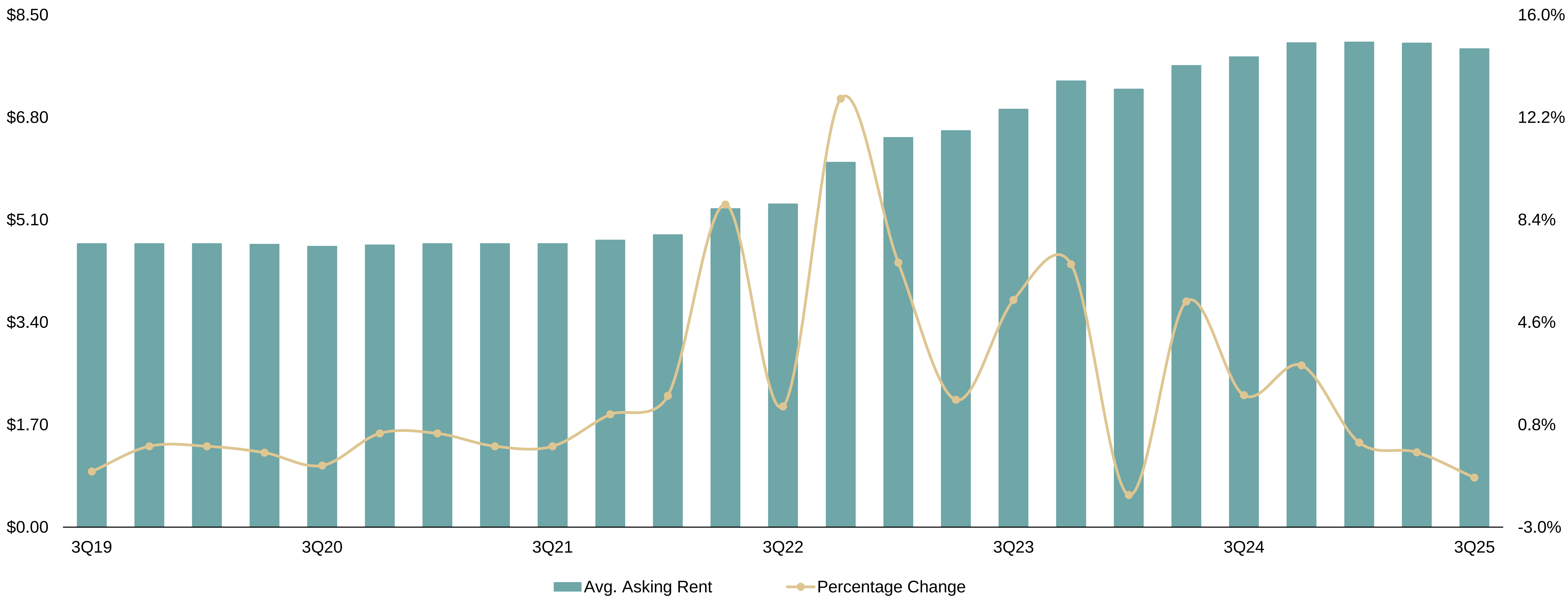
Gross Absorption vs Net Absorption (Annual)



Average Asking Rent

The asking price once again showed a downward trend, which has been observed since the beginning of the year, ending the quarter at US$7.94 per square feet per year. The submarket with the highest asking rent is Apodaca, with a rate of US$8.13 per square feet per year.

Avg. Asking Rent (USD/SF/Year) & Percentage Change



Space Under Construction

At the close of the quarter, the industrial market recorded a total of 7.8 million square feet, with a new supply of just over 3.2 million square feet. Regarding space under construction, 72.5% corresponds to speculative buildings, 25.0% to build-to-suit projects, and 2.5% to expansions of existing buildings. Speculative buildings in the planning stage accounted for more than 17.3 million square feet.

