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1S24

# Mexicali Industrial Market



**NEWMARK**

# Market Analysis

## Economy

- The presidential elections in Mexico has slowed down interest due to the uncertainty of the Support for foreign investment. With the upcoming government’s announcement in the following months, we can expect interest to grow once more.
- With the new president’s election, we saw a strong depreciation in the Mexican Peso, this will be a strong push for more foreign investment from American companies.

## Transactions

- IAMSA had the strongest closings with 225,902 SF in the Ballena building of El Dorado and 59,094 SF in the Terra building of Vie Verte 3.0.
- Gulfstream leased 60,838 SF with Grupo Nelson in the Nelson III facility.
- Grumesa signed building III of Calafia II, a space of 25,726 SF.

## Market Fundamentals

	Current Semester	Previous Semester	One Year Ago	12-month Forecast
Inventory (Sf)	33.6M	33.0M	31.6M	↑
Vacancy Rate	3.1%	3.1%	5.7%	↓
Gross Absorption (SF)	569,353	324,720	205,423	→
Net Absorption (SF)	74,530	70,930	205,423	↑
Asking Rent (USD/SF/Month)	\$0.62	\$0.57	\$0.56	→
Construction (SF)	697,046	1,377,312	1,335,966	→

## Outlook

- Mexicali has begun to have a strong demand from industrial developers looking to enter the border markets. With Tijuana having some of the highest land sale prices, Mexicali shows to be a perfect plan B for them.
- We can expect, with the conclusion of the United States election, that industrial market absorption will return to the highs we saw last year.



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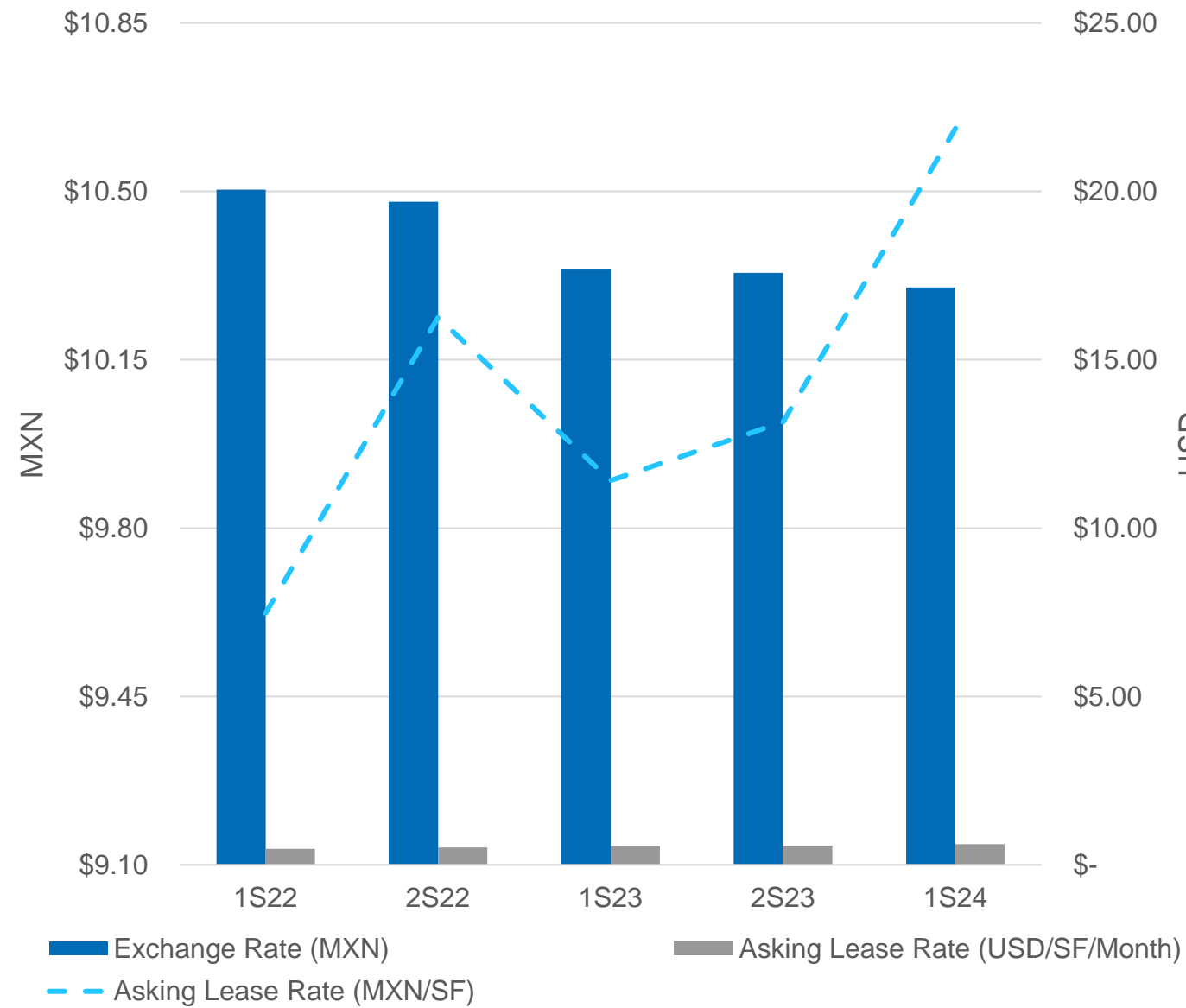
# Economy



