



NEWMARK

Mexicali:
Industrial Market

2S25

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Market Analysis

Economy

- Mexicali's economy continues to be driven by the manufacturing sector, especially through the IMMEX program, with a clear export orientation. More than 95% of industrial exports come from the manufacture of electronic and electrical equipment, and sectors such as electronics, aerospace, and automotive have allowed manufacturing exports to maintain a positive trend, strengthening the city's competitiveness and its contribution to Baja California's export growth.
- In the last period, signs of industrial investment were observed, such as the opening of a new Lightera plant, which boosted higher value-added activities. In this context, Mexicali attracted approximately \$300 million in Foreign Direct Investment, while inflation showed a downward trend, settling at around 3.20%, fostering a more stable economic environment.

Transactions

- Significant movements were recorded during the semester, led by Grupo Maran, with LG occupying 240,000 sq ft. IAMSA Development Group accounted for a total absorption of 240,877 sq ft, leased to Peñafiel, Micrometals, General Fasteners, Sprint Ray, and BAMEX.
- For its part, Grupo Metalco leased 56,920 sq ft to Fis Fiber, while Nicoya recorded the occupancy of 56,693 sq ft in its industrial park.

Market Trends

	Current Semester	Prior Semester	One Year Ago	12-month Forecast
Total Inventory (SF)	36.6M	34.5M	33.1M	↑
Vacancy Rate	9.6%	8.3%	4.5%	↓
Gross Absorption (SF)	624,463	287,181	707,210	↑
Net Absorption (SF)	-191,862	-488,466	260,056	↓
Asking Rate (USD/SF/year)	\$7.80	\$7.28	\$7.46	↑
Under construction (SF)	1,132,715	1,902,003	794,925	↑

Perspectives

- Mexicali's economic outlook remains positive in the short and medium term, primarily driven by its integration into international trade. The city continues to solidify its position as one of Baja California's leading manufacturing hubs, enabling it to maintain a steady flow of exports to the United States and Canada. This dynamism has spurred both new investments and the expansion of existing businesses, strengthening productive activity and job creation.
- However, economic growth faces significant challenges. Pressures on infrastructure, energy supply, and water availability could limit the pace of expansion if not addressed promptly. Furthermore, continued investment in human capital and urban modernization is essential to sustaining Mexicali's competitiveness and ensuring long-term economic growth.

