

4Q16

MARKET REPORT
Latin America &
The Caribbean

Torre YPF, Puerto Madero, Buenos Aires, Argentina.

Global Locations

Latin America, & The Caribbean



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Buenos Aires City
Buenos Aires North

Bahamas

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Market Report

4Q16

Buenos Aires



Economic Overview

GDP GROWTH	0.5%	▬
INFLATION	40%	▬
UNEMPLOYMENT RATE	9.3%	▲
CURRENCY	Pesos Argentinos \$ARS	
CONVERSION RATE (VS USD)	15.40	

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▬	▼	▬	▬
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 4,000 to 4,500		USD 28 to 32	
▲	▬	▬	▬
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 600		USD 8	
▲	▬	▬	▬
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 6,500		USD 35	

Prime Offices

Vacancy closed around 7 % in 2016 and still remains as one of the lowest of class A office market. Over 60 % of the current stock of prime space concentrates in Catalinas, Plaza San Martin, Plaza Roma & Pto. Madero áreas, whereas about 10 % is located outside the city in the northern area of Greater Buenos Aires

Prime Industrial

There are about 250,000 m² under construction today, and about 95 % is concentrated in Northern Greater Buenos Aires which has been the most active along the years. Market rental Price is about USD 8/m²/month keeping asking values consistent with the previous months.

Prime Retail

Vacancy remains stable throughout the last quarter of 2016 and is consistent with historical values of the last years. Florida St. and corridor along avenida Rivadavia present the highest asking prices of the market with values over USD 60/m²/month.

CLIENT	SIZE	TYPE OF TRANS.	VALUE
Bosch	2,100 sq. m.	Lease	USD 2,400,000
Philip Morris	5,100 sq. m.	Sale	USD 11,000,000
Nucleo Eléctrica Arg	12,000 sq. m.	Lease	USD 12,960,000
Fundación Argentina	7,000 sq. m.	Lease	USD 8,400,000

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Market Report

4Q16

Nassau



Economic Overview

GDP GROWTH	0.6%	▲
INFLATION	0.3%	▼
UNEMPLOYMENT RATE	14.8%	▲
CURRENCY	Bahamian Dollar B\$	
CONVERSION RATE (VS USD)	1.0	

Prime Offices

Class A office space has improved marginally for the 4th quarter. Our overall inventory has decreased to 4,382 m² or 47,165 SF

Prime Industrial

This market is limited exclusively to warehouse developments of which there are not many. This market remains flat.

Prime Hospitality

The 3.2 billion dollar Bahamar development is now scheduled to open in phases, with the first phase, the Hyatt Hotel opening in April 2017. This will have a positive affect on the Bahamian economy.

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▼	▲	=	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 2,900		USD 30	
=	=	=	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		USD 14.1	
=	=	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		USD 25.5	

CLIENT	SIZE	TYPE OF TRANS.	VALUE
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Bank	5,547 sq. m. bldg.	Sale	USD 17,500,000
Embassy	1,010 sq. m. bldg.	Sale	USD 5,320,000
Embassy	16,956 sq. m. lot	Sale	USD 4,812,000
Embassy	366 sq. m. bldg.	Sale	USD 2,129,000



Economic Overview

GDP GROWTH	3.0%	▲
INFLATION	0.5%	▲
UNEMPLOYMENT RATE	3.9%	▼
CURRENCY	Cayman Dollar \$KYD	
CONVERSION RATE (VS USD)	0.8	

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▼	▲	=	▲
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 2,906		USD 37 to USD 46	
—	—	—	—
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		-	
▼	▲	▲	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		-	

Prime Offices

Class A office space remains in high demand and low vacancy levels have led to between US\$43 and US\$54 /sq. m./month in locations such as Camana Bay and Cricket Square. The Class B market remains flat however occupancy has improved as rents have fallen.

Prime Industrial

N/A for Cayman

Prime Hospitality

There has been strong activity in the market with two landmark locations, the Marriott and Westin, changing hands in 2016 at record prices and the new Seafire Kimpton Resort and Residences opening its 266 rooms on Seven Mile Beach in late 2016.

CLIENT	SIZE	TYPE OF TRANS.	VALUE
Shopping Centre	42,000 SF	Sale	USD 3,500,000
Class B+ Office Building	25,000 SF	Sale	USD 3,500,000
Retail/Warehouse complex	24,000 SF	Sale	USD 2,400,000
Finance industry tenant	30,000 SF	Advisory	USD 50,000

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Market Report

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Economic Overview

GDP GROWTH	1.5%	=
INFLATION	2.9%	▲
UNEMPLOYMENT RATE	6.6%	▲
CURRENCY	Chilean Peso CLP\$	
CONVERSION RATE (VS USD)	670	

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▼	▲	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 3,400		USD 20	
▲	▼	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 560		USD 5	
▼	▲	=	▲
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 4,300		USD 27.5	

Prime Offices

This quarter registered the entrance of a new office building, which incorporates more than 24,047 sq.m useful to the A/A+ class office stock.