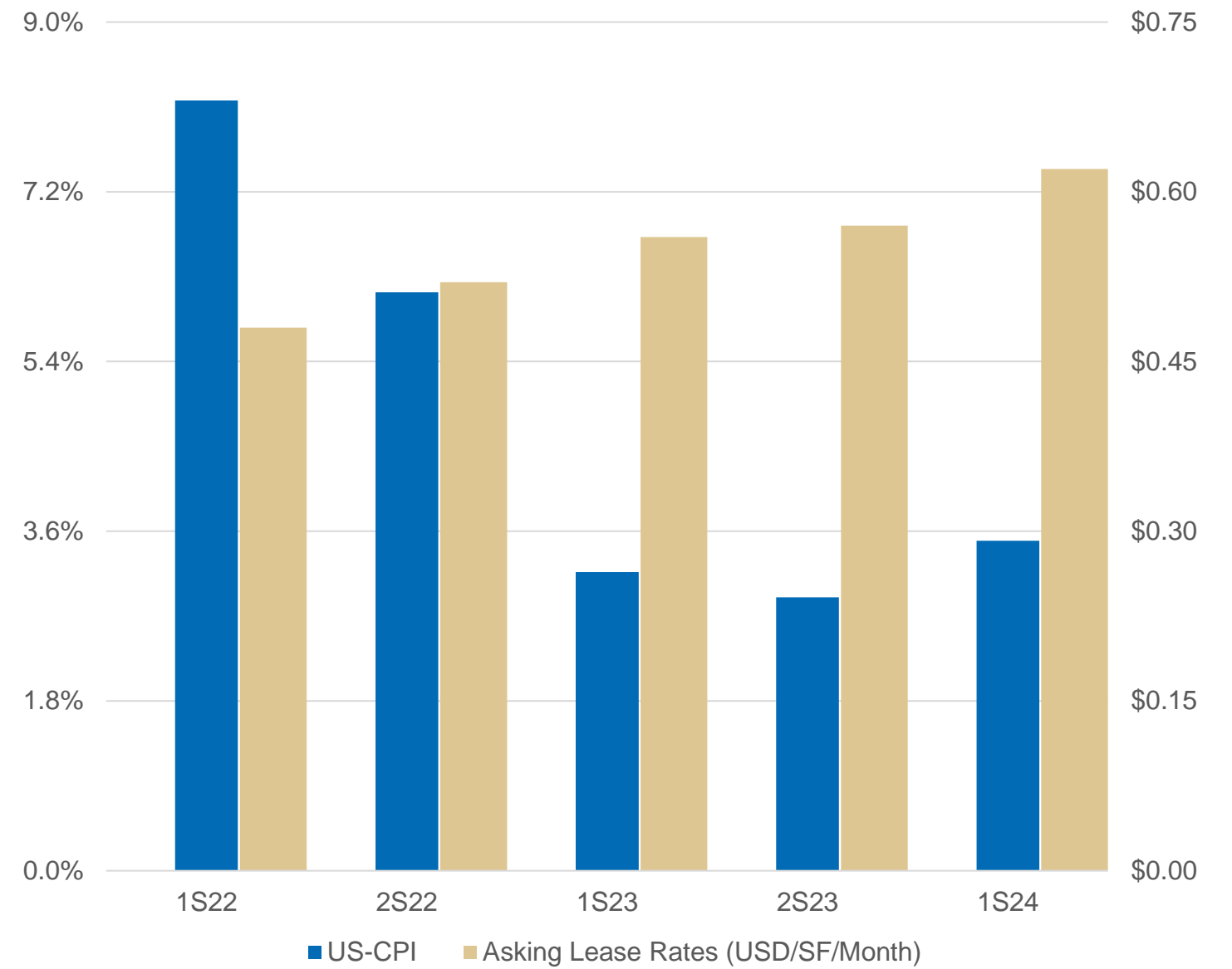


# Economy

## Exchange Rate



## US Consumer Price Index





# Market Trends

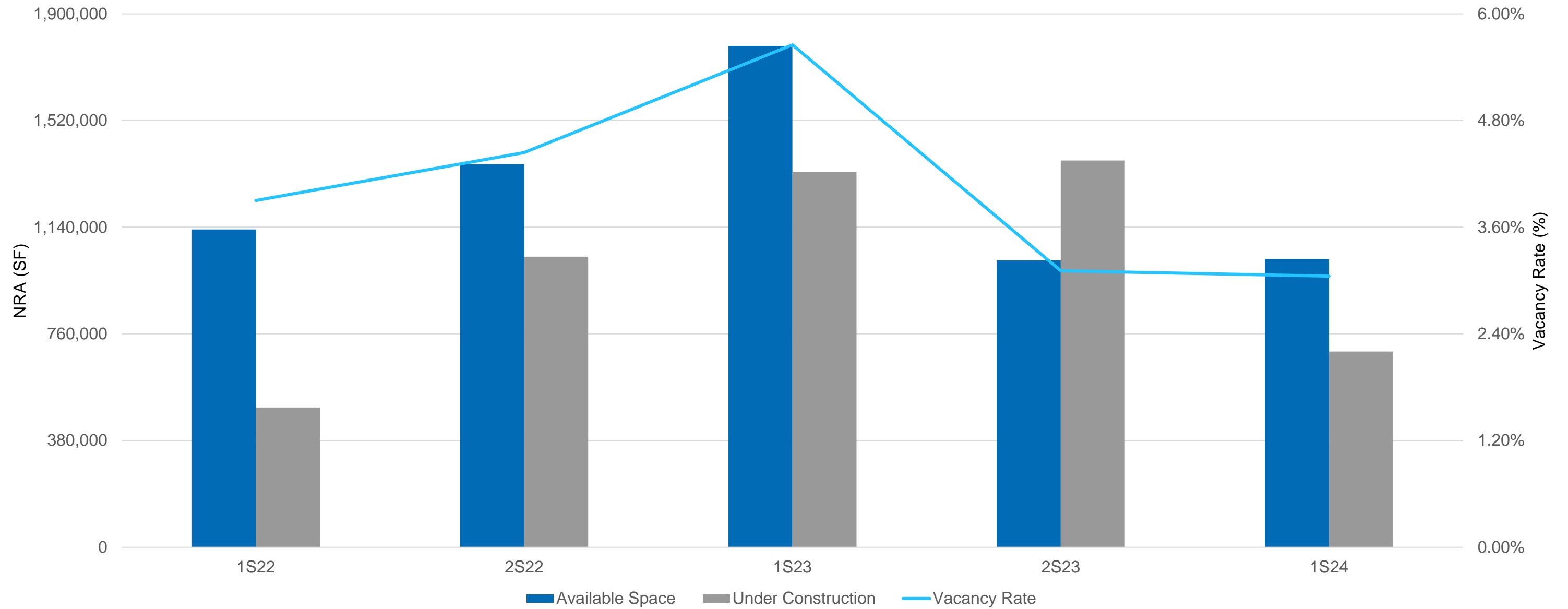




# Vacancy Rate remains below 4%

The gross absorption maintains a low vacancy even with various deliveries of finished construction and vacated spaces.

