

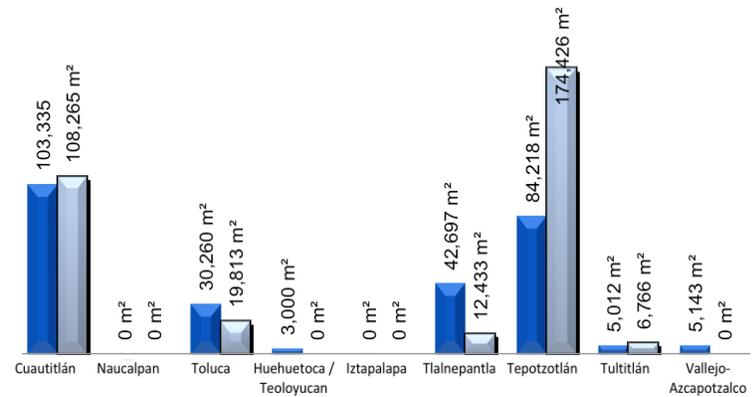
Overview

At the end of the third quarter of 2016, the industrial market Class A of Mexico City recorded an inventory of 8.3M Sq.M. with the Cuautitlan submarket covering a larger share of that inventory (33%) followed by Toluca (20%).

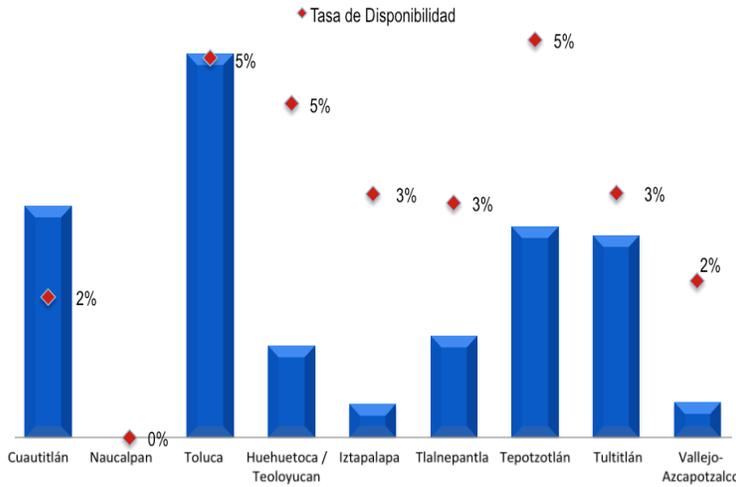
Supply

The vacancy rate recorded in this quarter was 3.56% (equivalent to just over 295,000 Sq. M.). In general, there were low vacancy rates, with Tepozotlan being the highest at 5.5%.

Total Industrial Activity Class A 3Q2016



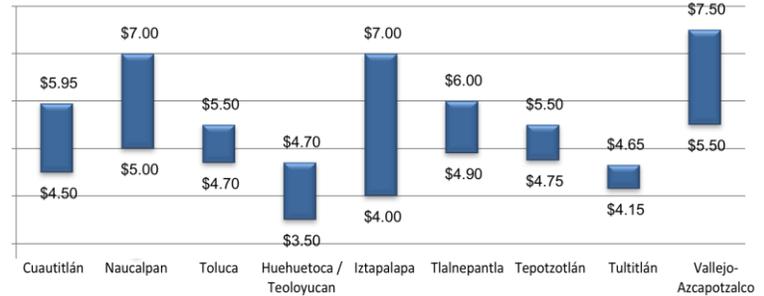
Industrial Availability Class A 3Q2016



Prices

Average output prices remained stable with Naucalpan, Izatapalapa and Vallejo-Azcapotzalco submarkets reaching prices above \$7 UDS per Sq.M. because of their closeness to Mexico City and they low availability rates. In contrast, lower prices were detected in Huehuetoca and Toluca-Lerma submarkets, averaging at \$4.7 USD per Sq. M.

Output Prices Industrial Class A 3Q2016



Demand

Absorption throughout 2016 has been of 307,000 Sq.M of Class A industrial ships in Mexico City, which represents a higher percentage (12%) than last year's 3T (about 273,000 Sq.M.)

Tepozotlan (174,000 Sq. M) and Cuatitlan's (108 Sq.M) markets continue to Excel over other submarkets.

Outlook

So far, 2016 has been an excellent year for Mexico City's Industrial Market, surpassing previous records for absorption rates while prices remain stable.

Availability rates remain low since throughout this year the market has suffered a large dynamic rage in spite of the growth in the inventory through each trimester.

In terms of construction, developments of a speculative nature predominate due to the market demands, which encourages large developers.



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