

2017

MARKET REPORT
Latin America &
The Caribbean

NAI Global

Torre Titanium La Portada, Las Condes, Santiago, Chile.

Global Locations

Latin America, & The Caribbean



Argentina

Buenos Aires City
Buenos Aires North

Bahamas

Nassau

Chile

Santiago

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

Puerto Rico

San Juan



Mauro Keller Sarmiento, SIOR

Executive Managing Director,
International Business

+54 11 4320 4320

mkellersarmiento@naiglobal.com



Market Report

2Q17

Buenos Aires



Economic Overview

GDP GROWTH	0.5%	=
INFLATION	25.6%	▼
UNEMPLOYMENT RATE	7.6%	=
CURRENCY	16.40	
CONVERSION RATE (VS USD)	Pesos Argentinos \$ARS	

Prime Office

Class A/A+ average asking rent continued its upward trend, breaking a new record for the last three years, with values of USD 28 / m² / month. Comparatively, Class A+ recorded a 1.3% increase compared to 1.4% in Class A.

Prime Industrial

The average asking rent for Premium Warehouses has not varied substantially in dollars, maintaining values at around US \$ 7 / m² / month. Regarding land in Industrial Parks, average prices are around USD 87.70, reaching USD 170 / m² / month for Premium Industrial Parks in the northern area of Buenos Aires.

Prime Retail

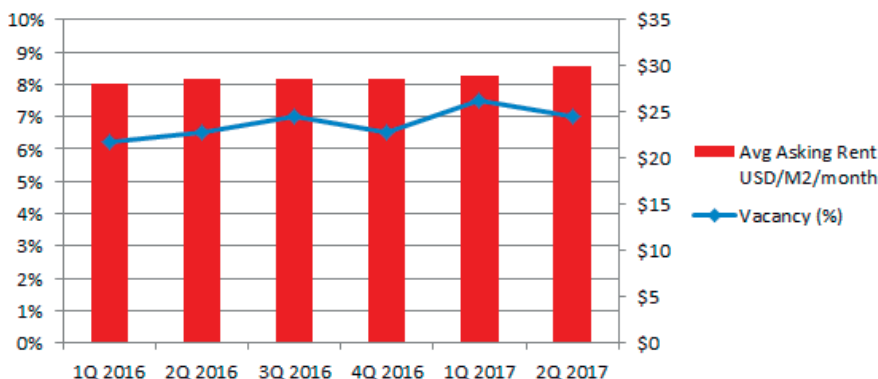
According to official stats, the vacancy rate of retail properties in the City is below 9%. This indicates that more than 90% of the premises are occupied. In historical terms, the occupancy level remains at a reasonable range, but its average occupancy rate is usually above 95% and even more in main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

Trends APRIL / MAY / JUNE 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 7	
▲	=	=	=
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 6.500		USD 35	

Prime Office

Avg. Asking Rent vs. Vacancy Rate



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

Market Report

2Q17

Economic Overview

GDP GROWTH	0.6%	=
INFLATION	2.7%	▲
UNEMPLOYMENT RATE	14.8%	▼
CURRENCY	Bahamian Dollar B\$	
CONVERSION RATE (VS USD)	1.0	

Prime Office

Although the demand for class A office space has remained unchanged, a few build to suit options have come on the market in the western end of the island which are currently being marketed at USD 30.50 per m².

Prime Industrial

This market is limited to warehouse developments and remains flat.

Prime Hospitality

The highly anticipated first phase of the now 4.2 billion dollar Bahamar development opened in the second quarter. The resort is projected to be fully open by the middle of the 4thQtr 2017.



