

July 2021



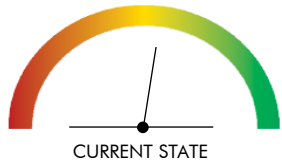
# MEXICO RECOVERY INDICATORS

MARKET RESEARCH CBRE

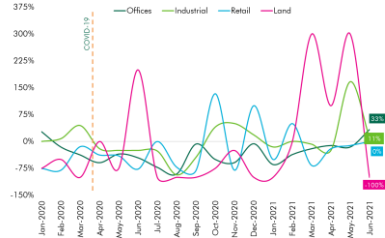
**CBRE**

# MEXICO RECOVERY INDICATORS

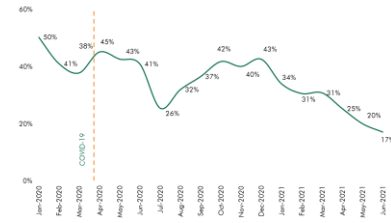
## MEXICO MARKET DEMAND INDICATORS



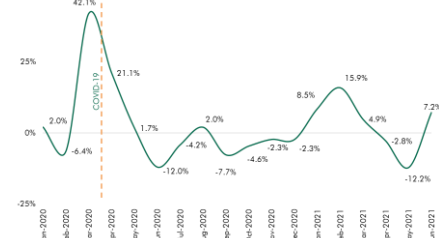
### Mexico Market Transactions



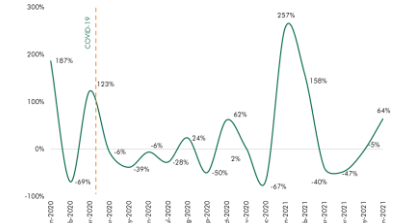
### Mexico Market Property Listings



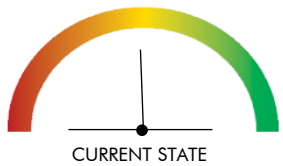
### Mexico Market Pipeline Transactions



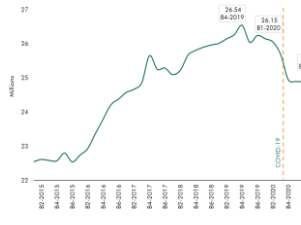
### Mexico Market New Business



## ECONOMIC INDICATORS



### Credit Cards



### Unemployment Rate



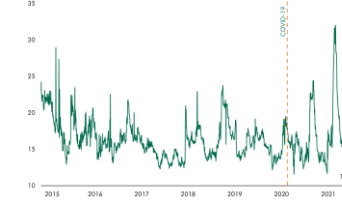
### Consumer Confidence Indicator



### Mexico 10Y Bond Yield



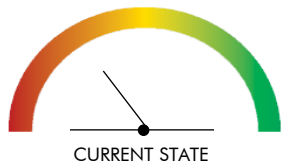
### Volatility of the Mexican Stock Market



### Mortgage Loans



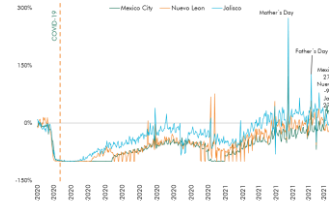
## MOBILITY INDICATORS



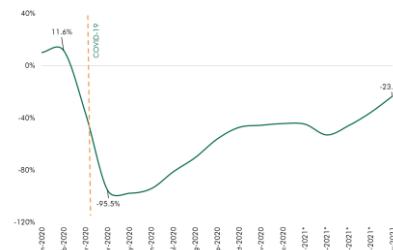
### Food and Beverage Preparation Services



