

MEXICO *NOW*

**Mexico's Manufacturing
Supply Chain Summit**
Conference - B2B - Plant Visits

**El Paso, Texas
April, 10-11, 2013**

Mexico's Manufacturing Supply Chain Summit

El Paso, Texas

April 11 2013

Andres Sandoval
Vice President
CBRE

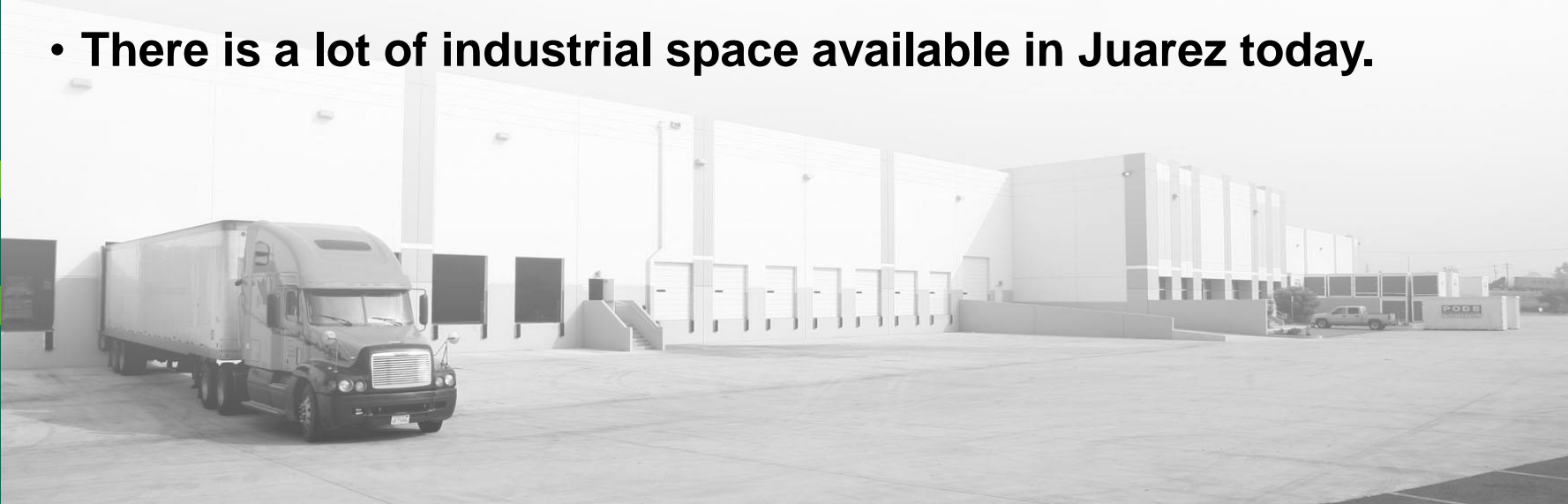


- CBRE (NYSE: CBG) is the world's premier, full-service real estate services company
- 37,000 employees, 300 offices worldwide, 60 countries - from Argentina to Vietnam
- Operating globally, the firm holds a leadership position in virtually all of the world's key business centers.



The Basics:

- Foreign companies can own or lease
- NNN structure – tenant pays for real estate taxes, building insurance, and maintenance
- Lease guaranty from the parent company
- The Juarez market is a sophisticated, institutional market
- **There is a lot of industrial space available in Juarez today.**



El Paso / Juarez Regional Map



Industrial Market Statistics – Cd. Juarez

Market Size:	60.5 million square feet
Number of Buildings:	537
Number of Industrial Parks:	35
Average Asking Rates:	\$4.02 per sf per year, NNN
Average NNN Cost:	\$0.30 per sf per year
Vacancy Rate:	14.1%
Current Vacancy:	8.6 million sf
Number of Vacant Buildings:	102

Land Cost: \$2.30 - \$3.25 per sf

Construction Cost: \$30.00 - \$38.00 per sf



Market Size:	54.4 million sf
Number of Buildings:	578
Number of Industrial Parks:	27
Average Asking Rates:	\$3.59 per sf per year, NNN
Average NNN Cost:	\$1.15 per sf per year
Vacancy Rate:	14.1%
Current Vacancy:	7.7 million sf
Number of Vacant Buildings:	141

Land Cost: \$2.00 - \$2.50 per sf

Construction Cost: \$38.00 - \$42.00 per sf



Number of Industrial Buildings Available in Different Size Ranges:

