

NEWMARK

Ciudad Juarez:

Industrial Market

4Q25

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Market Analysis



Economy

- The economy of Ciudad Juárez operates in an environment of external exposure, where international pressures have contributed to inflation remaining above the national average. This situation has impacted the maquiladora industry, given its high dependence on inputs and processes linked to foreign trade.
- Added to this are resource constraints, especially water and energy shortages, which increase operating costs and limit the arrival of new investments, hindering economic diversification and the incorporation of new productive sectors. In the labor market, the city continues to register job losses, which further weakens domestic demand.



Market Trends

	Current Quarter	Prior Quarter	One Year Ago	12-month Forecast
Total Inventory (SF)	89.0 M	88.7M	88.2M	↑
Vacancy Rate	10.7%	10.6%	8.0%	↑
Gross Absorption (SF)	1,016,397	749,540	130,737	↑
Net Absorption (SF)	238,120	-635,254	87,681	↑
Asking Rate (USD/SF/year)	\$8.04	\$8.12	\$8.03	↓
Under construction (SF)	885,342	1.2M	1.4M	↓



Transactions

- Significant transactions were recorded in Ciudad Juárez; in the southern corridor, Wiyynn, a technology company, occupied 517,113 square feet INTERMEX warehouses; while in the eastern corridor, Tatung México, an electronics manufacturing company, acquired 499,284 square feet from Vesta.
- These transactions demonstrate that, despite local challenges, the industrial and technology sectors continue to rely on Juárez as a key hub for their operations.



Perspectives

- Ciudad Juárez maintains an active economy, albeit under pressure. Continued vacancy is anticipated due to significant closures of large and medium-sized businesses; however, gross absorption could remain at significant levels, like those recently recorded, driven by demand from companies that value Juárez's border location.
- Companies continue to focus on cost control, which is slowing expansion plans, while investment persists, albeit selectively. Despite the challenges, the city's productive base ensures an orderly adjustment without an economic recession.

