
2Q24

Ciudad Juarez Industrial Market



NEWMARK

Market Analysis

Economy

- With the elections in Mexico, the Mexican peso was devalued. This only indicates that we can expect more interest in foreign investment to the benefit of the dollar.
- Market absorption will remain healthy with the announcements from the next Mexican government, but we can expect it to slow down a bit until the end of the year after the U.S. election cycle comes to an end.

Transactions

- FIBRA Nova had two important operations with BPI, totaling nearly 300,000 SF in the South submarket.
- ALLIUZ signed Honeywell for a space of 200,00 SF in the East submarket.
- FIBRA Upsite signed its last available space in CJS-06 to REIS for their logistics operation.

Market Trends

	Current Quarter	Prior Quarter	One Year Ago	12-month Forecast
Inventory (SF)	85.1M	84.1M	82.0M	↑
Vacancy Rate	3.8%	2.4%	0.5%	↓
Gross Absorption (SF)	1,620,831	410,783	390,627	
Net Absorption (SF)	784,918	121,478	313,882	→
Asking Rate (USD/SF/year)	\$8.09	\$8.06	\$7.81	→
Under construction (SF)	4.8M	3.9M	3.3M	↓

Outlook

- Prices have stabilized and will not see a significant increase until next year.
- Availability will decrease again, but not by less than 2.5% by the end of the year.

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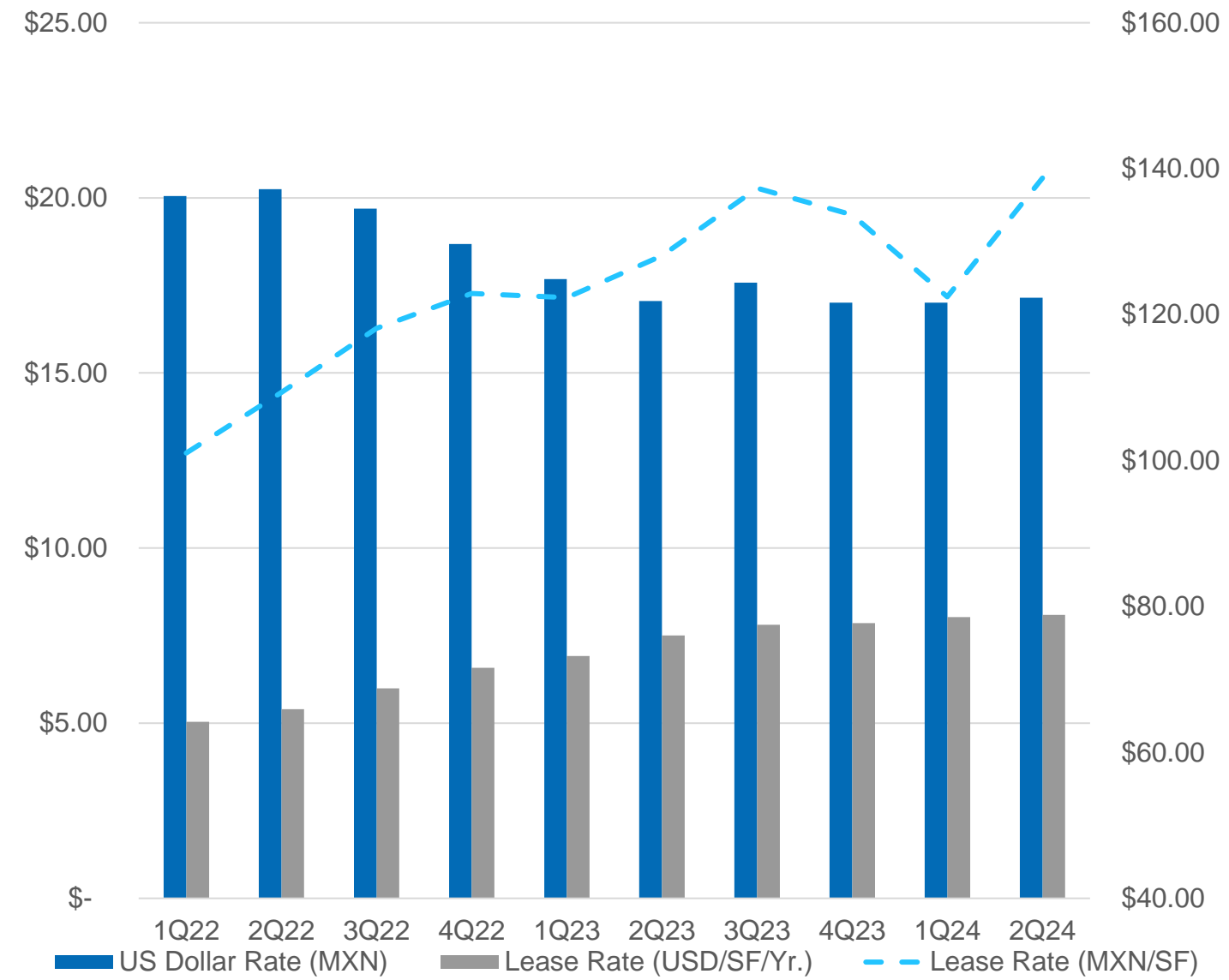
Economy



