

Offices Business Review: Querétaro 3Q 2023

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We are Datoz

We combine continuous commercial real estate research with cutting edge software to provide transparency to the industry through impartial and constantly updated market intelligence.

Our research team monitors and records real estate activity throughout México, covering 24 markets in the industrial segment, 5 markets in the corporate segment and 14 markets in the retail segment.

Research efforts include field verification activities that reinforce our data precision and provide our researchers with physical evidence to support our monthly market updates. Datoz proprietary software allows users to connect online any time and from anywhere. Our suite of products offers the possibility to browse verified available spaces, download property brochures, view details from thousands of lease and sale transactions, customize data-sets, download statistics and indicators in friendly and customizable formats, among many other features.

Methodology

We work with an extensive network of market participants and maintain constant contact to update information on a monthly basis. In this manner, we ensure that key market data comes directly from the professionals involved in diverse activities that affect commercial real estate in each and every market.

Our researchers verify all collected data and visit markets regularly to corroborate information that can only be validated through physical surveys and on-site inspections.

We continuously work to standardize number formats, calculations and ratios in order to present our results in a simple and comprehensible manner. Once data has been thoroughly verified and meets quality standards, it is merged and loaded unto our database, which in turn compares it against other entries pertaining to the same property and market to validate its place in a building's historic timeline.

Furthermore, our analysts continually review our data-sets in order to proactively amend anomalies and in doing so help maintain the highest standards of quality for real estate data in Mexico

Querétaro market



Submarkets



Economic outlook

In July 2023, industrial production in Mexico grew annually by 4.9%, driven by construction, which increased by 24.7%. Meanwhile, the manufacturing industry saw a rise of 1.1%, as reported by the National Institute of Statistics and Geography (INEGI).

As of July 2023, employment in the manufacturing industry experienced a slight increase of 0.3% compared to the same month in 2022, according to figures from INEGI.

During the first semester of 2023, Foreign Direct Investment (FDI) in Mexico reached \$29.041 billion, a 41% increase compared to the same period in 2022, according to data from the Ministry of Economy.

In July 2023, private consumption recorded an annual increase of 4.3%, driven by imported goods, which increased by 19.1%, according to INEGI.

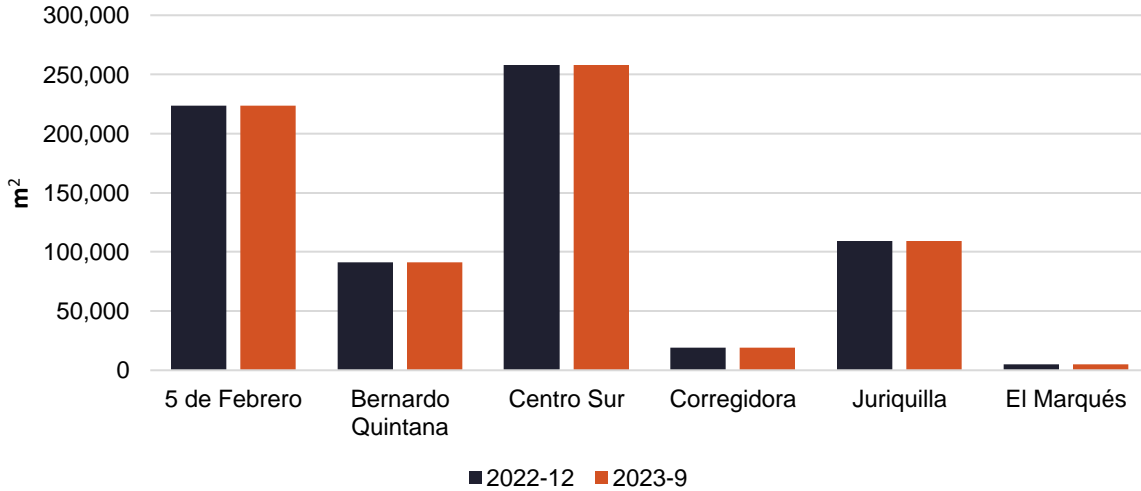
The National Consumer Price Index registered an annual growth of 4.64% as of August 2023, according to INEGI.

Summary

1. The corporate market in Querétaro closed 3Q 2023 with a total existing inventory of 701,127 m².
2. The availability rate in Querétaro ended the period at 12.54%, with 87,930 m² of existing space and 3,236 m² under construction.
3. At the end of 3Q 2023, the market accumulated a gross absorption of 14,314 m².
4. The average asking price of the market was \$287.94 MXN/m²/month.
5. Querétaro did not register new spaces from January to September.