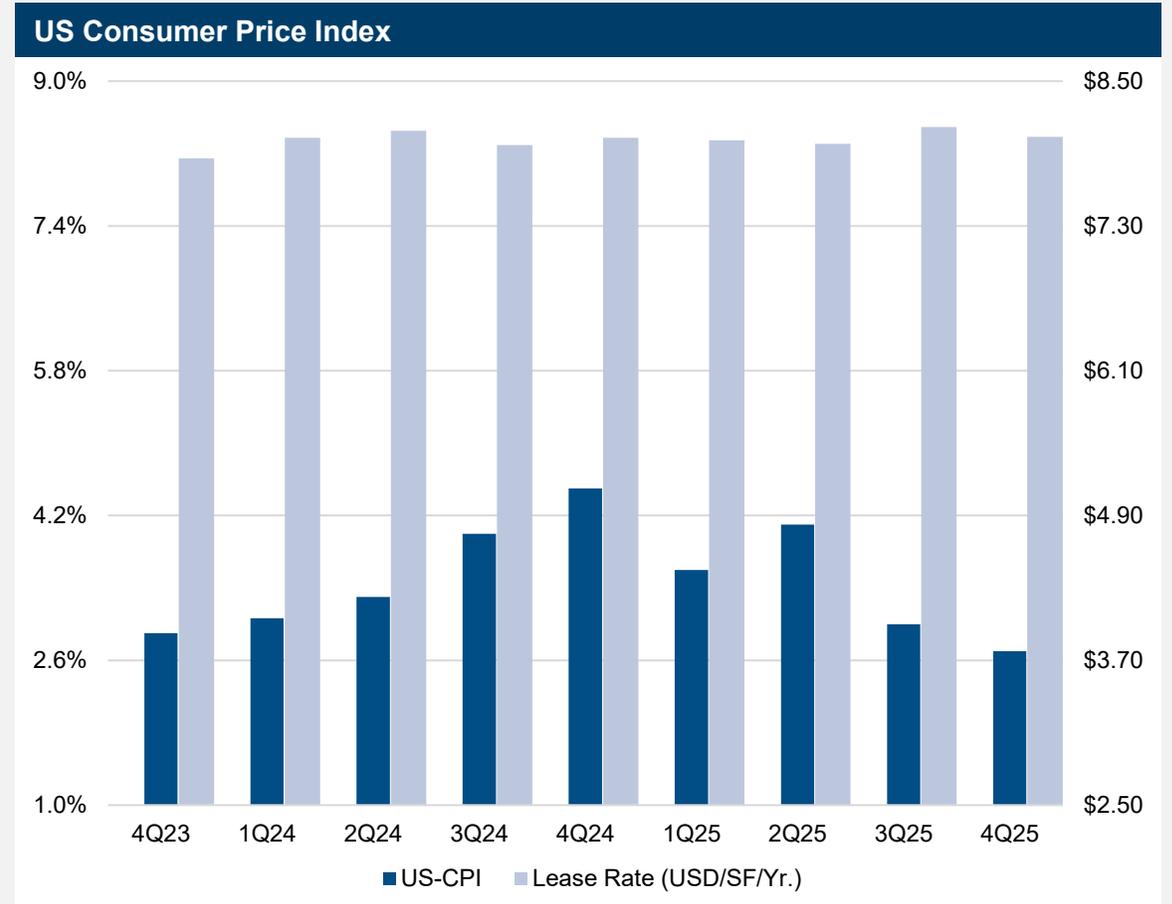
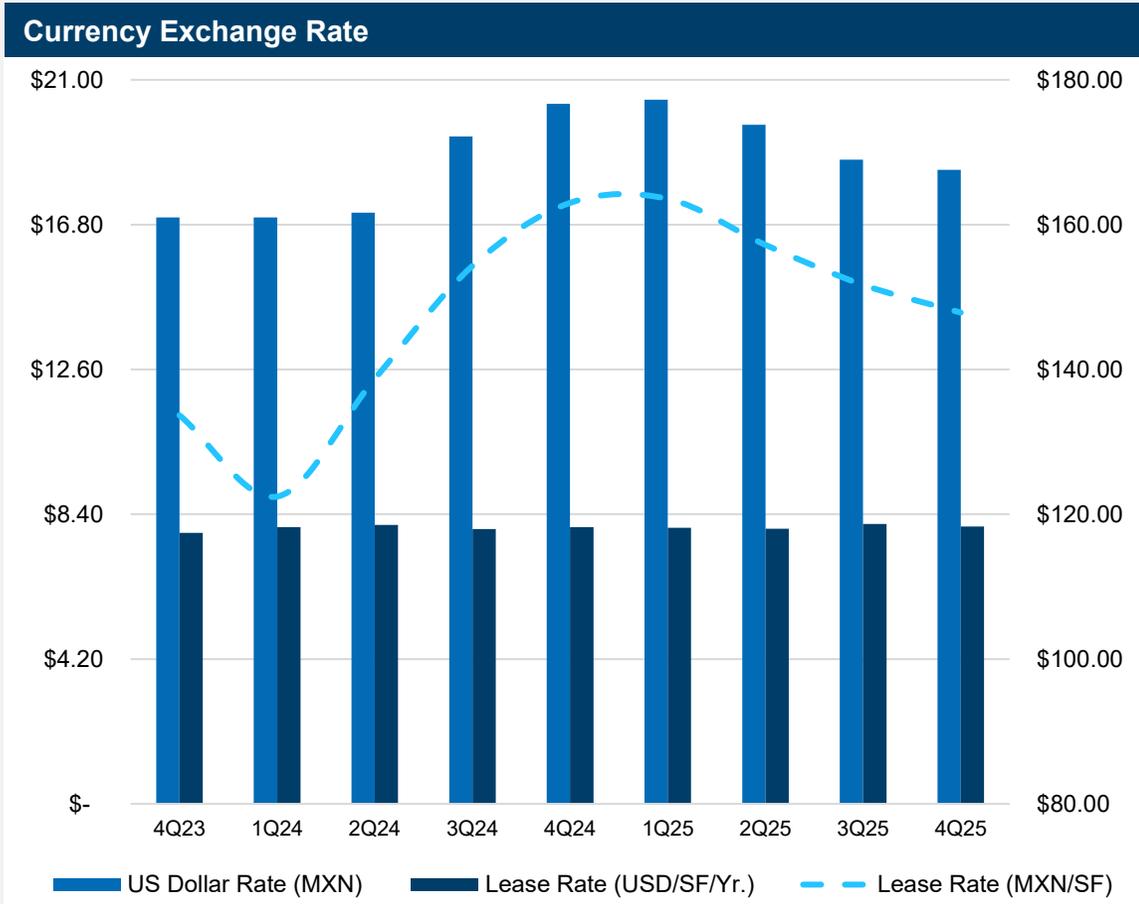
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Economy



Economy

The appreciation of the peso reduces the impact of USD-denominated income in pesos, favoring occupancy, while the slowdown in US inflation contrasts with still high interest rates, which puts pressure on new investments.