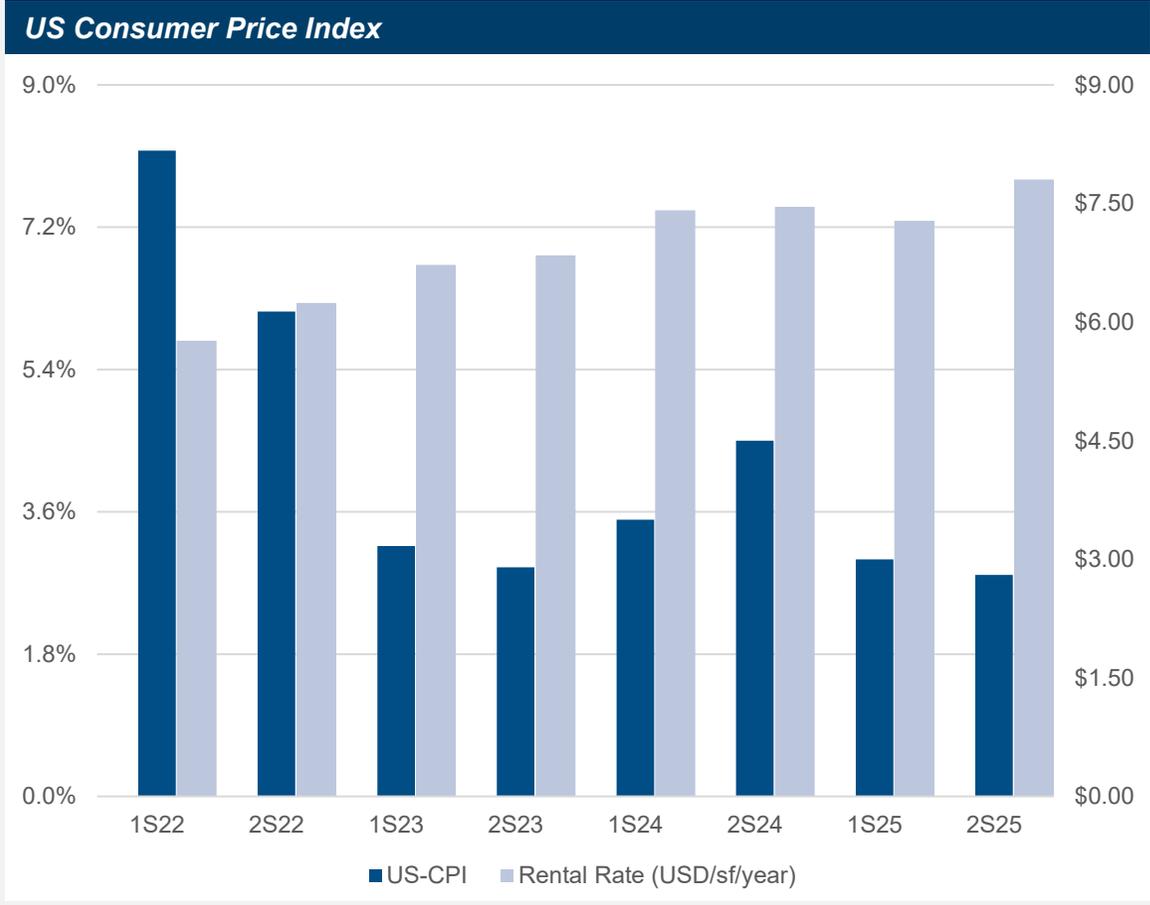
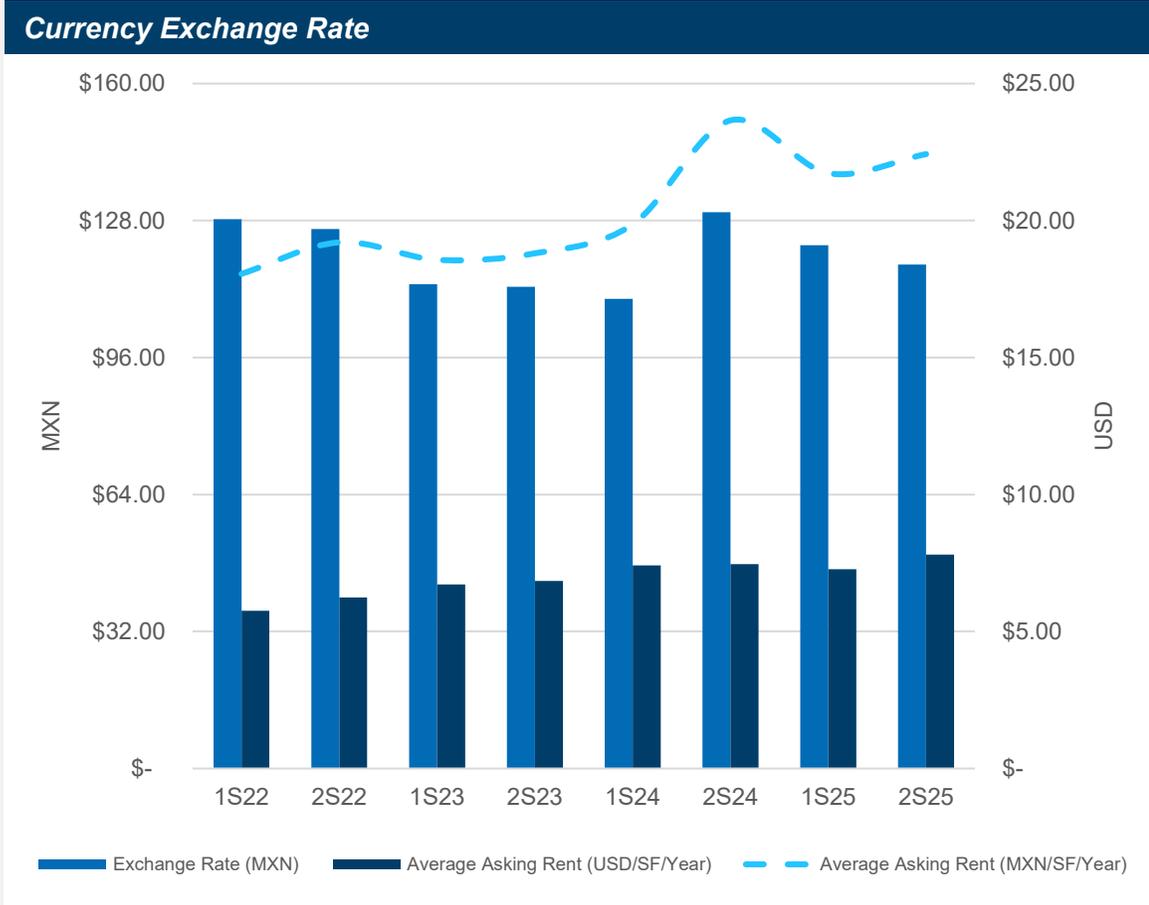
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Economy



Economy

Although the macroeconomic environment has changed significantly between 2022 and 2025—with the appreciation of the Mexican peso and a slowdown in US inflation—industrial rental prices have maintained a stable upward trend in USD. This reveals a disconnect between short-term macroeconomic variables and the behavior of the Mexicali industrial market.



