

Industrial H2 2022

	YoY Chg	12-Mo. Forecast
4.5 % Vacancy Rate	▼	▼
122,353 Net Absorption Sq.m	▲	▲
\$ 5.7 (USD/Sq.m/Month) Average Asking Rent	▲	▲

(*) Corresponds to weighted average of all submarkets.

ECONOMIC INDICATORS H2.2022

	YoY Chg	12-Mo. Forecast
7.1% Unemployment rate (H2.22)	▼	■
3.5% Industrial production index *	▼	■
92.4% Inflation index (Inflation index YTD) **	▲	▲

* Accumulated variation of the year compared to the same accumulated of the previous year taken April 2021.
** Corresponds to the month of May 2020

Source: National Statistical and Census Institute (INDEC)

MARKET OUTLOOK:

The logistics real estate market is presenting one of its moments of greatest demand, showing the lowest vacancy rate in history. The largest contracting of spaces occurred by companies of mass consumption, textiles and importers. The most demanded area at the end of the year continues to be the Zona Norte, but unlike the previous semester, it has an occupation like that of the Zona Sur. Unlike other semesters, the Triángulo de San Eduardo submarket received few rents given its low vacancy rate of 1.5%.

In response to the high demand, several construction projects continue to be activated reaching 174,726 sqm. Very much in line with the net absorption seen in the second half of the year, which reached 122,353 sqm. Despite this, given construction times, it will generate an even greater drop in the vacancy rate and a consequent increase in the asking price.

SUPPLY AND DEMAND:

As a result of 130,793 sqm contracted and only 8,840 sqm vacated, the six-month takeover closed with a positive value of 122,353 sqm. Much of the area absorbed comes from companies that expanded their operations based on the country's situation, where growth in various items is noted, added to a higher stock due to inflation, import problems and unstable exchange rates.

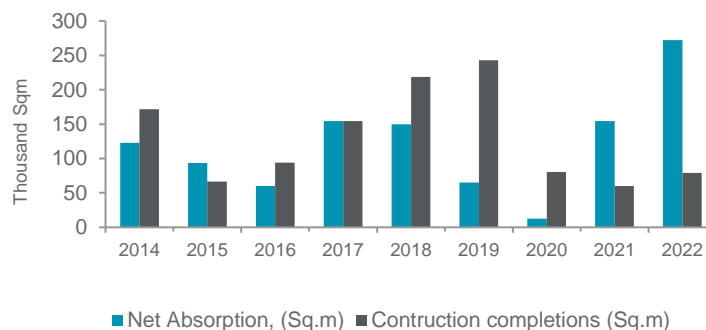
Within the most demanded areas, the Zona Norte continues to be the main area of the market with 46% of occupied meters, followed by the Zona Sur with 39% and the West Zone with 15%.

As for the vacancy rate, it dropped from 9.4% to 4.5%. Within this phenomenon, one of the greatest decreases occurred in the Triángulo de San Eduardo, where the rate went from 3% to 1.5%.

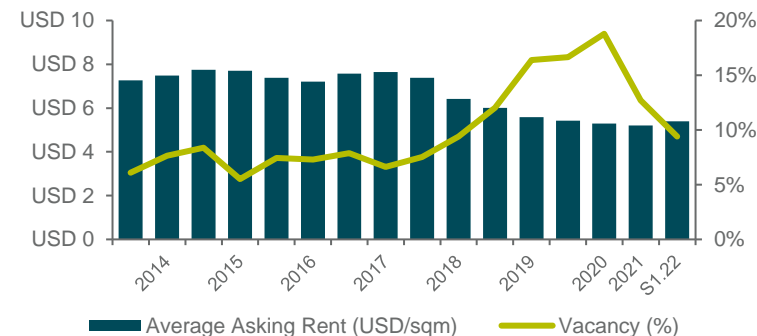
PRICING:

The average monthly rental price reaches USD 5.7/sqm, just 5.8% above the semi-annual comparison. Once again, the absorption of the semester took several premium logistics centers off the market, for which the value requested responds, mostly, to class A deposits. In premium deposits (A+), the value can reach up to USD 8.5 /sqm.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT (*)



ECONOMIC OUTLOOK

Argentina once again closes the year with a complex economic outlook. The country is preparing for an electoral period without any clear measure of structural recovery. The global environment also continues to have a negative impact.

As expected, annualized inflation reached 92.4%. For its part, the Manufacturing IPI continues its decline to 3.5% in the accumulated variation of the year with respect to the same accumulated in the previous period.

Regarding the indicators of the logistics sector, there are three of great importance that have an impact on contract adjustments; the official dollar reaches the end of the year with an increase of 70%, the index of the Argentine Chamber of Construction had an annual result of 84.9% and the CEDOL/UTN index, which measures the behavior of logistics costs without transportation, increased 84.9% at the end of November, all figures measured year-on-year. In this way, the three indicators are still below 92.4% inflation, but each time closer to that figure.

