MARKETBEAT
TIJUANA
Industrial Q4 2024

General Market Stats

118M*
Market Size (SF)
*recently updated market data base also includes Tecate and Rosarito

5,424,335 SF
Total Market Vacancy (SF)
*includes sublease spaces

3.81%
Direct Vacancy (%)

0.77%
Sublease Vacancy (%)

4,739,629 SF
2024 Total Gross Absorption

2,785,435 SF
2024 Total Net Absorption

6,386,332 SF
Total Under Construction

1,165,417 SF
Projected Construction Deliveries Q1 2025

Tijuana 2024 Year End Market Highlights

Despite economic fluctuations tied to election cycles in Mexico and the US, the Tijuana industrial market registered 4.7 Million SF of gross leasing activity in 2024, nearly reaching the 5 Million SF average for 2022 and 2023. Manufacturing projects accounted for roughly 85% of demand for industrial space, with logistics and fulfillment dropping from 30% of leasing activity in 2023 to just 15% in 2024. While Q4 of 2024 was noticeably slower with just 538K SF of new leases signed, Tijuana's active transaction pipeline is still at a healthy 4+ Million SF.

The Tijuana vacancy rate increased to 4.58% primarily due to the record-high 6.5 Million SF of new construction deliveries and the roughly 2 Million SF of vacated properties that nearly match the 2023 total for building move-outs. The 6.37 Million SF active construction pipeline is still near record-highs levels. 25% of new construction is under contract and only 1.16 Million SF is projected for delivery in Q1 of 2025. 37% is still in earthworks stage and remaining building deliveries are projected for late Q2 and throughout the second half of 2025.

Tijuana average market rents have remained stable, with Class A rents showing a YOY increase from $0.77 to $0.78 per SF per Month NNN. Notwithstanding the rising vacancy rate, the centrally located submarkets registered a healthy rise in average lease rates, with Otay (North), El Florido (Southeast), Central, and Pacifico (South), averaging a YOY increase of 6.41%.

Market Rents, Lease Terms, Lease Up Time
(Weighted Average)

