

2000 COMPARATIVE STATISTICS OF INDUSTRIAL & OFFICE REAL ESTATE MARKETS

EL PASO, TEXAS: INDUSTRIAL

THE SOCIETY OF INDUSTRIAL & OFFICE REALTORS - SIOR



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INVENTORY DATA

Inventory sf	Central City	Suburban
Total 1998	46,374,204	n/a
Vacant 1998	3,833,786	n/a
Occupied 1997	42,540,418	n/a
Total 1999	48,568,185	n/a
Vacant 1999	3,524,729	n/a
Occupied 1999	45,043,456	n/a
Net Absorption 1999	2,503,038	n/a
Under Construction	2,193,981	n/a

Site Prices \$/sf

Improved Sites	Central City	Suburban
Less than 2 acres	\$ 3.00	n/a
2 to 5 acres	\$ 2.75	n/a
5 to 10 acres	\$ 1.75	n/a
More than 10 acres	\$ 1.50	n/a

Unimproved Sites	Central City	Suburban
Less than 10 acres	\$.75	n/a
10 to 100 acres	\$.50	n/a
More than 100 acres	\$.20	n/a

Sales Prices \$/sf

Lease Prices \$/sf

Construction \$/sf

Vacancy Indicators

	Central City	Suburban	Central City	Suburban	Construction \$/sf	Vacancy Indicators
Less than 5,000 sf	\$ 30.00	n/a	\$ 5.00	n/a	\$ 35.00	Substantial Shortage
5,000 to 19,999 sf	\$ 28.00	n/a	\$ 3.90	n/a	\$ 28.00	Substantial Shortage
20,000 to 39,999 sf	\$ 27.50	n/a	\$ 3.50	n/a	\$ 23.00	Moderate Shortage
40,000 to 59,999 sf	\$ 25.50	n/a	\$ 3.40	n/a	\$ 21.00	Moderate Shortage
60,000 to 99,999 sf	\$ 23.50	n/a	\$ 3.30	n/a	\$ 18.50	Balanced Market
100,000 to 250,000 sf	\$ 23.00	n/a	\$ 3.25	n/a	\$ 17.50	Balanced Market
250,000 sf or more	\$ 22.00	n/a	\$ 3.15	n/a	\$ 15.50	Balanced Market
High Tech/R&D	n/a	n/a	\$ 4.50	n/a	\$ 35.00	Balanced Market

Warehouse & Factories

Research & Development

	Central City	Suburban	Central City	Suburban
Real Estate Taxes	\$.45 - .60	n/a	\$.45 - .60	n/a
Insurance (Fire & Liability)	\$.05 - .10	n/a	\$.05 - .10	n/a
Structural & Roof Maintenance	\$.05	n/a	\$.05	n/a
Common Area Maintenance	\$.10 - .25	n/a	\$.10 - .25	n/a

COMMENT ON DEMAND FOR INDUSTRIAL SPACE:

Demand for industrial space in 1999 continues very strong with net absorption of 2,503,038 square feet. El Paso / Juarez is a distribution / manufacturing power house for consumer electronics, automotive components, and medical products. El Paso is attracting more manufactures without Mexican operations. El Paso is continuing to see a demand for large manufactures / warehouses requiring over 100,000 square feet. Demand for space continues to be very strong with suppliers who are being urged by the Fortune 500 already in place in El Paso and in Juarez, Mexico to set up just in time supply operations. American Home Products, Lear, Customs Brokers and Metals Working Companies all did large expansions in El Paso.

COMMENT ON NEW SPECULATIVE DEVELOPMENT IN 1999:

Construction in 1999 continued very strong with 2,193,981 square feet of new construction. New developers and investors are entering the market and sharing in the boom. Developers are continuing to build mostly the "big box" space and are "cherry picking" leases with the top international tenants. There is tremendous shortage of smaller space which developers are largely ignoring.

Prime Source Financing:

Insurance Companies, Commercial Banks & Pension Funds

Mortgage Money Supply:

Ample

COMMENT ON LOCAL AND REGIONAL ECONOMY:

El Paso has over 700,000 people putting it in the top 25 in population in the nation. Juarez, Mexico is over 2 million people creating a large metroplex between the two cities. The recent peso devaluation ignited a surge in maquiladora growth.

COMMENT ON TRENDS:

El Paso had a strong year with over 2 million square feet added to the market and with vacancy falling from 8.3% to 7.3%.