Prime Industrial

This semester, the vacancy rate could be explained by the delivery of nearly 25,000 sq. m. entering vacant to the market, as well as a significant release of square meters in consolidated projects.

Prime Retail

Total production increased by more than 2,000 sq.m in the second half of the year and average rental prices registered a slight increase this semester.

CLIENT	SIZE	TYPE OF TRANS.	VALUE
Scotiabank	272 sq. m.	Sale	USD 935,820
SGS	2,360 sq. m.	Sale	USD 1,733,731
Santander	221 sq. m.	Sale	USD 1,414,567
Starbucks	185 sq. m.	Lease	USD 874,746

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Bogota

Economic Overview

GDP GROWTH	1.2%	▼
INFLATION	5.8%	▼
UNEMPLOYMENT RATE	7.5%	▼
CURRENCY	COP - Colombian Peso	
CONVERSION RATE (VS USD)	2,919	

Prime Offices

Prime office prices have decreased 16% compared to 2015. One of the reasons is that the vacancy rate has increased up to 9.4% during 2016. It is expected to return to normal level by the third quarter of 2017.

Prime Industrial

The number of square meters offered by new projects has decreased. There is a higher offering of properties located at industrial parks than located in lots. Also, the industrial properties business is developing at the nearby municipalities.

Prime Retail

The average of new offering in the market every month is 12.081 square meters. 69% of the new offering is located in 16 malls, 14% in 34 offices buildings, 8% in 11 zonal centers, 6% in 8 industrial parks, and 3% in housing sets.

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
=	▼	▲	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 2,680		USD 21	
=	▲	▼	▲
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 1027		USD 6	
▼	▼	▼	▲
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 3,250		USD 35	

CLIENT	SIZE	TYPE OF TRANS.	VALUE
MOTORES DEL VALLE MOTOVALLE S.A.S	Industrial	Lease	USD 235,904
PROCABLES S.A.S	Retail 924 sq. m.	Lease	USD 60,000
CLEAN SPACES LTDA	Office	Lease	USD 105,920
ASOCIACION FOOD TRUCKS	Retail	Lease	USD 65,529

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Market Report

4Q16

Kingston & Montego Bay



Economic Overview

GDP GROWTH	0.9%	▬
INFLATION	4%	▼
UNEMPLOYMENT RATE	12%	▼
CURRENCY	Jamaican Dollars J\$	
CONVERSION RATE (VS USD)	128.6	

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▬	▬	▬	▬
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 954		USD 7.2	
▬	▬	▬	▬
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 630		USD 4.7	
▼	▲	▲	▲
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		-	

Prime Offices

A number of office developments planned as developers find that potential rentals now justify new construction.

Prime Industrial

Flagler Global Logistics from Florida to develop 8 units of a total of 950,000 sqft of warehouse/industrial space in Kingston Docks.

Prime Hospitality

SANDALS Resorts International says it will this year begin reconstruction of the old Dragon Bay hotel in Portland, transforming it into a 157-suite six-star boutique family resort at a cost of US\$ 100 million.

CLIENT	SIZE	TYPE OF TRANS.	VALUE
ATL Group	5 Commercial complexes	Valuation	USD 15,000
IBEX	44,000 SF	7 Year lease	USD 40,000
Jamaica National Building Society	20 properties Part of Commercial portfolio	Valuation	USD 23,000
Urban Development Corporation (UDC)	30 properties part of portfolio	Valuation	USD 18,000

Market Report

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Economic Overview

GDP GROWTH	2.2%	▼
INFLATION	3.0%	▲
UNEMPLOYMENT RATE	5.4%	▼
CURRENCY	Mexican Peso \$MXN	
CONVERSION RATE (VS USD)	21.65	

Prime Offices

New office construction leveling off to approximately 1.4 million M2 compared to 1.85 million M2 a year ago. Vacancy rate at 12.5%, up from 11% a year ago. Asking rates steady because of peso/dollar exchange rate.

Prime Industrial

Industrial Inventory increased to over 15 million M2 this year. There are over 500,000 M2 under construction, with demand still strong. Asking rates are from \$5.25 to \$5.75 / M2 and have not increased more due to the exchange rate.

Prime Retail

Retail store and shopping center construction still increasing. Asking rates are holding or are slightly lower due to exchange rate.

