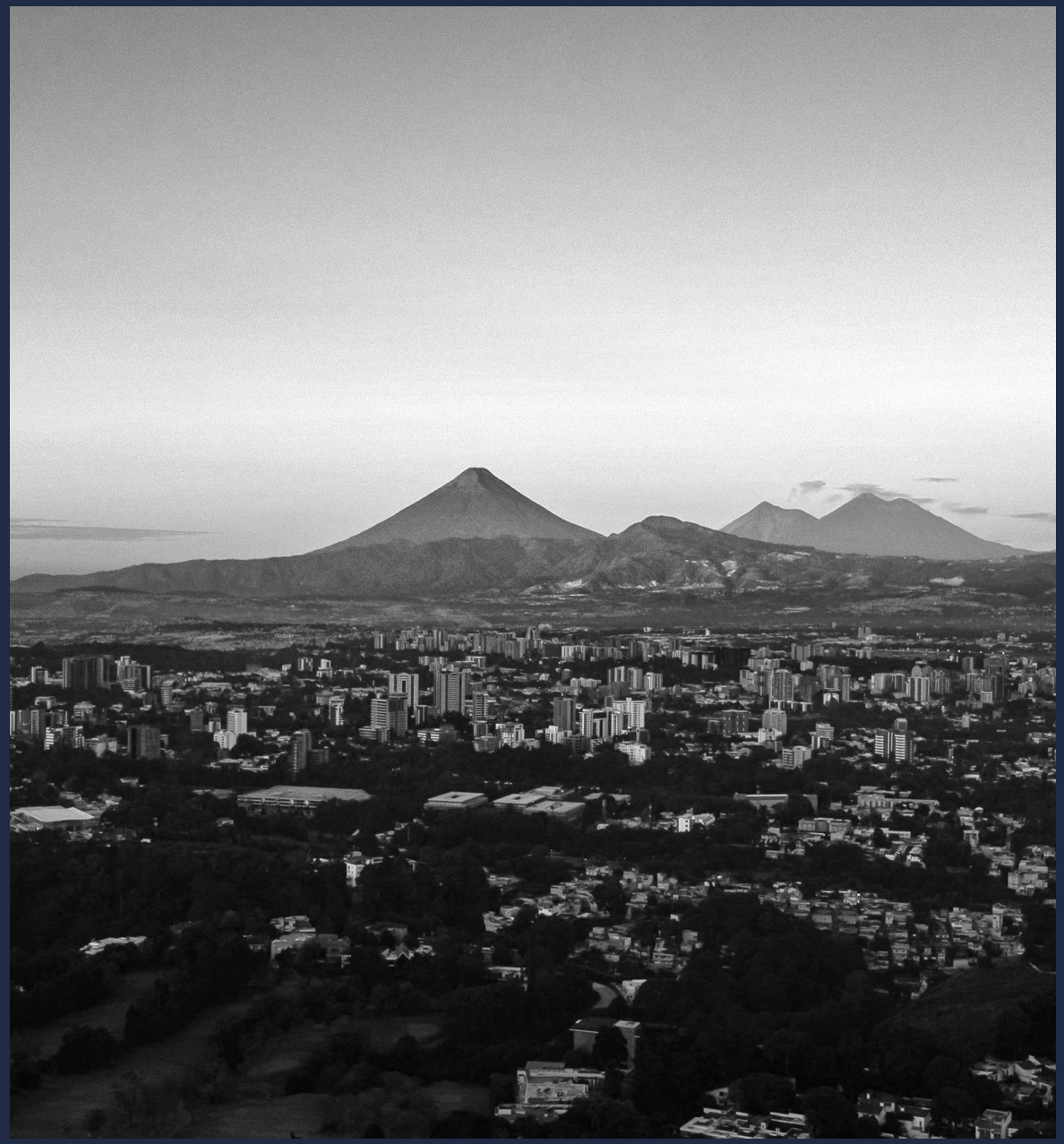
LOGAN
Institutional Valuation and Consulting

2026
Investment Report

Guatemala
Third edition

Research

Investment Activity · Rate Trends · Outlook



Introduction

LOGAN offers an independent view of the institutional real estate market, combining regional experience with international valuation standards.

Our approach combines technical rigor, local knowledge and a consistent method, so markets can be compared with each other and over time.



Robert L. Dragoo

MAI, MRICS, ASA
Principal | Mexico & Central America

This report looks at the Guatemala real estate market using the results of LOGAN's annual survey of real estate managers and developers (GPs). The survey collects their expectations for cap rates, rent growth, returns and financing conditions.

The analysis shows market trends and compares participants' expectations with those of other markets in the region.

This document is for managers, developers, owners, brokers, consultants and institutional investors.

Its goal is to give a strategic view of the real estate market, point out trends and support long-term investment decisions.



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01 Manager Perspective (GPs)

Cap rates, rent growth, returns, and operating outlook.

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- **Net Exit Cap Rate**
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- **Internal Rate of Return (IRR)**
- **Development IRR**
- **Residential Development IRR**
- **Stabilized Financing Assumptions**
- **Development Financing Assumptions**



01

Manager Perspective (GPs)

Cap rates, rent growth, returns, and operating outlook.

“

“As Guatemala's institutional real estate market evolves, risk and return expectations tend to settle, reflecting greater maturity in investment decisions.

