
2Q24

Reynosa Industrial Market



NEWMARK

Market Analysis

Leasing Market Fundamentals

	Current Quarter	Prior Quarter	One Year Ago	12-Month Forecast
Inventory (SF)	38.8M	38.6M	36.4M	↑
Vacancy Rate	4.3%	4.0%	1.4%	↑
Gross Absorption (SF)	86,800	93,000	289,000	→
Net Absorption (SF)	-136,900	-574,000	69,300	→
Asking Rent (USD/SF/Year)	\$7.39	\$7.19	\$5.69	↑
U. Construction (SF)	0.6M	0.6M	1.8M	↓

Market Indicators

	Inventory (million SF)	Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Gross Absorption YTD (SF)	Net Absorption (SF)	Net Absorption YTD (SF)	Asking Lease Rent (USD/SF/Year)
Pharr Bridge	19.7	468,000	528,000	2.7%	86,000	86,000	-136,900	-429,000	\$7.78
Poniente	18.1	163,000	981,000	5.4%	0	93,000	0	-282,000	\$7.25
San Fernando	0.9	0	157,500	16.6%	0	0	0	0	\$6.96
Market	38.8	632,000	1,667,000	4.3%	86,000	180,200	-136,900	-711,900	\$7.39

Outlook

- If the low demand for industrial space in the area continues, we expect a vacancy rate of around 4.4%.
- With the completion of new speculative Class A buildings (414,000 square feet) in the next quarter, an average asking price of around US\$7.47 per square feet per year is expected.

