



Greater Metropolitan Area of Costa Rica Industrial Market

Expansion of Manufacturing Companies

Foreign investment and the free zone regime led to a very positive year for the industrial real estate market, with the arrival and expansion of companies manufacturing technology, life sciences and local and regional logistics activities in key submarkets in the region.

The new offer by logistics parks and office warehouses has meant greater dynamism, in relocations and new openings, as well as the consolidation of operations by important operators in the storage and freight transport sector. The remodeling of buildings in the lower categories is assured as a trend in the coming periods.

Another trend in the industry is the growth of strategic areas outside the GAM, which will present real estate demand from companies that feel attracted by the potential formation of manufacturing groups. Among these existing and proposed developments, the most important sectors of the industrial market such as free zones and mixed use outside the GAM, Guanacaste, Puntarenas, San Carlos and Siquirres can be mentioned.

Actual conditions

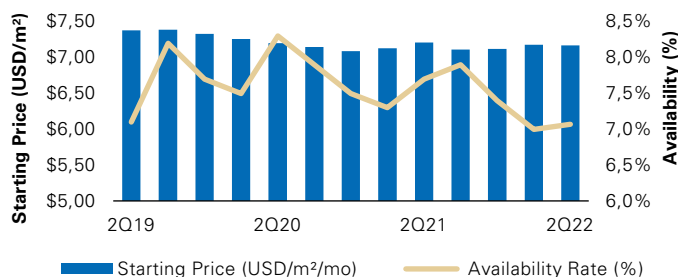
- The income of the industrial market grows healthy, dynamic and continuously competitive in the region.
- Compared to the same period in 2021, total inventory has increased by 1.7%.
- Companies attracted by the potential formation of manufacturing groups outside the GAM

Market Summary

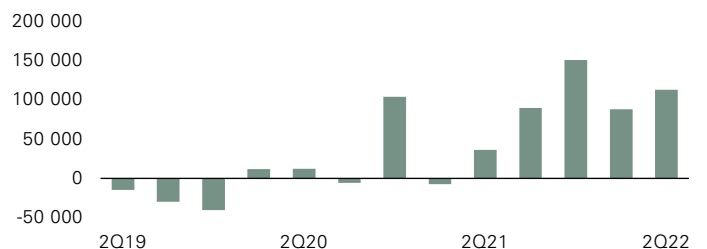
	Trimester Current	Trimester Previous	Year Previous	projection to 12 months
Total Inventory (m ²)	6.72M	6.60M	6.43M	↑
Cup of Availability	7.1%	7.0%	7.7%	←
Net Absorption Quarterly (m ²)	112,613	87,947	36,299	↑
Rental Price (USD/m ² /month)	\$7.17	\$7.18	\$7.21	←
In construction (m ²)	186,344	205,788	215,003	←

Market analysis

RENTAL PRICE AND AVAILABILITY RATE



NET ABSORPTION



Healthy Market Indicators

As of June 2022, the total leasable area in the industrial market is 6,726,786 square meters. Higher by 1.7% than the same period in 2021. Regarding availability in the entire market, the indicator was determined at 7.1%, which is conservatively low compared to March 2021.

The index continues at a healthy level, thanks to large properties that recently entered and are about to enter the market, with specialized facilities built to serve the occupants.

The gross absorption was 172,921 square meters and the net absorption was 112,613 square meters. Which means that last year almost 60,000 square meters were abandoned, due to the transfer to more efficient buildings.

Currently the life sciences industry maintains positive employment levels. Requirements for the establishment, expansion and merger of companies are being registered, most of which will be developed according to the specifications of the users.

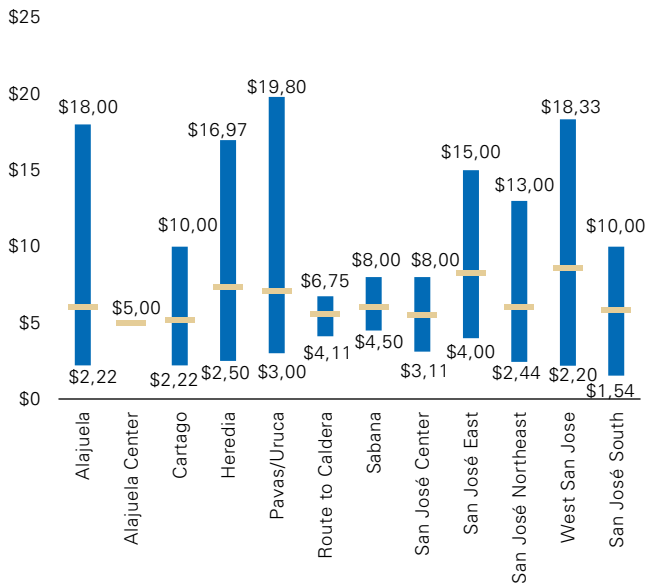
Increasing Price Behavior

The average rental price listed for the second quarter of this year was US\$ 7.17 per square meter per month. The closing price for this same period was US\$ 6.94 per square meter per month, after negotiations. Rental prices are due to the healthy and dynamic evolution of the market and continue to be highly competitive at the regional level, largely thanks to the tax benefits offered by free zone laws and the experience of local developers in the construction of specialized facilities. .

