MARKETBEAT

LATIN AMERICA

INDUSTRIAL H1 2025

CUSHMAN & WAKEFIELD

ECONOMIC EXPANSION TO BE MILD IN 2025

Most of the major regional economies performed well in the first half of 2025. Argentina was boosted by market-friendly reforms, as well as moderating inflation and interest rates; Brazil benefited from a bumper harvest and robust consumer spending; economic activity in Colombia and Peru was supported by strong wage growth; and Chile's economy was buoyed by the non-mining sector, despite the contraction in mining activity. In addition, Mexico performed much better than expected in the second quarter, despite tariffs imposed by the United States during that period.

So far this year, **most central banks in Latin America have lowered or maintained their monetary policy rates**, while Brazil and Uruguay have tightened their monetary policy to curb inflation. The aggregate rate in Latin America is projected to end 2025 at 11.71% and 2026 at 9.72%.

POSITIVE OUTLOOK FOR THE LOGISTICS MARKET

2025 began with a stabilization of vacancy rates and average prices continuing to rise, reaching $6.11/sqm.

The most notable milestone is the significant increase in construction completions of new spaces, which rose from 750,000 sqm to 1,135,000 sqm, equivalent to a year-on-year variation of 51%.

	Overall vacancy	Asking rent (USD/sq. M./month)	Leasing Activity (sq. m.)	UC (sq. m.)
BUENOS AIRES	5,07 %	$ 7,43	128.168	235.300
RIO DE JAN.	14,82 %	$ 4,09	69.493	52.819
SÃO PAULO	8,91 %	$ 5,21	760.564	1.073.643
SANTIAGO	2,71 %	$ 6,97	83.234	279.416
BOGOTÁ	1,90 %	$ 6,94	15.120	93.500
LIMA	7,04 %	$ 6,00	29.216	144.823
CDMX	1,60 %	$ 11,05	867.065	1.031.850

The use of the term "Latin America" in this report refers to the countries of Argentina, Brazil, Chile, Colombia, Mexico, and Peru.

INCREASE IN PORT ACTIVITY

Total industrial property inventory in Latin America's major cities reached 45,864,978 sqm at the end of the first half of the year, representing year-on-year growth of 4.28%. The cities of **São Paulo** and **Mexico Cit**y account for 72% of the total, establishing themselves as the region's main industrial hubs.

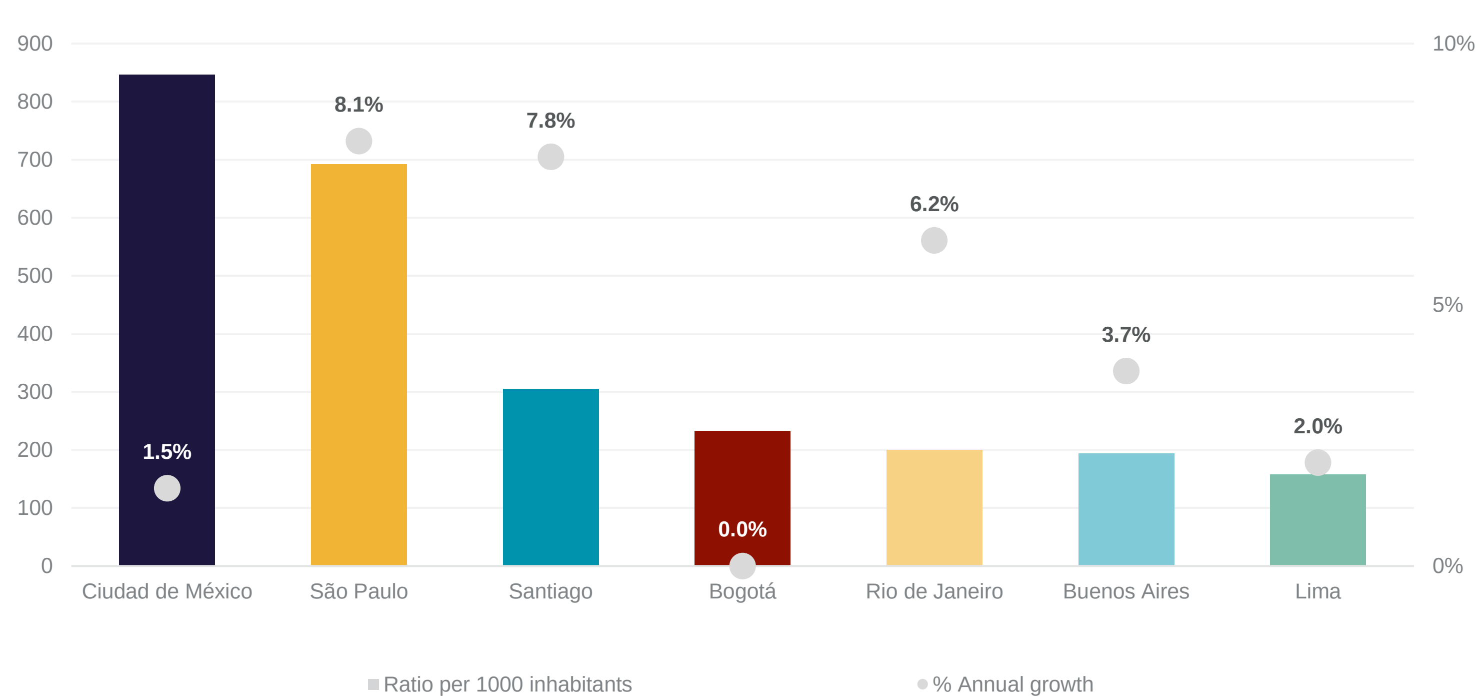
The most significant increases in inventory were recorded in **São Paulo**, with an 8.13% rise, and **Santiago**, with 7.83%, reflecting sustained expansion in these markets.

