

Industrial H2 2020

18.5%
Vacancy Rate



76,000
Net Absorption Sq.m



\$ 5.30
Average Asking Rent
(USD/Sq.m/Month)



(*) Corresponds to weighted average of all submarkets.

ECONOMIC INDICATORS H2.2020

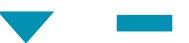
11.7%
Unemployment rate
(Q3.20)



-9.9%
Industrial production index
(*)



35,8%
Inflation index
(Inflation index YTD) (**)



(*) Accumulated variation of the year compared to the same accumulated of the previous year taken to October 2020.

(**) Corresponds to the month of November 2020

Source: National Statistical and Census Institute (INDEC)

MARKET OUTLOOK:

From the beginning of the pandemic, in March, the logistics market has had a central role in the process of urban distribution, generating an enhancement of the last mile warehouses segment, which showed an absorption in the middle of their surface and an average asking price of USD 6.3/sq.m, 19% above the overall average.

The rest of the market, without last mile, had a dynamic year and is waiting for a domestic consumption reactivation to begin a process of lowering the vacancy rate and recomposition of the asking price, both indicators with historically unfavorable figures.

SUPPLY AND DEMAND:

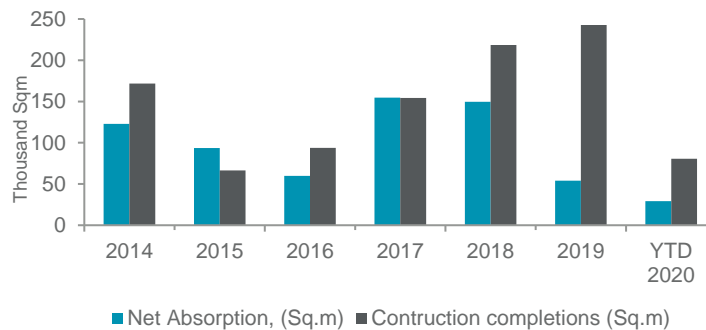
The vacancy rate increased from 16.9% to 18.5% (YoY). However, if the last quarter is used as a reference, a decrease can be perceived, since in the third quarter of the year this index had reached 19%. Within this total, the North submarket suffered a 33% increase in the annual result. In turn, the South submarket had a 15% drop in the vacancy rate, largely due to the occupation of meters within the last mile.

The annual positive absorption, i.e. the contracted meters, reached 209.726 sq.m, while the negative absorption reached 180.517 sq.m, giving an annual net and "positive" absorption of 29.209 sq.m, resulting in a favorable balance for the sector. During the first stage of the year and as a result of e-commerce-related operations, some operators migrated from the North to the South sub market, however, for the last semester the projects received in the North Zone were occupied, balancing the surface deficit and generating a net absorption of 76.000 sq.m.

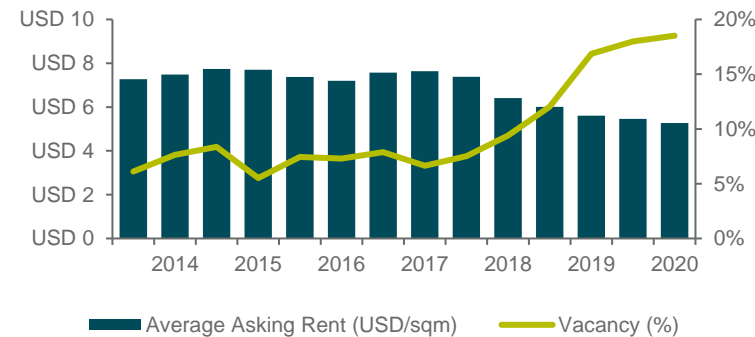
PRICING:

Regarding the monthly unit rental price, in the market average it remains at USD 5.3, which shows a drop compared to 2019 (USD 5.6/sq.m), but a rebound compared to the third quarter (USD 5.1/sq.m) . In the North Zone, Triángulo de San Eduardo, registered the highest value (USD 5.7/sq.m), followed by the South Zone (USD 5.2/sq.m).

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT (*)



ECONOMIC OUTLOOK

For the third quarter of 2020 and in comparison, with the same period of the last year, the national GDP contracted 10.2% and the unemployment rate was 11.7 %. Due to restrictions of activity and mobility the laboral market was one of the most affected indexes.

Inflation in November was 35.8% (accumulated 12 months), a value that is contained when compared with the levels of 2019. For its part, the industrial manufacturing production index had a result of - 9.9 % in its accumulated variation of the year with respect to the same accumulated of the previous year.

On November 9, Argentina began a new phase regarding its reaction to the pandemic i.e., social distancing, which established a new normal and more flexible activities to reduce the impact on the economy. Access [here](#) for more specific information on COVID-19.