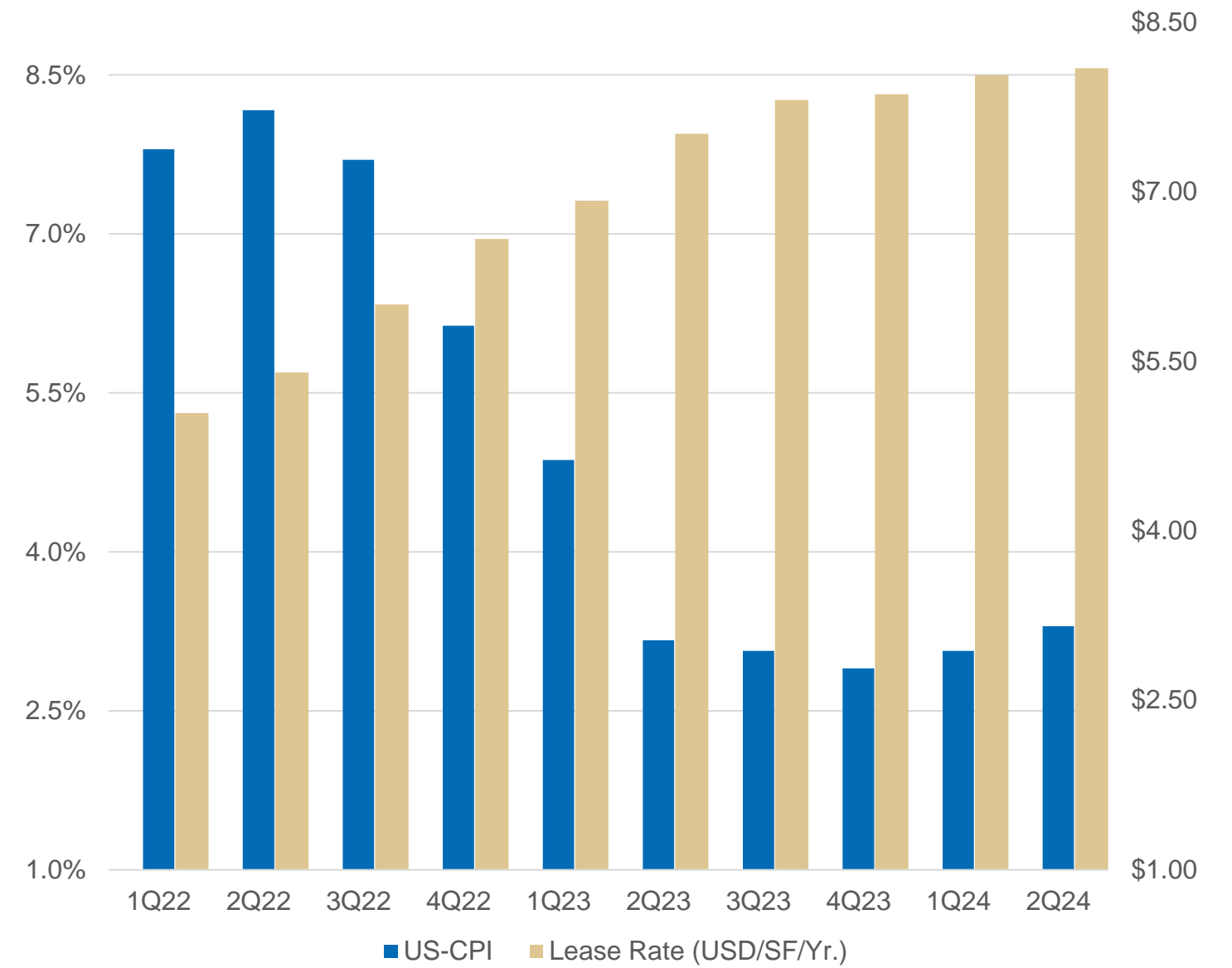
Economy

The strongest impacts to the lease rates of Ciudad Juarez are the lease agreements in US dollars and the increments according to US-CPI.

