

# MARKETBEAT EL PASO, TEXAS INDUSTRIAL Q3 2025



## MARKET FUNDAMENTALS

	YOY Chg	Outlook
<b>15.7%</b> Vacancy Rate	▲	▬
<b>248K</b> YTD Net Absorption, SF	▼	▲
<b>\$8.25</b> Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

## ECONOMIC INDICATORS

	YOY Chg	Outlook
<b>354K</b> El Paso Employment	▲	▲
<b>4.3%</b> El Paso Unemployment Rate	▬	▲
<b>4.3%</b> United States Unemployment Rate	▲	▲

*Source: BLS*

## ECONOMY OR SUPPLY:

El Paso's unemployment rate remains below 5% and remains slightly above State and National rates. Home sales and prices haven't changed and trade between \$275,000 (existing) to \$315,000 (new construction). Prices remain steady and there is about a 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 September '25.*

## SUPPLY OR DEMAND:

Inventory increased by almost 983,000 square feet (sf) this quarter due to continued speculative product entering the market. At the close of this quarter 3.4 million square feet (msf) was delivered and almost 6.7 msf of industrial space remained under construction. New leasing activity average and the vacancy rate increased by 80 basis points from 14.9% to 15.7%.

As reported in the past quarter, new building inventory will continue to suppress rental rates and 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 PasoCiudad 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 will continue to 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:

For the remainder of 2025, we do not expect rate increases until existing product stock diminishes and trade policies are settled.

Lingering high construction costs will impact any new building construction, both speculatively and on a build-to-suit basis unless demand for a significant type of product surfaces, as in the case of manufacturing space or industry-specific buildings, such as data-center buildings.

## 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	65,037,550	11,940,637	18.4%	-102,941	203,309	6,230,002	962,872	\$8.50
Manufacturing	5,706,290	8,480	0.1%	0	0	373,442	0	\$9.00
Office Service / Flex	7,701,152	368,261	4.8%	218,892	44,255	113,200	20,000	\$9.00
<b>EL PASO TOTALS</b>	<b>78,444,992</b>	<b>12,317,378</b>	<b>15.7%</b>	<b>115,951</b>	<b>247,564</b>	<b>6,716,644</b>	<b>982,872</b>	<b>\$8.25</b>

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Montana Logistics Center	Far East	Avanza Loop Inc	449,196	Direct-New Lease
Emerald Pass Ave.	Far East	Unis	209,153	Direct-New Lease
4500 Doniphan	West	CSC Sugar	123,737	Direct-New Lease
12228 Ashtabula Ave.	Far East	Not Disclosed	56,885	Direct-New Lease
1740 Joe Battle Blvd.	Far East	Not Disclosed	47,394	Direct-New Lease

\*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Montana Logistics Center Phase I	Far East	Avanza Loop Inc	449,150	Stonelake Capital Partners
11080 Gateway East	Far East	N/A	271,922	Reliant Properties LLC
Rancho Del Rey, Bldg 2	Far East	N/A	241,800	Sansone Group

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