
1Q24

Reynosa Industrial Market



NEWMARK

Market Analysis

Leasing Market Fundamentals

- In 1Q 2024 a new supply of 968,000 square feet was recorded, which generates an increase in the inventory, reaching a figure of 38.6 million square feet.
- With a low demand in the Market, coupled with the completion of new speculative buildings as well as the vacancy of industrial space, the vacancy rate showed a figure of 4.0%.
- With the completion of Class A speculative buildings under construction, the average asking rent recorded a figure of US\$7.19 per square feet per year.

Outlook

- An increase of almost 388,000 square feet in existing Class A vacant space is expected.
- Due to the new Class A speculative buildings under construction expected to be completed in 2Q 2024, an increase in the asking rent around US\$7.24 per square feet per year is anticipated.
- With transactions pending to be finalized in the first quarter, an increase in gross absorption is expected in the coming months.

Market Indicators

	Inventory (million SF)	Under Construction (million SF)	Vacancy (million SF)	Vacancy Rate	Net Absorption (million SF)	Accumulated Net Absorption (million SF)	Total Asking Rent (USD/SF/Year)
Pharr Bridge	19.5	0.44	0.39	2.0%	-0.29	-0.29	\$7.16
Poniente	18.1	0.16	0.98	5.4%	-0.28	-0.28	\$7.25
San Fernando	0.95	0.0	0.15	16.6%	0	0	\$6.96
Market	38.6	0.60	1.53	4.0%	-0.57	-0.57	\$7.19

