



NEWMARK

*Tijuana:*  
Industrial Market

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4Q25

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# Market Analysis

## Economy

- In the current context, several companies in the automotive and technology sectors have relocated part of their manufacturing investment to the United States, leading to the postponement of new projects and a slowdown in expansions. This trend has been reflected in a moderation of industrial employment, private investment, and overall economic activity.
- However, despite its volatility, the exchange rate has maintained favorable conditions for exporting companies. Meanwhile, the city continues to experience dynamic foreign trade and a positive trade surplus, supported by the adaptability of local industrial companies in the face of tariffs and periods of economic slowdown.

## Transactions

- In terms of transactions, the Libramiento corridor saw 500,507 square feet, driven primarily by Vesta developments; followed by the El Florido corridor, with 407,862 square feet, mainly associated with an ATISA development.
- Meanwhile, Rosarito registered 160,404 square feet, corresponding to developments by ARAICO and IAMSA Development Group, while the Central/Lago corridor reported 123,721 square feet, linked to Frisa developments.

## Market Trends

	Current Quarter	Prior Quarter	One Year Ago	12-month Forecast
Total Inventory (SF)	89.8 M	89.3 M	84.1 M	↑
Vacancy Rate	9.3%	8.0%	3.0%	↑
Gross Absorption (SF)	1,032,090	2,014,031	453,063	→
Net Absorption (SF)	-178,737	-691,571	186,786	↓
Asking Rate (USD/SF/year)	\$9.45	\$9.48	\$9.33	↓
Under construction (SF)	6,457,979	6,349,065	2,497,774	↑

## Perspectives

- While an increase in vacancy rates is anticipated due to the addition of new supply, gross absorption is expected to remain at favorable levels, in line with recent market performance. Confidence in Tijuana remains strong, supported by its productive base and the sustained development of new industrial projects. In this context, rental prices are expected to remain firm, with gradual adjustments typical of a more balanced market.
- Furthermore, the city is projected to maintain stable performance, with sustained demand for export-oriented manufacturing activities, supported by the consolidation of the IMMEX program, which will allow adaptation to an uncertain environment and foster a gradual recovery of industrial activity.

