



Investment Opportunities in Mexico

April 2024

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Why is Mexico an attractive investment destination?

10th largest economy in the world*

The 2nd largest in Latin America.

14th biggest country

1.97 million km²

Strategic geographic location & infrastructure

- Proximity to the US, sharing a common border of 3,218.68 km.
- Long coastlines of 11,122 km: natural bridge between the Atlantic & Asia-Pacific Region.
- 121 port facilities: 16 international commercial cargo and passenger.
- 64 international airports: 3rd country with the highest number of airports
- 48 US - Mex border crossings, with 330 ports of entry
- Railway network include 26,914 km track



Destination of investment

12 Free Trade Agreements (FTAs), with 48 countries (access to 60% of the world's GDP)

Outstanding investment

Some Fortune 500 companies & other multinational companies are settled in Mexico

One of the youngest populations in the world

60% of the population is under 35, while only 6.5% is over 65

The 11th most populated country in the world

126 million inhabitants**

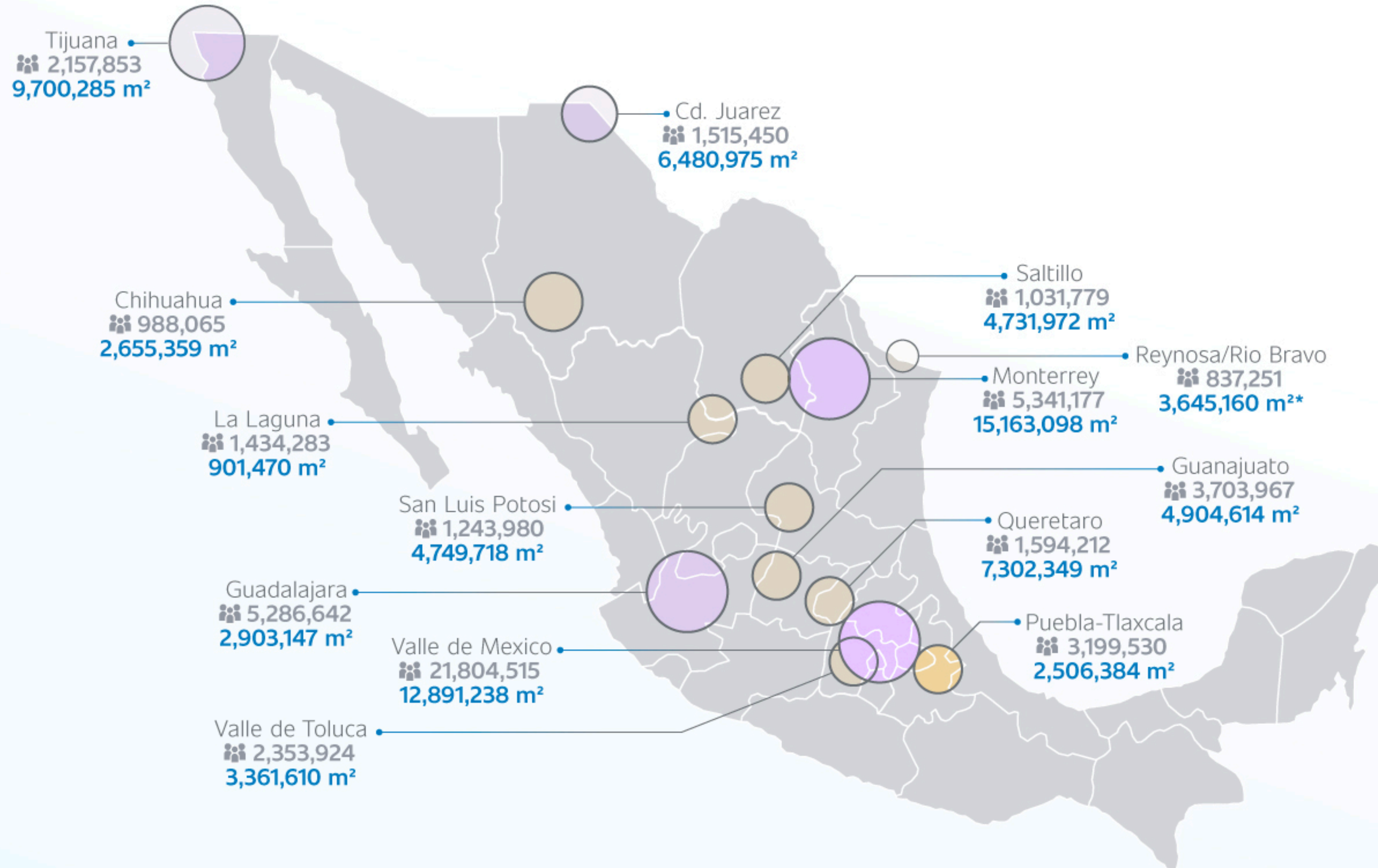
78.1 million people is economically active**

