

Ciudad Juarez, Chihuahua, Mexico



Juarez is the largest city in Chihuahua, with a population of 2 million inhabitants. It is located across from El Paso, Texas, and has been a destination for foreign manufacturing since the 1960s. Manufacturing facilities known as “maquiladoras” drive the economy. Of Mexico’s foreign manufacturing plants, 90% are situated along the US-Mexico border and 33% are found in Juarez.

Approximately 330 registered maquiladora operations are located in Juarez, employing more than 200,000 people. Juarez is home to companies such as Philips, Thomson, GM, Electrolux, Yazaki, Foxconn, Lear, Johnson & Johnson, GE Medical, Johnson Controls, Delphi and Ford.

At the outset of 2010, the market is expected to change from a landlords’ market to tenants’ market with this trend continuing into 2011. Early signs of expansion were noted by the end of 2009 with another wave of projects on the horizon.

At the outset of 2010, only one new industrial facility is under construction. The global economic crisis during 2009 slowed investment by manufacturers and as demand fell so did lease rates. Juarez vacancy rates rose for the first time to over 10%. As a result, lease rates fell by about 20-30% and developer incentives, such as free rent, were noted.

The office market remains flat. The limited amount of Class A space is occupied by local firms, government agencies and global service providers with regional operations. Activity was slower with lease rates falling and vacancies rising in the range of 10-20% during 2009. Overall rates are predicted to remain stable during 2010.

US retailers such as Costco, Wal-Mart, Sam's, Auto Zone and Home Depot are following Mexican retailers into the market and prospects for 2010 are improving.

Juarez’s critical mass of industrial firms, proximity to all US markets and a 50-year history with foreign manufacturers ensure the future will be bright. Most believe 2010 will be a rebound year with increased activity by the second half and continuing in force through 2012 and beyond.

Contact

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Country Data

Area	1,972,550
GDP Growth (%)	-7.34%
GDP 2008 (US\$ B)	\$866.34
GDP/Capita (USD)	\$8,040.24
Inflation Rate (%)	5.43%
Unemployment Rate (%)	6.06%
Interest Rate (%)	4.50%
Population (Millions)	107.75

Juarez At A Glance

RENT/SF/YR

	Low	High	Effective Avg.	Vacancy
DOWNTOWN OFFICE				
New Construction (AAA)	\$ 12.00	\$ 17.00	\$ 14.50	N/A
Class A (Prime)	\$ 9.00	\$ 13.00	\$ 11.00	8.0%
Class B (Secondary)	\$ 8.00	\$ 10.00	\$ 8.75	20.0%
SUBURBAN OFFICE				
New Construction (AAA)	\$ 12.00	\$ 17.00	\$ 14.50	15.0%
Class A (Prime)	\$ 9.00	\$ 13.00	\$ 11.00	10.0%
Class B (Secondary)	\$ 8.00	\$ 10.00	\$ 8.75	20.0%
INDUSTRIAL				
Bulk Warehouse	\$ 3.30	\$ 4.00	\$ 3.60	11.5%
Manufacturing	\$ 4.00	\$ 6.00	\$ 4.80	11.5%
High Tech/R&D	N/A	N/A	N/A	N/A
RETAIL				
Downtown	\$ 15.00	\$ 20.00	\$ 13.00	N/A
Neighborhood Service Centers	\$ 10.00	\$ 12.00	\$ 9.50	27.5%
Community Power Center	N/A	N/A	N/A	N/A
Regional Malls	N/A	N/A	N/A	N/A
DEVELOPMENT LAND				
	Low/SF	High/SF		
Office in CBD	N/A	N/A		
Land in Office Parks	\$ 5.57	\$ 180.00		
Land in Industrial Parks	\$ 3.25	\$ 50.00		
Office/Industrial Land - Non-park)	N/A	N/A		
Retail/Commercial Land	\$7.45	\$ 24.00		
Residential	\$ 9.00	\$ 19.00		