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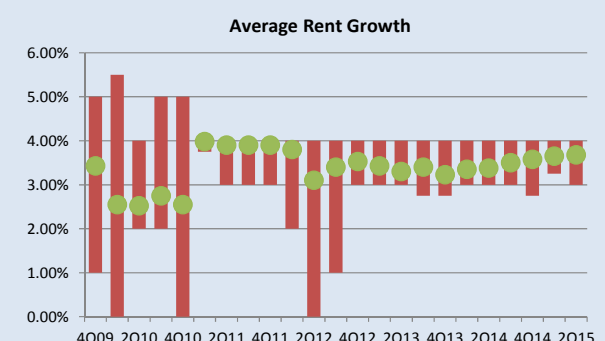
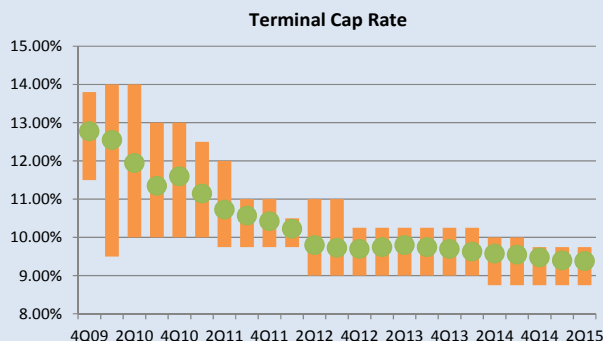
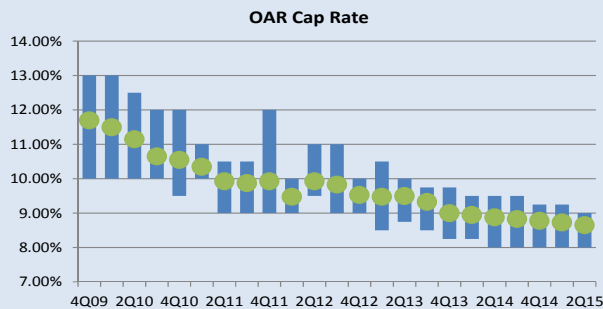
MEXICO REAL ESTATE INVESTOR SURVEY > RETAIL

Survey respondents include 4 investment funds, 3 brokerage firms, 1 trade association and 2 consulting firms

The Mexican economy experienced positive growth in first quarter 2015, with GDP expanding 0.4 percent quarter-over-quarter. Year-over-year, the GDP grew to 2.5% in the first quarter of 2015, down from 2.6% last quarter. The Mexican Peso is trading at its weakest level against the US dollar since 2009. The peso is expected to stabilize in the near term. Inflation reached 4.1% in 2014 and is estimated at 3.0% for 2015. Economic growth forecasts for 2015 are expected to range between 2.2% and 3.2%. The Central Bank is expected to keep interest rates at a record low of 3.0% until the Federal Reserve starts raising rates in the US. Strong demographics and the ongoing growth of the middle class is expected to result in accelerated growth for the next three to five years in the retail sector. Construction continues to increase and there currently over 2.0 million square meters of retail space under construction. Grocery-anchored retail continues to be the best performing product in major cities. There are an increasing number of international retailers entering Mexico, mainly Mexico City and Monterrey. Increasing demand is expected to drive vacancies down and rents up in the near term. FIBRAS and CKDs continue to drive the real estate sector. During first quarter 2015, FIBRAS acquired institutional grade assets in excess of US\$230 million, more than half of the US\$450 million in transactions during 2014. Cap rate compression comes on the back of increased primary and secondary capital offerings in the public market. In second quarter 2015, Fibra Uno acquired the Kansas Retail Portfolio for US\$675 million at a cap rate of 8.52%. Further cap rate compression is expected to slowdown in the second half of 2015.