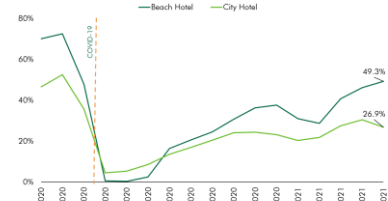
### Restaurant Activity



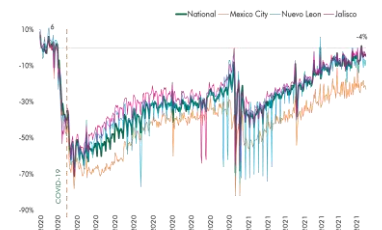
### Arrival of Tourists



### Hotel Occupancy Rates

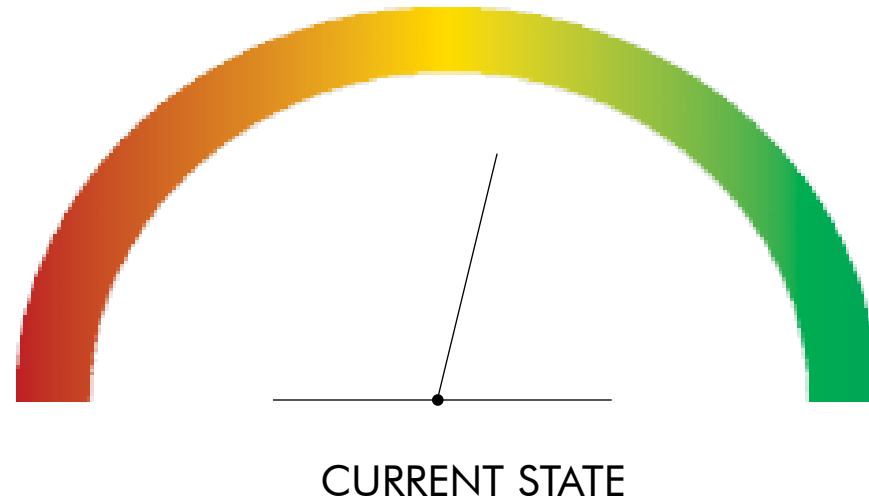


### Retail & Recreation



# MEXICO MARKET DEMAND INDICATORS\*

## Yellow light

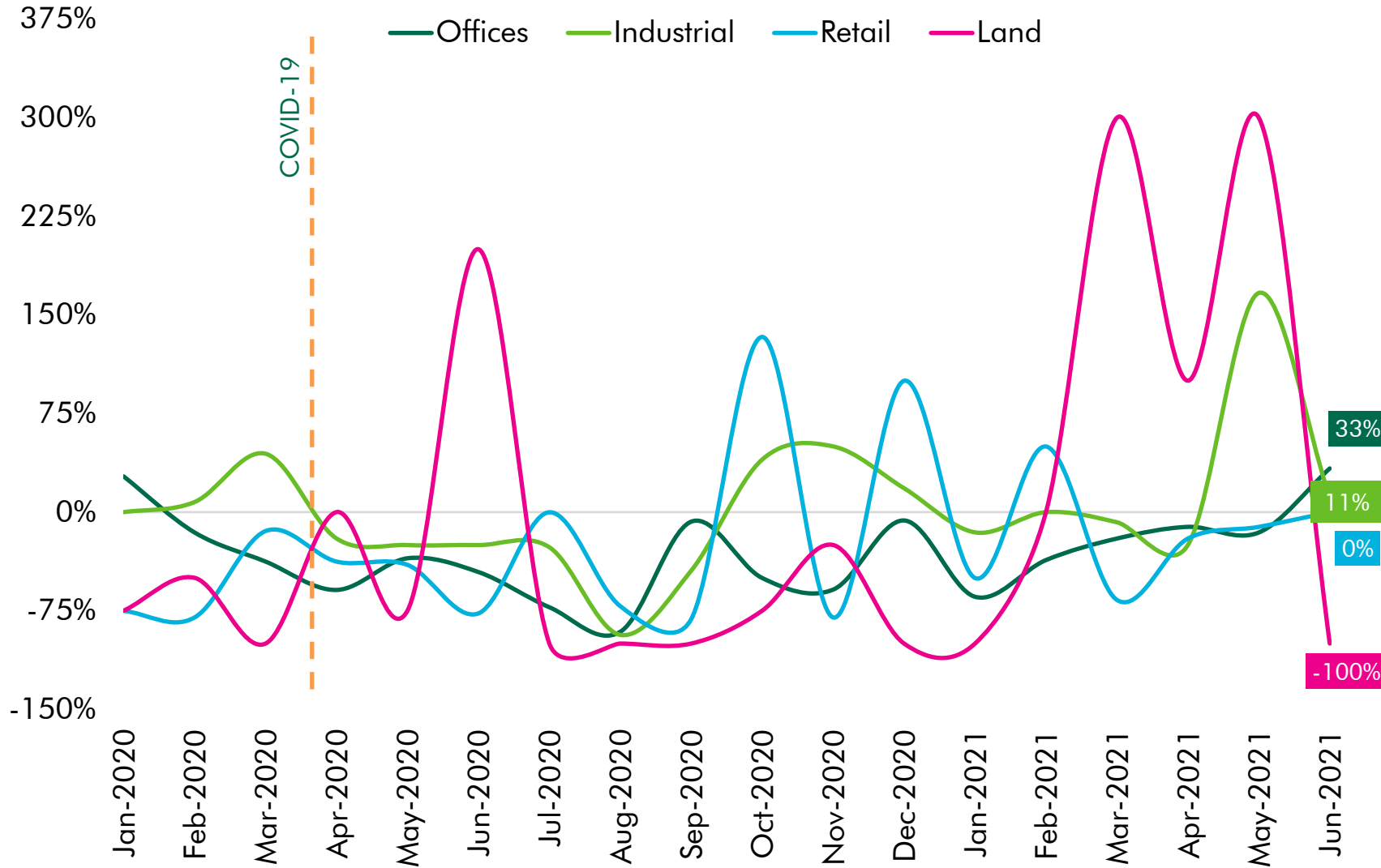


\*CBRE Research with information from our monthly tracking of 13 industrial markets and 5 office and retail markets, as well as main investment transactions from all segments at a national level.



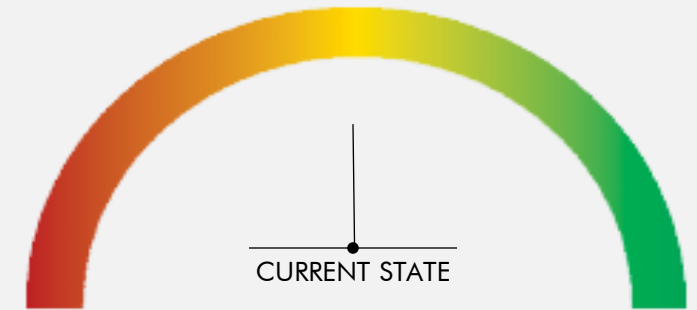
# MEXICO MARKET TRANSACTIONS

Annual variation of Mexico market transactions, 2020 – 2021.



