

2008 COMPARATIVE STATISTICS OF INDUSTRIAL & OFFICE REAL ESTATE MARKETS

JUAREZ, MEXICO: INDUSTRIAL

THE SOCIETY OF INDUSTRIAL & OFFICE REALTORS - SIOR



KELLER-KOCH REALTORS LLC
 4110 Rio Bravo, Ste. 205
 El Paso, Texas 79902
 (915) 532-6400
 (915) 532-8055

REPORTER(S):
 Robert M. Keller, SIOR
 Matthew W. Koch, SIOR
www.keller-koch-realtors.com

INVENTORY DATA

Inventory sf

| | |
|---------------------|------------|
| Total 2006 | 59,057,685 |
| Vacant 2006 | 4,134,038 |
| Occupied 2006 | 54,923,647 |
| Total 2007 | 59,794,685 |
| Vacant 2007 | 4,185,628 |
| Occupied 2007 | 55,609,057 |
| Net Absorption 2007 | 685,410 |
| Vacancy Rate 2007 | 7.0% |
| Construction 2007 | 737,000 |

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 | \$ 46.00-52.00 | Substantial Shortage |
| 5,000 to 19,999 sf | \$ 36.00-37.00 | \$ 5.00-5.75 | \$ 42.00-46.00 | Substantial Shortage |
| 20,000 to 39,999 sf | \$ 35.00-36.00 | \$ 4.85-5.25 | \$ 38.00-42.00 | Moderate Shortage |
| 40,000 to 59,999 sf | \$ 33.00-34.00 | \$ 4.85-5.25 | \$ 36.00-38.00 | Moderate Shortage |
| 60,000 to 99,999 sf | \$ 31.00-34.00 | \$ 4.85-5.25 | \$ 32.00-34.00 | Moderate Shortage |
| 100,000 to 250,000 sf | \$ 29.00-34.00 | \$ 4.85-5.25 | \$ 32.00-34.00 | Moderate Shortage |
| 250,000 sf or more | \$ 28.00-34.00 | \$ 4.85-5.25 | \$ 32.00-34.00 | 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

2007 Review:

2007 continued very strong with over 5.6 million sq. ft. of space leased or purchased compared to over 4.6 million in 2006 and 6.4 million in 2005. Vacancy remains at 7% with 70% of the vacancy composed of older buildings, some of them "obsolete." Some of the large transactions were Tomoegawa 80 KSF, 3M Edumex 130 KSF, Sumitomo 71 KSF, Toshiba 123 KSF, AutoFletes 106 KSF, Delphi 114 KSF, Tyco 116 KSF, Enlight 183 KSF, Wellspun 300 KSF, Vientek 123 KSF, Impulso 106 KSF.

2008 Forecast

There are over 2,800 Maquiladora Twin Plant factories in Mexico employing over 1.2 million people. Cd. Juarez and the State of Chihuahua are the leader and employ over 25% of the workers. The slowdown in the US economy has not been felt in Juarez as evidenced by the number of expansions. The manufacturing sector in Juarez is sufficiently diverse by industry and by exportation to continue strongly.