
3Q24

Reynosa Industrial Market



NEWMARK

Market Analysis

Leasing Market Fundamentals

	Current Quarter	Prior Quarter	One Year Ago	12-Month Forecast
Inventory (SF)	38.9M	38.8M	36.5M	↑
Vacancy Rate	5.8%	4.3%	1.8%	→
Gross Absorption (SF)	65,000	86,800	285,000	→
Net Absorption (SF)	-571,000	-136,900	-104,700	→
Asking Rent (USD/SF/Year)	\$7.57	\$7.39	\$6.16	↑
U. Construction (SF)	0.5M	0.6M	2.0M	↓

Market Indicators

	Inventory (million SF)	Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross (SF) Absorption	Gross Absorption YTD (SF)	Net (SF) Absorption	Net Absorption YTD (SF)	Asking Lease Rent (USD/SF/Year)
Pharr Bridge	19.7	514,000	883,000	4.5%	0	86,000	-355,800	-784,800	\$7.98
Poniente	18.2	0	1,196,000	6.5%	65,000	93,000	-215,000	-498,000	\$7.34
San Fernando	0.9	0	157,500	17.2%	0	0	0	0	\$6.96
Market	38.9	514,000	2,237,000	5.8%	65,000	180,200	-571,000	-1,283,000	\$7.57

Outlook

- If the demand for industrial space in the area continues to decline, we anticipate a vacancy rate around 6.0%.
- With the completion of a new speculative Class A building in the last quarter, an average asking rent of around US\$7.62 per square feet per year is expected.

