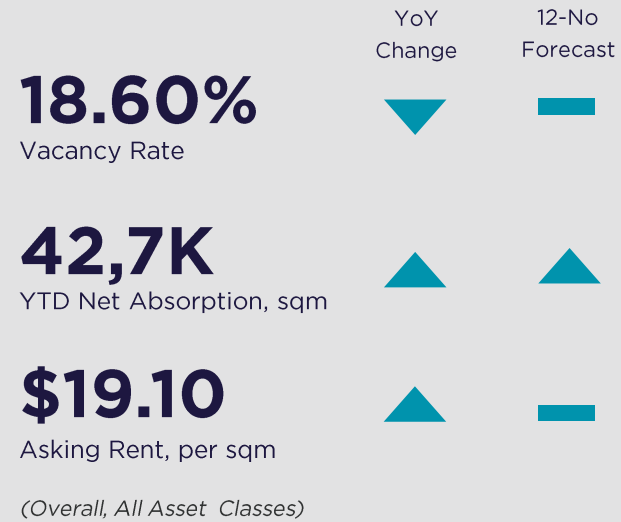
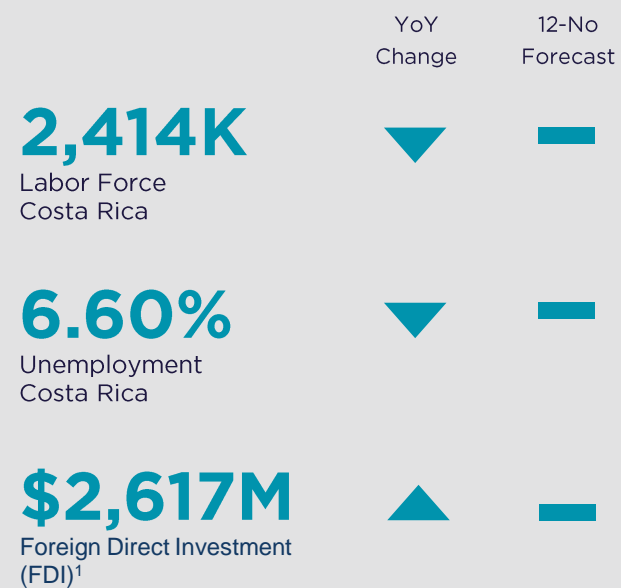


## MARKET FUNDAMENTALS



## ECONOMIC INDICATORS Q4 2024



<sup>1</sup> Data reported for Q3 2024, Q4 2024 data currently not available.

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

## ECONOMY: MODERATE GROWTH AMID GLOBAL UNCERTAINTY

Costa Rica's economy grew by 4.3% in 2024, with the Central Bank projecting a slight moderation to 4.0% in 2025. This outlook reflects cautious investment sentiment and uncertainty surrounding the new U.S. administration. Despite this, the Free Trade Zone sector remains a key driver of economic activity. Inflation is expected to stay under control, supported by lower international commodity prices. Stronger growth is anticipated in the financial, agricultural, and construction sectors.

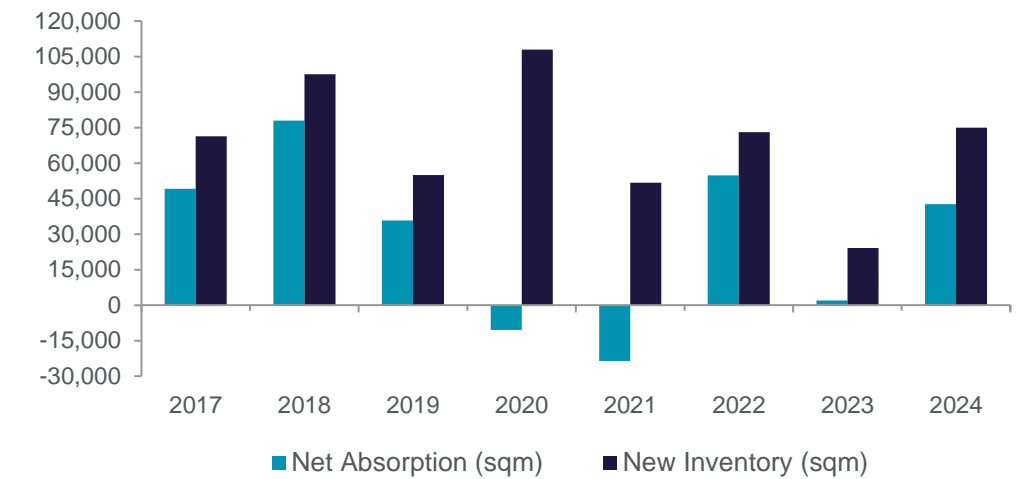
## MARKET OVERVIEW: STRONG DEMAND FOR OFFICE SPACE IN PRIME BUSINESS PARKS

Costa Rica's office market rebounded in 2024, recording a net absorption of 42,700 m<sup>2</sup>, driven by demand for Class A+ and A spaces in top-tier business parks. However, a limited supply of high-end properties continues to create a supply-demand gap. Landlords who have adapted existing spaces to meet this demand have benefited, yet the concentration of major tenants in submarkets like Heredia and San José East has widened market disparities.