## Available Space, Under Construction and Vacancy Rate

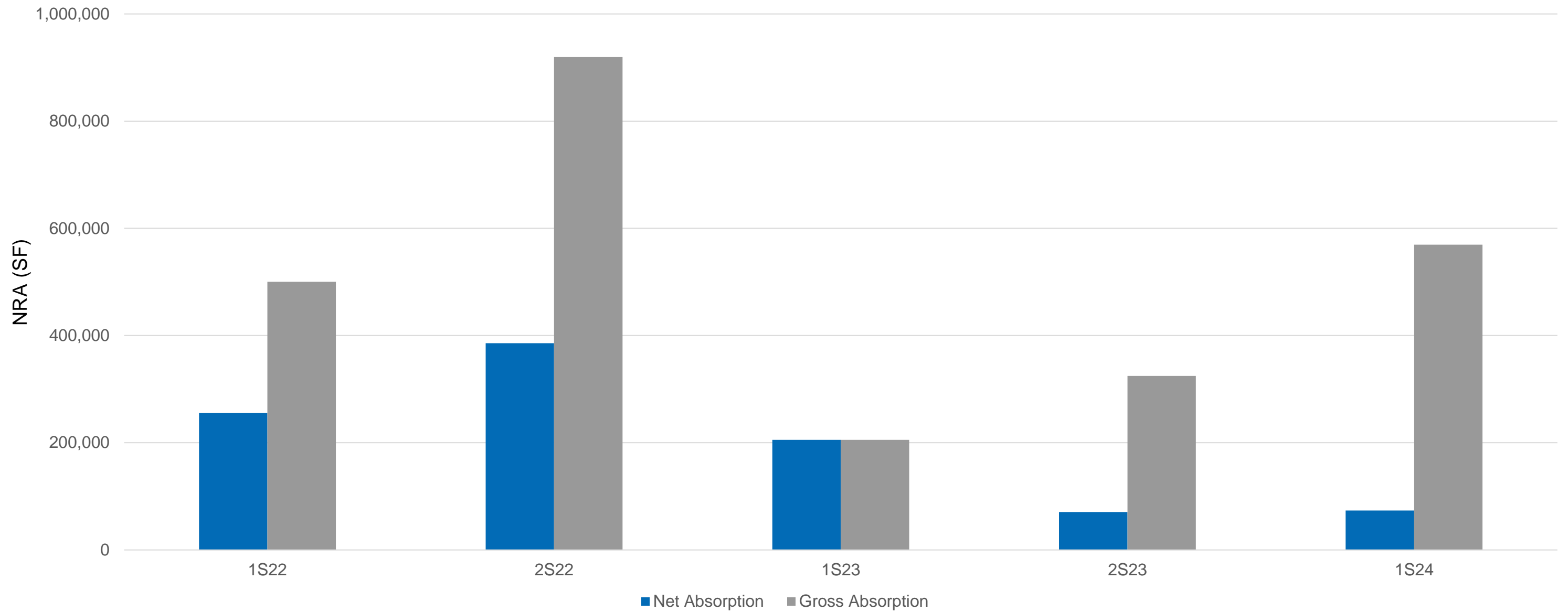


Source: Newmark Research

# Absorption Comparative

Absorption stays healthy even with the vacancy of various spaces at higher rates than other border cities.