Source: CBRE Research, 2021

## MEXICO MARKET DEMAND INDICATORS



### CURRENT STATE

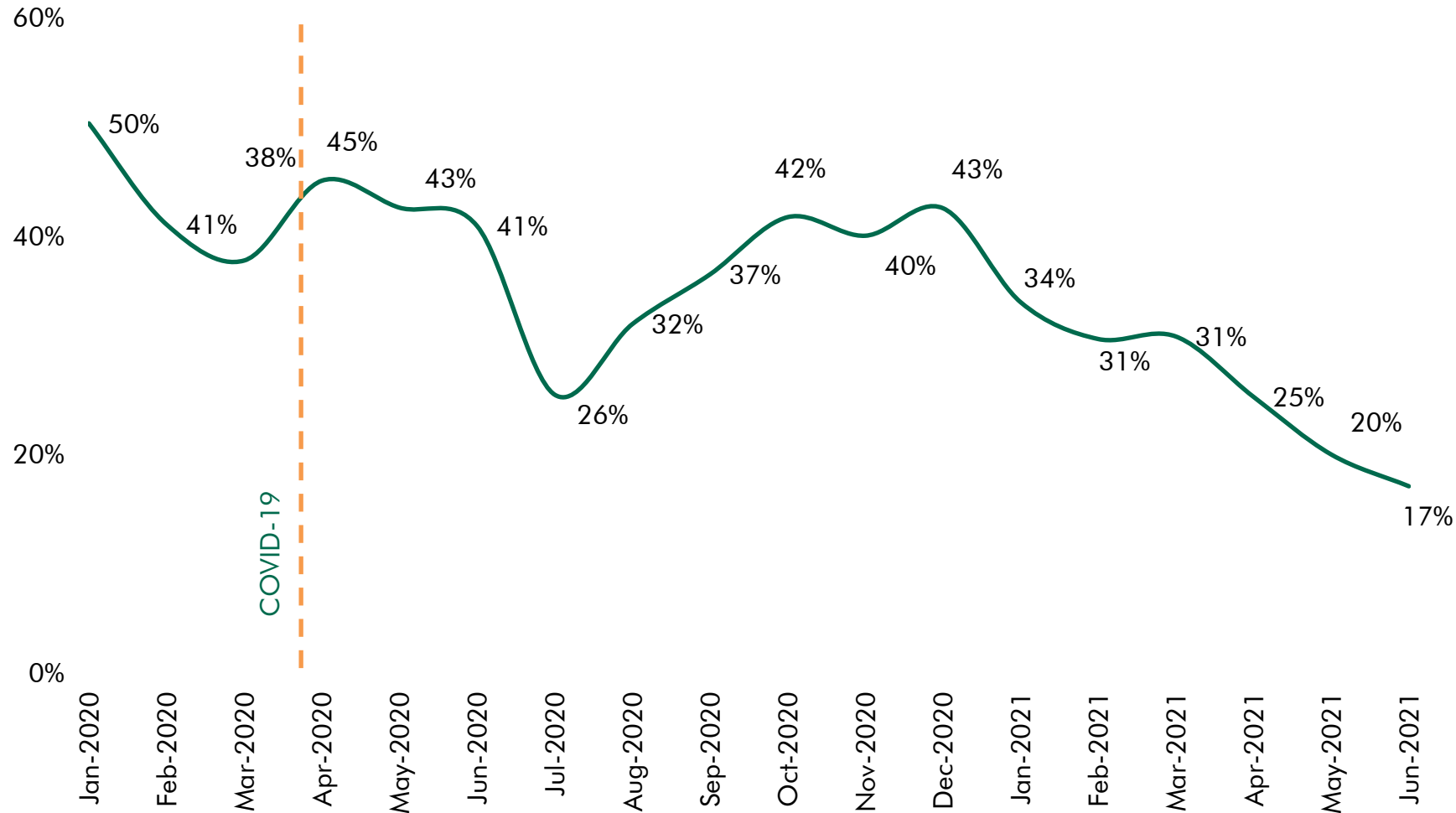
- In the last two months we saw an upward trend in the office sector, while the industrial and land sector went downward; the retail sector remained stable.

### TREND

- Last month, we recorded a slight decrease in the general market pipeline. We are expecting the general recovery will start in the H2 2021.

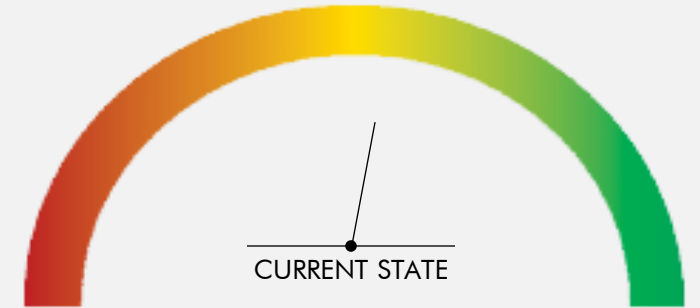
# MEXICO MARKET PROPERTY LISTINGS

Annual variation of Mexico market property listings, 2020 – 2021.