2Q24

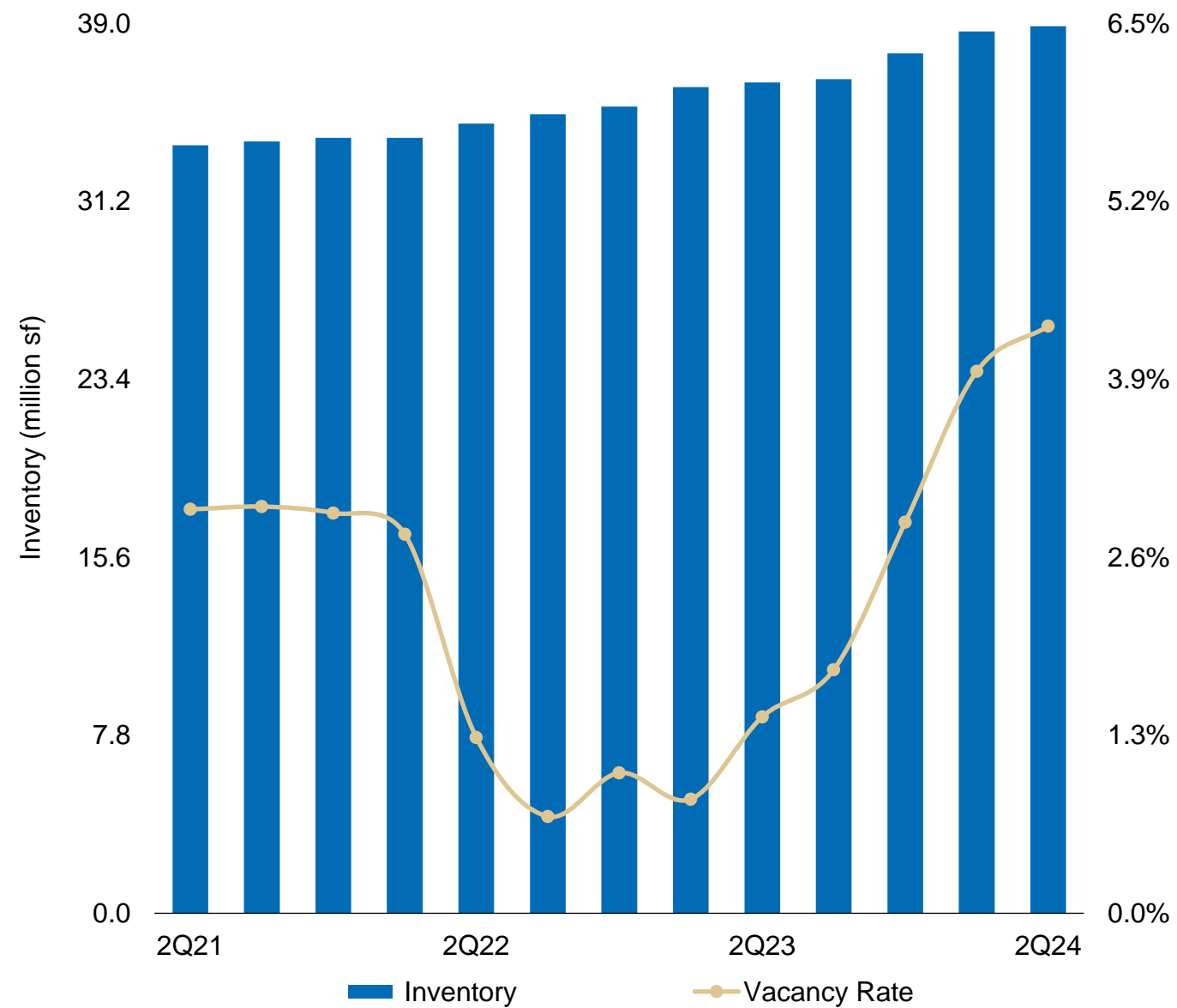
Leasing Market Fundamentals



Market Demand

In this second quarter, a vacancy rate of 4.3% was reported, which is higher than what was reported in the same quarter last year, which was 1.4%. This rate represents just over 1.6 million square feet of vacancy space, with 58.8% located in the Poniente submarket. We expect a similar behavior in the next quarter and a possible increase in the rate because of the completion of two speculative Class A buildings.