Source: Banxico & Bureau of Labor Statistics (BLS).



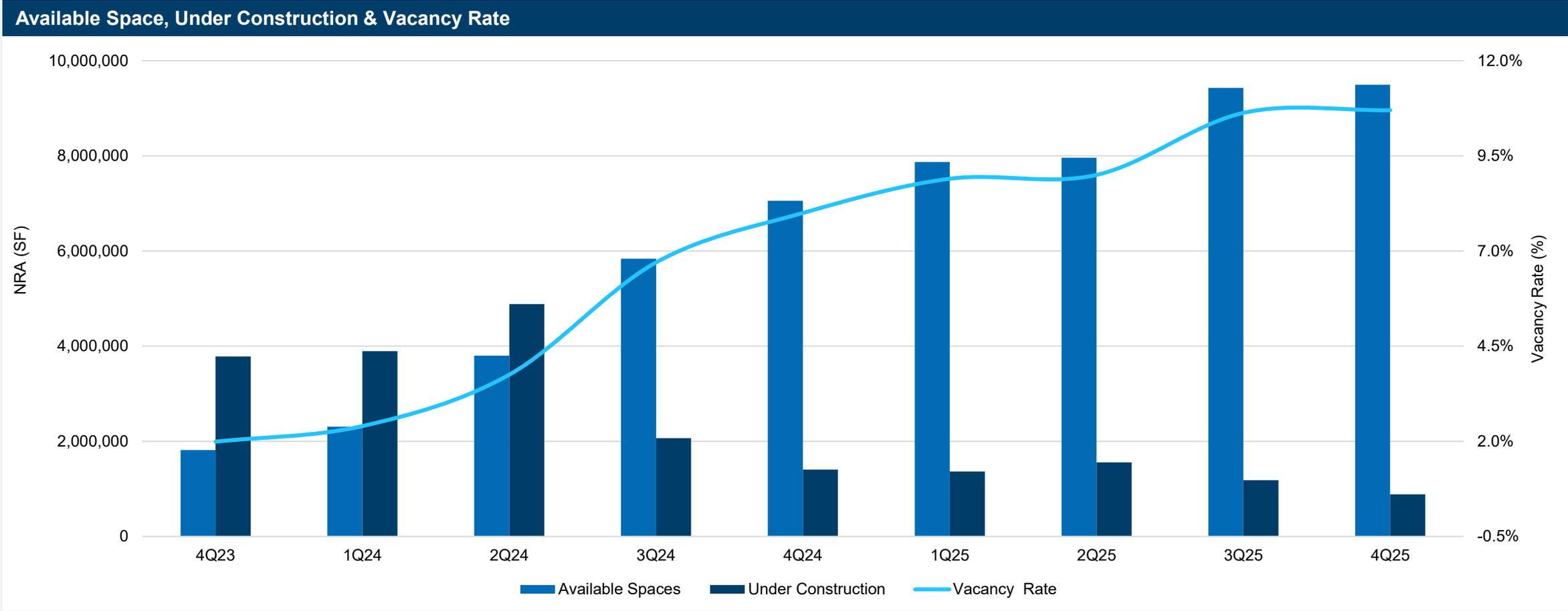
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Leasing Market Fundamentals