Under Construction & New Supply

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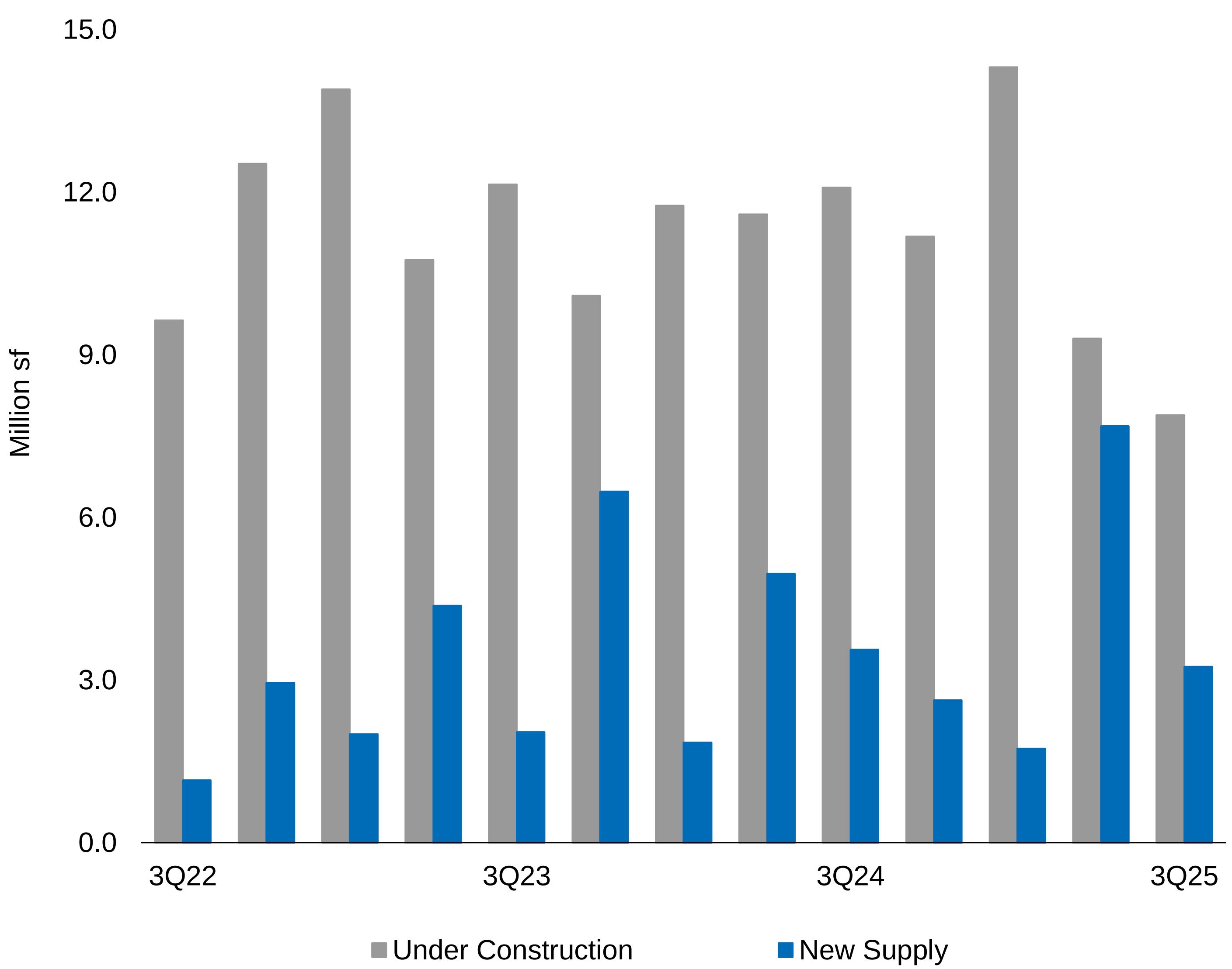
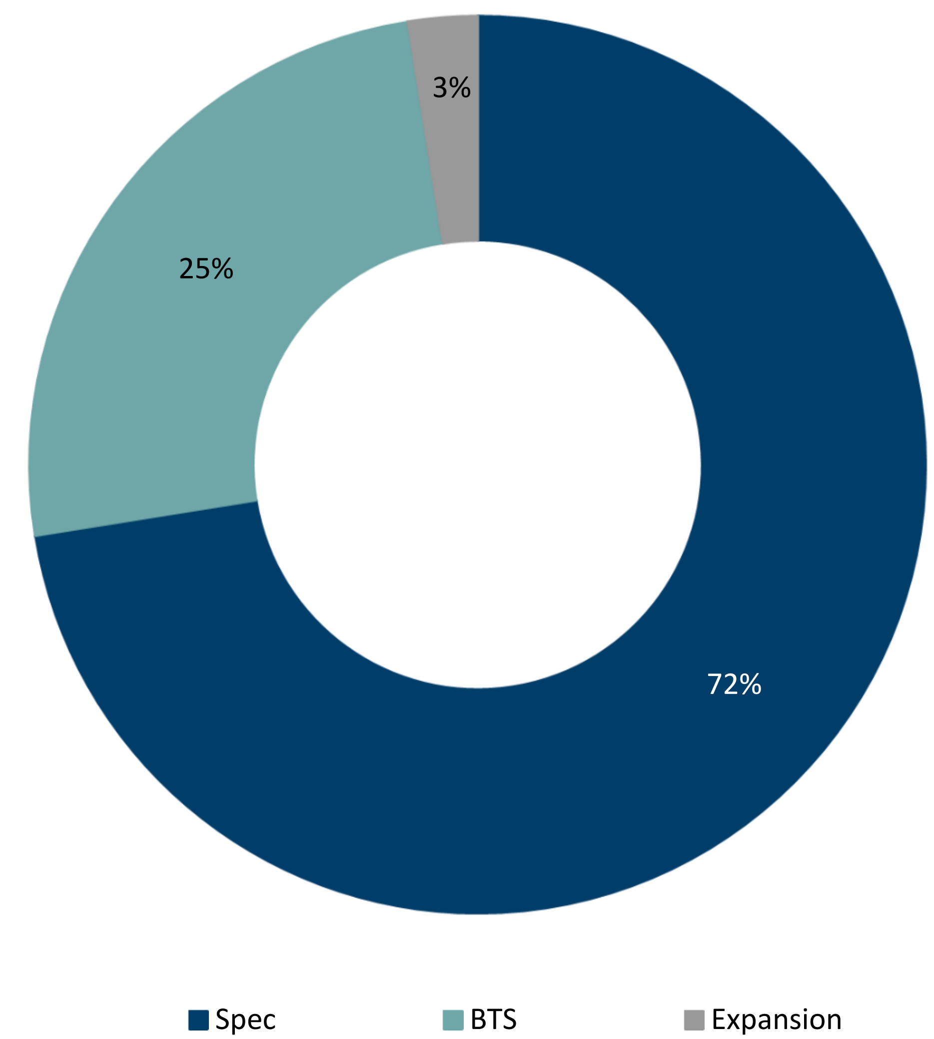