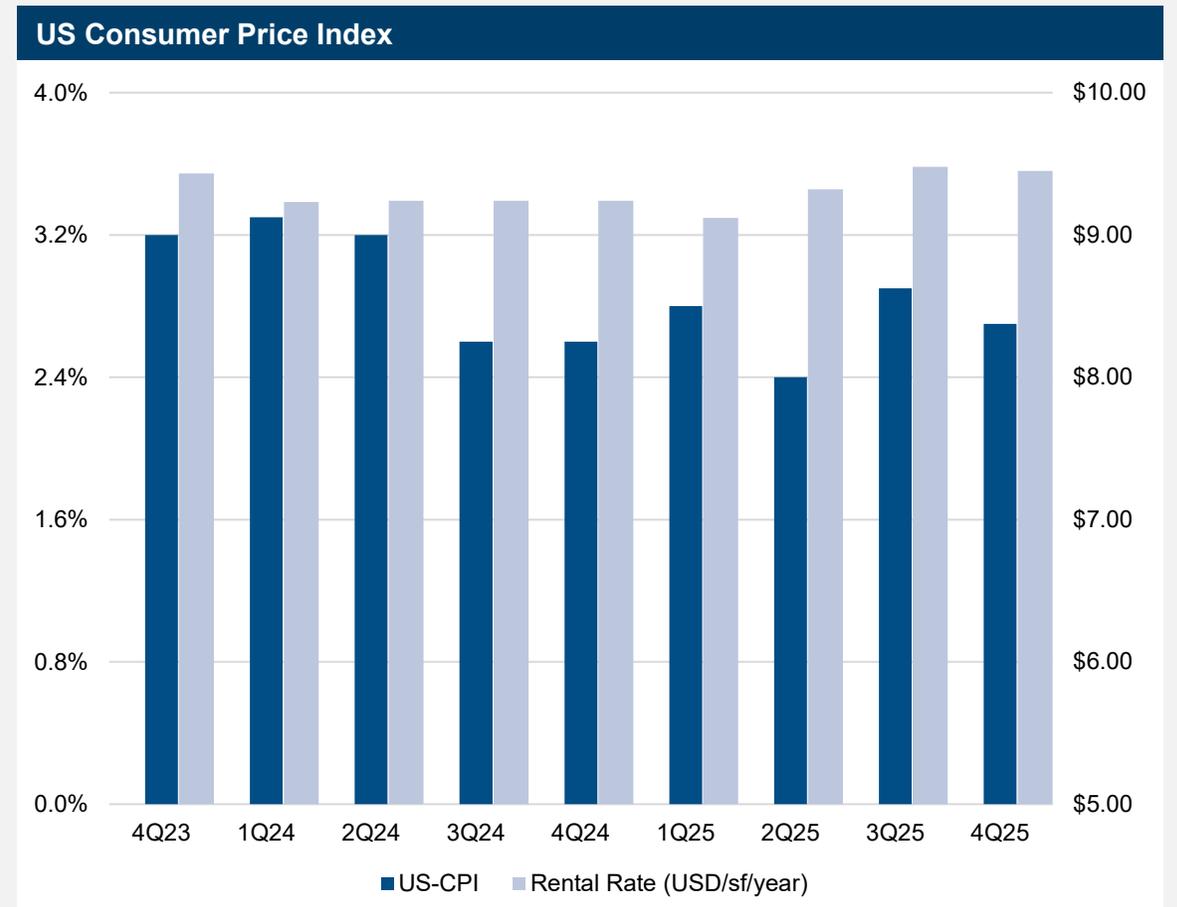
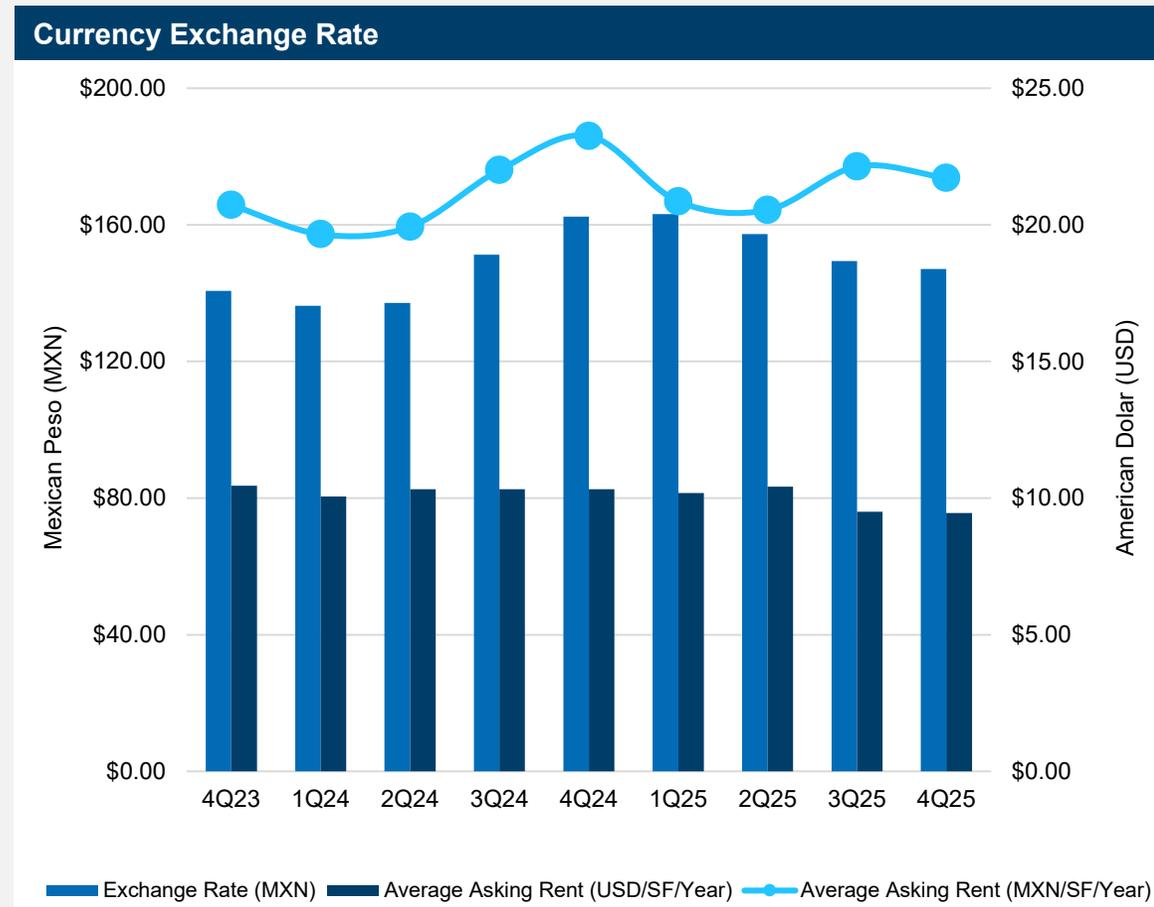
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## Economy