*Based on GDP in Purchase Power Parity (PPP) in 2023. World Economics, 2024.

**INEGI, 2022.



Most Populated Metro Areas in Mexico & Building Inventory (m²)



Top 3 Most Populated Metro Areas 2020

- Valle de Mexico
- Monterrey
- Guadalajara

▼
38% of the population in Mexico is concentrated in the top 10 metropolitan areas.

Primary Markets

Inventory (m²) Class A&B buildings within Industrial Parks or Zones

4Q, 2023

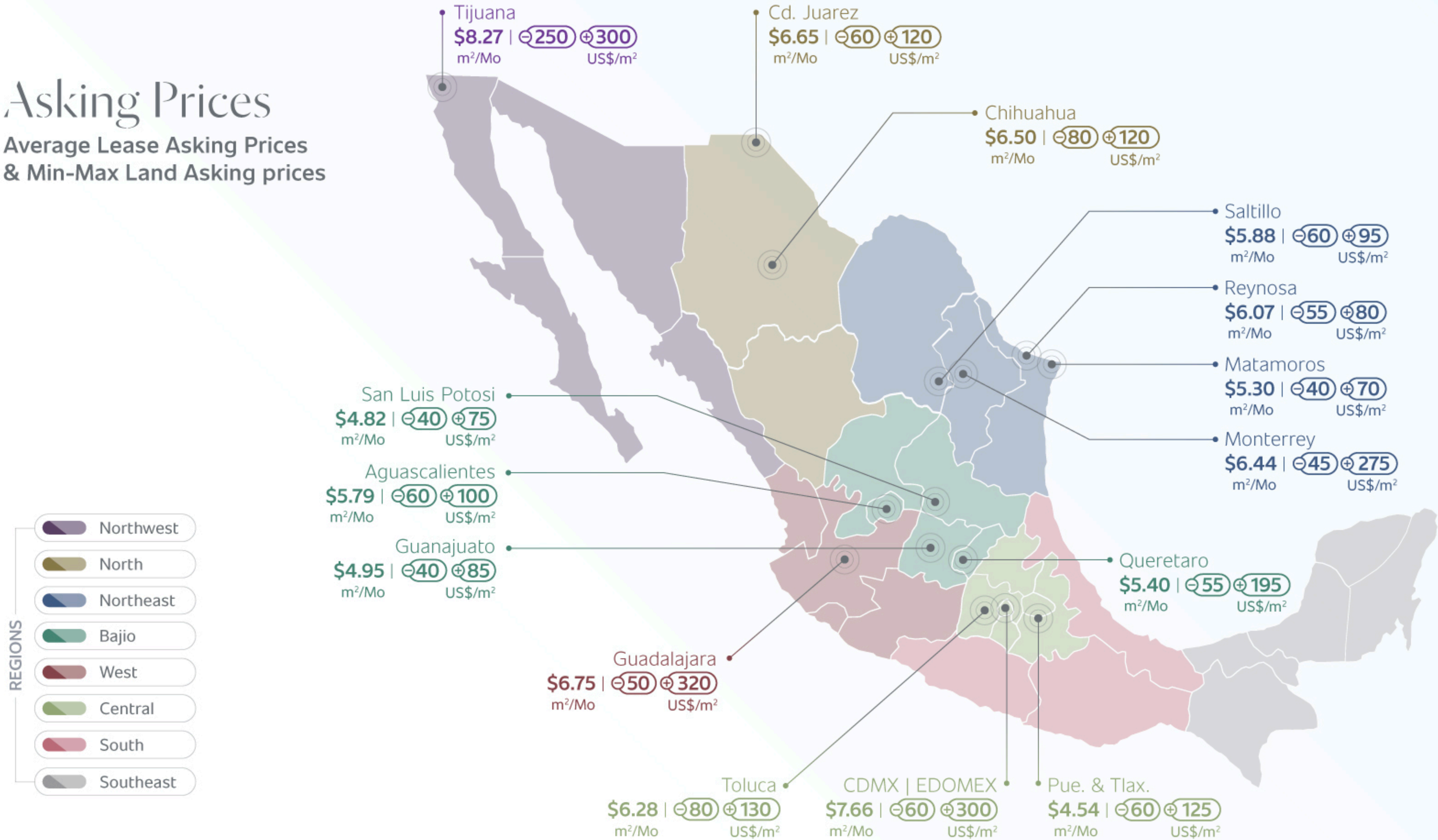
Source: INEGI, 2020

* Only Reynosa Market



Asking Prices

Average Lease Asking Prices
& Min-Max Land Asking prices





Nearshoring in Mexico and its Impact on the Border Cities

Strong activity resurgence in Cd. Juarez, Tijuana, Reynosa and Matamoros

TIER 1 & 2 companies are establishing in Monterrey, Saltillo, and Chihuahua.

The border region represents a combined population of ~15 million people.

Four US border crossings (San Ysidro, Otay Mesa, El Paso, and Laredo) account for half of the total exports to Mexico.

Some border cities have been expanding, while “isolated” from the CFE electric grid owned.

Sources: U.S Department of Transportation, Bureau of Transportation Statistics.
Data recolected from Jan - Dec 2023





Why Industrial Real Estate is expanding in Mexico?





Commercial Ports in Mexico



▼ The major commercial Ports in Mexico allow the linkage and efficient mobility of goods with its 40+ free-international trading partners; they are the world-class “intermodal” logistics centres that allow for the timely and safe delivery and reception of consumer goods and raw materials that fuel the Mexican economy. These Ports represent a strategic advantage for Mexico going forward as a leading player in international commerce.