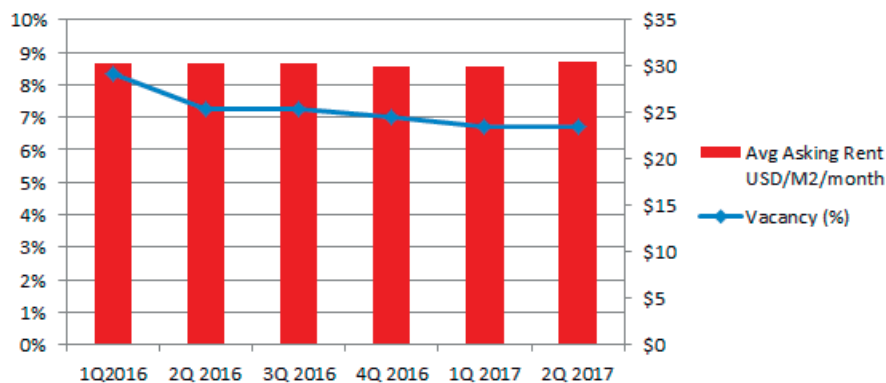
Nassau

Trends APRIL / MAY / JUNE 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 30.50	
=	=	=	=
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	

Prime Office

Avg. Asking Rent
vs. Vacancy Rate



P.O. Box N-1132
Nassau - Bahamas
+1 242 396 0028

www.NAIBahamas.com

Market Report

2Q17

Economic Overview

GDP GROWTH	0.1%	▲
INFLATION	0.3%	▲
UNEMPLOYMENT RATE	7.0%	▲
CURRENCY	Chilean Peso CLP\$	
CONVERSION RATE (VS USD)	663.9	

Prime Office

The average vacancy rate decreased in the second quarter of this year reaching 4.76% of available space. Asking lease and sale average prices have risen slightly this quarter and there is no addition of new space into the market.

Prime Industrial

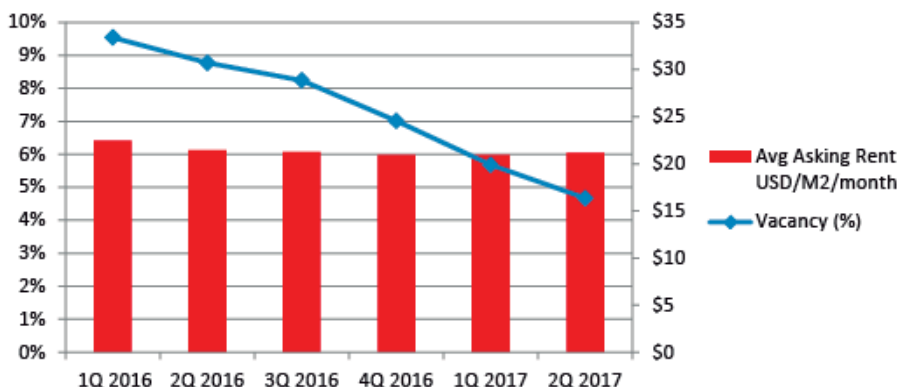
The average price is USD 1,030 per sq. m. (downward trend). During this period the vacancy rate increased reaching 7.16%. This period recorded the lowest production with an income of just 146,620 sq. m.

Prime Retail

The vacancy rate increased at 6.46% equivalent to 20,382 sq. m. This period has incorporated five new Strip Centerd (total of 9,471 m²). The lease rates decreased to 13%.

Prime Office

Avg. Asking Rent
vs. Vacancy Rate



Santiago

Trends APRIL / MAY / JUNE 2017

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▼	▼	▲	▲
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 3,560		USD 21	
▼	▼	▼	=
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 1,030		USD 5	
▲	▲	=	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
-		USD 24	

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

Market Report

2Q17

Economic Overview

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

Prime Office

The current office market shows a vacancy rate of 9.6% for 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