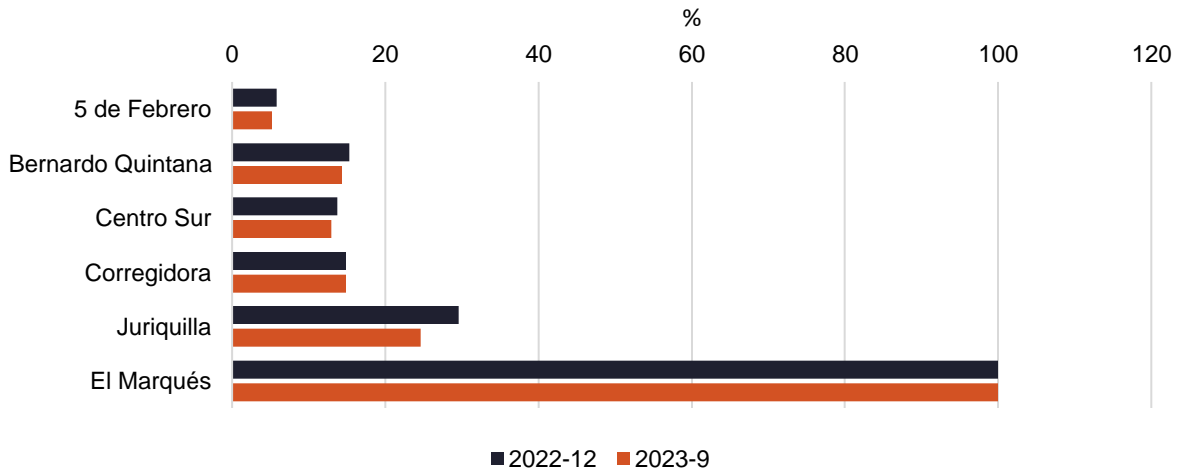
Inventory

Querétaro ended 3Q 2023 with an existing inventory of 701,127 m². Centro Sur is the largest corridor, concentrating 37% of the inventory, equivalent to 258,095 m², followed by 5 de Febrero with 223,471 m². The inventory under construction exceeded 47,000 m².



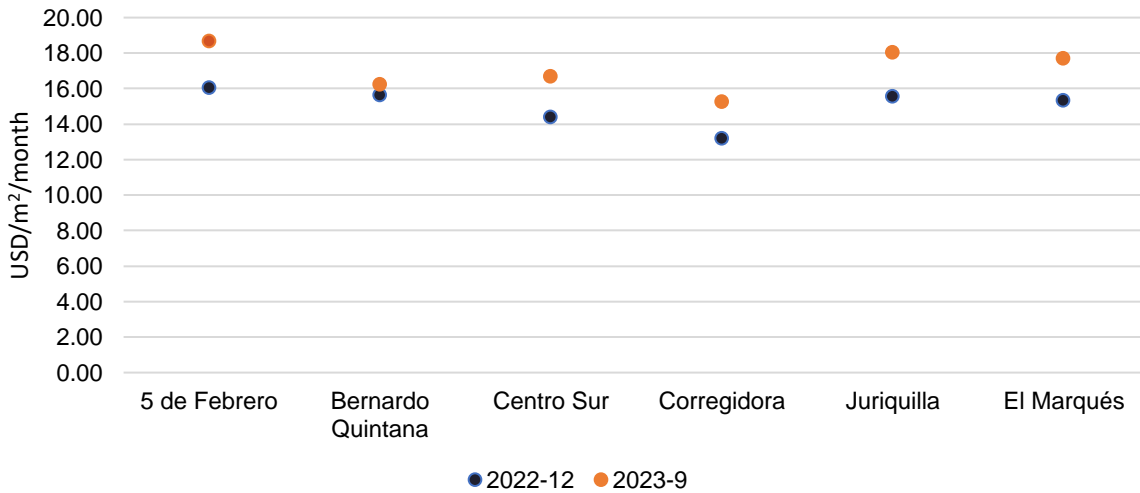
Availability rate

Querétaro ended 3Q 2023 with an availability rate of 12.54%, with 87,930 m² of existing available space and 3,236 m² under construction. Juriquilla had the highest availability rate at the end of the quarter with 26,920 m² of existing space and 3,236 m² under construction, equivalent to a rate of 24.65%.