”

Robert L. Dragoo

Principal
Mexico & Central America



Net Cap Rate

Expected Returns - Class A Stabilized Assets | Prime Rates | Major Markets

Cap rates show a general downward trend in 2026, with the biggest compression in self-storage, healthcare and industrial. Office shows a moderate decline, reflecting differences in risk and return expectations across sectors.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	9.33	10.00	**9.19**	-81	↗
Retail	Regional Mall	8.77	9.58	**9.50**	-8	→
	Neighborhood (Convenience) Center	8.43	9.50	**9.19**	-31	→
	Standalone Retail	9.50	10.33	**8.96**	-137	↗
	Ground Lease - Stand Alone	-	-	**7.06**	-	→
Industrial	Logistics	8.71	10.27	**8.56**	-171	→
	Manufacturing	8.63	11.00	**9.00**	-200	→
Healthcare	Healthcare / High Complexity	15.00	15.00	**11.38**	-362	→
	Healthcare / Low Complexity	-	-	**10.38**	-	→
Multifamily	-	8.50	9.50	**9.00**	-50	→
Education	-	-	-	**10.00**	-	→
Self-Storage	-	-	12.00	**8.75**	-325	→

Source: LOGAN annual survey of real estate managers and developers.
Note: Figures expressed as percentages (%)

Net Cap Rate (Hotels)

Expected Returns - Class A Stabilized Hotels | Prime Rates | Major Markets

Tourism hotels have consistently lower cap rates than business hotels in every category. Rates are lowest in the luxury segments, and required returns are highest in the economy segments.

		2026	Forecast
Hotels - Business	Luxury	**9.58**	→
	Upper Upscale	**10.00**	→
	Upscale	**10.25**	→
	Upper Midscale	**10.33**	→
	Midscale	**10.50**	→
	Economy	**10.67**	→
Hotels - Tourism	Luxury	**9.25**	→
	Upper Upscale	**9.75**	→
	Upscale	**10.08**	→
	Upper Midscale	**10.08**	→
	Midscale	**10.33**	→
	Economy	**10.50**	→

Source: LOGAN annual survey of real estate managers and developers.
Note:
- Figures expressed as percentages (%)
- Segment added to the survey in 2026

Net Exit Cap Rate

Expected Returns - Class A Stabilized Assets | Prime Rates | Major Markets

The highest exit cap rates are in healthcare (10.4%–11.4%) and education (10.0%) because of their specialization, heavier operating needs and lower liquidity. Other sectors are lower thanks to a wider pool of buyers and more predictable cash flows.

		2026	Forecast
Office	-	**9.29**	
Retail	Regional Mall	**9.50**	
	Neighborhood (Convenience) Center	**9.25**	
	Standalone Retail	**8.96**	
	Ground Lease - Stand Alone	**7.16**	
Industrial	Logistics	**8.56**	
	Manufacturing	**9.00**	
Healthcare	Healthcare / High Complexity	**11.38**	
	Healthcare / Low Complexity	**10.38**	
Multifamily	-	**9.00**	
Education	-	**10.00**	
Self-Storage	-	**8.92**	

Source: LOGAN annual survey of real estate managers and developers.
Note: Figures expressed as percentages (%)

Real Market Rent Growth

Expected Returns - Class A Assets | 3-Year Annual Average | Major Markets

Real rent growth expectations are at or below 1% in all sectors. Retail (regional and neighborhood centers) and logistics show moderate increases, while office and self-storage show a notable slowdown.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	0.33	1.40	**0.20**	-120	→
Retail	Regional Mall	1.67	0.33	**0.92**	+59	→
	Neighborhood (Convenience) Center	0.83	0.33	**0.75**	+42	→
	Standalone Retail	0.88	-	**0.31**	-	→
	Ground Lease - Stand Alone	-	-	**0.16**	-	→
Industrial	Logistics	0.92	0.08	**0.60**	+52	↗
	Manufacturing	0.92	0.72	**0.60**	-12	→
Healthcare	Healthcare / High Complexity	-	-	**0.50**	-	→
	Healthcare / Low Complexity	-	-	**0.38**	-	→
Multifamily	-	1.00	-0.50	**-**	-	→
Education	-	-	-	**1.00**	-	→
Self-Storage	-	-	1.40	**0.50**	-90	→

Source: LOGAN annual survey of real estate managers and developers.
Note: Figures expressed as percentages (%)

Internal Rate of Return (IRR)

Expected Returns - Class A Stabilized Assets | Prime Returns | Major Markets

Expected IRRs fall in most sectors in 2026, especially office, retail and industrial. This reflects a moderation in required returns, although significant differences remain between sectors.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	13.83	15.00	**13.49**	-151	↗
Retail	Regional Mall	14.83	13.50	**12.87**	-63	↗
	Neighborhood (Convenience) Center	15.00	13.00	**12.81**	-19	→
	Standalone Retail	14.00	12.17	**12.56**	+39	↗
	Ground Lease - Stand Alone	-	-	**10.31**	-	→
Industrial	Logistics	13.08	12.75	**12.20**	-55	↗
	Manufacturing	13.08	12.88	**12.45**	-43	↗
Healthcare	Healthcare / High Complexity	-	-	**14.63**	-	→
	Healthcare / Low Complexity	-	-	**13.50**	-	→
Multifamily	-	13.00	12.50	**12.50**	-	↗
Education	-	-	-	**13.75**	-	→
Self-Storage	-	-	15.00	**11.83**	-317	↗

Source: LOGAN annual survey of real estate managers and developers.
Note: Figures expressed as percentages (%)

Development IRR

Expected Returns - Class A Projects | Prime Returns | Major Markets

Development IRRs move in different directions in 2026, with large decreases in office and regional malls, while logistics and neighborhood retail increase. Looking ahead, financing and construction costs could push required returns up.

