Tijuana Industrial Market



Market Analysis



- The price of the peso continues to depreciate, which can only mean increased interest in U.S. investment.
- Inflation has stabilized along with rental prices.
- With the new government maintaining the urban plans of the previous administration, we can expect the improved roads and new border crossing to be ready around the scheduled dates.



Transactions

- MEOR Hubs Park signed leases for both buildings, totaling 516,667 sf leased.
- IAMSA leased the first building of Vie Verte Rosarito to Fabuwood for 117,326 sf.
- FINSA leased 279,861 sf to a confidential client behind the TOYOTA campus.



	Current Quarter	Prior Quarter	One Year Ago	12-month Forecast
Total Inventory (SF)	83.9 M	82.6 M	80.8 M	1
Vacancy Rate	1.8%	2.6%	0.5%	1
Gross Absorption (SF)	1,242,240	854,857	709,762	
Net Absorption (SF)	1,116,635	543,535	593,262	1
Asking Rate (USD/SF/month)	\$9.24	\$9.24	\$9.36	\rightarrow
Under construction (SF)	2,740,858	3,420,981	3,500,000	\rightarrow



Perspectives

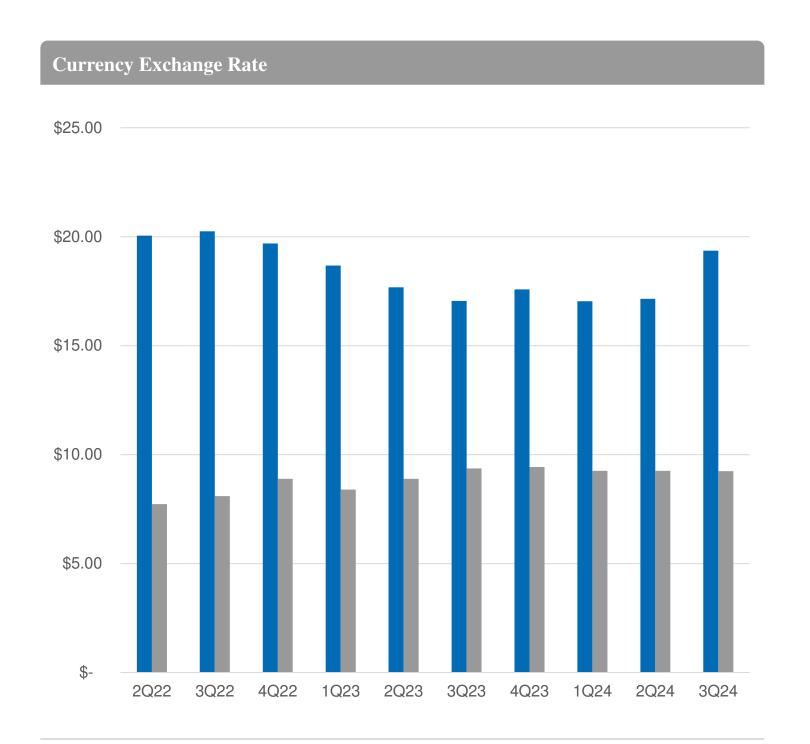
- We can expect the first and second quarters of 2025 to experience stronger absorption than the last two years.
- Until at least 1 million sf of the currently available space is leased, we will not see the average price rise above \$10.00 USD/sf/year.

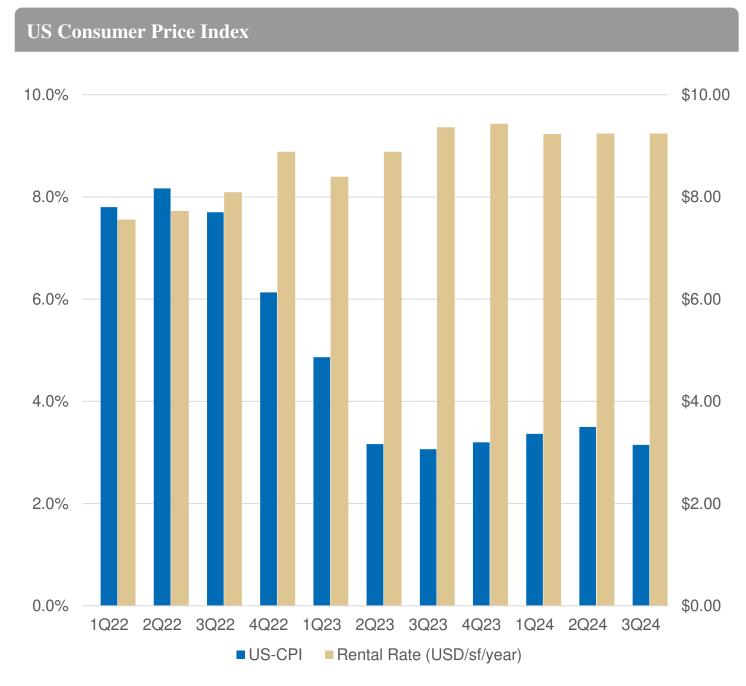
Economy



Economy

The biggest impacts on rents in Tijuana are the dollar-denominated contracts and the rent increases according to the US-CPI.



