3Q 2025

Ciudad Juarez Industrial Market

Market Analysis

Economy

- Ciudad Juárez continues to face a significant reduction in formal employment within the manufacturing and maquiladora industry, indicating that the recovery has not yet been sufficient to offset previous losses. In addition, the Monthly Manufacturing Survey (EMIM) by INEGI showed a slight slowdown in production and exports, attributed to lower external demand from the United States, suggesting that Juárez is lagging behind.
- Furthermore, according to data from the Secretariat of Innovation and Economic Development of the State of Chihuahua (SIDE), Ciudad Juárez received approximately 440.5 million dollars in Foreign Direct Investment (FDI), representing a 35% decrease compared to the 683 million dollars recorded in previous periods.

Market Trends

	Current Quarter	Prior Quarter	One Year Ago	12-month Forecast
Inventory (SF)	88.7M	88.7M	87.2M	↑
Vacancy Rate	10.6%	9.0%	6.7%	↑
Gross Absorption (SF)	749,540	342,824	325,801	↑
Net Absorption (SF)	-635,254	-1,050,405	-239,524	↓
Asking Rate (USD/SF/year)	$8.12	$7.98	$7.97	↓
Under construction (SF)	1.2M	1.5M	2.0M	↓

Transactions

- During the quarter, significant lease transactions were recorded. Among the most notable were Indbauten, which leased 323,849 square feet in the Southeast corridor through Centinela Property; American Industries, also in the Southeast corridor, with 143,352 square feet; and Fibra Nova, in the South corridor, with 361,729 square feet leased by Vistaprint.
- Likewise, a significant transaction took place in a Class B facility, highlighting Prologis in the Southwest corridor, with 44,392 square feet leased by Transpack.

Outlook

- Some projections for Juárez by the end of 2025 point to relatively low economic growth if business closures and the industrial slowdown persist.
- In the medium term, if vacancy remains high, downward pressure on rental prices could be expected, as property owners compete to attract tenants.

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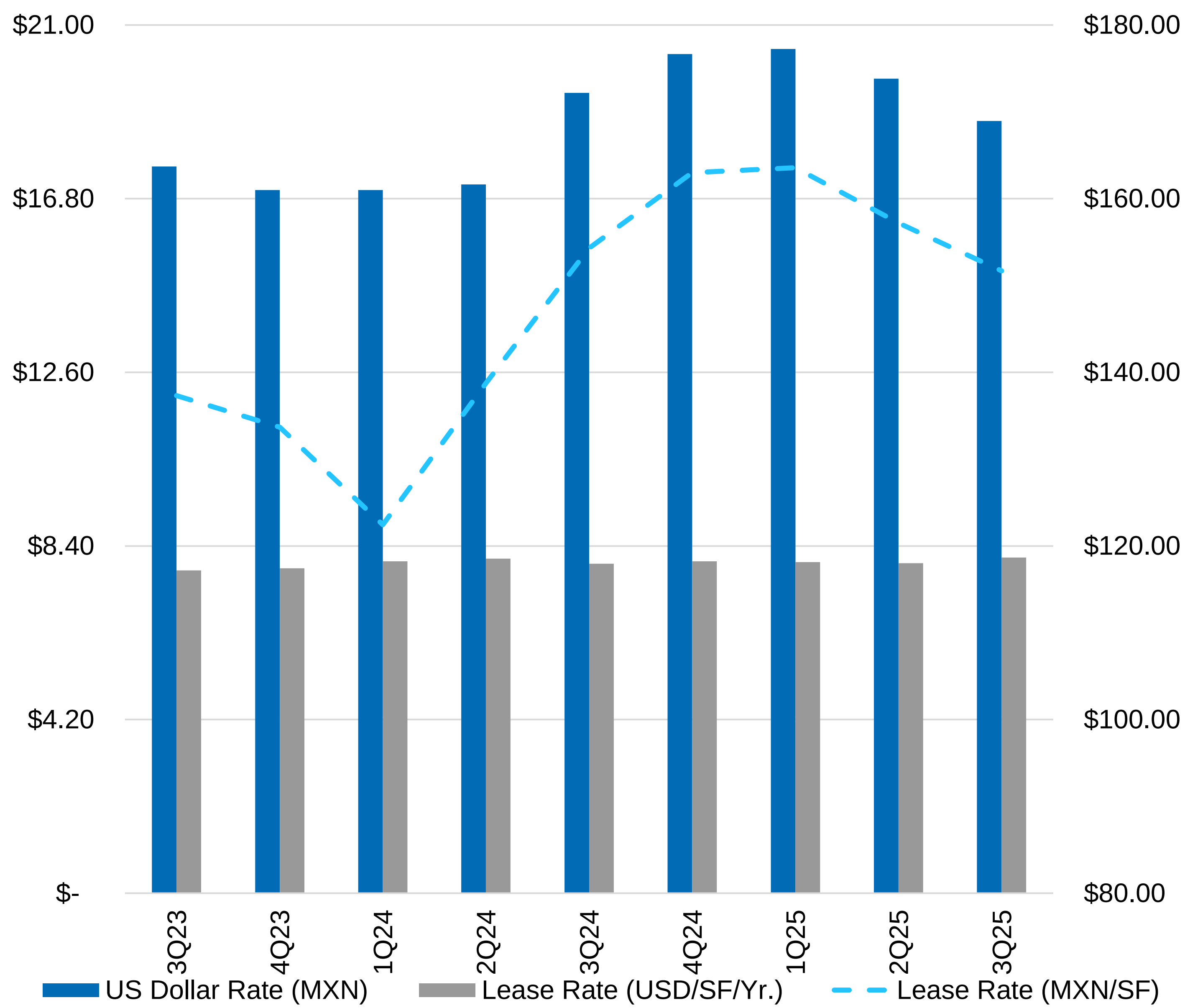
Economy

