

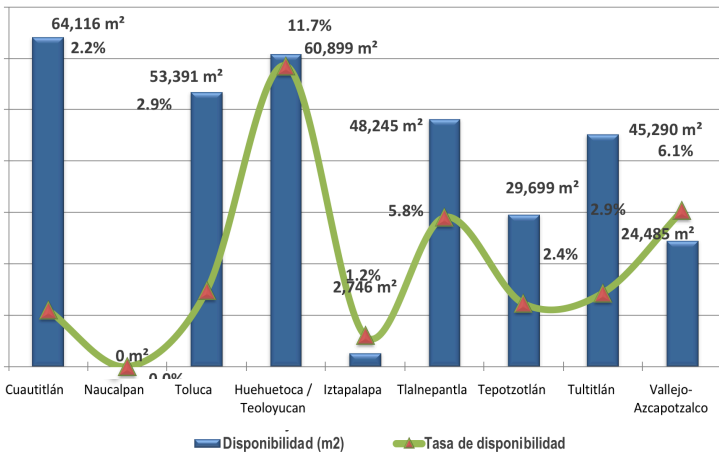
Overview

At the close of the fourth quarter of 2017, the Metropolitan Area of Mexico City's Industrial Market recorded an inventory of 9.5M Sq.M. of industrial ships class A, mainly in the submarkets of Cuautitlan (19%), Tultitlan (17%) and Tepotzotlan (13%)

Supply

Vacancy rate recorded a 3.44%, equivalent to 329 thousand Sq.M. The submarkets with the largest vacancy were Huehuetoca 12%, Tlalnepantla and Vallejo- Azcapotzalco with 6% each

Industrial Availability Class A 4T2017

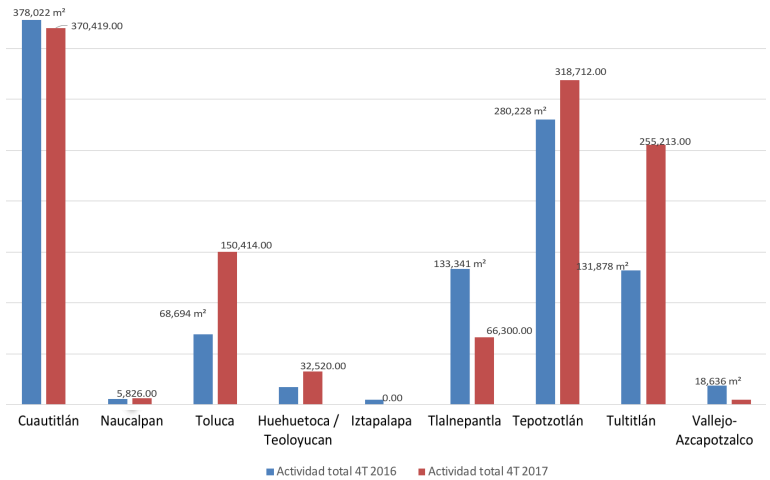


Demand

Absorption rate during 2017 was 1.2 M Sq.M of industrial ships class A in Mexico City & Metropolitan Area, meaning a 16% increase in comparison to last year's (1M Sq.M)

Cuautitlan (370 thousand Sq.M), Tepotzotlan (318 thousand Sq.M) y Tultitlan (255) stand out as the submarkets with the highest activity in the Metropolitan Area.

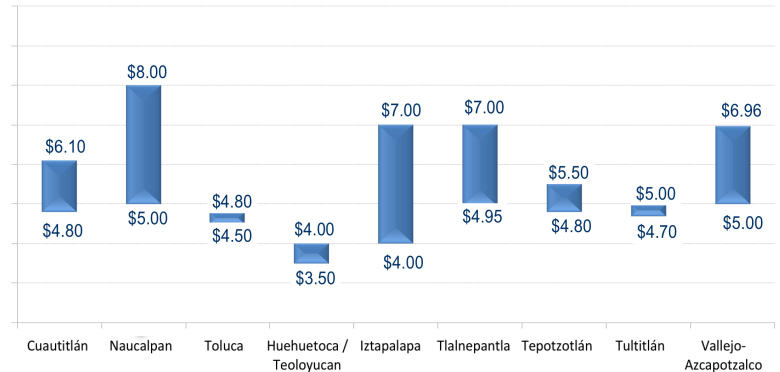
Total Industrial Activity Class A 4T2017



Prices

Average output prices have remained stable with Naucalpan, Tlalnepantla, Iztapalapa and Vallejo-Azcapotzalco submarkets reaching prices above 7 USD per Sq.M, because of their proximity to Mexico City and its low availability rate. In contrast, lower prices were detected in Huehuetoca, averaging under \$4 USD per Sq.M.

Output Prices Industrial Class A 4T2017



Outlook

2017 has been a good year for the industrial market in Mexico City, breaking a record in absorption, reaching 1.2 M Sq. M sold and maintaining price stability.

The levels of availability in the market continue with a downward trend due to the dynamism that the market has had throughout the year, this despite the new spaces that have been added to the inventory each quarter.

In terms of construction, speculative developments predominate, due to the demand that encourages large developers.



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