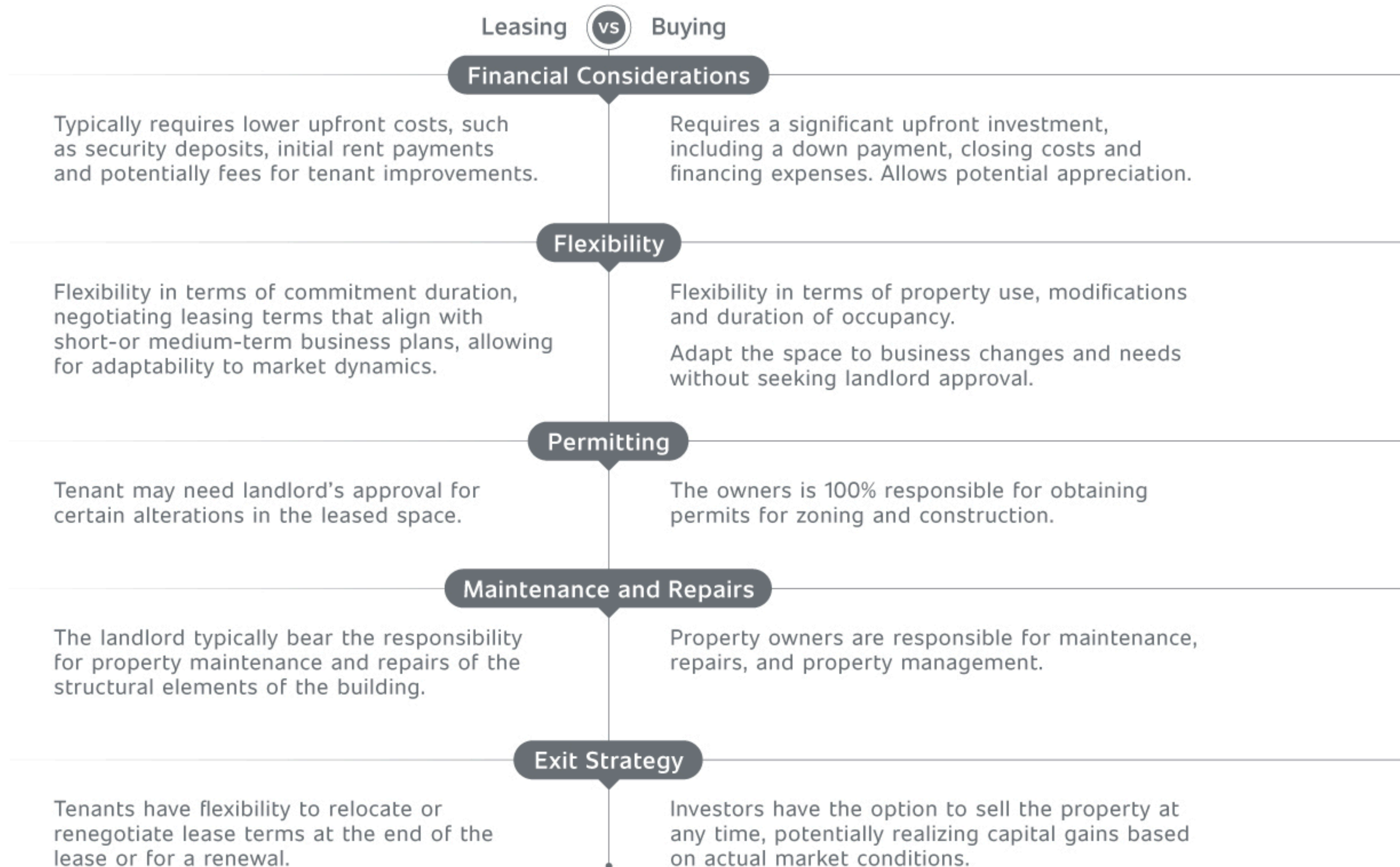


Mexico Rail Connection to US and Canada (CPKS)





Leasing vs. Buying





Types of Industrial Buildings: Leasing vs. Buying

01

Speculative “spec” buildings

Built for immediate occupancy.

Based on current market demand and anticipation of future tenant/buyer needs.

Limited customization options for tenants/buyers, who must adapt to existing design.

02

Spec to suit buildings