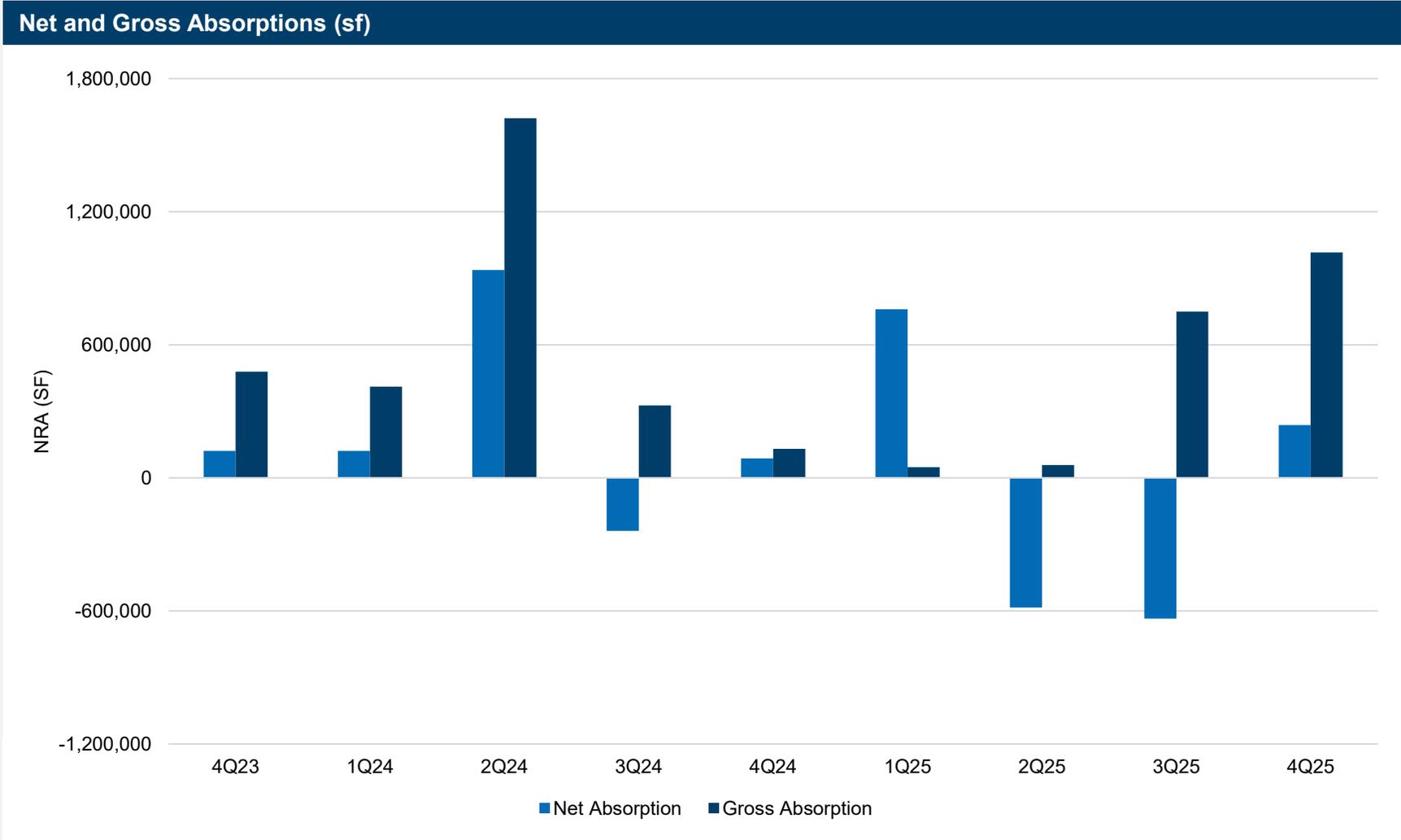
4Q25

Higher Vacancy Rates In A Market In Transition

Vacancy rates continue to rise, driven by the closure of local and international businesses, as well as companies opting to sublet spaces that are no longer viable to maintain in an uncertain environment. This behavior has led to a gradual oversupply in the market. At the same time, construction activity is trending downward, reflecting a more cautious investment environment. While Ciudad Juárez offers lower prices compared to markets like Tijuana, investors are prioritizing other border crossings with better demand prospects and a lower perceived risk.