Changes in this indicator are mainly due to the increase in construction costs and the introduction of new technologies in highly complex facilities that measure high-tech manufacturing operations and medical equipment, which will be the protagonists of current and future demand in the market. current industry. This metric is not expected to change drastically due to consistency between developer return expectations and expected manufacturing and logistics user spend.

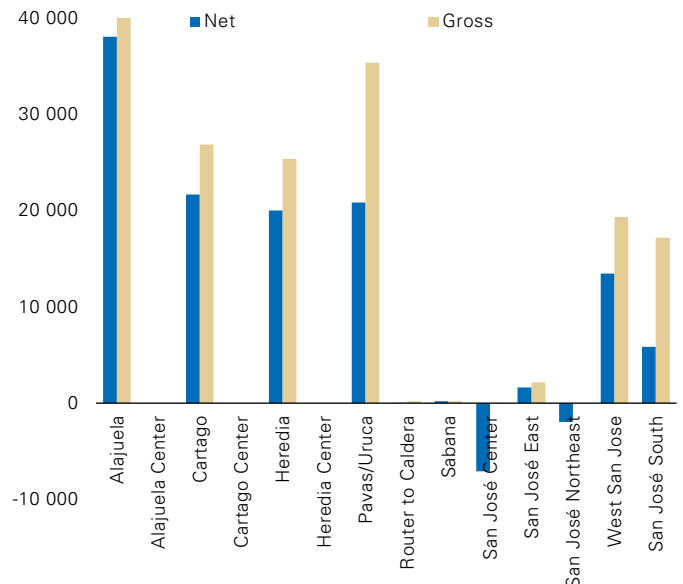
Starting Price Ranges by Submarket

AVERAGE RENTAL PRICE (USD/ M²)



Absorption by Submarket

IN SQUARE METERS



Growth Potential

The nearshoring phenomenon is now a friendly business, moving investments and operations to countries that share the same values as European and American companies.

The location of Costa Rica, being in the American continent, is one of those countries that are considered friends for sharing common values, such as democracy or human rights. So we have a strong competitive advantage at the positioning level.

At present, more than 80 foreign companies specializing in the production of medical devices have settled. Some are firsts, such as Nextern, which was announced at the end of December.

While other companies continue to expand, OKAY Industries and Coloplast are the latest examples to expand on Costa Rican soil this year. The sum of all the positive variables gives this industry great growth potential.

Costa Rica leads exports in information technology services, with 43% per capita of its closest competitor, a quality that attracts the attention of potential investors to grow their business. It is the second largest exporter of medical equipment in Latin America, showing that medical companies are betting on the country and achieving good results.

Statistics by Submarket

Submarket	Total Inventory (m ²)	Under Construction (m ²)	Availability (m ²)	Availability Rate	Net Absorption (m ²)	Gross Absorption (m ²)	Rent (USD/m ²)
Alajuela	1,756,543	48,401	99,928	5.7%	38,061	46,242	\$6.97
Alajuela Center	20,911	0	0	0.0%	0	0	\$5.00
Cartago	812,638	34,070	28,512	3.5%	21,666	26,860	\$5.56
Cartago Center	6,024	0	0	0.0%	0	0	-
Heredia	1,487,438	44,431	76,945	5.2%	19,997	25,369	\$7.71
Heredia Center	2,950	0	0	0.0%	0	0	-
Guans/Uruca	1,017,345	0	83,816	8.2%	20,836	35,386	\$7.10
Route to Caldera	43,867	0	200	0.5%	4	204	\$5.49
Sheet	73,411	0	6,504	8.9%	180	180	\$6.52
San Jose Downtown	137,938	0	24,162	17.5%	-7,080	0	\$5.72
San Jose East	122,786	0	21,146	17.2%	1,625	2,145	\$9.04
San Jose Northeast	250,885	0	25,533	10.2%	-1,980	0	\$6.20
West San Jose	630,908	32,615	73,451	11.6%	13,456	19,356	\$8.21
San Jose South	363,142	26,827	35,233	9.7%	5,848	17,179	\$7.24
Total	6,726,786	186,344	475,430	7.1%	112,613	172,921	\$7.17