The developer have already planned the construction of the building in advance and even initiated preliminary works. But if a tenant requests alterations to the original specifications, the developer will modify the original layout.

The tenant/buyer has a significant role in the design, layout and specifications, allowing for customization.

03

Build-to-suit buildings

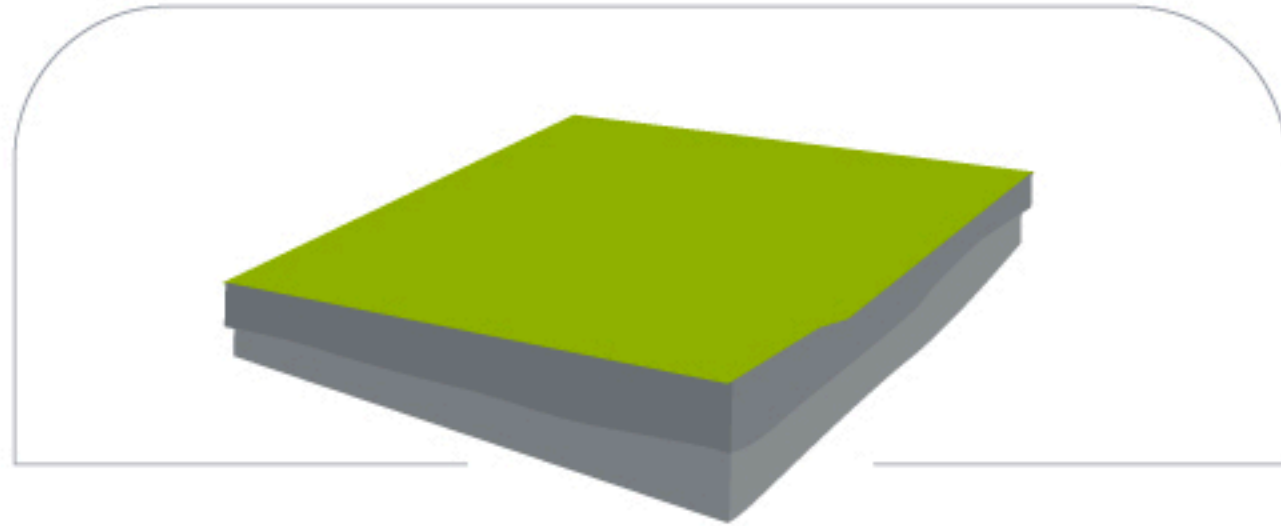
The building construction is customized 100% to fit the needs of the tenant/buyer.

