



Mid Year Market Snapshot

North West Mexico Industrial 2013

Market Conditions

Tijuana-	Rising market. Actual construction has been initiated for speculative developments to meet increased demand. Nearly all of the big box (+/- 250,000 sf) vacancies are under long-term contracts.
Cd. Juarez-	Increased user activity. Rapidly decreasing vacancy due to big box (+/-250,000 sf) absorption nearly leaving only smaller buildings available in market with indications of vertical development in 2014.
Nogales-	Nogales continues to experience some of the difficulties of a smaller marketplace with the exit of several long-term manufactures. On a positive note, Master lock has returned some production to their second facility which had been on the market for sale during 2011-12.
Mexicali-	Market continues on a stable trend with existing local manufacturers expanding. Some inflection points of recovery for 2014.

Major Lease Transactions YTD 2013

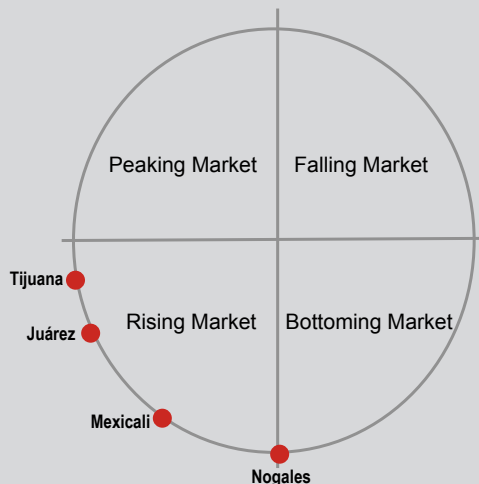
City Industrial Park	Size SF	Lease Rate SF/Month	Lease Term	Lessee/Lessor	Comments
Tijuana Presidentes	134,110	\$0.39	60 months	Artissimo/ Vesta	Class A. Within a 171,718 sf building.
Tijuana Chilpancingo	267,045	\$0.36	60 months	Jango Curtain Wall/ CPA	Class B-. Lessee is Chinese company.
Tijuana El Florido	126,335	\$0.43	120 months	Samsung Statics/ IGS	Class B. \$10/sf TIA. Near Samsung's 1.6M sf campus in El Florido.
Tijuana Nordika	313,000	\$0.37	120 months	Brady Corp./ Vesta	Class A. Option to cancel year 7 w/ heavy penalties. Brady Corp. bought Precision Dynamics in Dec. 2012.
Tijuana Pacífico	250,000	\$0.38	120 months	Zodiac Aerospace/ Atisa	Class A. Consolidation of 2 Aero Design (Zodiac Aerospace) bldgs. in Pacifico. Limited TIA. Plans to build another 250,000 sf bldg.
Cd. Juarez Rio Bravo Ind. Park	150,694	\$0.30	16 months	Cena Electromex/ Verde Realty	Class B. Renewal.
Cd. Juarez Salvarcar Ind. Park	304,000	\$0.31	63 months	Tyco Electronics/ Verde Realty	Class A. Early renewal.

Major Sale Transactions YTD 2013

City Industrial Park	Bldg. SF	Land SF	Buyer/ Seller	Comments
Tijuana Chilpancingo	229,241	795,405	Plantronics/ CPA	5,400 KVA of power. 10.72 acres of expansion land. Immediate expansion of building.
Tijuana Ciudad Industrial	429,763	953,443	IGS/ Hitachi	Buyer is a developer already underway in complete retrofit of property to class A standards.
Tijuana El Florido	184,334	N/A	IGS/ Dai Dong	IGS leased 126,335 sf here to Samsung Statics right after purchasing facility (see above comp)
Cd. Juarez Gema Ind. Park	160,000	N/A	Durham/ Villareal	Tenant purchased the building they had been leasing.
Cd. Juarez Rio Bravo Ind. Park	252,000	1,089,000	Tatung/ Rio Bravo	Building needs between \$8.00 to \$10.00/sf of improvements.

Tijuana Market Data Mid Year 2013					
Total Stock	Vacancy	Total Net Absorption	Total New Construction	Average Annual Asking Lease Rate*	Average Asking Land Sale Price**
56,170,162 sf	9%	123,075 sf	764,866	\$4.44 - \$4.92 sf/year	\$9.00/sf
Mexicali Market Data Mid Year 2013					
Total Stock	Vacancy	Total Net Absorption	Total New Construction	Average Annual Asking Lease Rate*	Average Asking Land Sale Price**
17,438,000 sf	14%	20,000 sf	150,000 sf	\$3.10 - \$4.32 sf/year	\$4.00 - \$5.60/sf
Nogales Market Data Mid Year 2013					
Total Stock	Vacancy	Total Net Absorption	Total New Construction	Average Annual Asking Lease Rate*	Average Asking Land Sale Price**
10,787,640 sf	4%	-100,000	0 sf	\$3.75 - \$4.32 sf/year	\$5.00 - \$7.00/sf
Juarez Market Data Mid Year 2013					
Total Stock	Vacancy	Total Net Absorption	Total New Construction	Average Annual Asking Lease Rate*	Average Asking Land Sale Price**
60,500,000 sf	12%	300,000 sf	140,000 sf	\$3.75 - \$4.00 sf/year	\$2.32 - \$3.53

*Class "A" industrial space **Improved Land



Tijuana Key Market Indicators		
	2013	12 months forecast
Total Stock	56.2 M	↑
Availability SF	5.6 M	↑
Average asking rent	\$0.39 sf	↑
Vacancy Rate SF	10%	↓
Total Absorption SF	1.2 M	↑



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