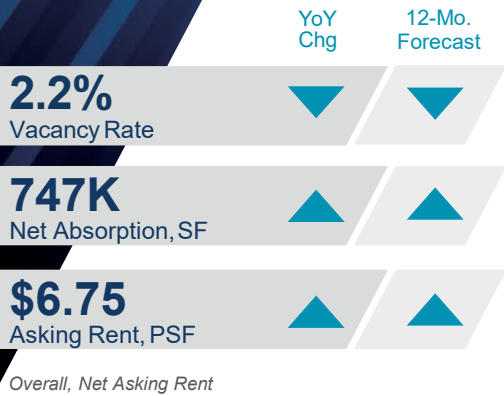
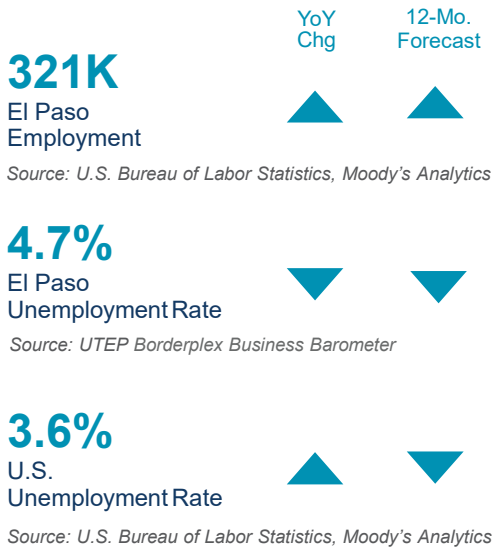


Industrial Q2 2022



ECONOMIC INDICATORS Q2 2022



ECONOMY OR SUPPLY

Q2 2022 has shown a dramatic inflection from the start of the year. Inflationary and Recessionary pressures continue unabated. It is highly likely that the Federal Reserve will increase interest rates by another 750 basis-points. This will chill the markets somewhat and the effects are already evident with capital markets in complete disarray. El Paso is seeing numerous reports where investment and speculative land projects are being renegotiated or curtailed until more market certainty surfaces. Retail and Office markets have remained largely unchanged presently and it's not likely to show up before the end of the year. El Paso unemployment rates have continued to improve and is now at 4.5% with is 65% better than this time last year.

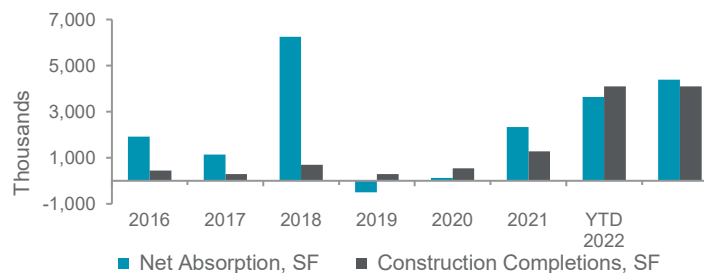
SUPPLY OR DEMAND

With 3.8 million square feet (msf) of speculative space under construction presently, El Paso is setting another record for this category. Over 700,000 square feet (sf) has been preleased and another 490,000 sf of Build-to-Suit space also under construction. An upward of fifteen new leases were signed comprising some 1,023,603 sf and an estimated four renewals reflecting approximately 235,793 sf. Present vacancy rate is 2.2% and reported leases nearing announcement will press that number down below 2% by the end of July. A major announcement for Schneider Electric in over 160,000 sf adds a significant amount to their manufacturing campus. Demand continues to be steady, but there have been delays for approvals in part because of uncertainties with the domestic and world economies.

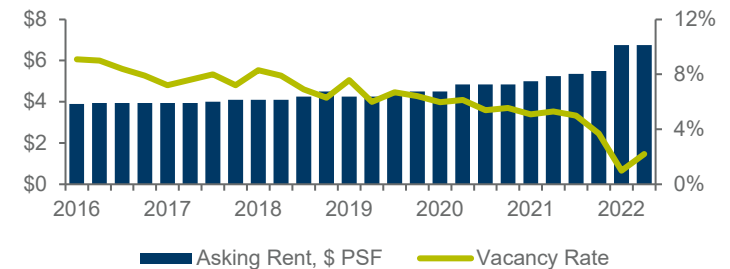
PRICING

Blended street-quotes remain at or near \$6.75 per square foot (psf), but new construction quotes are averaging above \$8.00 psf on building scheduled for delivery the middle of 2023. Buildings being delivered this year have rates which are averaging around \$7.75 psf. Industrial land sales set another record on a reported closing of 90 acres at \$7.00 psf and that is expected to hold for quite some time. Increasing prime interest rates will drive down future land prices and this is already happening in the larger markets such as Dallas, reportedly.

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)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	51,004,580	1,201,697	2.4%	743,718	4,385,739	4,349,968	4,100,000	\$6.75
Manufacturing	5,145,655	151,000	2.9%	0	0	161,335	0	\$7.50
Office Service / Flex	7,591,152	43,530	0.6%	3,800	3,800	16,100	0	\$8.00
EL PASO TOTALS	63,741,387	1,396,227	2.2%	747,518	4,389,539	4,527,403	4,100,000	\$6.75

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

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
550 Industrial Avenue, Westpark Building 2	Santa Teresa, NM	Not Disclosed	219,500	Direct
NWQ Nonap Rd & Gateway West	Far East	Not Disclosed	209,300	Direct
12291 Gateway West	Far East	Pegasus logistics	169,011	Direct
9600 Pan American	Southeast	Champlain Cable	124,699	Direct
VanTrust, Bldg 5, Phase II	Far East	Not Disclosed	120,825	Direct
9600 Pan American	Southeast	Champlain Cable	116,850	Renewal
25 Spur	Northeast/Butterfield Trail	Aries Freight Logistics	89,421	Renewal
7 Zane Grey	Northeast/Butterfield Trail	Not Disclosed	50,000	Direct
40 Butterfield Trail	Northeast/Butterfield Trail	Inclusive Logistics	33,991	Direct
11323 Rojas	East	Not Disclosed	25,000	Direct
1210 Barranca	East	Not Disclosed	19,756	Direct
31 Butterfield Trail	Northeast/Butterfield Trail	VENUSA	19,872	Renewal
1600 Delta	Southeast	Not Disclosed	15,000	Direct
1011 Hawkins	East	Not Disclosed	14,200	Direct
16 Concord	Northeast/Butterfield Trail	Franklin Foods	10,283	Direct

*Renewals not included in leasing statistics

BRETT C. PRESTON, SIOR, CCIM

Managing Partner

+1 915 843 8888 / bpreston@piresintl.com

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