

2003 COMPARATIVE STATISTICS OF INDUSTRIAL & OFFICE REAL ESTATE MARKETS

JUAREZ, MEXICO: INDUSTRIAL

THE SOCIETY OF INDUSTRIAL & OFFICE REALTORS - SIOR



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INVENTORY DATA

Inventory sf

Total 2001	31,057,169
Vacant 2001	1,854,862
Occupied 2001	29,202,307
Total 2002	31,999,169
Vacant 2002	4,130,159
Occupied 2002	27,869,010
Net Absorption 2001	-1,333,297
Vacancy Rate 2002	12.9%
Construction 2002	942,000

Site Prices \$/sf

Improved Sites

Less than 2 acres	\$ 4.50 - 5.75
2 to 5 acres	\$ 4.50 - 5.50
5 to 10 acres	\$ 4.00 - 5.00
More than 10 acres	\$ 3.50 - 4.50

Unimproved Sites

Less than 10 acres	\$ 2.00
10 to 100 acres	\$ 1.50
More than 100 acres	\$ 1.25

	Sales Prices \$/sf	Lease Prices \$/sf	Construction \$/sf	Vacancy Indicators
Less than 5,000 sf	\$ 37.00-40.00	\$ 6.00	\$ 41.00-47.00	Substantial Shortage
5,000 to 19,999 sf	\$ 36.00-37.00	\$ 5.00-5.75	\$ 37.00-41.00	Substantial Shortage
20,000 to 39,999 sf	\$ 35.00-36.00	\$ 4.75-5.50	\$ 33.00-37.00	Balanced Market
40,000 to 59,999 sf	\$ 33.00-34.00	\$ 4.75-5.25	\$ 29.00-33.00	Balanced Market
60,000 to 99,999 sf	\$ 31.00-32.00	\$ 4.50-5.25	\$ 26.00-29.00	Balanced Market
100,000 to 250,000 sf	\$ 29.00-30.00	\$ 4.25-5.00	\$ 23.00-25.00	Balanced Market
250,000 sf or more	\$ 28.00-29.00	\$ 4.25-5.00	\$ 22.00-24.00	Balanced Market

Warehouse & Factories

Real Estate Taxes	\$.10 - .15
Insurance (Fire & Liability)	\$.15
Structural & Roof Maintenance	\$.05
Common Area Maintenance	\$.10 - .25

Prime Source Financing:
 U.S. Banks with guaranteed leases

Mortgage Money Supply:
 Moderate

2002 Review:

2002 was a slow year in Juarez, Mexico. Vacancy, however, historically in the low single digits closed this year at 12.9 percent. However, expansion and build-to-suit construction finished up at 942,000 square foot. The US recession and product migration to China affected Juarez. Maquiladora manufacturing plants in Juarez declined from 238,853 in 2000 to 199,824 in 2002. 2002 saw the Mexican economy move from tenth to ninth in the world, the Mexican peso maintained its stability and strength, and per capita income rose 12 percent. President Vicente Fox is well aware of the head-to-head competition between Mexico and China for foreign investment dollars which translates into job creation and job maintenance.

2003 Forecast

The slowdown is offering companies many advantages. Currently, there is an abundance of highly trained workers seeking employment. With more than four million square foot of vacancy, lease prices have softened and companies now have an excellent choice of available facilities.

As the economy in the USA improves, so should the manufacturing sector in Juarez. Mexico is a significant producer of auto parts – accounting for 28 percent (\$14.5 billion) of U.S. imports. China accounted for just two percent (\$1.3 billion). Mexico is the leading supplier of television receivers and video monitors in the USA – accounting for 59 percent (\$5.1 billion) of US imports. China accounted for just three percent (263 million).