



MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.6% Vacancy Rate	▲	▬
-545K YTD Net Absorption, SF	▼	▲
\$7.75 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
356K El Paso Employment	▲	▼
4.2% El Paso Unemployment Rate	▬	▲
4.1% United States Unemployment Rate	▲	▲

Source: BLS

ECONOMY OR SUPPLY:

El Paso's unemployment rate has dropped in the first quarter by 10% from 4.5% to 4.1% which mirrors both the national and state rates. Housing prices have remained in a band between \$265,000 to \$270,000, depending on the source of the data. Prices should remain steady with an approximate four-month supply of stock for the market. *Borderplex Business Barometer & Federal Reserve of Dallas.

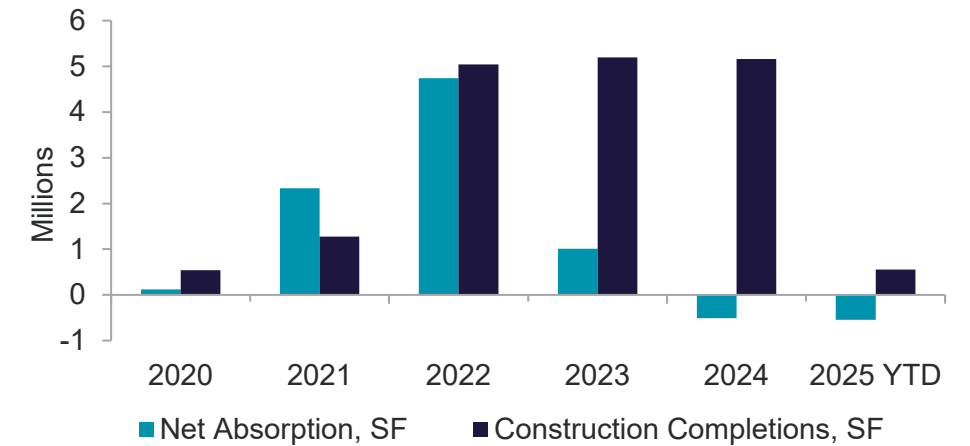
SUPPLY OR DEMAND:

The market registered a negative absorption rate of about 545,000 square feet (sf) in the first quarter, down from 880,000 sf in the fourth quarter of 2024. Industrial completions totaled just under 500,000 sf in three buildings this quarter. These completed buildings are from the previously reported 5 million square feet (msf) of additional Class-A product scheduled to be completed by mid-2025. However, we witnessed four new developments, totaling more than 498,000 sf that have commenced construction which could all be ready for occupancy late in 2025. As previously stated, the supply-side pressures create a challenge and will effectively flatten rent increases until a more stable supply-demand equilibrium is attained. Corporations remain hesitant to increase their warehouse and manufacturing space even though the announced tariffs will hardly affect USMCA defined businesses between the US, Mexico and Canada. The Northern Manufacturing Orders index has tracked in line with the previous two years and is just above 55 on the index. In Juarez, very few leases have been completed and this indicates that business leaders intend to wait until a clearer picture of the consumer demand side of the manufacturing process. El Paso / Juarez is a unique international market. It functions best when there are clear policies and trade agreements. As of this writing, a lot of relief is being felt, but the corporate headquarters have not acted on the good news yet. C&W PIRES continues to closely monitor and participate with business and political leaders on both sides of the border to stay in a position to provide customers and clients with the information required to make sound business decisions.

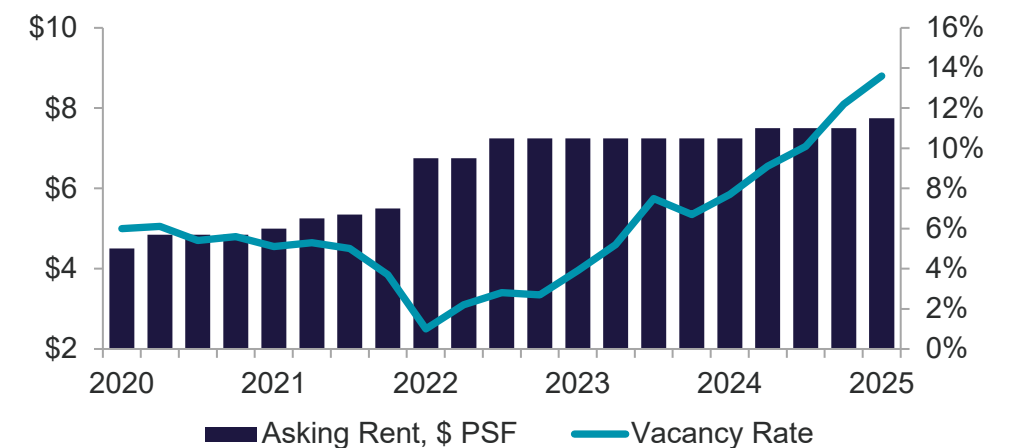
PRICING:

As reported in Q4 2024, lease rates are stable with no significant increases anticipated. We stated above that increased competition and muted demand in both markets will insulate tenants from drastic surprises until the available stock has been absorbed. High construction costs haven't dissuaded new-building construction, surprisingly, but we don't expect them to obtain lease rates above where everyone else is priced either.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	62,203,257	9,674,859	15.6%	-365,206	-365,206	7,038,264	552,307	\$8.25
Manufacturing	5,706,290	572,244	10%	0	0	100,000	0	\$9.50
Office Service / Flex	7,681,152	84,80	0.1%	-179,728	-179,728	33,600	0	\$9.50
EL PASO TOTALS	75,590,699	10,255,583	13.6%	-544,934	-544,934	7,171,864	552,307	\$7.75

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
12220 Rojas Dr.	East	Honeywell	356,630	Renewal
12124 Rojas Dr.	East	Mareli	161,258	Renewal
32 Celerity Wagon St.	Northeast/ Butterfield Trail	Warehouse/Distribution	136,371	Sublease
1435 Don Haskins Dr.	East	Brokers Logistics	131,488	Direct-New Lease
950 Industrial Ave.	Santa Teresa, NM	Warehouse/Distribution	85,959	Direct-New Lease
1320 Henry Brennan Dr.	East	Frontier Logistics	76,800	Direct-New Lease
12228 Ashtabula Ave.	Far East	PODS	56,670	Direct-New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
3 Buildings	Santa Teresa, NM	LINK / Evergreen Equity	487,691	Not Disclosed
6 Buildings	Northwest & East	LINK / Centaur	956,631	Not Disclosed
6 Buildings	East	Stonelake Capital Partners / Invesco	803,864	Not Disclosed
2 Buildings	Southeast	RAITH/EIP / EQT Exeter	215,444	Not Disclosed
11350 James Watt Dr.	East	Stonelake Capital Partners / 11350 James Watt Drive Owner LLC	116,243	Not Disclosed
1320 Henry Brennan Dr.	East	Stonelake Capital Partners / 1313 Don Haskins Drive Owner LLC	106,155	Not Disclosed
401/410 Frederick Rd.	Centraplex	Sealy / Evergreen Equity	100,000	Not Disclosed

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Pellicano Industrial Park, Bldg. 3	Far East	Spec	251,640	Panattoni
4500 Doniphan Dr.	Northwest	Spec	123,737	Clever Properties
175 Lindbergh Dr.	Santa Teresa, NM	Spec	116,420	175 Lindbergh LLC

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