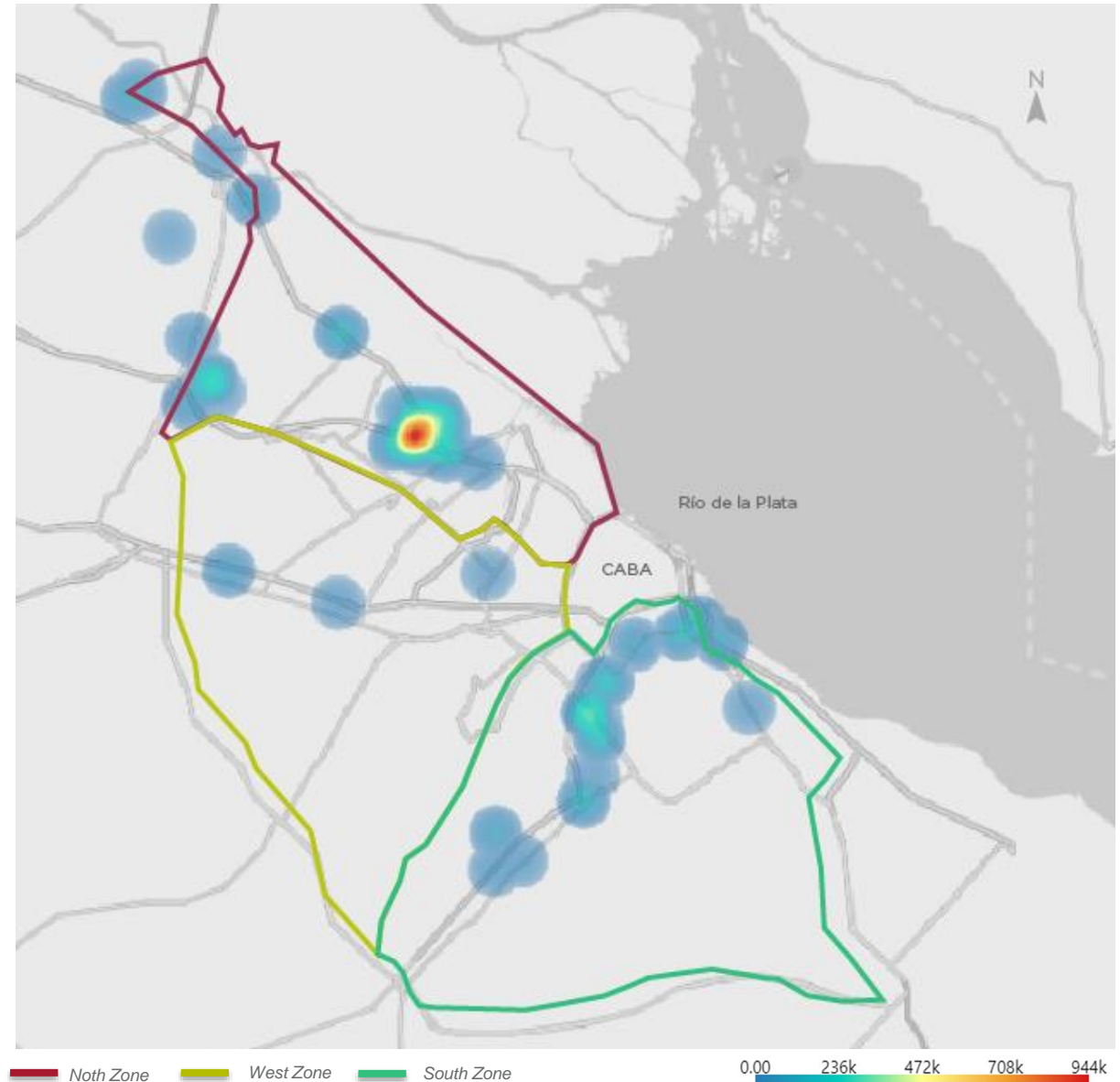
In an international context, the negotiations with the IMF to restructure the debt have not yet concluded. Talks have begun to rediscuss the previous government's agreement, but without concrete financial results.

In economic matters, there are three important indicators for the analysis of the logistics sector. The official dollar increased, during 2020, 41.7%. In turn, the index of the Argentine Chamber of Construction is currently 50.5% and the CEDOL / UTN index, which measures the behavior of the logistics cost without transportation, increased 36.9%. Both results were measured annually as of November 2020. Thus, the 3 indexes were above inflation, achieving a recomposition in the current rental contracts.

