



# Tijuana Industrial Market

## Vertical and Horizontal Growth

The high demand in Tijuana continues driving industrial developments, both in terms of buildings and prices. The industrial market in the city has undergone aggressive growth in recent years, and now we see how this growth is setting roots into the neighboring municipalities. Rosarito has undergone a surge in the level of interest by the industrial market, with developers fostering growth in this area.

FINSA, which early in the year promoted growth in Valle Redondo, is now breaking ground for the construction of its new industrial park in Rosarito, growing on the market of eastern Tijuana and now southern Tijuana. Its first closing is starting to drive prices up in Rosarito, to the point of rivaling some Tijuana submarkets. Other developers continue looking for new horizons in a similar fashion. For example, IAMSA and ATISA, who acquired tracts of land in the south and Macquarie, are building a new Class A development in Santa Fe. We will continue to see owners benefiting from the market and extending their holdings up to Valle Redondo, Blvd. 2000 and Rosarito.

### Current Conditions

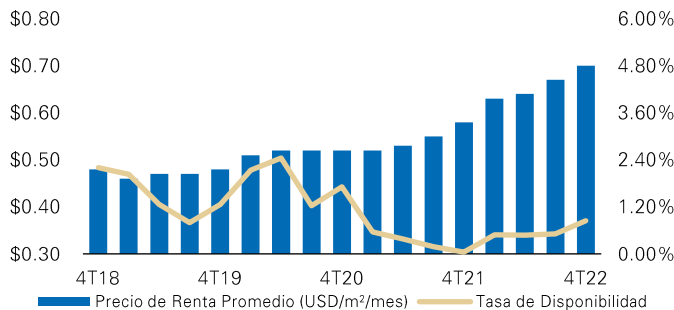
- Asking prices continue increasing, reaching upwards of \$0.75 USD/SF in various submarkets.
- The vacancy rate in Tijuana remains under 1%, even with the delivery of new buildings.
- Growth in other areas of the industrial market, arriving in Rosarito due to the limited amount of land that can be constructed on in Tijuana municipality.

### Market Summary

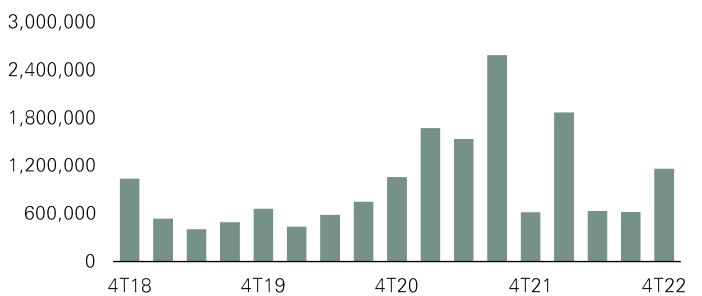
	Current Quarter	Previous Quarter	Previous Year	12-month Forecast
Total Market Size (SF)	77.4M	74.3M	66.7M	↑
Vacancy Rate	0.8%	0.5%	0.1%	→
Quarter Net Absorption (SF)	1,158,841	621,250	619,172	↑
Asking Lease Rate (USD/SF/mo.)	\$0.70	\$0.67	\$0.57	↑
Under Construction (SF)	3,730,180	4,584,178	2,427,055	↑

### Market Data

#### Asking Lease and Vacancy Rates



#### Net Absorption (SF)



## RESEARCH 4Q 2022

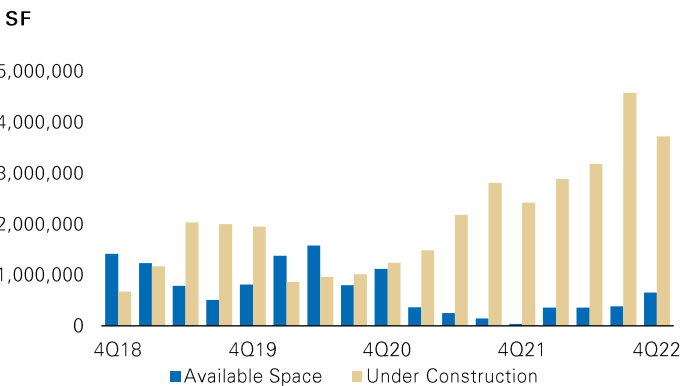
### Vacancy remains are record lows

Vacancy increased 0.9% with the delivery of a new Class A building in Libramiento. Even with a high level of interest from various interested parties, it is ready for immediate entry. Taking this into consideration, we can expect that vacancy will remain low and buildings that are currently vacant will not remain so by the end of the following quarter. In 2023, we will potentially see the stabilization in prices, new offers, and new industrial areas sprawl all over the north of the country.

