



# Queretaro Industrial Market

## A year with high investment expectations

Faced with an economic scenario beset by the interruption of supply chains, a prolonged inflationary period and adverse geopolitical conditions, the industrial market in Queretaro ushers in 2022 with positive indicators.

On the one hand, positive absorption was recorded for a third consecutive quarter. In addition, various national and foreign investment projects in the area were announced. Finally, construction spaces and asking prices both saw an increase, coupled with a lower availability rate.

### Investments in key sectors with a presence in Queretaro

Companies in the automotive, metallurgical, manufacturing and food sectors have announced nine foreign direct investment projects during this quarter. Two operations related to expansion and new construction by companies with current presence and operations in Queretaro in the automotive sector were also added.

### Current Conditions

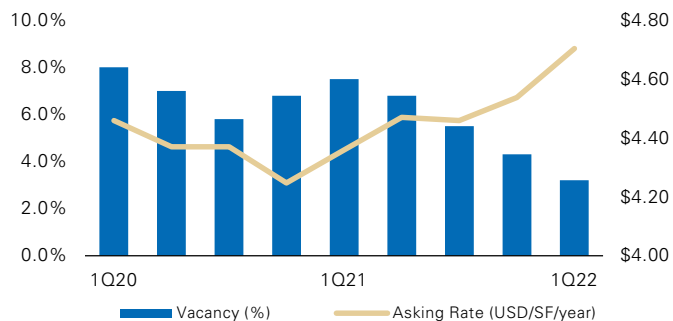
- Class A industrial inventory consists of 67.3 million square feet at the end of the first quarter of 2022.
- There was a slight increase in the industrial area under construction, which increased from 1.6 million to 1.7 million square feet compared to the previous quarter.
- The availability rate continued its downward trend, falling from 4.3% to 3.2%.

### Market Summary

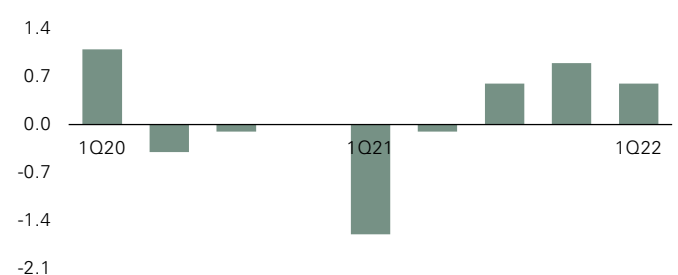
	Current Quarter	Prior Quarter	One year ago	12-month forecast
Total inventory (SF)	67.3 M	67.3 M	67.3 M	↑
Vacancy rate	3.2%	4.3%	7.5%	→
Quarterly absorption (SF)	0.6 M	0.9 M	-1.6 M	→
Average asking rent (USD/SF/year)	\$4.70	\$4.54	\$4.36	↑
Under construction (SF)	1.7 M	1.6 M	0.6 M	↑

### Market Analysis

#### AVERAGE LEASE RATE AND VACANCY RATE



#### NET ABSORPTION (SF Million)



**Relationship between activity behavior and price**

The decrease in the vacancy rate in Queretaro is due to activity values as well as few vacancies and low intake in the market. The Airport and El Marques corridors had the highest activity values, amounting to 54 thousand square meters. Activity levels are expected to remain steady throughout the year and drive new speculative warehouse construction projects.

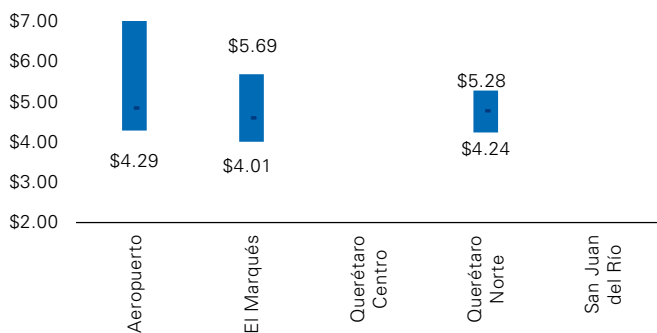
Asking prices saw an increase of 4% compared to the previous quarter. Corridors that registered increases are the Airport and El Marques, while Queretaro Norte has not seen

significant changes.

Among the main operations, the arrival of companies from the automotive and electronics sectors stands out. The Airport corridor recorded the highest activity. In addition to closings in speculative warehouses, movements were also recorded in land for BTS projects and expansions. Finally, the installation of mega projects is expected to influence prices and activity in nearby corridors. The regional Data Center located in the Airport corridor is one highlight.

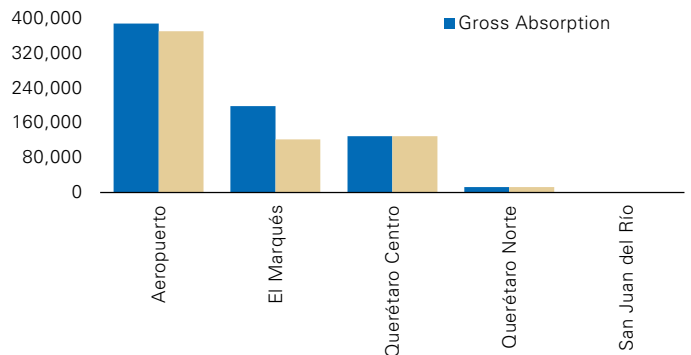
**Average Asking Rates Range**

AVERAGE ASKING RATES (USD /SF / Year)