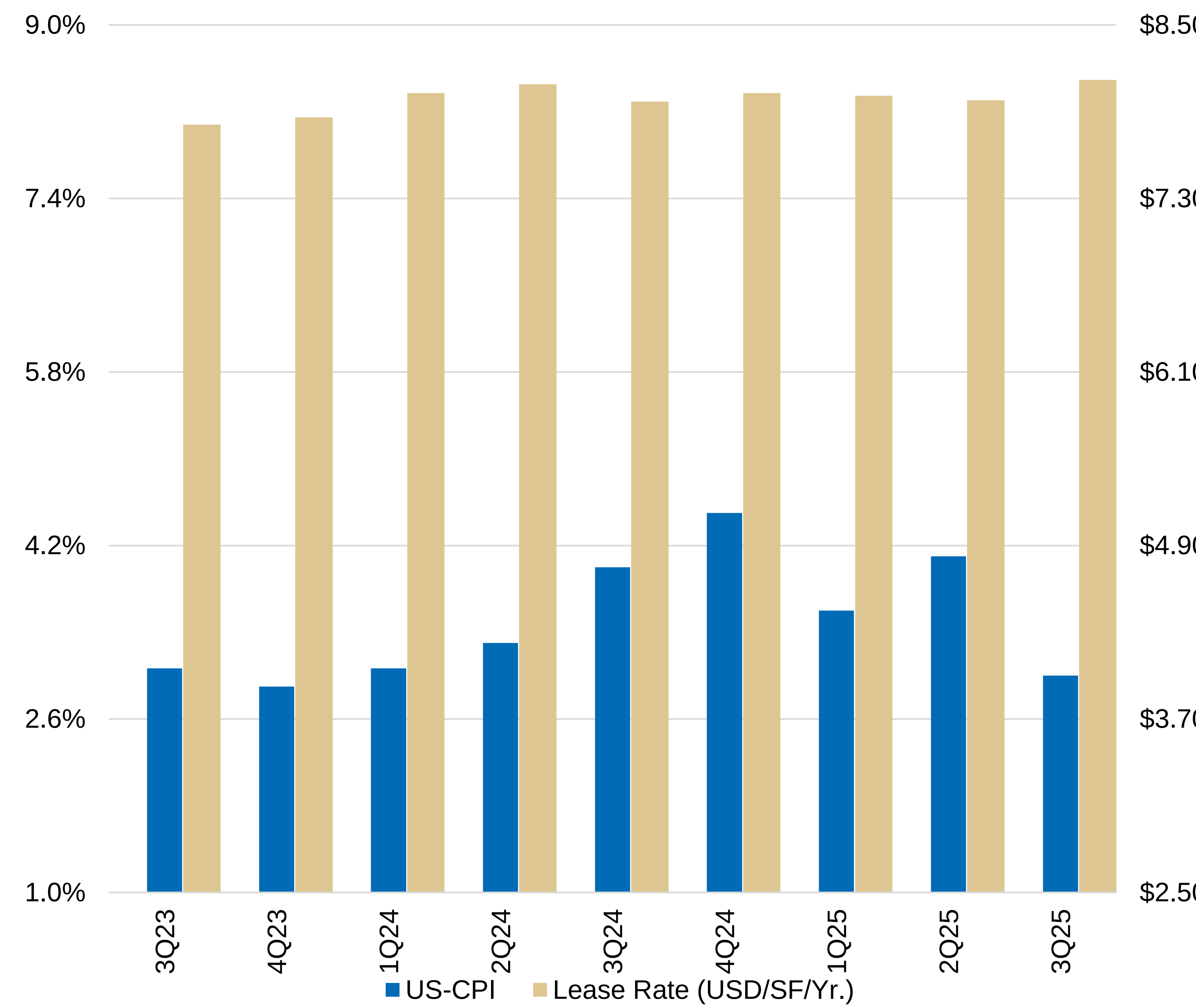
Economy

Exchange rate volatility and rising dollar-denominated rents increase leasing costs for Mexican companies, while the market remains attractive for dollar-based investors; despite low inflation in the U.S., prices are driven mainly by sector supply and demand, highlighting the importance of managing currency exposure.