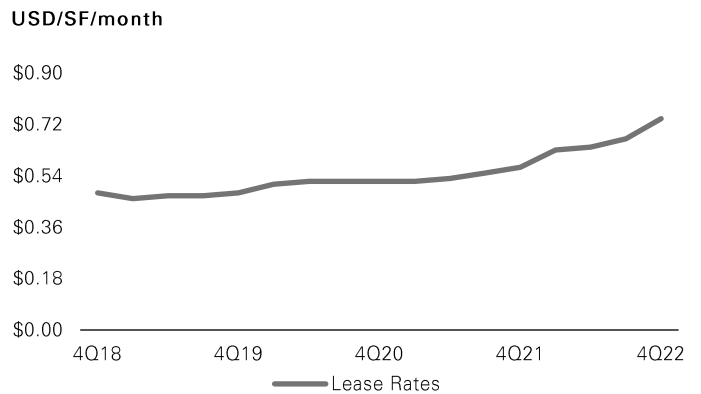
### Prices keep reaching new highs

Prices for Class A spaces reached a historic point by surpassing the \$8.00 USD/m<sup>2</sup> mark in many of its submarkets. This price range was previously reserved only for Otay-Alamar due to its nearly nonexistent vacancy throughout the year. Now we can see that other submarkets that had been inactive for years are getting closer to this level. For instance, Rosarito now has one of the highest levels of interest among developers due to its ample offer of land with lower costs of movement compared to areas such as Blvd. 2000.

#### Current and Availability 2018-2022



#### Asking Lease Rates 2018 – 2022



#### Submarket Summary

	Total Inventory (SF)	Under Construction (SF)	Current Availability (SF)	Vacancy Rate (%)	Gross Absorption (SF)	Net Absorption (SF)	Asking Lease Rates for Under Construction (USD/SF/Mo.)	Asking Lease Rates for Available Space (USD/SF/Mo.)
Central – Lago	14.1M	237,460	0	0.00%	24,800	24,800	\$0.72	\$0.00
Florida – Blvd. 2000	22.3M	1,575,847	0	0.00%	487,783	487,783	\$0.75	\$0.00
Libramiento	16.7M	935,820	655,947	3.93%	412,973	412,973	\$0.70	\$0.68
Otay – Alamar	23.1M	321,000	0	0.00%	0	0	\$0.80	\$0.00
Playas - Oeste	0.8M	0	0	0.00%	0	0	\$0.00	\$0.00
<b>Tijuana</b>	<b>77.1M</b>	<b>3,070,127</b>	<b>655,947</b>	<b>0.85%</b>	<b>925,556</b>	<b>925,556</b>	<b>\$0.74</b>	<b>\$0.68</b>

Important Transactions				
Building	Industrial Park	Submarket	Type	Square Feet
Prologis Florido 3	Prologis Florido	Florido – Blvd 2000	Renta	296,556
Bronce	Pacifico	Libramiento	Renta	242,083
UPM	FINSA Rosarito	Rosarito	Renta	159,000
Prisma VIII	Pacifico	Libramiento	Renta	100,890

Under Construction				
Building	Developer	Submarket	Type	Square Feet
PS 06	VIA Capital	Florido – Blvd 2000	Spec	442,999
Prisma IV	ATISA	Libramiento	Spec	432,300
Prologis 3	Prologis	Florido – Blvd 2000	Spec	427,973
FINSA Rosarito	FINSA	Rosarito	Spec	366,080
REI Alamar	REI	Otay – Alamar	BTS	321,001
PS04	VIA Capital	Florido – Blvd 2000	Spec	169,811
PN02	VIA Capital	Florido – Blvd 2000	Spec	153,633
N5	RMSG	Libramiento	Spec	150,049
Topacio	ATISA	Libramiento	Spec	140,964
Chardonnay	PICSA	Tecate	Spec	130,975
GF5 Santa Fe	Privado	Libramiento	Spec	127,714
Florido Este	Privado	Florido – Blvd 2000	Spec	127,208
Horizon 4	Horizon Park	Central	Spec	108,263
PS07	VIA Capital	Florido – Blvd 2000	Spec	99,620
Pamprica	Privado	Tecate	Spec	95,304
Zircon	ATISA	Libramiento	Spec	84,787
Meseta IV	TYG	Florido – Blvd 2000	Spec	77,500
Realito II	TYG	Florido – Blvd 2000	Spec	77,102
Amapolas 3	UL Baja	Central	Spec	76,553
Real de Rosarito 2	Privado	Rosarito	Spec	67,694