Source: Newmark Research & Bureau of Labor Statistics (BLS).

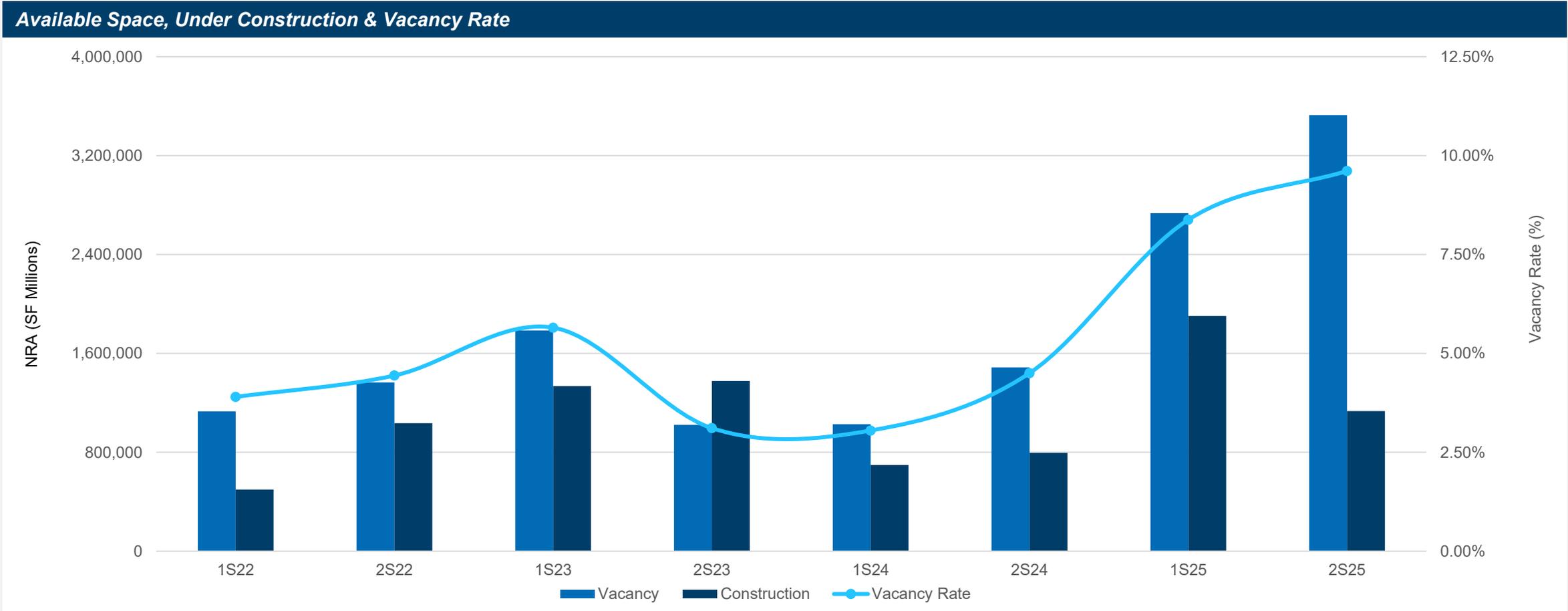
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Leasing Market Fundamentals

