



MARKET FUNDAMENTALS

	YOY Chg	Outlook
14.9% Vacancy Rate	▲	▬
132K YTD Net Absorption, SF	▼	▲
\$8.25 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
358K El Paso Employment	▲	▼
4.3% El Paso Unemployment Rate	▬	▲
4.2% United States Unemployment Rate	▲	▲

Source: BLS

ECONOMY OR SUPPLY:

El Paso's unemployment rate remains very low at 4.3% and closely follows the state (4.1%) and national (4.2%) rates. National housing prices are at record highs and sales are in the doldrums. Locally, home sales and prices have remained flat and in a band between \$275,000 (existing) to \$315,000 (new construction). Prices should remain steady with an approximate four-month supply of inventory for the resale market and a six-month supply for new construction. *Borderplex Business Barometer, BLS, Federal Reserve of Dallas and the Texas Real Estate Center.

SUPPLY OR DEMAND:

El Paso experienced a forward commitment of 1.12 million square feet (msf) of build-to-suit preleasing in second quarter. However, industrial construction delivered 1.9 msf in six speculative buildings. At the close of this quarter 6.7 msf of industrial space was under construction. New leasing activity was strong totaling 1.2 mf. The overall market vacancy rate increased by 130 basis points (bps) from 13.6% to 14.9% this quarter. Meanwhile, total industrial availability reached approximately 11.5 msf.

The dramatic increase in new buildings will continue to suppress rent increases and recent quotes indicate that new construction prices will start to see rates in the low \$9.00 per square foot per year. Corporations remain hesitant to commit to long term contracts until the threatened tariffs and possible changes to USMCA have been completed.

El Paso/Ciudad Juarez is a unique international market. It functions best when there are clear policies and trade agreements. This quarter brought some relief to the manufacturing sectors; however, the corporate offices remain paused for the most part.

Cushman and Wakefield | PIRES continues to closely monitor and participate with businesses 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 the first quarter, lease rates have flattened. There continues to be no increases anticipated until existing product stock diminishes and trade policies and pricing are finalized.

Increased competition and stilted demand in El Paso and Ciudad Juarez will insulate tenants from drastic rental rate increases, at least until the available industrial product becomes absorbed. Lingering high construction costs will impact any new building construction, both speculatively and on a build-to-suit basis.

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)	QTR CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	64,074,678	10,976,891	17.1%	671,456	306,250	6,268,978	1,871,421	\$8.50
Manufacturing	5,706,290	8,480	0.1%	0	0	381,733	0	\$9.50
Office Service / Flex	7,681,152	567,153	7.4%	5,091	-174,637	103,600	0	\$9.50
EL PASO TOTALS	77,462,120	11,552,524	14.9%	676,547	131,613	6,754,311	1,871,421	\$8.25

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

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
9250 Socorro Logistics Ln.	Southeast	Wiwynn	476,281	Direct-New Lease
1550 Northwestern Dr.	West	Becton Dickinson	360,134	Renewal*
9 Zane Grey St.	Northeast/ Butterfield Trail	Cazador Logistics	100,000	Direct-New Lease
9560 Joe Rodriguez Dr.	Southeast	Space Border Logistics	74,495	Renewal*
9560 Joe Rodriguez Dr.	Southeast	Space Border Logistics	55,000	Renewal*
21 Zane Grey St.	Northeast/ Butterfield Trail	Nasco Healthcare	44,000	Renewal*
10826 Pellicano Dr.	East	Royal Dynamic Solutions	30,400	Sublease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
9220 Socorro Logistics Ln.	Southeast	TPA Group/Wiwynn	392,520	Not Disclosed
15 Leigh Fisher Blvd.	Northeast/ Butterfield Trail	The Kennedy 1978 Trust/ Butterfield 15K LLC	222,486	Not Disclosed

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
9250 Socorro Logistics Ln.	Southeast	Wiwynn	476,281	TPA Group
9220 Socorro Logistics Ln.	Southeast	Wiwynn (Owner Occupied)	392,520	Wiwynn/TPA Group
Eastwind, Bldg. 1	Far East	N/A	296,220	Flint Development
Eastwind, Bldg. 2	Far East	N/A	296,220	Flint Development
Eastwind, Bldg. 3	Far East	N/A	261,340	Flint Development
8900 Escobar Dr.	Southeast	N/A	148,840	Alliance

BRETT C. PRESTON, SIOR, CCIM

Managing Partner

Tel: +1 915 843 8888

bpreston@piresintl.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.