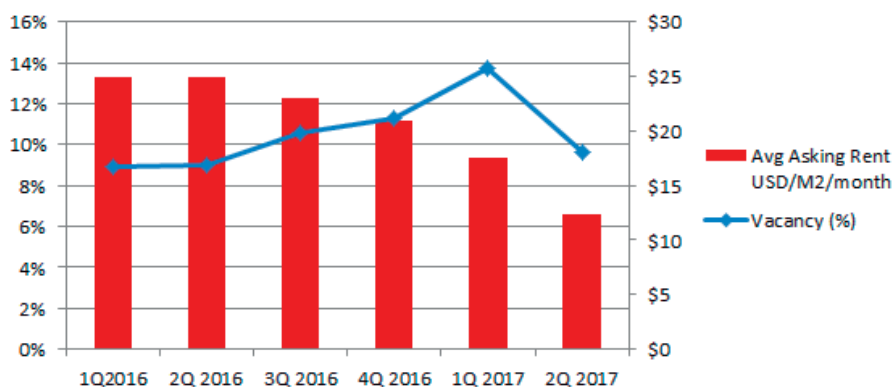
The industrial areas show an increase of 20.3% in the available area, reaching 168,853 m2 for lease and 92,244 sq. m. for sale. The available offerings include buildings about 15 years old with an average area of 950 sq.m.

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.

Prime Office

Avg. Asking Rent
vs. Vacancy Rate



Bogota

Trends APRIL / MAY / JUNE 2017

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▲	▼	▲	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 2,800		USD 12.5	
▲	▼	=	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 850		USD 6.5	
=	▲	▲	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 3,700		USD 23	

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




+57 1 3265200

www.juangaviria.com

Market Report

2Q17

Economic Overview

GDP GROWTH	0.9% 
INFLATION	4.6% 
UNEMPLOYMENT RATE	11% 
CURRENCY	Jamaican Dollars J\$
CONVERSION RATE (VS USD)	127.6

Prime Office

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

Prime Industrial

New Highway construction confirmed from Kingston to Port Antonio via the South Coast. This will open up this end of the island for industrial residential and resort development.













Prime Hospitality

Planning authorities relaxing planning density for resort developments. The norm is 30 habitable rooms per acre, which has been increased in some cases where appropriate to 50 habitable rooms per acre.



Kingston & Montego Bay

Trends APRIL / MAY / JUNE 2017

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
			
Sale Value (USD / m ²)		USD 14	
USD 1680		month) USD 6.3	
			
Sale Value (USD / m ²)		month) USD 6.3	
USD 850		month) USD 6.3	
			
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		-	

Market Report

2Q17

Economic Overview

GDP GROWTH	2.8%	▲
INFLATION	6.8%	▲
UNEMPLOYMENT RATE	4.5%	▼
CURRENCY	Mexican Peso \$MXN	
CONVERSION RATE (VS USD)	17.6	

Prime Office

The office market has remained relatively stable, 1.5 million sq. m. under construction, yearly absorption at just over 1 million sq. m. Rents decreased slightly mostly due to peso / dollar fluctuations.

Prime Industrial

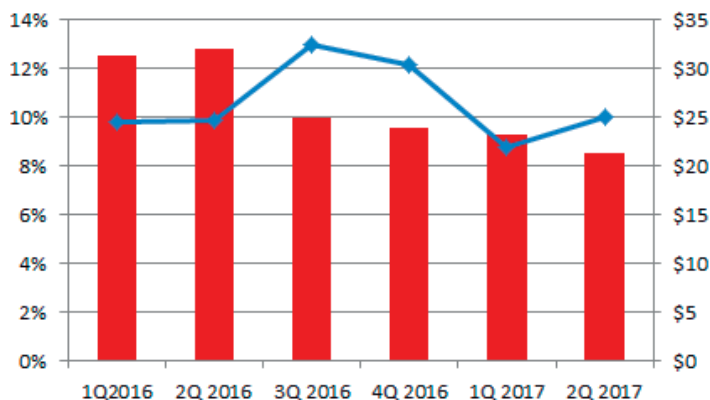
Industrial facility inventory is slightly over 16 million sq. m. Construction is at 4.25 sq. m. Demand is still high, with the logistic sector leading the demand. Asking rates have modified due to the dollar /peso parity fluctuations.

Prime Retail

Retail space (shopping centers) still strong in mid to upper level income areas. Some stores indicating less traffic due to clients becoming familiar with on-line purchasing. Exchange rate has affected some stores.

