

# LOGISTICS MARKET OVERVIEW

## BUENOS AIRES | Q3 2023

### MARKET OUTLOOK

Demand for logistics spaces stalled this quarter when compared to prior periods. This slowdown is mainly due to limited availability and pre-electoral uncertainty.

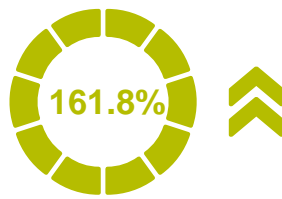
Vacancy was .2 percentage points higher than last quarter and closed at 3.1% due to 19,000 sq m being vacated during the period. Although most projects in construction are being built to suit and pre-leased, there are also projects set to enter the market that will increase availability. These new spaces should allow vacancy to reach healthier levels and increase movement in the market.

The average rent price closed at USD (BNA) 7.0 / sq m. That number will adjust to gradual increases in availability in the market. In premium (class A+) warehouse spaces asking rents can reach USD (BNA) 8.5 / sq m.

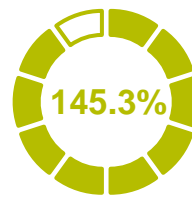


### Interannual economic indicators – Q3 23

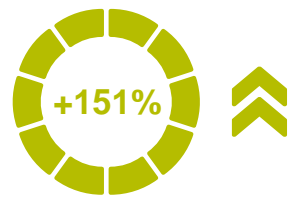
The logistics cost index (CEDOL-UTN) rose sharply this quarter, reaching a 161.79% year-over-year increase. The devaluation of local currency and union negotiations in the sector heavily influenced this statistic.



CEDOL-UTN  
(Excluding transportation)



DOLAR BNA  
(Seller)



CAC  
(Overall)

#### Sources:

CEDOL-UTN: Index of logistics costs (excluding transportation). Year over year difference. Updated: August, 2023.

Dolar BNA: Exchange rate (seller) according to the Central Bank of Argentina. Updated: Sep. 29th, 2023.

CAC: Chamber of Construction of Argentina Index: General construction costs. Updated: August, 2023.

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### Observations by submarket

SUBMARKETS	INVENTORY (sq m)	VACANCY RATE (%)	ASKING RENT A/A+ (sq m / month)	NET ABSORPTION (sq m)
SAN EDUARDO TRIANGLE	1,037,175	0.3	USD BNA 8.0	7,800
ROUTE 8	320,801	-	USD BNA 7.0	-
ROUTE 9	273,221	2.7	USD BNA 7.0	-
TOTAL: ZONA NORTE	1,631,197	0.6	USD BNA 7.3	7,800
TOTAL: SOUTH ZONE	734,460	6.3	USD BNA 6.6	2,880
TOTAL: WEST ZONE	134,000	15.8	USD BNA 7.8	-19,000
TOTAL	2,499,657	3.1	USD BNA 7.0	-8,320

### Principales acontecimientos del mercado



**-8,320 sq m**

**NET ABSORPTION**

Net absorption for Q3 23 was -8.320 sq m.



**3.1 %**

**VACANCY RATE**

The overall vacancy rate rose 0.2% compared to H1-2023.



**282,226 sq m**

**TOTAL SPACE UNDER CONSTRUCTION**

The number of new developments is increasing exponentially.



**USD BNA 7.0/sq m**

**ASKING RENT (A & A+)**

Average rent price decreased slightly, but class A+ warehouse space can still reach prices of up to USD (BNA) 8.5 / sq m.

The automotive and e-commerce industries continue to lead the market in logistics/industrial transactions. This has led to a decrease in vacancy noticeable in the middle radiuses.

Closing prices are falling when compared to asking rents as new space enters the market.



**Carolina Wundes**

Market Research Coordinator

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### Analysis by radius

INDICATOR	RADIUS FROM 0 TO 15 km	RADIUS FROM 15 TO 30 km	RADIUS FROM 30 TO 45 km	RADIUS > TO 45 km
INVENTORY (sq m)	419,544	251,644	1,228,531	599.938
VACANCY	0%	7.1%	4.3%	1.3%
ASKING RENT A/A+ (sq m / month)	USD BNA 7.8/sq m	USD BNA 7.5/sq m	USD BNA 6.8/sq m	USD BNA 7.0/sq m
NET ABSORPTION Q1-23 (sq m)	0	2,880	-11,200	0
AREA UNDER CONSTRUCTION (sq m)	-	48,000	82,500	10,026
AREA IN PROJECT PHASE (sq m)	104,252	-	189,000	177,377

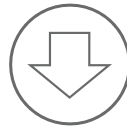
### Indicators by radius



#### 2,880 sq m

##### ABSORPTION THIS QUARTER

The 15-30 km radius experienced positive absorption.



#### 7.1%

##### DROP IN VACANCY

In the 15-30 km radius, the only one with a drop in vacancy compared to the prior period.



#### 82,500 sq m

##### UNDER CONSTRUCTION

In the 30-45 radius with 53% of the total space under construction.



#### USD BNA 7.5 / sq m

##### ASKING RENT

The 15-30 km radius experienced the largest increase in asking rent.

Availability in the 15-30 km radius was 7.1%, with the highest rent prices in submarkets with available space at USD (BNA) 7.5 / sq m. That number can reach USD (BNA) 8 / sq m in some remaining available spaces. This differs from the market average of USD (BNA) 7.0 / sq m.

**Santiago Isern**

Senior Broker Industrial



### LET'S TALK

**Carolina Wundes**

Market Research Coordinator

+54 9 11 6192 3010

[carolina.wundes@sa.cushwake.com](mailto:carolina.wundes@sa.cushwake.com)

**Santiago Isern**

Sr. Industrial Broker

+54 9 11 2658 8050

[santiago.isern@cushwake.com](mailto:santiago.isern@cushwake.com)