MARKETBEAT

LATIN AMERICA

INDUSTRIAL H2 2025

CUSHMAN & WAKEFIELD

LIMITED GROWTH AND MIXED ECONOMIC PERFORMANCE

During the second half of 2025, Latin America experienced moderate and mixed growth, against a backdrop of still-restrictive financial conditions and more cautious domestic demand. At the regional level, companies prioritized operational efficiency, cost control, and supply chain optimization over aggressive expansion.

In South America, economies such as **Chile**, **Argentina**, **Colombia**, and **Peru** showed signs of gradual stabilization, with declining inflation and limited growth, which translated into more selective investment decisions. **Brazil**, especially **São Paulo**, maintained more resilient economic and productive performance, while **Rio de Janeiro** showed a slower adjustment process.

Mexico, despite limited economic growth, continued to stand out for its strategic role in regional supply chains. In this scenario, the logistics market established itself as a defensive and structural sector, supported by the ongoing need for supply, distribution, and last-mile delivery, with performance less dependent on the macroeconomic cycle than other real estate segments.

POSITIVE OUTLOOK FOR THE LOGISTICS MARKET

During the second half of 2025, the logistics and warehousing market in Latin America showed resilience, with demand remaining active despite a more cautious economic environment. In major markets across the region, demand was driven by essential consumption, retail, e-commerce, and last-mile operations, while vacancy rates remained low or controlled in most central markets, reflecting a shortage of new supply. In this context, prices continued to show upward pressure or stability at high levels, especially for well-located, higher-standard assets, establishing the logistics sector as one of the strongest segments of regional real estate in 2025.

	Overall vacancy	Asking rent (USD/sq. M./month)	Leasing Activity (sq. m.)	UC (sq. m.)
BUENOS AIRES	5.8 % +1.2 p.p. YoY	$ 7.3 -- % YoY	310,889 +52.60% YoY	194,300 +53.0% YoY
RIO DE JAN.	14.3 % +0.12 p.p. YoY	$ 4.2 +23.1 % YoY	118,550 -89.02% YoY	41,816 -38.8% YoY
SÃO PAULO	6.9 % +0.54 p.p. YoY	$ 5.6 +30.7 % YoY	1,586,878 +0.50% YoY	817,661 -44.9% YoY
SANTIAGO	0.2 % -0.83 p.p. YoY	$ 6.4 -9.7% YoY	109,173 -13.10% YoY	272,066 -20.2% YoY
BOGOTA	1.3 % -0.49 p.p. YoY	$ 7.4 +45.7% YoY	50,377 -65.28% YoY	78,500 -4.6% YoY
LIMA	9.0 % +2.1 p.p. YoY	$ 6.5 +14.0% YoY	83,842 -0.78% YoY	85,116 -6,3% YoY
CDMX	2.3 % +1.0 p.p. YoY	$ 10.8 +28.0% YoY	1,043,000 +86.46% YoY	865,140 +7.8% YoY

*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

By the end of 2025, warehouse space in Latin America's major cities reached 46,750,419 m², a year-on-year increase of 4.5%. **São Paulo** and **Mexico City** combined account for 72.5% of this total, establishing themselves as the region's main industrial hubs.

