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MEXICO REAL ESTATE INVESTOR SURVEY > RETAIL

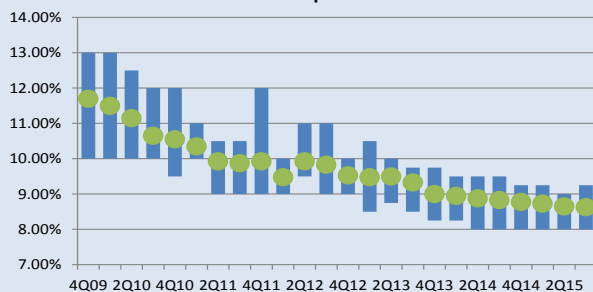
Survey respondents include 4 investment funds, 4 brokerage firms and 2 consulting firms

The Mexican economy experienced positive growth in first quarter 2015, with GDP expanding 0.5 percent quarter-over-quarter. Year-over-year, the GDP grew to 2.2% in the second quarter of 2015, down from 2.6% last quarter and up from 1.7% one year ago. The Mexican Peso continues trading at its weakest level against the US dollar since 2009. There is uncertainty if the peso will stabilize in the near term as low oil prices continue to pressure the Mexican economy. Inflation reached 4.1% in 2014 and is estimated at 3.0% for 2015. Economic growth forecasts for 2015 are expected to reach 3.7%. The Central Bank is expected to keep interest rates at a record low of 3.0% until the US Federal Reserve starts raising rates. Sales in the retail sector continue to strengthen and sales growth is expected to reach 7.0% by year-end. Construction remains strong with over 2.0 million square meters of retail space in the pipeline as some investors adjust their strategy from acquisitions to development. Grocery-anchored retail continues to be the best performing product in major cities and investors look to strengthen their presence in tier-two cities. Vacancies in major cities continue to decrease as international retailers enter the market, however, oversupply of small shops continues to be a challenge for owners. FIBRAS and CKDs continue to drive the real estate sector. During the first half of 2015, FIBRAS acquired institutional grade assets in excess of US\$400 million. By year-end, acquisitions are expected to surpass the record US\$450 million in transactions during 2014. Although cap rates continue to be at record lows, investors continue monitoring the potential increase in interest rates by the US Federal Reserve. Cap rate compression is expected to slowdown in the second half of 2015 and investors are expected to shift focus into development as prices reach all-time highs.

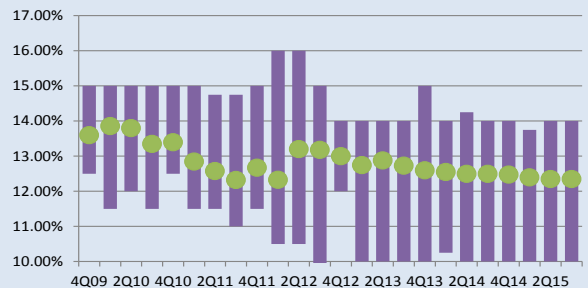
SURVEY OF MEXICAN REAL ESTATE INVESTORS > 3rd Quarter 2015 Retail Properties

RESPONDENT	OAR CAP RATE	TERMINAL CAP RATE	IRR DISCOUNT RATE	AVERAGE RENT GROWTH	MEXICAN PESO INFLATION	AVERAGE MARKETING PERIOD (MONTHS)
1	8.00%	9.00%	12.00%	4.00%	4.00%	8
2	8.50%	9.25%	12.00%	3.75%	3.75%	8
3	8.75%	9.50%	12.00%	2.75%	4.50%	8
4	8.75%	9.50%	13.00%	3.75%	4.00%	6
5	8.25%	9.00%	14.00%	4.00%	4.00%	6
6	8.75%	9.50%	13.00%	3.75%	4.00%	9
7	8.75%	9.50%	12.50%	4.00%	4.50%	8
8	8.75%	9.50%	13.00%	3.75%	4.00%	9
9	9.25%	9.75%	10.00%	3.50%	4.00%	10
10	8.50%	9.00%	12.00%	4.00%	4.00%	8
Range	8.00% - 9.25%	8.75% - 9.75%	10.00% - 14.00%	2.75% - 4.00%	3.75% - 4.50%	6 - 10
Average	8.63%	9.35%	12.35%	3.73%	4.08%	8
BP Change from 2Q15	-2	-3	0	+5	+5	—

