All quiet on the Northern Front. Market fundamentals flat as activity remains paused.

▶ 7.7%
Vacancy Rate

▲ 269,170
SF Net Absorption

▼ 567,138
SF Construction

▼ 265,973
SF Delivered Construction

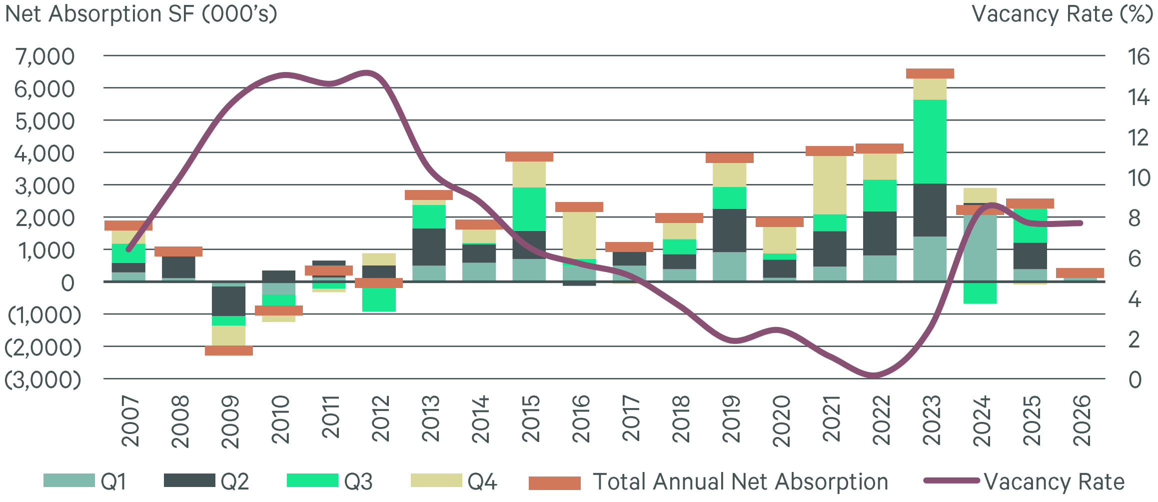
Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

- Q1 2026 closed with 269,170 sq. ft. of quarterly net absorption.
- The market-wide vacancy rate was unchanged compared to Q4 2025 but fell 40 bps year-over-year.
- 567,138 sq. ft. of space remained under construction at the end of Q1 2026, the lowest figure recorded since Q3 2018.
- Q1 2026 closed with users seeking 1.6 million sq. ft., below the 60 trailing-quarter historical average but a year-over-year improvement of 750,000 sq. ft.

The Juarez Industrial Market closed the quarter with positive net absorption after falling into negative territory in the previous quarter. Activity in the market continues to be stalled by uncertainty related to tariffs and trade as well as the upcoming USMCA review. However, many market fundamentals have held steady. Minimal move outs and no vacant speculative deliveries during the quarter balanced the lack of activity, leading to positive absorption and a flat vacancy rate. With a slowing of new construction starts over the past few quarters and no new starts in Q1 2026, supply growth can take a breather as demand regains footing.

FIGURE 1: Net Absorption and Vacancy



Source: CBRE Research, Q1 2026.

Absorption and Activity

Q1 2026 closed with 269,170 sq. ft. of net absorption, an improvement compared to the negative 87,000 sq. ft. of net absorption posted in the previous quarter. Leasing activity during the quarter was slow. The market registered two new leases and a small expansion totaling 187,600 sq. ft. of activity. A large share of absorption, about 266,000 sq. ft., came through the delivery of two pre-leased speculative (spec) projects in the South/Elux submarket. The re-occupancy of two vacant spaces, one in the West submarket and one in the Southeast submarket, accounted for an additional 266,000 sq. ft. of absorption.

The market-wide vacancy rate was unchanged compared to Q4 2025 but fell 40 basis points (bps) year-over-year. The Class A vacancy rate increased by 10 bps quarter-over-quarter and fell from 10.7% in Q1 2025 to 9.1% in Q1 2026. This was due to the lease up of existing spaces as well as the slowing of spec deliveries during 2025. Two significant vacancy occurred during the quarter, a 218,000 sq. ft. owner occupied building now available for sale and a 110,000 sq. ft. sublease space. Sublease space now accounts for 12% of all vacant space in the Juarez Market.

