



MARKET FUNDAMENTALS

	YOY Chg	Outlook
12.2% Vacancy Rate	▲	▬
-507K YTD Net Absorption, SF	▼	▲
\$7.50 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
351K El Paso Employment	▲	▼
4.5% El Paso Unemployment Rate	▬	▲
4.2% United States Unemployment Rate	▲	▲

Source: BLS

ECONOMY OR SUPPLY:

El Paso's Business Cycle Index, based on the Federal Reserve Bank in Dallas, indicated a continued improvement throughout the year that surpassed 2,500 basis points from 2021. El Paso's unemployment rate rose by 1,000 basis points this quarter to 4.5% but remains in a steady band which has gone unchanged since 2021's high of almost 14%. Housing prices are steady since midyear at \$265,000 or about \$10,000 higher than the beginning of 2024, while the inventory has provided between three and four months of supply.

SUPPLY OR DEMAND:

Year to date absorption was modest when compared to 2023 with just under 900,000 square feet (sf) registered. Industrial construction is scheduled to deliver another 5,000,000 million square feet (msf) (7% increase) of additional Class-A new product to the market by mid-year 2025.

Supply pressures are logically tied to decreased consumer demand for finished products and automobiles. It is expected that corporations will be hesitant to increase their warehouse and manufacturing space until the new administration takes office and provides clarity on tariffs and trade agreement objectives. In fact, total employment in Juarez, Mexico has continued to drop and is now below 295,000 workers, a low not seen since the end of the pandemic. The Northern Manufacturing Orders index has tracked in line with the previous two years and is just above 55 on the index.

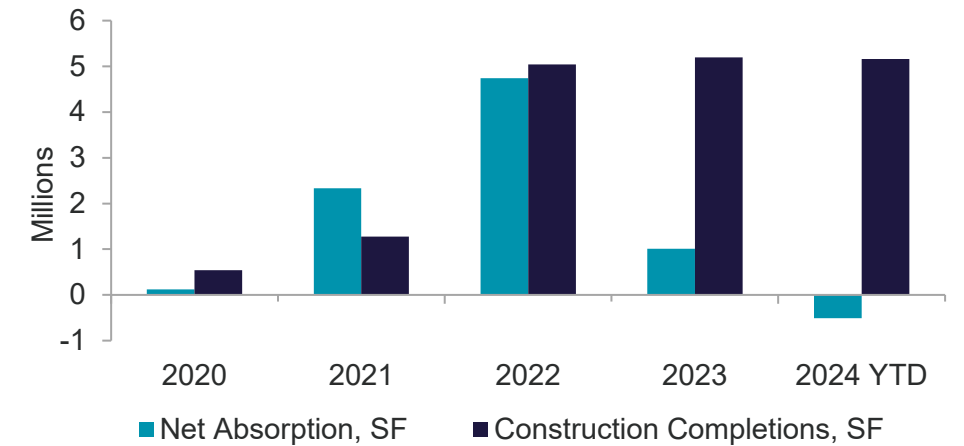
Consulting and Advisory-Activity to provide inventory reports for manufacturing-capable spaces (high power, large parking lots, dense population concentrations) has surged throughout the fourth quarter. The requests are from companies who stand to be the most negatively impacted by rising tariffs. No leases have been signed however, and this indicates that business leaders intend to wait until they have something to react upon.

El Paso / Juarez is a unique international market which requires clear policy and trade agreements to function efficiently and effectively. Uncertainties around tariffs, trade agreements, electrical power availability and logistical bottlenecks create headwinds that require careful navigation. C&W PIRES works closely with business and political leaders on both sides of the border to be able to help provide customers and clients with the information that companies need to make informed decisions.