FUTURE OUTLOOK

As a consequence of the pandemic, during the year there was a significant delay in the construction that was underway. At the middle of the year there were 234,000 sq.m under construction, of which 80,000 sq.m were received only at the end of the last quarter. The remaining 154,000 sq.m should enter during 2021, registering the highest participation of projects in Zona Oeste, a market that arouses interest due to its proximity to the AMBA and good connectivity.

WAREHOUSE AND LOGISTIC CENTER CLASS A HEAT MAP



(*) Sources: © 2020 TomTom © HERE © 2020 Microsoft Corporation

MARKET STATISTICS

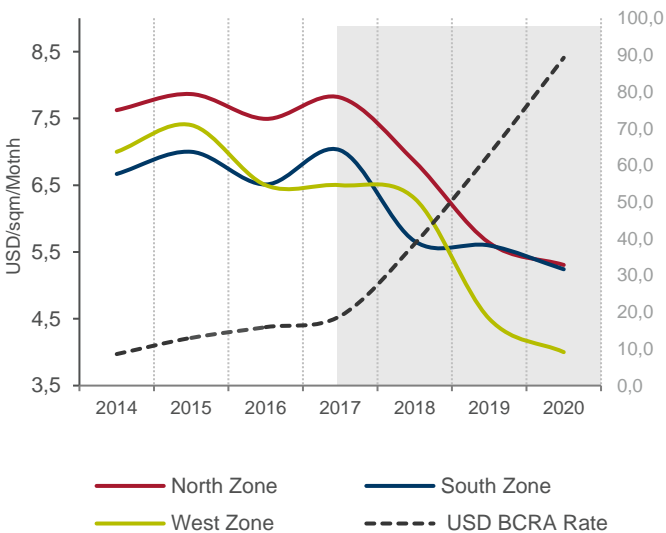
SUBMARKETS	INVENTORY CLASS A (SQM) (*)	NUMBER OF LOGISTICS CENTERS	AVAILABLE SURFACE (SQ.M)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM) (*)	PROJECTED (SQM) (*)	OVERALL AVG ASKING RENT CLASS A (ARS/SQMMONTH) (***)	OVERALL AVG ASKING RENT CLASS A (USD/SQMMONTH) (***)
TRIANGULO SAN EDUARDO	998,447	29	162,825	16.5 %	-57,967	30,728	269,000	AR\$ 505.3	USD 5.7
ROUTE 8	291,481	9	50,350	17.3 %	49,900	29,500	162,377	AR\$ 450.0	USD 5.0
ROUTE 9	253,445	10	57,309	22.6 %	11,276	-	25,000	AR\$ 404.1	USD 4.5
NORTH ZONE	1,533,373	48	270,484	17.6 %	3,209	60,228	456,377	AR\$ 473.0	USD 5.3
SOUTH ZONE	702,810	20	150,243	21.4 %	26,000	24,000	131,252	AR\$ 467.9	USD 5.2
WEST ZONE	64,000	3	5,045	7.9 %	-	70,000	100,000	AR\$ 357.0	USD 4.0
TOTALS	2,300,183	71	425,772	18.5 %	29,209	154,228	687,629	AR\$ 473.0	USD 5.3

(*) Includes class A and class A +.

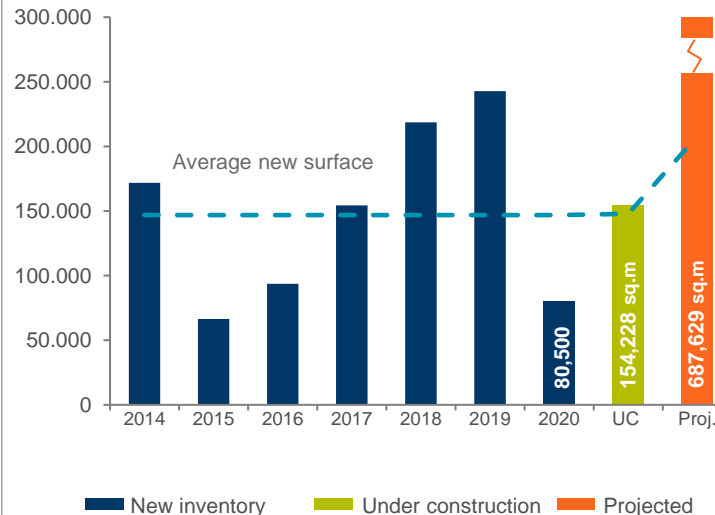
(**) Values expressed in Argentinean Pesos. Source: BNA: Date: 30/12/2020. USD 1,00 = \$ 89,25

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

ASKING RENT PER SUBMARKET (USD/sqm/Month)



NEW INVENTORY (sqm) PROJECTED SURFACE (sqm)



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