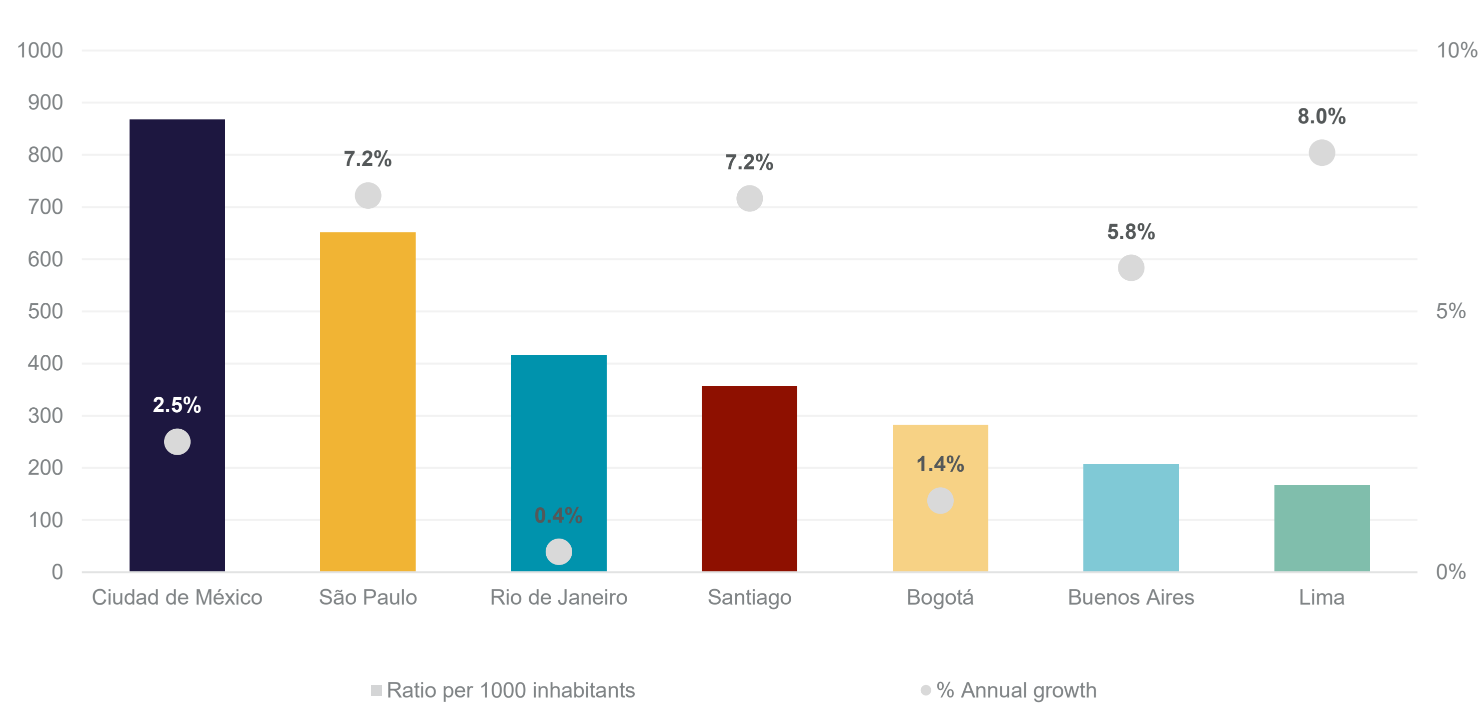
During 2025, three cities recorded growth of more than 7% in their logistics inventory: Lima (8.0%), followed by **Santiago** and **São Paulo** (7.2% each).An analysis of logistics inventory in terms of population shows significant differences in warehouse infrastructure coverage among the major cities of Latin America. **Mexico City** leads the indicator with a ratio of 868, indicating the region's largest relative logistics capacity, followed by **São Paulo** with 651, both of which are the most developed markets with the largest installed base. **Rio de Janeiro**, with 416, ranks in the middle, showing greater coverage than other comparable South American markets, while **Santiago**, with 356, has more limited logistics penetration.

At the bottom of the ranking are **Bogota** (283), **Buenos Aires** (207), and **Lima** (167), cities that show lower logistics coverage in relation to their population size, particularly in large metropolitan areas. These gaps reveal structural asymmetries in the development of the urban logistics market and help explain the dynamics of pressure on supply observed in certain markets.

