

Tijuana Industrial Market

The close of a different year

The last quarter of the year brought an significant increase in net absorption thanks to big new operations in the Otay - Alamar and Florido - Blvd 2000 submarkets. Construction stays focused on these two industrial areas.

The largest land offer is concentrated in the Florido - Blvd 2000 due to the growth of Tijuana being towards the southeast of the city. This industrial zone is home to various world-class companies such as Samsung, Jacuzzi, Becton Dickinson, Allegion, among others.

The expansion of the Via Alamar road has allowed the Otay - Alamar submarket to continue growing and allowed focus of operations closest to the commercial US border crossing to maintain a steady rise. As well, the repaving of the Pacifico industrial zone has allowed the industrial submarket of Libramiento to regain the interest that had been lacking due to the neglect of its infrastructure.

Current Trends

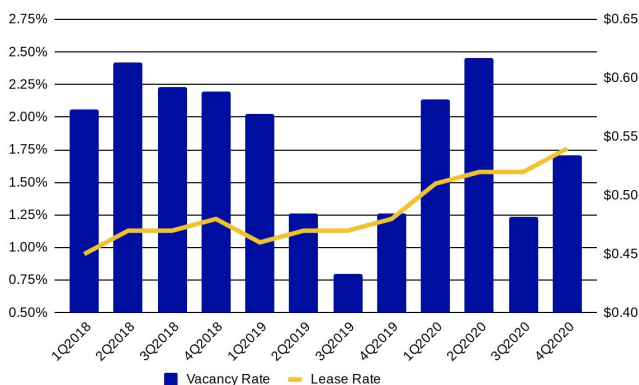
- Class A industrial inventory currently has 32 million Sq Ft of occupied space.
- Average asking lease rates have remained stable in the last quarters, closing at \$0.54 USD/Sq Ft/Mo. in the 4Q2020.
- Vacancy rate for Tijuana is at 1.86%, with 1.2 million of unoccupied Sq Ft

Market Overview

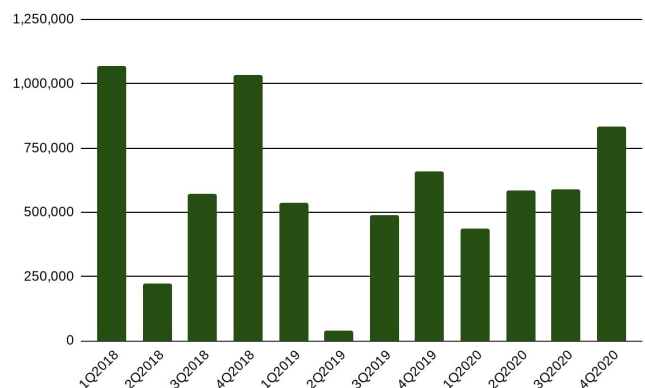
	Current Quarter	Previous Quarter	Previous Year	12 month forecast
Total Inventory (Sq Ft)	65.M	64.9M	64.4M	↑
Vacancy Rate	1.86%	1.08%	0.75%	↓
Current Quarter Net Absorption (Sq Ft)	835,507	589,023	2.59M	→
Asking Lease Rate (USD/Sq Ft/Mo.)	\$0.54	\$0.52	\$0.48	↑
Under Construction (Sq Ft)	1.52M	1.72M	2.08M	↑

Market Analysis

AVERAGE ASKING LEASE RATES AND VACANCY RATE



NET ABSORPTION (SQ FT)



Available Space and Under Construction

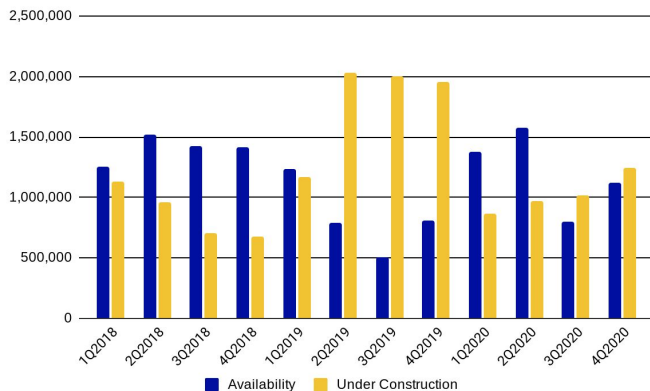
Industrial inventory in absolute terms shows the Otay - Alamar submarket as the city's area with the largest square footage at more than 21 million Sq Ft, and a vacancy rate of only 0.48%. The highest vacancy rate is in the Florido - Blvd 2000 industrial area at 4.54% of the total 16 million Sq Ft inventory, of which 75% in Class A. Construction is starting to stagnate with land offer focusing on BTS projects rather than spec options.