3Q24

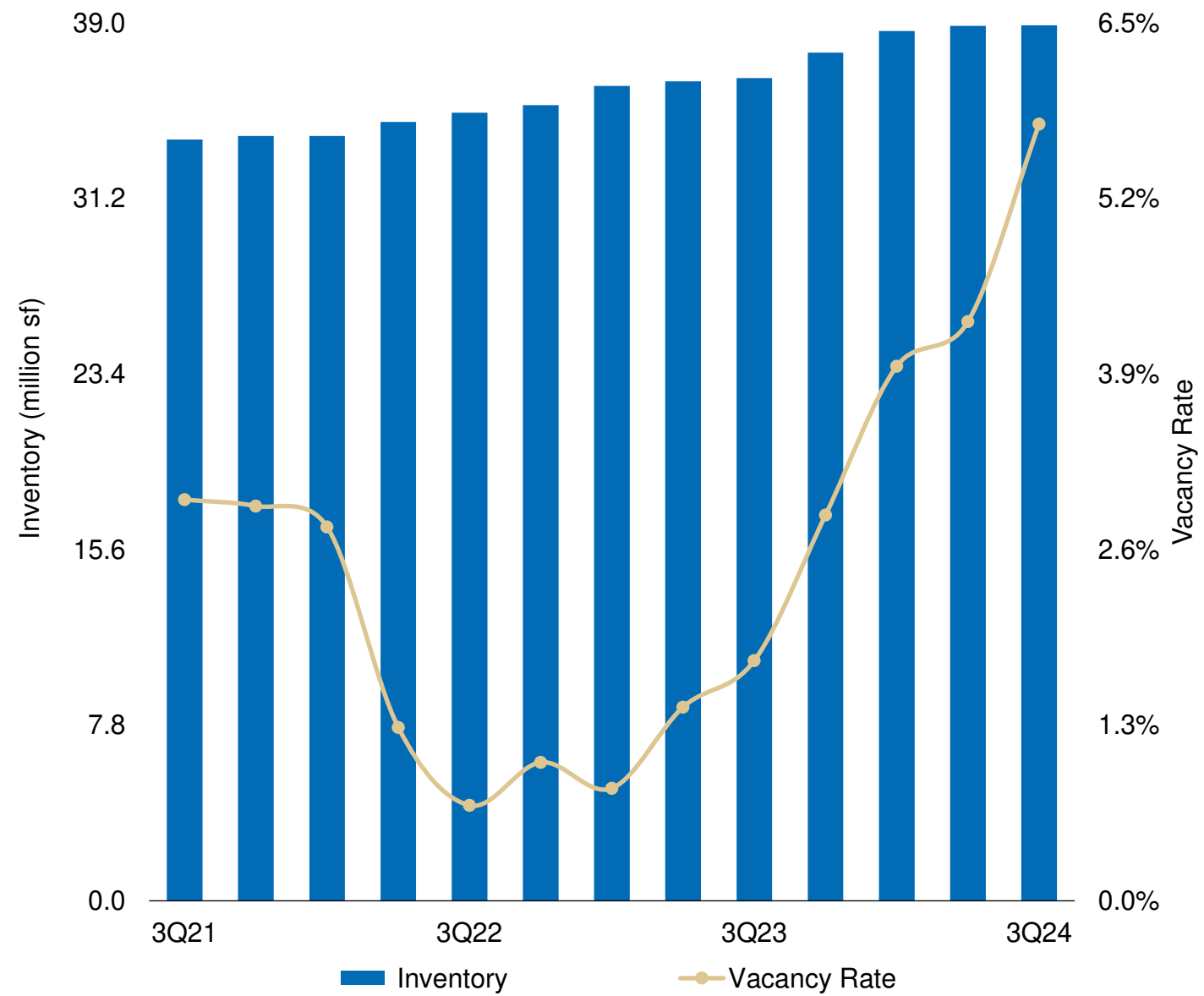
Leasing Market Fundamentals



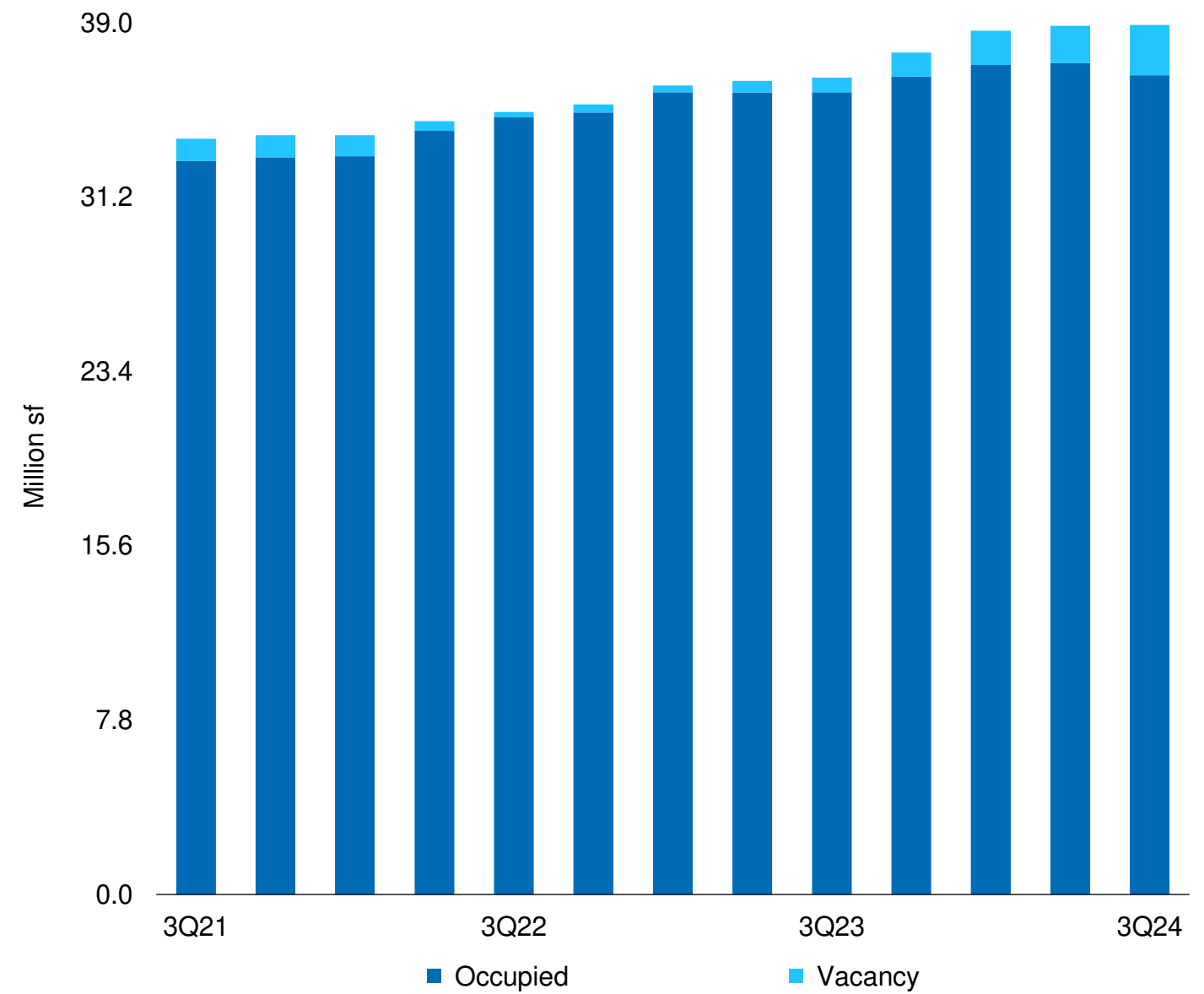
Market Demand

Due to low market demand, combined with the completion and vacancy of industrial space, a vacancy rate of 5.8% was recorded. Additionally, the submarket with the largest amount of vacant industrial space is Poniente, with over 1.1 million square feet.

