

## **Ensenada Overview**

Ensenada is the third-largest city in the Mexican state of Baja California. It is located about 70 miles south of Tijuana. The city had a 2005 census population of 460,075. Ensenada is also the municipal seat of Ensenada Municipality, the largest of the five into which the state is divided.

Located in the Bahía de Todos Santos, an inlet of the Pacific Ocean, Ensenada is an important commercial and fishing port as well as a cruise ship stop. There is also a navy base, an army base and a military airfield, which functions as an airport of entry into Mexico.

The city is backed by small mountain ranges. Due to its location on the Pacific Ocean and Mediterranean latitude, the weather tends to be mild year-round. Although the winter rain season is short and the area is prone to prolonged droughts, Ensenada sits in the heart of a wine country that is widely regarded as the best in Mexico.

Ensenada has six major industrial parks, compared to 26 in Mexicali and 51 in Tijuana.

Ensenada is the only deep water port in Baja California and is part of standard shipping routes that directly link it with the Mexican cities of La Paz, Manzanillo, Mazatlán, Acapulco and Lázaro Cárdenas, as well as the U.S. cities of San Diego, Long Beach and Los Angeles, the Guatemalan city of Puerto Quetzal, the Chilean city of Valparaíso, the Japanese city of Yokohama and the Chinese city of Hong Kong.

Ensenada is not part of any rail transport grid, although there are plans to build a rail line to the United States border in the short to mid-term future.

## **Recent Expansions, Investments and Market Movement in Ensenada**

In 2006, Dialight consolidated its Ensenada operations, vacating two buildings, 48,000 SF and 33,000 SF respectively, and relocated to a 103,000 SF facility near Lowrance at Rancho Mayo. The previous tenant, Hudson Oxygen was acquired by Teleflex, who then consolidated operations to an already established facility in Monterrey.

In November 2007, Three Day Blinds expanded their presence in Parque Industrial Mision by an additional 35,000 SF. They currently occupy approximately 120,000 SF in 4 separate buildings. Offshore Promotion is the shelter operator. Maquila Properties provided the real estate brokerage service.

Recently API (Administración Portuaria Integral de Ensenada, S.A. de C.V.) purchased approximately 400,000 SF of land at El Corredor Industrial de El Sauzal. There are no immediate plans to develop the property.

Several buildings in the El Sauzal industrial area, named for the port near where it is located, are currently vacant. The facilities range in size from 17,000 SF to 25,000 SF. Current rental rates in the park are generally set from between \$.31 to \$.39 per SF, NNN. The area contains a mix of mostly newly constructed buildings appropriate for manufacturing as well as a handful of older structures built to service the fishing industry that once thrived there. Castores, a freight and mail logistics company relocated to the area in April of 2008.

The Canadian company, Onni is continuing to work with the Ensenada Municipalities, moving forward to obtain the required permits to commence construction on their first building; a 120,000 SF facility in the Maneadero area, just south of Ensenada. The project has been a three-year process,

with the final development to encompass about 800,000 SF. The target date for completion of the first building is late 2008.

Grupo Sahisa has contracted Maquila Properties to exclusively market a 60,000 SF build-to-suit, well located manufacturing facility in Central Ensenada. The divisible building should be ready for lease and occupancy toward the end of 2008.

The residential and commercial area of "Reforma", also known as "Transpeninsular" is very active. New projects like Pacifica, near Fender Guitar, features ocean front residential lots. Macroplaza, a newer commercial center, includes strong, established tenants such as Walmart, and Costco. This has created an increased value in land prices in the area, with prices hovering around \$300 per square meter. Also available in this mixed-use area is a 37,000 SF building for lease or sale.

Other residential condominium projects are slated for development between San Miguel (to the north) and Ensenada. These projects may experience adjustments in completion dates as a result of the slowing US real estate market.

The area near Cemex and Libramiento is well located with newer buildings and raw industrial land with attractive pricing. A good labor pool and easy truck transportation are just some of the characteristics that make this area desirable for manufacturing or distribution.

Along with commercial fishing, agriculture and tourism, textile manufacturing is an important part of Ensenada's maquiladora industry. The majority of maquilas in Ensenada include highly skilled contract sewers.

For further questions on Ensenada, including Maneadero to the south, please contact Alfredo Ramirez or Roberto Salas at [www.maquilaproperties.com](http://www.maquilaproperties.com)