Type of Buildings Under Construction (3Q25)



Market Indicators

	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)
Apodaca	41.8	2,950,581	4,187,813	10.0%	888,830	1,196,398	-753,215	-2,587,747	$8.13	$8.05
Cienega de Flores	19.8	1,056,994	1,351,407	6.8%	-	331,206	0	-468,155	$7.82	$7.79
Escobedo	11.7	2,290,022	1,349,385	11.5%	-	206,958	-274,254	-350,947	$7.85	$7.95
Guadalupe	16.3	409,793	570,616	3.5%	480,910	480,910	480,910	78,297	$7.92	-
Monterrey	1.33	0	0	0.0%	-	0	0	0	-	-
Pesqueria	3.19	132,902	120,674	3.8%	-	0	0	-120,674	$7.92	$8.28
Salinas Victoria	5.58	0	269,065	4.8%	200,564	303,564	200,564	303,564	$7.92	-
San Nicolas	0.85	0	0	0.0%	-	0	0	0	-	-
Santa Catarina	17.1	1,048,792	1,354,401	7.9%	1,562,306	1,615,426	1,090,750	835,021	$7.56	$7.88
Market	**118.0**	**7,889,085**	**9,203,363**	**7.8%**	**3,132,610**	**4,134,461**	**744,755**	**-2,310,641**	**$7.94**	**$7.97**

