

1Q17

MARKET REPORT
Latin America
& The Caribbean

NAI Global



Bayside Executive, Nassau, Bahamas.

Global Locations

Latin America, & The Caribbean



Argentina

Buenos Aires City
Buenos Aires North

Bahamas

Nassau

Chile

Santiago

Cayman Islands

George Town

Colombia

Bogota

Jamaica

Kingston

Mexico

Ciudad Juarez
Guadalajara
Guanajuato
Matamoros
Mexicali
Mexico City
Monterrey
Queretaro
Reynosa
San Luis Potosi
Tijuana

Panama

Panama City

Peru

Lima
Arequipa

Mauro Keller Sarmiento, SIOR

Executive Managing Director,
International Business

+54 11 4320 4320

mkellersarmiento@naiglobal.com



Market Report

1Q17

Buenos Aires



Economic Overview

GDP GROWTH	0.5%	▬
INFLATION	27.9%	▼
UNEMPLOYMENT RATE	7.6%	▼
CURRENCY	15.40	
CONVERSION RATE (VS USD)	Pesos Argentinos \$ARS	

Prime Offices

11.600 sq. m. have been incorporated to the stock during the first quarter of 2017, due to the construction of a new building in the Plaza San Martin Submarket. The vacancy rate has increased 3.7% in comparison with the last quarter of 2016, reaching the average of 7%.

Prime Industrial

The industrial market of Buenos Aires is the biggest in Argentina, with 1.9 MM sq. m. corresponding to prime warehouses and more than 4,000 hectares destined to Industrial Parks, mostly located in the northern area of Buenos Aires (68%). These values represent more than 50% of the total stock of the country.

Prime Retail

According to official stats, the vacancy rate of retail properties in the City is below 9%. This indicates that more than 90% of the premises are occupied. In historical terms, the occupancy level remains at a reasonable range, but its average occupancy rate is usually above 95% and even more in main arteries (above 97%).

Trends JANUARY / FEBRUARY / MARCH 2017

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	

CLIENT	TYPE OF PROPERTY	SIZE	TYPE OF TRANS.
MASSALIN	Office	4,000 sq. m.	Sale
PHILIP MORRIS	Office	4,000 sq. m.	Lease
GRUPO PEÑAFLORES	Office	5,000 sq. m.	Lease
ICON CLINICAL RESEARCH	Office	713 sq. m.	Lease

San Martin 640 – 10th Floor
 Buenos Aires - Argentina
 +54 11 4320-4320
www.NAIArgentina.com

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Economic Overview

GDP GROWTH	0.6%	=
INFLATION	0.8%	▲
UNEMPLOYMENT RATE	11.6%	▼
CURRENCY	Bahamian Dollar B\$	
CONVERSION RATE (VS USD)	1.0	



Prime Offices

Vacancy rates have increased marginally from 47,165 SF in Q4 to 51,047 SF in Q1 2017.

Prime Industrial

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

Prime Hospitality

The first phase of the 3.2 billion dollars Bahamar development has opened. We are hopeful this will have a positive effect on the Bahamian economy in Q2.

Trends JANUARY / FEBRUARY / MARCH 2017

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	
=	=	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		USD 25.5	

CLIENT

TYPE OF PROPERTY

SIZE

TYPE OF TRANS.

Utilities Regulatory and Competition Authority

Office

25,455 SF

Sale



Economic Overview

GDP GROWTH	2.8%	==
INFLATION	0.6%	==
UNEMPLOYMENT RATE	3.9%	==
CURRENCY	Cayman Dollar \$KYD	
CONVERSION RATE (VS USD)	0.8	

Trends JANUARY / FEBRUARY / MARCH 2017

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 2,750		USD 46 to 51	
—	—	—	—
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 B+ office space in George Town is experiencing higher demand offering value compared to Class A office space whose rents are now twice that of Class B+ space. Demand for Class A space in Camana Bay and Cricket Square remains strong however.

Prime Industrial

N/A for Cayman

Prime Hospitality

Negotiations continue for the development of a landmark Four Seasons adjacent to the newly opened SeaFire Kimpton Hotel on Seven Mile Beach. Terms of reference for a new cruise ship dock in George Town have been prepared by KPMG.

