

Industrial 1H 2023

1.5%

Vacancy Rate

YoY Chg



12-Mo. Forecast



1.85M

Net Absorption, SF



\$7.99

Asking Rent, PSF



Overall, Net Asking Rent Class A buildings

ECONOMIC INDICATORS 1H 2023

514k

Ciudad Juarez Employment*

YoY Chg



12-Mo. Forecast



2.3%

Ciudad Juarez Unemployment Rate*



2.9%

Mexico Unemployment Rate**



* *Desarrollo Economico de Ciudad Juarez: Juarez Outlook Report – June 2023*

** *INEGI: Indicadores de Ocupación y Empleo - May 2023*

ECONOMY:

Inflationary pressures have continued since 2022. Juárez, however, has remained a stable and reliable economy. Investor confidence continues and more capital is expected (Foreign Direct Investment – “FDI”) to arrive at this border city during the second half of 2023.

DEMAND:

During the first half of 2023, total industrial activity (new leases, sales, and BTS-to-Own projects) was 38% higher than the same period in 2022, with just over 2.4 million square feet of gross absorption. Net absorption for the first quarter of the year was 155% higher than the same period last year, reaching 2.1 million square feet.

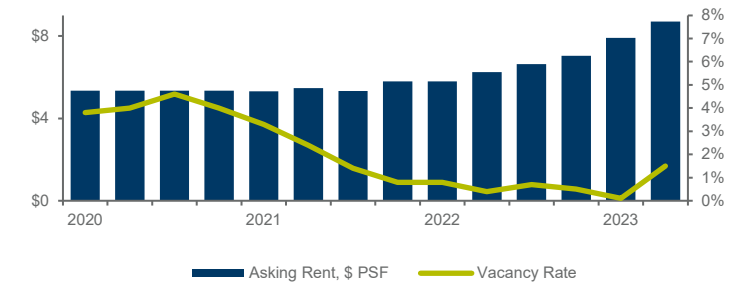
However, the picture was different in the second quarter of 2023. Total industrial activity was 81% lower than the same period last year, with only 369 thousand square feet of gross absorption. During the second quarter of the year, there were several Class B building vacancies, resulting in a negative occupancy of approximately 150,000 square feet. These vacancies were mostly attributed to tenants relocation to larger & newer buildings. New construction continues to thrive. At press time there were just over 3.6 million square feet under construction, due for delivery in the second half of 2023.

PRICING: Since mid-2021 we have seen rental prices increase quarter by quarter, and 2023 has not been an exception to this upward trend. Thus, in the last two years it has been difficult, and arguably even risky, to estimate the average rent for Class A-New Construction buildings since there is a lot of variation from deal to deal. During the first semester of 2023, the maximum rental rate was in the high eight’s (USD/sf/yr), while the minimum was in the middle seven’s (USD/sf/yr). Rental rates will continue to rise as long as supply and demand do not stabilize.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





Industrial 1H 2023

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	45,192,018	890,846	2.0%	2,519,735	1,983,015	1,983,015	3,670,936	890,846	\$7.99
Class B	23,421,320	164,451	0.7%	153,233	-366,226	-366,226	0	0	\$6.42
Class C	10,646,054	163,871	1.5%	208,795	208,795	208,795	0	0	\$5.50
CIUDAD JUAREZ TOTALS	79,259,392	1,219,168	1.5%	2,881,763	1,825,584	1,825,584	3,670,936	890,846	\$7.34

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Northeast	17,703,241	84,901	0.5%	131,669	-172,050	-172,050	0	0	\$6.42
Northwest	16,656,464	78,970	0.5%	200,657	208,795	208,795	0	0	\$5.50
Southeast	39,518,924	1,055,297	2.7%	2,735,228	1,788,839	1,788,839	3,670,936	890,846	\$7.99
Southwest	5,380,763	0	0.0%	0	0	0	0	0	N/A
CIUDAD JUAREZ TOTALS	79,259,392	1,219,168	1.5%	3,067,554	1,825,584	1,825,584	3,670,936	890,846	\$7.34

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

KEY LEASE TRANSACTIONS 1H 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
CIJ 2	Southeast	EP Logisitcs	466,879	New Lease
Spec Bldg A + Exp	Southeast	ZF Electronic	240,000	New Lease
VPJO 2C	Southeast	DB Schenker	238,117	New Lease
CIJ 1	Southeast	DSV Logistics	214,915	New Lease
CJS 06	Southeast	Technimark	208,299	New Lease
CJS AJ CL01	Southeast	Siemens	171,830	New Lease
Reforma Bldg.	Northwest	Corrubox	169,252	New Lease
Inventory IV	Southeast	Pegatron	120,427	New Lease
Inventory II	Southeast	Pegatron	119,570	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 1H 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
NCH	Northwest	Private Confidential	75,724	\$38.30
Corsar Fuentes	Northeast	Lear Private Investor	57,149	N/A

KEY CONSTRUCTION COMPLETIONS 1H 2023

PROPERTY	SUBMARKET	DEVELOPER	SF	TYPE
CDJ Spec 02-LB	Southeast	Prosperity	210,000	Speculative
Upsite CJS 06	Southeast	Upsite	160,526	Speculative
FN Spec Bldg C	Southeast	Fibra Nova	151,320	Speculative
FN Spec Bldg B	Southeast	Fibra Nova	150,000	Speculative
CB Spec Phase I	Southeast	Hubs Park	130,000	Speculative
FN Spec Bldg D	Southeast	Fibra Nova	89,000	Speculative

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