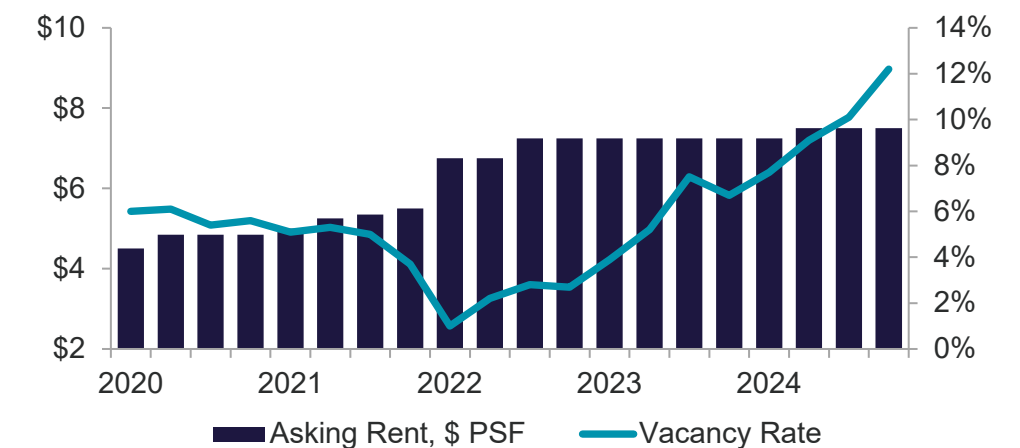
PRICING:

Unsurprisingly, lease rates have flattened due to increased competition and muted demand for more space in both El Paso and Juarez. In addition, stubbornly high construction costs will keep new-building lease rates high. This is in spite of the 10-year treasury rates declining from 2023 levels. Second generation industrial lease rates will benefit the most from the spread between first-generation and second-generation rates.

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)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	61,650,950	8,757,346	14.2%	-731,542	-563,010	4,835,962	725,580	\$7.50
Manufacturing	5,706,290	8,480	0.1%	-8,480	195,080	123,737	0	\$8.50
Office Service / Flex	7,681,152	392,516	5.1%	-141,944	-139,324	33,600	24,500	\$10.00
EL PASO TOTALS	75,038,392	9,158,342	12.2%	-881,966	-507,254	4,993,299	750,080	\$7.50

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

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
48 Walter Jones Blvd.	Northeast/Butterfield Trail	Penske	353,611	Renewal*
1701 Northwestern Dr.	Northwest	Schneider Electric	239,584	Renewal*
1601 Northwestern Dr.	Northwest	Schneider Electric	211,091	Renewal*
6500 N. Desert Blvd.	Northwest	Schneider Electric	187,528	Renewal*
7801 Northern Pass Dr.	Northwest	Schneider Electric	126,456	Direct-New Lease
12112 Emerald Pass Ave.	Far East	REIS Logistics	154,613	Direct-New Lease
12 Founders Blvd.	Northeast/Butterfield Trail	Maximus	100,240	Renewal*
12153 Rojas Dr.	East	I-CAT	49,500	Direct-New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
909 Hawkins Blvd.	East	Hueco Mountain Estates Inc./Trim Team Properties LLC	31,830	Not Disclosed
11459 Pellicano Dr.	East	Barklee Bldg LLC/Navar Culture LLC	12,500	Not Disclosed
7001 Commerce Ave.	East	Commerce EP Properties LLC/JJJ Palma Properties Inc	9,060	Not Disclosed

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Pellicano Industrial Park, Bldg. 4	Far East	Sumitomo	686,362	Panattoni
Rancho Del Rey Del Rey, Bldg. 1	Southeast	Bosch	652,080	Sansone Group
Westpark Logistics Center, Bldg. 3	Santa Teresa, NM	Expeditors	425,368	Blue Road Investments
Constellation Trade Center, Bldg 1	Far East	Kuene + Nagel	363,024	Constellation Real Estate Partners & Crow Holding Capital
Gateway Logistics Park, Bldg. 300/	Far East	N/A	345,394	Provident Realty Advisors

BRETT C. PRESTON, SIOR, CCIM

Managing Partner

Tel: +1 915 843 8888

bpreston@piresintl.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.