

2006 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 2004	50,014,000
Vacant 2004	2,263,000
Occupied 2004	47,751,000
Total 2005	57,025,000
Vacant 2005	4,436,000
Occupied 2005	52,589,000
Net Absorption 2005	4,838,000
Vacancy Rate 2005	7.8%
Construction 2005	7,011,000

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	\$ 4.85-5.25	\$ 34.00-38.00	Moderate Shortage
40,000 to 59,999 sf	\$ 33.00-34.00	\$ 4.85-5.25	\$ 32.00-34.00	Moderate Shortage
60,000 to 99,999 sf	\$ 31.00-34.00	\$ 4.85-5.25	\$ 28.00-32.00	Moderate Shortage
100,000 to 250,000 sf	\$ 29.00-34.00	\$ 4.85-5.25	\$ 28.00-30.00	Moderate Shortage
250,000 sf or more	\$ 28.00-34.00	\$ 4.85-5.25	\$ 28.00-30.00	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

2005 Review:

Juarez, Mexico experienced a strong 2005 with over 7 million square feet of new construction and 4.5 million square feet of absorption, making it the fastest growing market in the border region. Vacancy rates have increased to 7.8 %; however, 1.5 million sq. ft. or 2.6% of the vacancy is under construction.

Some of the large transactions in 2005 were as follows: FOXCONN 600 KSF, IOS 385 KSF, Prologis 100 & 180 KSF, Intermex 80 & 183 KSF, Lexmark 215 KSF, Johnson & Johnson 129 KSF, DELPHI 118 KSF, Prudential-Brasa 106 KSF, BRUSHSTROKES 75 KSF, CONTINENTAL AFA 66 KSF, IIPEA 64 KSF, Genesis 55 KSF, Victory Packaging 50 KSF.

2006 Forecast

Juarez Mexico will continue with a strong 2006. Electrolux has annual plans for a large expansion and suppliers are being urged to follow. Plans are underway for several speculative buildings to support this. Transportation and Logistics companies should continue growing. Companies frustrated with doing business in China should continue pushing into Mexico.