# Economy

Exchange rate stability has reduced market volatility, allowing USD-denominated incomes to remain stable and peso adjustments to primarily reflect currency movements. At the same time, contained US inflation has created a more predictable macroeconomic environment, in which the market demonstrates resilience.





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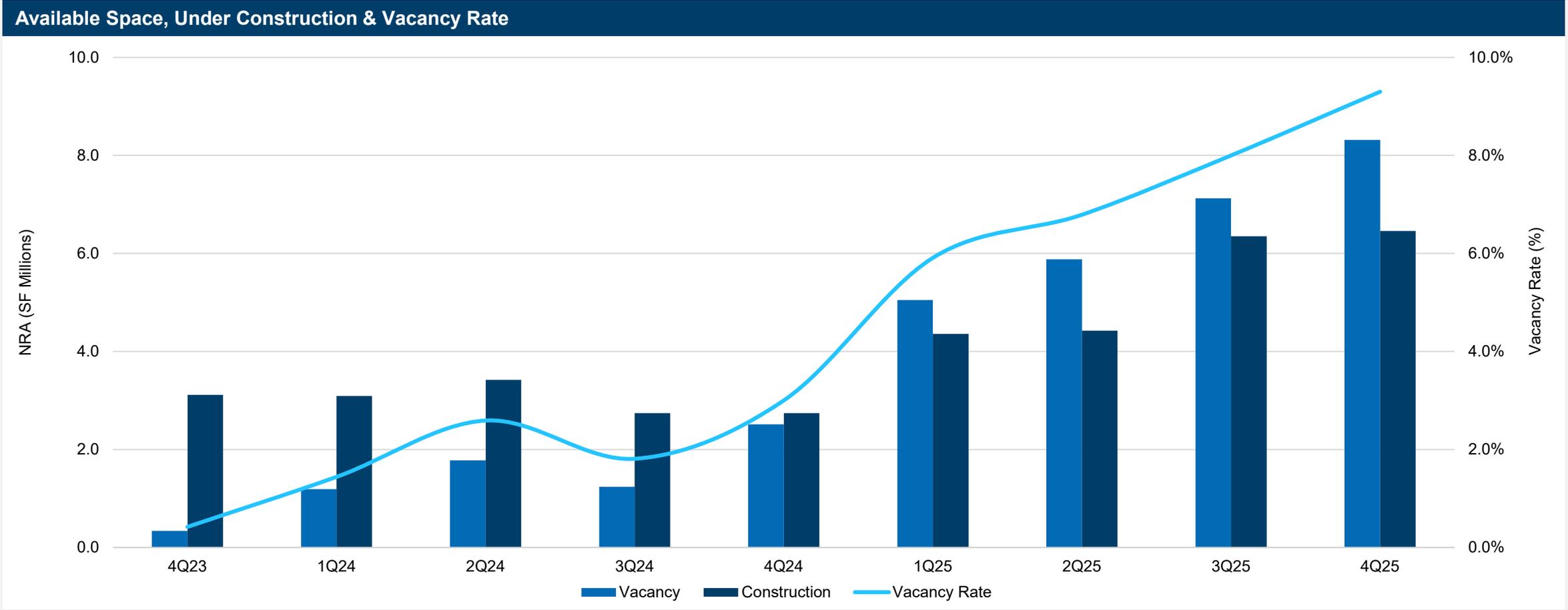
# Leasing Market Fundamentals