In terms of industrial space per capita, **Mexico City** and **São Paulo** lead with ratios of 855 sqm and 692 sqm per 1,000 inhabitants, respectively. In the rest of the cities, this indicator remains in similar ranges, between 150 and 300 sqm per 1,000 inhabitants. For this calculation, the population of the metropolitan area corresponding to each urban center was considered.

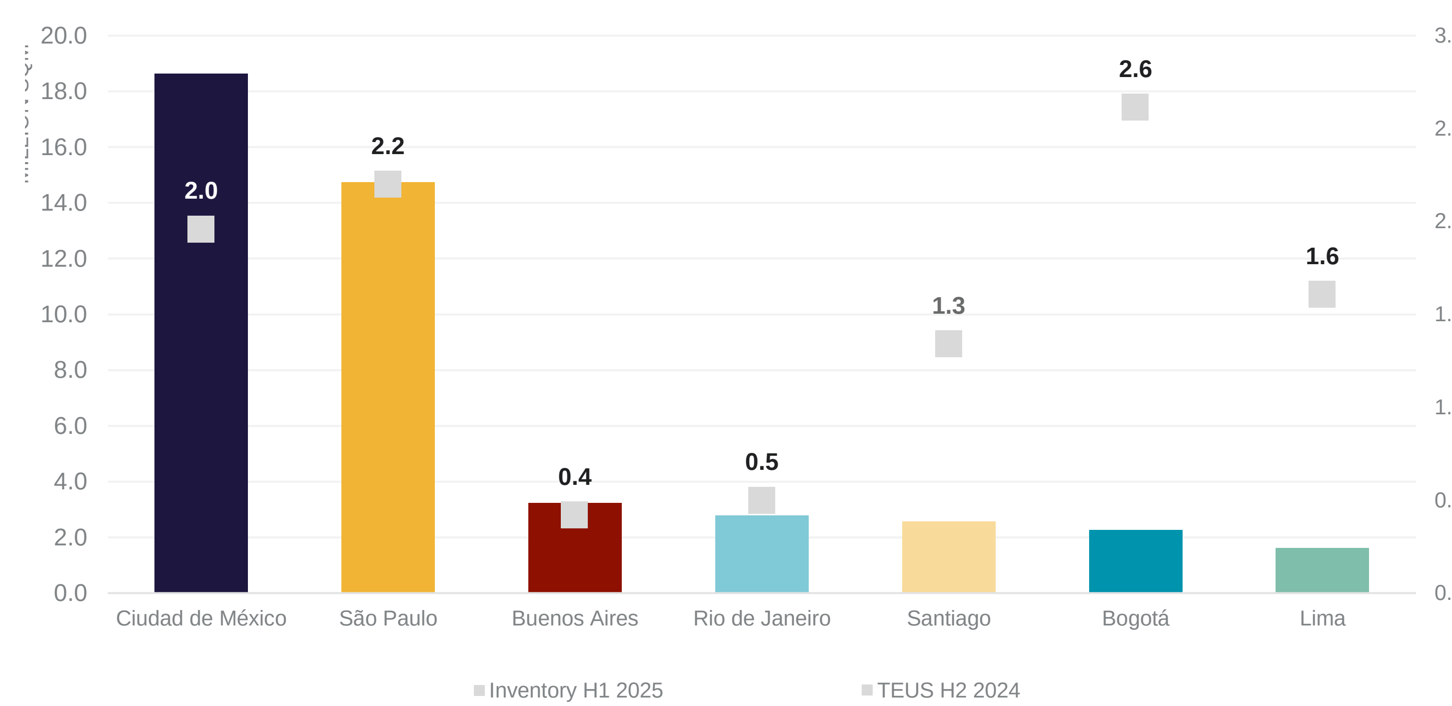
The size of the industrial market is also related to port activity. According to Container Trades Statistics Limited (CTS) data, Latin America recorded 6.5% growth in its import and export operations during 2024. Among the most notable ports are the **Port of Santos in Brazil,** with an increase of 15.8%, and the **Port of Manzanillo in Mexico**, with 12.6%.

