

As 2011 comes to an end, McAllen & Reynosa were able to sustain positive absorption in their respective industrial markets. For the most part, this binational industrial area was able to introduce both new operations with new technology and new processes and provided many others with expansion options.

**McAllen:**

Overall the McAllen MSA industrial market saw absorption figures similar to those of 2010. Net absorption looks to be slightly over 500,000 square feet for 2011. However, vacancy rate was reduced to under 10 percent for the first time since 2007. That figure supports a gradual recovery of the market. Significant transactions include a 134,400 square foot lease from TS Tech North America, an automotive seat manufacturer for Honda. 67,000 square feet were also leased by Bata Plastics from the McAllen Foreign Trade Zone, offering this industrial community another viable option for its recycling needs. Steelcase, which also doubled in size in their Reynosa manufacturing plant in 2011, went on to lease an additional 64,000 square feet in Sharyland Business Park to handle their distribution division.

**Reynosa:**

This market also saw similar figures to those of 2010. Although vacancy rate was reduced slightly, Reynosa continued to be over 10 percent vacant. However, as a whole, gross absorption is slated to exceed the 1.7 million square feet absorbed in 2010. Significant transactions for this market include the 280,262 square foot expansion recorded in Villa Florida Industrial Park by Corning Cable Systems, a telecommunications manufacturer. Also, Thermo Fisher, a furniture manufacturer expanded by 170,000 square feet through a build-to-suit in the same industrial park. As stated in the McAllen section, Steelcase, an office furniture manufacturer, doubled in size with their 140,400 square foot expansion in Prologis Pharr Bridge Center.