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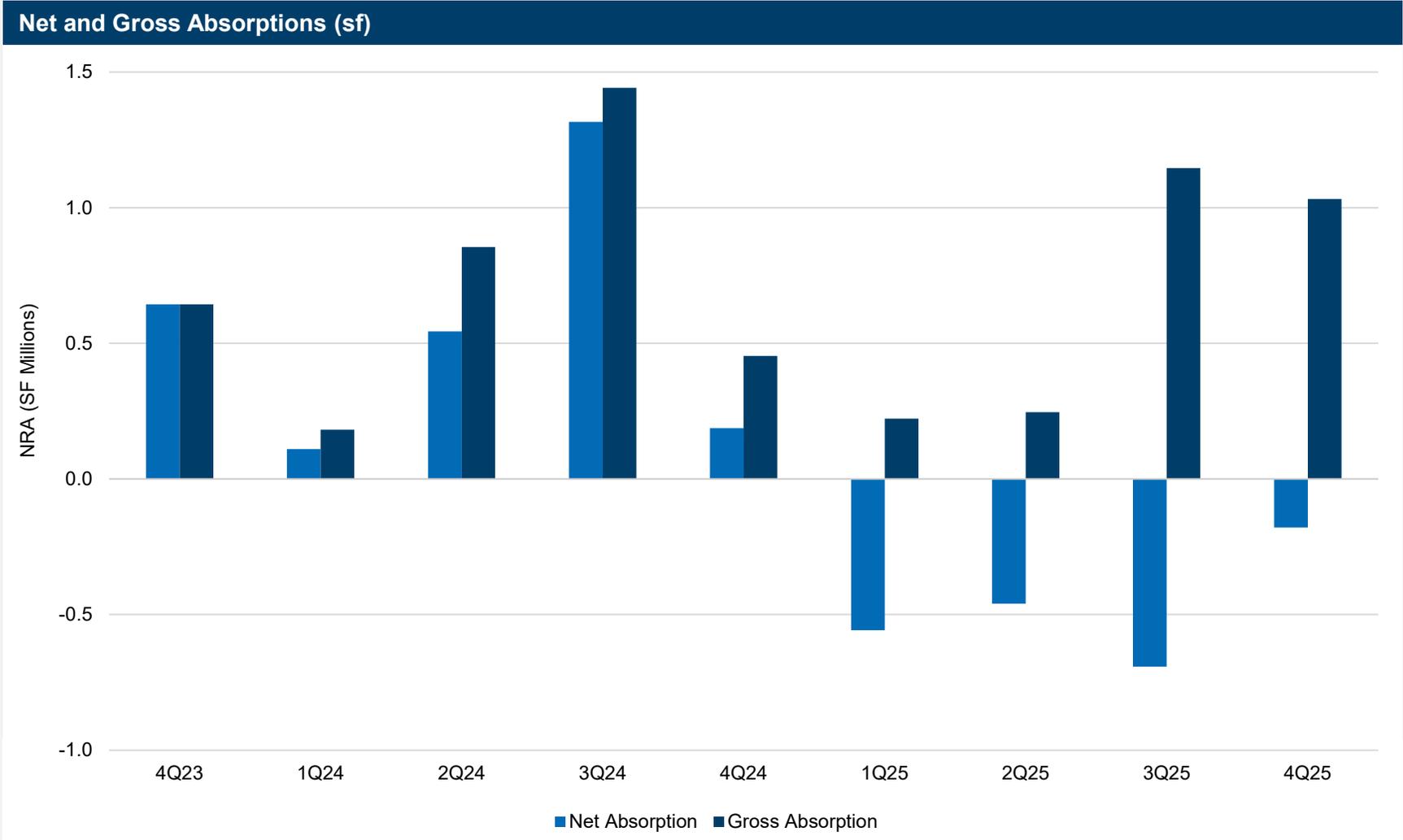
4Q25

# Increased Supply: Rising Vacancy Rates In A Market That Continues To Grow

The increase in available space, the inventory under construction, and the vacancy rate reflect speculative supply that has not yet been absorbed, along with the relinquishing of some spaces by local companies. Demand has moderated due to market uncertainty, delaying expansion decisions in the short term. However, Tijuana maintains sustained growth, reflected in its consistent level of new developments, so the higher vacancy rate does not indicate weakness in the market, but rather an adjustment phase where the inflow of inventory temporarily exceeds absorption before reaching a new equilibrium.