FUTURE OUTLOOK

During the second half of the year, no market revenues were recorded. As consequence of the high demand, several projects began to be built, totaling 174,726 sqm at the end of 2022. Although this shows a balance for the future based on the low current vacancy, they will only enter the market around the third quarter of 2023, so the first half of the year is expected with very little availability, which means that vacancy will continue to drop, and prices will continue to increase.

In turn, 58% of the constructions in progress are in the Zona Norte, a submarket with the lowest vacancy rate.

Regarding the potential area, there are 492,629 sqm projected, among which 61% is in the recently mentioned submarket. Given the significant drop in the vacancy rate, a reactivation of projects began to be perceived to satisfy the annual demand for deposits.

WAREHOUSE AND LOGISTIC CENTER CLASS A MAP



MARKET STATISTICS

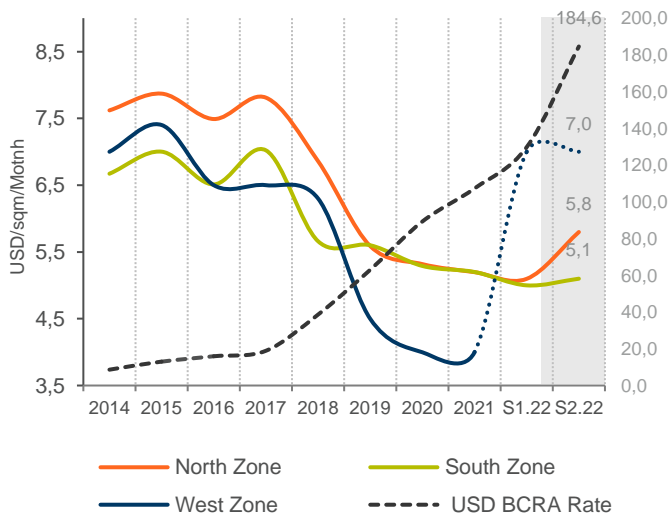
SUBMARKETS	INVENTORY CLASS A (SQM) *	NUMBER OF LOGISTICS CENTERS	AVAILABLE SURFACE (SQ.M)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM) *	PROJECTED (SQM) *	OVERALL AVG ASKING RENT CLASS A (ARS/SQM/MONTH) ***	OVERALL AVG ASKING RENT CLASS A (USD/SQM/MONTH) ***
Triangulo San Eduardo	1,019,175	30	15,304	1.5 %	84,834	92,500	111,000	AR\$ 1292,4	USD 7.0
Ruta 8	320,801	10	12,800	4.0 %	31,850	-	162,377	AR\$ 1033,9	USD 5.6
Ruta 9	273,221	12	16,500	6.0 %	27,550	10,026	15,000	AR\$ 923,2	USD 5.0
Zona Norte	1,613,197	52	44,604	2.8 %	144,234	102,526	288,377	AR\$ 1070,9	USD 5.8
Zona Sur	719,460	22	47,440	6.6 %	76,254	72,200	104,252	AR\$ 941,6	USD 5.1
Zona Oeste	134,000	4	18,000	13.4 %	52,000	-	100,000	AR\$ 1292,4	USD 7.0
Totals	2,466,657	78	110,044	4.5 %	272,487	174,726	492,629	AR\$ 1052.4	USD 5.7

* Includes class A and class A +.

** Values expressed in Argentinean Pesos. Source: : Date: 12/30/2022. USD 1,00 = \$ 184,63

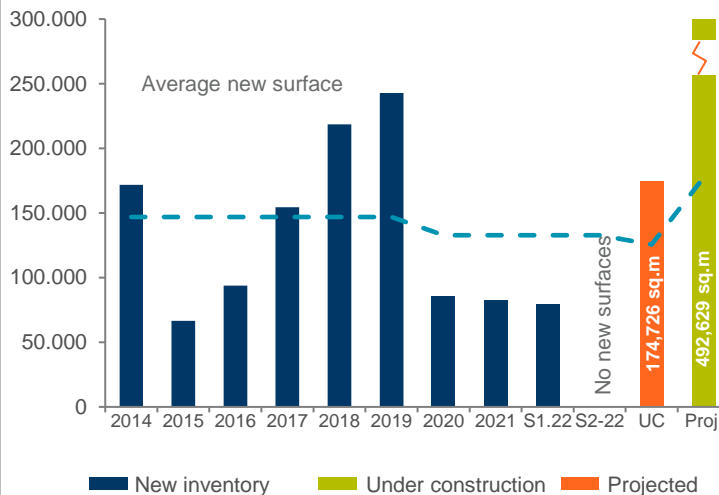
*** Corresponds to the weighted average price and net of taxes.

ASKING RENT PER SUBMARKET (USD/sqm/Month)



(*) The West Zone submarket has a rental value above the market, this is because of only one premium project with a great impact on the asking rent.

NEW INVENTORY (sqm) PROJECTED SURFACE (sqm)



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