

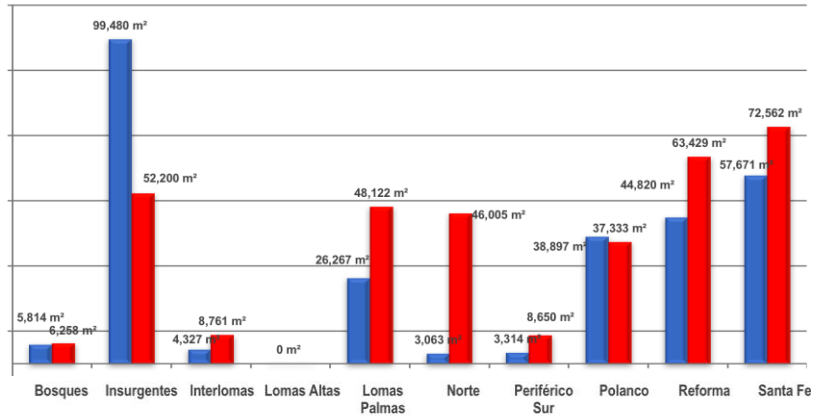
Overview

The third trimester of 2016 closed with a total office inventory of 5.7 million sq. m in offices of class A and A+. This means an increase of 563 thousand Sq. M in comparison with last year's third trimester.

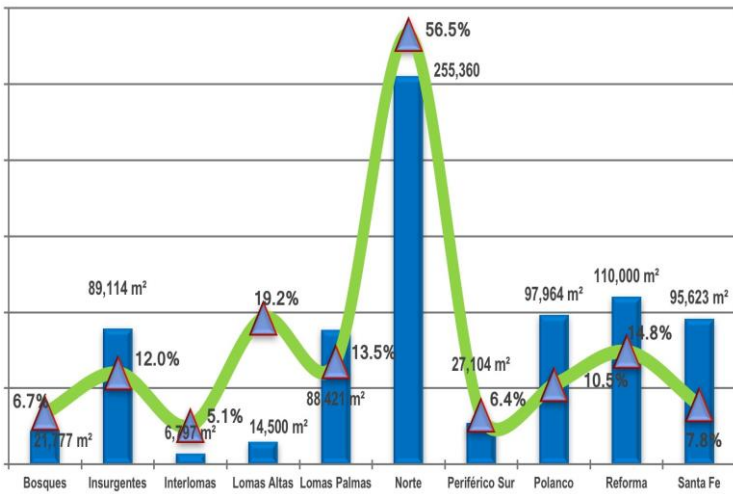
Supply

At the close of this third trimester there are 806,659 Sq. M available of class A and A+ offices, which translates to an availability rate of 14.1%. The northern submarket keeps its vacancy rate above all other submarkets at a 56.5% (255,360 Sq. M.), while Interlomas remains the lowest vacancy rate at 5.1% (6,797 Sq.M.)

Office Class A+ y A 3T2016



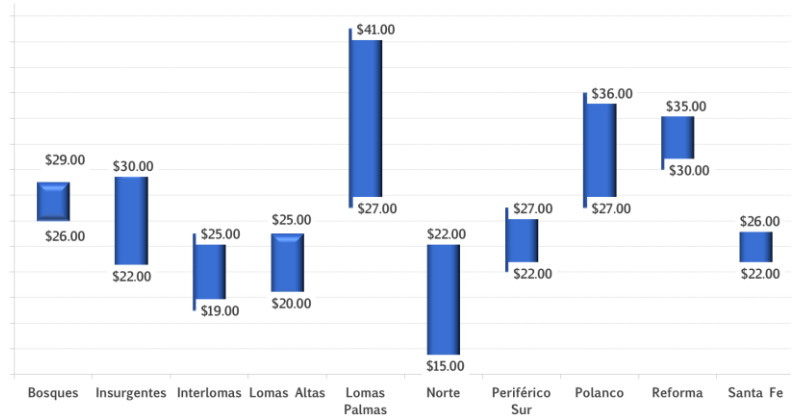
Office Class A+ y A availability 3T2016



Prices

Lomas Palmas, Polanco and Reforma remain as three submarkets that exceed \$30 USD/Sq. M/per month. However, submarkets such as Lomas Palmas and the North have a wide range of prices that can vary up to \$15 USD. The reasons behind these variations are the quality of the project and its location.

Asking prices Offices Class A+ y A 2T2016



Demand

Absorption rate of the third trimester was of 343,319 thousand Sq. M, 10% higher than last year's, which was of 307,818 thousand Sq. M.

Submarkets which presented the highest absorption were Santa Fe with 72 thousand Sq. M (21% of the grand total), followed by Reforma (16%, 63 thousand Sq. M) and Insurgentes (15%, 52 thousand Sq. M)

Despite Insurgentes office demand, its market absorption had a drop of 52% compared to the same period of 2015, while the Northern market raised to 48 thousand Sq. M.

Outlook

In 3T2016 absorption was steady regarding offices class A and A+, and it is expected that the inventory will keep growing causing an oversupply by the end of the year. For 2018 the total can reach 8M Sq. M, matching the Industrial inventory for the first time. Despite the oversupply, lease rates will be stable in USD.



Contact
 Mauricio Pérez Hagg
 mauricio.perez@cmigrupo.com

Laura Baranda González
 laura.baranda@cmigrupo.com