		2024	2025	2026	Chg. (bps)	Forecast
Office	-	17.40	25.00	**19.00**	-600	→
Retail	Regional Mall	18.50	22.00	**17.33**	-467	↗
	Neighborhood (Convenience) Center	18.00	14.67	**16.88**	+221	↗
	Standalone Retail	-	15.40	**15.00**	-40	→
	Ground Lease - Stand Alone	-	-	**13.13**	-	→
Industrial	Logistics	14.17	13.00	**14.34**	+134	↗
	Manufacturing	14.17	16.00	**14.70**	-130	↗
Healthcare	Healthcare / High Complexity	-	-	**19.50**	-	↗
	Healthcare / Low Complexity	-	-	**18.50**	-	→
Multifamily	-	22.00	15.00	**14.50**	-50	↗
Education	-	-	-	**20.00**	-	→
Self-Storage	-	-	25.00	**14.67**	-1,033	↗

Source: LOGAN annual survey of real estate managers and developers.
Note: Figures expressed as percentages (%)

Residential Development IRR

Expected Returns - Benchmark Projects by Segment | Prime Returns | Major Markets

Residential development IRRs show mixed trends in 2026, with increases in the middle-income segment and significant decreases in the high- and low-income segments. These differences reflect different risk and return expectations by segment.

		2024	2025	2026	Chg. (bps)	Forecast
Project IRR	High Income	20.00	19.75	**19.00**	-75	↗
	Middle Income	15.00	18.00	**20.50**	+250	↗
	Low Income	20.00	16.50	**13.00**	-350	↗
Equity IRR	High Income - Equity	25.00	20.00	**19.50**	-50	↗
	Middle Income - Equity	20.00	18.50	**20.75**	+225	↗
	Low Income - Equity	25.00	16.83	**13.50**	-333	↗

Source: LOGAN annual survey of real estate managers and developers.
Note: Figures expressed as percentages (%)

Stabilized Financing Assumptions

Debt Terms - Class A Stabilized Assets | Prime Terms | Major Markets

How is debt financing structured?

The debt market continues to favor assets with greater institutional depth. Office and retail get the lowest spreads, while more specialized sectors (healthcare, education and self-storage) need more conservative structures, with lower leverage and higher spreads. In this context, term, leverage and spread act as direct signals of how lenders see risk.

		LTV (%)	Debt Term (Years)	Interest Rate (%) SOFR (+)
Office	-	73	13	2.0
Retail	Regional Mall	73	15	2.7
	Neighborhood (Convenience) Center	74	15	2.3
	Standalone Retail	72	16	2.6
	Ground Lease - Stand Alone	73	16	2.2
Industrial	Logistics	73	15	2.3
	Manufacturing	73	15	2.7
Healthcare	Healthcare / High Complexity	60	10	3.0
	Healthcare / Low Complexity	60	15	3.0
Multifamily	-	65	15	2.8
Education	-	50	10	3.3
Self-Storage	-	58	15	3.0

Source: LOGAN annual survey of real estate managers and developers.

Development Financing Assumptions

Debt Terms - Class A Projects | Prime Terms | Major Markets

How is debt financing structured?

Development financing shows more differences based on execution risk and market depth. Industrial and retail have better access to capital, while specialized sectors keep more conservative structures. Short terms reflect the need to refinance once construction is complete.

		LTC (%)	Debt Term (Years)	Interest Rate (%) SOFR (+)
Office	-	68	4	3.5
Retail	Regional Mall	70	3	3.3
	Neighborhood (Convenience) Center	70	4	2.1
	Standalone Retail	70	3	3.3
	Ground Lease - Stand Alone	70	3	2.1
Industrial	Logistics	70	3	3.3
	Manufacturing	70	3	3.5
Healthcare	Healthcare / High Complexity	65	3	3.5
	Healthcare / Low Complexity	70	3	3.3
Multifamily	-	60	3	3.5
Education	-	60	3	3.8
Self-Storage	-	50	3	3.5

Source: LOGAN annual survey of real estate managers and developers.

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- **Real Estate Transactions**
- **M&A y Joint Ventures**
- **Real Estate Financing**

Cap Rate Normalization Example

Pricing and Market Conditions

Industrial asset | 5,000 m^2 | Price $5.0M

Factor	Transaction	Market	NOI Adjustment
Rent	$4.00/$m^2$/month	$7.50/$m^2$/month	**+$119.7K** ($7.50 − $4.00) × 5,000 × 12 × 60% × (1 − 5%)
Occupancy	60%	95%	**+$149.6K** $7.50 × 5,000 × 12 × (95% − 60%) × (1 − 5%)
Expenses	5%	5%	$0
NOI	**$136.8K**	**$406.1K**	**+$269.3K** $119.7K + $149.6K
Price	$5.0M	$5.0M	—
Cap Rate	**2.74%**	**8.12%**	—

Case Study: Investment Committee

Scenario

- You are on a real estate investment committee and must evaluate two purchase decisions.
- In each case you will get several options and must choose the asset you would buy.

How It Works

- Work as a table.
- Analyze each scenario.
- Choose one option only.
- Record your answer in the form.
- We will review the results and the logic behind the decision.