Prime Office

Avg. Asking Rent
vs. Vacancy Rate



Mexico City

Trends APRIL / MAY / JUNE 2017

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▲	=	▼	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 1,750		USD 21	
▼	▲	=	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 800		USD 5	
▲	=	=	=
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 1,700		USD 80	

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

Market Report

2Q17

Panama City



Economic Overview

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

Prime Office

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

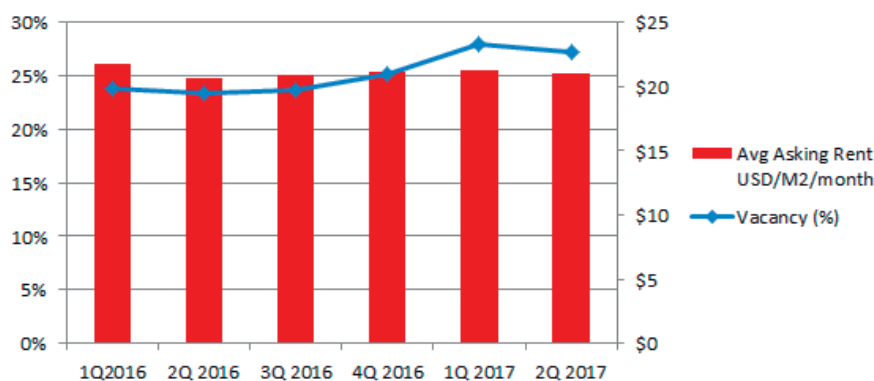
Inventory is high, vacancy rates increase slightly while rental rates are decreasing due to market saturation.

Trends APRIL / MAY / JUNE 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 1,320		USD 9	
▲	▲	▼	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 3,240		USD 28	

Prime Office

Avg. Asking Rent vs. Vacancy Rate



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

www.NAIPanama.com

Market Report

2Q17

Economic Overview

GDP GROWTH	3.4%	▼
INFLATION	2.7%	=
UNEMPLOYMENT RATE	6.6%	▲
CURRENCY	Nuevo Sol S/.	
CONVERSION RATE (VS USD)	3.30	

Prime Office

The prime office commercialization during the last quarter showed a low activity in the sales operations, observing more lease transactions reflecting lower closing prices than usual.

Prime Industrial

The first months of 2017 have brought with them a series of events that are unfavorable for the national economic environment, The effects caused by the floods and the political situation have been directly reflected in the expectations of economic growth affecting the real estate market also.

Land

Logistics companies in the industrial sector come from bad to worse and many have decided to stop renting spaces in different industrial zones of Lima. Other companies are moving their operations from Callao to the South in Lurin.

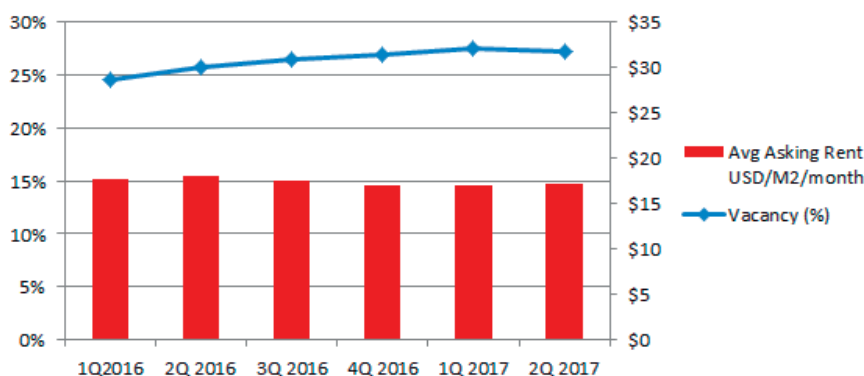


Trends APRIL / MAY / JUNE 2017

Vacancy Rate	Estimate Total Take Up	Sale Average Asking Rates	Lease Average Asking Rates
▼	▲	▲	▲
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 2,130		USD 17	
=	=	=	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
-		USD 4.5	
▲	▼	▼	▼
Sale Value (USD / m²)		Lease Value (USD / m² / month)	
USD 265		USD 3.3	