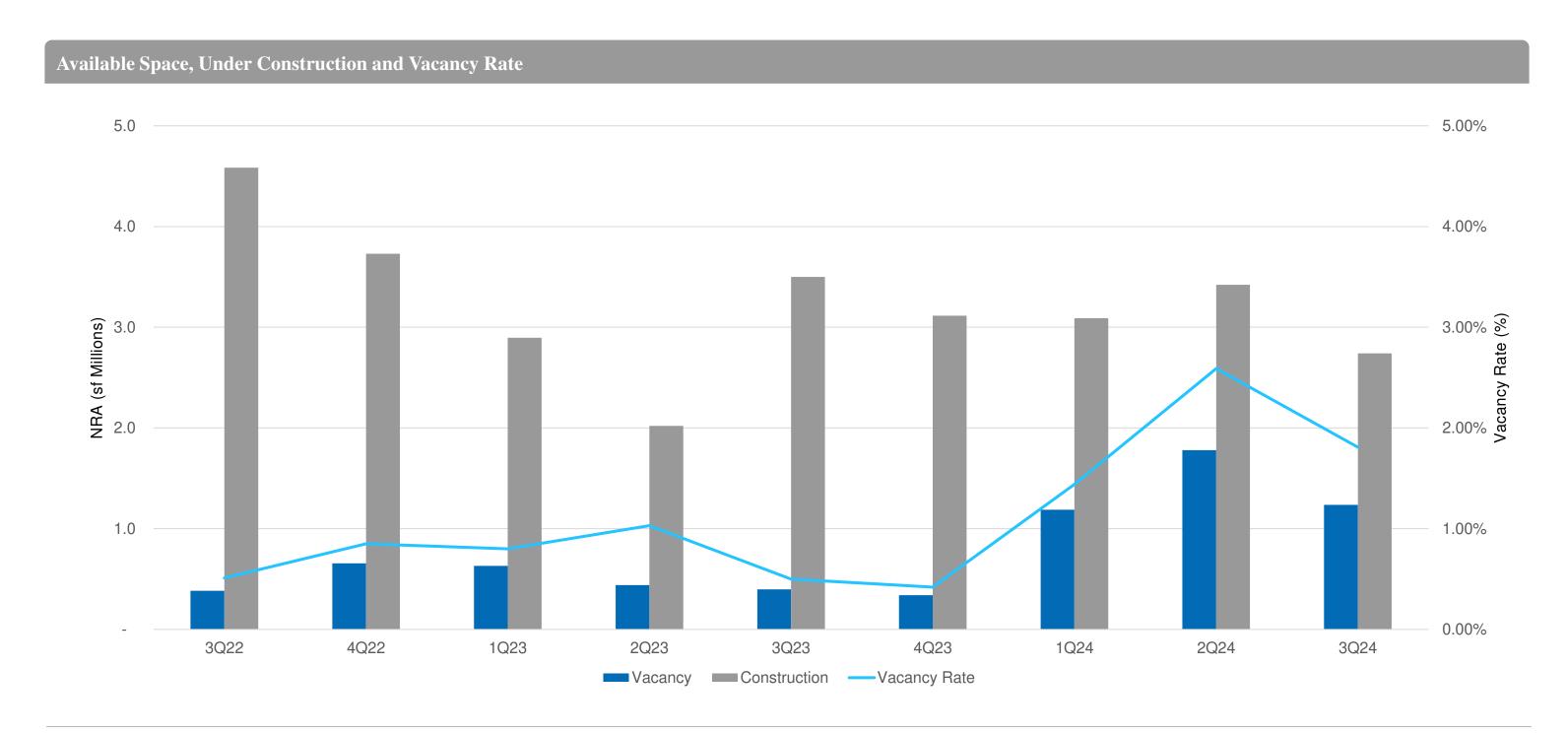


Market Trends



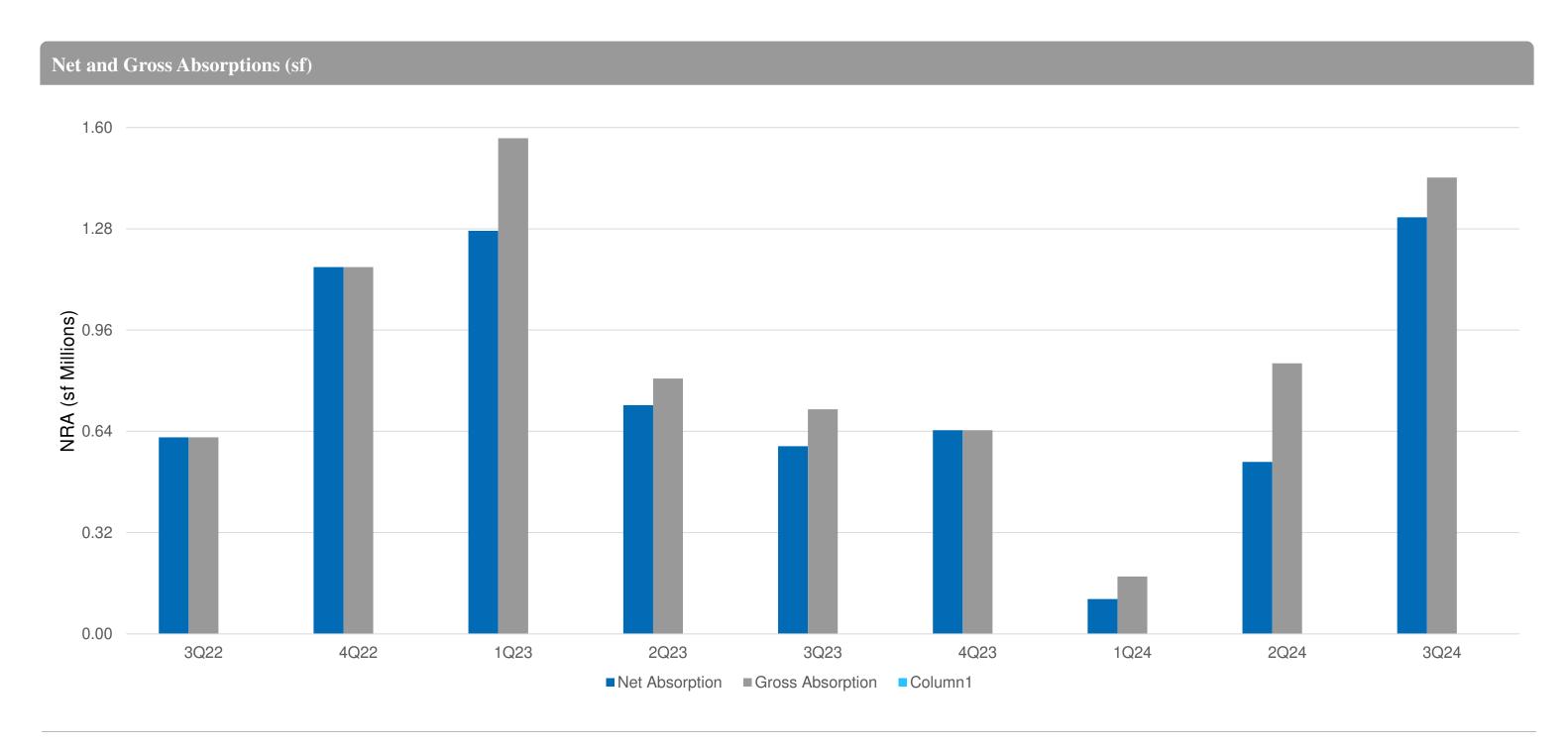
The vacancy rate remains stable even while dropping below 2%.

Even with a couple of strong leases, availability remains at the highest levels of the past five years.