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▲	▲	=	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 1,800		USD 20 to 25	
▼	▲	=	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 750		USD 5 to 5.25	
=	▲	▼	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 1,700		USD 90	

CLIENT	SIZE	TYPE OF TRANS.	VALUE
Walmart	1,000,000 SF	Lease	Client confidentiality
Office Depot	500,000 SF	Lease	Client confidentiality
Liverpool	450,000 SF	Lease	Client confidentiality
Geodis	312,000 SF	Lease	Client confidentiality

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Market Report

4Q16

Panama City



Economic Overview

GDP GROWTH	5.8%	==
INFLATION	0.2%	==
UNEMPLOYMENT RATE	5.1%	==
CURRENCY	Balboa B/.	
CONVERSION RATE (VS USD)	1.0	

Prime Offices

Vacancy Rates since last trimester continue to be stable, as new offices are delivered. Office Sales and lease values were up very slightly, but remain stable.

Prime Industrial

Vacancy Rates are slowly diminishing as existing Warehouse spaces are occupied and few new warehouses are being built within Industrial Parks. Sales and Lease prices have decreased slightly this trimester.

Prime Retail

Inventory is high, vacancy rates slightly increasing but rental rates remain steady. Inventory for Sale is difficult to find for individual retail units but the available spaces are found in large shopping malls.

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▲	==	==	▲
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 2,650		USD 21	
▼	▲	==	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 1,270		USD 9	
==	▼	==	==
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 3,370		USD 30	

CLIENT	SIZE	TYPE OF TRANS.	VALUE
Sony	1,000 sq. m.	Lease	Client confidentiality
Summit Trampoline Park	2,700 sq. m.	Lease	Client confidentiality
Novartis	400 sq. m.	Lease	Client confidentiality
Dayton Superior	1,000 sq. m.	Lease	Client confidentiality

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Market Report

4Q16



Economic Overview

GDP GROWTH	4.4%	▲
INFLATION	3.3%	▲
UNEMPLOYMENT RATE	4.4%	▼
CURRENCY	Nuevo Sol S/.	
CONVERSION RATE (VS USD)	3.38	

Prime Offices

Vacancy rate has increase due to the over-construction. Currently there is a gap between asking prices and closing prices. Closing prices are trending down, however, this is not reflected in the asking prices.

Prime Industrial

The potential market for logistic warehouses is located in the south of Lima, where currently, companies are vacating the spaces because the trend is to develop their own logistics warehouses. In Peru, the Prime warehouses market is only for lease transactions. Prices are decreasing in this 4Q2016.

Land

The land in the South area of Lima and Callao is in constant growth with more and more industrial parks being developed. Also, there is additional land with potential for use of warehouses and logistic centers development. Rental prices continue to decrease in this 4Q2016

Trends

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▲	=	▼	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 2,100		USD 17	
▲	▼	-	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		USD 4.5	
▲	=	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 280		USD 3.5	

CLIENT	SIZE	TYPE OF TRANS.	VALUE
SUNAT	62,000 sq. m.	Sale	USD 22,000,000
MIMCO	50,000 sq. m.	Sale	USD 5,200,000
COMPASS	432 sq. m.	Lease	USD 800,320
CBC	7,200 sq. m.	Lease	USD 2,160,000

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Market Report

4Q16

San Juan
Metro Area



Economic Overview

GDP GROWTH	0.4%	▼
INFLATION	0.3%	▲
UNEMPLOYMENT RATE	14%	▲
CURRENCY	USD	
CONVERSION RATE (VS USD)	1.0	

Prime Offices

Act 20/22 incentives continue to attract foreign investors founding operations in Puerto Rico, resulting in a reduction of office space vacancies.

Prime Industrial

The industrial sector has decreased significantly due to new tax code reforms, elimination of tax incentives and inexpensive outsourced labor.

Prime Retail

Consumer confidence and an underground based economy has increased, trading in a slight upturn of retail revenue. National retailers are reconsidering the local market once again after a 3 year halt.

Trends

OCTOBER / NOVEMBER / DECEMBER 2016

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▼	▼	▼	=
Sale Value (USD / SF)		Lease Value (USD / SF / month)	
USD 130		USD 17	
▲	=	▼	▼
Sale Value (USD / SF)		Lease Value (USD / SF / month)	
USD 28		USD 6	
▼	▲	▼	=
Sale Value (USD / SF)		Lease Value (USD / SF / month)	
USD 120		USD 25	

CLIENT	SIZE	TYPE OF TRANS.	VALUE
Hacienda Monte Alto	15,000 sq. m.	Lease	Client confidentiality
Grupo Gran Meliá	250,000 sq. m.	Advisory	Client confidentiality
Paulson Group	300,000 sq. m.	Sale	Client confidentiality
Shopping Mall Plaza Del Mar	200,000 sq. m.	Lease	Client confidentiality

MARKET REPORT

4Q16

Latin America & The Caribbean

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