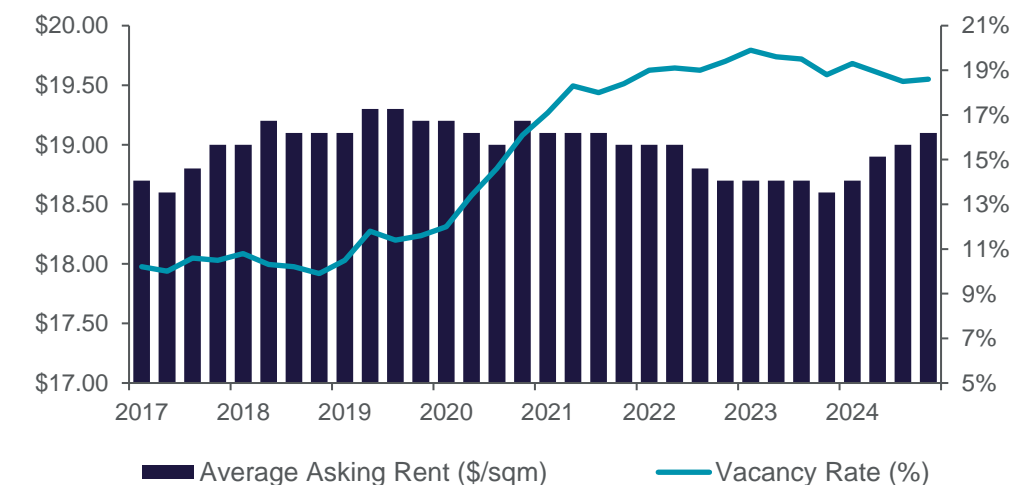
## OUTLOOK: INCREASED DEMAND FOR SOPHISTICATED, HIGH-CLASS OFFICE SPACE

In 2025, the office market will be shaped by tenants seeking sophisticated, customized spaces in prime locations. Class A+ and A properties will lead this trend, though landlords capable of adapting other assets quickly will also gain a competitive edge. The rise of Built-to-Suit projects will offer companies greater flexibility, integrating premium amenities and advanced technology. As competition among landlords intensifies, those delivering high-quality, functional spaces within short time frames will see the best results. Additionally, the ongoing shift back to in-person work suggests a potential long-term increase in office demand.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



**MARKET STATISTICS (BY SUBMARKET)**

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	OVERALL AVG ASKING RENT (ALL CLASSES)	OVERALL AVG ASKING RENT(CLASS A)
Alajuela	12	33,000	4,800	14.5%	(100)	(300)	100	-	\$16.70	\$ 23.70
Cartago	15	36,900	10,200	27.6%	6,600	5,800	6,600	-	\$17.90	\$ 20.60
Heredia	89	609,900	89,300	14.6%	(7,500)	(3,100)	28,300	14,700	\$19.20	\$ 19.30
Downtown San José	143	534,400	107,900	20.2%	(1,400)	44,700	66,300	8,500	\$18.10	\$ 20.30
East San José	90	348,700	87,300	25.0%	800	(8,600)	14,100	-	\$18.20	\$ 18.70
West San José	121	577,000	99,200	17.2%	3,500	4,200	26,900	-	\$20.70	\$ 20.90
<b>TOTAL</b>	<b>470</b>	<b>2,139,900</b>	<b>398,700</b>	<b>18.6%</b>	<b>1,900</b>	<b>42,700</b>	<b>142,300</b>	<b>23,200</b>	<b>\$19.10</b>	<b>\$ 19.90</b>

**MARKET STATISTICS (BY CLASS)**

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SQM)	VACANT (SQM)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	YTD LEASING ACTIVITY (SQM)	UNDER CONSTRUCTION (SQM)	DIRECT RENTAL PRICE	OVERALL AVG ASKING RENT
Class A+	16	228,100	50,100	22.0%	(1,900)	19,400	15,200	-	N/A	\$22.40
Class A	106	881,600	132,700	15.1%	1,900	30,500	72,300	23,200	N/A	\$19.90
Class B	348	1,030,200	215,900	21.0%	1,900	(7,200)	54,800	-	N/A	\$16.30

**KEY TRANSACTIONS 2024**

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Grand Motors	Downtown San José	Grand Motors - Dongfeng	4,000	Lease
Zona Franca América	Heredia	Confidencial	3,100	Lease
Torre Lex	Downtown San José	OIJ	2,800	Lease
Escazú Village	West San José	Deloitte	2,400	Lease
Ultrapark LAG	Heredia	Teleperformance	2,100	Lease
Eurocenter	Heredia	Health Prime	1,900	Lease
Centro Corporativo El Cafetal	Heredia	Solventum	1,800	Lease
Torre Ayra Corporativo	Downtown San José	Quálitás	1,600	Lease
Roble Corporate Center	West San José	BLP	1,500	Lease
Zona Franca Metropolitana	Heredia	C&J International	1,400	Lease
Eurocenter	Heredia	Client Services	1,200	Lease
Edificio Wimmer	Downtown San José	MOPT	1,200	Lease
Ultrapark II	Heredia	Confidencial	1,100	Lease

**KEY CONSTRUCTION COMPLETIONS 2024**

PROPERTY	SUBMARKET	MAIN TENANTS	SQM	DEVELOPER
Roche Costa Rica Campus	Downtown San José	Roche	32,800	Garnier
Avenida Escazú - AE 301	West San José	N/A	12,100	Portafolio Inmobiliario
Ayra Corporate Center	Downtown San José	Quálitás	9,800	Quálitás
La Lima Corporate Center – Building B	Cartago	N/A	9,000	Garnier
Escazu Village - Building III	Downtown San José	N/A	7,800	Portafolio Inmobiliario
City Towers Alajuela	Alajuela	N/A	6,100	Lady Lee Corporation
Edificio AsoUna	Heredia	AsoUna	3,500	AsoUna

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

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