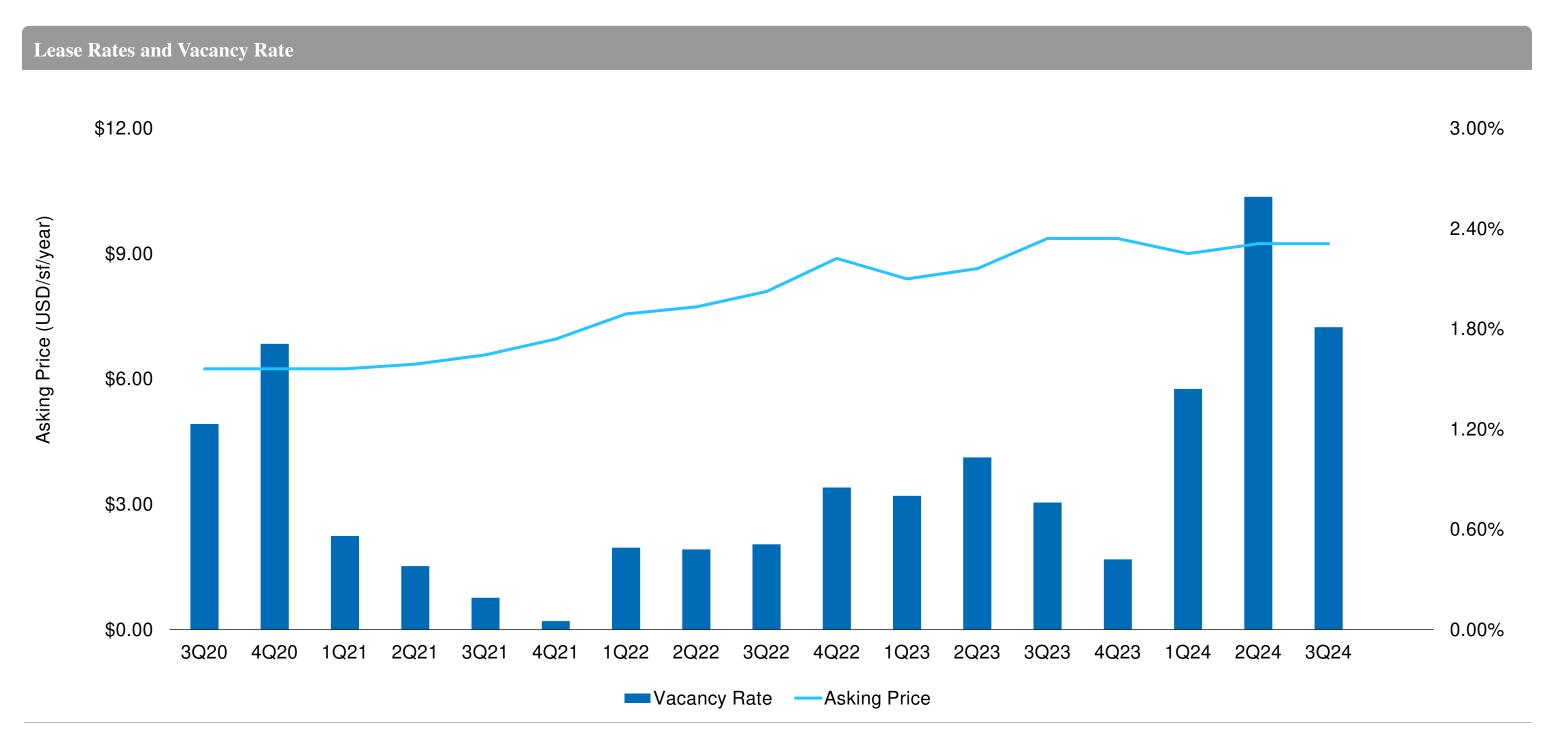
Market Absorption

Absorption was healthier this quarter, but the annual total is expected to be lower than last year due to the elections in both Mexico and the United States.