The port of Manzanillo is analyzed for **Mexico City**; Santos for **Sao Paulo**; Cartagena and Barranquilla for **Bogota**; Callao for **Lima**; Rio de Janeiro for **Rio de Janeiro**; San Antonio and Valparaiso for **Santiago**; and Buenos Aires for **Buenos Aires**.

RATIO OF INDUSTRIAL PER 1,000 INHABITANTS** VS. YEAR-ON-YEAR GROWTH H1 2025



INDUSTRIAL INVENTORY H1 2025 VS. PORT THROUGHPUT* H2 2024 (MILLIONS OF TEUS)



1 ARGENTINA: BUENOS AIRES

16.7	2.8	0.4
Mi Inhabitants**	Mi. sqm	Mi. TEU

2 BRASIL: RIO DE JANERIO

13.9	2.8	0.5
Mi Inhabitants**	Mi. sqm	Mi. TEU

3 BRASIL: SÃO PAULO

21.3	14.0	2.2
Mi Inhabitants**	Mi. sqm	Mi. TEU

4 CHILE: SANTIAGO

8.4	2.5	1.3
Mi Inhabitants**	Mi. sqm	Mi. TEU

5 COLOMBIA: BOGOTÁ

9.8	2.2	2.6
Mi Inhabitants**	Mi. sqm	Mi. TEU

6 PERÚ: LIMA

10.2	1.6	1.0
Mi Inhabitants**	Mill. sqm	Mi. TEU

7 MÉXICO: CIUDAD DE MÉXICO

21.8	18.6	2.0
Mi inhabitants**	Mi. sqm	Mi. TEU

VACANCY DECREASE

During the first half of 2025, the average vacancy rate in Latin America's main industrial markets stood at 5.83%, reflecting a year-on-year decrease of 2.1%. This decline was mainly driven by the markets of **São Paulo, Lima**, and **Rio de Janeiro**. The downward trend in vacancy rates peaked in 2022, when a 15% drop was recorded.

On the other hand, cities such as **Buenos Aires, Bogotá**, and **Santiago** show a slight year-on-year increase in their vacancy rates. **Buenos Aires** reaches 5% this year, while **Bogotá** and **Santiago** are close to 2%, leaving behind the zero vacancy levels observed in 2022 and 2023. This change responds to a closer alignment between the production of new spaces and existing leasing activity.

Mexico City maintains availability rates at historic lows, with an average of 1.6%, a level that has been steady since early 2023. Demand remains healthy, although supply growth remains moderate due to restrictions on finding suitable land for new developments.