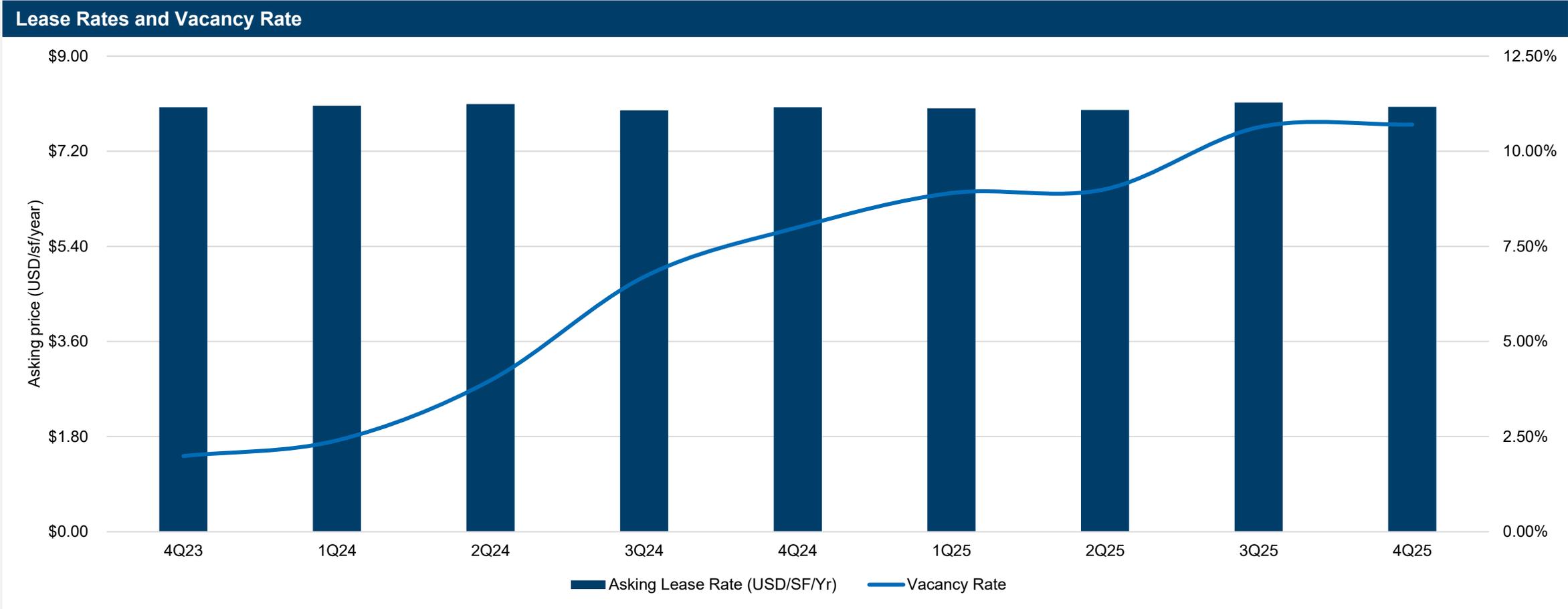
Industrial Market Absorption Dynamics



- Despite less favorable conditions in Ciudad Juárez, gross absorption levels remained high and net absorption positive throughout the quarter, reflecting continued market activity.
- This dynamism has been driven primarily by sectors that are not entirely dependent on natural resources, such as light manufacturing, electronics, and logistics, which have opted to take advantage of the city's lower rental prices compared to other markets.
- While Juárez is perceived as a lagging market compared to other border crossings, this very characteristic positions it as an attractive entry point for companies with cost-optimization strategies.