When leasing: The developer takes on the risks associated with constructing according to tenant’s specifications; and tenant commits to a long-term lease (7-10 years).

When buying: The developer takes on the risks associated with constructing according to buyer’s specifications; and buyer completes the purchase upon project completion.



Greenfield Land vs. Land Inside an Industrial Park



Greenfield Land

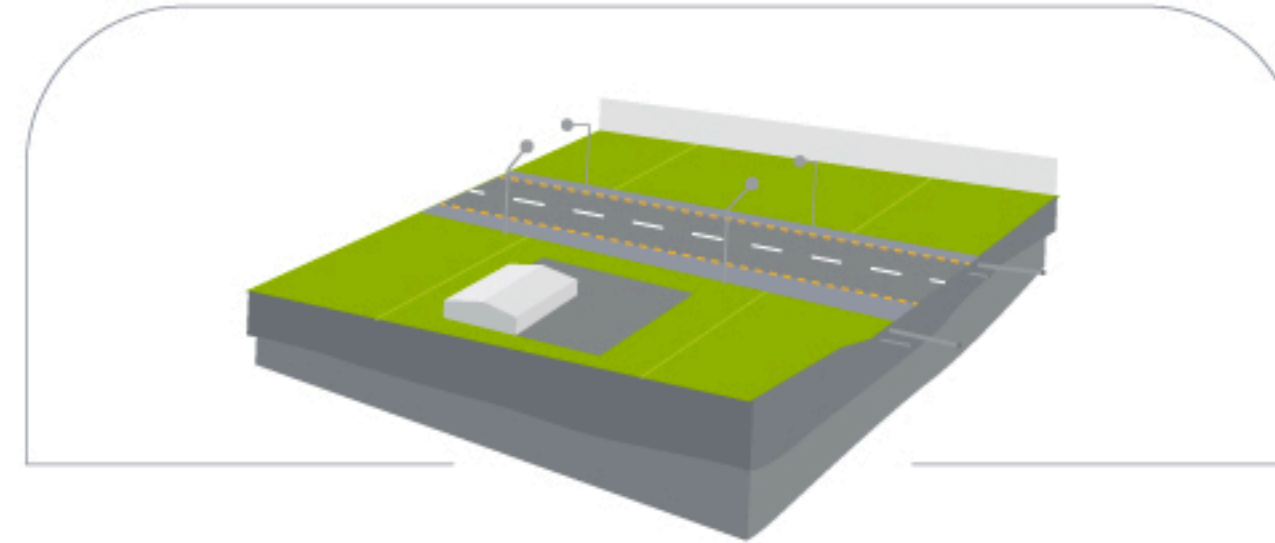
Undeveloped land, mainly with no infrastructure in place.

Advantages

- Purchase price is less expensive.
- Flexibility to design and develop the property according to specific needs and preferences.
- Potential for growth in a long-term and land appreciation as surrounding areas develop.

