

Industrial Q4 2020

YoY Chg 12-Mo. Forecast

5.6%

Vacancy Rate



126K

Net Absorption, SF



\$4.85

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2020

YoY Chg 12-Mo. Forecast

312.1K

El Paso Employment



8.3%

El Paso Unemployment Rate



6.7%

U.S. Unemployment Rate



Source: US Bureau of Labor Statistics

ECONOMIC OVERVIEW

According to information from the Economic Indicators for El Paso, published by the Federal Reserve Bank of Dallas, the El Paso economy recovered during the month of October.

The unemployment rate during the fourth quarter was 8.3%, slightly more than double that of last year. However, there was a recovery of some 2,000 jobs during the quarter, mainly in the professional and business services and government sectors.

SUPPLY OR DEMAND

The fourth quarter of the year closed with an overall net absorption in positive figures, with a total of 125,107 square feet (sf).

New leasing activity involved 364,000 sf in 24 transactions. Also, throughout the year, over 2 million square feet (msf) was leased which is a 10% increase over 2019. The first half of the year started slow but increased rapidly as the months progressed.

The vacancy rate remained relatively unchanged from the previous quarter at 5.6%. However, the year-on-year comparison reflects an improvement of one percentage point.

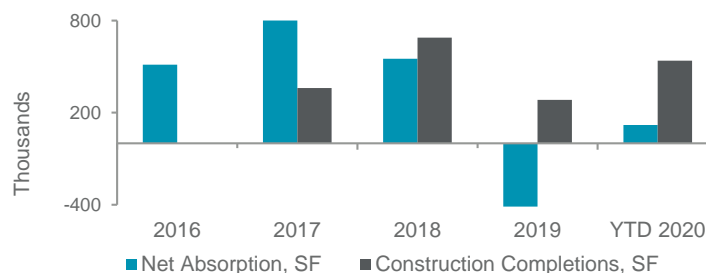
With respect to new space deliveries, there were a total of eight speculative buildings delivered during the quarter for a total of approximately 258,000 sf of new space added to inventory.

At the time of this report there is 1.3 msf of speculative construction scheduled to come online early in 2021.

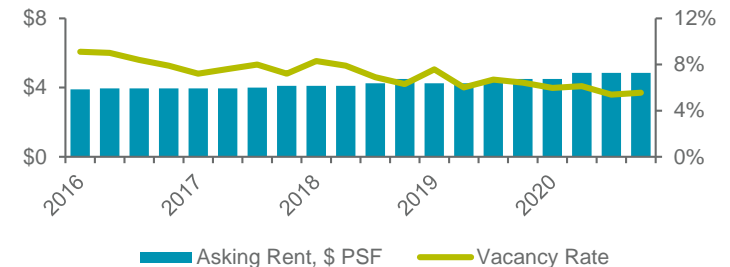
PRICING

Industrial lease rates closed strong during the last quarter of the year and the slight increases continue due to the shortage of Class A space.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q4 2020

CLASSES	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	45,042,076	2,749,271	6.10%	199,301	144,852	1,959,411	467,642	\$4.85
Manufacturing	5,060,400	100,660	1.99%	-25,735	-38,880	103,000	0	\$5.00
Office Service / Flex	7,531,409	354,165	4.70%	-48,459	14,097	44,450	70,700	\$6.00
EI PASO TOTALS	57,633,885	3,204,096	5.56%	125,107	120,069	2,106,861	538,342	\$4.85

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

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6750 N Desert Blvd	West	MBS Medical Technologies	140,225	Lease
1430 Vanderbilt Dr.	East	Annunciation House	125,000	Renewal
15 Zane Grey St.	Northeast Butterfield Trail	Not Disclosed	44,440	Sublease

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
7167 Chino Dr	East	Pacific Acquisitions LLC/Mesilla Valley Transportation	100,100	Not Disclosed
8201 Lockheed Dr	East	Not Disclosed	96,800	Not Disclosed
11201 Armour	East	BH Properties/The Rock Faith Center	51,000	Not Disclosed
6906 Commerce Ave	East	LC Real Estate LLC/Unifirst	50,458	Not Disclosed

Brett C. Preston, SIOR, CCIM

Managing Partner

+1 915 843 8888 / bpreston@piresintl.com

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