1Q24

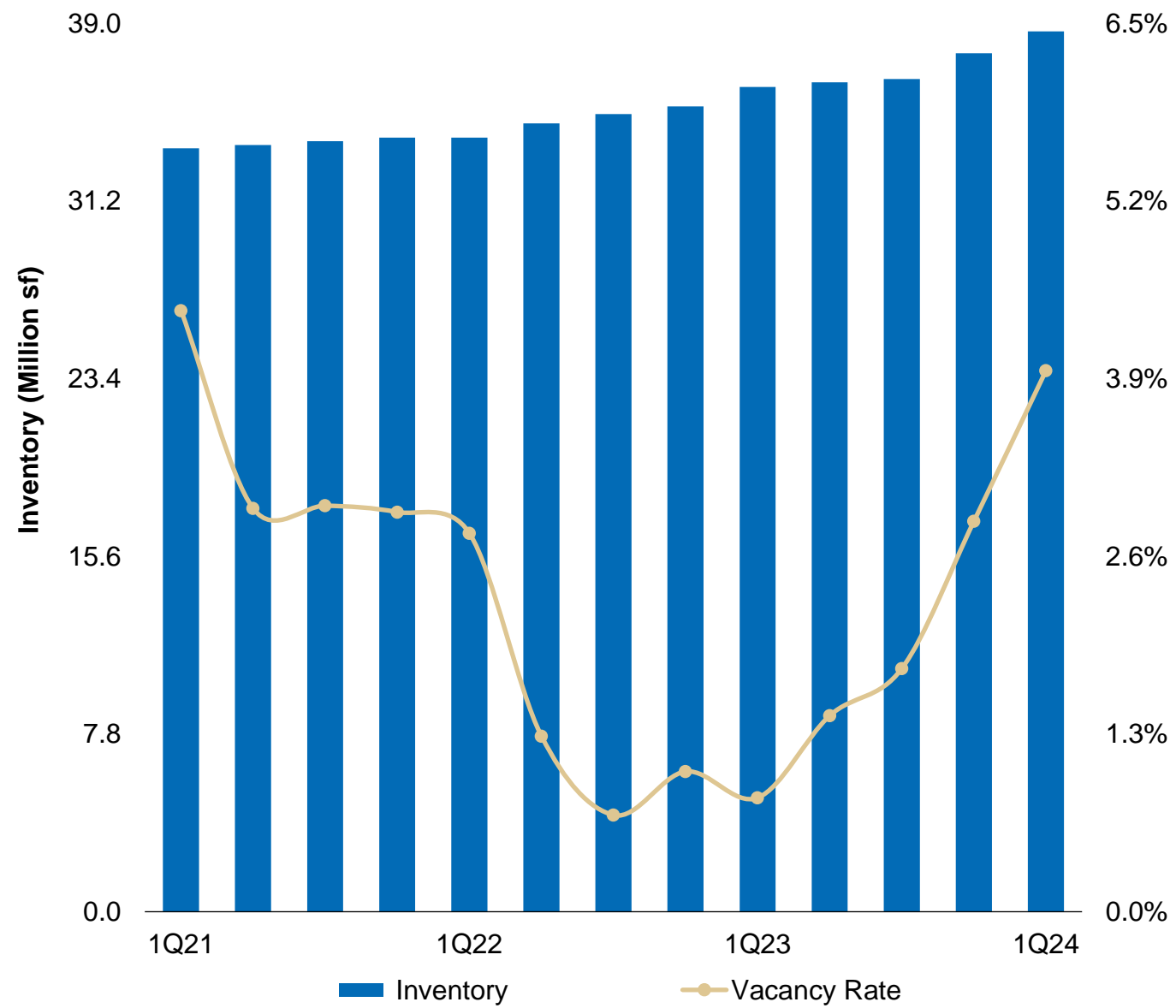
Leasing Market Fundamentals



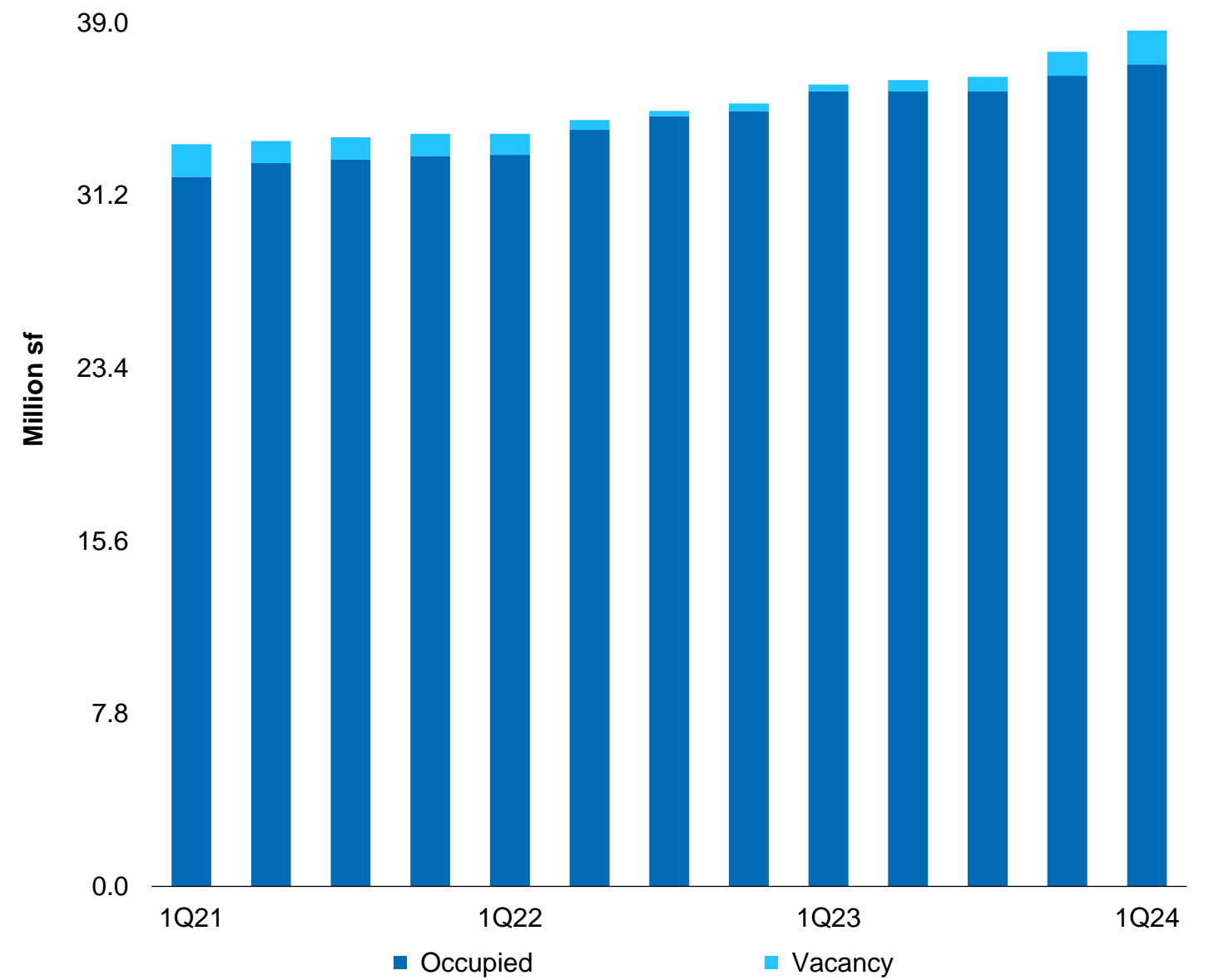
Market Demand

The vacancy rate recorded a figure of 4.0% which showed an upward trend compared to the same period last year, which was 0.8%. This increase in the rate is due to the low demand at the start of this year, coupled with the new supply in the market. The largest amount of vacant space is in the Poniente submarket with more than 981,000 square feet.

