

Market finds better footing as BTS deliveries bring absorption and a slowing spec pipeline helps ease upward pressure on vacancy.



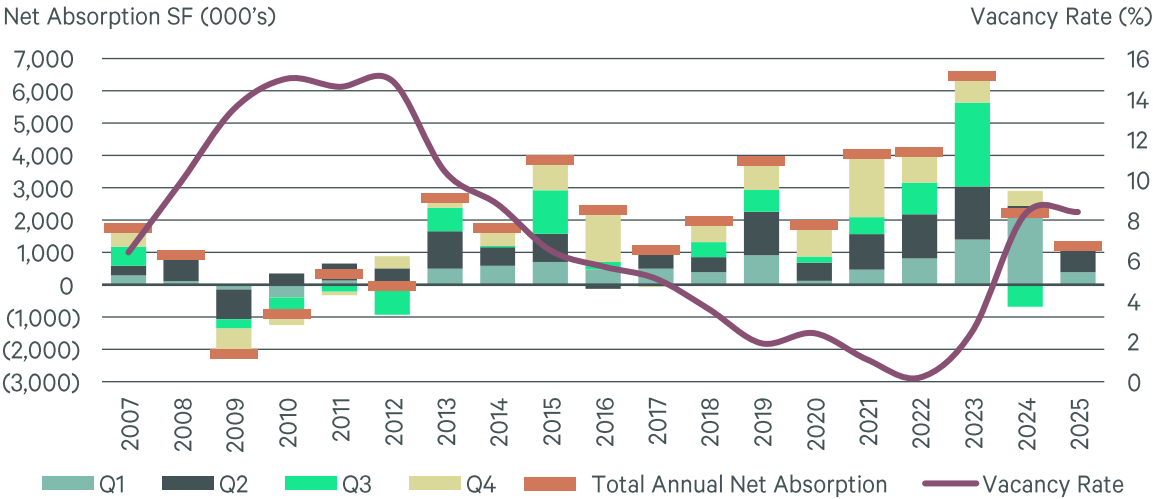
Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

- Q2 2025 closed with 824,488 sq. ft. of quarterly net absorption through the delivery of build-to-suit projects.
- The market-wide vacancy rate increased quarter-over-quarter while the Class A vacancy rate was unchanged.
- Q2 2025 closed with just under 1.3 million sq. ft. of space under construction, the lowest figure recorded since Q3 2018.
- Demand for industrial space saw a quarter-over-quarter improvement but remained below the 57 trailing-quarter average.

The Juarez Industrial Market closed Q2 2025 with stronger net absorption relative to the past few quarters. However, all of the quarter’s net absorption came from the delivery of completed owner-occupied build-to-suit projects and new leasing activity has remained sluggish with only a handful of deals completed year-to-date. Despite a lack of activity, vacancy rates have seen some stabilization. Minimal move outs and decreasing speculative deliveries have helped decelerate vacancy rate growth. These trends, along with a slowing of new construction starts will provide some balance while the market continues to wade through uncertainty around trade and tariffs.

FIGURE 1: Net Absorption and Vacancy



Source: CBRE Research, Q2 2025.

Absorption and Activity

Q2 2025 closed with 824,488 sq. ft. of net absorption, the strongest quarterly absorption since Q1 2024. Absorption came through the delivery of three owner-occupied build-to-suit (BTS) projects ranging in size from 100,000 sq. ft. to 600,000 sq. ft. The market registered two new leases and a renewal, a total of 302,000 sq. ft. of activity and 1.2 million sq. ft. of gross absorption.

The market-wide vacancy rate increased by 30 basis points (bps) quarter-over-quarter while the Class A vacancy rate was unchanged. Although the market-wide vacancy rate increased, it did so at a slowing pace. On average, the vacancy rate grew 100 bps quarter-over-quarter over the past two years. This recent slow down in the vacancy growth rate can be directly attributed to the decreasing amount of vacant speculative (spec) space being delivered to the market.