$0.78
Class A
Avg. Lease Rates

10 YRS
Class A
Avg. Lease Term

$0.69
Class B and C
Avg. Lease Rates

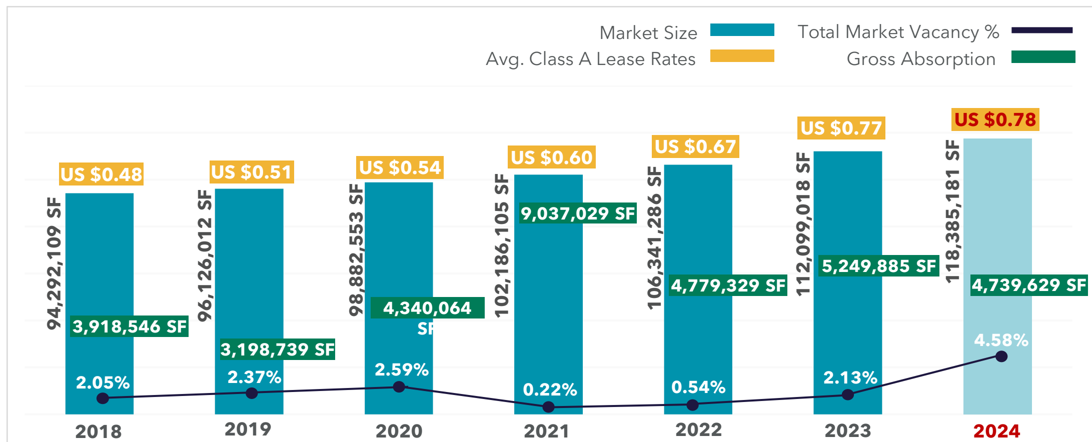
6 YRS
Class B and C
Avg. Lease Term

7-8* months
Class A
Lease Up Time

5-6 months
Class B and C
Lease Up Time

* Class A longer lease up time tied to average larger building size

Historical Market Trends



Significant Transactions – Q4 2024

(-) vacated

Q	Tenant	Type	Building	Submarket	Class	Total SF
Q4 2024	Confidential	Lease	PS-10	Southeast	Class A	264,599
Q4 2024	Guga Mercantil	Lease	El Lago Building	Central	Class B	45,000
Q4 2024	Ryder	Lease	Former JD Group	North	Class B	25,568
Q4 2024	Vuori	Sublease	Amazon	North	Class A	109,271
Q4 2024	Mexfiber	Lease	Villa Hidalgo Building 4	Central	Class B+	13,746
Q4 2024	Bolsas Ecologicas	Lease	Abeja Bldg. A & B	Southeast	Class B	12,656
Q4 2024	Ventus Aires Mex	Lease	Villa Hidalgo Building 6 and 7	Central	Class B+	26,824
Q4 2024	El Chavito Mex Candy	Lease	Fimher 4D	Central	Class B	14,829
Q4 2024	Plasco	Lease	Seminario Building	Central	Class B+	25,877
Q4 2024	True Blue Manufacturing	Vacated	TIJ002	North	Class A	79,000
Q4 2024	Westmed	Vacated	Tecate Building	Tecate	Class B	46,455
Q4 2024	Aluminios ABC	Vacated	Aceros Depot Warehouse	South	Class B	40,838
Q4 2024	Pending	Lease	Abeja Bldg. A & B	Southeast	Class B	12,656
Q4 2024	Pending	Lease	Fimher 4D	Central	Class B	14,829

Total Q4 2024 Gross Absorption: 538,370 SF

Total Q4 2024 Net Absorption: 344,592 SF

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Class A Opportunities for Immediate Long-Term Occupancy

Following 2+ years of constrained supply, Tenants targeting properties for immediate occupancy will find several opportunities throughout all Tijuana Metro Area Submarkets. Below is a breakdown of the number and sizes of available Class A facilities:

	North Submarket	Central Submarket	South Submarket	Southeast Submarket	East Submarket	Tecate Submarket	Rosarito Submarket
<100k SF	1 Building	No Buildings	6 Buildings	7 Buildings	2 Buildings	No Buildings	3 Buildings
101k-150k SF	No Buildings	No Buildings	2 Building	No Buildings	No Buildings	No Buildings	1 Building
150k-250k SF	No Buildings	No Buildings	No Buildings	1 Building	2 Buildings	No Buildings	No Buildings
>250k SF	No Buildings	No Buildings	1 Building	1 Building	1 Building	No Buildings	No Buildings

Total Buildings Available: 28

Class A Opportunities for Immediate Short-Term Occupancy

Tijuana's prolonged shortage of industrial space made it practically impossible for Tenants to lease space on a short-term basis. With record-breaking construction deliveries in 2024 pushing the total market vacancy to 4.58 %, Tenants can finally lease an industrial building on a short-term contract. Below is a breakdown of the number and sizes of Class A facilities available for sublease throughout the Tijuana Metro Area Submarkets:

	North Submarket	Central Submarket	South Submarket	Southeast Submarket	East Submarket	Tecate Submarket	Rosarito Submarket
<100k SF	No Buildings	No Buildings	1 Building	1 Building	No Buildings	No Buildings	No Buildings
101k-150k SF	2 Buildings	No Buildings	1 Building	No Buildings	1 Building	No Buildings	No Buildings
150k-250k SF	No Buildings	No Buildings	No Buildings	No Buildings	1 Building	No Buildings	No Buildings
>250k SF	No Buildings	No Buildings	No Buildings	No Buildings	No Buildings	No Buildings	No Buildings

Total Buildings Available: 7

Recent Mexico Manufacturing Relevant News Stories

- New Investment in Industrial Parks in Mexico Spiked in 2024
- Governor Marina del Pilar Inaugurates Construction of Parque Industrial Natura in Tijuana
- Ares expands industrial reach with Walton Street Capital Mexico Purchase
- Mexico's New Ban on US-Bound Apparel Imports a 'Nightmare Scenario' for Brands, 3PLs
- NY Times: Mexico, Betting Trump is Bluffing on Tariffs, Sees an Opportunity

Image by SEICA

Contact the Team:

Juan Carlos Rodriguez
Managing Director
Juancarlos.Rodriguez@cushwake.com

Manuel F. Balderrabano
Managing Director
Manuel.Balderrabano@cushwake.com

Dolores Melo
Associate - Industrial
Dolores.Melo@cushwake.com

Isabel Zazueta
Associate – Commercial/Industrial
Isabel.Zazueta@cushwake.com

Ivana De La Garza
Associate – Industrial
Ivana.Delagarza@cushwake.com

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