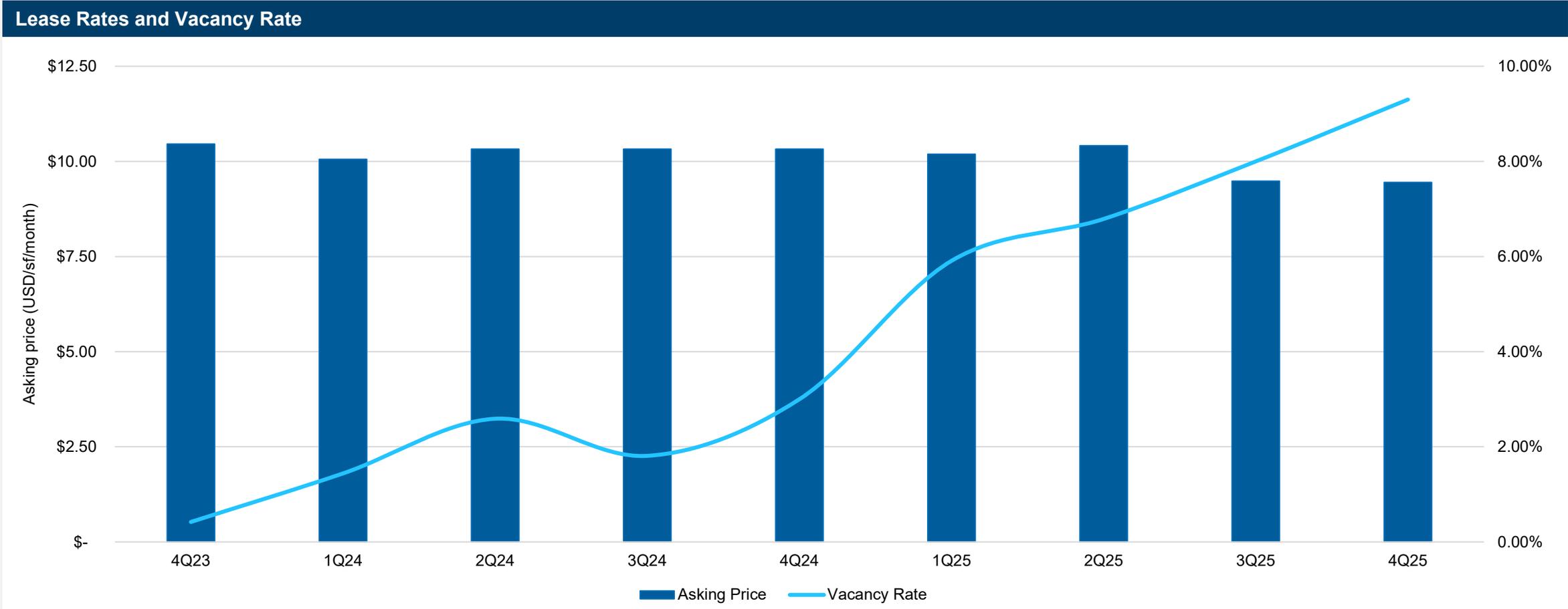
# Market Adjustment: Contrast Between Gross and Net Absorption



- Gross absorption remains at high levels, reflecting an active market; net absorption continues to be negative, although to a lesser extent than in previous quarters. Tijuana maintains significant dynamism, and the market continues to be perceived as a destination with high potential in the medium and long term.
- Transaction activity was primarily driven by manufacturing, electronics, and logistics companies. The Florida corridor saw one of the most significant transactions, with BOE taking over 407,862 sf. In Rosarito, 160,404 sf were recorded, mainly associated with warehousing and logistics activities.
- The Libramiento corridor stood out with a 474,386-sf transaction by Vesta. In the Central/Lake corridor, activity was observed in both existing inventory and BTS projects, including GEPP, reflecting continued industrial demand in the market.