ASKING RENTS ON THE RISE

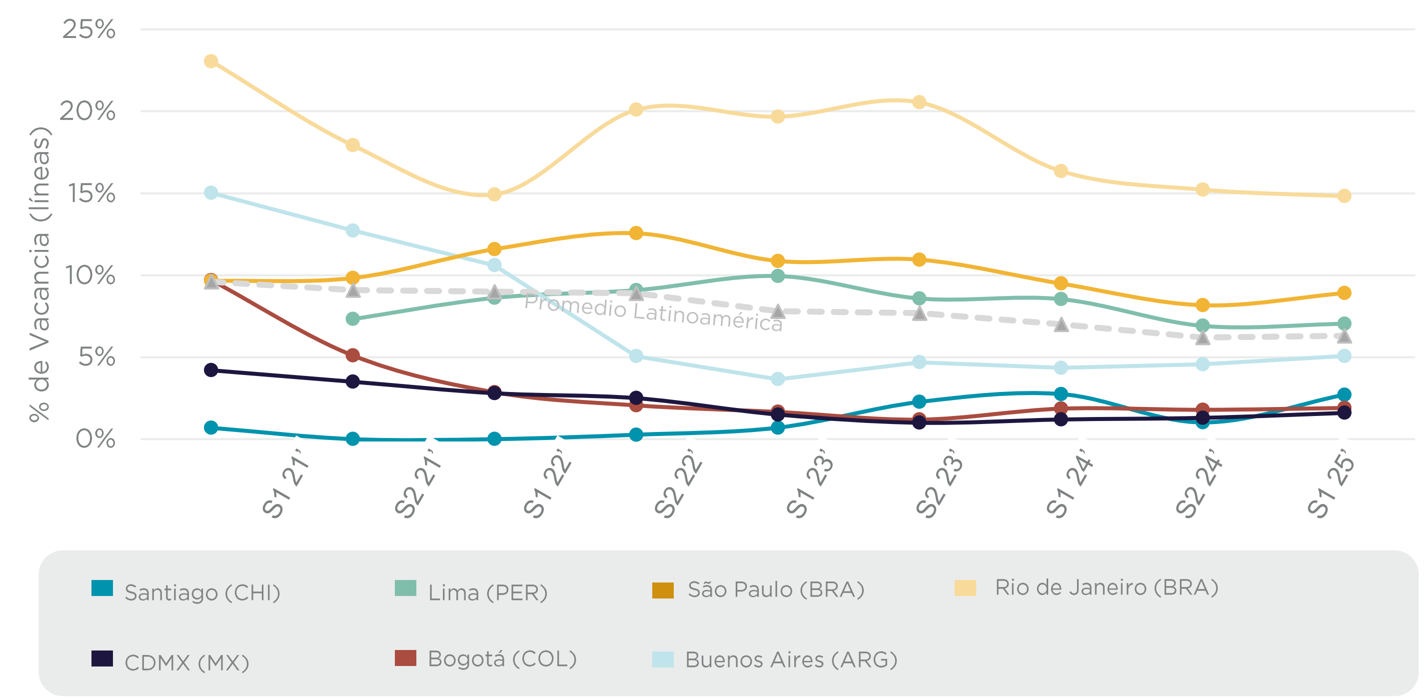
At the beginning of 2025, the overall asking rents in the Latin American industrial market are at $6.11 per square meter, which is a 20% increase compared to the previous year. **This upward trend is mainly due to the scarcity of warehouse space and strong activity in key markets such as Mexico City and São Paulo.**

In **Mexico City**, prices continue to rise, reaching record levels of $11.05 USD/sq m per month, with annual growth of 23%. Bogotá also shows a significant variation, with a 15% increase that brings the price to $6.94 USD/sq m per month.