## Gross Absorption and Net Absorption

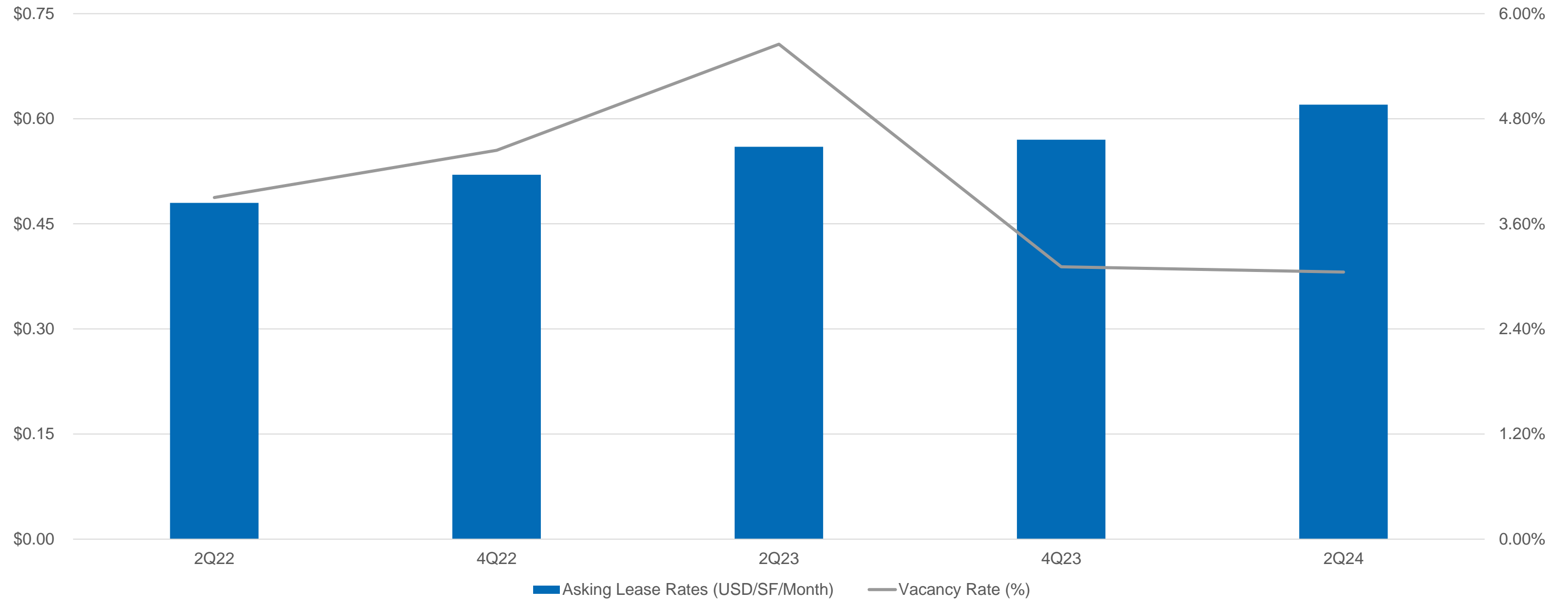


Source: Newmark Research

# Asking Lease Rates

The vacancy rate increases have stabilized lease rates well over \$0.60 USD/SF/Month.

## Asking Lease and Vacancy Rates



Source: Newmark Research



# Mexicali Market Statistics

	Inventory (million SF)	Under Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Net Absorption (SF)	Asking Lease Rate (USD/SF/Year)	U. Construction Asking Rent (USD/SF/Year)
<b>Mexicali</b>	<b>33.6</b>	<b>697,046</b>	<b>1,026,792</b>	<b>3.05%</b>	<b>569,353</b>	<b>73,530</b>	<b>\$0.62</b>	<b>\$0.65</b>

## Under Construction in Mexicali

Building	Developer	Type	NRA (SF)
HYA I	Hermosillo y Asociados	Spec	173,600
Maran Spec II	Grupo MARAN	Spec	120,000
PIMSA VII	PIMSA	Spec	118,844
PIMSA VIII	PIMSA	Spec	101,873
Spec D	Grupo CADENA	Spec	70,028
Spec C	Grupo CADENA	Spec	59,807
Nelson	Grupo NELSON	Spec	52,894

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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 [nmrk.lat/reportes-de-mercado/](http://nmrk.lat/reportes-de-mercado/).

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