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MEXICO REAL ESTATE INVESTOR SURVEY > RETAIL

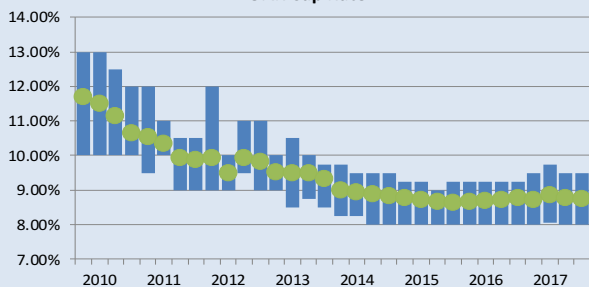
Survey respondents include 4 investment funds, 4 brokerage firms and 2 consulting firms

The Mexican economy experienced negative growth in third quarter 2017, with GDP contracting 0.2 percent quarter-over-quarter. This is the first contraction since 2013 and was driven by the devastating earthquakes in September. Year-over-year, the GDP grew 1.6% in third quarter 2017, a decrease from 2.6% and 2.5% in 2015 and 2016, respectively. GDP growth is projected to range between 2.0% to 3.0% by year-end. The Central Bank increased interest rates to 7.00%, this is the seventh consecutive rise since December 2015. However, interest rates are projected to remain flat until year-end. The peso debilitated during third quarter 2017, following a significant recovery during the first six months of the year. The peso is expected to continue fluctuating in the near term. Inflation reached 6.7% in third quarter, and is projected to end the year at 6.40%. The Central Bank projects inflation is near a peak and will decrease in 2018 to 3.0%. Strong demographics and the ongoing growth of the middle class is expected to result in further growth for the next three to five years in the retail sector. However, there is no consensus among market participants as to how the fluctuation of the peso will impact the retail sector in the near term as consumer spending remains strong. Vacancy levels in the retail sector are expected to remain stable in the near term. There is growing interest for mixed-use projects in the main metropolitan areas. FIBRAS and large capital investors that do not need liquidity are expected to hold retail assets as a long-term play. Cap rates are expected to remain stable in the near term following fluctuation during the first nine months of the year.

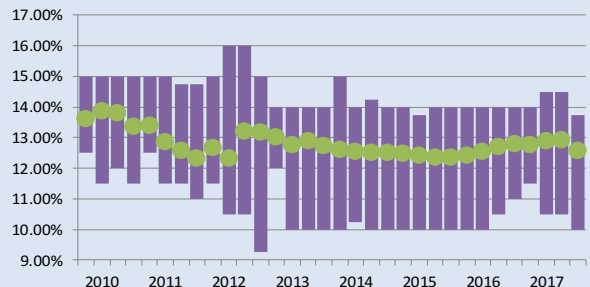
SURVEY OF MEXICAN REAL ESTATE INVESTORS > 3rd Quarter 2017 Retail Properties

RESPONDENT	OAR CAP RATE	TERMINAL CAP RATE	IRR DISCOUNT RATE	AVERAGE RENT GROWTH	MEXICAN PESO INFLATION	AVERAGE MARKETING PERIOD (MONTHS)
1	8.00%	8.50%	12.50%	3.00%	4.00%	6
2	9.25%	10.00%	13.50%	4.00%	4.00%	12
3	9.00%	9.75%	13.75%	3.50%	3.50%	12
4	8.75%	9.50%	13.00%	3.50%	4.00%	10
5	8.50%	9.00%	10.00%	4.50%	4.00%	9
6	8.75%	9.50%	13.50%	3.25%	3.75%	9
7	8.75%	9.75%	13.50%	4.00%	4.00%	10
8	8.75%	9.50%	13.00%	4.00%	3.75%	8
9	8.75%	9.50%	12.75%	4.00%	4.25%	9
10	9.00%	9.75%	12.75%	4.00%	4.00%	12
Range	8.00% - 9.25%	8.50% - 10.00%	10.00% - 13.75%	3.00% - 4.50%	3.50% - 4.25%	6 - 12
Average	8.75%	9.48%	12.58%	3.78%	3.93%	10
BP Change from 3Q16	-3	-8	-10	+5	+3	—