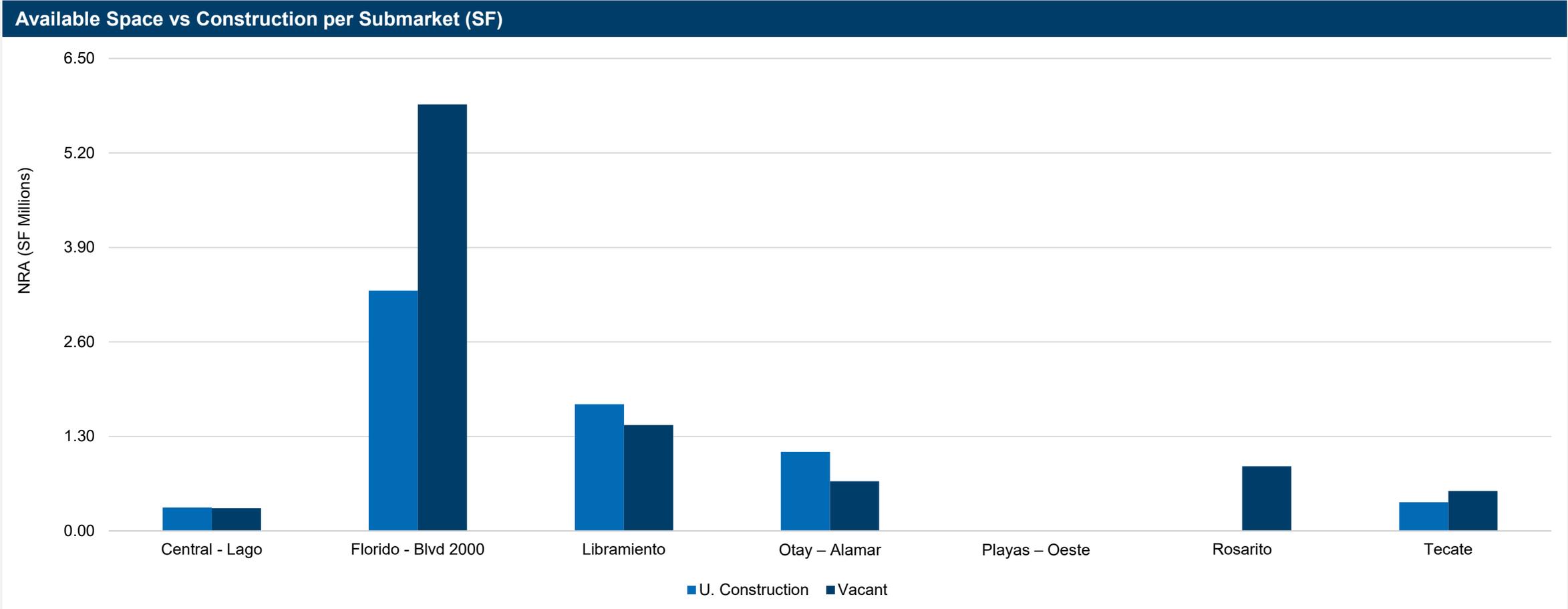
# Rental Prices In Adjustment Phase

Rental prices are trending downward. Faced with a more moderate absorption environment, developers are gradually adjusting prices to maintain occupancy and close deals, without triggering a sharp correction. This dynamic reflects a strategy to preserve occupancy levels during a period of normalization, following years of rapid growth. Overall, the downward trend is controlled and consistent with a market that continues to operate but is undergoing a price readjustment phase.



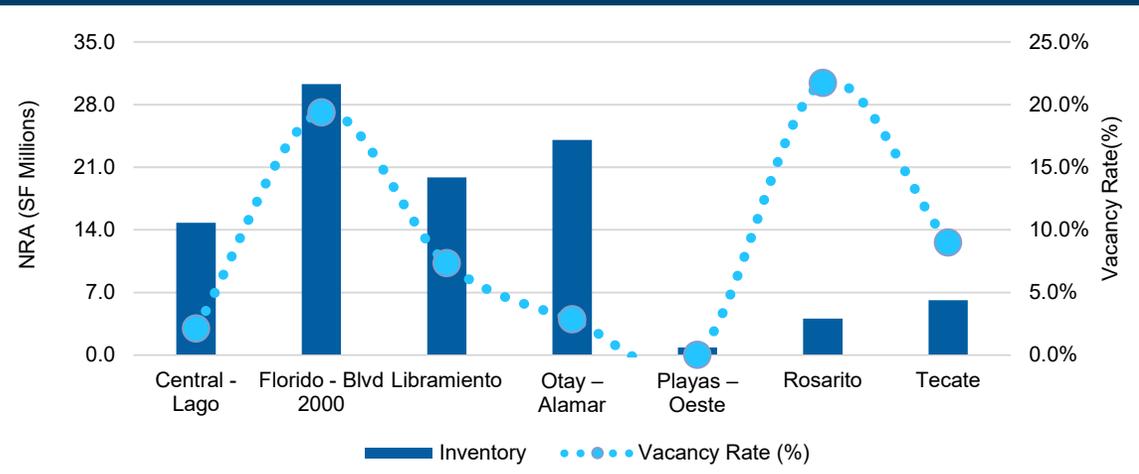
# Industrial Market Structure By Corridor