Prices and Oversupply

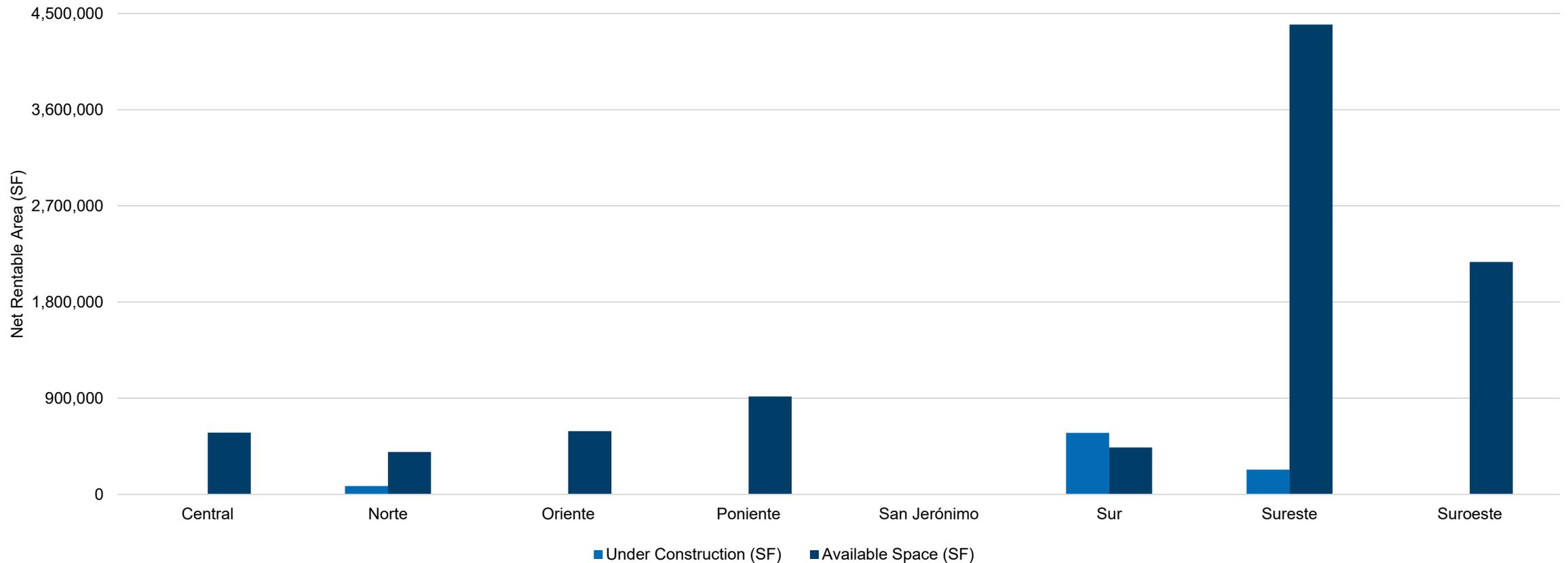
The decrease in rental prices reflects that pricing has become a tool for absorbing available inventory in an environment of increased vacancy. Faced with more selective demand, landlords are adjusting rents to improve the competitiveness of their industrial buildings, accelerate occupancy, and reduce prolonged vacancy periods. Maintaining empty spaces entails higher costs, making it more viable to accept lower rents than to absorb fixed expenses such as maintenance without generating income.



Vacancy Behavior By Corridor

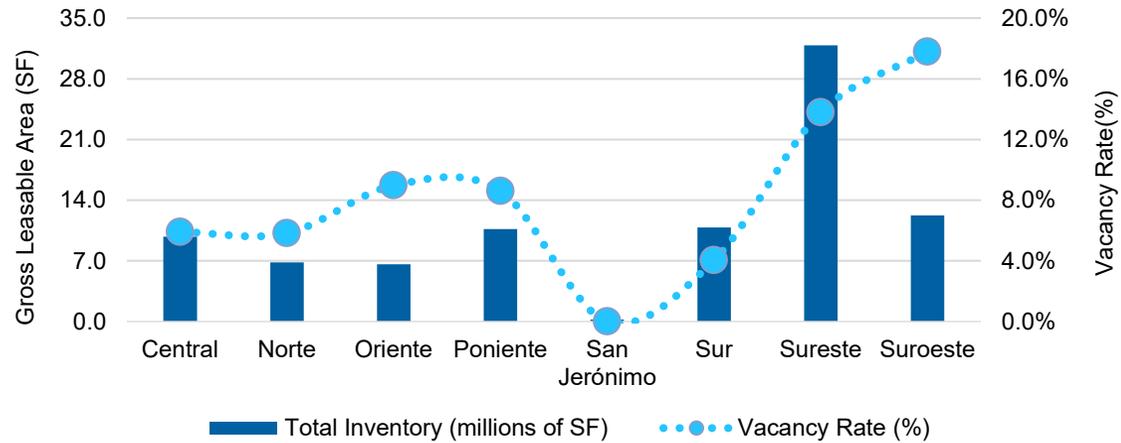
In the southeast and southwest corridors, the high vacancy rate is explained by their greater distance from border crossings, which reduces their attractiveness to businesses. Furthermore, in an environment of slower expansion, tenants tend to prefer established locations, concentrating demand in consolidated corridors and leading to greater vacancy pressure in these areas. As a result, the other corridors exhibit lower vacancy rates and concentrate what little construction activity remains in the market, as they are perceived as lower-risk locations.