CLIENT	TYPE OF PROPERTY	SIZE	TYPE OF TRANS.
Retail Showroom/Warehouse	Retail	24,000 SF	Sale
Commercial land	Land	92 acres	Sale
Class A Financial Tenant	Office	32,000 SF	Advisory
Class A Office	Office	3.9%	Lease

One Artillery Court
 161a Shedden Road,
 George Town, Grand Cayman,
 Cayman Islands KY1 1105
 +345 623 1111
www.irgcayman.com

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Economic Overview

GDP GROWTH	1.5%	▼
INFLATION	2.7%	▼
UNEMPLOYMENT RATE	6.3%	▼
CURRENCY	Chilean Peso CLP\$	
CONVERSION RATE (VS USD)	646	

Prime Offices

In the first quarter of 2017, prime districts received 18,203 sq. m. of office space, which means a decrease of 5,844 sq. m. of offices compared to the previous period. The quarterly vacancy rate fell by 1.33 percentage points, reaching 5.68%. Prices remain stable.

Prime Industrial

The average price is 560 USD / sq. m. (downward trend). During this period the vacancy rate increased to 7.16%. The period recorded the lowest construction of square meters with 146,620 sq. m.

Prime Retail

The vacancy rate increased at 6.46% equivalent to 20,382 sq. m. Five new Strip Centers were incorporated in this period for a total of 9,471 sq. m. Lease values for commercial properties decreased 13%.

Trends JANUARY / FEBRUARY / MARCH 2017

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 3,500		USD 21	
▼	▼	▼	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 560		USD 6.3	
▲	▲	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		USD 24	

CLIENT	TYPE OF PROPERTY	SIZE	TYPE OF TRANS.
MINERA PEÑÓLES DE CHILE	Office	470 sq. m.	Lease
INVERSIONES SAN NICOLÁS	Office	1,586 sq. m.	Sale
OPEN LATINOAMERICA	Office	350 sq. m.	Lease
KALPAKIAN	Retail	534 sq. m.	Lease

Pdte Riesco 3451, Las Condes
Santiago - Chile.
+56 2 2347 7000
www.NAISarra.cl



Economic Overview

GDP GROWTH	1.2%	=
INFLATION	2.5%	▼
UNEMPLOYMENT RATE	10.7%	▲
CURRENCY	COP - Colombian Peso	
CONVERSION RATE (VS USD)	2,854	

Prime Offices

The current office market shows an increase in the vacancy rate, from 20% to 24% in the last quarter, with 149,346 sq. m. available for lease and 49,532 sq. m. for sale. Average demand is looking for spaces between 150 and 180 sq. m.

Prime Industrial

The industrial areas show an increase of 20.3% in the available area, reaching 168,853 m2 for lease and 92,244 sq. m. for sale. The available offerings include buildings about 15 years old with an average area of 950 sq.m.

Prime Retail

Available spaces are concentrated in large shopping centers, with areas between 120 m2 and 140 sq. m. average. The commercial dynamic is maintained due to the constant arrival of franchises and new brands to the country.

Trends JANUARY / FEBRUARY / MARCH 2017

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 2,800		USD 18	
▲	▼	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 850		USD 6.5	
=	▲	▲	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 3,700		USD 23	

CLIENT	TYPE OF PROPERTY	SIZE	TYPE OF TRANS.
EMPLOYMENT SOLUTIONS S.A.S	Offices	245 sq. m.	Lease
PUBLIMARKET ANDINA S.A.S	Retail	585 sq. m.	Lease
XIMA COLOMBIA S.A.S	Industrial	892 sq. m.	Lease
RENOVART S.A.S	Retail	185 sq. m.	Lease

Carrera 9 No. 76 - 49 Piso 2
Bogotá, Cundinamarca, Colombia

+57 1 3265200

www.juangaviria.com

Market Report

1Q17



Kingston & Montego Bay

Economic Overview

GDP GROWTH	0.9%	▬
INFLATION	4%	▬
UNEMPLOYMENT RATE	12%	▬
CURRENCY	Jamaican Dollars J\$	
CONVERSION RATE (VS USD)	128.9	

Prime Offices

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

Prime Industrial

JPSCo the main Electricity provider has broken ground on a LNG Power Plant in Lod Harbour that will supply 20% of Jamaica's needs.

Prime Hospitality

Royalton Hotels - Blole diamond Resorts of Canada opens its Jamaican flagship 590 room hotel in Negril. The property is newly built on 27 acres of prime beachfront land that in the past, accommodated the old Grand Lido Hotel.