Lease Rates

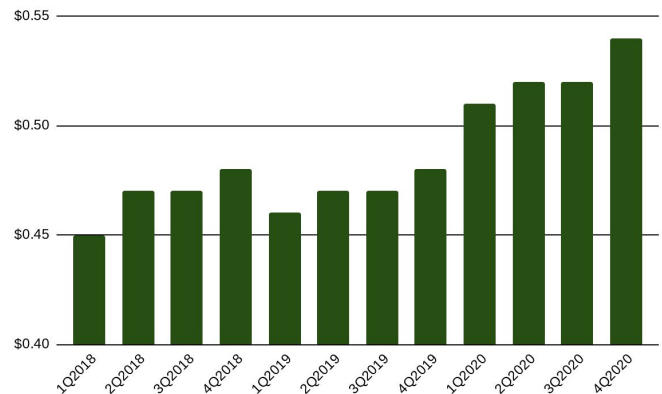
Asking lease rates for the 4th quarter started to stabilise with an average of \$0.54 USD/Sq Ft/Mo. This was a Year-To-Date increase of 13.0% in respects to 4Q 2019. The highest lease rate being \$0.60 USD/Sq Ft/Mo. in the Otay - Alamar submarket and the lowest being \$0.30 USD/Sq Ft/Mo. in the Central submarket due to the availability of Class C building in this industrial zone.

Available Space and Under Construction

IN THOUSANDS OF SQ FT



Asking Lease Rate (USD/Sq Ft/Month)



Submarket Statistics

	Total Inventory (millions of Sq Ft)	Under Construction (thousands of Sq Ft)	Total Availability (thousands of Sq Ft)	Vacancy Rate	Average Asking Lease Rate (USD/Sq Ft/Mo.)
Central - Lago	13.8	108	65	0.47%	\$0.48
Florido - Blvd 2000	16.7	722	757	4.54%	\$0.55
Libramiento	12.3	90	195	1.59%	\$0.52
Otay - Alamar	22.0	608	105	0.48%	\$0.60
Playas - Oeste	0.8	0	99	0.00%	\$0.50
Tijuana Total	65.5	1529	1221	1.86%	\$0.54

Significant Transactions

Company	Submarket	Type	Square Feet
Confidential	Otay - Alamar	Build-To-Spec	611,000
Mobel Creative	Florida - Blvd 2000	Spec	62,000
JCK	Central	Spec	55,000

Available Offer

Company	Submarket	Type of Lease	Square Feet
Pacifico I	Pacifico	Lease	194,000
Pacifico II	Pacifico	Lease	194,000
PC Baja	Libramiento	Lease	99,600

Under Construction

Company	Submarket	Type of Lease	Square Feet
RMSG	Otay - Alamar	Build-To-Spec	611,000
FIBRA Upsite	Florida - Blvd 2000	Spec	545,000
FRONTIER	Florida - Blvd 2000	Spec	467,000

Tecate

The Tecate industrial market currently has an inventory of 4.79 million Sq Ft distributed in 3 industrial parks: Tecate Industrial Park, Bajio Industrial Park and Gateway Industrial Park. The growth of this was due to the construction of the new Vinedo Complex by PICSA development group right next to their own Bajio Industrial Park.

Rosarito

The Rosarito industrial market currently has an inventory of 2.4 millions Sq Ft that is distributed in 18 properties, the largest operation in this municipality being the HISENSE campus. Currently there is one building under construction in the city with a footprint of 91,375 Sq Ft.

Market Statistics

	Total Inventory (millions of Sq Ft)	Under Construction (thousands of Sq Ft)	Total Availability (thousands of Sq Ft)	Vacancy Rate	Average Asking Lease Rate (USD/Sq Ft/Mo.)
Tijuana	65.5	1529	1221	1.86%	\$0.54
Tecate	4.8	90	330	6.93%	\$0.44
Rosarito	2.5	40	0	0.00%	\$0.00
Market Total	72.7	1658	1550	2.13%	\$0.52

RESEARCH 4Q 2020

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MEDIO ORIENTE

Arabia Saudita
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