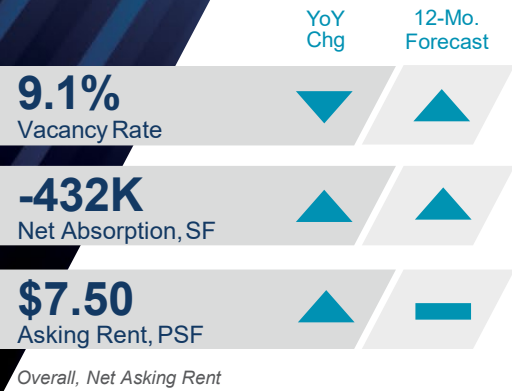
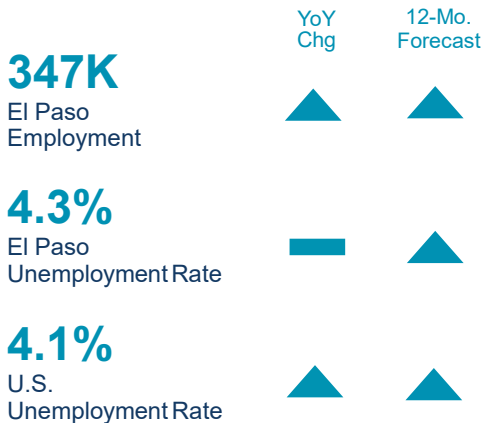


## Industrial Q2 2024



### ECONOMIC INDICATORS Q2 2024



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

### ECONOMY

The El Paso economy remained relatively steady throughout the second quarter. Reports indicated slower job growth (1.3%) despite employment increases in the sectors of financial (209 jobs), government (150 jobs), and construction and mining (116 jobs). Professional and business services logged the strongest losses (-155 jobs). According to the Federal Reserve Bank of Dallas, year-to-date total non-farm employment increased by 0.8% (1,108 jobs). Unemployment remained steady for Q2 2024, but above what is reported for the State of Texas (3.9%) and the U.S. (4.1%).

### SUPPLY OR DEMAND: Strong Leasing Activity

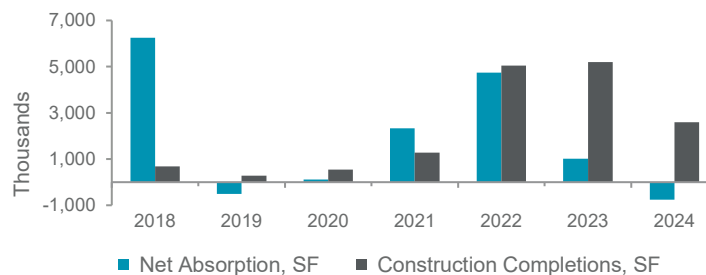
With a subdued beginning in Q2 2024, the market reported reduced leasing activity and new lease transactions accounted for only 294,703 square feet (sf). There were 12 new leases completed for warehouse/distribution spaces which amounted to 150,321 sf. A notable 128,915 sf warehouse facility was pre-leased by ILF Transportation and construction broke ground this quarter. Del Norte also pre-leased a 123,737-sf manufacturing facility. At the close of this quarter, 5.1 million square feet (msf) of speculative warehouse/distribution space was under construction. Warehouse/distribution space contracted by -82,323 sf and the overall market vacancy rate increased by 140 basis points (bps) from 7.7% to 9.1% this quarter. Meanwhile, total industrial availability reached approximately 6.6 msf.

Industrial sales transactions totaled an impressive 1.6 msf. This included 11 investor sales and 12 user sales. Year-over-year, demand remains strong for high-quality industrial properties. Robust demand for lower priced second-generation warehouses follows up on the first-generation construction. The market saw industrial inventory increase by approximately 613,489 sf, in part because two 250,000+ sf speculative warehouse/distribution buildings delivered. The construction pipeline points toward 4.9 msf delivering by the end of 2024. Future planned construction is anticipated to progress beyond the city limits toward the east to include Horizon, Socorro and Clint, Texas, all submarkets to the El Paso industrial market.

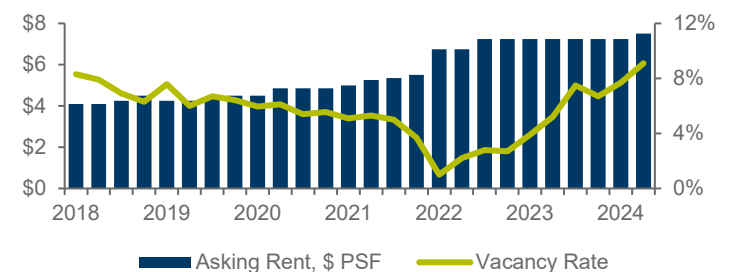
### PRICING: Asking Rents Remain Strong

Lease rates averages have remained stable at \$7.50 per square foot (psf), triple net (NNN) on second-generation space. Rates for first-generation space are in a wide range from \$8.75 to \$9.75 psf, NNN. Office service center/flex lease rates increased slightly to \$10.00 psf, due in part from minimal development of this product type and increased demand.

### 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	59,146,870	6,371,414	10.8%	-526,558	-928,223	5,547,401	613,489	\$7.50
Manufacturing	5,666,290	13,560	0.2%	0	150,000	163,737	0	\$8.50
Office Service / Flex	7,656,652	213,789	2.8%	94,634	26,278	58,100	0	\$10.00
<b>EL PASO TOTALS</b>	<b>72,469,8123</b>	<b>6,598,763</b>	<b>9.1%</b>	<b>-431,924</b>	<b>-751,945</b>	<b>5,769,238</b>	<b>613,489</b>	<b>\$7.50</b>

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

**KEY LEASE TRANSACTIONS Q2 2024**

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
12120 Rojas Dr.	East	Tradelink	43,200	New Lease
29 Butterfield Trail Blvd.	Northeast/Butterfield Trail	Not Disclosed	33,971	New Lease
1570 Lionel Dr.	East	Not Disclosed	30,245	New Lease
5559 El Paso Dr.	Centraplex	Not Disclosed	14,000	New Lease

\*Renewals not included in leasing statistics

**KEY SALES TRANSACTIONS Q2 2024**

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1740 Joe Battle Blvd., Bldg 1	East	NIT / MDH Partners	107,943	Not Disclosed
1740 Joe Battle Blvd., Bldg 2	East	NIT / MDH Partners	107,943	Not Disclosed
1740 Joe Battle Blvd., Bldg 3	East	NIT / MDH Partners	339,074	Not Disclosed
11320 Gateway East Blvd.	East	BSG / Link Logistics	253,144	Not Disclosed

**KEY CONSTRUCTION COMPLETIONS YTD Q2 2024**

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
12221 Ashtabula Ave., Bldg 200	East	SPEC	268,095	Provident Realty Advisors
12221 Ashtabula Ave., Bldg 300	East	SPEC	345,394	Provident Realty Advisors

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