Market Summary								
	Total Inventory (SF)	Under Construction (SF)	Current Availability (SF)	Vacancy Rate (%)	Gross Absorption (SF)	Net Absorption (SF)	Asking Lease Rates Under Construction (USD/SF/Mo.)	Asking Lease Rates for Available Space (USD/SF/Mo.)
Tijuana	77.1M	3,070,127	655,947	0.85%	925,556	925,556	\$0.74	\$0.68
Rosarito	3.4M	433,775	0	0.00%	233,285	233,285	\$0.65	\$0.00
Tecate	5.8M	226,278	0	0.00%	0	0	\$0.67	\$0.00
<b>Market Total</b>	<b>86.4M</b>	<b>3,730,180</b>	<b>655,947</b>	<b>0.76%</b>	<b>1,158,841</b>	<b>1,158,841</b>	<b>\$0.73</b>	<b>\$0.56</b>

Para mayor información:

**TIJUANA**

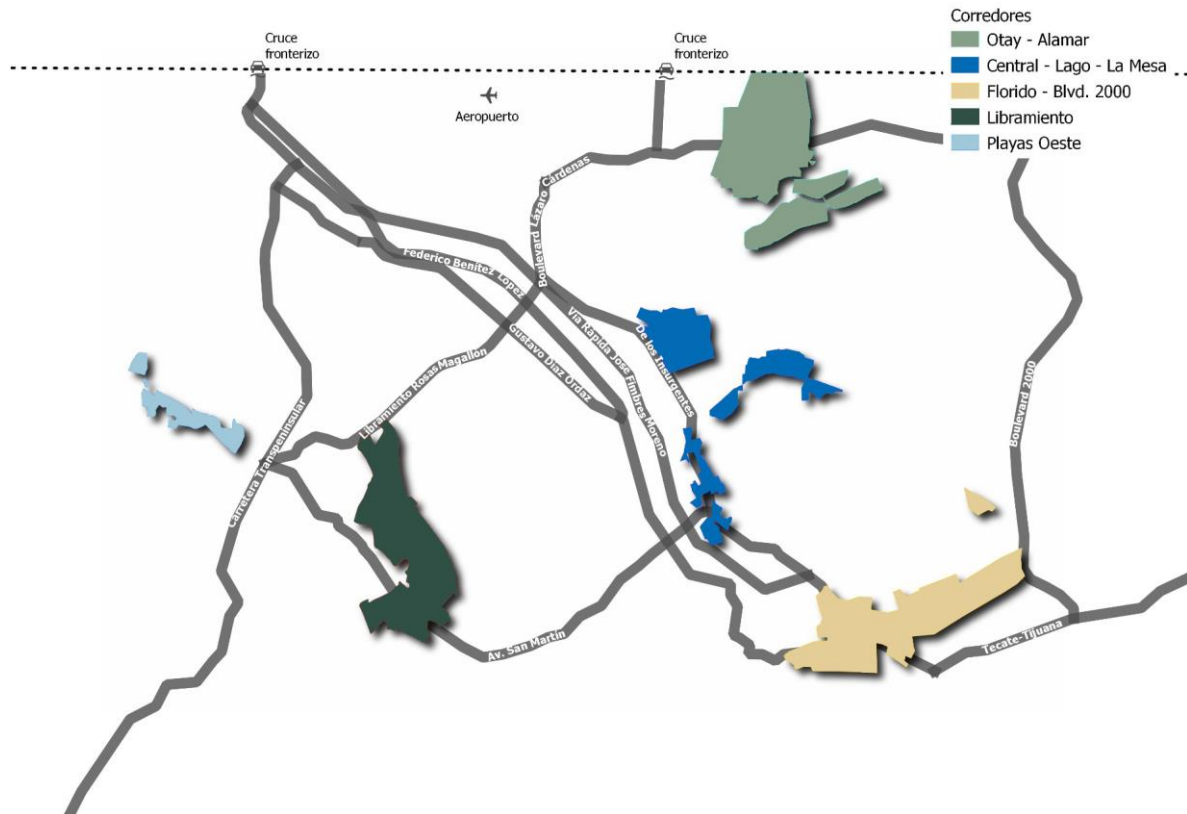
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Newmark ha implementado una base de datos propia y la metodología de seguimiento ha sido revisada. Con esta expansión y refinamiento en nuestros datos, puede haber ajustes en las estadísticas históricas, incluyendo la disponibilidad, precios de renta, absorción y rentas efectivas. Nuestros reportes de mercado se encuentran disponibles en [nrmk.lat/reportes-de-mercado/](http://nrmk.lat/reportes-de-mercado/)

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