

# 2005 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 2003	48,000,000
Vacant 2003	4,293,317
Occupied 2003	43,706,683
Total 2004	50,014,000
Vacant 2004	2,263,000
Occupied 2004	47,751,000
Net Absorption 2004	4,044,317
Vacancy Rate 2004	4.5%
Construction 2004	2,014,000

**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	\$ 42.00-48.00	Substantial Shortage
5,000 to 19,999 sf	\$ 36.00-37.00	\$ 5.00-5.75	\$ 38.00-42.00	Substantial Shortage
20,000 to 39,999 sf	\$ 35.00-36.00	\$ 4.75-5.50	\$ 34.00-38.00	Moderate Shortage
40,000 to 59,999 sf	\$ 33.00-34.00	\$ 4.75-5.25	\$ 32.00-34.00	Moderate Shortage
60,000 to 99,999 sf	\$ 31.00-32.00	\$ 4.50-5.25	\$ 28.00-32.00	Moderate Shortage
100,000 to 250,000 sf	\$ 29.00-30.00	\$ 4.25-5.00	\$ 28.00-30.00	Moderate Shortage
250,000 sf or more	\$ 28.00-29.00	\$ 4.25-5.00	\$ 26.00-28.00	Substantial Shortage

**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

**2004 Review:**

Juarez, Mexico experienced a very strong 2004 with over 5 million square feet of industrial leased or purchased causing a net absorption over 4 million square feet. Vacancy rates have plummeted from 8.94% in 2003 to 4.5 % in 2004. New construction in 2004 was over 2 million square feet taking the market to over 50 million square feet. Some of the large transactions in 2004 were as follows: Lexmark 150 KSF, ASUS 344 KSF, Saturn Electronics 167 KSF, Phillips 60 KSF, Protrans 57&51 KSF, Symbol 76 KSF, Lear 220 KSF, ACS (call center) 93KSF, Foxcon 300&116 KSF, Sumitomo 72 KSF, Cherry 53 KSF.

**2005 Forecast**

Juarez will continue to boom through 2005 and beyond. Companies find Juarez's fully loaded \$1.60-\$1.80 direct labor wage very attractive, and Maquila's employ over 200,000 workers in nearly 300 plants. Manufacturing and logistical problems in China have caused some reverse migration from China to Mexico. Additionally, in an age of heightened security, Juarez's location directly across the border from El Paso, Texas is very appealing. As a result, Electrolux announced in April 2004 that they will build extra large capacity refrigerators in Juarez. Construction of a 1 million SF+ facility will begin in 2005 in the 500 acre Electrolux Campus.