

2003 COMPARATIVE STATISTICS OF INDUSTRIAL & OFFICE REAL ESTATE MARKETS

EL PASO, TEXAS: OFFICE

THE SOCIETY OF INDUSTRIAL & OFFICE REALTORS - SIOR



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MARKET DATA

Class A

Class B

Inventory sf

	CBD	Outside CBD	CBD	Outside CBD
Total	1,928,547	4,206,016	703,867	1,108,897
Vacant	625,292	441,632	369,856	280,000
Vacant Sublease	0	0	0	0
Under Construction	0	0	0	0
Substantial Rehab	0	0	0	0
Net Absorption	-159,786	314,668	-28,150	-36,043
Vacancy Rate	32.42%	10.50%	52.55%	25.25%

Rental Rates \$/sf

Lowest	\$ 11.00	\$ 13.50	\$ 8.00	\$ 9.00
Highest	\$ 15.00	\$ 18.00	\$ 11.00	\$ 12.00
Weighted Average	\$ 14.00	\$ 15.00	\$ 10.00	\$ 11.00

Sales Prices \$/sf

Lowest	\$ 42.00	\$ 50.00	\$ 35.00	\$ 35.00
Highest	\$ 75.00	\$ 95.00	\$ 40.00	\$ 40.00
Weighted Average	\$ 50.00	\$ 60.00	\$ 37.00	\$ 35.00

Operating Expenses \$/sf

Lowest	\$ 5.00	\$ 4.50	\$ 4.00	\$ 4.00
Highest	\$ 7.50	\$ 6.50	\$ 5.00	\$ 5.00
Weighted Average	\$ 6.75	\$ 6.00	\$ 4.50	\$ 4.50

Tax Expenses \$/sf

Lowest	\$ 1.20	\$ 1.15	\$.80	\$.65
Highest	\$ 1.46	\$ 1.46	\$ 1.10	\$ 1.10
Weighted Average	\$ 1.40	\$ 1.35	\$ 1.00	\$.90

Utility Rates: CBD \$2.75 per sf
 Outside CBD \$2.45 per sf

2002 Review

Historically, the CBD high rise buildings had the highest price rentals. There has been a turnaround where the smaller suburban buildings have the highest rentals. Tenants were demanding free parking, fiber optics, ADA compliant, easy access with no environmental problems and were willing to pay for it.

2003 Forecast

We expect a continued move from CBD to suburbs. Speculative development will continue to be in the 5,000 - 10,000 square foot range. User relocations should remain the main thrust of growth. Standard work letter, taxes, and operating expenses are included in the rental rate. Operating expenses include taxes, insurance, maintenance, repairs, rubbish, services, cleaning, management, utilities.

