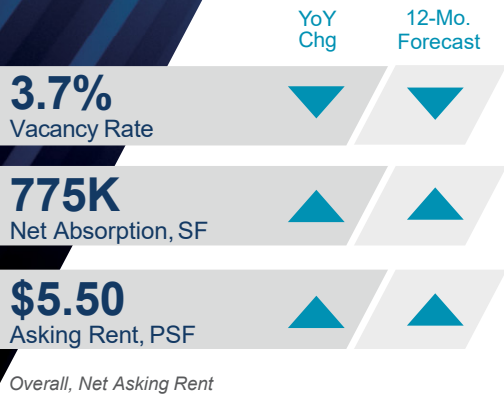
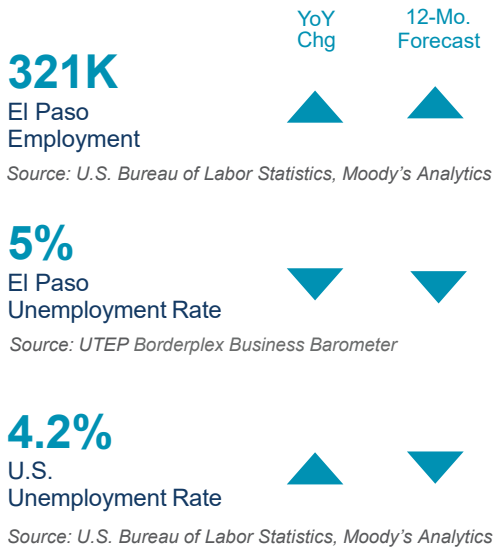


## Industrial Q4 2021



### ECONOMIC INDICATORS Q4 2021



### ECONOMY OR SUPPLY

The year ended on a record high note even with the Omicron CCP-virus mutations, which began to wreak havoc on us (West Texas & Chihuahua, Mexico) toward the end of December. The unemployment rate dropped another nine percent, from 5.5% to a new low of 5%, which was close to the State of Texas. Speaking of Texas, the state is now ranked #10 in the Laffer- ALEC (American Legislative Exchange Council) Report on Economic Freedom publication and the state's probusiness policies will ensure continued growth throughout 2022.

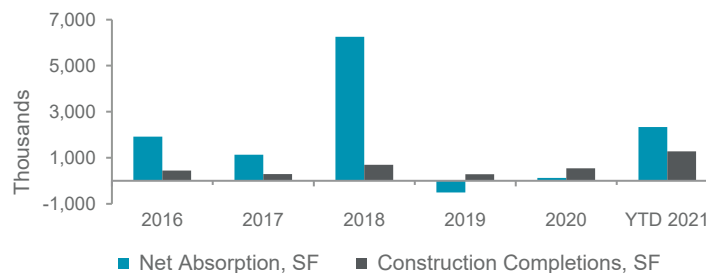
### SUPPLY OR DEMAND

Most of all the speculative construction completed in 2021 has leased or has documents nearing completion at the end of the year. New construction starts won't be ready for delivery until late in 2022, so the strong demand will further drive lease rates higher. Year-to-date, 1,274,835 square feet (sf) of completed construction was added to the inventory. A total of 580,600 sf of new product is under construction this quarter. Construction costs for essential items such as steel, concrete, glass, equipment such as HVAC, dock packages and specialized lighting have increased steadily. Delivery dates have extended for upwards of five months for some items too. These delays and cost increases have benefitted second generation space. When second generation space becomes available, it has seen competing bids with lease rates which settle slightly below what new construction facilities demand. New leasing activity involved 774,663 sf in 19 transactions. The overall vacancy rate has approached 3% with net absorption just over three million square feet.

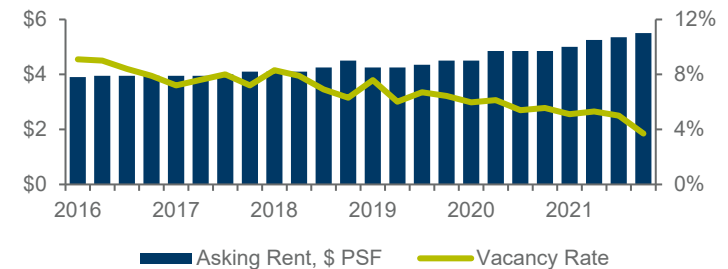
### PRICING

As predicted in the third quarter, rates have increased again by 2.8% to an adjusted \$5.50 per square foot (psf). We expect that by the end of January will see that number at or close to \$5.75 psf. New construction properties have already been priced between \$6.00 psf to \$6.40 psf and the increased construction costs will likely push these rates another dollar to around \$7.25 psf by mid-year 2022.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT





## MARKET STATISTICS

TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	46,904,580	2,047,260	4.4%	774,663	2,087,658	564,500	1,143,485	\$5.75
Manufacturing	5,145,655	151,000	2.9%	0	238,035	0	103,000	\$5.75
Office Service / Flex	7,591,152	34,901	0.5%	0	8,869	16,100	28,350	\$6.25
<b>EL PASO TOTALS</b>	<b>59,641,387</b>	<b>2,233,161</b>	<b>3.7%</b>	<b>774,663</b>	<b>2,334,562</b>	<b>580,600</b>	<b>1,274,835</b>	<b>\$5.50</b>

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

## KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
15 Leigh Fisher Blvd.	Northeast / Butterfield Trail	Flagstone Foods	222,486	Renewal*
9600 Pan American Drive	Southeast	Brokers Logistics	210,277	Renewal*
12590 Rojas Drive	Far East	Warehouse / Distribution	105,122	Direct
11751 Alameda Avenue	Southeast	Warehouse / Distribution	103,518	Direct
9601 Joe Rodriguez Drive	Southeast	Warehouse / Distribution	79,824	Direct
12220 Paseo Del Este Blvd.	Far East	Warehouse / Distribution	76,937	Direct
21 Butterfield Trail Blvd.	Northeast / Butterfield Trail	Stoneridge	57,000	Renewal*
12425 Mercantile Avenue	Far East	Warehouse / Distribution	54,000	Direct
16 Zane Grey Street	Northeast / Butterfield Trail	Trinity Provisions Enterprises	53,842	Renewal*
11501 James Watt Drive	East	Warehouse / Distribution	51,400	Direct
12220 Paseo Del Este Blvd.	Far East	Warehouse / Distribution	44,321	Direct
7189 Merchant Avenue	East	Moresco	41,708	Sublease
28 Spur Drive	Northeast / Butterfield Trail		39,403	Direct
12135 Esther Lama Drive	East	Wala	37,556	Direct

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
7170 Industrial Avenue	East	Rolling Frito-Lay Sales / Undisclosed	41,612	Undisclosed
9119 Billy the Kid Street	Southeast	H&H Dinero Tree / Luemar	11,070	Undisclosed
9431 Carnegie Avenue	East	J's Enterprises, LLC / Upright Group	10,000	Undisclosed

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