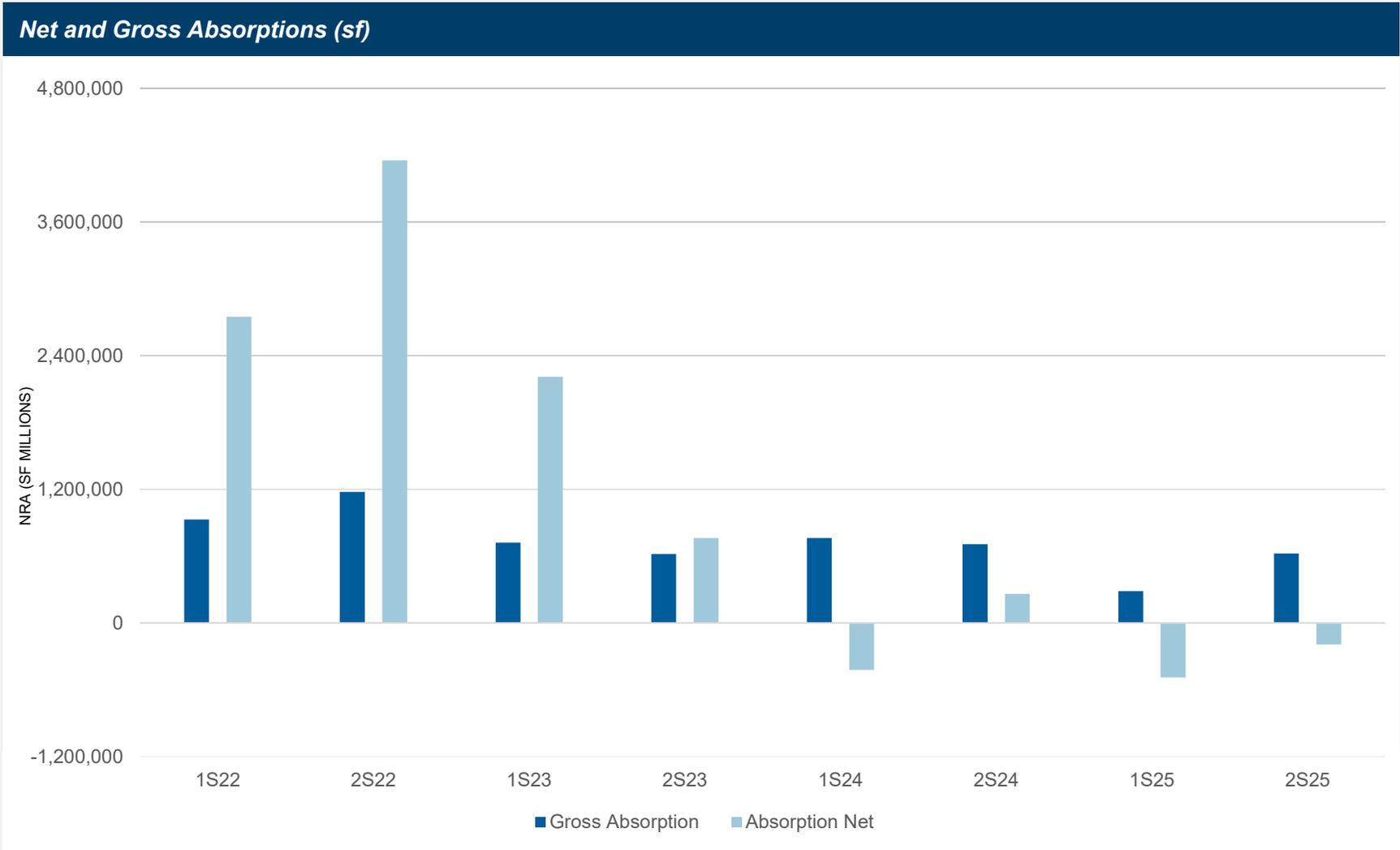
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Increased Supply & Slow Absorption

Despite Mexicali's favorable economic environment, the high rate of industrial vacancy is primarily due to a mismatch between new supply and absorption. Speculative construction, driven by nearshoring expectations, has outpaced actual demand, which has focused on smaller-scale operations, mostly under 150,000 square feet. Similarly, rental levels, warehouse specifications, and local factors such as extreme weather and limited resource availability have driven up operating costs, leading companies to be more selective.