Exchange Rate



US Consumer Price Index



2Q24

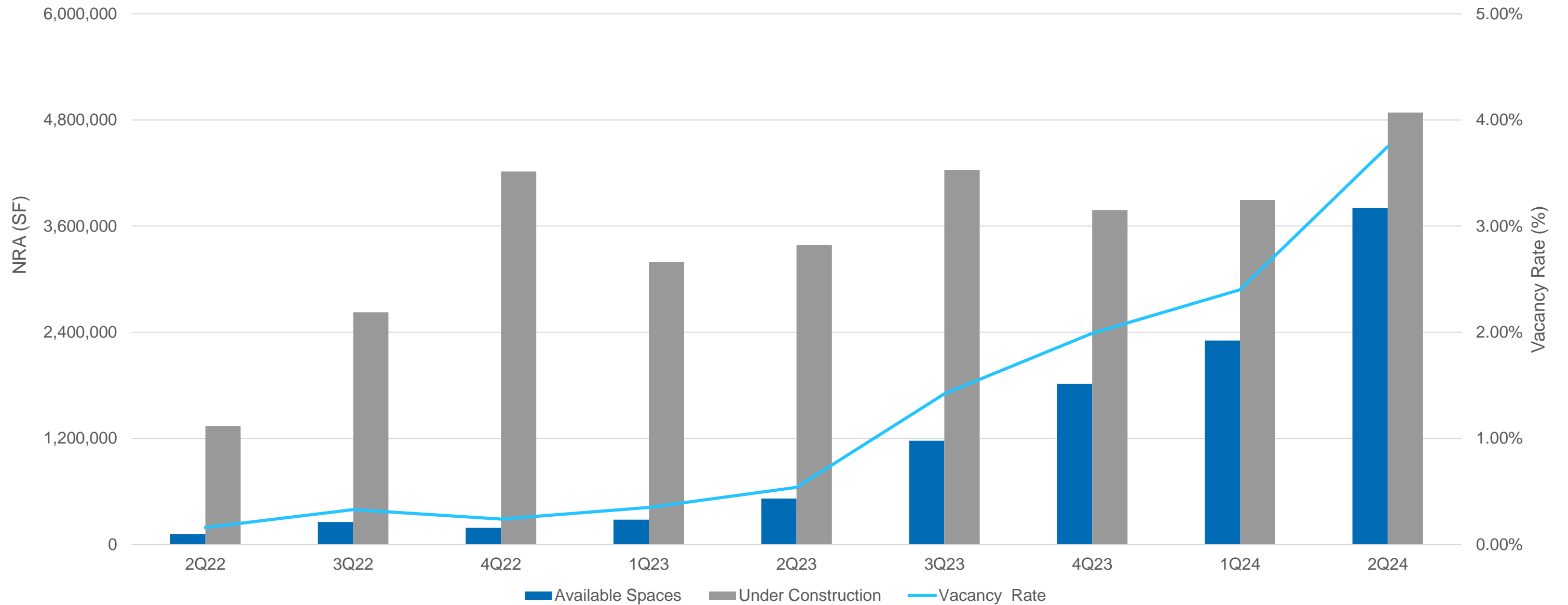
Market Trends



Vacancy rate surpasses 3% for the first time since 2021

Vacated industrial spaces reached more than 800,000 SF this quarter and the delivery of buildings under construction reached over 1 million SF.

