

Industrial 2H 2022

	YoY Chg	12-Mo. Forecast
0.5% Vacancy Rate	▼	▲
3.3M Net Absorption, SF	▲	▲
\$7.10 Lease Rent, PSF	▲	▲

Overall, Net Lease Rent Class A buildings

ECONOMY: Juarez Recovers Despite the Global Outlook

2022 was a year of recovery for Ciudad Juarez. According to the National Occupation and Employment Survey (ENOA), in November, Ciudad Juarez closed with an unemployment rate of 2.2%, one of the lowest after the pandemic. According to the opinion of Alejandro Sandoval-Murrillo, president of the Mexican Institute of Finance Executives (IMEF), "Juárez's recovery is mainly due to the increase in manufacturing orders in the United States, which has impacted the local industry."

DEMAND: Unprecedented High Industrial Activity

This year closed with a final net absorption of 6.2 million square feet, a 13% increase over the previous year. Total industrial positive activity reached 8.5 million square feet. Both are unprecedented figures.

We saw low vacancy rates throughout the year, to close at 0.5%. Leasing activity was 6.9 million square feet, the highest since we began tracking the market. There were a total of 23 new leases during the second half of the year, to complete 47 during 2022.

At the end of 2022, there is a total of 9.6 million square feet under construction, of which 6.7 million is speculative space. Of that speculative space, at the close of this report, 48% was already rented or under a letter of intent. The remainder, approximately 3.5 million square feet, will be available and completed sometime in the first half of 2023.

ECONOMIC INDICATORS 2H 2022

	YoY Chg	12-Mo. Forecast
514k Ciudad Juarez Employment*	▲	▲
2.2% Ciudad Juarez Unemployment Rate*	▼	▼
3.0% Mexico Unemployment Rate**	▼	▼

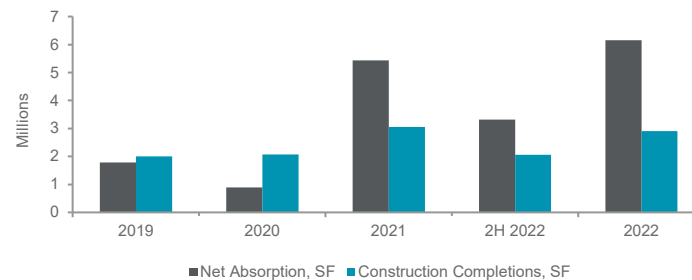
* SIDE Pronuario Estadístico Diciembre 2022
** INEGI data as of December 2022

PRICING: Industrial Prices on the Rise

Upward behavior in lease prices continued during the second half of the year. At the close of this report, the average lease rate was around \$7.40 USD/sqft/yr, an increase of 12% from the first half of the year.

There was considerable variation in the average rental prices for new construction of Class A buildings throughout the year, as developers/owners have been negotiating prices depending on each deal. During the year we saw rental prices closing in the low 6s to the mid-8s. The determining factor for determining rental prices was availability.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





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BUILDING TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	LEASING ACTIVITY	OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Class A	44,301,172	0	0.0%	3,565,006	3,565,006	3,565,006	9,565,802	2,057,487	\$7.10
Class B	23,421,320	192,173	0.8%	279,954	-206,412	-206,412	0	0	\$5.75
Class C	10,646,054	192,357	1.8%	25,975	-44,025	-44,025	0	0	\$6.13
CIUDAD JUAREZ TOTALS	78,368,546	384,530	0.5%	3,870,935	3,314,569	3,314,569	9,565,802	2,057,487	\$6.68

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Northeast	17,703,241	113,387	0.6%	175,030	80,030	80,030	219,325	0	\$4.75
Northwest	16,656,464	271,143	1.6%	250,279	-90,864	-90,864	0	224,302	\$6.17
Southeast	38,628,078	0	0.0%	3,445,626	3,325,403	3,325,403	8,974,119	1,833,185	\$7.01
Southwest	5,380,763	0	0.0%	0	0	0	372,358	0	N/A
CIUDAD JUAREZ TOTALS	78,368,546	384,530	0.5%	3,870,935	3,314,569	3,314,569	9,565,802	2,057,487	\$6.68

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

KEY LEASE TRANSACTIONS 2H 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
CJS IS 14 CJS IS 15	Southeast	WiWynn	958,000	New Lease
CIJ-4	Southeast	Impulso al Crecimiento	538,720	New Lease
CIJ-2	Southeast	EP Logistics	466,789	New Lease
Puente Alto V	Northwest	Jusda	224,304	New Lease
CJ04 Inventario	Southeast	REIS Logistics	210,678	New Lease
UP-CJS-05	Southeast	Pegatron	197,722	New Lease
BTS South	Southeast	Naps- SnugZ	121,735	New Lease
Inv 4 (Expansion)	Southeast	Toro	120,000	New Lease
UP-CJS-04	Southeast	Hubbell	117,722	New Lease
Vesta Torres 2	Southeast	AbInBev (Grupo Modelo)	106,337	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2H 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
Pecan 2	Northeast	Hector Nuñez / Centro Polanco	59,841	\$30.08
Pecan 1	Northeast	Hector Nuñez / Ares Recicladora	42,435	\$24.74

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KEY CONSTRUCTION COMPLETIONS 2H 2022

PROPERTY	SUBMARKET	DEVELOPER	SF	TYPE
Accel Logistics	SE	RSGM-Prudential	321,735	BTS
Tecma: Lippert	SE	RSMG	315,903	BTS
Puente Alto V	NW	Flexspace	224,302	Spec
Naps: Catchmaster	SE	Upsite Mexico	219,000	BTS
CDJ Southpark IV	SE	IGS	193,834	Spec

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