Exchange Rate



US Consumer Price Index



Fuente: Bureau of Labor Statistics (BLS).

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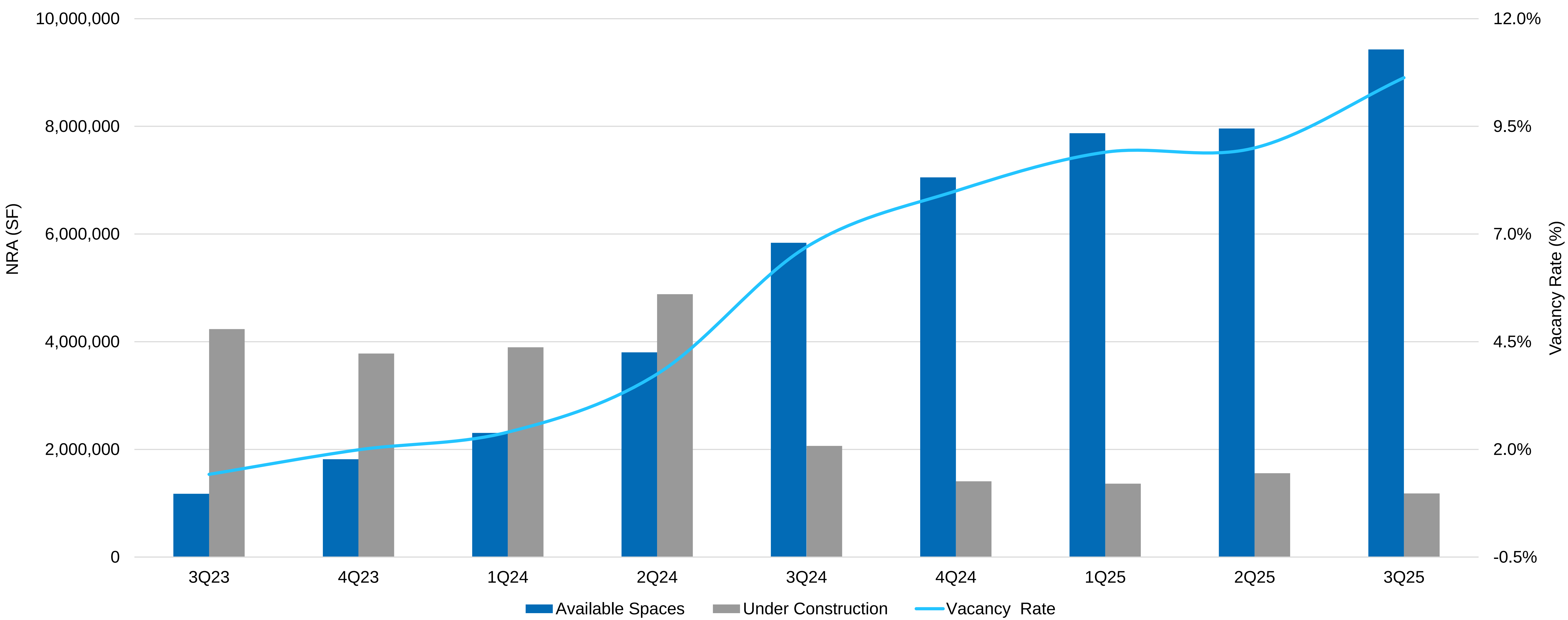
Market Trends

Vacancy and Construction in a Context of Industrial Slowdown

The pace of construction remains significantly low, reflecting the impact of the current market context and a sustained oversupply. This situation is linked to the slowdown in industrial employment, competition from nearby markets, and uncertainty in export demand to the United States—factors that have limited the expansion of new developments and are prompting companies to reassess their logistical needs, prioritizing efficiency overgrowth and selecting locations that offer greater operational advantages.