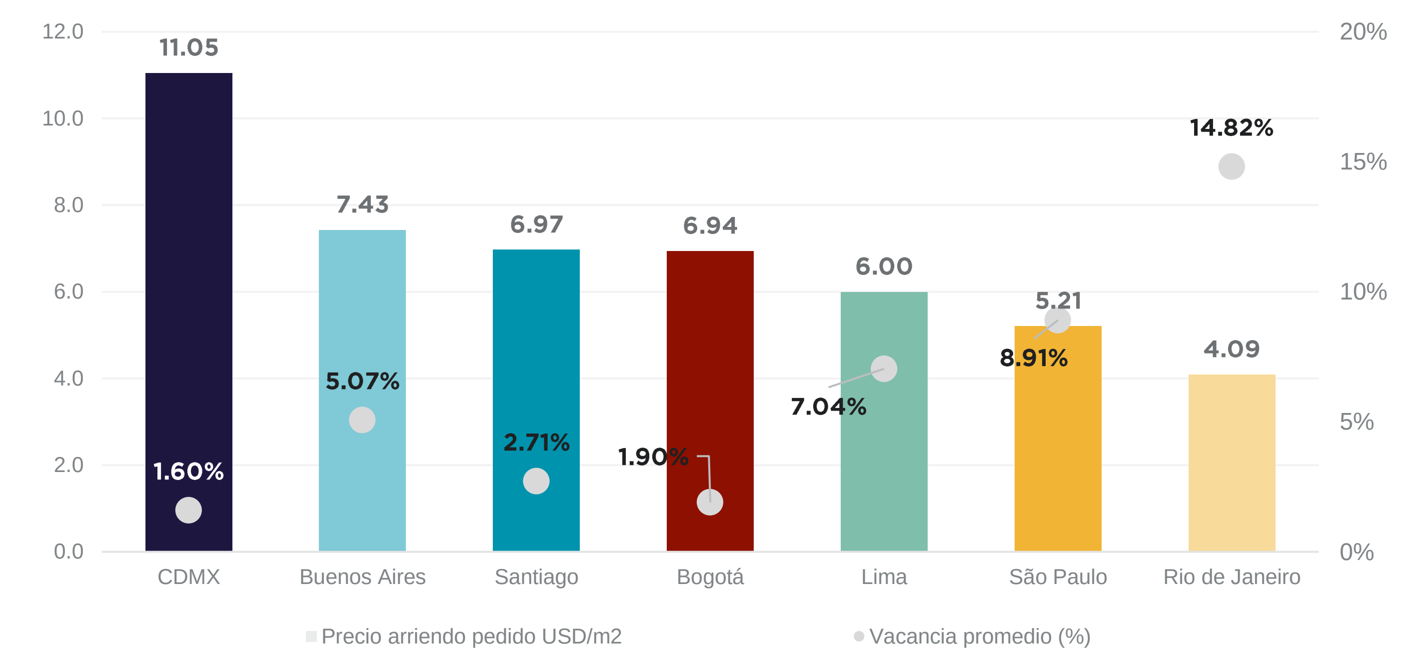
São Paulo recorded an asking rent of $5.21/sq m, with a year-on-year increase of 14%. Rio de Janeiro also showed positive growth, reaching $4.09/sq m.

In contrast, **Santiago, Buenos Aires**, and **Lima** showed no significant changes in rental rates, remaining relatively stable during this period.

CITY OVERALL VACANCY (H1 2021 – H2 2025)



PRECIO DE ARRIENDO PEDIDO USD/SQM H1 2025



DEMAND STARTS TRENDING DOWN COMPARED TO PREVIOUS PERIODS

At the start of 2025, leasing activity in Latin America reached 1,952,860 sq m. Although this figure remains significant, it nevertheless showed an 18% decline compared to the same period last year.

Mexico City and São Paulo accounted for 83% of leasing activity, with 867,000 and 760,000 sq m respectively. Buenos Aires followed with 128,000 sq m of leasing activity, accounting for 7% of the total.

Demand for logistics space is being driven mainly by the growth of e-commerce, which requires urban distribution centers and last-mile solutions. Other notable sectors include food and beverage, which requires cold chain infrastructure, and retail, which demands space for inventory and returns. The pharmaceutical industry requires warehouses with specific storage conditions, while the technology, construction, manufacturing, and automotive sectors require specialized logistics solutions for their operations.