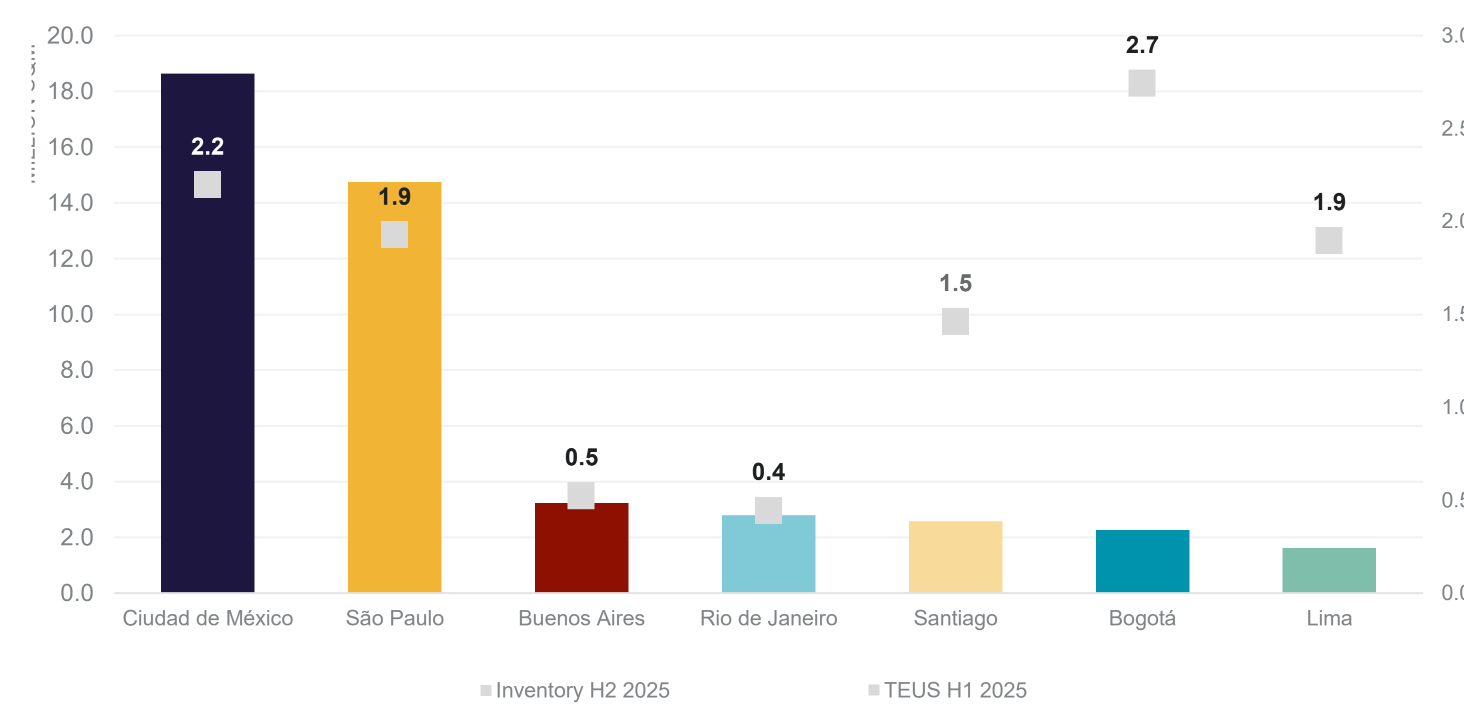
During the first half of 2025, port activity in Latin America showed a moderate recovery, with an increase in containerized volumes compared to the same period last year. This performance was related to a gradual stabilization of logistics chains and adjustments in international maritime flows, in a global context still marked by high volatility. In overall terms, the region's main ports kept stable operating levels, reinforcing the strategic role of the port system in supporting regional trade and logistics.

At the regional level, traffic was concentrated in hub ports with greater operational and transshipment capacity, notably **Santos** (Brazil), **Cartagena** and **Barranquilla** (Colombia), **Callao** (Peru), **Manzanillo**, and **San Antonio** and **Valparaiso** (Chile). **Brazil** and **Mexico** continued to lead the region in terms of total volume moved, followed by Panama and **Colombia**, consolidating these markets as key logistics hubs. This performance sustained high utilization of port infrastructure and reinforced the need for coordination between ports, logistics parks, and distribution centers in major metropolitan areas.