Available Space, Under Construction and Vacancy Rate

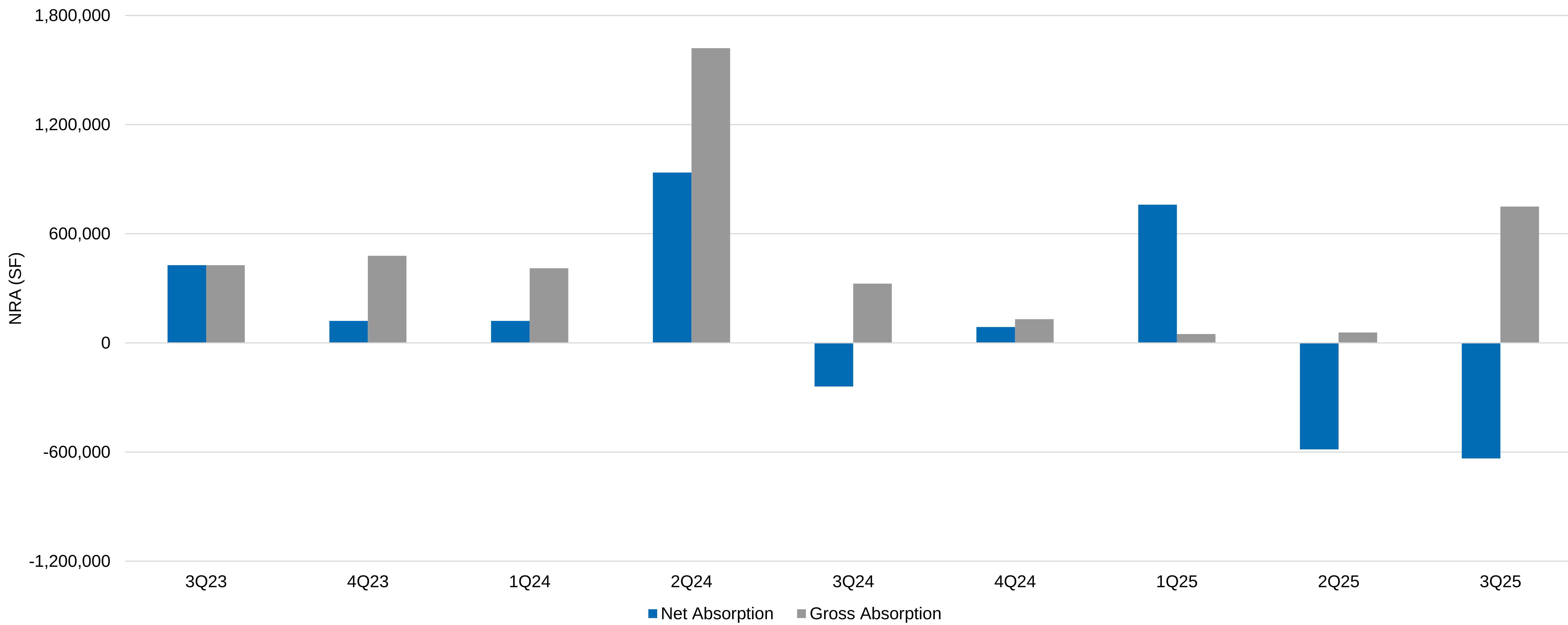


Source: Newmark Research

Gross and Net Absorption Trends

Although new contracts are being signed, net absorption remains negative. Demand is concentrated in advanced manufacturing and logistics, while less-equipped spaces have higher vacancy rates, demonstrating that competitiveness depends more on infrastructure and services than location. Developers face risks from changes in supply chains, commercial policies, and sustainability, so the optimal strategy is to adapt projects to tenant needs to differentiate themselves in a selective market.

Gross and Net Absorption (SF)