Available Space vs Construction by Submarket (SF)

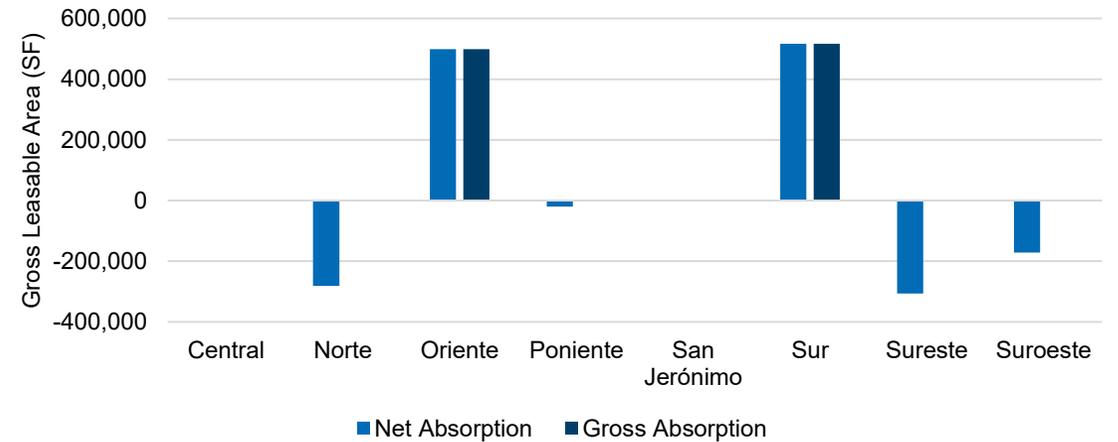


Submarket Comparatives

Inventory vs Vacancy Rate



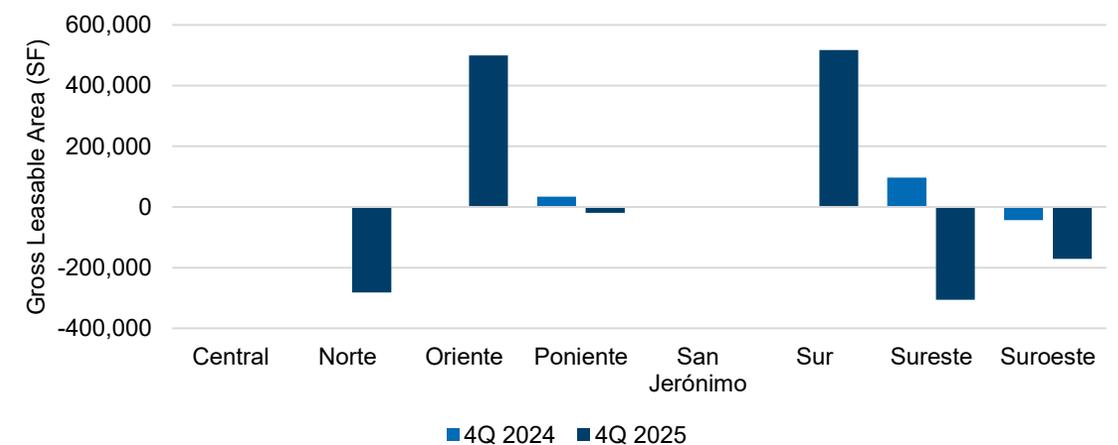
Gross and Net Absorption by Submarket



Under Construction vs Average Lease Rates (USD/SF/Year)



Quarterly Net Absorption



Submarket Statistics 4Q25

Ciudad Juarez Submarket Statistics

	Inventory (million SF)	Construction (SF)	Vacancy (SF)	Vacancy Rate	Gross Absorption (SF)	Gross Absorption YTD (SF)	Net Absorption (SF)	Net Absorption YTD (SF)	Asking Lease Rate (USD/SF/Year)	U. Construction Asking Rent (USD/SF/Year)
Central	9.8	-	578,089	5.91%	-	-	-	-324,825	\$7.98	-
Norte	6.8	79,416	397,190	5.82%	-	-	-281,338	-397,190	\$7.83	\$8.40
Oriente	6.6	-	592,821	8.97%	499,284	504,664	499,284	504,656	\$8.12	-
Poniente	10.7	-	916,888	8.61%	-	173,101	-19,360	40,377	\$7.58	-
San Jerónimo	0.2	-		0.00%	-	-	-	-	-	-
Sur	10.8	575,187	438,704	4.04%	517,113	1,118,809	517,113	84,203	\$7.40	\$7.80
Sureste	31.9	230,739	4,397,385	13.80%	-	916,154	-306,217	-745,395	\$8.34	\$7.92
Suroeste	12.2	-	2,175,403	17.79%	-	155,963	-171,272	-426,537	\$7.91	-
Total	89.0	885,342	9,496,480	10.70%	1,016,397	2,868,691	238,210	-1,264,711	\$8.04	\$7.92

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