Inventory & Vacancy Rate

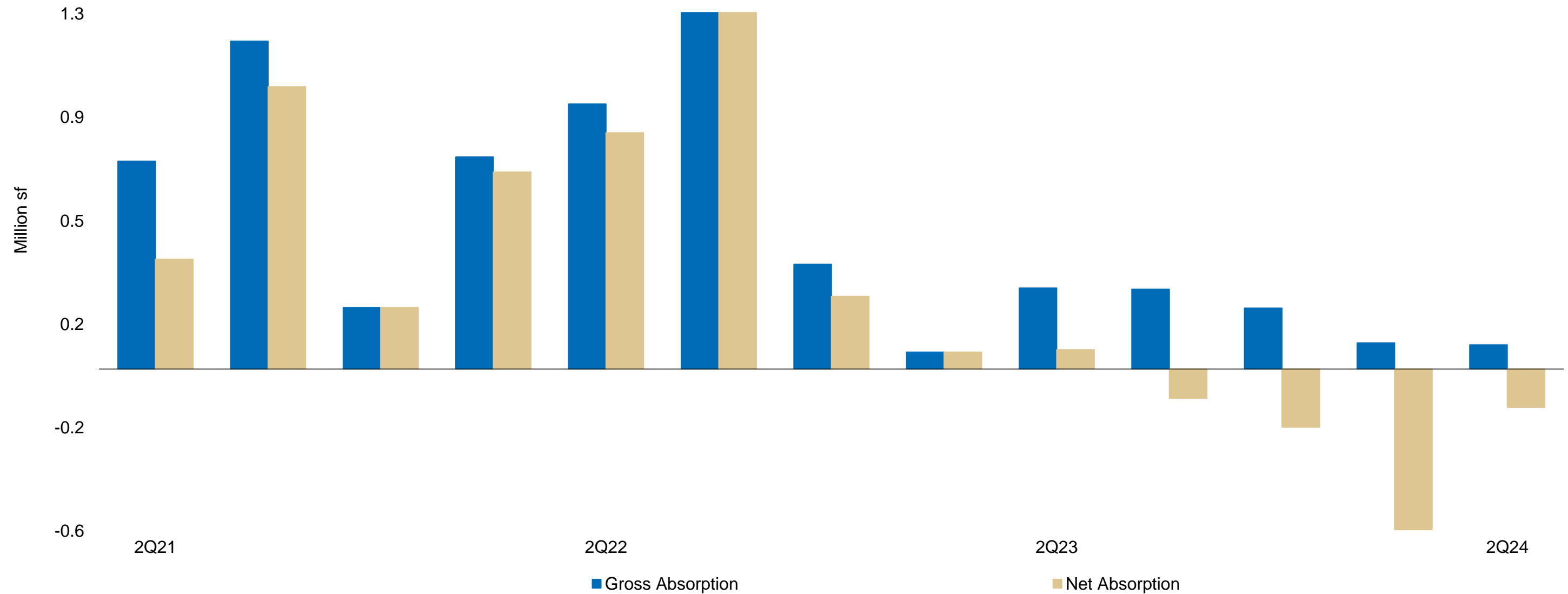


Absorptions

A gross absorption of around 86,800 square feet was recorded, like what was observed in the previous quarter, which was 93,300 square feet. So far this year, an accumulative gross absorption of 180,200 square feet has been observed, lower than what was recorded in 2Q 2023, which was 350,600 square feet. As for net absorption, a negative figure of -136,900 square feet was recorded again. This market behavior is mainly due to low demand in the area, coupled with the completion of new industrial space.

Gross Absorption

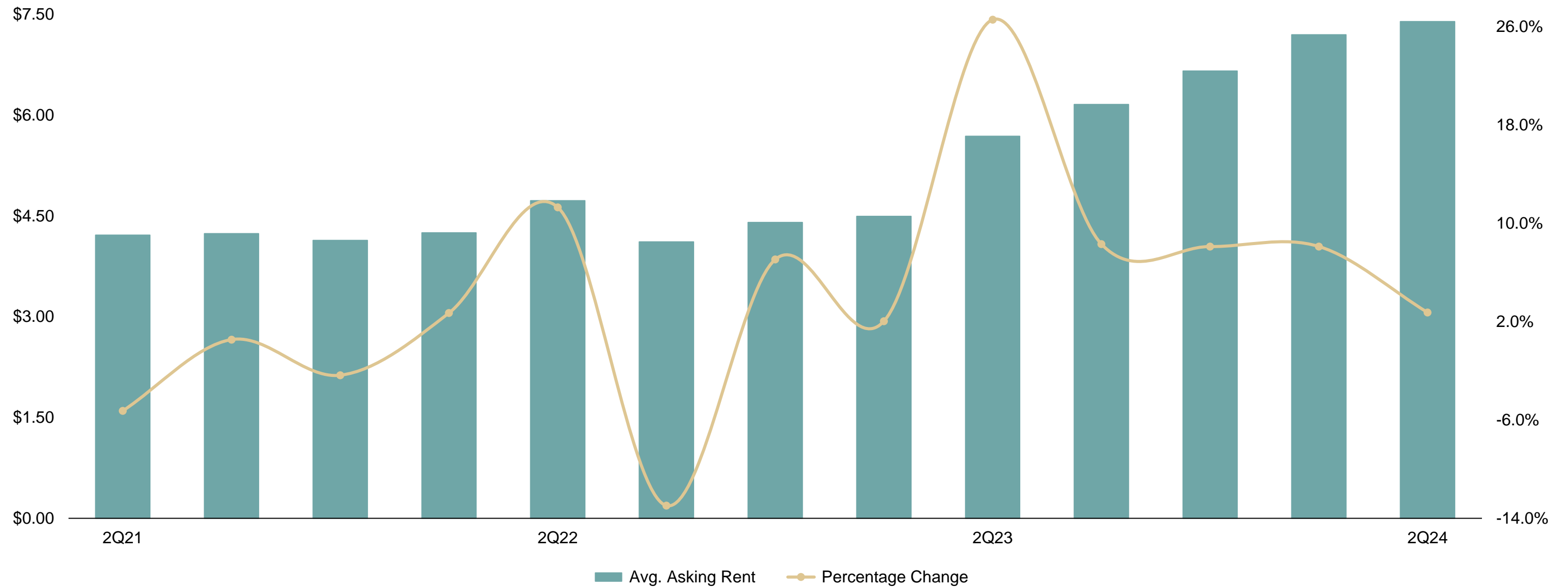
Net Absorption



Average Asking Rent

Regarding the average asking price a new increase was observed, going from US\$5.69 in the same quarter last year to US\$7.39 per square feet per year. This upward trend is expected to continue in the next quarter due to the completion of speculative spaces under construction