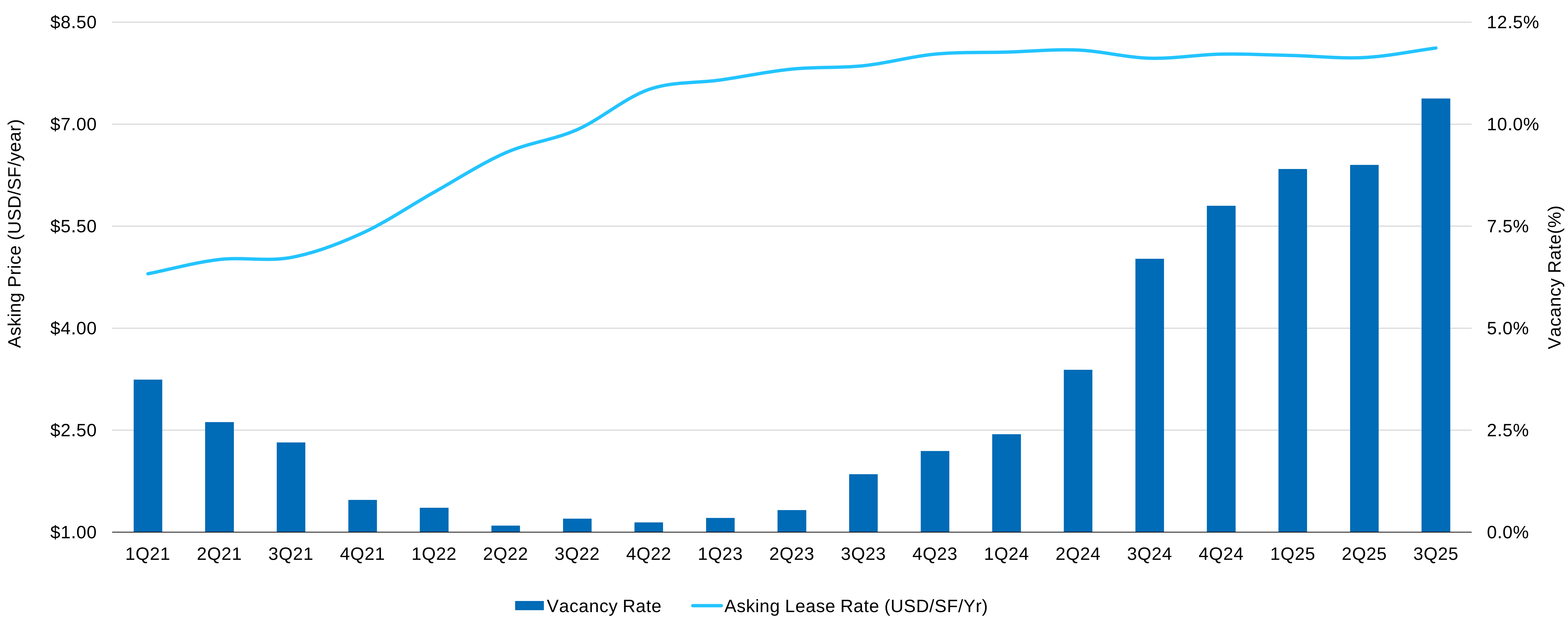


Source: Newmark Research

High Rents and Vacancy: Market Overpricing Risk

Although rental prices remain high, vacancy is also elevated, indicating that the market is not absorbing available spaces at the current rental levels. This reflects a mismatch between supply and demand, as, despite the availability of properties, tenants are not willing to pay the asking prices. This situation suggests a risk of overpricing, and if the trend persists, downward pressure on rents could emerge, forcing property owners to adjust prices to attract tenants and maintain profitability.