Inventory & Vacancy Rate



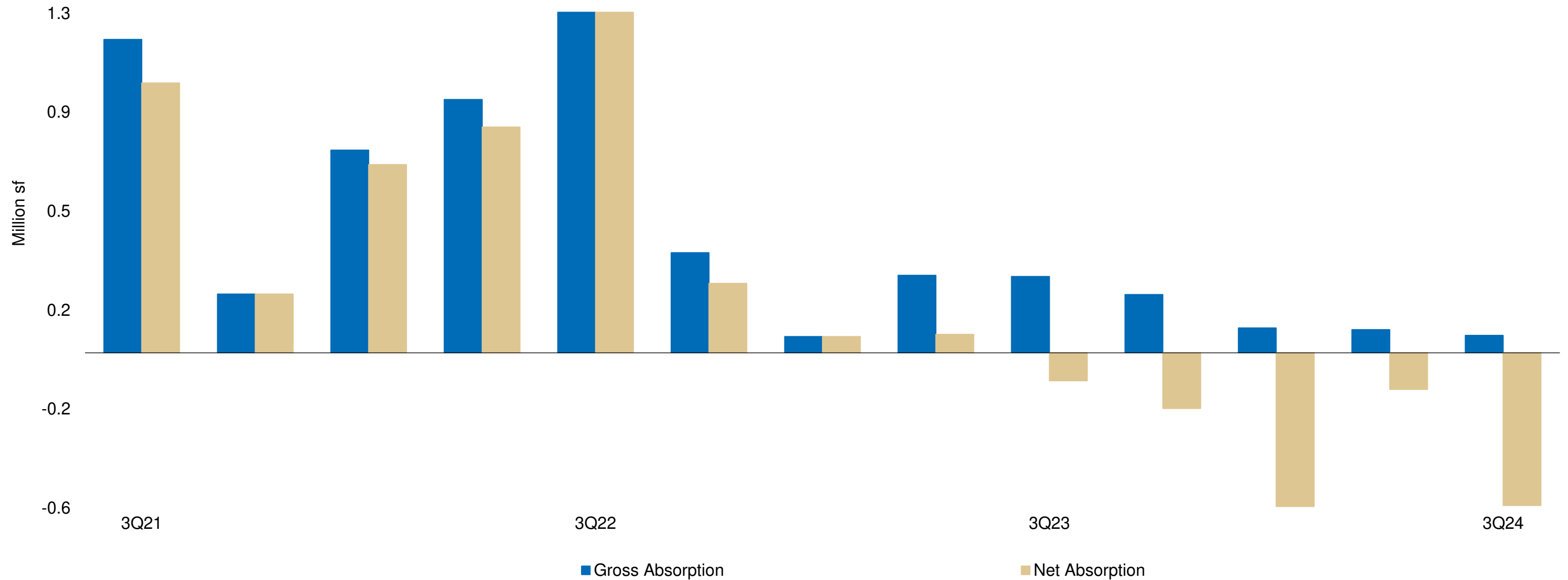
Occupied Space & Vacancy Space



Absorptions

Since 2Q 2023, there has been a downward trend in gross absorption in the market, closing this quarter at 65,000 square feet. Additionally, a net absorption of -571,000 square feet was observed.

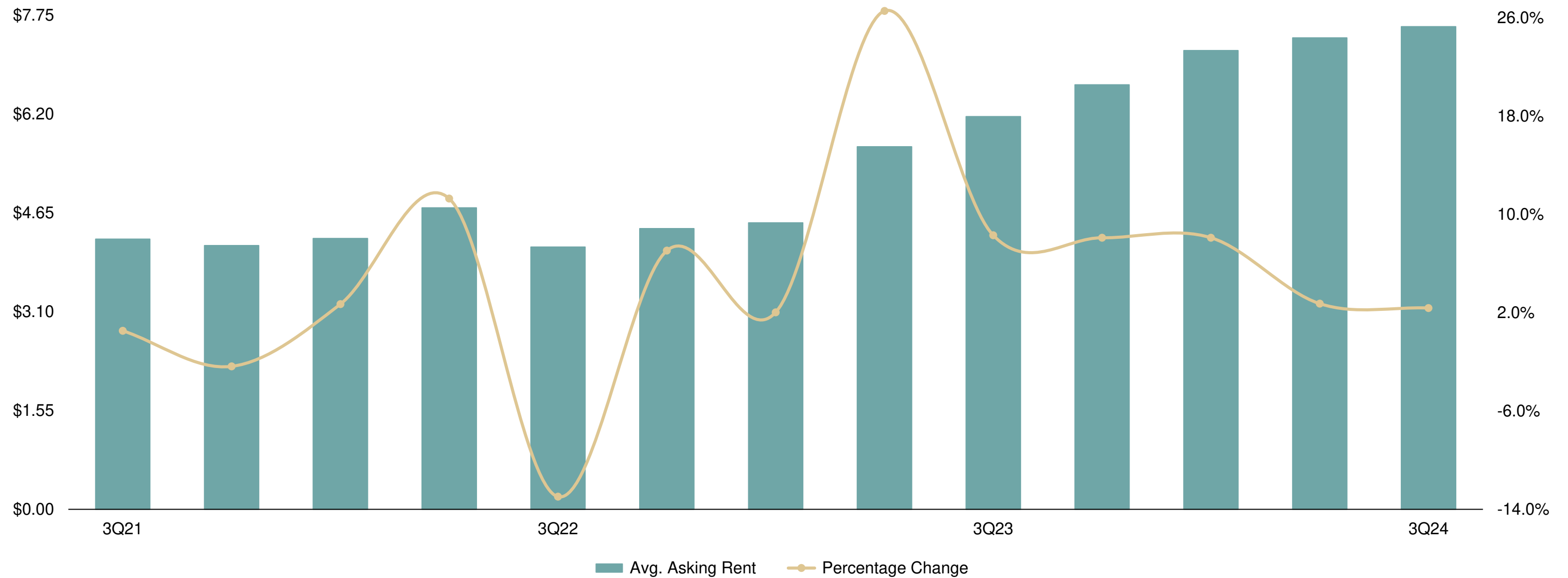
Gross Absorption vs Net Absorption



Average Asking Rent

An increase in average asking rent was observed, closing the quarter at US\$7.57 per square feet per year. This increase is partly due to the low demand for industrial space and the completion of development projects and the vacancy of Class A buildings.