Goal

See how different factors can change an investment decision:

1. Cap rate normalization
2. Location and market
3. Asset class and return profile

Question in each round: Which asset would you buy?



Case Study

QR Code

Caso de Estudio - Comité de Inversion



Options

Case Study – Question 1

Which Would You Buy? 4 comparable retail assets | Guatemala | 5,000 m² | 95% occupancy

Variable	Asset 1	Asset 2	Asset 3	Asset 4
Year Built	2016	2019	2022	2018
Current Rent (US$/m²/month)	$17.00	$23.00	$20.00	$18.00
Market Rent (US$/m²/month)	$20.00	$20.00	$20.00	$20.00
Lease Expiry	2 years	1 year	4 years	10 years (anchor)
Occupancy	95%	95%	85%	95%
Expenses	10%	10%	10%	10%
Current Cap Rate	**9.00%**	**9.00%**	**9.00%**	**9.00%**

Note: Market occupancy: 95%. Expenses as % of income. Cost to lease up vacant space: US$300/m².





Analysis

Case Study – Question 1

Which Would You Buy? 4 comparable retail assets | Guatemala | 5,000 m^2 |

Variable	Mall 1	Mall 2	Mall 3	Mall 4
Year Built	2016	2019	2022	2018
Current Rent (US$/$m^2$/month)	$17.00	$23.00	$20.00	$18.00
Market Rent (US$/$m^2$/month)	$20.00	$20.00	$20.00	$20.00
Lease Expiry	2 years	1 year	4 years	10 years
Occupancy	95%	95%	85%	95%
Expenses	10%	10%	10%	10%
Current Cap Rate	9.00%	9.00%	9.00%	9.00%
Current NOI	$872K	$1,180K	$918K	$923K
Implied Price @ 9.00%	$9.69M	$13.11M	$10.20M	$10.26M
Adjustment	↑ Rent	↓ Rent	↑ Occupancy	Fixed rent 8 years
Normalized NOI	**$1,026K**	$1,026K	$1,026K	$923K
Normalized Cap Rate	**10.59%**	7.83%	9.91%	9.00%

Options

Case Study – Question 2

Which would you buy? | 4 comparable hotels | Guatemala | 150 rooms

Variable	Hotel 1	Hotel 2	Hotel 3	Hotel 4
Year Built	2018	2015	2019	2025
Occupancy	70%	70%	70%	45%
ADR	$180	$180	$180	$180
Last Renovation	2023	2015	2022	—
Land	8,000 m^2	3,000 m^2	3,000 m^2	3,000 m^2
Floors	8	8	8	8
Operating Contract	**Market**	**Market**	**Favorable**	**Market**

Stabilized market occupancy: 70%





Analysis

Case Study – Question 2

Which would you buy? | 4 comparable hotels | Guatemala | 150 rooms

Variable	Hotel 1	Hotel 2	Hotel 3	Hotel 4
Year Built	2018	2015	2019	2025
Occupancy	70%	70%	70%	45%
ADR	$180	$180	$180	$180
Last Renovation	2023	2015	2022	—
Land	8,000 m²	3,000 m²	3,000 m²	3,000 m²
Floors	8	8	8	8
Operating Contract	**Market**	**Market**	**Favorable**	**Market**
Current NOI	$3.20M	$3.20M	$3.20M	$2.00M
NOI Adjustment	—	—	Contract ↓ $0.40M	Stabilization ↑ $1.20M
Adjusted NOI	**$3.20M**	**$3.20M**	**$2.80M**	**$3.20M**
Current Investment	$40.0M	$40.0M	$40.0M	$25.0M
Investment Adjustment	Land ↓ $8.0M	Renovation ↑ $8.0M	—	—
Adjusted Investment	**$32.0M**	**$48.0M**	**$40.0M**	**$25.0M**
Adjusted Yield	**10.00%**	**6.67%**	**7.00%**	**12.80%**

Annual NOI in US$. Stabilized market occupancy: 70%. Investment adjusted for excess land and required renovation.

Agenda


INVESTMENT REPORT GUATEMALA
08:00 – 08:30 AM
Bienvenida
08:30 – 09:00 AM
Presentación ADIG – CABI
09:00 – 09:30 AM
Presentación Cushman & Wakefield
09:30 – 11:00 AM
Presentación LOGAN Valuation
11:00 – 11:30 AM
Cierre

Key Drivers

Real Estate Market

1. Rent Growth	The expected growth rate of rental income in a specific market.[1]
2. Change in Vacancy	How much space is currently available to rent in the market? This shows where we are in the development cycle.
3. Change in Inventory	Change in market inventory: which buildings were delivered and which were demolished?[2]

Investment Market

1. Investment Capital	How much capital is available in the market, and how easy is it to invest?[3]
2. Debt	How much debt is available, and how competitive is it compared with the return on equity?
3. Interest Rates and Yields	**Bond yields and how they affect other investment returns.[4]**

> Changes in these factors shift the perception of risk and, as a result, cap rates.

1. Smith, A. (2017). *Real Estate Market Dynamics*, Journal of Real Estate Economics, 45(2), pp. 200-220.
2. Miller, N., & Geltner, D. (2013). *Commercial Real Estate Analysis and Investments*. Cengage.
3. Brueggeman, W., & Fisher, J. (2011). *Real Estate Finance and Investments*. McGraw-Hill.
4. Fabozzi, F. J. (2018). *Fixed Income Analysis*. CFA Institute, 3rd Ed.