Construction

With no new construction starts and the delivery of two spec projects during Q1 2026, industrial space under construction declined by 562,00 sq. ft. quarter-over-quarter and 1.3 million sq. ft. year-over-year. Three spec projects totaling 567,138 sq. ft. remained under construction at the end of the quarter, the lowest figure recorded since Q3 2018.

FIGURE 2: Cd. Juarez Industrial Market Statistics

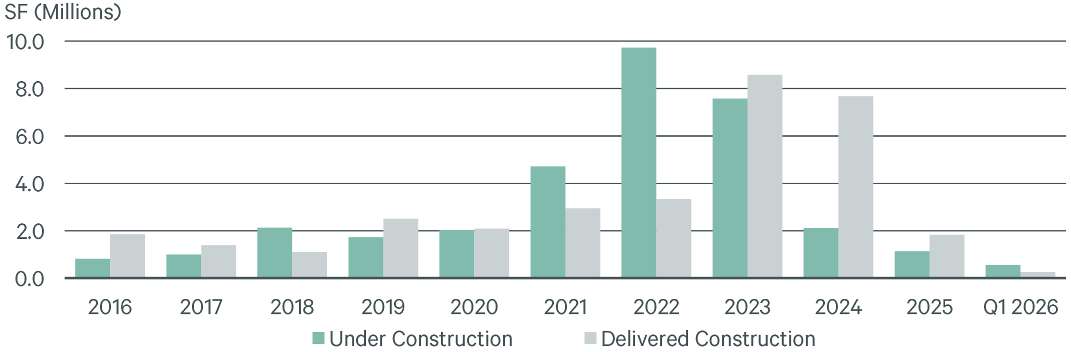
	Vacancy (%)	Availability (%)	Construction (SF) Active	Construction (SF) Delivered	Net Absorption (SF) Q1 2026
North	3.0	3.9	79,416	-	(328,051)
West	8.5	10.1	-	-	218,526
Central	4.7	4.7	-	-	-
Southwest	10.0	13.6	230,739	-	-
Southeast	8.9	10.6	-	-	112,722
South/Elux	10.3	10.9	256,983	265,973	265,973
San Jeronimo	-	-	-	-	-
Juárez Total	**7.7**	**9.2**	**567,138**	**265,973**	**269,170**
Class A	**9.1**	**10.4**	**567,138**	**265,973**	**160,841**
Class B	**4.1**	**5.5**	**-**	**-**	**108,329**

Source: CBRE Research, Q1 2026.

Future Activity

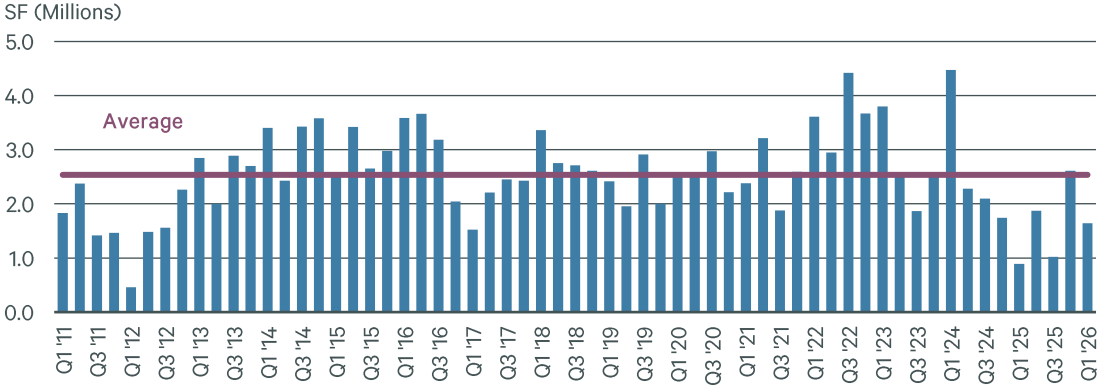
CBRE tracks user demand for space in the Juarez Industrial Market. Q1 2026 closed with users seeking 1.6 million sq. ft., below the 60 trailing-quarter historical average. This is a quarter-over-quarter decrease of 970,000 sq. ft. but a year-over-year increase of 750,000 sq. ft. While demand for industrial space continues to be impacted by uncertainty and many projects have been placed on hold, demand by industry remains broad. Demand for space in the market ranged in size from 30,000 sq. ft. to 400,000 sq. ft. and a median size of 100,000 sq. ft.