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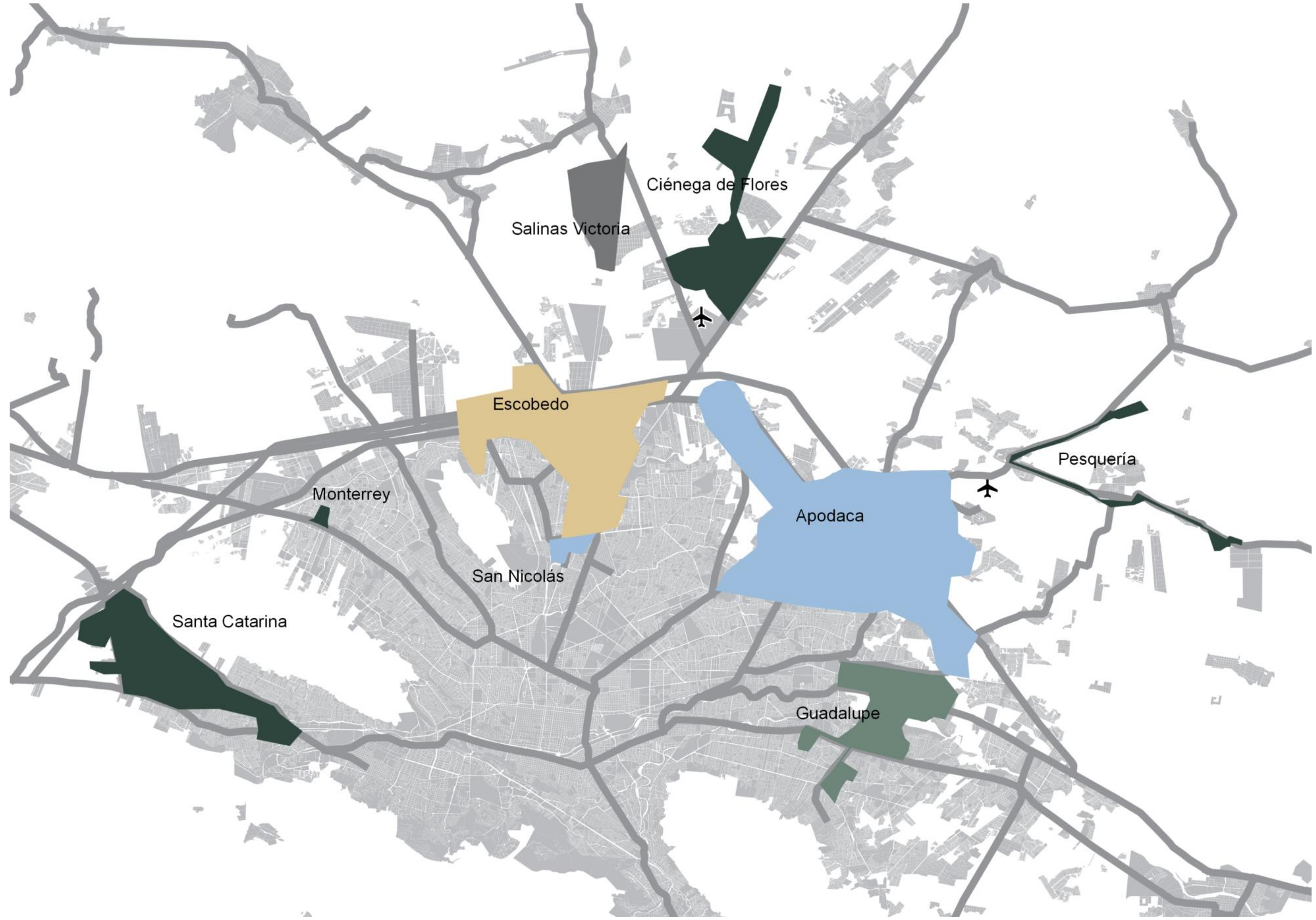

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available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

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