Available Space, Under Construction and Vacancy Rate

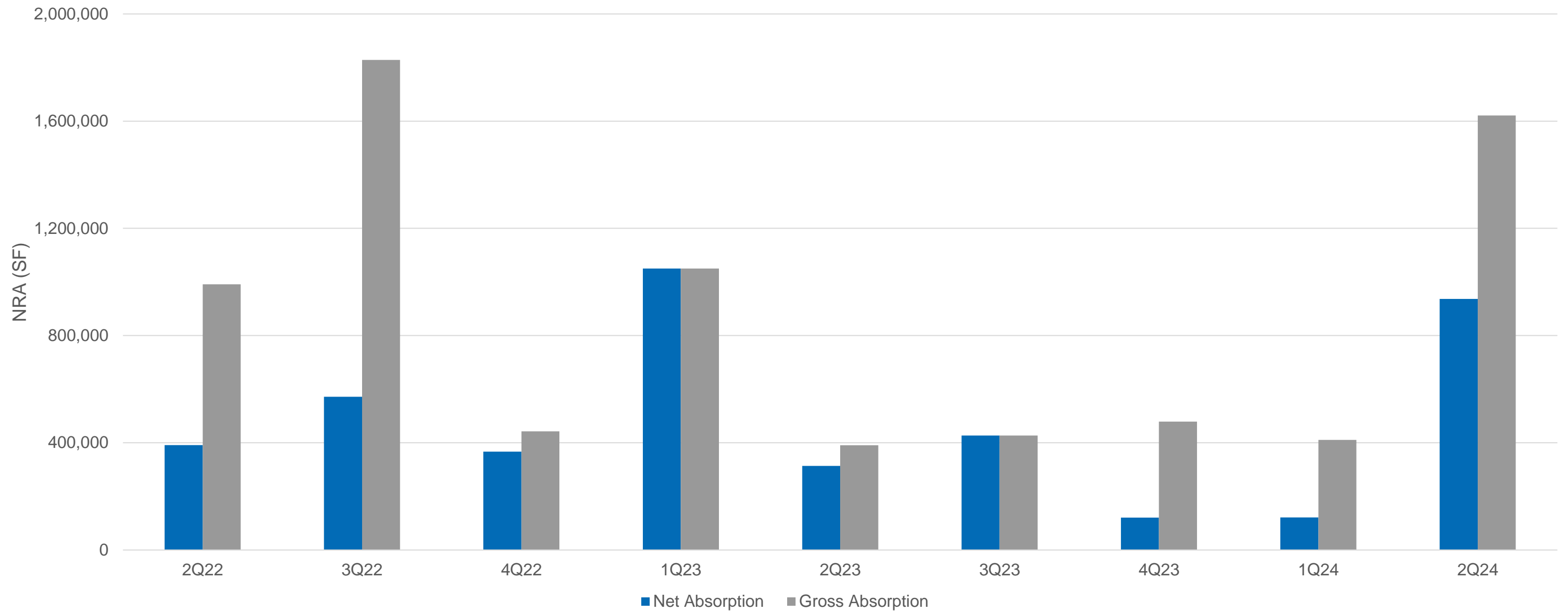


Source: Newmark Research

Absorption Comparative

Even with a high rate of vacated spaces this quarter, we saw a strong increase in absorption, both gross and net.

Gross and Net Absorption (SF)

