

FAST FACTS

Industrial Site Selection in Mexico



Looking for a Manufacturing Site in Mexico



Identifying and leasing the ideal industrial site for manufacturing operations in Mexico is an important key to successfully achieving nearshore production goals. U.S. and international companies alike have successfully operated in Mexico for over 60 years. It is an ideal location with a high safety rating, easy access to border crossings, and many airports and train services. Mexico has an educated, stable workforce and complete communications and utilities services. This guide provides an overview of the types of facilities and services offered in Mexico for manufacturing operations, and includes a general timeline for setup.

Under-Roof Industrial Space

There are many industrial parks encompassing millions of square feet located in Mexico. The majority are located in gated industrial parks, and the rest are secured, stand-alone buildings. The buildings fall into Class A, B and C offerings (described below according to NAIOP guidelines).

CLASS A	CLASS B	CLASS C
<p>Class A buildings represent the newest and highest quality buildings in the market. Building systems (mechanical, HVAC, elevator and utility) have capacities that meet both tenant current requirements as well as anticipated future needs. Building services are characterized by above average maintenance, management and upkeep. Buildings must exhibit more than one of the characteristics but need not exhibit all of the characteristics to be considered Class A.</p> <p>Leasing cost: \$0.42 - \$0.48/sq. ft.</p>	<p>Class B buildings are a little older and feature quality management. This type of building is recommended for processes such as casting, forging and machining. With minimum improvements and renovations these buildings can return to Class A status. Building systems (mechanical, HVAC, elevator and utility) have adequate capacities to deliver services currently required by tenants. Building services are characterized by average to good maintenance, management and upkeep.</p> <p>Leasing cost: \$0.36 - \$0.41/sq. ft.</p>	<p>Class C buildings are older buildings and often need major improvements, however they are still functional and structurally sound. Building systems (mechanical, HVAC, elevator and utility) have capacities that may not meet current tenant needs. Building services are characterized by the existence of below average maintenance, management and upkeep. These buildings generally depend chiefly on a lower price to attract tenants.</p> <p>Leasing cost: \$0.30 - \$0.35/sq. ft.</p>

Water service, sanitary, sewer, natural gas, electricity and communications are generally readily available at any industrial park in Mexico. As well, most industrial parks have the capacity of adding additional required utilities sought by companies like HVAC, FM approved fire protection systems, mechanical systems, etc.

Companies leasing a vacant building will have to contract for these services. Both industrial parks and shelter companies facilitate establishment and management of the majority of these services, making setup and ongoing operations run smoothly.

The objective of the Mexican Standard for Industrial Parks is to promote quality and best practices, through compliance with regulations and standards, providing to tenants a place to operate in favorable conditions.*

*Source: AMPIP.org.mx

Timelines

While it is possible to lease a building in as little as two weeks if required, in general, timelines to lease depend on a number of factors. The most important factor is reaching an agreement on general lease conditions. Most conditions are preestablished by landlords but tenants have the right to change them according to their own company needs. General leasing contracts range from 5-10 years.

Another key factor in leasing negotiations are tenant improvements. These are improvements required by tenant that are not included in base rent but are essential for their operation. These costs can be absorbed by the landlord and then added to the base rent, or they can be paid by tenant directly upfront. Industrial parks can conduct appraisals for additional improvements needed at no extra cost.

Most utilities services can be set up within a month or less with the exception of electrical service which can take up to 2 months to establish once the lease has been signed.



Most conditions are preestablished by landlords but tenants have the right to change them according to their own company needs. General leasing contracts range from 5-10 years.



Need Assistance with Site Selection?

If you're considering setting up manufacturing operations in Mexico and need help with industrial site selection, IVEMSA can help. For 35 years, we've helped foreign companies navigate through local, state and federal requirements for both setup and ongoing operations. Contact us to set up a complimentary consultation.

MX phone: 01152-686-561-6741 // US phone: 855-493-1936 // Email: info@ivemsa.com

About IVEMSA

IVEMSA is a comprehensive administrative services provider with nearly 35 years of supporting foreign companies' manufacturing operations in Mexico. We offer both shelter and stand-alone support services with a dedicated team of professionals in six functional areas. Many of the IVEMSA team members have been with the company for many years, building and mining the resources and network necessary to provide the smoothest manufacturing operations and shipping possible for companies from around the world. And no matter how the company has grown, the core values of honesty, integrity, hard work and customer satisfaction, remain at the heart of everything IVEMSA does.

Headquarters

Circuito Internacional Sur #21
Parque Industrial Nelson
Mexicali, Baja California,
Mexico 21395

IVEMSA Tijuana

VIA Corporativo Building
Misión de San Javier 10643,
Zona Rio
Suite 403. 4to Piso
Tijuana, BC, Mexico 22010