Inventory & Vacancy Rate



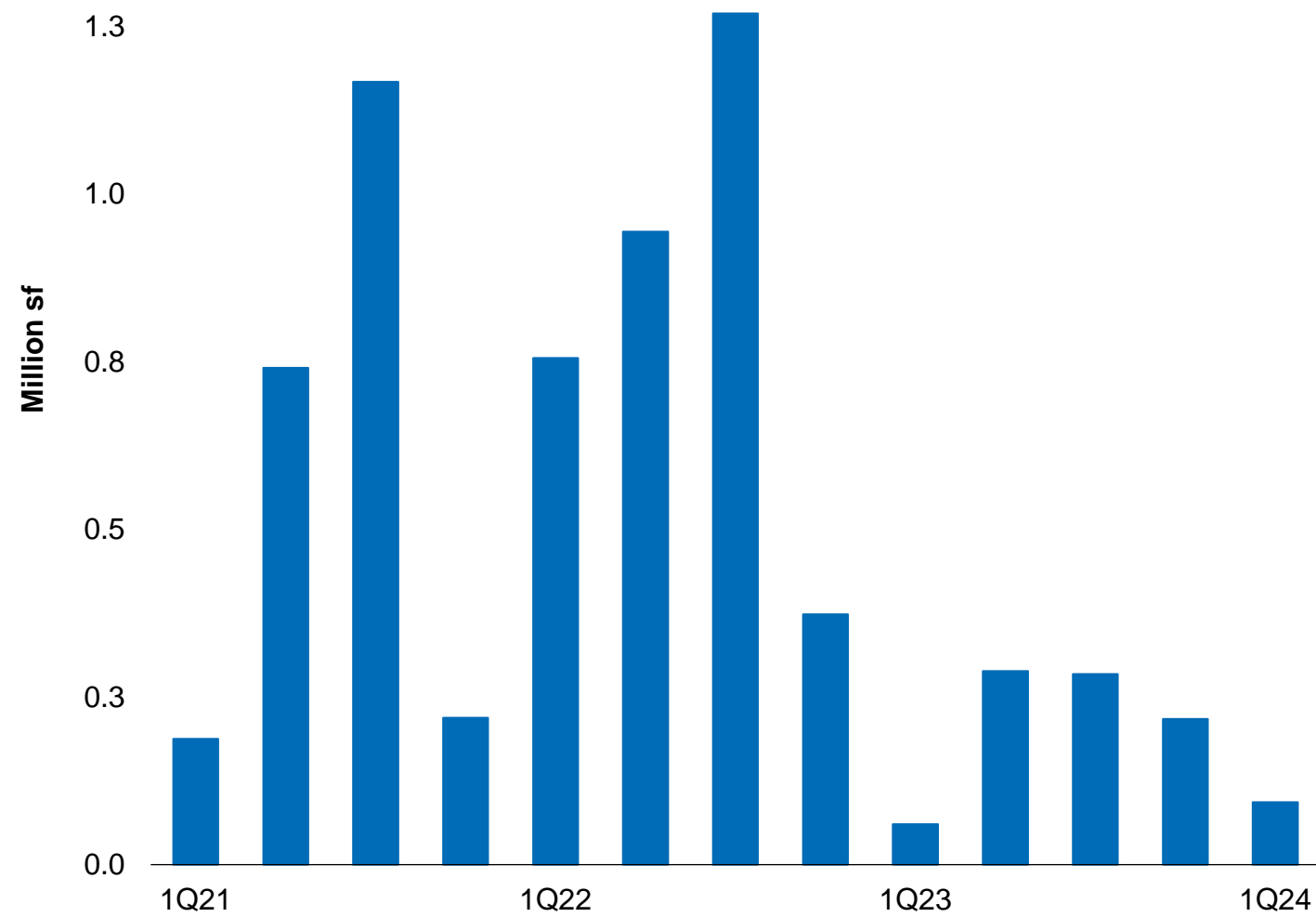
Occupied Space & Vacancy Space



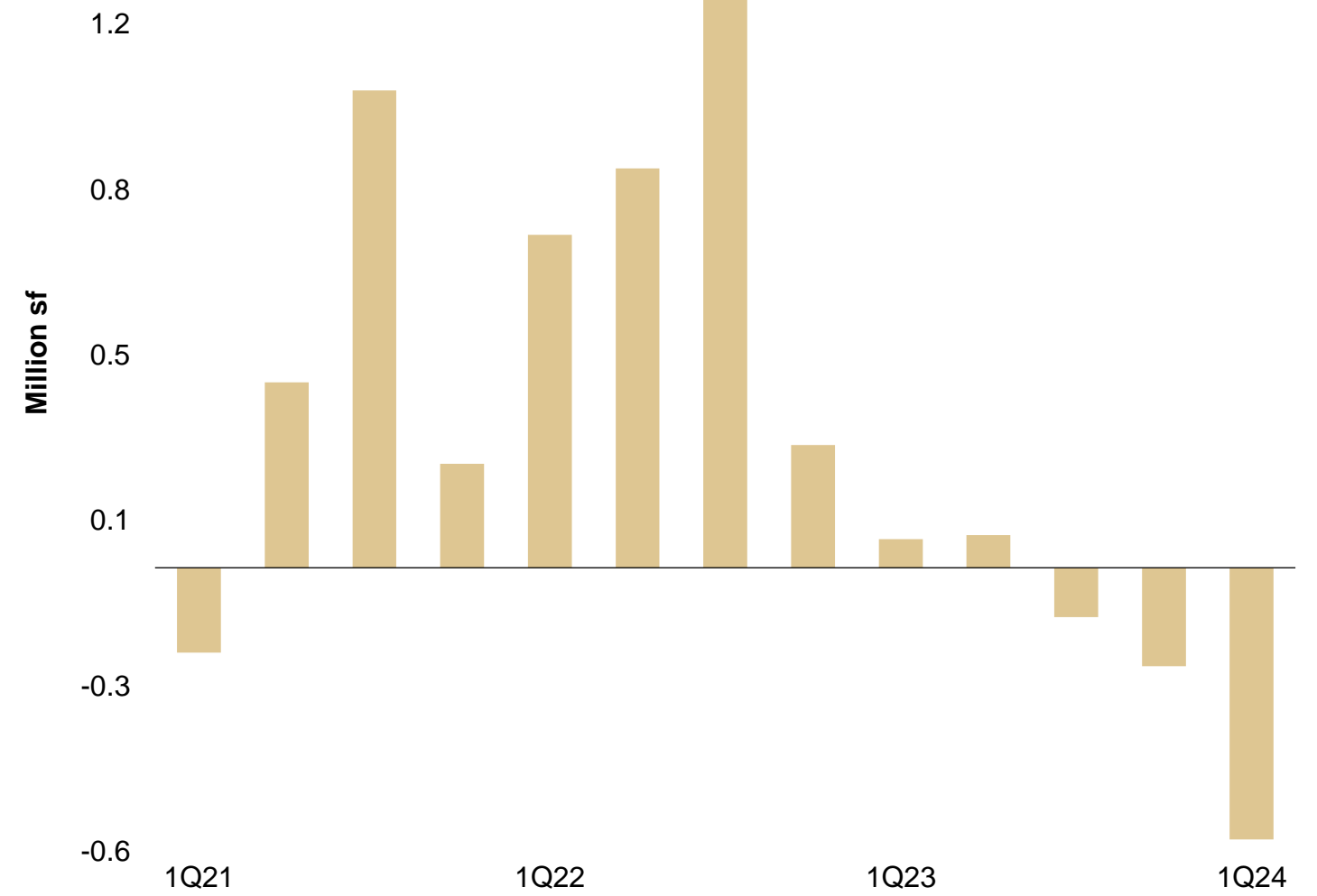
Absorptions

In the first quarter, more than 93,000 square feet were commercialized, specifically in the Poniente submarket. This indicates an upward trend compared to the same period a year ago in which was 60,700 square feet were commercialized. Likewise, the net absorption recorded was -574,000 square