RATIO OF INDUSTRIAL PER 1,000 INHABITANTS** VS. YEAR-ON-YEAR GROWTH H2 2025



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



1 ARGENTINA: BUENOS AIRES

16.4 Million Inhabitants**	3.4 Million sqm	0.5 Million TEU

2 BRASIL: RIO DE JANERIO

6.7 Million Inhabitants**	2.8 Million sqm	0.4 Million TEU

3 BRASIL: SÃO PAULO

23.0 Million Inhabitants**	15.0 Million sqm	1.9 Million TEU

4 CHILE: SANTIAGO

7.5 Million Inhabitants**	2.7 Million sqm	1.5 Million TEU

5 COLOMBIA: BOGOTA

7.9 Million Inhabitants**	2.3 Million sqm	2.7 Million TEU

6 PERU: LIMA

11.8 Million Inhabitants**	1.7 Million sqm	1.9 Million TEU

7 MEXICO: CIUDAD DE MEXICO

21.8 Million inhabitants**	19.0 Million sqm	2.2 Million TEU

VACANCY INCREASE

Second half of 2025 closed with an average vacancy rate of 5.7% in Latin America's main industrial markets, showing a slight increase of 6% compared to the end of the previous year. Three markets were mainly responsible for this increase: **Buenos Aires**, **Mexico Cit**y, and **Lima**, where vacancy rates rose between 1 and 2 percentage points.

Throughout the period analyzed, the vacancy rate remained mostly low or stable in Latin America's major cities, reflecting active demand for new space and a gradual increase in supply. Markets with the lowest vacancy rates were **Bogota** (1.3%), **Mexico City** (2.3%), and **Santiago** (0.2%), showing a structural shortage of well-located new product and fast absorption of new supply. **São Paulo**, with a vacancy rate of around 6.9%, stayed balanced, consistent with a deep and expansive market.

In contrast, higher vacancy rates occurred in markets undergoing adjustment processes or with recent additions of new supply. **Buenos Aires** recorded a vacancy rate of around 6.0%, while **Lima** (9.0%) and **Rio de Janeiro** (14.3%) had the highest rates in the region. In these cases, vacancy was mainly focused on lower-spec assets or secondary submarkets, while new and strategically located projects continued to show good absorption rates. Overall, regional vacancy remained aligned with a healthy and resilient logistics market, with differences explained by the stage of the cycle and the quality of supply.