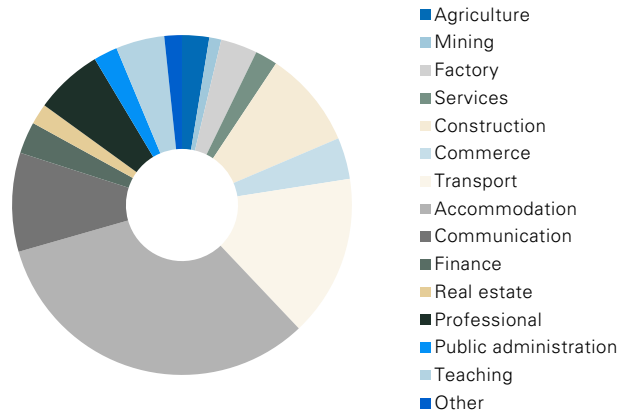
Lower Economic Growth

The production of Costa Rica reached in May 2022 an interannual variation rate of 5.4%; however, economic growth slows due to national and international tension. This has put pressure on the increase in the prices of imported raw materials, mainly energy and food, which have been showing an increase since 2021. It should be noted that, in the analysis by trade regime, the growth in the production of companies of the definitive regime surpassed for the third consecutive month that of the special regimes.

Headline inflation indicates, in June 2022, an interannual rate of 10.1%, the highest variation recorded in the last 5 years. The Central Bank projects this indicator around 6% throughout 2022 and close to 4% for 2023. It would be located at values above the tolerance range around the goal.

Monthly Index of Economic Activity

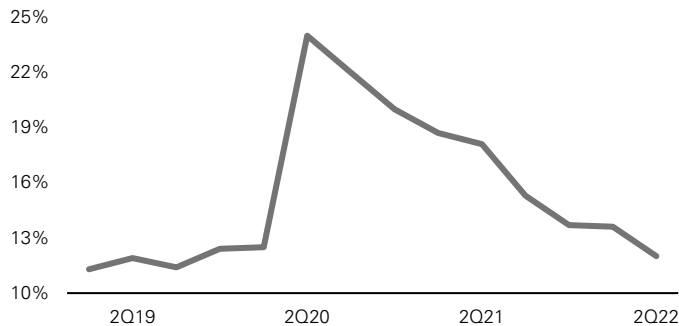
YEAR-ON-YEAR CHANGE, MAY 2022



Source: Department of Macroeconomic Statistics

Unemployment Rate

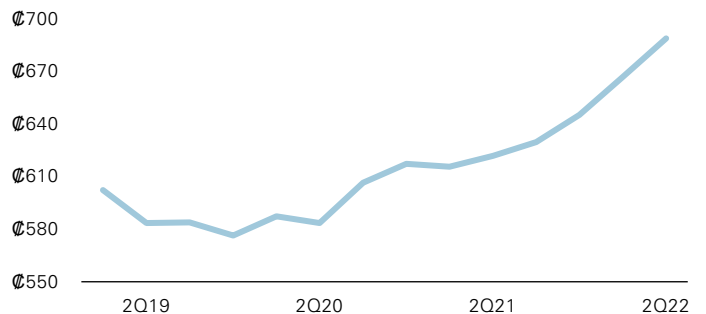
QUARTERLY INDICATOR



*Source: National Institute of Statistics and Censuses (INEC).

Exchange Rate

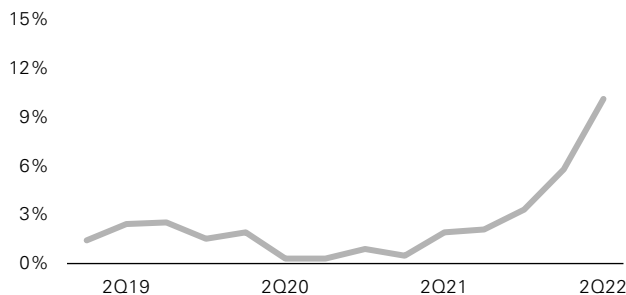
COLONES (CRC) PER US DOLLAR (USD)



*Source: Central Bank of Costa Rica

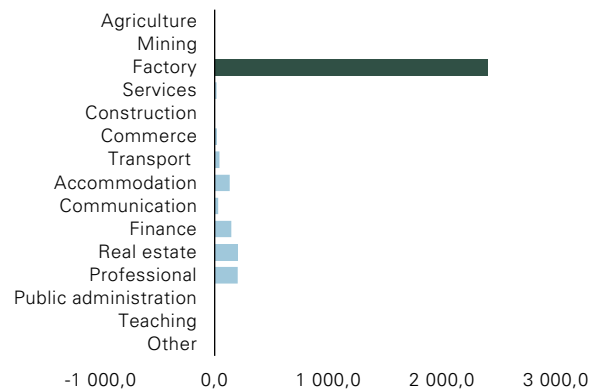
National Consumer Price Index (INPC)

INTERANNUAL VARIATION



*Source: National Institute of Statistics and Censuses (INEC).

Foreign Direct Investment



*Source: Inter-institutional Foreign Direct Investment Group (Central Bank of Costa Rica, Costa Rican Coalition for Development Initiatives, Foreign Trade Promoter, Ministry of Foreign Trade and Costa Rican Institute of Tourism).

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