

# 2003 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 2001	52,307,449
Vacant 2001	5,459,390
Occupied 2001	46,848,059
Total 2002	53,377,449
Vacant 2002	7,706,837
Occupied 2002	45,670,612
Net Absorption 2002	-1,177,447
Vacancy Rate 2002	14.4%
Construction 2002	1,070,000

### 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	\$ 3.25-4.50	\$ 31.00-35.00	Moderate Shortage
20,000 to 39,999 sf	\$ 27.50-28.50	\$ 3.25-3.75	\$ 28.00-31.00	Balanced Market
40,000 to 59,999 sf	\$ 25.50-26.50	\$ 3.25-3.75	\$ 25.00-28.00	Balanced Market
60,000 to 99,999 sf	\$ 23.50-24.50	\$ 2.95-3.50	\$ 22.00-25.00	Moderate Over Supply
100,000 to 250,000 sf	\$ 23.00-24.00	\$ 2.75-3.50	\$ 20.00-21.00	Moderate Over Supply
250,000 sf or more	\$ 22.00-23.00	\$ 2.75-3.50	\$ 19.00-20.00	Balanced

### Warehouse & Factories

Real Estate Taxes	\$ .45 - .75
Insurance (Fire & Liability)	\$ .15
Structural & Roof Maintenance	\$ .05
Common Area Maintenance	\$ .15 - .45

#### Prime Source Financing:

Insurance Companies, Commercial Banks  
& Pension Funds

#### Mortgage Money Supply:

Ample

### 2002 Review:

2002 was a slow year in El Paso, Texas. Vacancy historically is in the low single digits; in 2002 it was at 14.4 percent. However, expansion and build-to-suit construction finished up at 1,070,000 square foot. Toro, Jones of New York, Vistion, Echostar, Telrex all did large build-to-suits. As the world economy has slowed, so did manufacturing in Mexico, causing a slowdown in El Paso's support and distribution functions. Speculative construction slowed significantly and lease rates became more competitive. The slowdown offered companies many advantages. An abundance of highly trained workers sought employment. With more than 7 million square foot of vacancy, lease prices softened and companies now have an excellent choice of available facilities.

### 2003 Forecast

As the economy in the USA improves, so should the manufacturing sector in Juarez, Mexico, and the support and distribution functions in El Paso. Mexico is a significant producer of auto parts, accounting for 28 percent (\$14.5 billion) of U.S. imports. Mexico is the leading supplier of television receivers and video monitors in the U.S., accounting for 59 percent (\$5.1 billion) of U.S. imports. El Paso sits on the shoulder of Mexico and is a major distribution center of goods into and from Mexico. El Paso is also a major east / west and north / south hub in the USA with U.S. Interstates 10, 25 and 54. As the world economy improves, so will El Paso's industrial sector.