

# 2002 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 2000	51,110,287
Vacant 2000	4,162,254
Occupied 2000	46,948,033
Total 2001	52,307,449
Vacant 2001	5,459,390
Occupied 2001	46,848,059
Net Absorption 2001	-99,974
Construction 2001	1,197,162

**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	\$ 5.00-6.00	\$ 35.00-40.00	Substantial Shortage
5,000 to 19,999 sf	\$ 28.00-29.00	\$ 3.90-5.00	\$ 31.00-35.00	Substantial Shortage
20,000 to 39,999 sf	\$ 27.50-28.50	\$ 3.60-3.90	\$ 28.00-31.00	Balanced Market
40,000 to 59,999 sf	\$ 25.50-26.50	\$ 3.50-3.85	\$ 25.00-28.00	Balanced Market
60,000 to 99,999 sf	\$ 23.50-24.50	\$ 3.40-3.85	\$ 22.00-25.00	Balanced Market
100,000 to 250,000 sf	\$ 23.00-24.00	\$ 3.40-3.85	\$ 20.00-21.00	Balanced Market
250,000 sf or more	\$ 22.00-23.00	\$ 3.30-3.85	\$ 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:**  
 Ample

**Prime Source Financing:**  
 Insurance Companies, Commercial Banks  
 & Pension Funds

**COMMENT ON DEMAND FOR INDUSTRIAL SPACE:**

Demand for industrial space in 2001 continued very strong in the first half of the year with a slow down in the second half. Net absorption was balanced for the year, and vacancy moved up to 10.4% from 8.1% offering users more choices. 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 large manufactures / warehouses requiring over 100,000 square feet. Demand for space continued 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. Epson, Federal Mogul, Scientific Atlanta, Holmes, and Regency Plastics all did large expansions/relocations in El Paso.

**COMMENT ON NEW SPECULATIVE DEVELOPMENT IN 2001.**

Construction in 2001 continued strong with 1,197,162 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 completing 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 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 1.2 million square feet added to the market. With the huge slow down of the world economy El Paso's vacancy edged up slightly from 8.1% to 10.4%.

Juarez, Mexico has 318 Maquiladora factories, down from 327 last year. This is 8.4% of Mexico's total 3,763 Maquiladora factories. Juarez employs 227,371 workers in the Maquiladora industry, down from 261,892 last year. This is 18.6% of Mexico's total 1,219,379 total Maquiladora employment, down from 1,316,244 last year. 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.