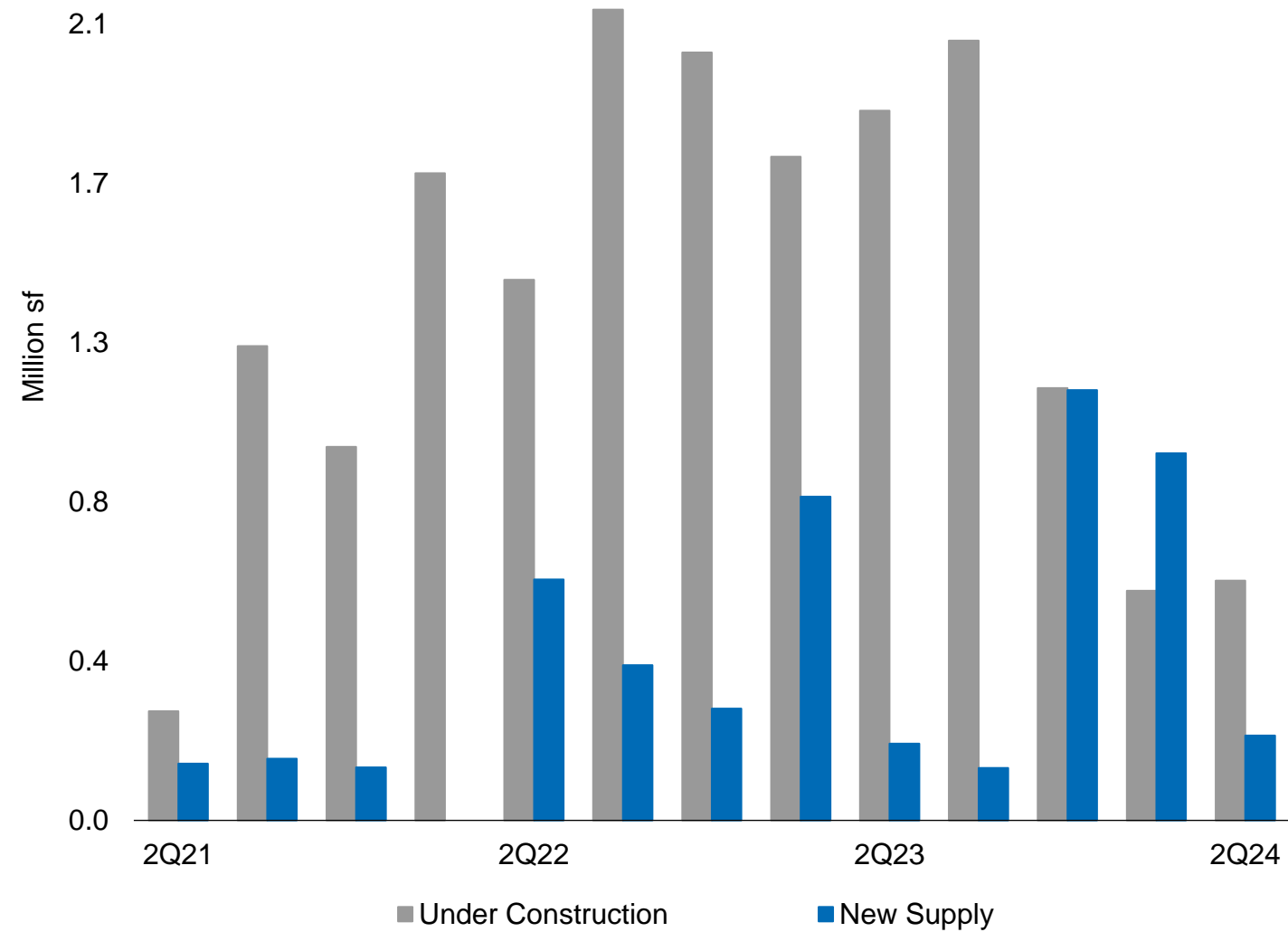
Avg. Asking Rent (USD/SF/Year) & Percentage Change