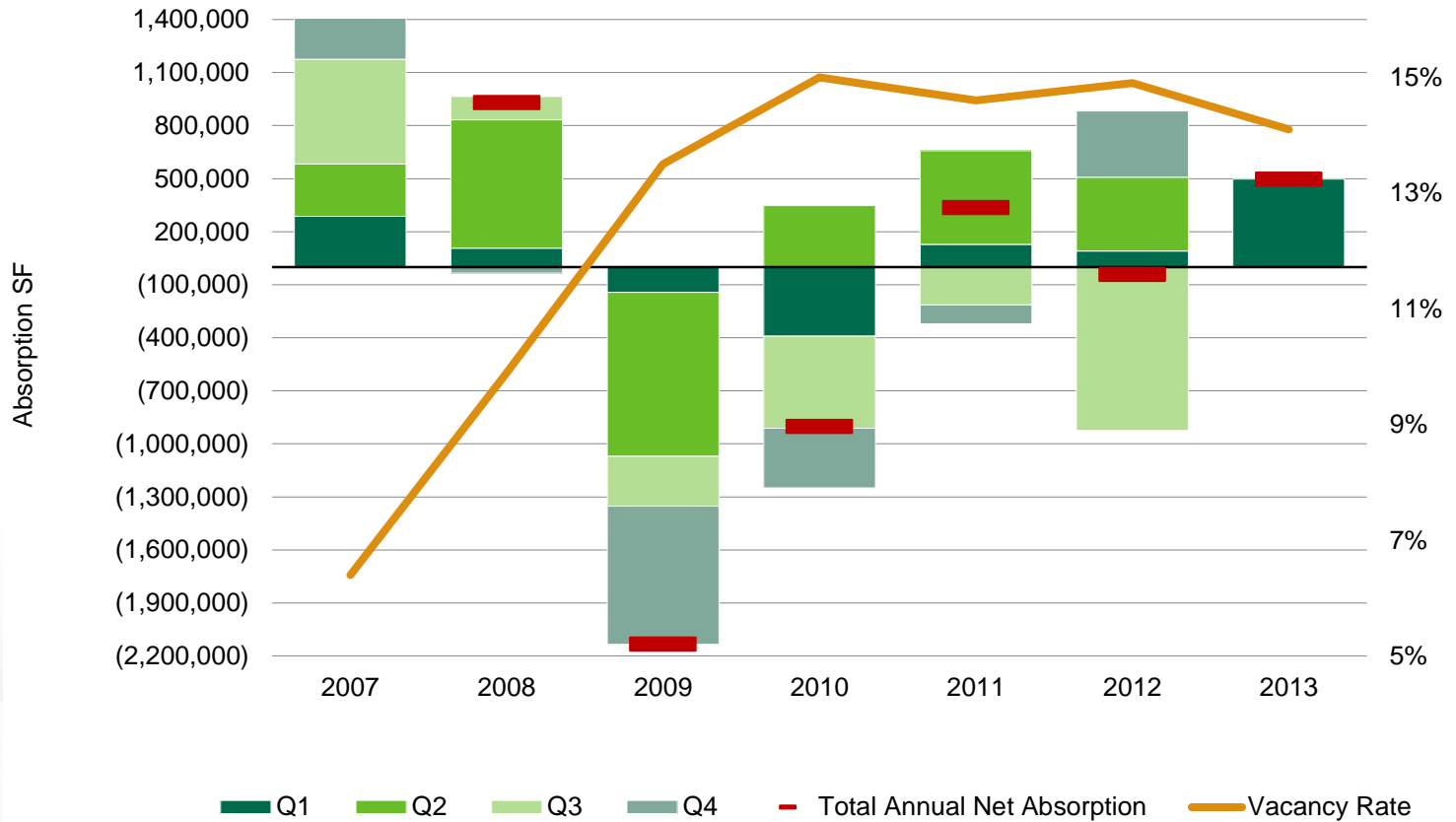
40,000 to 60,000 square feet: 27

80,000 to 120,000 square feet: 51

>200,000 square feet: 7

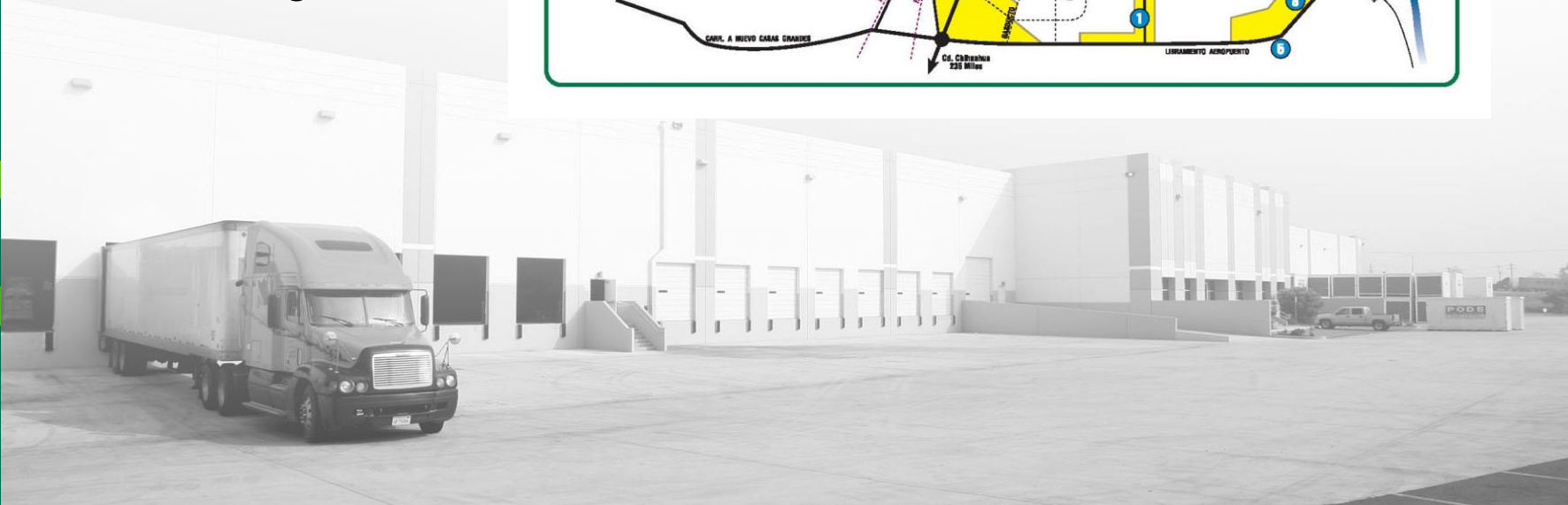
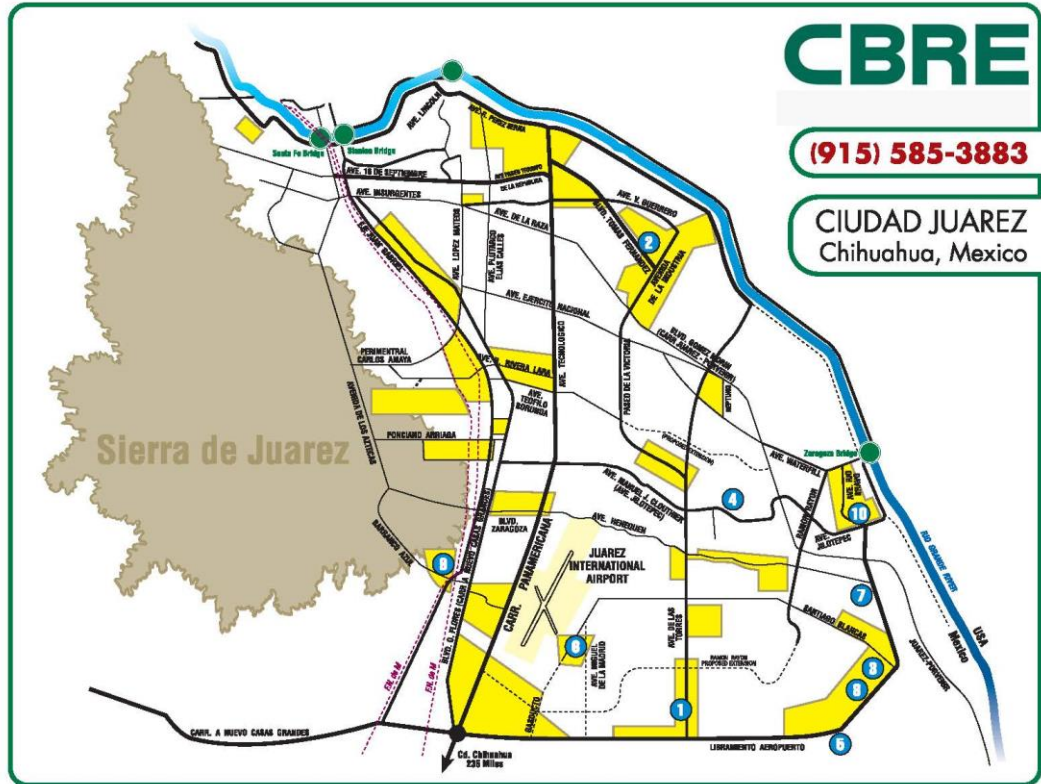


Net Absorption & Vacancy



Recent Projects in Juarez

1. Lear
2. Delphi
3. Align
4. Sumitomo
5. OEQF
6. Cequent
7. Flexsteel
8. Salter Labs
9. Werner Ladder
10. Tatung



A Vacancy Rate of 14% = Buyer's or
Tenant's Market

While the market balances to about an
8% vacancy, the leverage is still on the
tenant or the buyer.

