



MARKET FUNDAMENTALS

	YOY Chg	Outlook
11% Vacancy Rate	▼	▬
2.8 M YTD Net Absorption, SF	▼	▲
\$8.25 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
365K El Paso Employment	▲	▲
4.4% El Paso Unemployment Rate	▬	▲
4.2% U.S. Unemployment Rate <i>Source: BLS</i>	▬	▲

ECONOMY OR SUPPLY

El Paso’s regional economy is highly dependent on international trade with Mexico. Growth remained moderate through the third quarter. Contributors included encouraging job creation, strong cross-border trade activity in the range of \$140 billion dollars per month, and robust demand for industrial products. Ancillary contributors were credited to continuing expansion of professional and business services, and active mining and construction employment increases.

El Paso’s unemployment rate increased, but no single contributing factor was identified. As referenced in the past with the Dallas Federal Reserve, trade volumes through the El Paso district increased by about 3% each month or close to 25% above 2025.

SUPPLY OR DEMAND

The third quarter delivered four speculative buildings and two build-to-suits totaling 1.9± million square feet (msf) of new product. At the close of the quarter, 2.5± msf is reported to be in the pipeline for delivery in 2027. New leasing activity amounted to 1.1± msf across 30 buildings. The overall market vacancy rate rose by 60 basis points, from 10.4% to 11% with quarterly net absorption at 397,460 square feet (sf) and 2.8± msf year-to date.

Previously reported, new buildings are leasing at approximately \$9.50/sf/yr. It appears a floor has been reached, transactions have happened at or just below \$9.00/sf/yr. With the U.S. midterm elections weeks away, the uncertainty with the economy has impacted long term decision making for the near term. The pipeline for leasing activity in Mexico remains relatively static, inquiries have continued. This points to an optimistic outlook for 2027 for new customers to locate in Chihuahua and Juarez, Mexico, directly impacting leasing prospects in our region.

It is worth repeating that the local economy requires clear trade policies and the updated USMCA trade agreement is a critical component to our success. Cushman and Wakefield | PIRES will track the events that impact those items and will report back regularly.

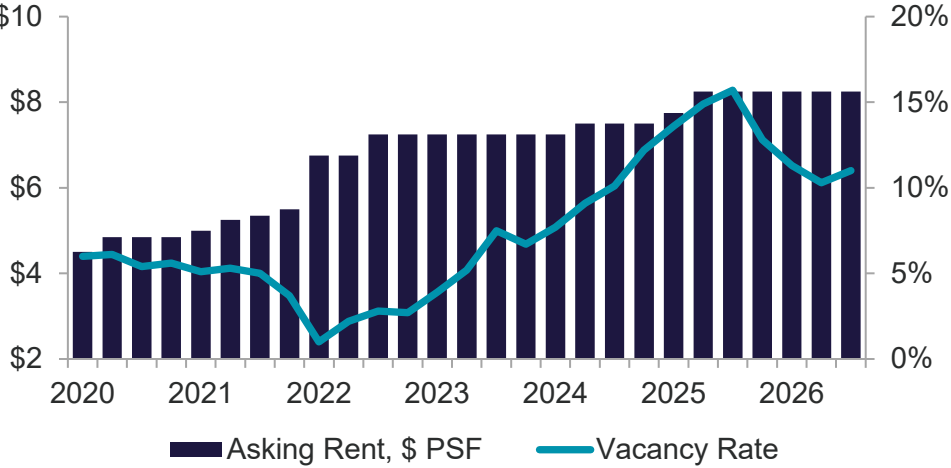
PRICING

As indicated above, industrial lease rates remain competitive but are trading in a band that is not expected to change much throughout the remainder of 2026.

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	7,306,1046	8,570,282	11.7 %	399,402	2,955,392	2,429,967	1,500,735	\$8.50
Manufacturing	6,703,470	157,563	2.4 %	4,958	-44,380		409,050	\$9.50
Office Service / Flex	953,984	186,721	19.6 %	-6,900	-15,020	27,600	0	\$13.00
EL PASO TOTALS	80,718,500	8,914,566	11 %	397,460	2,895,992	2,507,567	1,909,785	\$8.25

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

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
490 Bill Burnett Dr.	Far East		218,134	NEW
8900 Escobar Dr.	Southeast		148,840	NEW
655 Industrial Ave.	Santa Teresa, NM		145,350	SUBLEASE
9500 Plaza Circle	Southeast	Tecma	102,021	SUBLEASE
1305 Henry Brennan Dr.	East		65,290	NEW
16 Zane Grey St.	Northeast/Butterfield Trail	Mitsui-Soko	50,000	RENEWAL

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
11080 Gateway East Blvd.	Far East	TFA Logistics/American Industries	271,922	Not Disclosed
465 Industrial Ave.	Santa Teresa, NM	Hunt Southwest/Evergen Equity	215,256	Not Disclosed
5830 Welch & 5850 Welch Ave. (2 Property Sale)	Centraplex	S. McLaughlin/Mesilla Valley Transportation	38,668 & 166,880	Not Disclosed
9601 Joe Rodriguez Dr.	Southeast	Stonemont Financial Group/Link Logistics	155,725	Not Disclosed
300 Revere St.	Centraplex	Stonelake Capital Partners/UMC	154,350	Not Disclosed
9581 Joe Rodriguez Dr.	Southeast	Stonemont Financial Group/Link Logistics	125,646	Not Disclosed
9541 Joe Rodriguez Dr.	Southeast	Stonemont Financial Group/Link Logistics	123,966	Not Disclosed

KEY CONSTRUCTION COMPLETIONS Q3 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
12940 Pellicano Dr.	Far East	Faith Technologies Incorporated	409,050	Faith Technologies Incorporated
Rancho Del Rey Logistics Park, Bldg 3	Far East	Vacant	483,930	Sansone Group
Speedway Logistics, Bldg 1	Far East	Vacant	426,868	Barrings & Trammell Crow
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