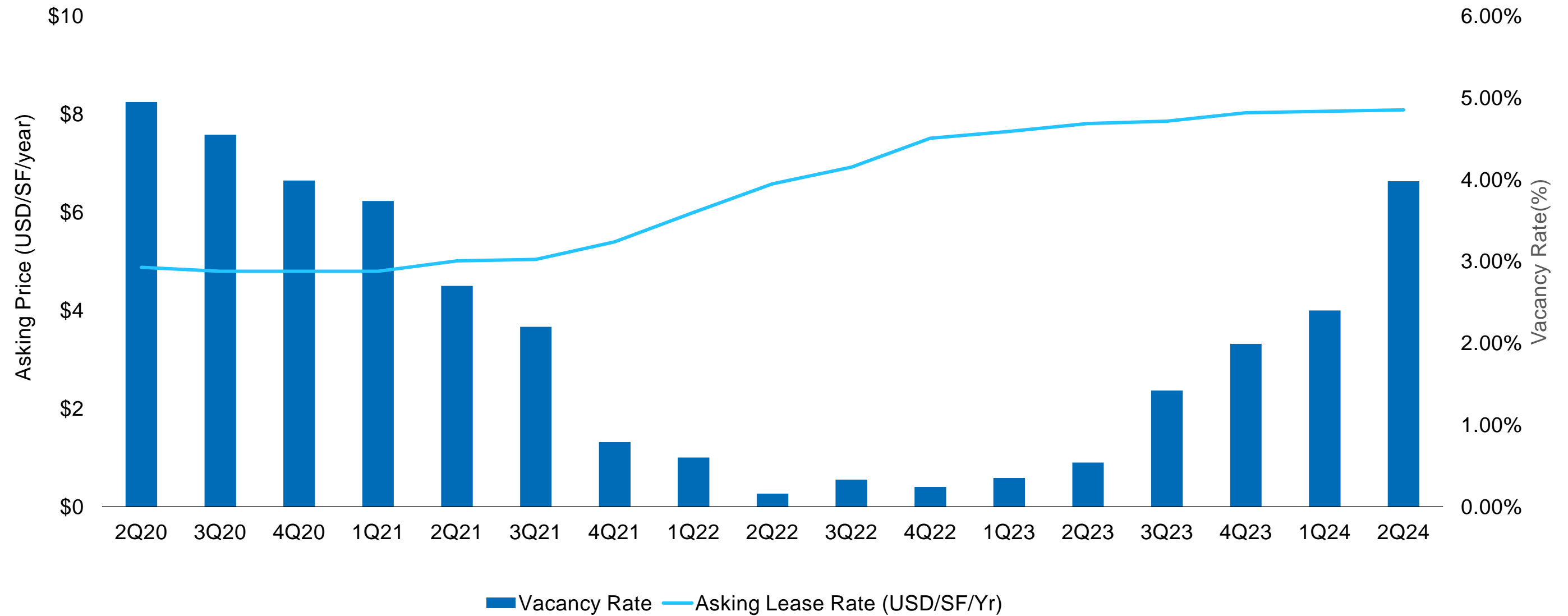


Source: Newmark Research

Asking Lease Rate

The vacancy increase has managed to stabilize lease rates over \$ 8.00 USD/SF/Yr, we won't expect them to reach over \$ 9.00 USD/SF/Yr. until mid 2025.

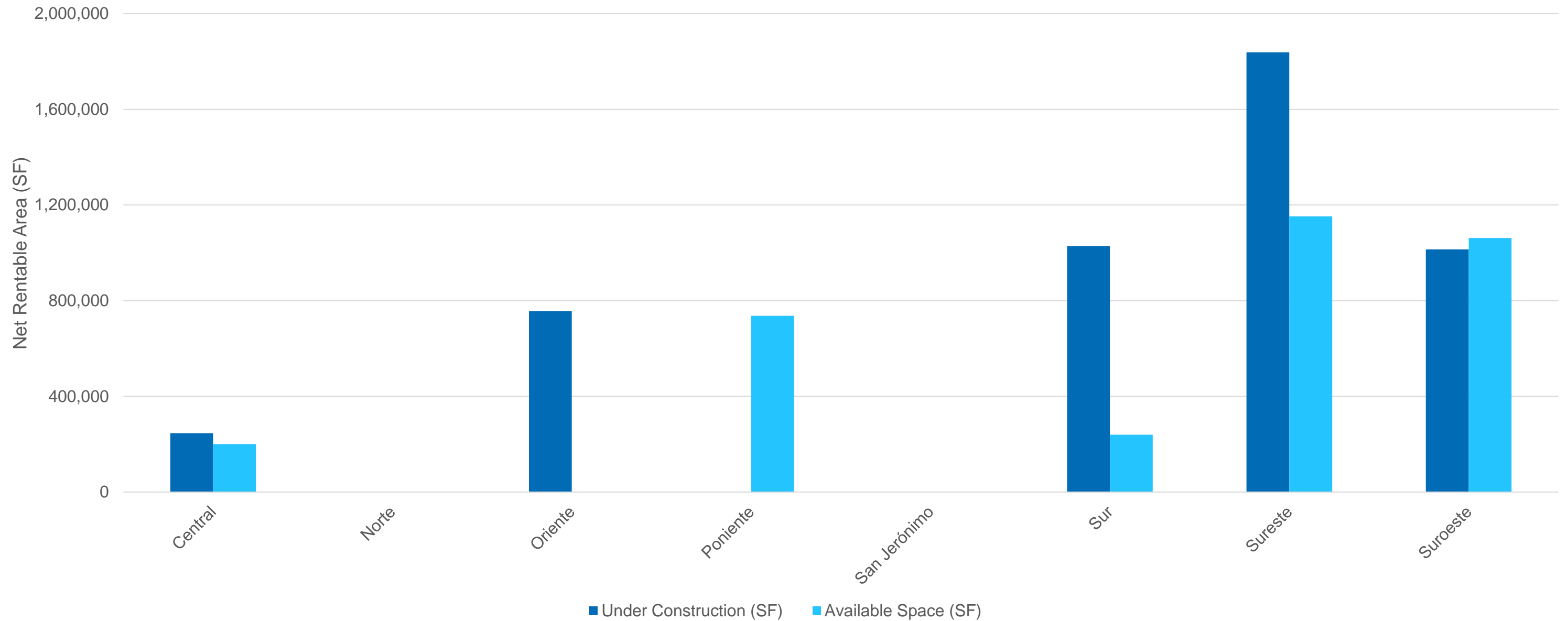
Asking Lease Rate and Vacancy Rate



Available and Under Construction

Land offer keeps development high in the South of the city.