Definitions and Drivers

Rent Growth - Matrix

Office: High vacancy, somewhat oversupplied market; neutral to unfavorable outlook Retail: Stable market, low vacancy; favorable conditions for investment Industrial: High demand, minimal vacancy; favorable conditions for investment.

	Status	Vacancy	Equilibrium Growth (Historical)	Survey Responses (Avg)	Outlook
Office[1]	**Oversupply**	14%	*1.5%*	*0.6%*	*0-0.5%*
Retail[2]	**Balanced**	6.5% -8%	*2.0%*	*0.9%*	*1.0%*
Industrial[3]	**Balanced / Excess Demand**	<5%	*.75%*	*0.9%*	*1.0%*
Hotels	**Excess Demand**	10-20%	*3.0%*	*2.3%*	*2.5%*
Rental Housing	**NA**	NA	*NA*	-	-

1. *Prime Office - Market analysis 2Q, Newmark, JLL, June 2025, office real estate market*
2. *Marketbeat, Costa Rica Industrial 2t2025, Cushman & Wakefield – AB Advisory*
3. *LOGAN reports – sample of appraisals completed*

Evolution of Structures

Capital Growth and Flows – Closed-End Vehicles

How have closed-end investment structures evolved?

Structures have moved toward more flexible setups and a more efficient relationship between LPs and GPs. This allows governance, term and investment strategy to be better matched to the needs of both sides.

Structure	Concept	Typical Term	Flexibility	LP Control	Complexity
CKD	First generation	**15–20 years**	Low–Medium	High	Medium
CERPI	Model closest to international private equity	**15–20 years**	High	Medium	Medium–High
Private Trust	Structure negotiated between GP and LPs	**7–15+ years / Negotiable**	Very High	Negotiable	High

Sources: National Banking and Securities Commission (CNBV), CerPis, a new financing option in the Mexican securities market (2016); Mexican Stock Exchange (BMV), CKDs vs. CERPIs: what are the differences? (2019); Proyectos México, Project financing: CKDs and CERPIs; applicable provisions of the Securities Market Law and CNBV regulation.

> More flexibility means more responsibility for structuring.
> As negotiating power between GP and LPs grows, so does the need for specialized legal, tax and financial advice.

Benchmark Rates and Real Estate Pricing

Expected Returns – Benchmark Rates

How have long-term benchmark rates evolved in Mexico and the U.S.?

Long-term yields remain high in Mexico and the U.S., putting pressure on required returns and limiting room for cap rate compression.

Period	Mexico	U.S.	Spread
2021	7.57%	1.52%	6.05%
2022	9.35%	3.88%	5.47%
2023	8.87%	3.88%	4.99%
2024	10.83%	4.58%	6.25%
2025	8.95%	4.18%	4.77%
2026 YTD*	**9.52%**	**5.18%**	**4.34%**

Note: 10-year market yields; year-end figures for 2021–2025 and latest available data for 2026 YTD

Sources: Countryeconomy.com, Mexico 10-Year Government Bond Yield (market yields); Board of Governors of the Federal Reserve System, H.15, via FRED, Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity. LOGAN calculations

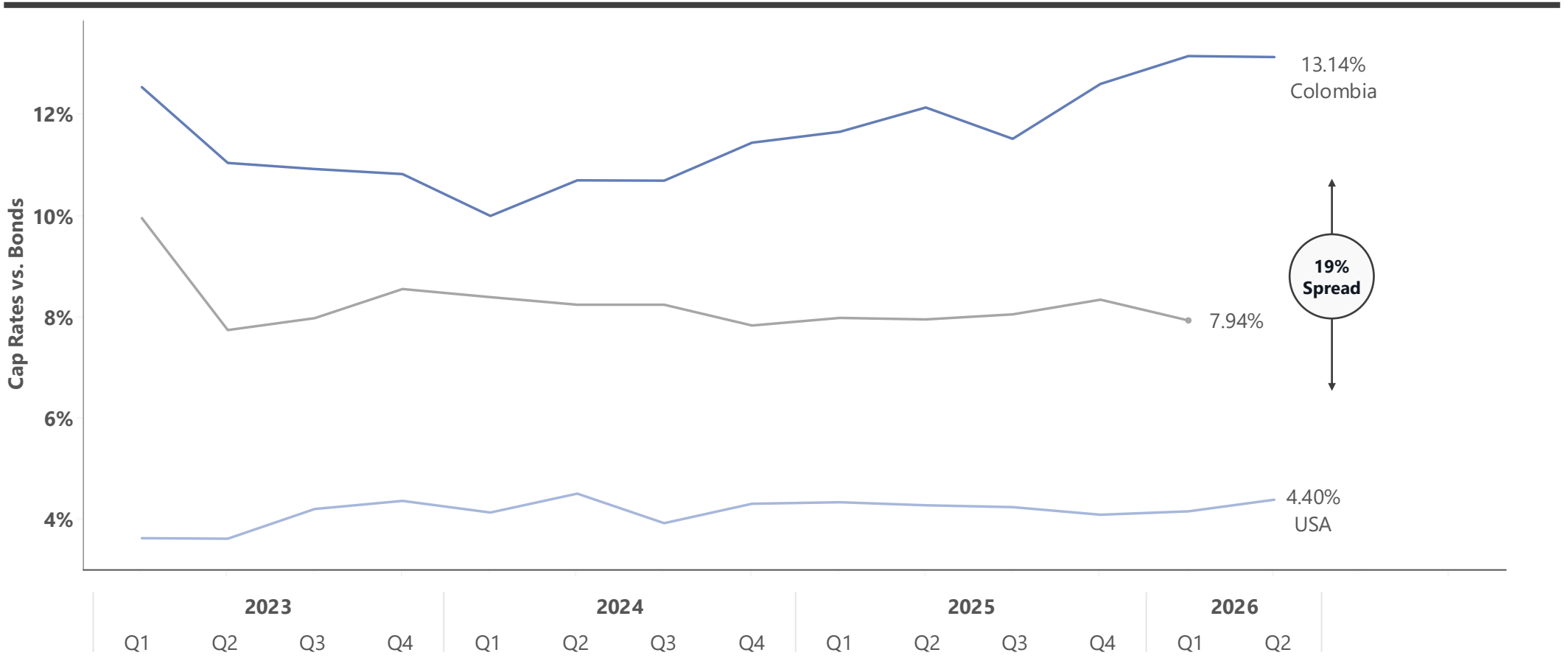
> The recent rise in long-term yields puts upward pressure on cap rates, especially for peso-denominated assets