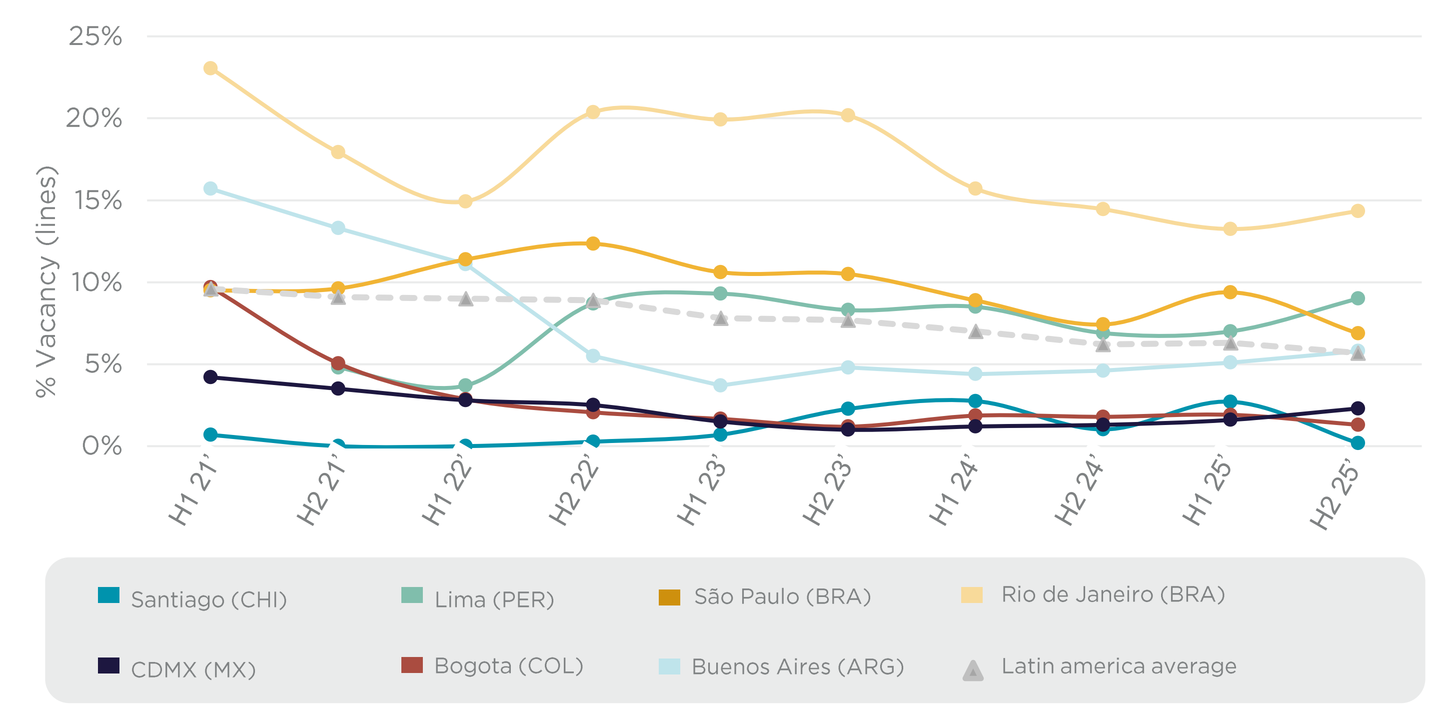
ASKING RENTS ON THE RISE

The average asking rent price in this period reached $6.89/sq.m, an increase of 17% over the previous year's average.

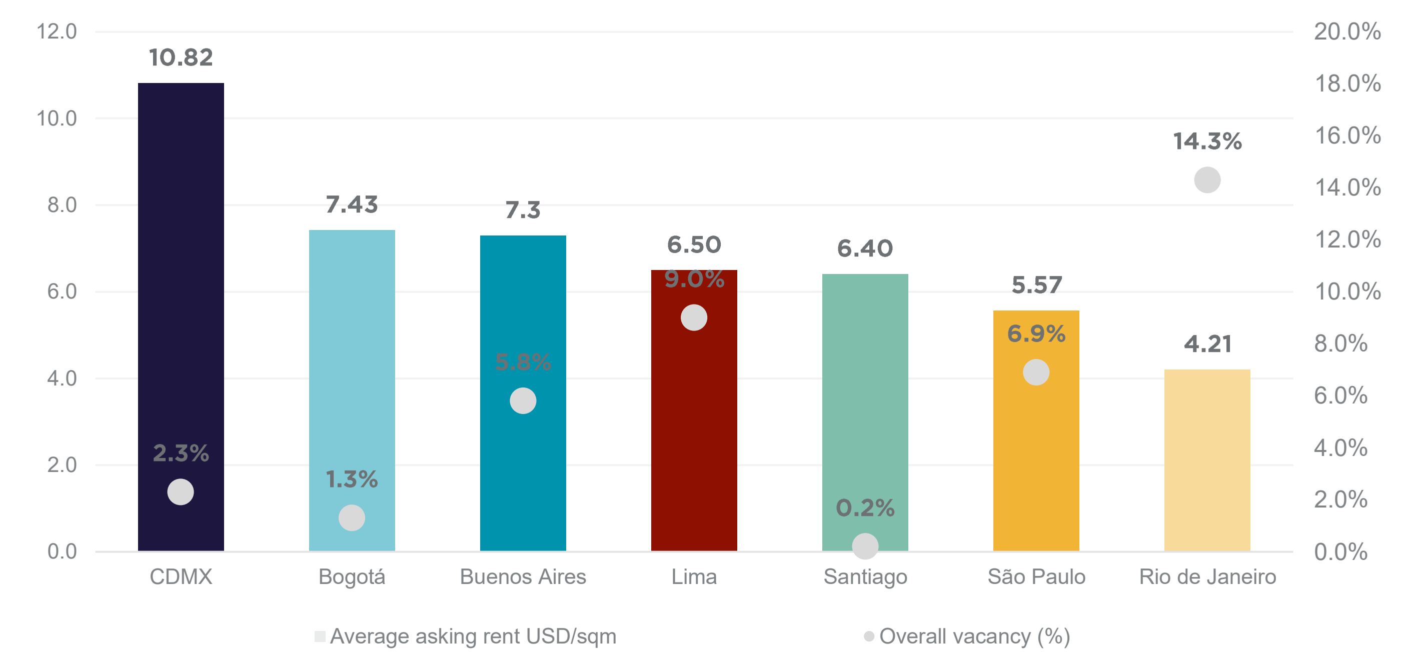
Prices remained stable at high levels or experienced upward trends, a result of low vacancy rates, active demand for new spaces, and limited supply of well-located properties. **Mexico City** ranked as the most expensive market in the region, with rents close to $10.8/sq.m/month for Class A spaces.