feet, due in part to the vacancy of industrial space, coupled with the new speculative supply that completed its construction.

Gross Absorption



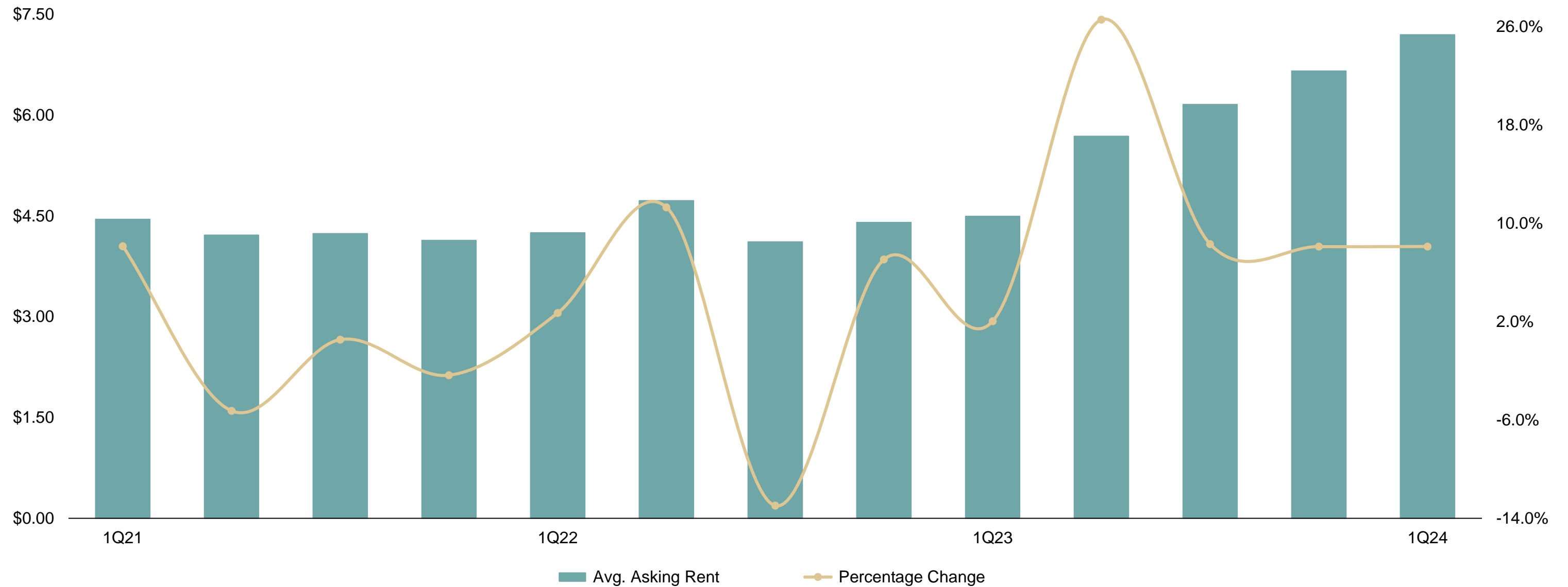
Net Absorption



Average Asking Rent

The average asking Price has maintained an upward trend in the Market since 3Q 2022. It currently recorded a figure of US\$7.19 per square feet per year, driven mainly by the new supply of Class A speculative buildings.