**Net Absorption and Activity per Submarket**

NET ABSORPTION AND GROSS ABSORPTION (SF)



**Market Summary**

	Total Inventory (SF)	Under Construction (SF)	Total Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Average Asking Rate (USD/SF/year)
Aeropuerto	13,059,681	703,223	696,947	5.3%	387,504	369,743	\$4.83
El Marqués	19,473,723	338,463	977,974	5.0%	198,219	121,870	\$4.62
Querétaro Centro	3,585,693	-	-	-	129,512	129,512	-
Querétaro Norte	22,383,577	673,041	496,027	2.2%	12,519	12,519	\$4.91
San Juan del Río	8,880,580	-	-	-	-	-	-
<b>Total</b>	<b>67,383,254</b>	<b>1,714,727</b>	<b>2,170,948</b>	<b>3.2%</b>	<b>727,754</b>	<b>633,644</b>	<b>\$4.70</b>

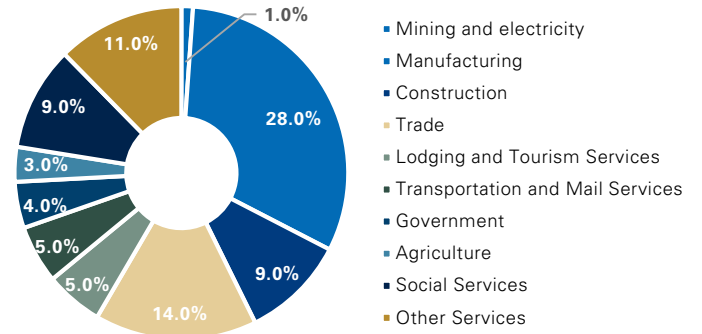
**Market conditions boost industrial sector trust**

The country's industrial activity indicator showed a growth of 4.3% year-over-year and of 1% compared to December 2021. Industry sectors such as mining and construction performed better when compared to manufacturing. The economic recovery during 2022 is expected to favor the outstanding performance of industrial activity recorded during the pandemic. In the case of Queretaro, the value of exports during the last quarter was concentrated in the transportation, equipment and electronic accessories manufacturing sectors.

Economic indicators saw uneven behavior, with the unemployment rate and the consumer price index both increasing in Queretaro, even as the exchange rate from pesos to dollars experienced a recovery.

**Employment per Economic Sector**

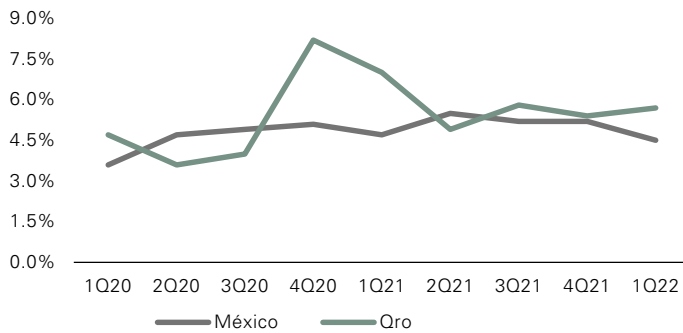
QUERÉTARO, DECEMBER 2021



Source: INEGI, ENOE

**Unemployment Rate**

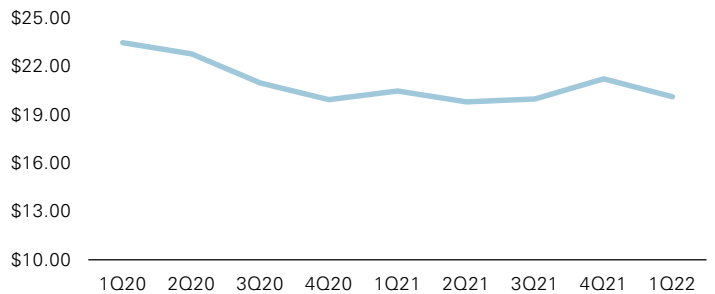
ANNUAL INDICATOR



Source: INEGI, ENOE

**Exchange Rate**

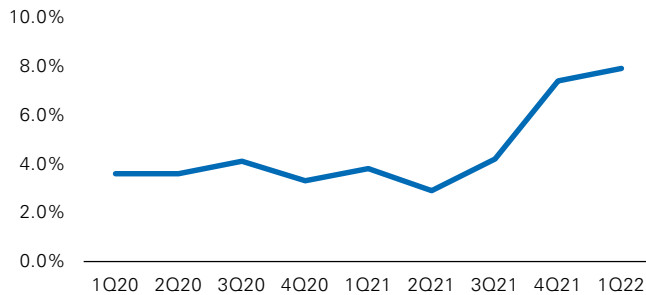
MEXICAN PESOS (MXN) PER U.S DOLLAR (USD)



Source: Banxico

**Consumer Price Index (CPI)**

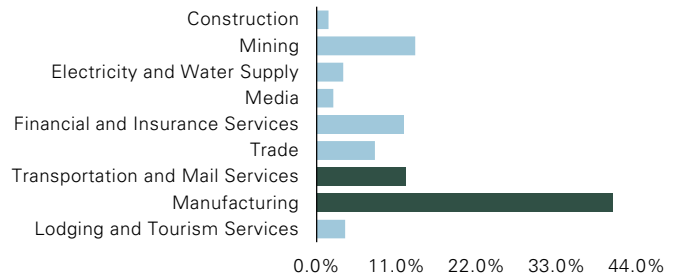
ANNUAL INDICATOR



Source: Banxico

**Foreign Direct Investment**

PERCENTAGE



Source: CEFP

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