Considerations

- Developing the land requires a significant investment in infrastructure, roads, utilities, among others.
- Zoning regulations and obtaining the necessary permits for development, can be time consuming and challenging.
- Comply with the environmental factors in the area may add complexity and extra costs to the project.



Land inside an Industrial Park (IP)

Land in a planned development zone, specifically designed for industrial use.

Advantages

- Essential infrastructure in place, such as roads, utilities and sometimes amenities such as security or maintenance services.
- IPs typically have established zoning and permitting processes for industrial activities, simplifying the development process.
- IPs typically have a responsible for property management for maintaining common areas.
- IPs have a well-defined identity and branding.

Considerations

- Land can be more expensive.
- Less flexibility in terms of design and layout. In some IPs the developer also is responsible for the construction of the building.

Greenfield Land Cost Example

GREENFIELD COST
(~\$35 usd/m²)



INFRASTRUCTURE
(\$18 - \$22 usd/m²)



MUNICIPAL TAXES
(~7%)



70%
(Saleable land)



EST. TOTAL COST



Typical Incentives Offered at Federal, State and Municipal Levels

	Cash Incentives	Company Savings	Tax Exemptions or Reduction
Income Tax			✓
Property Tax			✓
Land Acquisition Tax			✓
Payroll Tax			✓
Permits/Construction Licenses			✓
IMMEX Program			✓
PROSEC			✓
Training Programs		✓	
Recruiting & Hiring Support		✓	
Temporary Office Space		✓	
Orientation Tours		✓	
Supply Chain Support		✓	



Site Selection Process

① Assess the client needs

- Identify client's must haves to determine the requirement.
- Analyze the market conditions to identify the investment opportunity.

② Perform a market analysis and visit locations

- Conduct a thorough market analysis to assess the demand-supply dynamics of the target markets.
- Tour through the different proposed land or buildings to determine if the site works.
- Engage with local authorities to understand the regulatory requirements and permitting processes.

③ Assess financial feasibility analysis and preliminary agreements

- Send RFPs to landlords or owners to evaluate the conditions.
- Assess financial feasibility analysis to determine the viability and profitability of the project.
- Agree on preliminary economic terms, signing an LOI and negotiating terms and conditions of the transaction.

Buys land or property

a Due diligence process

b Secure Financing (if necessary) and establishing the Mexican Corporation

c Finalize purchase agreement

d Obtain necessary permits

e Commence property development

Lease a property or BTS in lease

a Registration of the Mexican Corporation

b Negotiate lease terms & conditions

c Finalize lease agreement

d Commence of building construction or commence occupancy





The leading independent corporate real estate advisory firm.

Citius Advisory Group “Citius AG” has a seasoned team that serves multinational clientele.

Citius AG represents a new brand of leadership in the corporate real estate industry in Mexico with an entrepreneurial and independent character; a vision focused on offering innovative solutions to our clients.





Our Experience

01

The leading independent real estate services firm in Mexico

Leaders in the real estate industry, with an entrepreneurial and independent spirit.

02

Wide experience and success

25 years of experience, with direct presence in the most important real estate markets in Mexico.

03

Over 2,200 successful closed transactions

In the industrial and commercial markets, allowing us to offer our clientele high-value services.

04

Top real estate designations and global alliances

Continuous education and proud members and partners of important worldwide real estate organizations and platforms.





Our Coverage

HQ Office MTY
+52 81 8368 2000

● **Offices**

- 1 Monterrey, N.L. (HQ Office)
- 2 San Luis Potosi, S.L.P.
- 3 Leon, Gto.
- 4 Guadalajara, Jal.
- 5 Queretaro, Qro.
- 6 Cd. Juarez, Chih.
- 7 Mexico City
- 8 Tijuana, B.C.
- 9 Austin, Tx.



▶ **Presence throughout Mexico**

Direct presence and industry knowledge of the most important real estate markets in Mexico, offering our clientele a broader selection of services.