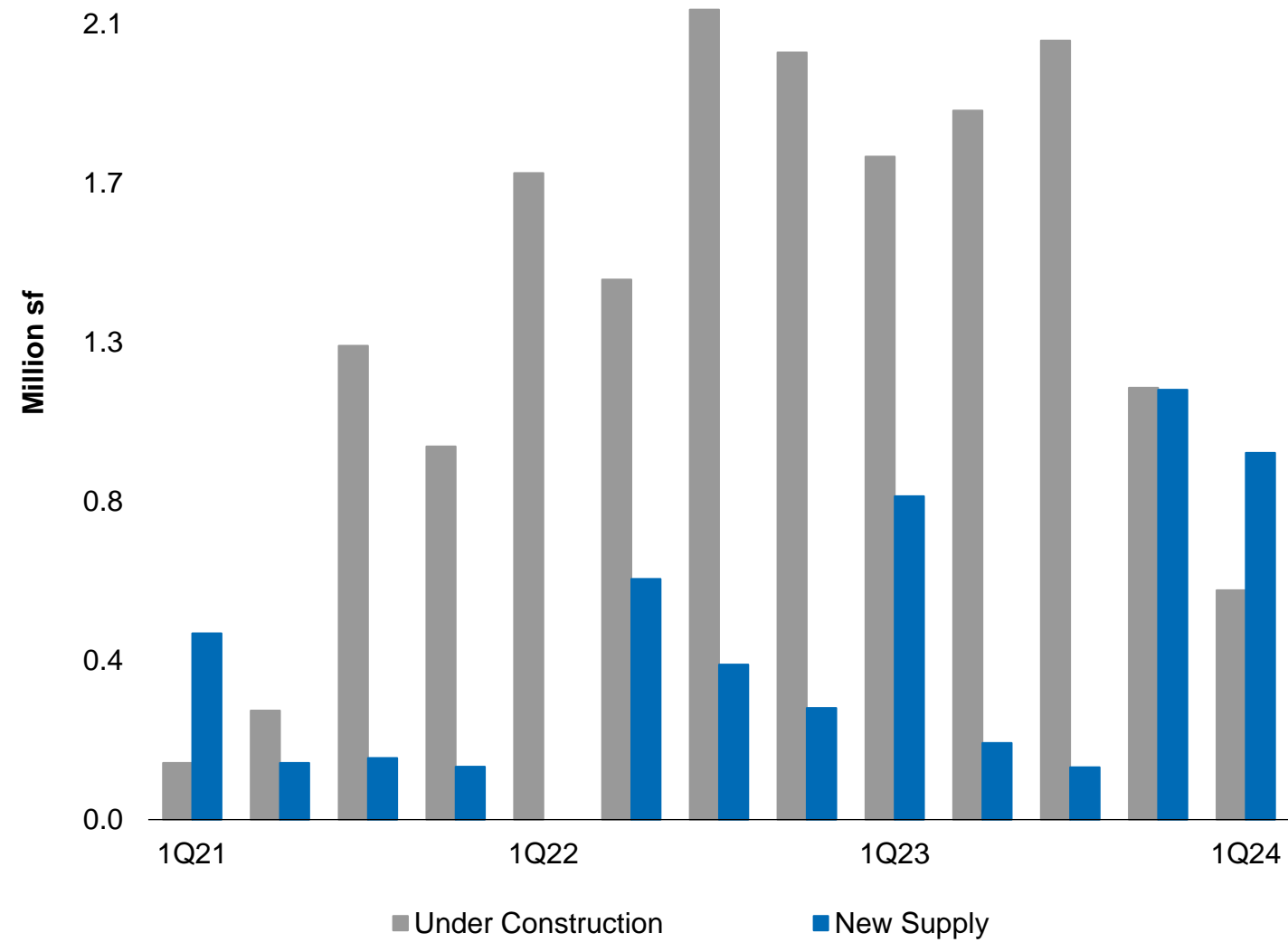
Avg. Asking Rent (USD/SF/Year) & Percentage Change