Construction

Industrial space under construction fell by 615,000 sq. ft. quarter-over-quarter and by 3.5 million sq. ft. compared to Q2 2024. At just under 1.3 million sq. ft., Q2 2025 recorded the lowest amount of space under way since Q3 2018 when the figure stood at 960,000 sq. ft. Two new spec projects totaling 549,500 sq. ft. began moving dirt during Q2 2025. Six spec projects and an owner-occupied BTS expansion remained under way at the end of the quarter.

FIGURE 2: Cd. Juárez Industrial Market Statistics

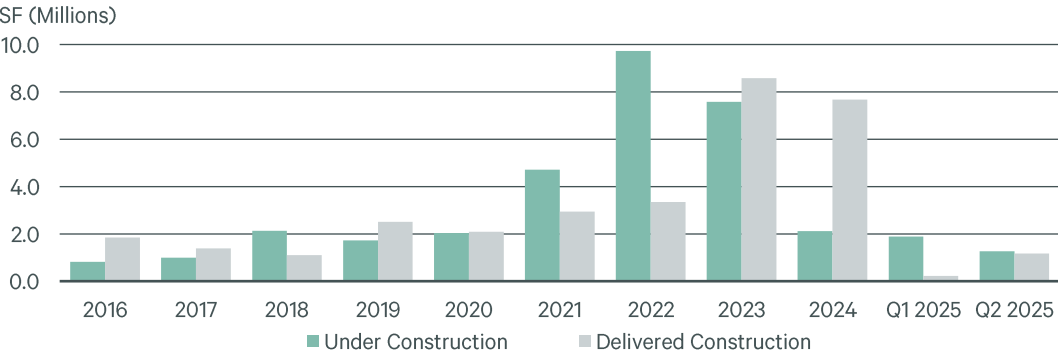
Submarket	Vacancy (%)	Availability (%)	Construction (SF)		Net Absorption (SF)	
			Active	Delivered	Q2 2025	YTD 2025
North	0.2	0.6	79,416	-	-	-
West	10.0	13.1	-	-	-	78,970
Central	6.6	6.6	-	-	(175,512)	(175,512)
Southwest	10.6	10.6	606,658	-	-	0
Southeast	8.9	10.1	318,517	864,171	700,000	1,006,748
South/Elux	18.6	19.3	265,973	300,000	300,000	300,000
San Jeronimo	-	-	-	-	-	-
Juárez Total	8.4	9.4	1,270,564	1,164,171	824,488	1,210,206
Class A	10.7	11.4	1,270,564	1,164,171	1,000,000	1,306,748
Class B	4.1	5.3	-	-	(175,512)	(175,512)

Source: CBRE Research, Q2 2025.

Future Activity

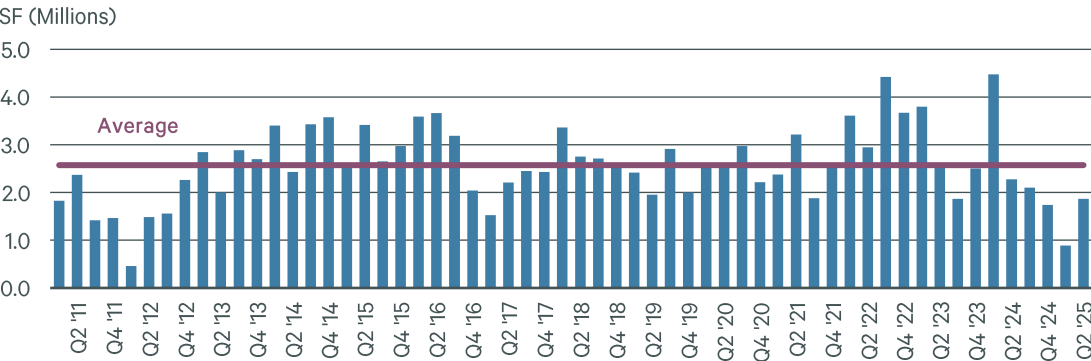
CBRE tracks user demand for space in the Juarez Industrial Market. Q2 2025 closed with users seeking 1,900,000 sq. ft., a quarter-over-quarter increase of 980,000 sq. ft. While demand for industrial space continues to be impacted by uncertainty and many projects have been placed on hold, demand by industry has broadened and user sizes have increased. Six tenants in the market account for 1.7 million sq. ft. of demand. Demand for space in the market ranged in size from 20,000 sq. ft. to 500,000 sq. ft.