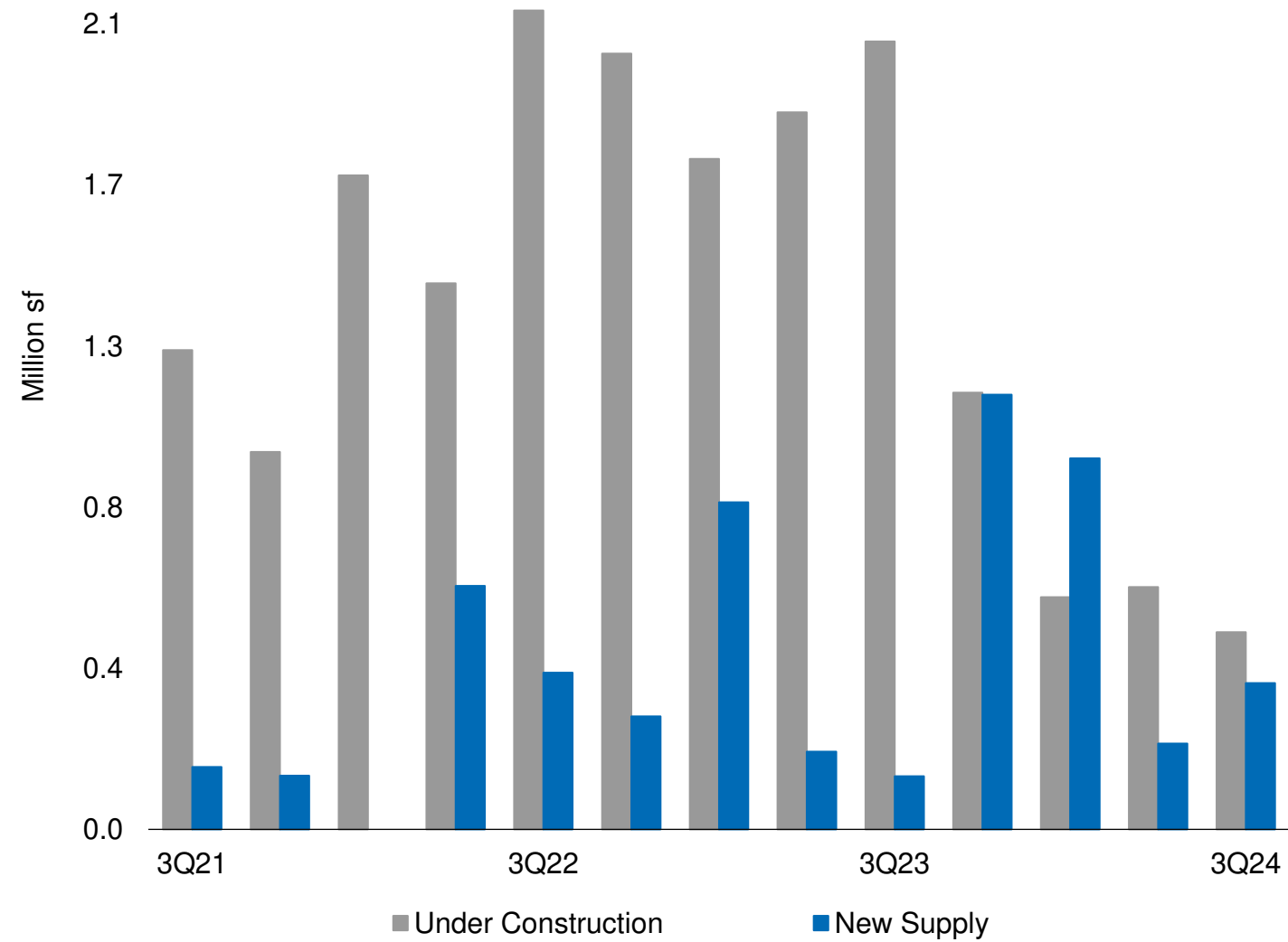
Avg. Asking Rent (USD/SF/Year) & Percentage Change