In second place were **Buenos Aires** (USD 7.2/sq.m/month), **Bogota** (USD 7.43/sq.m/month), **Santiago** (USD 6.4/sq.m/month), and **Lima** (USD 6.5/sq.m/month), markets where prices remained firm, supported by a shortage of new supply and steady absorption in strategic locations. **São Paulo**, with an average price of around USD 5.6/sq.m/month, and **Rio de Janeiro**, with values close to USD 4.3/sq.m/month, presented more moderate levels, in line with greater market depth and, in the case of **Rio**, higher vacancy rates. Overall, price behavior confirms a scenario of strength in the regional logistics market, where new and well-located assets continue to command premiums over the rest of the supply.

CITY OVERALL VACANCY (H1 2021 – H2 2025)



AVERAGE ASKING RENT USD/SQ.M H2 2025



LEADING MARKETS, ADJUSTING MARKETS, AND SIGNS OF RECOVERY

During 2025, positive absorption of warehouse space in Latin America reached 3.39 million sq.m, recording year-on-year growth of 5.5%, showing a moderate recovery in demand after contraction in 2024. On a half-yearly basis, the second half of 2025 showed a significant improvement compared to the first half of 2025, with a positive variation of 31.1%, confirmation of a more marked recovery in activity towards the second half of the year.

Performance differed from city to city. **Mexico City** established itself as the most dynamic market in the region, with 1.04 million sq.m absorbed in 2025, accounting for a significant portion of regional growth and reasserting its role as the main driver of Latin American logistics demand, supported by solid structural fundamentals. **São Paulo**, with 1.59 million sq.m, showed positive year-on-year growth, consolidating its position as the main logistics hub in South America, albeit in an environment of greater selectivity on the part of occupiers.

Bogota showed a significant half-yearly upturn in H2 2025, although it closed the year with absorption levels still subdued in year-on-year terms, reflecting a gradual normalization process. In contrast, **Lima** stood out for its significant half-yearly growth, driven by the rapid absorption of new supply, while **Buenos Aires** and **Rio de Janeiro** reported year-on-year declines, linked to more restrictive economic conditions and greater caution in leasing decisions. **Santiago**, meanwhile, maintained a lower level of absorption than the previous year, consistent with limited supply.

PRESENT AND FUTURE: SOLID DEMAND AND SELECTIVE PIPELINE EXPANSION

The relationship between new inventory, leasing activity, and space under construction shows a clear distinction between the main logistics markets in Latin America, showing different levels of scale and maturity.