The Florido corridor remains the most important due to its concentration of available space and projects under development, solidifying its position as the market's main growth area. Libramiento has gained relevance by offering more affordable options, with modern buildings and good connectivity, attracting companies looking to relocate or expand without incurring higher rents. Meanwhile, Otay remains the most sought-after corridor, driven by its proximity to the border, where availability is limited and competition for space remains high.

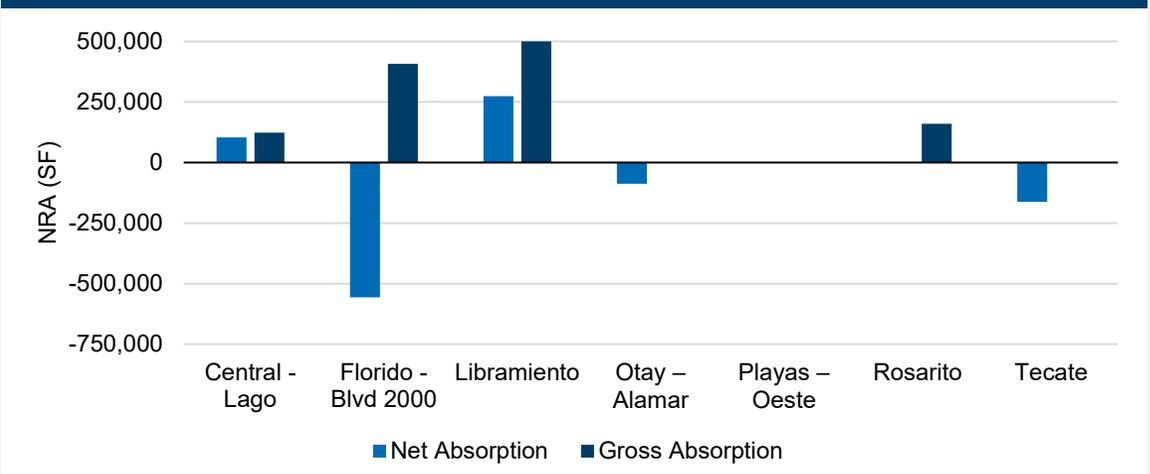


# Submarket Comparatives

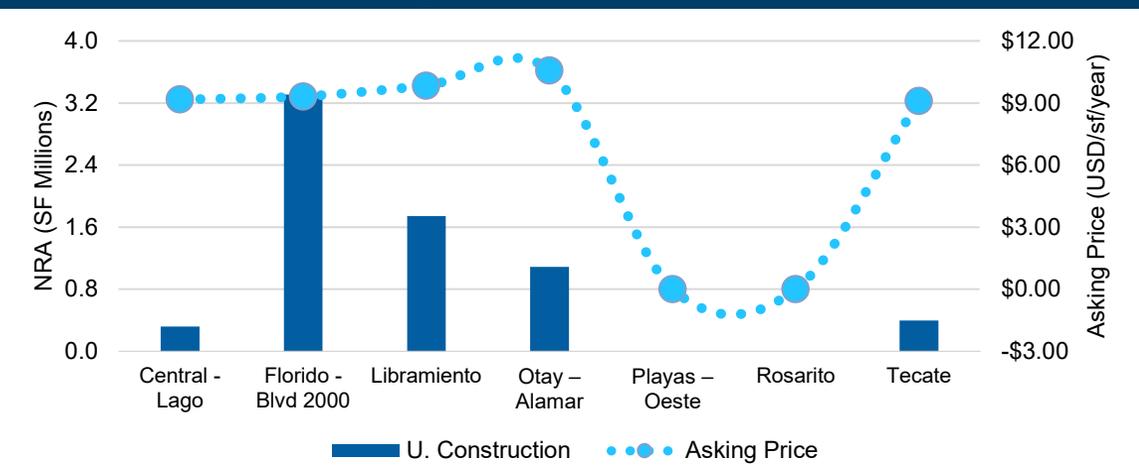
## Inventory vs Vacancy Rate



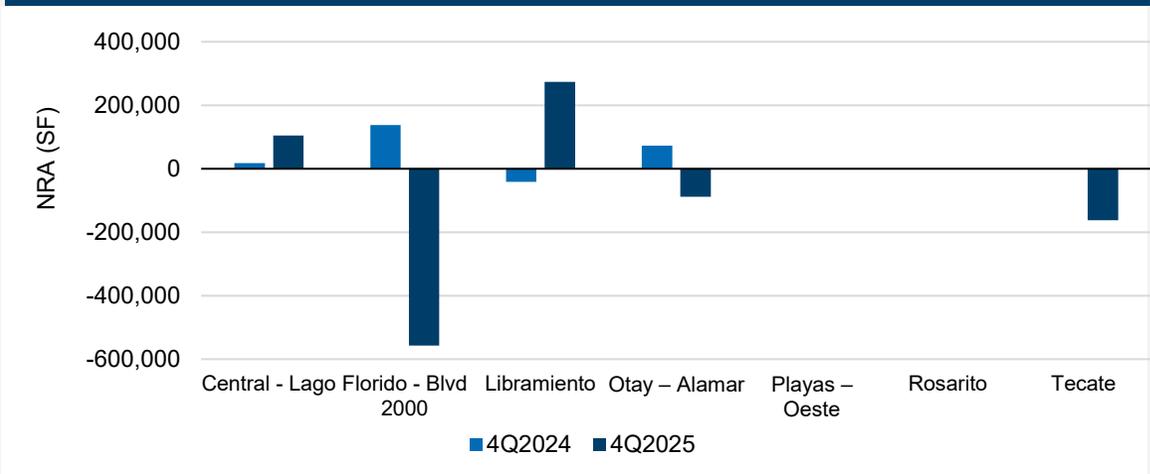
## Gross and Net Absorption by Submarket



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



## Quarterly Net Absorption



# Submarket Statistics 4Q25

## Tijuana Submarket Statistics 4Q25

	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)	U. Construction Asking Rent (USD/SF/Year)
Central – Lago	14.8	320,163	312,664	2.11%	123,721	271,463	104,433	314,246	\$9.02	\$9.17