Prime Office

Avg. Asking Rent vs. Vacancy Rate



Market Report

2Q17

Economic Overview

GDP GROWTH	-0.6%	=
INFLATION	-0.2%	=
UNEMPLOYMENT RATE	10%	▼
CURRENCY	US Dollar USD	
CONVERSION RATE (VS USD)	1.0	



Trends APRIL / MAY / JUNE 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 2,045		USD 23	
▲	▲	▼	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
USD 215		USD 6	
▲	▼	=	▼
Sale Value (USD / m ²)		Lease Value (USD / m ² / month)	
-		USD 20	

Prime Office

Law 20/22 benefits continue to drive offshore business to relocate into Puerto Rico. Positive results are expected for next quarter as new activity has been noticed.

Prime Industrial

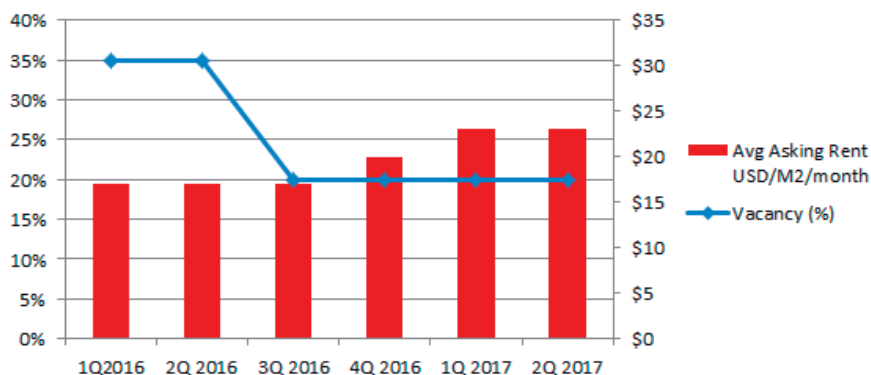
The industry market has showed signs of decrease as manufacturers are outsourcing labor from neighboring islands and within international markets.

Prime Retail

National retailers have decreased their presence in the local market, making landlords incur into creative leasing practices. These new leasing trends as well as the decrease in rental rates, allow for local tenants to expand their businesses.

Prime Office

Avg. Asking Rent vs. Vacancy Rate



1509 F. D. Roosevelt Avenue
Suite 310
Guaynabo, Puerto Rico
00968
+1 787-428-7723

www.naipuertorico.com

NAI Latin America & The Caribbean Leadership Team







Bahamas
Larry Roberts
 +1 242 396 0026
 Lroberts@naibahamas.com
www.naibahamas.com





Jamaica
Gordon Langford
 +876 925 7861
 gordon@naijamaica.com
www.naijamaica.com





Puerto Rico
Arnaldo Oliveras Fernandez
 +1 787-428-7723
 aoliverasfernandez@naimiami.com
www.naipuertorico.com





Mexico
Gary Swedback
 +619 690 3029
 swedback@naimexico.com
www.naimexico.com





Panama
Denise Kardonski
 +507 302 0105
 dkardonski@naipanama.com
www.naipanama.com





Colombia
Alejandro Gaviria
 + 57 1 326 5222
 agaviria@juangaviria.com
www.juangaviria.com





Peru
Víctor Lopez
 +51 1 271 9966
 v.lopez@naiperu.com
www.naiperu.com





Chile
Jaime Sarrà
 +562 22347 7000
 contacto@sarrapropiedades.cl
www.naisarra.cl





Argentina
Patricio Weiss
 +54 11 4320 4320
 pew@cyw.com.ar
www.naiargentina.com

Best coverage in LAC with
 19 offices in 9 countries
 and more than 200 professionals

MARKET REPORT

2Q 2017

Latin America & The Caribbean

The world's largest commercial real estate network.

NAI Global is a leading global CRE brokerage firm. NAI 400+ offices strategically located throughout North America, Latin America & The Caribbean, Asia-Pacific and EMEA, with 7,000+ local market professionals, managing 425+ million SF of property. Annually, NAI completes \$20 + billion in CRE transactions.



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