Asking Lease Rate and Vacancy Rate

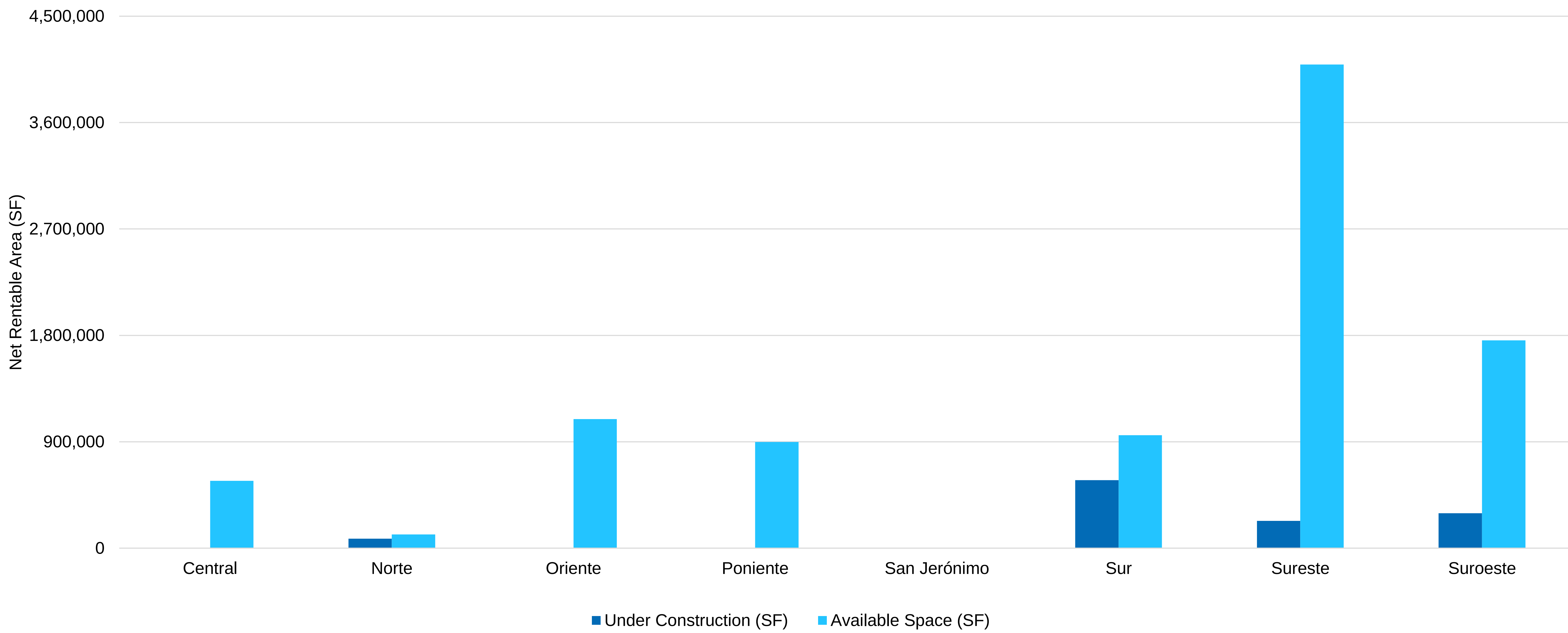


Source: Newmark Research

Industrial Corridor Performance: Vacancy and Construction

Currently, developers are focusing on customized projects, avoiding speculative construction due to excess supply and a slowing market. As a result, corridors such as the Southeast and Southwest exhibit higher vacancy levels, driven by the large number of speculative warehouses available, while construction activity across all corridors remains low, reflecting investors' caution in a lagging market. This behavior indicates that priority is being given to projects that directly respond to actual demand, optimizing existing supply before considering new expansions.

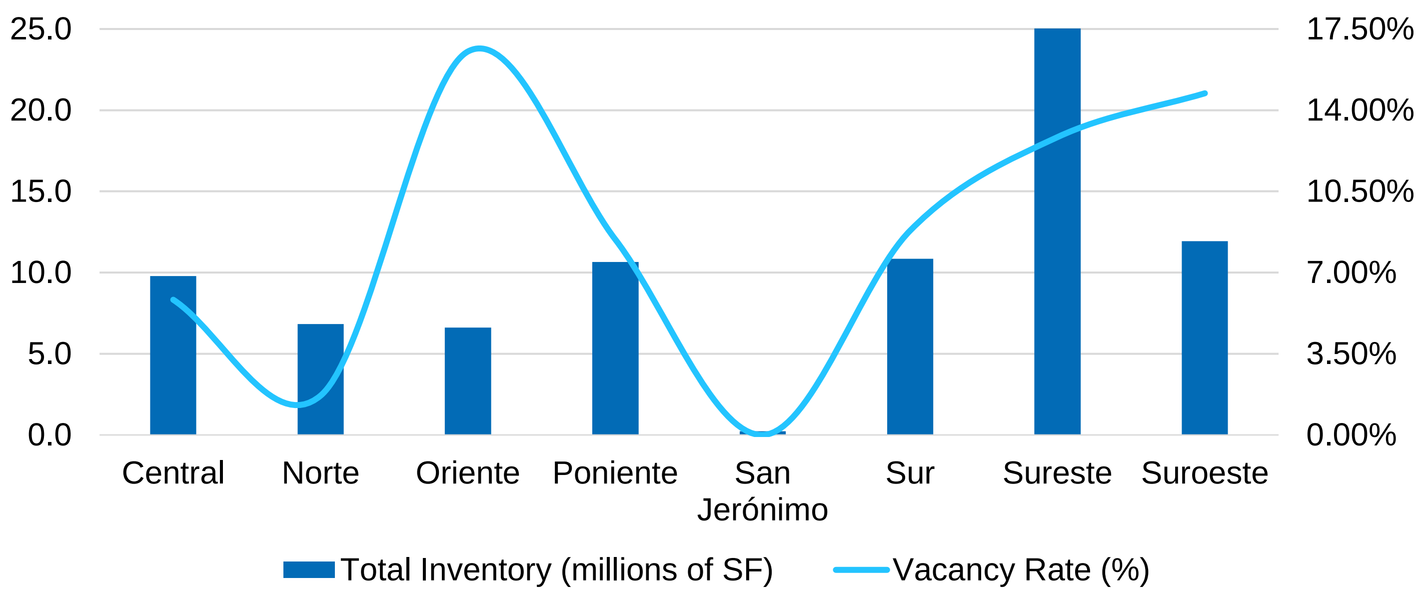
Available vs Under Construction (SF)