● **Market Knowledge**

- Aguascalientes
- Altamira
- Cancun
- Chihuahua
- Durango
- Hermosillo
- Hidalgo
- Laredo
- Matamoros
- Merida
- Mexicali
- Monclova
- Nuevo Laredo
- Pachuca
- Puebla
- Reynosa
- Saltillo
- Toluca
- La Laguna
- Veracruz
- Villahermosa
- Zacatecas



Our Services

Through our industry knowledge and experience, we offer you the following value-creating services that will support your real estate strategies:

- Corporate Services
- Site Selection
- Lease vs Buy Analysis
- Property Acquisitions
- Asset Dispositions
- Lease Negotiations
- Lease Renewals
- Construction Advisory
- Economic Incentives Advisory
- Valuations & Brokers Opinions of Value
- Sale & lease backs
- Investment Sales
- Project Financing
- Built to Suit Financing
- Credit Tenant Leases
- Project & Construction Management
- Property Management

*We can expand select case studies and provide contact references upon request.



Some of our clients | Asia

› CHINA

Cathay Home
Fuling Plastics
Haitian International
Halo Creative
HiMile
Hisun Motors
J&T Express
Jilian
JL MAG
Kuka Furniture
KUS Group
Lens Technology
LOSANG
Luxshare Speedtech
Mexico Yusei Manufacturing
XCMG
Xusheng
Xuzhou BUT
Yangli Showroom
ZonCen

› HONG KONG

Aceway

› JAPAN

AFL Telecom
Fujita Rashi
Iriso
JETRO
Kawasaki Heavy Industries
Keiaisha Mex
Mitsubishi Electric
Neaton
Shinano Kenshi
Sojitz
Sumitomo
Suzuki Garphyttan
Tims Daiei
Tohoku Pioneer
Tokai Rika
Toyo Tire
Toyoda Gosei
Toyota Tsusho

› SOUTH KOREA

Celltrion
Daedong Door
Daewon Chemical
DH Autoware
Dongkuk Steel
HKC
Jeongdo
JMIMX
Kalink
KET
Korloy
Kyung Chang
LG Innotek
LG Magna
LG VS
Posco
Posco Emobility
Sambo Motors
Samsung
SB Manufacturing
Seah Precision
Seoyon

Seoyon Top Metal
Shin Steel
Unico Logistics
Woosung Powertec
YSM

› TAIWAN

Foxcon
JUSDA
Norman
Pegatron
PRIMAX
Quanta Computer
TSMT



Deliverable Reports

Demographics & Location Overview

14th
Largest country in the world by land area

2nd
Largest economy in Latin America

\$9,758 USD
The GDP per capita

MEXICO
Mexico continues to stand as a primary destination for industrial investments due to the continued trend of nearshoring to the Americas. The country has a privileged geographical location to the U.S., its largest trading partner.

Integral to any market, it's important to understand the economy and demography behind it. Mexico is the 14th largest country in the world by landmass, has the 2nd largest economy in Latin America, and the 15th largest economy in the world. The GDP per capita is \$9,758 USD. In terms of land area, and one of the most coveted factors right now, is the fact that Mexico shares a 3,145 kilometers border with the United States of America. With almost 2 million square kilometers, Mexico's infrastructure allows not only the existence of different transportation, but the creation of more airports, maritime ports and railways. Mexico has a coastline of 11 thousand kilometers with 117 maritime ports and currently 76 airports. In addition, the country has almost 30 thousand kilometers of railways, and the two companies operating are Ferromex and Kansas City Southern Mexico.

NUEVO LEON

64,156 km²
Land Territory

51
Municipalities in the State

5,784,442
Total Population 2020

2.2%
Annual Growth Rate

50.02%
2,893,492 Women

49.98%
2,890,950 Men

61.2%
Economically Active Population

US\$ 746
Average Monthly Salary

Population
According to the population data from INEGI, 10 years ago, Nuevo Leon was in the 6th position nationwide in terms number of citizens, and as of the latest census in 2020, the state occupies the 7th position with 5.78 million residents. The annual growth rate is 2.2%.

Land Territory
Nuevo Leon's land size is 64,156 km², which represents 3.3% of the national territory.