FIGURE 3: Construction



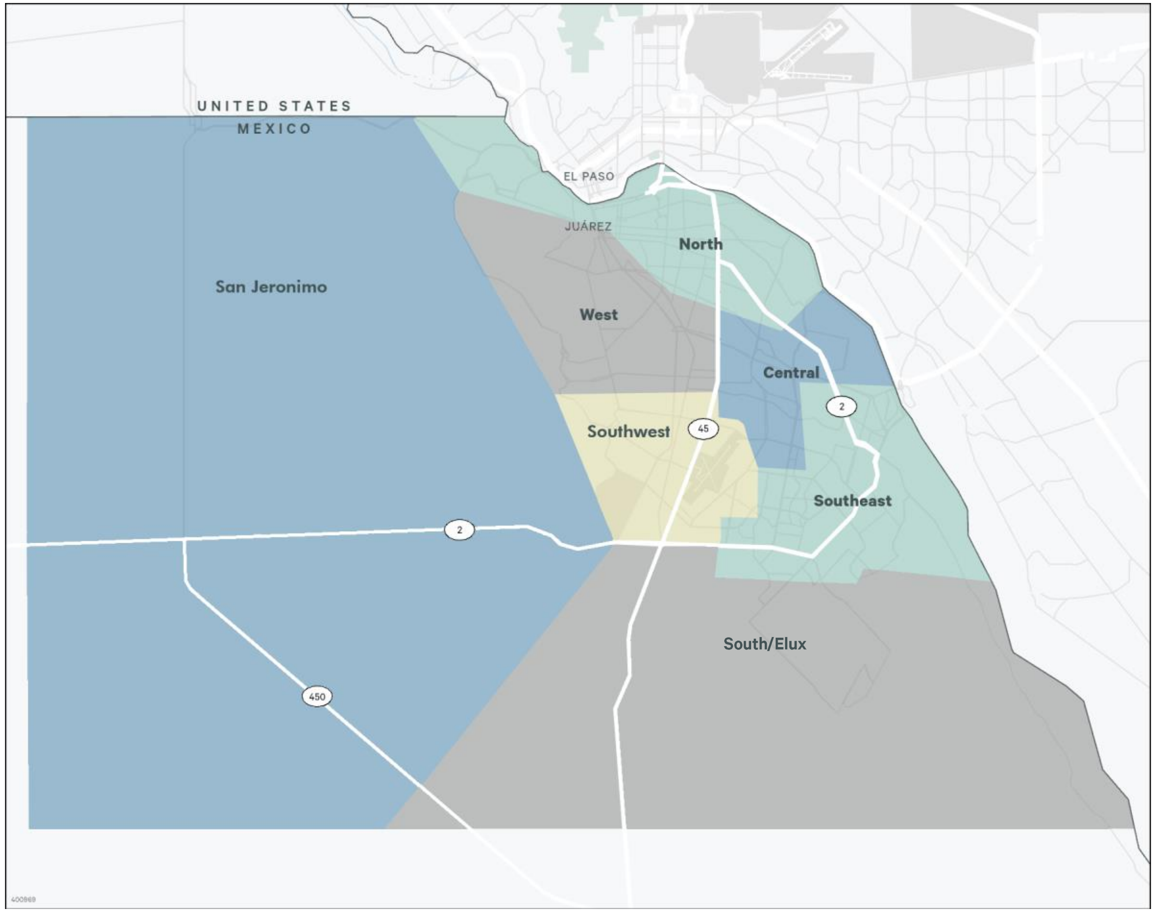
Source: CBRE Research, Q1 2026.

FIGURE 4: Active Users in the Market



Source: CBRE Research, Q1 2026.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Triple Net Lease Rate: Rent excludes the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied immediately.

Survey Criteria

Includes all industrial buildings 30,000 sq. ft. and greater in size in greater metropolitan area of Juarez, Chihuahua and San Jeronimo , Chihuahua. Buildings which have begun construction as evidenced by site excavation or foundation work.

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