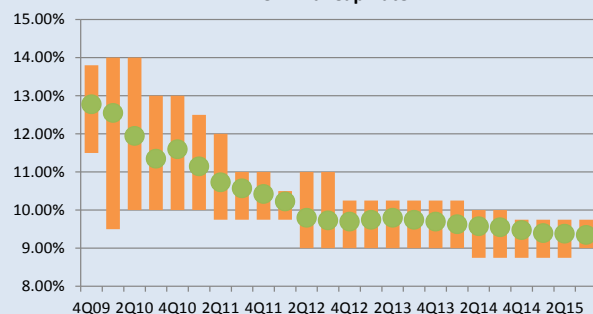
OAR Cap Rate



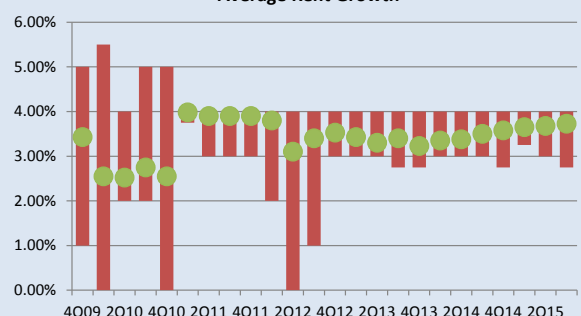
Discount Rate



Terminal Cap Rate



Average Rent Growth



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MEXICO REAL ESTATE INVESTOR SURVEY > INDUSTRIAL

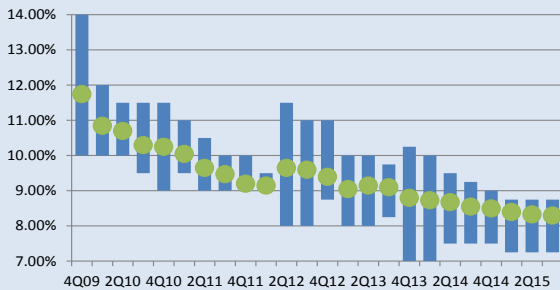
Survey respondents include 3 investment funds, 3 brokerage firms, 2 developers and 2 consulting firms

The industrial market continues growing as the NAFTA countries shift from global manufacturing to regional manufacturing. Developers are expanding their portfolios from big-box distribution centers for supply-chain logistics to include manufacturing facilities and warehouses to serve manufacturers moving operations from Asia. Despite the recent Volkswagen emissions scandal, investors in the Bajio region do not expect the aggressive expansion plans of Volkswagen and Audi to be effected. Other large car manufactures, such as BMW, Nissan, Toyota and Ford have announced they will invest over US\$5.0 billion in the next four years to modernize and expand operation in Mexico. The increasing interest from car manufacturers is attracting an increasing number of car component suppliers into the market. Investors with large land banks expect to develop an increasing number of built-to-suit projects for car-related activities in the upcoming year. The pipeline of speculative development continues to grow with over 14.1 million square feet to be delivered within the next three years. There is concern among investors that northern markets with high vacancies will be negatively affected by the the increasing speculative development in central markets. However, interest from international tenants and the falling energy costs in Mexico are expected to prevent vacancy rates from increasing significantly. The largest deliveries of speculative inventory will be in Mexico City and the Bajio region, with Monterrey experiencing an increase in development. Consensus in the market is that rents will grow in-line with inflation over the next twelve months. Auto manufacturing and the aerospace sectors continue driving growth of the industrial sector across the country.

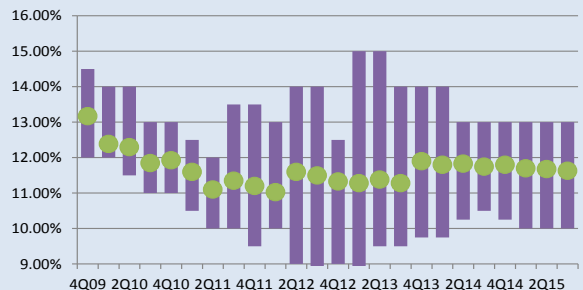
SURVEY OF MEXICAN REAL ESTATE INVESTORS > 3rd Quarter 2015 Industrial Properties

RESPONDENT	OAR CAP RATE	TERMINAL CAP RATE	IRR DISCOUNT RATE	AVERAGE RENT GROWTH	US DOLALR INFLATION	AVERAGE MARKETING PERIOD (MONTHS)
1	8.25%	9.00%	12.50%	3.00%	3.00%	6
2	7.50%	8.25%	12.00%	3.00%	2.75%	6
3	8.75%	9.50%	12.00%	3.00%	2.25%	6
4	8.50%	9.25%	11.50%	2.50%	3.25%	6
5	8.50%	9.00%	11.00%	3.00%	3.25%	8
6	8.50%	9.25%	10.50%	3.25%	3.25%	6
7	8.75%	9.50%	12.25%	3.00%	3.00%	6
8	7.25%	8.00%	10.00%	3.25%	3.00%	6
9	8.50%	9.25%	13.00%	3.00%	3.25%	6
10	8.50%	9.25%	11.50%	3.00%	3.00%	8
Range	7.25% - 8.75%	8.00% - 9.50%	10.00% - 13.00%	2.50% - 3.25%	2.25% - 3.25%	6 - 8
Average	8.30%	9.03%	11.63%	3.00%	3.00%	6
BP Change from 2Q15	-3	-2	-5	0	-3	—

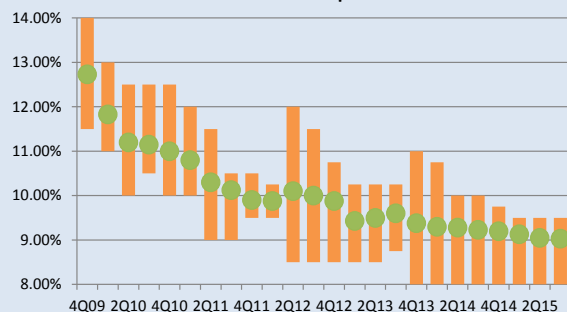
OAR Cap Rate



Discount Rate



Terminal Cap Rate



Average Rent Growth