Trends JANUARY / FEBRUARY / MARCH 2017

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)	
-		-	

CLIENT	TYPE OF PROPERTY	SIZE	TYPE OF TRANS.
Hotel Valuations	Hotel	590 Rooms	Valuarion
Resort Owner	Land	2,500 acres	Valuarion
Resort Golf course & Facilities	Land	212 acres	Valuarion
Individual	Land	Easement 50 acres - Court Case	Valuarion

31 Upper Waterloo Road
Kingston - Jamaica
+1 876 925 7861
www.NAIJamaica.com

Market Report

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Economic Overview

GDP GROWTH	2.5%	▲
INFLATION	5.3%	▲
UNEMPLOYMENT RATE	4.8%	▲
CURRENCY	Mexican Peso \$MXN	
CONVERSION RATE (VS USD)	18.8	



Prime Offices

New office construction down at slightly over 1 million sq. m. compared to 1.4 million sq. m. last quarter. Rental asking rates have leveled off, with most landlords signing leases in Mexican pesos.

Prime Industrial

Industrial inventory increased to over 15.75 million sq. m. with completions. Demand still very high, asking rates steady from USD 5.25 to USD 5.75. Rents have remained steady because of exchange rate.

Prime Retail

Retail space is increasing in mid to upper class sectors and decreasing in lower income level sectors. Initial signs of decrease in buying volume due to exchange rate.

Trends JANUARY / FEBRUARY / MARCH 2017

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 23 to 26	
▼	▲	=	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 750		USD 5.25 to 5.75	
▲	=	=	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 1,700		USD 90	

CLIENT	TYPE OF PROPERTY	SIZE	TYPE OF TRANS.
MEXFLEX	Warehouse	268,021 SF	Lease
CHEP	Warehouse	203,424 SF	Lease
AMAZON	Warehouse	71,690 SF	Lease
PEPSI	Warehouse	165,881 SF	Lease

Bldv. Agua Caliente #10611- PB,
Edificio Centura Col. Aviación,
Tijuana B.C. Méx. 22410
MX +52 (664) 971 0333
US (619) 690 3029

Market Report

1Q17

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 space is occupied and few new warehouses are being built within Industrial Parks. Sales and Lease prices have increased slightly this trimester.

Prime Retail

Inventory is high, vacancy rates slightly increasing but rental rates remain steady.

Trends JANUARY / FEBRUARY / MARCH 2017

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 2,700		USD 21	
▼	▲	==	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 1,275		USD 9	
▲	==	==	==
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 3,375		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

Green Plaza, 1st Floor Suite 201
 Costa del Este - Panamá
 +507 300 5300
www.NAIPanama.com

Market Report

1Q17

Lima



Economic Overview

GDP GROWTH	3.5%	▼
INFLATION	3.3%	=
UNEMPLOYMENT RATE	7.2%	▲
CURRENCY	Nuevo Sol S/.	
CONVERSION RATE (VS USD)	3.25	

Prime Offices

During the last quarter the vacancy rate continues increasing. Asking prices for sales are decreasing. The number of transactions is much greater in leases than in sales, and there are a number of companies that are in negotiations to rent large volumes of office spaces.

Prime Industrial

The competition in the warehouses/logistics sector is very strong. Many of the developers of logistics and distribution centers are forced to lower the prices so that their clients do not move to another space.

Land

Vacancy rates are slowly diminishing as existing land is being occupied. Sales and Lease prices have decreased slightly this quarter.

Trends JANUARY / FEBRUARY / MARCH 2017

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 2,130		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	TYPE OF PROPERTY	SIZE	TYPE OF TRANS.
COCA COLA	Office	645 sq. m.	Lease
SOL DEL PACIFICO	Land	6,000 sq. m.	Lease
FARGOLINE	Land	12,360 sq. m.	Lease
ICONTINENTAL	Land	2,000 sq. m.	Lease

191 Calle Pedro Denegri,
Surco
Lima - Peru
+ 511 2719966

www.NAIPeru.com

MARKET REPORT

1Q2017

Latin America & The Caribbean

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NAIGlobal

717 Fifth Avenue, 12th Floor
New York, New York 10022
tel +1 212 405 2500
www.naiglobal.com