

Selina McUmbler, MAI  
PRINCIPAL

Felipe Cabada  
DIRECTOR



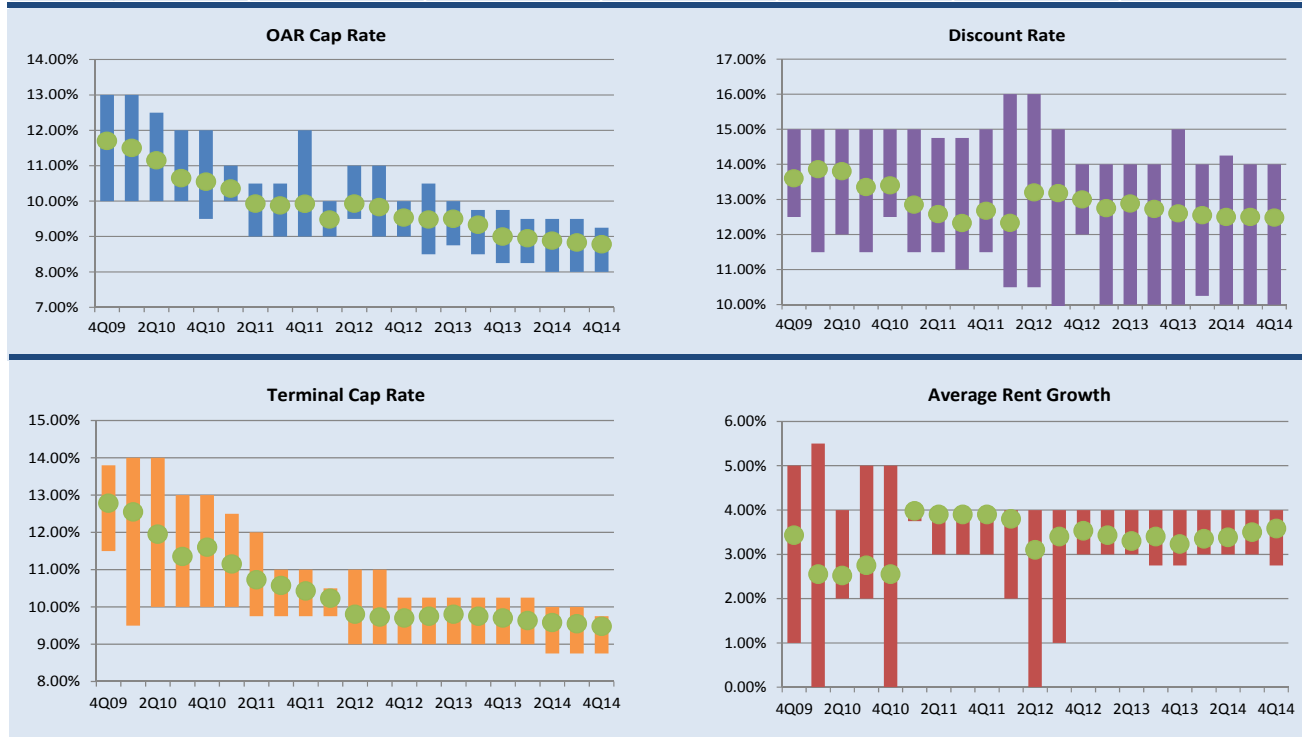
MEXICO REAL ESTATE INVESTOR SURVEY > RETAIL

Survey respondents include 3 investment funds, 3 brokerage firms, 1 trade association and 3 consulting firms

The Mexican economy experienced positive growth in third quarter 2014, with GDP expanding 0.5 percent quarter-over-quarter. Year-over-year, the GDP grew to 1.1 percent in the third quarter of 2014. The Central Bank held interest rates at a record low of 3.0% to stimulate domestic spending. The Mexican Peso has experienced a significant fall against the US dollar, which is expected to continue through the end of the year. Inflation is estimated at 4.00% for 2014. Economic growth forecasts for 2014 are expected to reach 2.5% by year end. Penetration of institutional grade retail is increasing on the back of growing credit access to consumers. Low consumer credit penetration will provide opportunity for future improvement of retail sales. Continuous population growth in tier two cities will create opportunities for development of new retail formats to attract international tenants into these locations. FIBRAS and CKDs continue to drive the real estate sector. During 3Q14, FIBRAS raised over US\$1.0 billion in capital. Mexico has been the only country in the region capable of raising money for real estate in 3Q14. Further cap rate compression is expected in 2015 as a result of increasing interest from foreign investors and continue capital inflows.