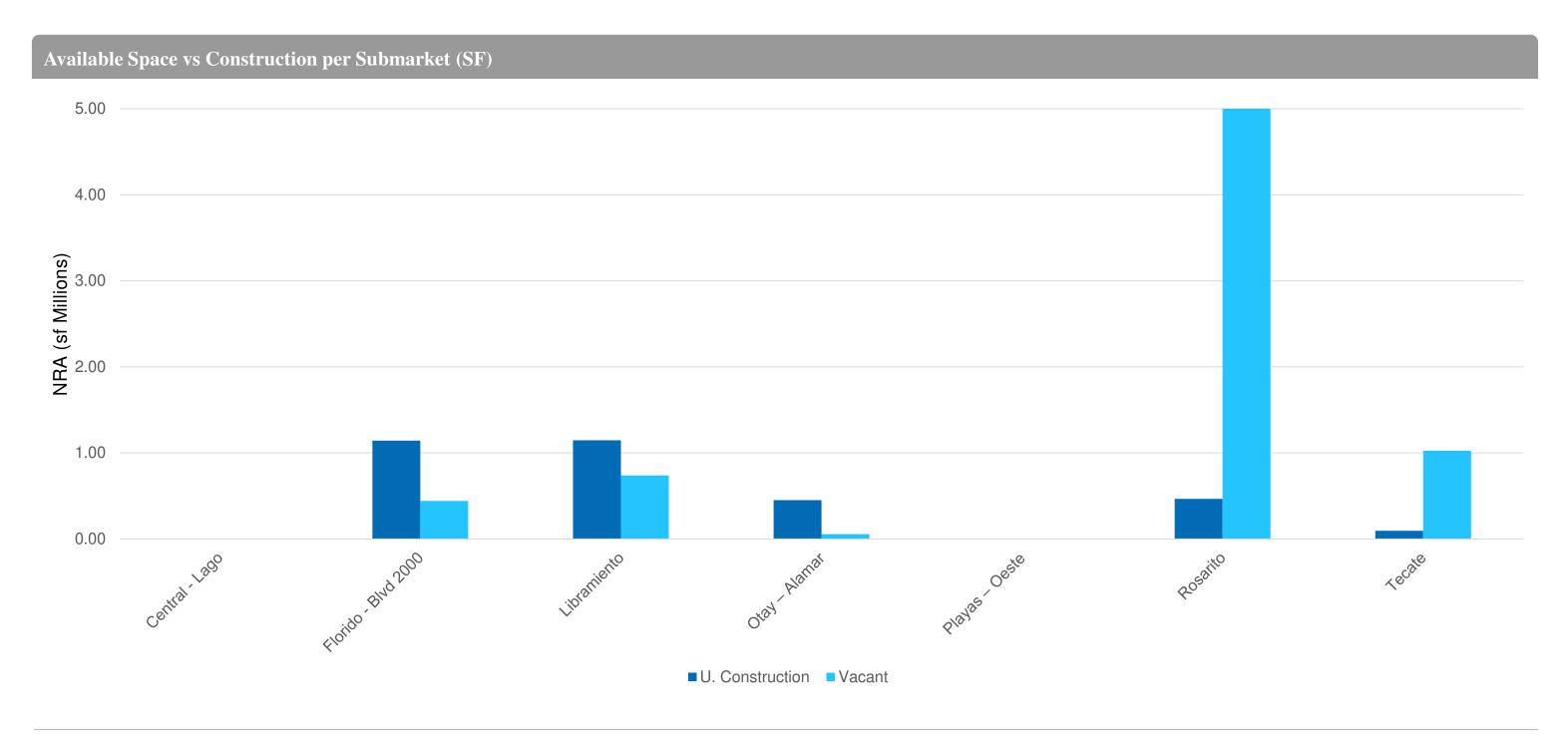
Lease Rates

Prices have stabilized, but we can expect them to continue rising, reaching \$10.00 USD/sf/year by the second half of 2025.



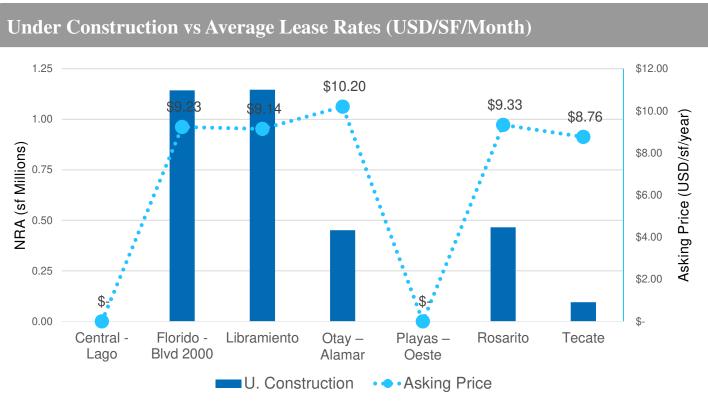
Under Construction and Available Developments

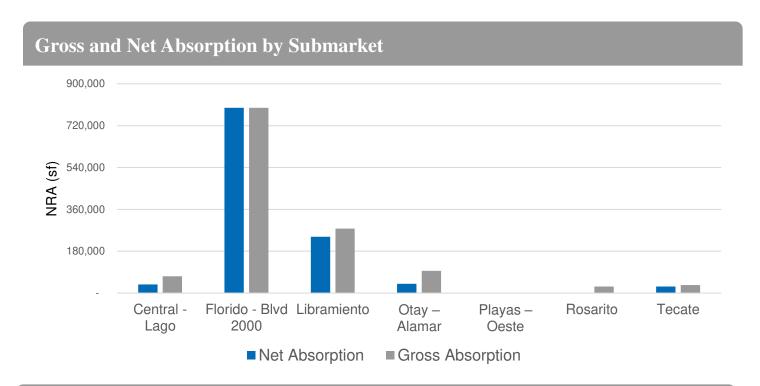
The availability of land continues to support strong development on the periphery of Tijuana's urban area.