FIGURE 3: Construction



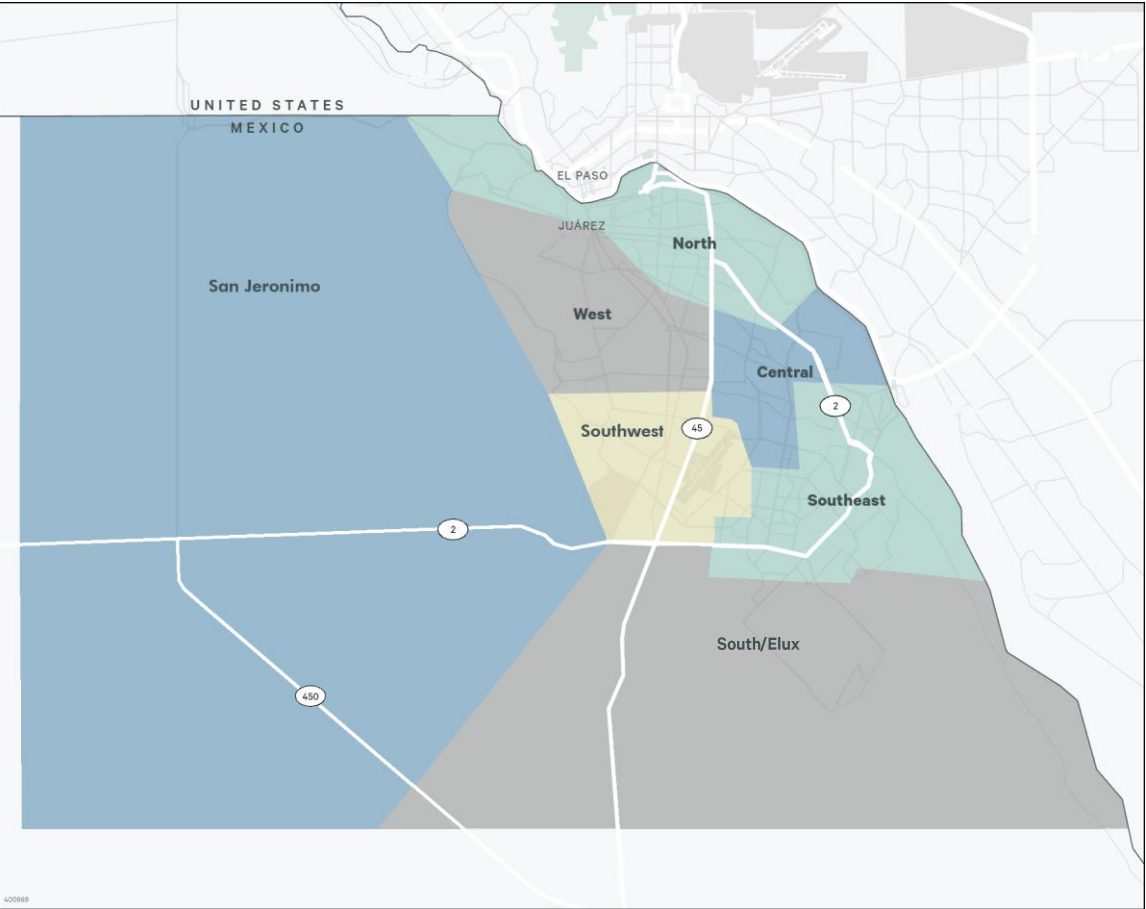
Source: CBRE Research, Q2 2025.

FIGURE 4: Active Users in the Market



Source: CBRE Research, Q2 2025.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Triple Net Lease Rate: Rent excludes the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied immediately.

Survey Criteria

Includes all industrial buildings 30,000 sq. ft. and greater in size in greater metropolitan area of Juárez, Chihuahua and San Jeronimo , Chihuahua. Buildings which have begun construction as evidenced by site excavation or foundation work.

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