

YoY Change    12-Mo. Forecast

**4.30%**  
Vacancy Rate



**241,4K**  
Net Absorption, sqm



**\$7.40**  
Asking Rent, per sqm



(Overall, All Property Classes)

### ECONOMIC INDICATORS Q4 2023

YoY Change    12-Mo. Forecast

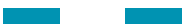
**2,245K**  
Costa Rica Employment



**7.30%**  
Costa Rica Unemployment



**3,541M<sup>1</sup>**  
Foreign Direct Investment (FDI)<sup>2</sup>



<sup>1</sup> FDI reflects YOY data in US\$

<sup>2</sup> Data reported for Q3 2023, Q4 2023 data currently not available

Source: Central Bank of Costa Rica (BCCR) and National Institute of Statistics and Census (INEC)

### ECONOMY: Construction, services, and manufacturing sectors will continue to drive economic growth

According to the Central Bank of Costa Rica (BCCR), the country is projected to achieve a growth rate of 4.0% in 2024 and 3.9% in 2025. In 2023, the sectors experiencing the highest growth were construction, services, and manufacturing with annual variations of 13.5%, 10.9%, and 8.4%, respectively. The inflation rate continues to decrease with a YoY variation of -1.77%; however, it is anticipated that the indicator will increase during the second half of 2024 and return to its target range (3.0%±1p.p.). Regarding the unemployment rate, it continued its downward trend from previous periods, reaching 7.3%. The pressure towards an appreciation of the colon against the dollar is expected to continue during 2024, an aspect that has raised the attention of economic groups in the country's commercial, touristic, and productive sectors.

### MARKET OVERVIEW: Strong demand levels continue pressuring vacancy rates downward

Costa Rica's industrial and logistics market maintained solid performance throughout 2023, with high levels of demand driven by both local and foreign companies. Significant net and gross absorption figures were recorded, leading to a clear downward trend in vacancy rates, reaching 4.3%, a value not registered in over 6 years. This trend was supported by the development of built-to-suit (BTS) projects for companies of life sciences and technology sectors, and high pre-lease levels of logistic projects in key locations, reaffirming the country's attractiveness for industrial and logistic operations, both under free trade zone and definitive regimes. The strong demand figures and the sophistication of new inventory will continue to exert upward pressure on average listing prices.

### OUTLOOK: Optimistic projections on the market, supported by new projects and continuous efforts to attract FDI

During the upcoming periods, it is projected that the demand for industrial and logistic spaces will remain strong, which will continue energizing the market, generating quality employment, and solidifying the country's positioning as a key destination amidst the *Nearshoring* trend. The delivery of new projects currently under construction, which are reporting high pre-lease levels above 80%, is expected to continue pressuring the vacancy rate downwards. The country will also continue to focus on attracting Foreign Direct Investment (FDI) both within and outside the Greater Metropolitan Area (GMA), reinforcing the positioning of key submarkets such as Alajuela, Cartago, and Grecia.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



# MARKETBEAT COSTA RICA

## Industrial Q4 2023



### MARKET STATISTICS (BY SUBMARKET)

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	YTD NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CNSTR (SQM)	OVERALL AVG ASKING RENT (HT)	OVERALL AVG ASKING RENT (OS)	OVERALL AVG ASKING RENT (W/D)
Alajuela	270	1,819,600	66,200	3.6%	74,700	79,500	55,900	\$7.00	\$7.30	\$7.10
Cartago	174	811,200	25,000	3.1%	43,800	54,200	55,000	\$6.30	\$6.90	\$5.50
Heredia	292	1,290,500	36,800	2.9%	14,100	32,200	16,000	\$7.00	\$8.50	\$7.20
Downtown San José	300	1,198,700	55,100	4.6%	68,100	85,600	17,100	\$6.70	\$7.00	\$7.00
East San José	204	669,000	46,600	7.0%	11,800	22,300	5,600	\$6.80	N/A	\$6.80
West San José	134	647,200	50,200	7.8%	28,900	36,200	18,700	\$6.90	\$9.20	\$6.90
<b>Totals</b>	<b>1,374</b>	<b>6,436,200</b>	<b>279,900</b>	<b>4.3%</b>	<b>241,400</b>	<b>310,000</b>	<b>168,300</b>	<b>\$7.00</b>	<b>\$8.70</b>	<b>\$7.00</b>

### MARKET STATISTICS (BY CLASS)

HT = High Tech/Flex OS = Office Service/Flex W/D = Warehouse/Distribution

CLASS	TOTAL BUILDINGS	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CNSTR (SQM)	OVERALL AVG ASKING RENT (HT)	OVERALL AVG ASKING RENT (OS)	OVERALL AVG ASKING RENT (W/D)
Class A	295	2,679,700	72,100	2.7%	166,200	175,900	159,500	\$8.60	\$8.50	\$7.80
Class B	817	3,275,600	149,600	4.6%	63,200	111,700	8,800	\$6.50	\$8.00	\$6.80
Class C	262	480,900	58,200	12.1%	12,000	22,400	-	\$5.20	N/A	\$5.60

\*Rental rates reflect gross asking US\$/sqm/month

### KEY TRANSACTIONS 2023

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Evolution Free Zone	Grecia	Johnson & Johnson	90,000	Buy
La Lima Free Zone	Cartago	Boston Scientific	90,000	Buy
Coyol Free Zone	Alajuela	Shockwave Medical	22,500	Lease
Planta SAE-A Spinning – IV Phase	Cartago	SAE-A Spinning	20,800	Own Development
Coyol Free Zone	Alajuela	Establishment Labs	8,000	Lease
LatAm Parque Logístico SJ Verbena	Downtown San José	Ekono	8,400	Lease
Greenpark	Alajuela	Briskheat	6,800	Lease
LatAm Parque Logístico SJ Verbena	Downtown San José	La Guaca	5,300	Lease
LatAm Parque Logístico SJ Verbena	Downtown San José	AMPM	4,300	Lease
Coyol Free Zone	Alajuela	Riverpoint Medical	4,200	Lease

### KEY CONSTRUCTION COMPLETIONS 2023

PROPERTY	SUBMARKET	MAIN TENANTS	SQM	DEVELOPER
SAE-A Spinning – IV Phase	Cartago	SAE-A Spinning	20,800	Own Development
Parque Logístico Ruta Uno – 100A	Alajuela	-	19,800	Parque Log. Ruta Uno
Flex Center – Phase 1	West San José	Thule	17,100	HBQ Desarrollos
LatAm Parque Logístico Verbena B600	Downtown San José	Ekono/AMPM	15,600	LatAm Logistic Prop.

Daniel Alvarez, CCIM  
**Chief Executive Officer**  
[daniel.alvarez@ab-latam.com](mailto:daniel.alvarez@ab-latam.com)

Cushman & Wakefield | AB Advisory  
 Plaza Tempo, 4<sup>th</sup> Floor, Module B  
 Escazú, San José, Costa Rica  
**+506 4031-1040**

Franco Moiso  
**Managing Director – TAS**  
[franco.moiso@ab-latam.com](mailto:franco.moiso@ab-latam.com)

[www.ab-latam.com](http://www.ab-latam.com)  
[www.cushwake.com](http://www.cushwake.com)

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