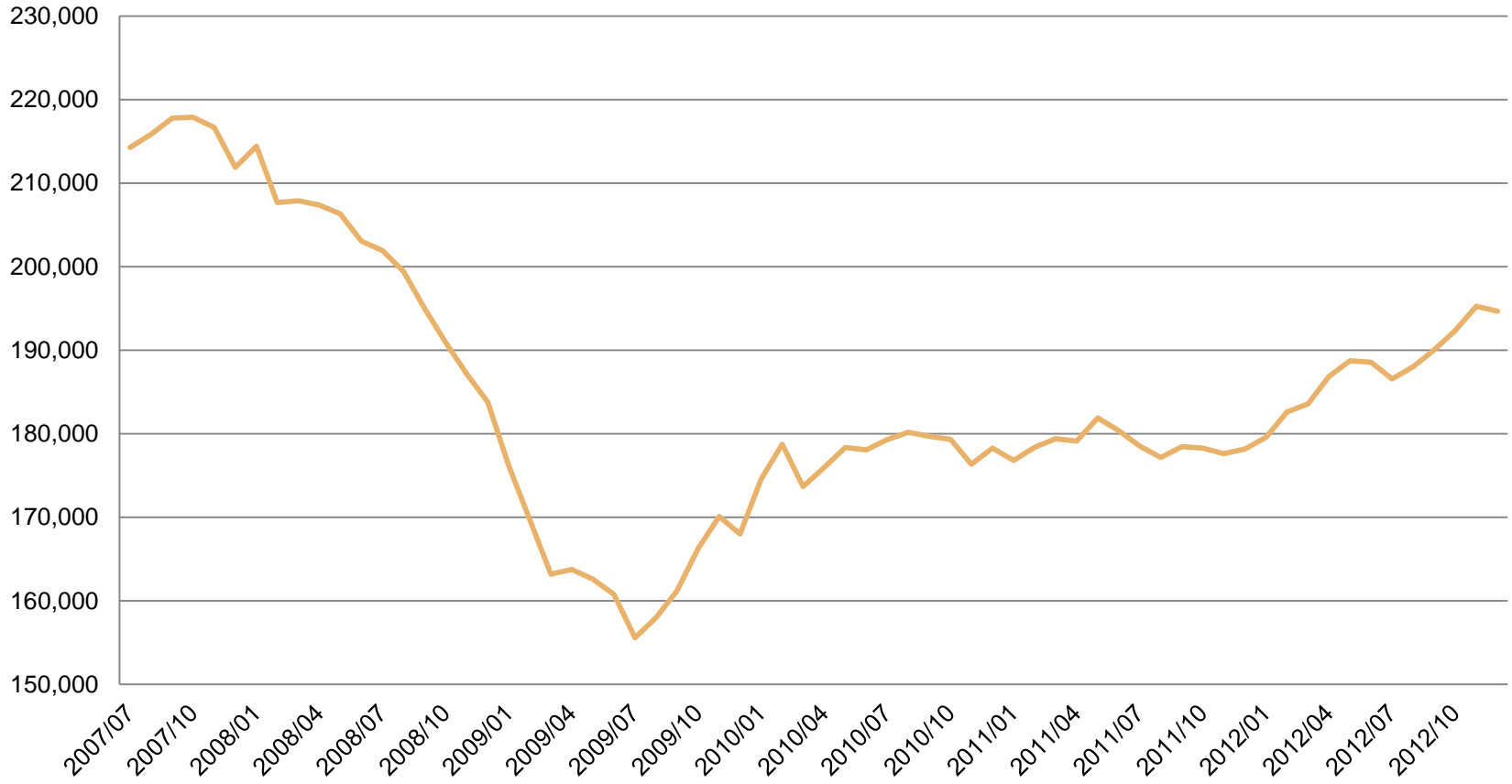


Main Developments



New University Campus in Southeast Juarez

Total IMMEX Employment Cd. Juarez



Source: INEGI

- Increasing activity in 2013 as the US economy improves – Industrial building supply will decrease
- Near-Shoring
- Aggressive investment from institutional investors (Macquarie of Australia just acquired \$1.2 billion portfolio in Mexico)
- While the vacancy rate decreases it will still be a buyer's/tenant's market
- Growing pent-up demand from many established operations
- 30,500 new jobs in Juarez in 2012-2013



Q & A

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