

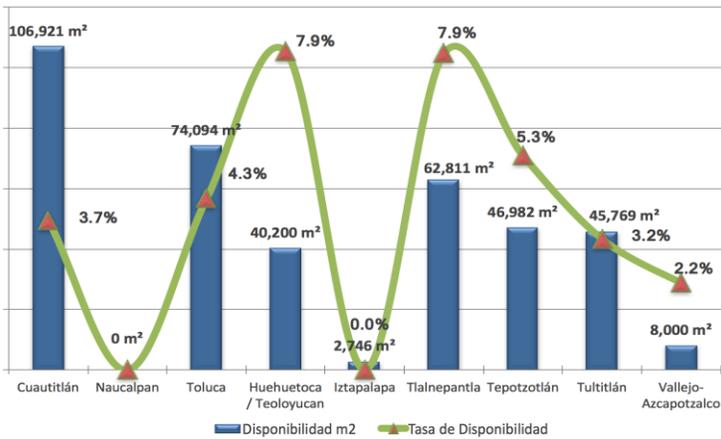
Overview

At the end of the first trimester of 2017, the industrial market of the Metropolitan Area of Mexico City recorded an inventory of 8.8M Sq.M of industrial ships class A, mainly in the submarkets of Cuautitlan (32%) and Toluca (20%).

Supply

Vacancy rate recorded a 4.37% equivalent to 387,000 Sq.M. The submarkets with the largest vacancy rate were Huehuetoca and Tlanepantla with 7.9%.

Industrial Availability Class A 1T2017

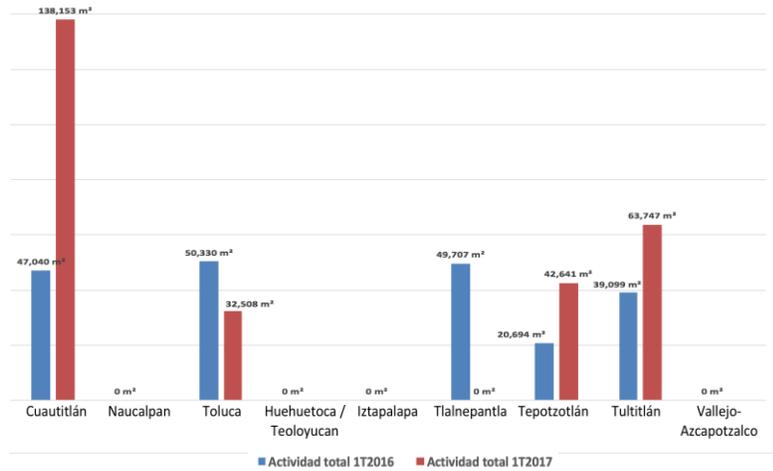


Demand

Absorption rate for this trimester was of 277 thousand Sq.M of Class A industrial ships. In comparison to last year's first trimester (207 thousand Sq.M), there was an increase of 34%.

Cuautitlan (138 thousand Sq.M) and Tultitlan (67 thousand Sq.M.) stand out as two submarkets with the highest activity in the Metropolitan Area.

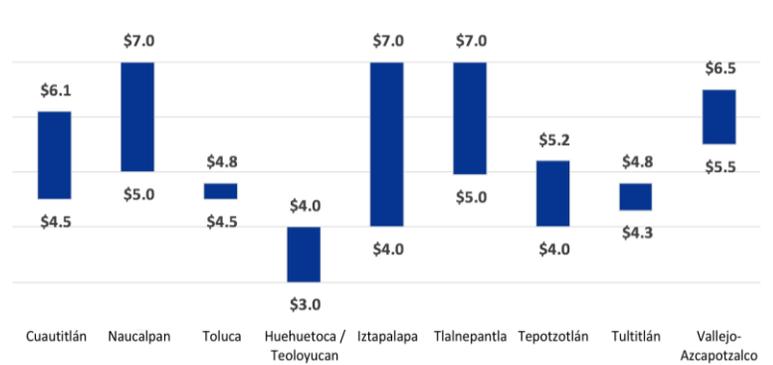
Total Industrial Activity Class A 1T2017



Prices

Average output prices remain stable with Naucalpan, Izatapalapa and Vallejo-Azcapotzalco submarkets reaching prices above \$7 USD per Sq.M because of their closeness to Mexico City and their low availability rates. In contrast, lower prices were detected in Huehuetoca and Toluca-Lerma submarkets, averaging at \$3.5 USD per Sq.M.

Output Prices Industrial Class A 1T2017



Outlook

There is a very healthy level of availability in the industrial market which has encouraged the construction of new buildings especially in Tepotzotlan where greatest developers are present.

Despite the speculation and the exchange rate variation, the first trimester was reported a 34% increase in the availability rate in comparison to 2016.

Nowadays there is more flexibility on developers and owners to attract the best tenants to their buildings.



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