

Overview

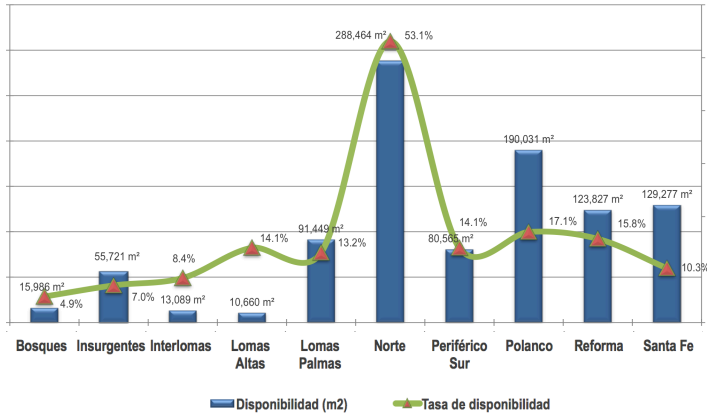
The Mexico City Metropolitan Area Inventory for Class A and A+ office buildings closed the 4Q of 2017 with a total office inventory of 6.3 million square meters. This represents an increase of 10% equivalent to 607 thousand Sq.M.

Supply

During the 4Q2017 there was an increase of inventory of 10% (607 thousand Sq.M) in comparison with last year's same period, which translates to a stable availability rate of 15.99%

The Norte submarket keeps its vacancy rate above all other submarkets at 49%, in contrast, the lowest rate is in Bosques with 4.9%

Office Class A+ and A availability 4Q2017

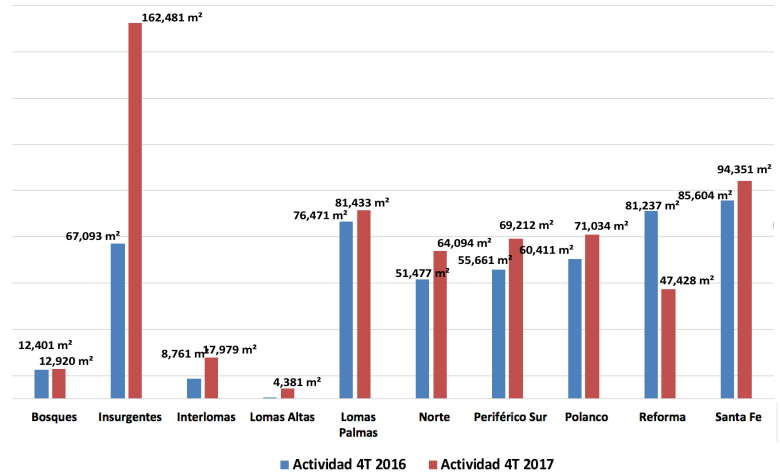


Demand

Total market activity increased 25.15% during 2017, comparing it with the closing of 2016, going from 499 thousand Sq.M to 625 thousand Sq. M a difference of 125,690 m² more than the previous year.

The submarket with the highest activity was Insurgentes (162K Sq. M), Periferico Sur (69K Sq. M) and Norte (64K Sq. M)

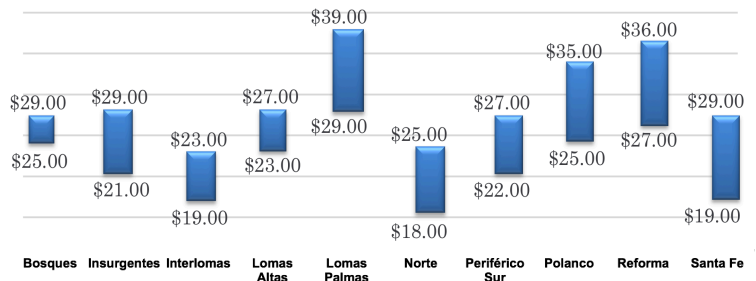
Activity Office Class A+ and A 4Q2017



Prices

Regarding the prices of Lomas Palmas, Polanco and Reforma, they remain as the three highest base rent submarkets. This quarter, the average monthly rent was of \$25.95 USD per Sq.M. Per Month.

Asking prices Office Class A+ and A 4Q2017



Outlook

Projects under development are still going ahead and surely 7 million square meters will be reached by 2018. The increase in the supply of class A and A + offices in contrast to the absorption begin to lead to market oversupply.

Revenues have remained stable in dollars, although the number of transactions closed in pesos continues to rise; probably the exchange rate may represent a decision factor in the coming months.

Uncertainty will be present during the following year due to the elections in Mexico and the Free Trade Agreement with the United States and Canada



Contact

Mauricio Pérez Hagg
mauricio.perez@cmigrupo.com

Laura Baranda González
laura.baranda@cmigrupo.com