

# 2001 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	
Total 1999	48,568,185
Vacant 1999	3,524,729
Occupied 1999	45,043,456
Total 2000	51,110,287
Vacant 2000	4,162,254
Occupied 2000	46,948,033
Net Absorption 2000	1,904,577
Construction 2000	2,542,102

**Site Prices \$/sf**

**Improved Sites**

Less than 2 acres	\$ 3.00
2 to 5 acres	\$ 2.75
5 to 10 acres	\$ 1.75
More than 10 acres	\$ 1.50

**Unimproved Sites**

Less than 10 acres	\$ .75
10 to 100 acres	\$ .50
More than 100 acres	\$ .20

	Sales Prices \$/sf	Lease Prices \$/sf	Construction \$/sf	Vacancy Indicators
Less than 5,000 sf	\$ 30.00-32.00	\$ 5.00	\$ 35.00-40.00	Substantial Shortage
5,000 to 19,999 sf	\$ 28.00-29.00	\$ 3.90	\$ 31.00-35.00	Substantial Shortage
20,000 to 39,999 sf	\$ 27.50-28.50	\$ 3.60	\$ 28.00-31.00	Moderate Shortage
40,000 to 59,999 sf	\$ 25.50-26.50	\$ 3.50	\$ 25.00-28.00	Moderate Shortage
60,000 to 99,999 sf	\$ 23.50-24.50	\$ 3.40	\$ 22.00-25.00	Balanced Market
100,000 to 250,000 sf	\$ 23.00-24.00	\$ 3.30	\$ 20.00-21.00	Balanced Market
250,000 sf or more	\$ 22.00-23.00	\$ 3.20	\$ 19.00-20.00	Balanced Market

**Warehouse & Factories    Research & Development**

Real Estate Taxes	\$ .45 - .60	\$ .45 - .60
Insurance (Fire & Liability)	\$ .05 - .10	\$ .05 - .10
Structural & Roof Maintenance	\$ .05	\$ .05
Common Area Maintenance	\$ .15 - .45	\$ .15 - .45

**Mortgage Money Supply:**

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**COMMENT ON DEMAND FOR INDUSTRIAL SPACE:**

Demand for industrial space in 2000 continued very strong with net absorption of 1,904,577 square feet. El Paso / Juarez is a distribution / manufacturing power house for consumer electronics, automotive components, and medical products. El Paso is attracting more manufacturers without Mexican operations. El Paso is continuing to see a demand for Prime Source Financing, uses requiring over 100,000 square feet. Demand for Commercial Banks strong with suppliers who are being targeted by Fortune 500 already in place in El Paso and in Juarez, Mexico to set up just in time supply operations. ADC Telecom, Franklin Confections, Jones of New York, Federal Mogul, and Greenbay Packaging all did large expansions/relocations in El Paso.

**COMMENT ON NEW SPECULATIVE DEVELOPMENT IN 2000.**

Construction in 2000 continued very strong with 2,542,102 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.

**COMMENT ON LOCAL AND REGIONAL ECONOMY:**

El Paso has over 700,000 people making it in 17th in population in the nation. Juarez, Mexico has over 2 million people creating a large metroplex between the two cities.

**COMMENTS ON TRENDS:**

El Paso had a strong year with over 2.5 million square feet added to the market and with vacancy remaining steady at 8.1%.

Juarez, Mexico has 327 Maquiladora factories. This is 9% of Mexico's total 3,628 Maquiladora factories. Juarez employs 261,892 workers in the Maquiladora industry. This is 20% of Mexico's total 1,316,244 total Maquiladora employment. Mexico's top foreign-exchange generators in 2000 were as follows: Maquiladoras, \$10.8 billion; oil, \$9.3 billion; remittances, \$3.9 billion; and tourism \$2.3 billion. The impact of this is huge on the El Paso/Juarez area. Raw materials imported through El Paso into Juarez for 2000 were \$12.9 billion. Value added in Juarez for 2000 was \$3.2 billion for a total gross production of \$16.1 billion.