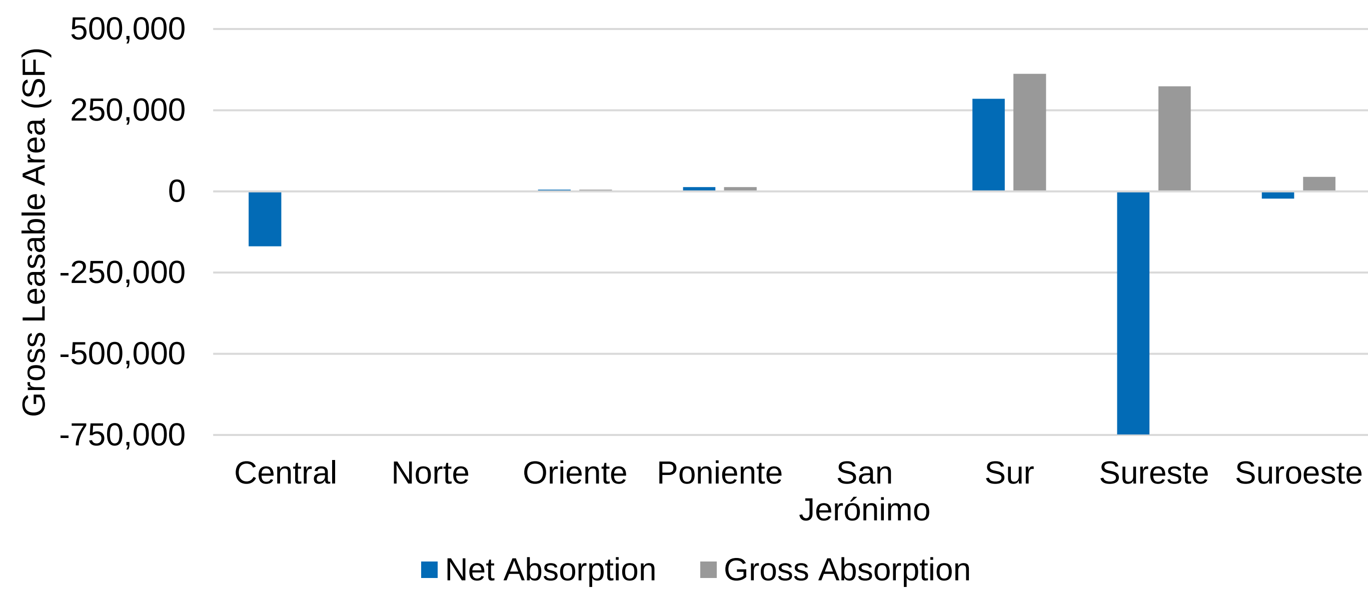
Source: Newmark Research

Submarket Comparatives

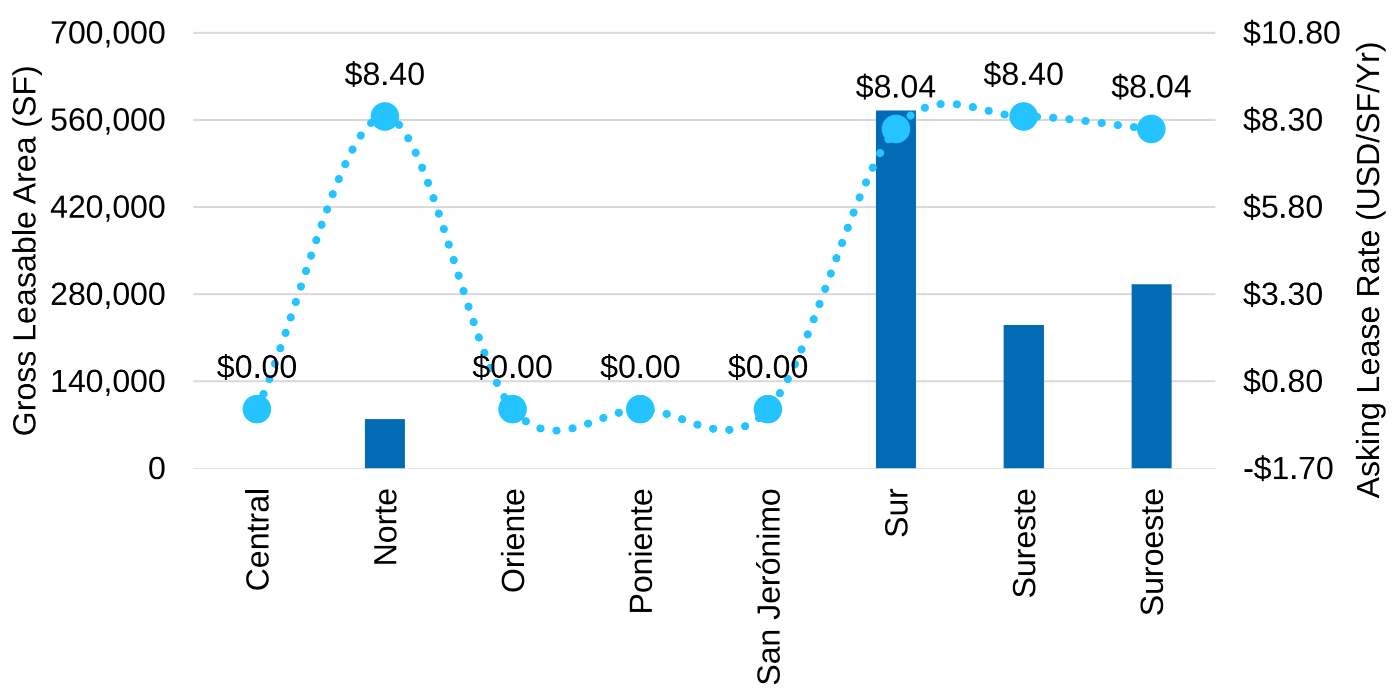
Inventory vs Vacancy Rate



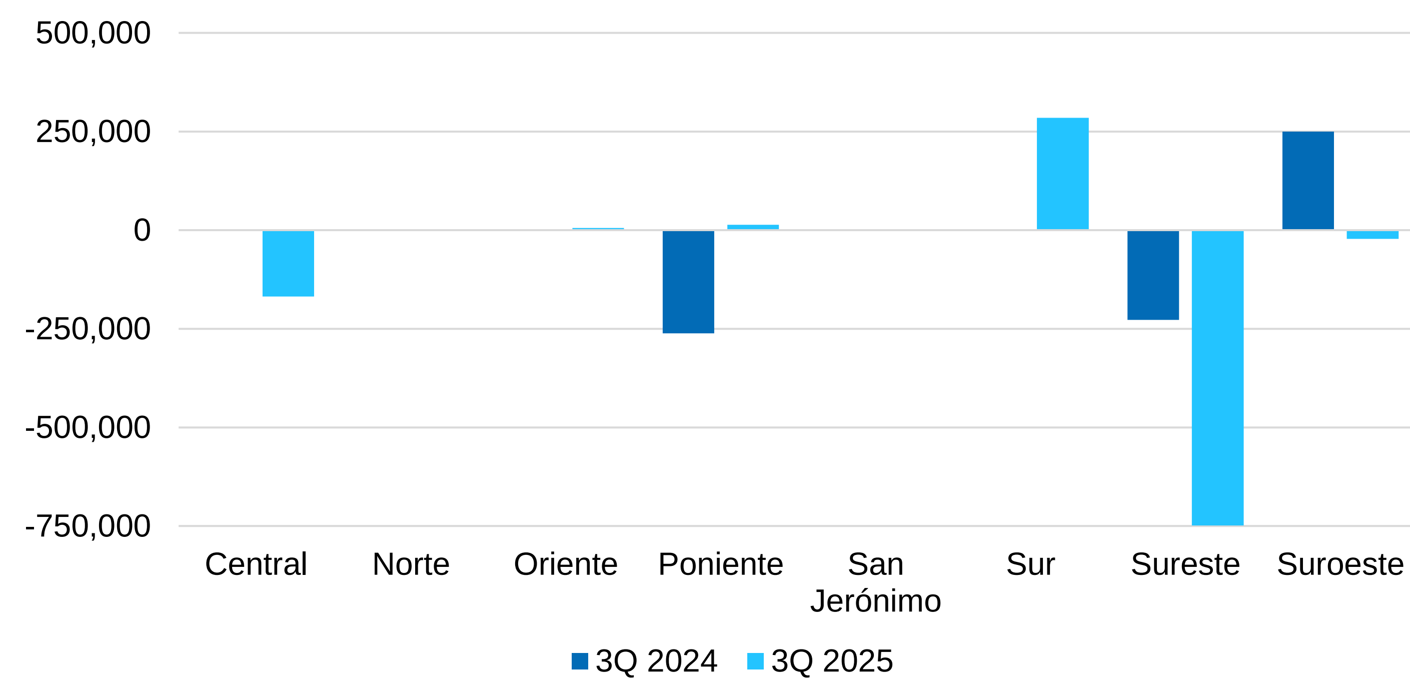
Gross and Net Absorption per Submarket



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



Quarterly Net Absorption



Source: Newmark Research

Submarket Statistics 3Q25

Ciudad Juarez Submarket Statistics	Inventory (million SF)	Under 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	-	570,089	5.83%	-	-	-168,659	-316,825	$7.98	-
Norte	6.8	79,416	115,852	1.70%	-	-	-	-115,852	$8.40	$8.40
Oriente	6.6	-	1,092,105	16.53%	5,380	5,380	5,372	5,372	$8.31	-
Poniente	10.7	-	897,528	8.42%	13,649	173,101	13,640	59,737	$7.56	-
San Jerónimo	0.2	-	-	0.00%	-	-	-	-	$0.00	-
Sur	10.8	575,187	955,817	8.81%	361,726	601,696	284,723	-432,910	$8.04	$8.04
Sureste	31.9	230,739	4,091,168	12.84%	323,846	916,154	-748,337	-439,178	$8.31	$8.40
Suroeste	11.9	295,919	1,708,212	14.32%	44,939	155,963	-21,993	-255,265	$7.92	$8.04
Total	**88.7**	**1,181,261**	**9,430,771**	**10.63%**	**749,540**	**1,852,294**	**-635,254**	**-1,494,921**	**$8.12**	**$8.17**

Source: Newmark Research

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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.lat/reportes-de-mercado/.

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