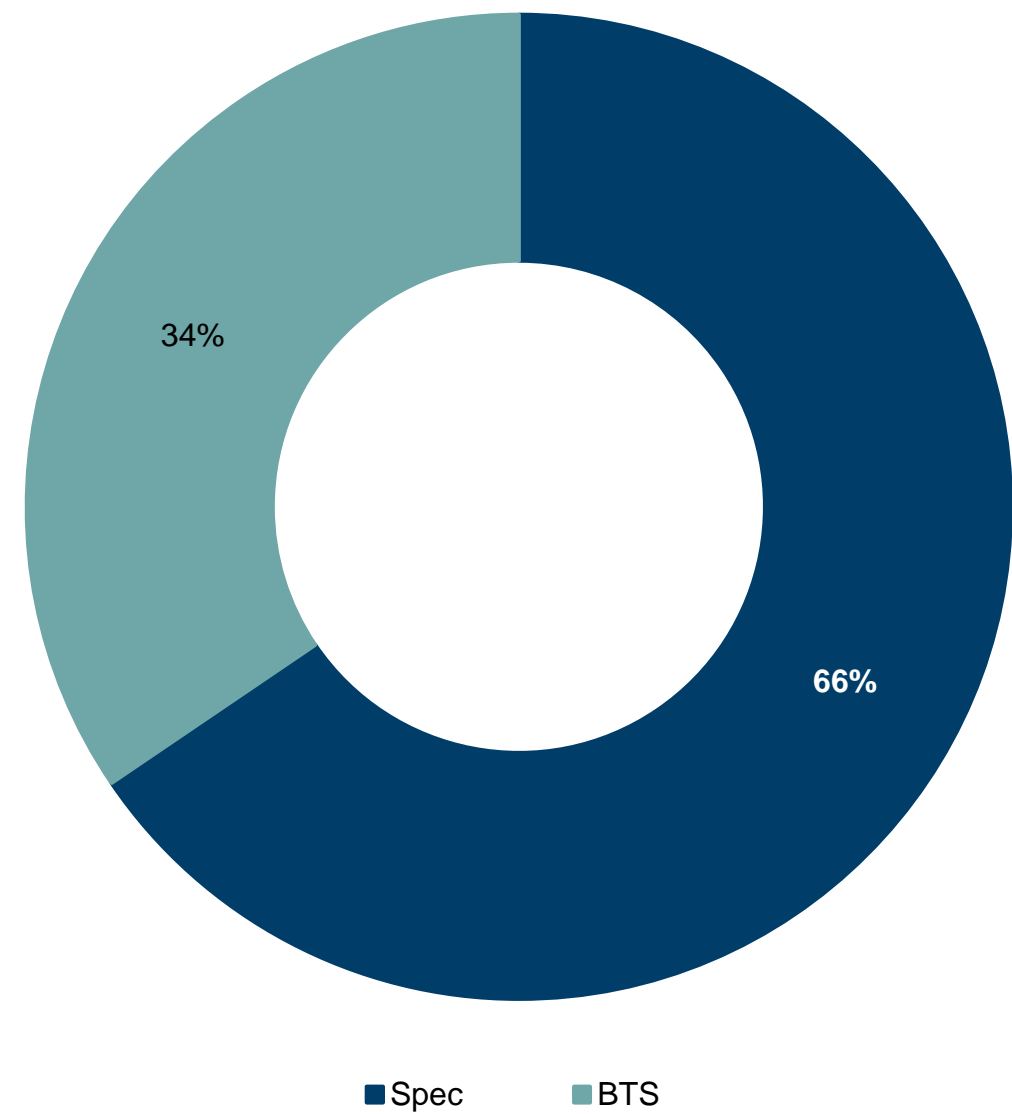
Space Under Construction

At the end of the second quarter, construction activity of more than 632,000 square feet was reported, with 74.1% located in the Pharr Bridge submarket, and a new offer of 223,700 square feet. Of the space under development, 65.5% corresponds to speculative spaces.

Under Construction & New Supply



Type of Buildings (2Q24)



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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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