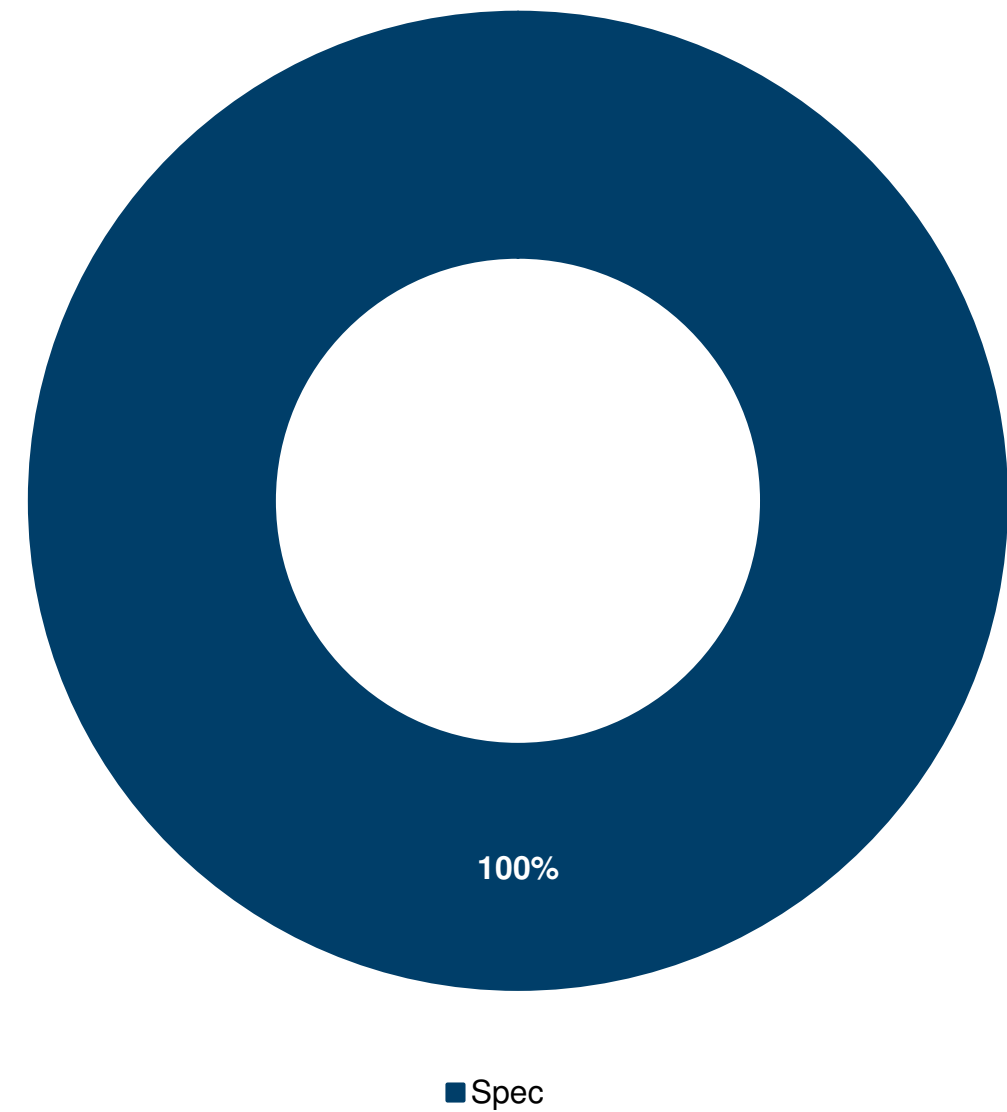
Space Under Construction

A decrease in construction space was reported compared to the same period last year, dropping from 2.0 million to 514,000 square feet. This figure entirely represents speculative Class A buildings located in the Pharr Bridge submarket.

Under Construction & New Supply



Type of Buildings (3Q24)



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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://nmrk.lat/reportes-de-mercado/>.

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