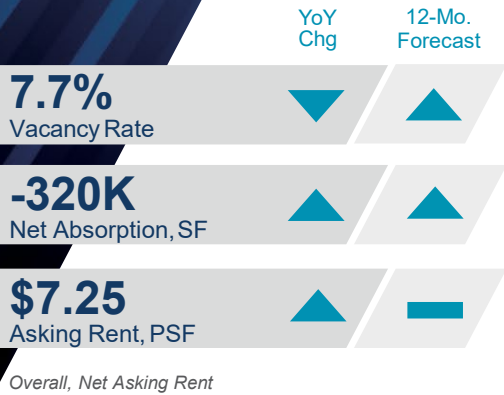


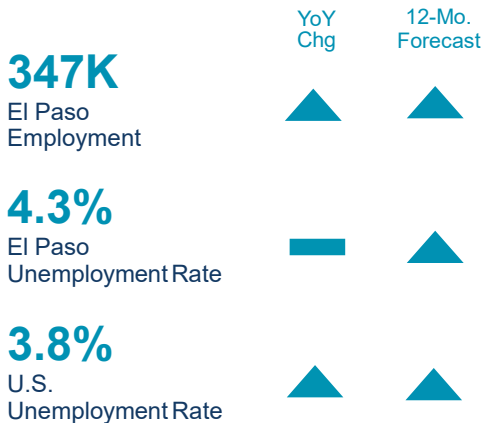
EL PASO, TEXAS



Industrial Q1 2024



ECONOMIC INDICATORS Q1 2024



Sources: U.S. Bureau of Labor Statistics, Moody's Analytics & Federal Reserve Bank of Dallas

ECONOMY

The El Paso economy was steady in the first quarter. The market experienced employment increases in the sectors of information, trade, transportation (294 jobs) and utilities as well as government (233 jobs). Construction and mining logged the most job losses (-247). According to the Federal Reserve Bank of Dallas, year-to-date total nonfarm employment increased by 0.2% (105 jobs). Locally, the unemployment rate remained steady during Q1 2024. It is above both the rate in Texas at 3.9% and the U.S., which is reported at 3.8%.

SUPPLY OR DEMAND: Strong Leasing Activity

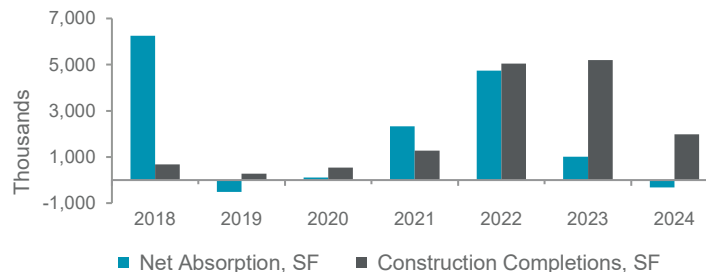
The year started on a robust tone with Q1 2024 reporting strong leasing activity; including nine warehouse/distribution renewals inked for a total of 440,527 square feet (sf). New lease transactions amounted to 762,996 sf. There were 16 new leases completed for warehouse/distribution spaces totaling 706,396 sf. A notable 413,055 sf warehouse/distribution was pre-leased by Bosch and construction broke ground this quarter. At the close of this quarter, 4.6 million square feet (msf) of speculative warehouse/distribution space is under construction. Warehouse/distribution space reported -401,665 sf of absorption and the overall market vacancy rate increased from 6.7% to 7.7% this quarter. Total industrial availability reached approximately 5.5 msf.

Industrial sales transactions totaled 174,896 sf, which included seven investor sales and three user-sales. Year-over-year, demand remains for high-quality industrial properties followed by second generation warehouses. Industrial inventory increased this quarter by approximately 1.9 msf as eight 100,000+ sf of speculative warehouse/distribution, one 50,000 sf build-to-suit warehouse/distribution and one 150,000 sf build-to-suit manufacturing buildings delivered. The present construction pipeline indicates that the market will see 5.8 msf delivered by the end of 2024. Future planned construction is anticipated to head out further east in the El Paso market past Interstate 10 and the Horizon Blvd. interchange.

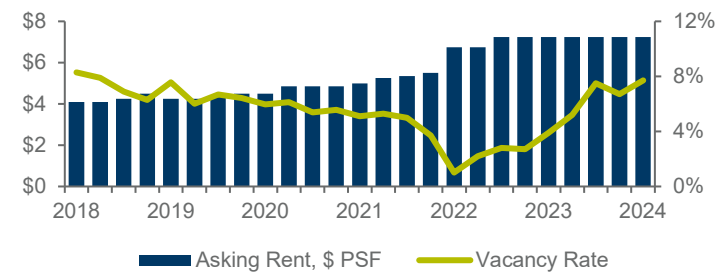
PRICING: Asking Rents Remain Strong

Lease rates remain constant this first quarter at \$8.00 per square foot (psf), triple net (NNN) for available second-generation space. First generation space lease rates remained strong reporting at a range of \$8.75 psf, NNN to \$9.75 psf, NNN.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	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	58,533,381	5,231,367	8.9%	-401,665	-401,665	5,253,695	1,830,129	\$7.50
Manufacturing	5,666,290	13,560	0.2%	150,000	150,000	40,000	150,000	\$8.50
Office Service / Flex	7,656,652	308,423	4%	-68,356	-68,356	24,500	0	\$8.50
EL PASO TOTALS	71,856,323	5,553,350	7.7%	-320,021	-320,021	5,318,195	1,980,129	\$7.25

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

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Rancho Del Rey Logistics Park	Southeast	Bosch	413,055	New Lease
12124 Rojas	East	Marelli	222,031	Renewal*
1740 Joe Battle	East	TE Connectivity	200,100	18New Lease
12135 Esther Lama	East	ZF	50,350	Renewal*
11801 Miriam	East	IEWC	44,800	Renewal*
16 Zane Grey	Northeast/Butterfield Trail	Vincorion	34,712	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1330 Henry Brennan	East	Yellow Roadway Corp / Costar Real Estate Holdings Inc	32,650	Not disclosed
1041 Eastside	East	BAM Doniphan Investments LLC / EPX 007 LLC	18,854	Not disclosed
12460 Weaver	Horizon City	Munoz J P Trucking Inc / MTL Financial Services LLC	17,375	Not disclosed

KEY CONSTRUCTION COMPLETIONS YTD Q1 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
NEQ Bill Burnett / Paseo Del Este	East	SPEC	363,024	Constellation Real Estate Partners & Crow Holding Capital
12221 Ashtabula	East	SPEC	308,270	Provident Realty Advisors
NEQ Bill Burnett/Paseo Del Este	East	SPEC	218,134	Constellation Real Estate Partners & Crow Holding Capital
NEQ Bill Burnett/Paseo Del Este	East	SPEC	218,134	Constellation Real Estate Partners & Crow Holding Capital
NEQ 1-10 / Emerald Pass	Far East	SPEC	209,153	Stonelake Capital Partners
NEQ 1-10 / Emerald Pass	Far East	SPEC	209,153	Stonelake Capital Partners
NEQ 1-10 / Emerald Pass	Far East	SPEC	154,613	Stonelake Capital Partners

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