Florida – Blvd 2000	30.2	3,306,719	5,866,376	19.36%	407,862	2,122,637	-556,933	-2,472,480	\$9.29	\$9.32
Libramiento	19.8	1,741,851	1,455,921	7.32%	500,507	982,605	273,763	672,808	\$9.70	\$9.84
Otay – Alamar	24.0	1,089,246	682,264	2.84%	-	137,555	-88,000	-490,507	\$10.42	\$10.57
Playas – Oeste	0.9	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>89.8</b>	<b>6,457,979</b>	<b>8,317,225</b>	<b>9.3%</b>	<b>1,032,090</b>	<b>3,514,260</b>	<b>-178,737</b>	<b>-1,975,933</b>	<b>\$9.45</b>	<b>\$9.48</b>

## Statistics by Municipality

	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)	U. Construction Asking Rent (USD/SF/Year)
Tijuana	89.8	6,457,979	8,317,225	9.3%	1,032,090	3,514,260	-178,737	-1,975,933	\$9.45	\$9.48
Rosarito	4.2	-	889,454	21.72%	160,404	160,670	-2,346	-4,115	\$8.52	-
Tecate	6.1	394,405	549,976	8.98%	-	195,362	-162,064	33,298	\$7.90	\$9.10
<b>Total</b>	<b>100.2</b>	<b>6,852,384</b>	<b>9,756,655</b>	<b>10%</b>	<b>1,192,494</b>	<b>3,870,292</b>	<b>-343,147</b>	<b>-1,946,750</b>	<b>\$9.24</b>	<b>\$9.46</b>

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