PRESENT AND FUTURE: CONSTRUCTION PIPELINE GROWING

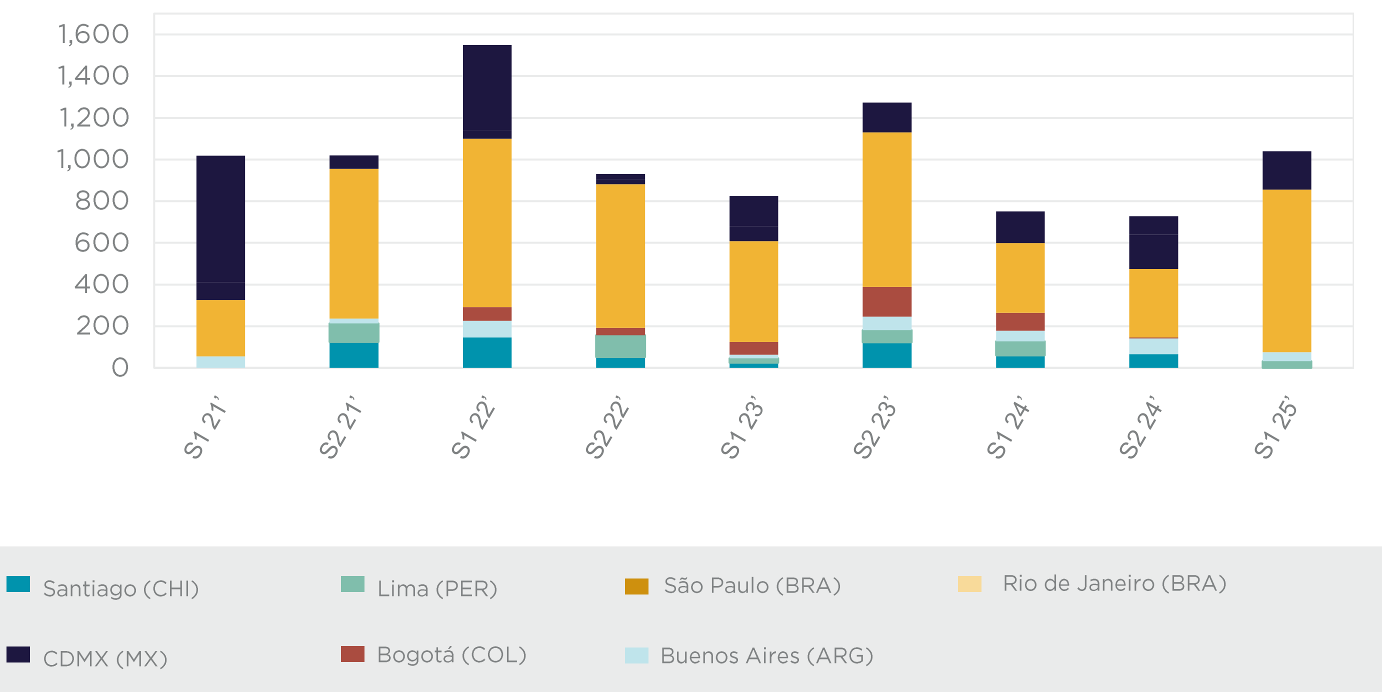
During this period, highlights include the surface area of projects under construction in each city analyzed. The ratio between surface area under construction and surface area in demand reached a regional average of 2.81, significantly higher than the 1.66 recorded the previous year.

Cities such as Lima and Buenos Aires began building a number of new centers, reinforcing the profitability of this type of asset and supporting positive projections for the coming months.