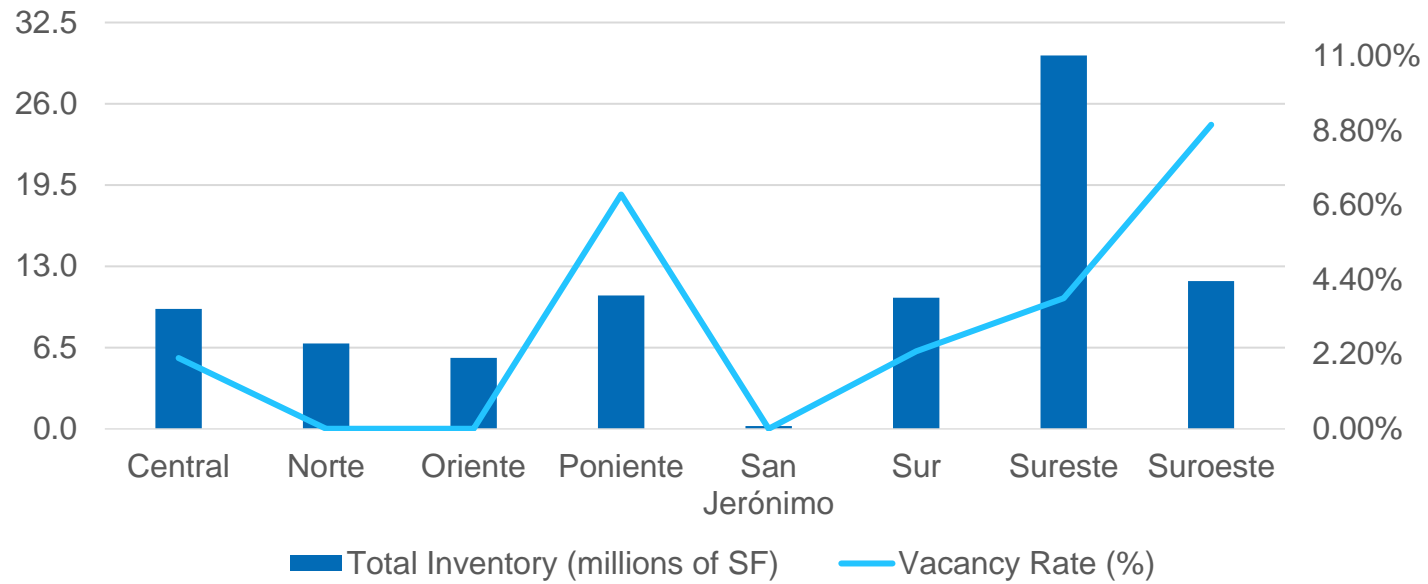
Available vs Under Construction (SF)