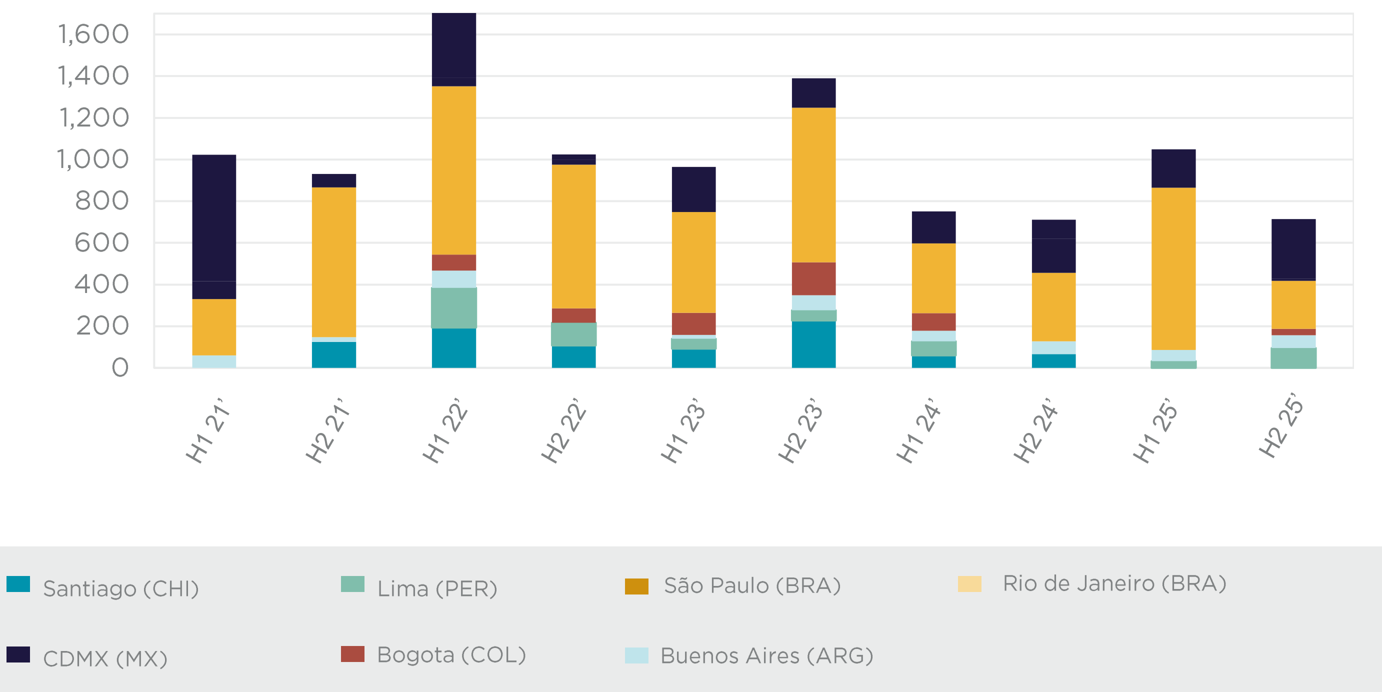
Mexico City and **São Paulo** account for the highest volumes in all three variables, with leasing activity exceeding new inventory, confirming structurally solid demand and explaining the size of the pipeline under development, especially in **São Paulo**.

In mid-sized markets such as **Santiago**, absorption exceeds new inventory, while construction progresses selectively, consistent with limited supply. **Buenos Aires** and **Lima** show similar dynamics, with active demand and moderate construction levels, in line with the size of these markets.