SURVEY OF MEXICAN REAL ESTATE INVESTORS > 4<sup>th</sup> Quarter 2014 Retail Properties

RESPONDENT	OAR CAP RATE	TERMINAL CAP RATE	IRR DISCOUNT RATE	AVERAGE RENT GROWTH	MEXICAN PESO INFLATION	AVERAGE MARKETING PERIOD (MONTHS)
1	8.75%	9.50%	13.00%	3.75%	4.00%	12
2	9.00%	9.75%	14.00%	4.00%	4.00%	6
3	8.75%	9.50%	10.00%	3.50%	4.00%	8
4	8.75%	9.50%	13.00%	3.75%	4.00%	8
5	8.00%	8.75%	11.75%	3.25%	3.75%	8
6	8.75%	9.50%	13.00%	4.00%	4.00%	8
7	8.50%	9.00%	12.00%	3.75%	4.00%	10
8	9.00%	9.75%	12.50%	3.50%	3.75%	8
9	9.25%	9.75%	13.50%	3.25%	4.00%	8
10	9.00%	9.75%	12.00%	2.75%	4.00%	8
<b>Range</b>	<b>8.00% - 9.25%</b>	<b>8.75% - 9.75%</b>	<b>10.00% - 14.00%</b>	<b>2.75% - 4.00%</b>	<b>3.75% - 4.00%</b>	<b>6 - 12</b>
<b>Average</b>	<b>8.78%</b>	<b>9.48%</b>	<b>12.48%</b>	<b>3.55%</b>	<b>3.95%</b>	<b>8</b>
<b>BP Change from 2Q14</b>	<b>-6</b>	<b>-7</b>	<b>-2</b>	<b>+8</b>	<b>+7</b>	<b>—</b>



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MEXICO REAL ESTATE INVESTOR SURVEY > INDUSTRIAL

Survey respondents include 3 investment funds, 3 brokerage firms, 2 developers and 2 consulting firms

The strong consumer demand and business investment in the US is having a positive effect on the Mexican market and its US-oriented export economy. The Mexican industrial market is becoming increasingly attractive. The FIBRA Index has grown by over 13% year-to-date, outperforming the Mexican Stock Exchange which has grown 3.8%. This is having a positive impact on the outlook for industrial real estate, which plays a big role in the market. The manufacturing sector continues to strengthen while the market continues to show healthy absorption levels. The ongoing improvements in security and growing government infrastructure investments are expected to continue attracting foreign capital. Mexico has been able to avoid capital outflows as a result of rising investment volume and improving market transparency. There is an increase in speculative development, however vacancies are expected to remain stable as demand in the market grows. Rents are projected to grow near inflation in the mid-term. In the Northern region, rental rates remain flat given the significant amount of speculative Class A space available due to lingering security concerns in the region. Mexico's manufacturing sector is looking increasingly competitive compared to China, where wages continue to rise rapidly. Development of industrial and logistics assets is expected to increase in the near-term.

SURVEY OF MEXICAN REAL ESTATE INVESTORS > 4<sup>th</sup> Quarter 2014 Industrial Properties

RESPONDENT	OAR CAP RATE	TERMINAL CAP RATE	IRR DISCOUNT RATE	AVERAGE RENT GROWTH	US DOLALR INFLATION	AVERAGE MARKETING PERIOD (MONTHS)
1	8.75%	9.50%	11.75%	2.50%	3.00%	6
2	8.75%	9.50%	12.25%	3.00%	3.00%	6
3	8.75%	9.25%	11.00%	3.00%	3.50%	8
4	8.00%	8.75%	12.75%	3.25%	3.25%	6
5	8.75%	9.00%	12.00%	3.00%	3.00%	10
6	9.00%	8.50%	11.00%	3.25%	3.25%	8
7	8.50%	8.50%	13.00%	3.25%	3.25%	6
8	7.50%	7.50%	10.25%	3.25%	3.25%	8
9	8.50%	8.50%	12.50%	3.25%	3.25%	6
10	8.50%	8.50%	11.50%	3.00%	3.25%	8
<b>Range</b>	<b>7.50% - 9.00%</b>	<b>8.00% - 9.75%</b>	<b>10.25% - 13.00%</b>	<b>2.50% - 3.25%</b>	<b>3.00% - 3.50%</b>	<b>6 - 12</b>
<b>Average</b>	<b>8.50%</b>	<b>9.20%</b>	<b>11.80%</b>	<b>3.08%</b>	<b>3.20%</b>	<b>7</b>
<b>BP Change from 2Q14</b>	<b>-5</b>	<b>-3</b>	<b>+5</b>	<b>-7</b>	<b>-5</b>	<b>—</b>