Cap Rates

Pricing and Market Conditions

What is the recent trend in transaction cap rates by sector?

Cap rates have stayed fairly stable in the main sectors, reflecting a balance between tight financial conditions and still-high return expectations. However, important differences remain between sectors, especially for assets seen as riskier.



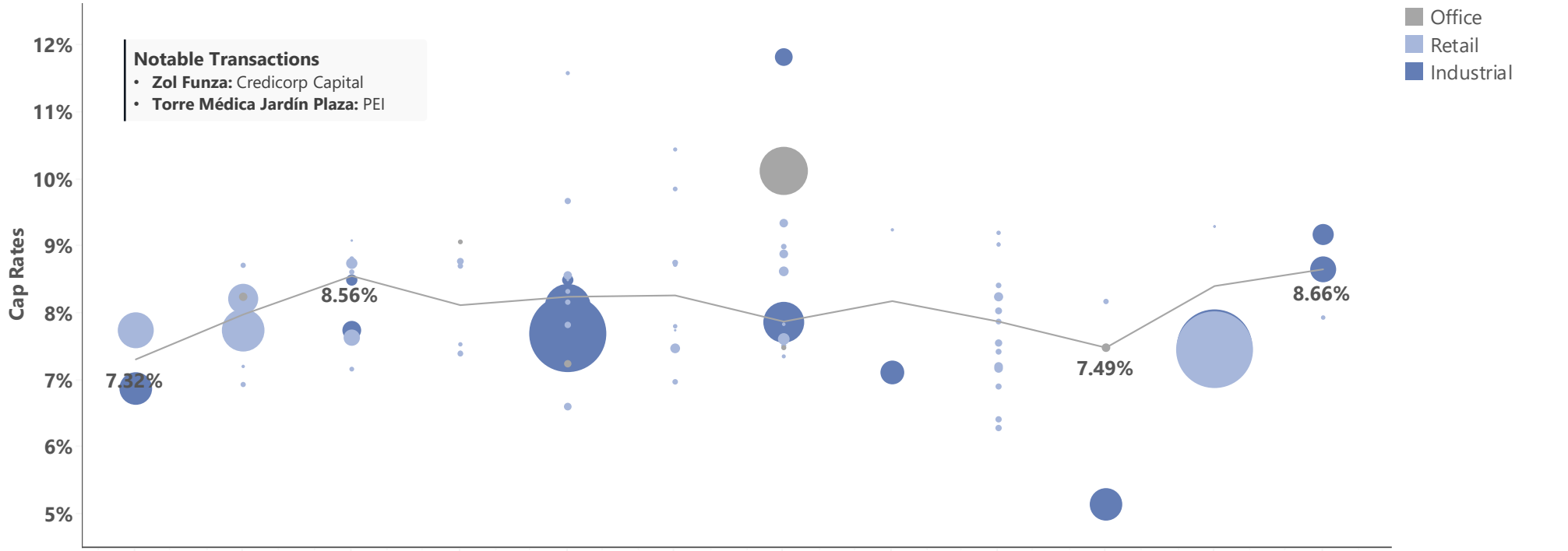
Note: Historical values may differ from the report published in 2024 because information from new vehicles was added.

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	2023			2024				2025				2026
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
#	2	6	9	7	14	8	16	3	14	3	8	3