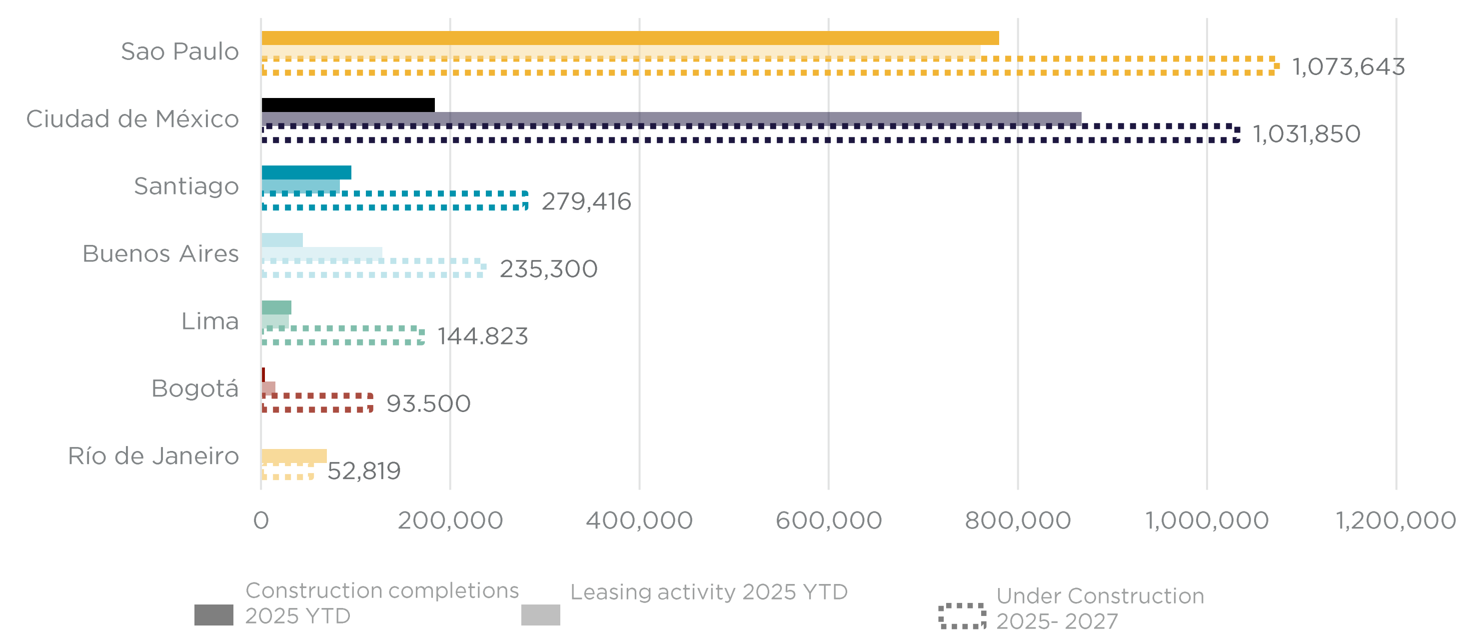
Lima, Bogotá, and Santiago have the highest ratios of space under construction in relation to leasing activity for the first half of the year, with an average of 4.8. When this indicator exceeds 2, a probable increase in vacancy is expected, given that demand is not keeping pace with development.

In contrast, in markets such as São Paulo, Mexico City, and Buenos Aires, the space under construction is in line with current demand, suggesting that vacancy rates will remain stable.

CONSTRUCTION COMPLETIONS HISTORICAL ANALYSIS (SQ. M.)



CONSTRUCTION COMPLETIONS VS. LEASING ACTIVITY VS. UNDER CONSTRUCTION (SQ. M.)



KEY INDICATORS INDUSTRIAL MARKET CLASS A

City	Class A Inventory (Sq. m.)	Available area (Sq. m.)	Overall vacancy rate (%)	Average asking rent (USD/sq. m./month)	Leasing activity YTD (sq. m.)	Under Construction (sq. m.)
Ciudad de México	18,642,513	305,415	1.60%	11.05	867,065	1,031,850
Sao Paulo	14,745,608	1,314,523	8.91%	5.21	760,564	1,073,643
Bogotá	2,260,739	43,191	1.90%	6.94	15,120	93,500
Buenos Aires	3,235,383	326,742	5.07%	7.43	128,168	235,300
Río de Janeiro	2,790,715	413,475	14.82%	4.09	69,493	52,819
Santiago	2,571,209	69,729	2.71%	6.97	83,234	279,416
Lima	1,618,811	201,281	7.04%	6.00	29,216	144,823
	45,864,978	2,674,356	5.83%	6.11	1,952,860	2,911,351

USD/COP = 4,070 | USD/UF=0.042 | USD/BRL=5.46

**Throughput: Effective port transfer rate expressed in TEUs (Twenty-foot Equivalent Units). This indicator is measured by dividing the units moved for both imports and exports by the linear meters of docking space per terminal. The second half of 2024 was considered, and the ports analyzed are: Manzanillo in Mexico, Port of Santos and Rio de Janeiro in Brazil, Cartagena and Barranquilla in Colombia, Valparaíso and San Antonio in Santiago, Buenos Aires in Argentina, and Callao in Peru*
***Population: Population data for metropolitan area where economic activity and consumer spending are located.*

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