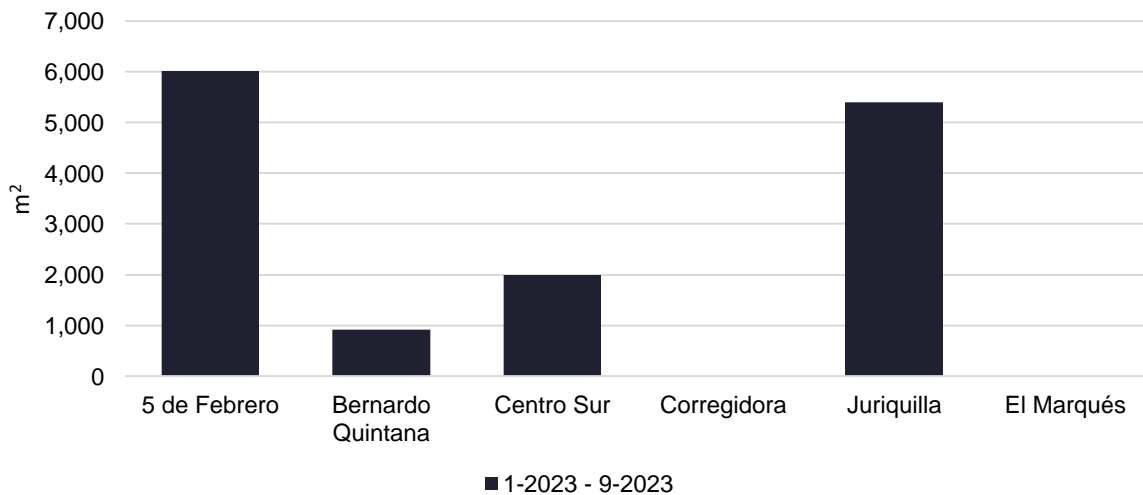
Asking prices

The corporate market in Queretaro registered an average asking price of \$287.94 MXN/m²/month. 5 de Febrero corridor had the highest price in the market, quoted at \$316.63 MXN/m²/month, while Corregidora continues to have the lowest price at \$258.51 MXN/m²/month.



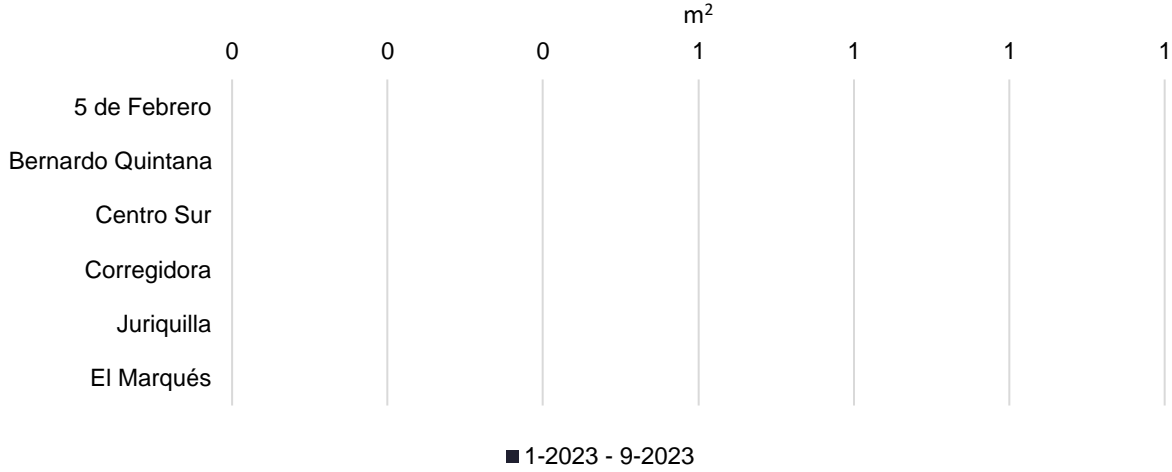
Gross absorption

From January to September 2023, the gross absorption in Querétaro reached 14,314 m². Four out of six corridors, experienced lease and sale activity, with Juriquilla and 5 de Febrero standing out as they together accounted for 80% of the total absorption.



New spaces

At the end of the third quarter of 2023, Querétaro did not record any new spaces.



Looking forward

Queretaro is an emerging office market, so its numbers are noticeably lower compared to other markets like Guadalajara, Monterrey, not to mention Mexico City, which accounts for 80% of the country's offices. Nevertheless, this market has been gradually gaining traction.

In the first nine months of the year, Queretaro maintained demand for office spaces, although it is not very strong, as it is below 15,000 square meters. It's worth noting that the market has seen activity driven by logistics companies.

In recent years, Data Centers have chosen Queretaro as a cluster, and in this regard, Information Technology (IT) companies like Odata have also chosen to set up their corporate offices in Queretaro.

Similarly, it's worth highlighting that Queretaro continues to have quite interesting projects like Xentric District, located in one of the most economically active areas of the market, Juriquilla; in addition to Epic Center in Centro Sur corridor. These are the most significant projects that have been presented in recent months and are about to begin construction.

Glossary

Inventory: sum of the area of all existing buildings type A+, A and B according to most developers and institutional brokerage companies at the last day of the period.

Availability rate: available area divided by inventory at the last day of the period.

Asking price: weighted average asking price weighted by the available area at the last day of the period.

Gross absorption: sum of leased, subleased and sold area during the period.

New spaces: sum of new space area that started promotion in the period.


Legal notice

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