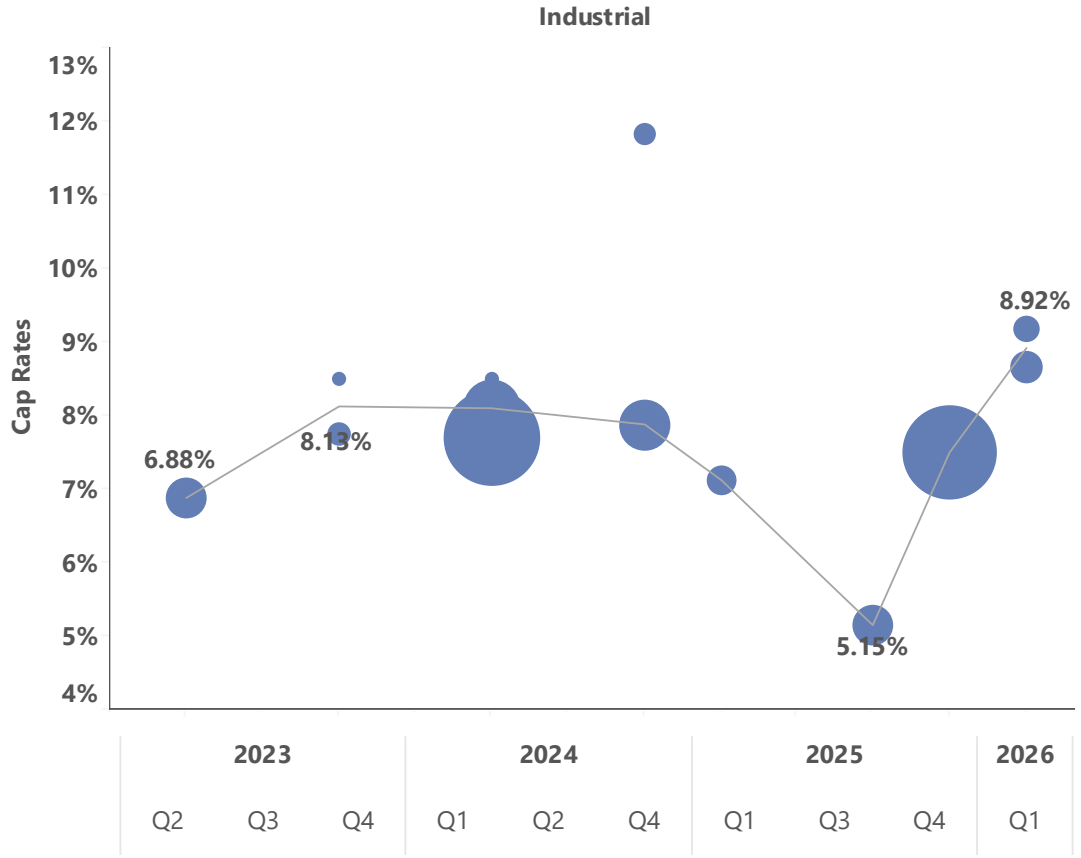
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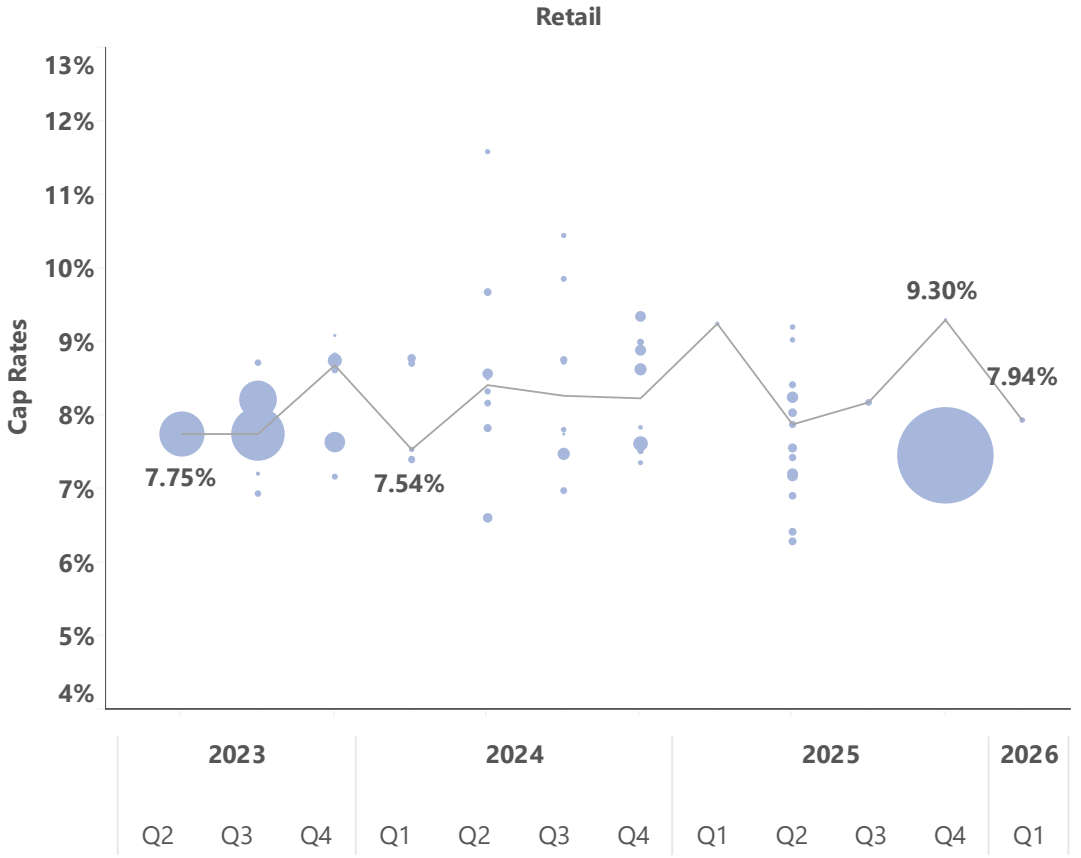
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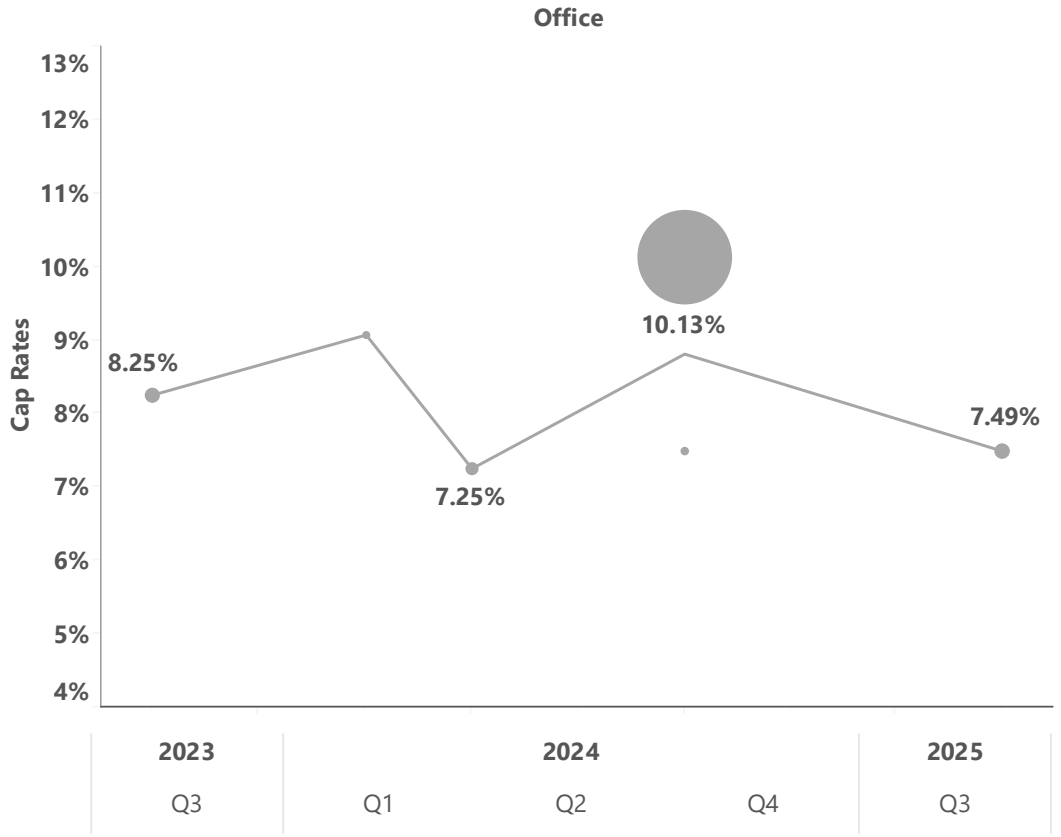