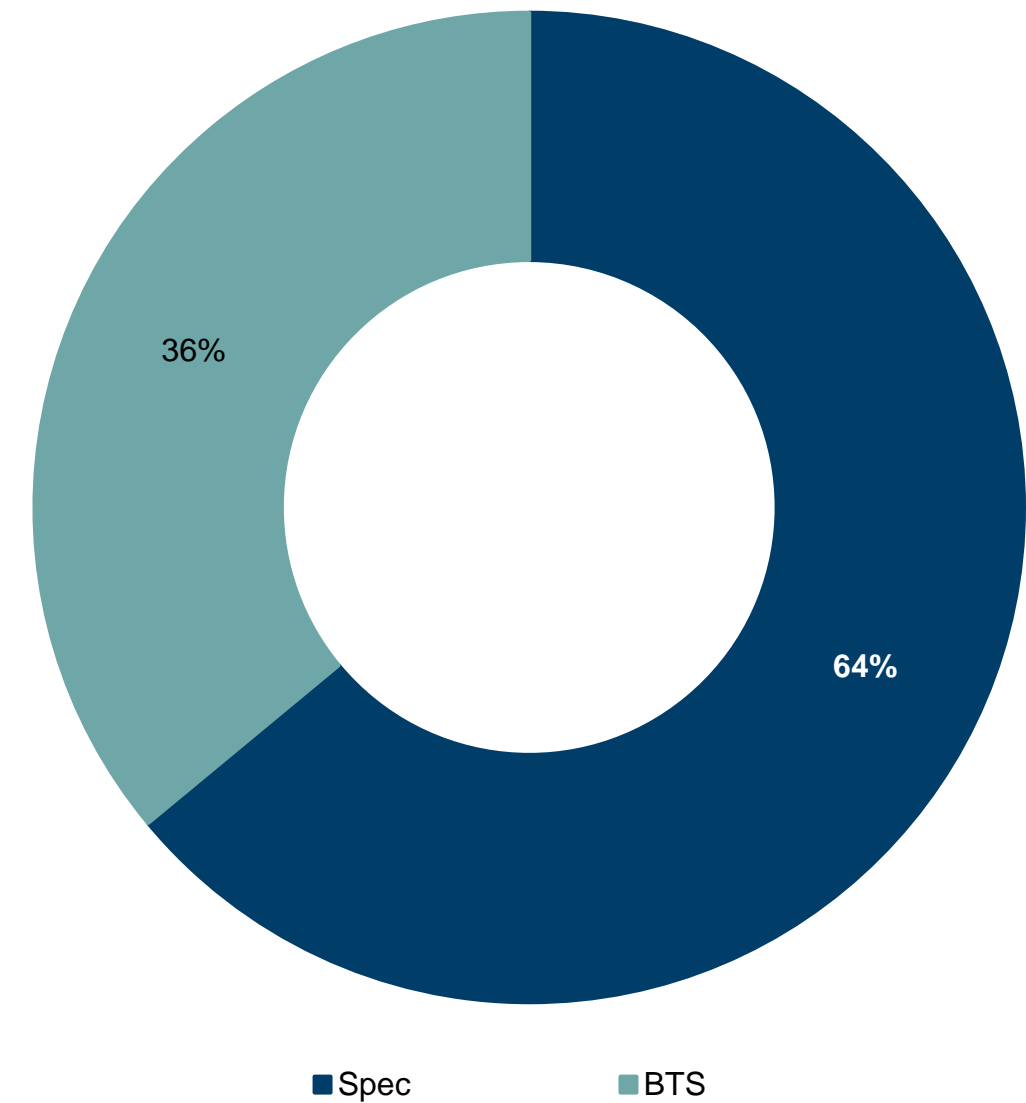
Space Under Construction

Regarding the industrial space under construction, a figure of 605,000 square feet was observed, corresponding to two speculative buildings and one build-to-suit Project. Meanwhile, the new supply was 968,000 square feet, corresponding to two speculative developments and one build-to-suit project.

Under Construction & New Supply



Type of Buildings (1Q24)



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Newmark has implemented a proprietary database, and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at <https://nrmk.lat/reportes-de-mercado/>.

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