SURVEY OF MEXICAN REAL ESTATE INVESTORS > 2nd Quarter 2015 Retail Properties

RESPONDENT	OAR CAP RATE	TERMINAL CAP RATE	IRR DISCOUNT RATE	AVERAGE RENT GROWTH	MEXICAN PESO INFLATION	AVERAGE MARKETING PERIOD (MONTHS)
1	8.00%	8.75%	12.00%	3.00%	4.00%	8
2	8.75%	9.50%	13.00%	3.75%	4.00%	9
3	8.75%	9.50%	12.00%	3.50%	4.50%	8
4	8.75%	9.50%	10.00%	3.50%	4.00%	8
5	9.00%	9.75%	13.00%	3.75%	4.00%	6
6	8.25%	9.00%	14.00%	4.25%	4.00%	6
7	9.00%	9.75%	12.00%	3.75%	3.75%	8
8	8.75%	9.50%	12.50%	4.00%	4.00%	8
9	8.75%	9.50%	13.00%	3.75%	4.00%	9
10	8.50%	9.00%	12.00%	3.50%	4.00%	8
Range	8.00% - 9.00%	8.75% - 9.75%	10.00% - 14.00%	3.00% - 4.25%	3.75% - 4.00%	6 - 9
Average	8.65%	9.38%	12.35%	3.68%	3.98%	8
BP Change from 1Q15	-8	-2	-5	+3	+3	—



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MEXICO REAL ESTATE INVESTOR SURVEY > INDUSTRIAL

Survey respondents include 4 investment funds, 3 brokerage firms, 1 developers and 2 consulting firms

The industrial segment continues to benefit from the increasing number of car and aerospace manufacturers moving operations from Asia to Mexico. In addition, the recent depreciation of the Peso is expected to increase the external competitiveness of exporters. The FIBRA Index grew 13% in 2014, outperforming the Mexican Stock Exchange which expanded only 0.7% during the same period. In first quarter 2015, the FIBRA Index lost 0.9%, underperforming the stock exchange which grew by 0.1%. In second quarter 2015, FIBRA Macquarie completed the purchase of a US\$105 million portfolio comprised of 2.2 million square feet of industrial space in the northwest region. The transaction closed at an estimated 8.25% cap rate with over 50% of the GLA leased to credit tenants and an average occupancy of 94% across the portfolio. The Bajio region continues to outperform other industrial areas in Mexico. Industrial development increased in first quarter 2015 with growing demand from medium-size companies and investments by car manufacturers. Development of industrial and logistics property is increasing due to an improvement in security and infrastructure. Ford Motor Company, Toyota and Volkswagen announced investment in excess of US\$4.5 billion to modernize and expand operations in Mexico. The pipeline of speculative development continues to grow with over 13.8 million square feet to be delivered within the next three years. The interest from international tenants is expected to prevent vacancy rates from increasing significantly. The largest deliveries of inventory will be in Mexico City and the Bajio region. However, rents are projected to raise in line with improving domestic consumption in Mexico City and continue to grow above inflationary levels in the Bajio region. Auto manufacturing and the aerospace sectors continue driving growth of the industrial sector across the country.

SURVEY OF MEXICAN REAL ESTATE INVESTORS > 2nd Quarter 2015 Industrial Properties

RESPONDENT	OAR CAP RATE	TERMINAL CAP RATE	IRR DISCOUNT RATE	AVERAGE RENT GROWTH	US DOLALR INFLATION	AVERAGE MARKETING PERIOD (MONTHS)
1	8.50%	9.25%	11.50%	2.50%	3.00%	6
2	8.50%	9.00%	11.00%	3.00%	3.25%	8
3	8.50%	9.25%	13.00%	3.00%	3.25%	6
4	8.25%	9.00%	12.50%	3.00%	3.00%	6
5	8.75%	9.50%	12.00%	3.00%	2.25%	6
6	8.50%	9.25%	10.50%	3.25%	3.25%	6
7	8.75%	9.50%	12.25%	3.25%	3.00%	6
8	7.25%	8.00%	10.00%	3.25%	3.00%	4
9	8.50%	9.25%	11.50%	3.00%	3.00%	8
10	7.75%	8.50%	12.50%	3.00%	3.25%	6
Range	7.25% - 8.75%	8.00% - 9.50%	10.00% - 13.00%	2.50% - 3.25%	2.25% - 3.25%	4 - 8
Average	8.33%	9.05%	11.68%	3.00%	3.03%	6
BP Change from 1Q15	-7	-8	-2	-3	-10	—