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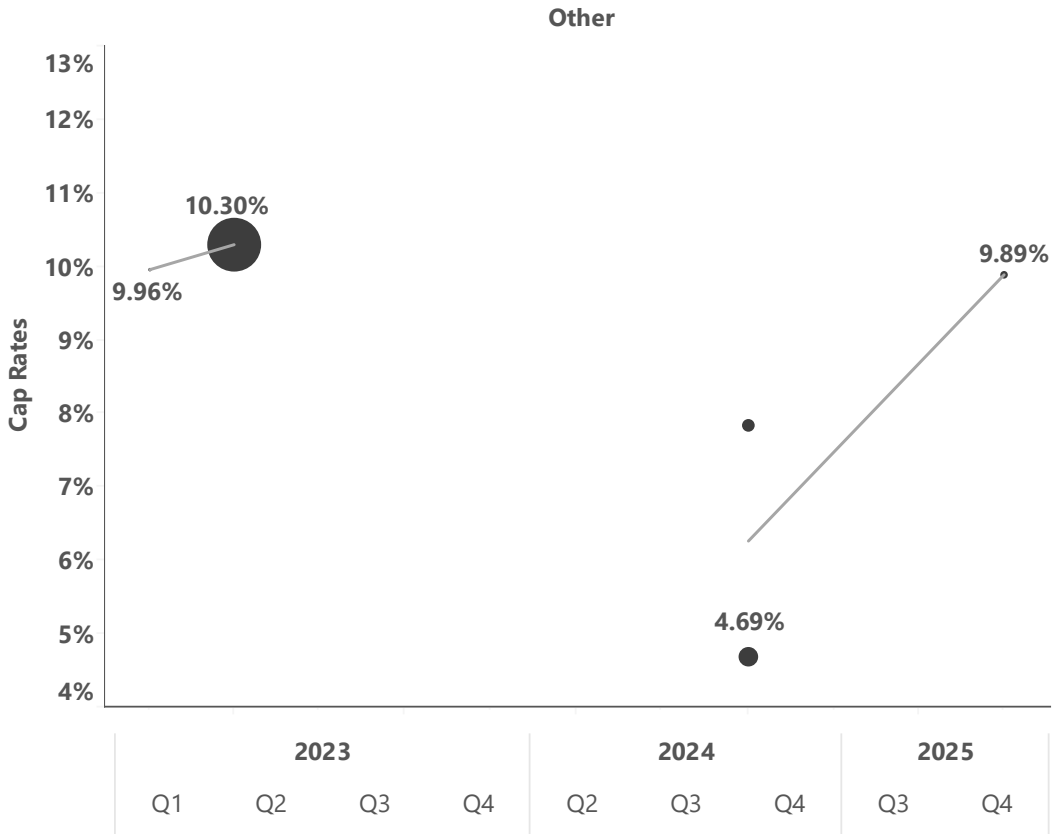
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Pricing and Market Conditions

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