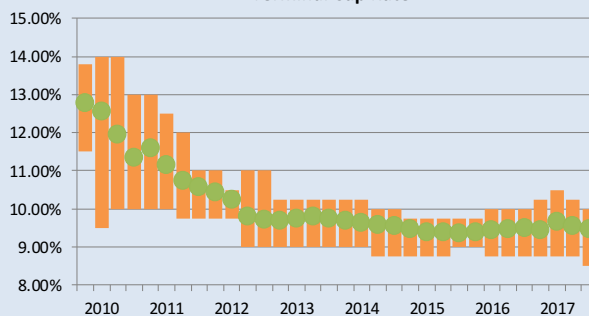
OAR Cap Rate



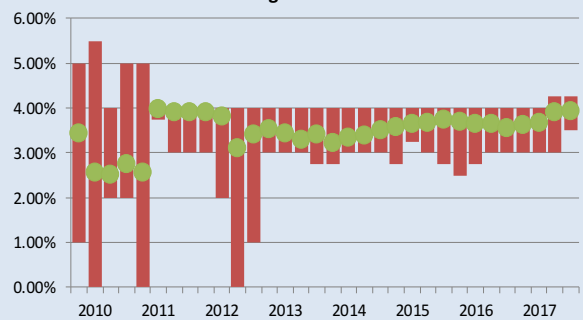
Discount Rate



Terminal Cap Rate



Average Rent Growth



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MEXICO REAL ESTATE INVESTOR SURVEY > INDUSTRIAL

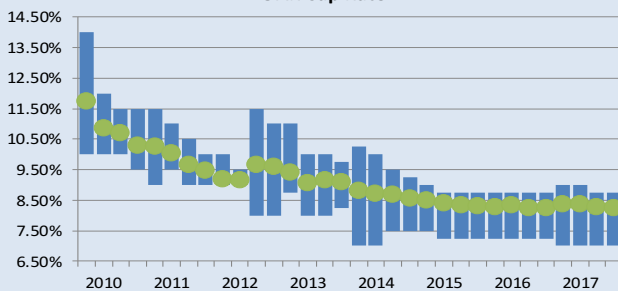
Survey respondents include 4 investment funds, 2 brokerage firms, 2 developer and 2 consulting firms

Following a period of mostly built-to-suit development, there has been a significant increase in speculative development in recent months. Mexico City and other interior markets continue showing positive rent growth as vacancy levels remain low despite significant inventory growth. The number of deliveries has steadily increased driven by the manufacturing sector in the Bajio region. San Luis Potosi has seen a surge in speculative development. However, vacancy levels remain near historical lows. The industrial market continues to strengthen despite uncertainty surrounding the NAFTA negotiations. The ongoing improvements in security and growing government infrastructure investments continue attracting foreign capital. Buyers continue to be bullish on the pricing of industrial assets in the interior region as they look to secure dollar denominated leases. In the northern markets, absorption has not been able to keep up with new inventory deliveries. However, vacancy levels remain lower than over the past three years and rents are projected to continue growing near inflation. The outlook for the main northern markets is stable. Overall, pricing in the industrial sector is expected to remain steady in the near term with potential compression in the interior markets.

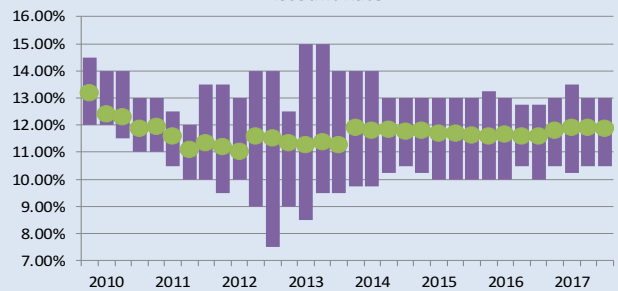
SURVEY OF MEXICAN REAL ESTATE INVESTORS > 3rd Quarter 2017 Industrial Properties

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%	10.50%	3.00%	3.00%	6
2	8.25%	8.50%	13.00%	2.00%	3.00%	6
3	8.25%	9.00%	12.00%	2.50%	2.50%	4
4	7.00%	7.50%	11.00%	3.00%	3.00%	6
5	8.25%	9.00%	12.00%	2.00%	2.00%	8
6	8.25%	9.00%	11.75%	2.50%	2.50%	8
7	8.50%	9.00%	10.75%	3.00%	3.00%	6
8	8.75%	9.50%	12.00%	3.00%	3.00%	6
9	8.50%	9.00%	13.00%	3.00%	3.00%	4
10	8.25%	9.00%	12.50%	3.00%	3.00%	6
Range	7.00% - 8.75%	7.50% - 9.50%	10.50% - 13.00%	2.00% - 3.00%	2.50% - 3.00%	4 - 8
Average	8.23%	8.85%	11.85%	2.70%	2.80%	6
BP Change from 3Q16	-5	-3	-5	+2	-13	—

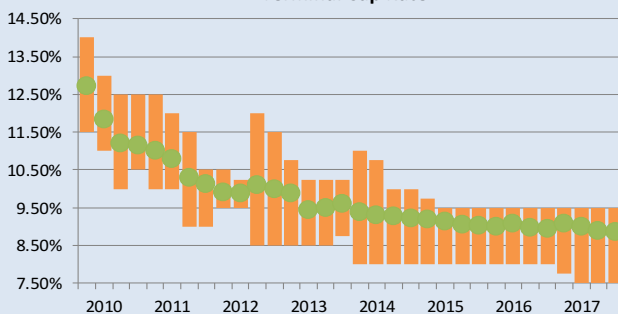
OAR Cap Rate



Discount Rate



Terminal Cap Rate



Average Rent Growth