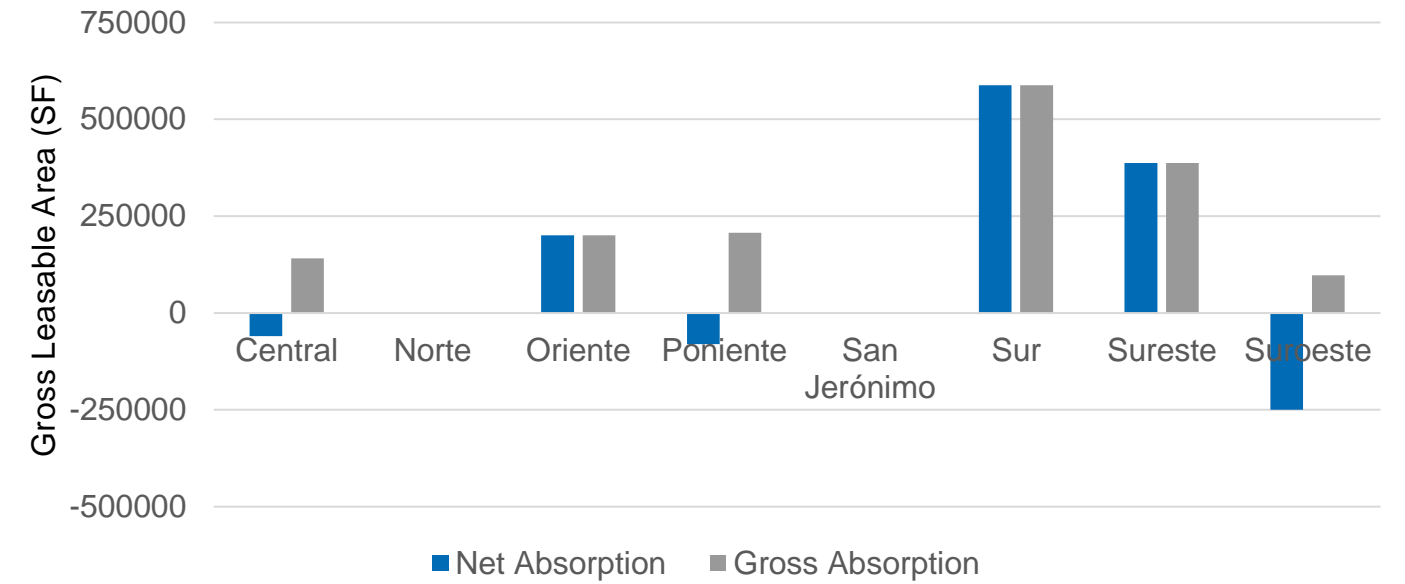
Source: Newmark Research

Submarket Comparatives

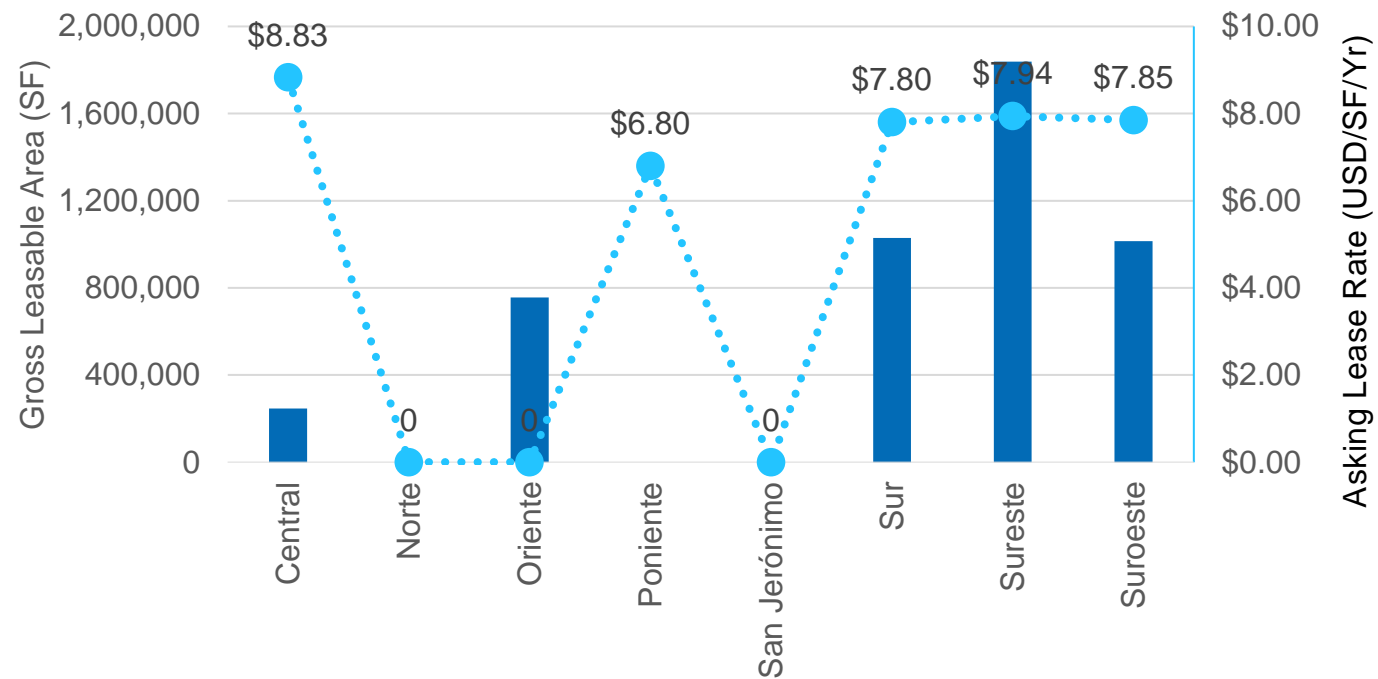
Inventory vs Vacancy Rate



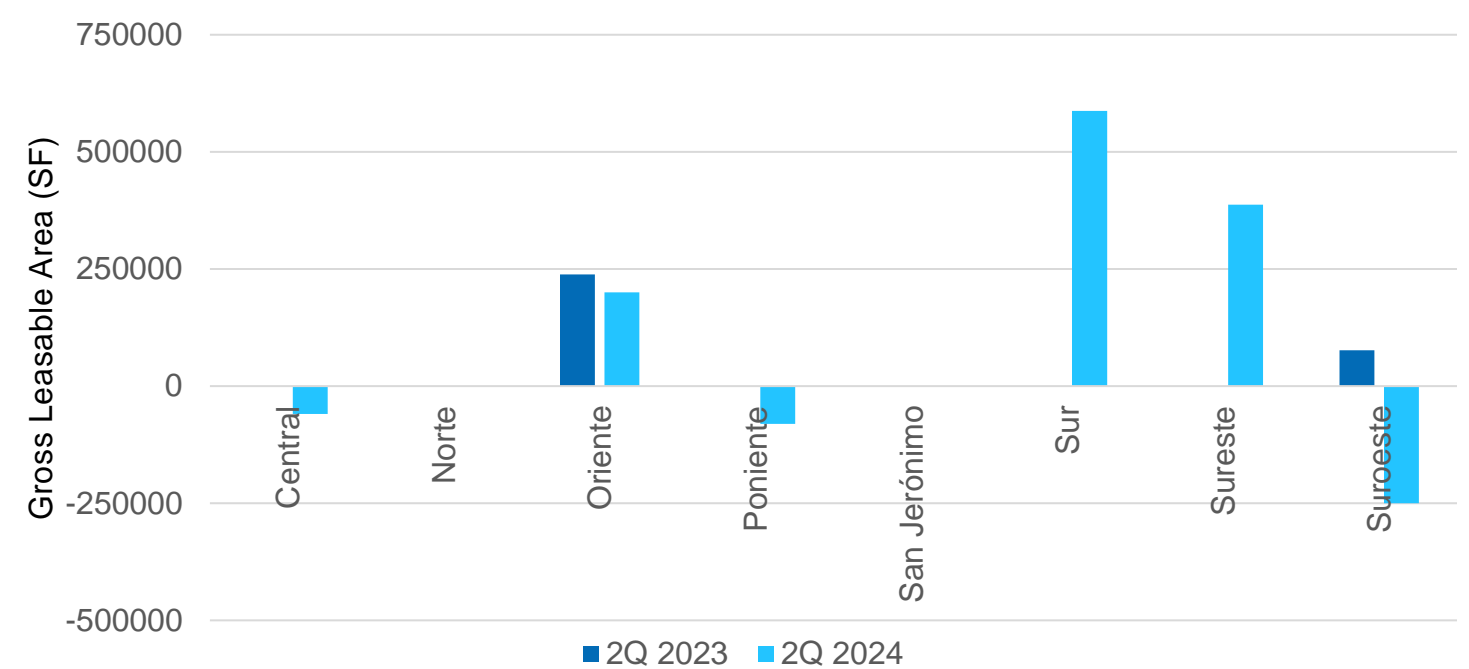
Gross and Net Absorption per Submarket



Under Construction vs Average Lease Rates (USD/SF/Yr)



Quarterly Net Absorption



Source: Newmark Research

Submarket Statistics 2Q24

Ciudad Juarez Submarket Statistics

	Inventory (million SF)	Under Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Gross Absorption YTD (SF)	Net Absorption (SF)	Net Absorption YTD (SF)	Asking Lease Rate (USD/SF/Year)	U. Construction Asking Rent (USD/SF/Year)
Central	9.59	246,194	200,825	2.09%	141,310	141,310	-59,515	-59,515	\$ 7.88	\$ 8.83
Norte	6.83	0	0	0.00%	0	57,149	0	57,149	-	-
Oriente	5.69	756,387	0	0.00%	200,237	200,237	200,237	200,237	\$ 8.21	-
Poniente	10.65	0	737,004	6.92%	207,347	207,347	-80,787	-291,677	-	\$ 6.80
San Jerónimo	0.22	0	0	0.00%	0	0	0	0	-	-
Sur	10.49	1,028,726	239,972	2.29%	587,531	797,531	587,531	797,531	\$ 8.26	\$ 7.80
Sureste	29.85	1,838,396	1,152,792	3.86%	387,229	530,863	387,229	452,448	\$ 8.01	\$ 7.94
Suroeste	11.83	1,014,152	1,061,823	8.98%	97,177	97,177	-249,777	-249,777	\$ 8.02	\$ 7.85
Total	85.15	4,883,855	3,392,416	3.98%	1,620,831	2,031,614	784,918	906,396	\$ 8.09	\$ 7.71

Source: Newmark Research

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