Contrast Between Gross & Net Absorption

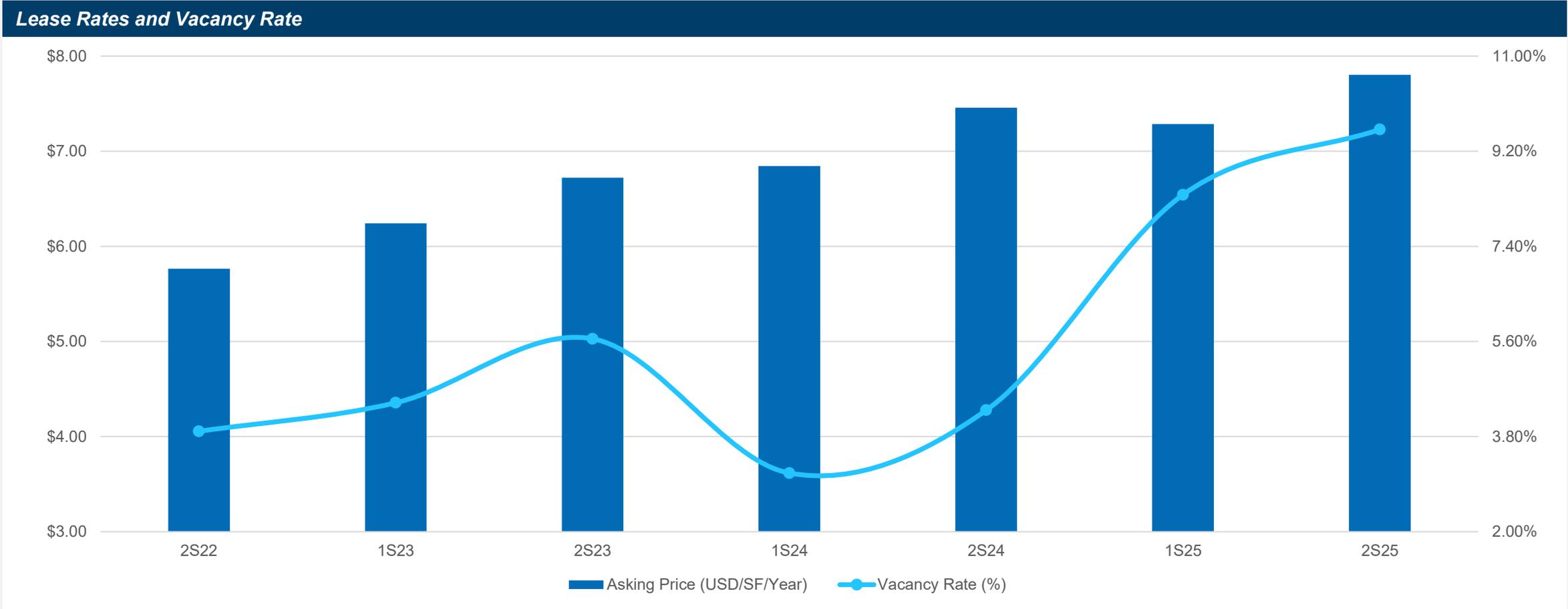


- IAMSA Development Group concentrated approximately 240,877 square feet, occupied by companies in the beverage, metal manufacturing, logistics, machinery, and chemical sectors. Meanwhile, Grupo Maran registered 240,000 square feet occupied by LG, reinforcing Mexicali's position as a destination for larger-scale, technologically advanced manufacturing. Additionally, Grupo Metalco placed 56,920 square feet in the textile sector.

- The presence of companies from diverse industries reduces dependence on a single sector and contributes to greater resilience in the industrial market. This dynamic benefits the region by generating formal employment and strengthening the regional supply chain. The choice of Mexicali is due to its border location and the availability of a workforce with industrial experience, factors that together contribute to stability.

High Vacancy Rate & Reference Prices

The simultaneous increase in rental prices and availability is explained by market segmentation. Vacancy is concentrated in newer buildings, whose construction costs are higher, thus supporting high rents. The greater availability reflects a supply adjustment, not a drop in demand; although rental prices have increased, in practice they function as benchmark prices. In a high-availability environment, landlords tend to negotiate terms, rather than reduce rent, with the aim of protecting comparable properties in the market.



Mexicali Statistics 2S25

Statistics

	Inventory (million SF)	Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross (SF) Absorption	Gross Absorption YTD (SF)	Net (SF) Absorption	Net Absorption YTD (SF)	Asking Lease Rate (USD/SF/Year)	Construction Asking Rent (USD/SF/Year)
Mexicali	36.6	1,132,715	3,526,780	9.6%	624,463	882,198	-191,862	-2,553,649	\$7.80	\$7.20

Upcoming Buildings in Mexicali

Building	Developer	Type	ft ²
Stone Building	IAMSA Development Group	Spec	241,757
N28	Grupo Maran	BTS	119,996
Nave II	Grupo Metalco	Spec	93,937
N3 Industrial Warehouse (Edificio 8/9C)	Grupo Cadena PIMSA Industrial Developers	Spec	39,611 45,284
Nave 3	PIMSA Industrial Developers	Spec	111,622
Nave 4	PIMSA Industrial Developers	Spec	111,622
Terra	IAMSA Development Group	Spec	181,555
N26	Grupo Maran	Spec	172,201
Ventus	IAMSA Development Group	Spec	119,178

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