The industrial area present in the state is in the city of Monterrey and its Metropolitan Area. This market is divided and formed by the cities of Apodaca, Canoga de Flores, Garcia, Guadalupe, Pesquera, Salinas Victoria, San Nicolas and Santa Catarina. The Monterrey industrial area, within the country, is part of the Northern Mexico Market.

Population Age Distribution
The largest age group in the state are adults aged 30-39, followed by the 40-49 group, then the 18-24, 60+, 50-59, 6-11, 25-29, 3-5, 12-14, and 15-17 groups, while the group with the lowest population registered is 0-2 years. The average age in the state is 30 years, which means that Nuevo Leon has a young population and workforce.

WORKFORCE OVERVIEW
The economically active population in Nuevo Leon is at 61.2%, while the national average is 62.0%. The percentage of economically active residents in Nuevo Leon is 0.8 points lower than the one of the country.

The total workforce classified as qualified labor in Nuevo Leon, have an average monthly salary of US\$ 746.

Land | BTS Options

01 02 03 04 05

INDUSTRIAL PARK LOCATION	POCKET PARK NORTH	MULTIPLAZA-35	ADM INDUSTRIAL PARK	ADM 2 INDUSTRIAL PARK	EL JARAL INDUSTRIAL PARK
Developer Owner	EP	Mexico Abasco	Mexico	Mexico	Spain
Year Developed	2023	In Progress	2022	2025	2020
Submarket	Energy de Mexico	Energy de Mexico	Energy de Mexico	Energy de Mexico	Food/Bever
Total Park Size	27	100	200	400	100
TOTAL AVAILABLE AREA	27	100	200	400	100
Building Occupancy Rate	50%	50%	50%	50%	50%
Number of Buildings in the Park	0	0	0	0	0
Security	Perimeter Security Guards	In Progress	Perimeter Security Guards	Perimeter Security Guards	Perimeter Security Guards
Infrastructure Status	Already Set	Greenfield	Already Set	Already Set	Already Set
Electric Service	345 kV	In Progress	75 kV - 345 kV	345 kV	345 kV
Electric Capacity	4000 kVA	In Progress	30000 kVA	TBC	4000 kVA
Water Supply	Water Well	In Progress	Water Well	Water Well	Water Well
Water Capacity	15 m ³	In Progress	2 m ³	2 m ³	15 m ³
Water Systems	Water Treatment Plant	In Progress	Water Treatment Plant	Water Treatment Plant	Water Treatment Plant
Natural Gas	0 Line	In Progress	4 Line	4 Line	4 Line
Telecommunications	Available	In Progress	Available	Available	T-Mobile & AT&T
Railroad	No	No	No	No	No
PROPOSED AREA	6	6	6	6	6
Lease Purchase	Both	Both	Both	Both	Both
Construction Complements on Welcome	No	Yes	Under Request	Under Request	No
ASBESTOS PRICE	US\$ 9 100.00	US\$ 9 100.00	US\$ 9 100.00	US\$ 9 100.00	US\$ 9 100.00

Note: *This information has been provided to Client AG by developers and local brokers. However, Client AG makes no warranties or representations as to the accuracy of the data until a formal location. **See "Special Requirements" section for "To build" with the actual value for your lease rate. "ADM" "Energy de Mexico" "TBC" "To be confirmed" "TBC" "To be determined"

Land | BTS Option

01

Developer | Owner

Property Name: LIME 2
Developer | Owner: Mexico Abasco
Year Developed: 2025
Submarket: Industrial
Total Park Size: 80
TOTAL AVAILABLE AREA: 48
Minimum Occupancy: 10%
Building Occupancy Rate: 50%
Number of Buildings in the Park: 0
Security: No
Infrastructure Status: Already Set
Electric Service: 345 kV
Electric Capacity: 4000
Water Supply: Water Well
Water Capacity: 15
Water Systems: Municipal
Natural Gas: Natural
Telecommunications: T-Mobile
Railroad: No
PROPOSED AREA: 10
Lease | Purchase: Both
Construction Complements on Welcome: No
ASBESTOS PRICE: US\$ 6 80.00

Get in touch+

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