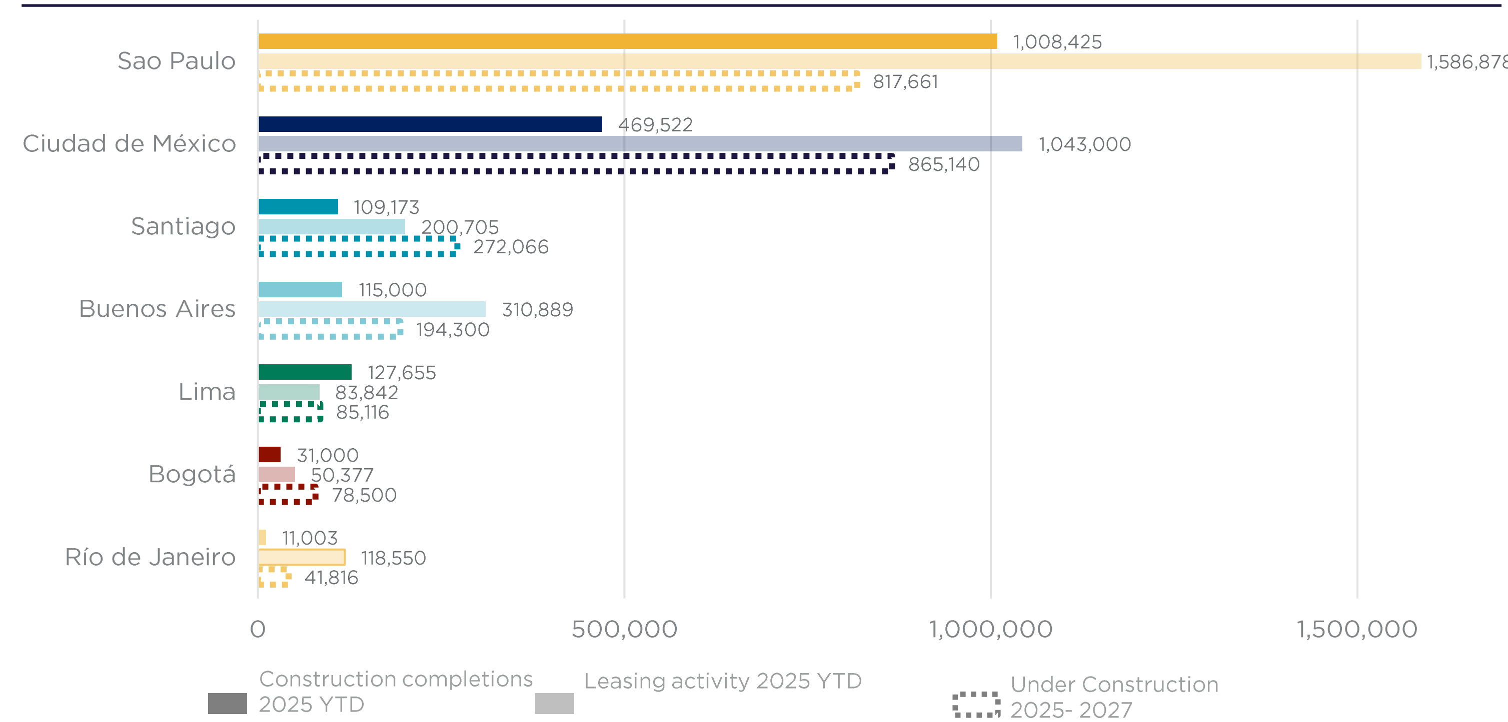
Bogota and **Rio de Janeiro**, on the other hand, are relatively smaller markets, where the relationship between leasing, new inventory, and construction reflects more limited adjustment processes and cautious expansion.

Overall, the graph shows a clear hierarchy of markets, with regional hubs leading the expansion and secondary markets growing in line with their absorption rate.

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 & 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 Mexico	18.928.612	435,358	2.30%	10.8	1,043,000	865,140
Sao Paulo	14,974,358	1,030,375	6.88%	5.6	1,586,878	817,661
Bogota	2,291,739	29,345	1.30%	7.4	50,377	78,500
Buenos Aires	3,386,483	203,484	5.80%	7.3	310,889	194,300
Rio de Janeiro	2,801,718	401,709	14.34%	4.2	118,550	41,816
Santiago	2,652,924	5,007	0.19%	6.4	200,705	272,066
Lima	1,714,585	153,529	9.00%	6.5	83,842	85,116
	46,750,419	2,258,807	5.70%	6.9	3,394,241	2,354,599

USD/COP = 3.707 | USD/UF=0,044 | USD/BRL=5,48

****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 firts half of 2025 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.*

LET'S TALK

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