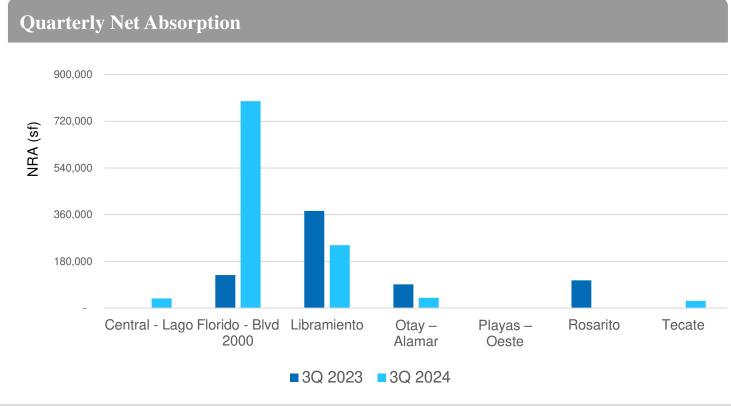


Submarket Comparatives









Projects in Under Construction in Tijuana

Building	Developer	Submarket	Туре	NRA (SF)
Maquarie Santa Fe 1	FIBRA Macquarie	Libramiento	Spec	406,029
FRASA Otay II	FRASA	Otay	BTS	280,542
FINSA NE	FINSA	Florido	Spec	280,499
MEOR Del Valle	MEOR	Florido	Spec	278,572
Maquarie Santa Fe 2	FIBRA Macquarie	Libramiento	Spec	267,798
MonteVerde 01	GF5	Florido	Spec	219,629
XSite 01	Xsite	Florido	Spec	219,629
Maquarie Santa Fe 3	FIBRA Macquarie	Libramiento	Spec	200,953
COSTA Rosarito	IAMSA	Rosarito	Spec	186,013
FRASA Otay I	FRASA	Otay	Spec	170,566
AQUA Rosarito	IAMSA	Rosarito	Spec	162,752
Real de Rosarito 3	Grupo Cadena	Rosarito	Spec	116,574
Prisma IX	ATISA	Libramiento	Spec	105,519
Pamprica	Privado	Tecate	Spec	95,304
LINK ATISA	ATISA	Florido	Spec	80,052
Piedras Blancas 1	Privado	Florido	Spec	64,907
Banderas 02	FRISA	Libramiento	Spec	62,130
Banderas 01	FRISA	Libramiento	Spec	59,955
Oro II	ATISA	Florido - Blvd 2000	BTS	44,068

Submarket Statistics 3Q24

Tijuana Submarket S	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/Month)	U. Construction Asking Rent (USD/SF/Month)
Central – Lago	14.4	-	-	0.00%	71,978	143,279	37,329	37,329	-	-
Florido – Blvd 2000	26.4	1,143,287	442,077	1.67%	797,171	1,214,749	797,171	1,009,523	\$ 9.22	\$ 9.23
Libramiento	18.5	1,146,462	738,625	3.98%	277,635	604,743	242,254	391,971	\$ 9.10	\$ 9.14
Otay – Alamar	23.7	451,108	55,585	0.23%	95,465	387,256	39,880	331,681	\$ 11.40	\$ 10.20
Playas – Oeste	0.9	-	-	0.00%	-	-	-	-	-	-
Total	83.9	2,740,858	1,236,288	1.81%	1,242,240	2,278,728	1,116,635	1,770,495	\$ 9.24	\$ 9.35
Statistics by Municip	ality									
	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/Month)	
Tijuana	83.9	2,740,858	1,236,288	1.81%	1,242,240	2,278,728	1,116,635	1,770,495	\$ 9.24	\$ 9.35
Rosarito	3.9	465,338	85,003	2.22%	171,664	359,700	171,664	359,700	\$ 9.00	\$ 9.33
Tecate	6.0	95,304	193,956	3.21%	28,051	62,162	28,051	62,162	\$ 7.80	\$ 8.76
Total	93.8	3,301,501	1,515,248	1.61%	1,441,967	2,700,590	1,316,361	2,192,357	\$ 9.04	\$ 9.31

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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.

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