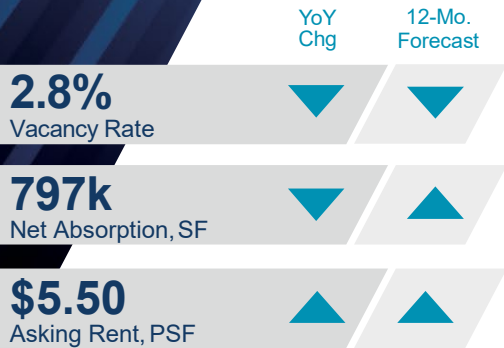
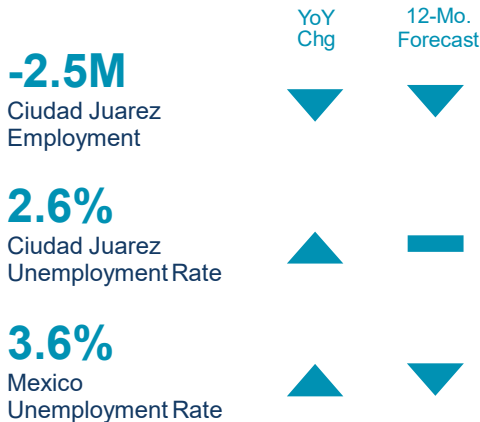


Industrial Q4 2019



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2019



Source: INEGI

ECONOMY: Uncertainty Slowing Down Performance

In the last quarter of the year, the uncertainty related with the USMCA trade agreement and the global economic slowdown halted decision-making in the industrial sector, directly impacting Ciudad Juarez. Many real estate decisions have been put on-hold until the USMCA is finally approved by the United States Senate and until a thorough assessment of its effects for the main industries, like automotive and electronics, is completed.

The strike of GM workers in the US had an indirect impact on Ciudad Juarez activity, since much of the maquiladora industry in Ciudad Juarez belongs to the automotive industry.

DEMAND: Leasing Diminishes Slightly After Strong 2018

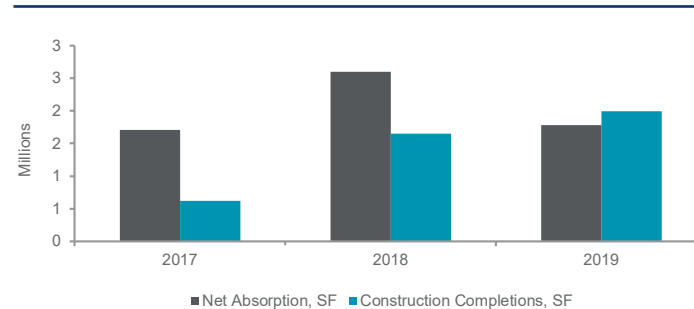
Ciudad Juarez closed the year with a vacancy rate of 2.8%. This was a record low for the region. However, there was a moderation in the performance of most industrial real estate activity indicators. The year ended with a total industrial activity of 3,641,831 sf, while 2018 closed with a total of 3,707,503 sf, a slight decrease of 1.8%. Leasing activity specifically was also similar to last year's, with a total of 2,977,344 sf, against 3,172,864 sf during 2018, representing a 6.2% decrease.

In 2019 total net absorption reached 1,785,220 sf. Compared with 2,601,791 sf in 2018, it was 31% lower. Although there was a slowdown in new construction, developers didn't stop, 1,428,713 sf were started and almost 2 million sf of new buildings were delivered to the market. Of these, only 26% was still available at the end of the year. The rest was 30% of build to suit projects, and 44% were speculative projects that at the end of the year already had been leased. However, the half million square feet that are about to be completed during 1Q 2020 should be leased by the first half of 2020. We estimate that the growth rate during 2020 for the industry in Juarez will show a substantial deceleration as compared to 2019.

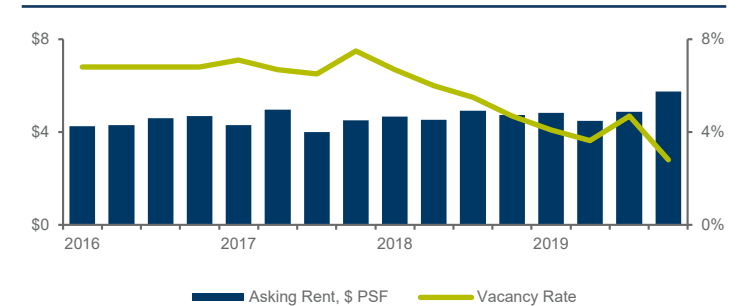
PRICING: Asking Rents on the Rise

This decrease in the vacancy and availability has increased the asking rate to an average of approximately \$5.50 USD/sf/yr. This represents an increase of approximately 7% compared to asking prices at the end of 2018.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	Q4 CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)
Northeast	16,766,241	408,324.00	2.4%	-	21,671	77,000	0	\$4.40
Northwest	16,432,162	393,651.00	2.4%	28,767	(50,415)		0	\$4.70
Southeast	32,029,742	1,060,973	3.3%	757,264	1,813,964	1,509,462	20,000	\$4.83
Southwest	5,118,763	105,208.00	2.0%	-	0		0	\$4.83
CIUDAD JUAREZ TOTALS	70,346,908	1,968,156	2.8%	786,031	1,785,220	1,586,462	20,000	\$4.80

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Intermex _CJS-BI-02	Southeast	Wistron	250,000	New Lease
Macquarie_JUA 043	Southeast	FWS	205,000	New Lease
Fibra Nova_Bldg 01	Southeast	Firefox	131,462	New Lease
Fibra Nova_Bldg 02	Southeast	BRP	86,223	New Lease
Intermex_CJS-IS-09	Southeast	Longda	52,081	New Lease
Prologis_JUA 00101	Southeast	Heritage	32,498	New Lease
Barcel 1	Pending	Veritiv	28,767	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
No sales reported				

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KEY CONSTRUCTION COMPLETIONS Q4 2019

PROPERTY	SUBMARKET	DEVELOPER	SF	TYPE
Ilpea Bldg	Southeast	Americas Industries	20,000	Expansion

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