

Industrial 2021

YoY Chg 12-Mo. Forecast

0.8%

Vacancy Rate



5.4M

Net Absorption, SF



\$5.80

Asking Rent, PSF



Overall, End of Yr, Net Asking Rent Class A buildings

ECONOMIC INDICATORS 2021

YoY Chg 12-Mo. Forecast

482k

Ciudad Juarez Employment**



2.4%

Ciudad Juarez Unemployment Rate*



3.5%

Mexico Unemployment Rate*



* INEGI data as of 4Q 2021

** IMSS data as of December 2021

ECONOMY:

As a result of the strong industrial activity that occurred during 2021, Juárez positioned itself within the three leading cities in industrial absorption. This situation was positive for the city since, according to data from the State Government (Statistical Records 2021), there were approximately 500,000 formal jobs at the end 2021.

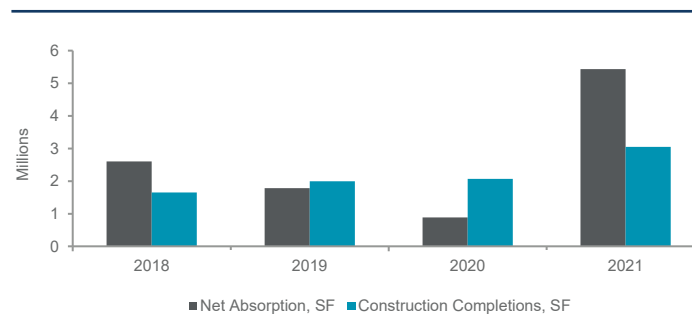
DEMAND: Historical low vacancy rate

2021 was a historic year in the industrial sector of Juarez. As a direct result of the global logistics situation derived from a strong demand caused by the increase in consumer spending on goods, the growth of e-commerce sales. Supply chains are handling higher and higher inventories. As a domino effect, we are seeing in the border cities of Mexico an exacerbated demand for industrial space. The year closed with a historically low vacancy rate, 0.8%. A rate never seen before. Gross industrial activity of new rentals, buy-sales and custom projects (BTS) of just over 8.2 million square feet, with a total of 66 positive transactions throughout the year. Completed new construction buildings did not exceed demand. With a net absorption of 5.4 million square feet, it far exceeded the 3 million square feet of new construction delivered during the year. Most newly built Class A buildings were leased before they were even completed. We expect that during 2022, the same trend of strong demand will continue, consequently the low unemployment rates will continue.

PRICING: Upward trend on rental prices continues

The offer was exceeded by the demand for industrial space, this was one of the key factors that caused the increase in prices, especially during the second half of the year. Other factors that contributed to the increase in lease prices were the increase in construction costs, in turn derived from the increase in the cost of raw materials, as well as the increase in the cost of land acquisition. We estimate that these factors will continue to affect rental prices upwards during 2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





Industrial 2021

BUILDING TYPE	INVENTORY (SF)	END OF YR OVERALL VACANT (SF)	END OF YR OVERALL VACANCY RATE	LEASING ACTIVITY	4TH QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	2021 CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Class A	41,399,453	106,337	0.3%	4,360,369	1,021,480	4,089,203	3,911,000	3,052,500	\$5.80
Class B	23,421,320	35,922	0.2%	2,029,196	480,199	1,547,982	0	0	\$4.92
Class C	10,646,054	433,088	4.1%	160,660	-152,630	-204,907	0	0	N/A
CIUDAD JUAREZ TOTALS	75,466,827	575,347	0.8%	6,550,225	1,349,050	5,432,278	3,911,000	3,052,500	\$5.47

BUILDING TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	LEASING ACTIVITY	4TH QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	2021 CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Northeast	17,703,241	240,323	1.4%	826,443	0	646,006	0	860,000	\$5.23
Northwest	16,432,162	192,765	1.2%	1,050,236	277,841	612,361	0	0	\$5.18
Southeast	35,950,661	142,259	0.4%	4,519,887	917,549	4,020,252	3,911,000	2,192,500	\$5.64
Southwest	5,380,763	0	0.0%	153,659	153,659	153,659	0	0	\$5.13
CIUDAD JUAREZ TOTALS	75,466,827	575,347	0.8%	6,550,225	1,349,050	5,432,278	3,911,000	3,052,500	\$5.47

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

KEY LEASE TRANSACTIONS 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Axial BTS	Southeast	Werner	430,528	New Lease
RMSG BTS South	Southeast	Accel Logistics	321,735	New Lease
Intermex CJS IS 11	Southeast	BTS Ambu	257,000	New Lease
Vesta BTS	Southeast	Eaton	256,062	New Lease
IGS CDJ Lazaro Cárdenas	Southeast	Break Parts Inc	211,763	New Lease
Axial IX	Southeast	EP Logistics	211,726	New Lease
Macquarie JUA 024	Northwest	BRK Fisrt Alert	207,194	New Lease
Bravos IX	Southeast	Grupo Collado	179,385	New Lease
Fuetes - New BTS	Northeast	Mack Technologies	170,000	New Lease
Fibra Nova Bldg D	Southeast	Lear	169,514	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
Tatung	Northwest	Tatung/Tatung	253,500	Not Disclosed
Molex	Southeast	Molex/Align Tech	120,373	Not Disclosed
CDJ Panamericano I	Southwest	IGS/Lava USA, Inc.	105,208	Not Disclosed

KEY CONSTRUCTION COMPLETIONS 2021

PROPERTY	SUBMARKET	DEVELOPER	SF	TYPE
CDJ Aeropuerto IIA (Exp)	Southeast	IGS	262,000	Speculative
CJS IS 11 (Ambu)	Southeast	Intermex	253,043	BTS
CDJ Southpark I	Southeast	IGS	194,014	Speculative
CJS-BI-01 (Expansion)	Southeast	Intermex	150,000	Speculative
CJS WF 05	Southeast	Intermex Walton	125,731	Speculative

ERICK SIMONS

Juarez Director, Ciudad Juárez

+(656) 625 1000 / esimons@piresintl.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.