Source: CBRE Research, 2021

## MEXICO MARKET DEMAND INDICATORS



### CURRENT STATE

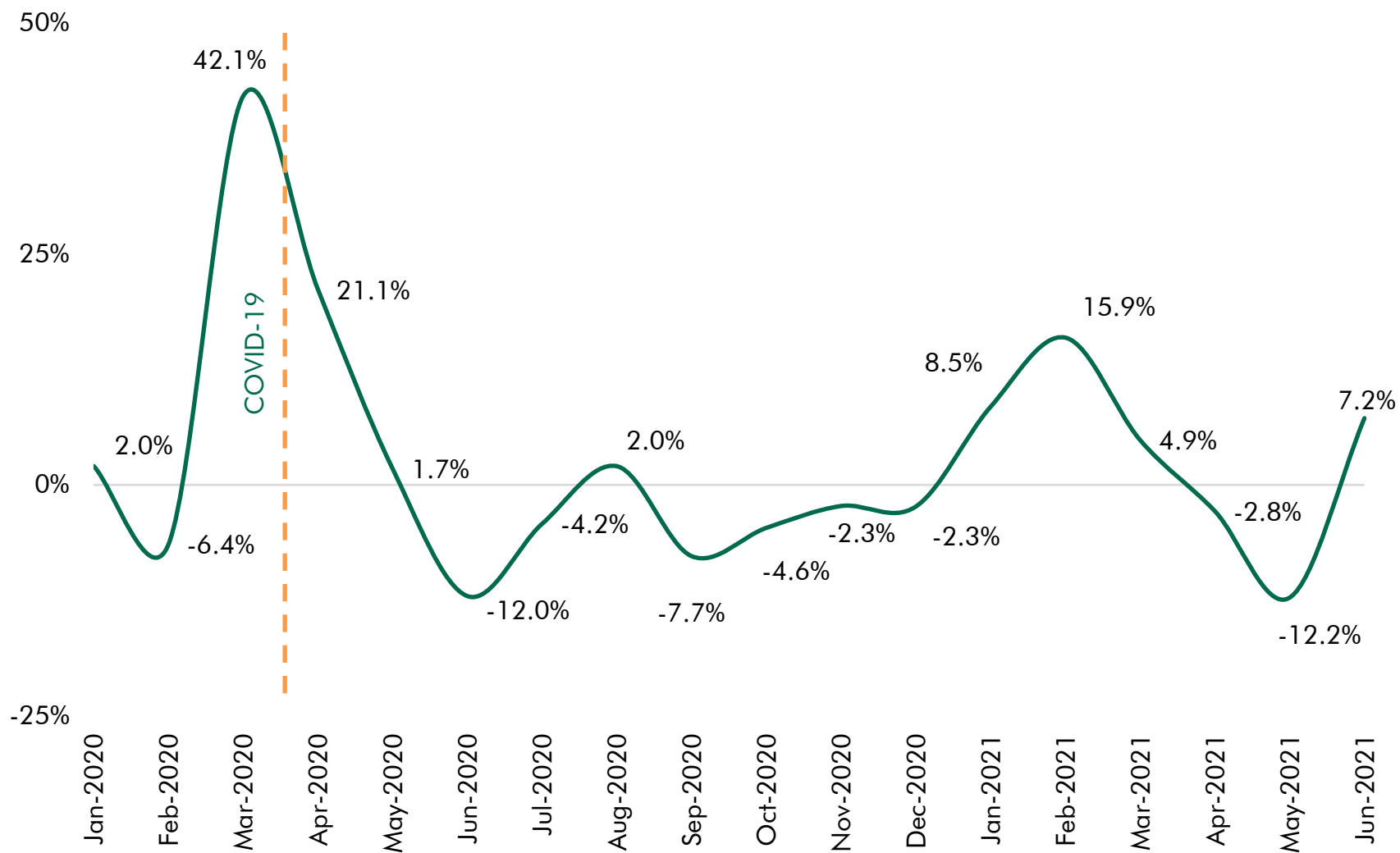
- In June 2021, we recorded 17% more listings compared to June 2020; this is a slight deceleration of the growth recorded in the first months of the year.

### TREND

- The market property listings have been trending downward for the last six months and we are expecting this trend will remain for the next coming months.

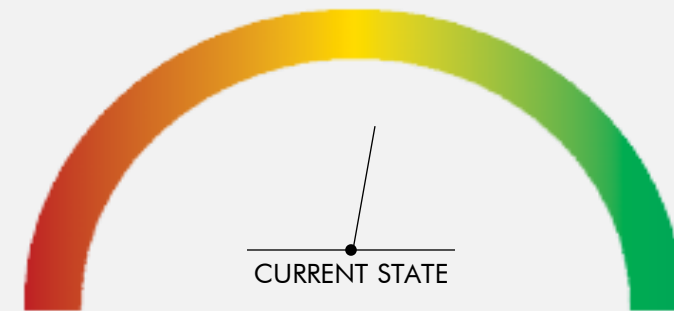
# MEXICO MARKET PIPELINE TRANSACTIONS

Monthly variation of Mexico's market pipeline transactions, 2020 - 2021.



Source: CBRE Research, 2021

## MEXICO MARKET DEMAND INDICATORS



### CURRENT STATE

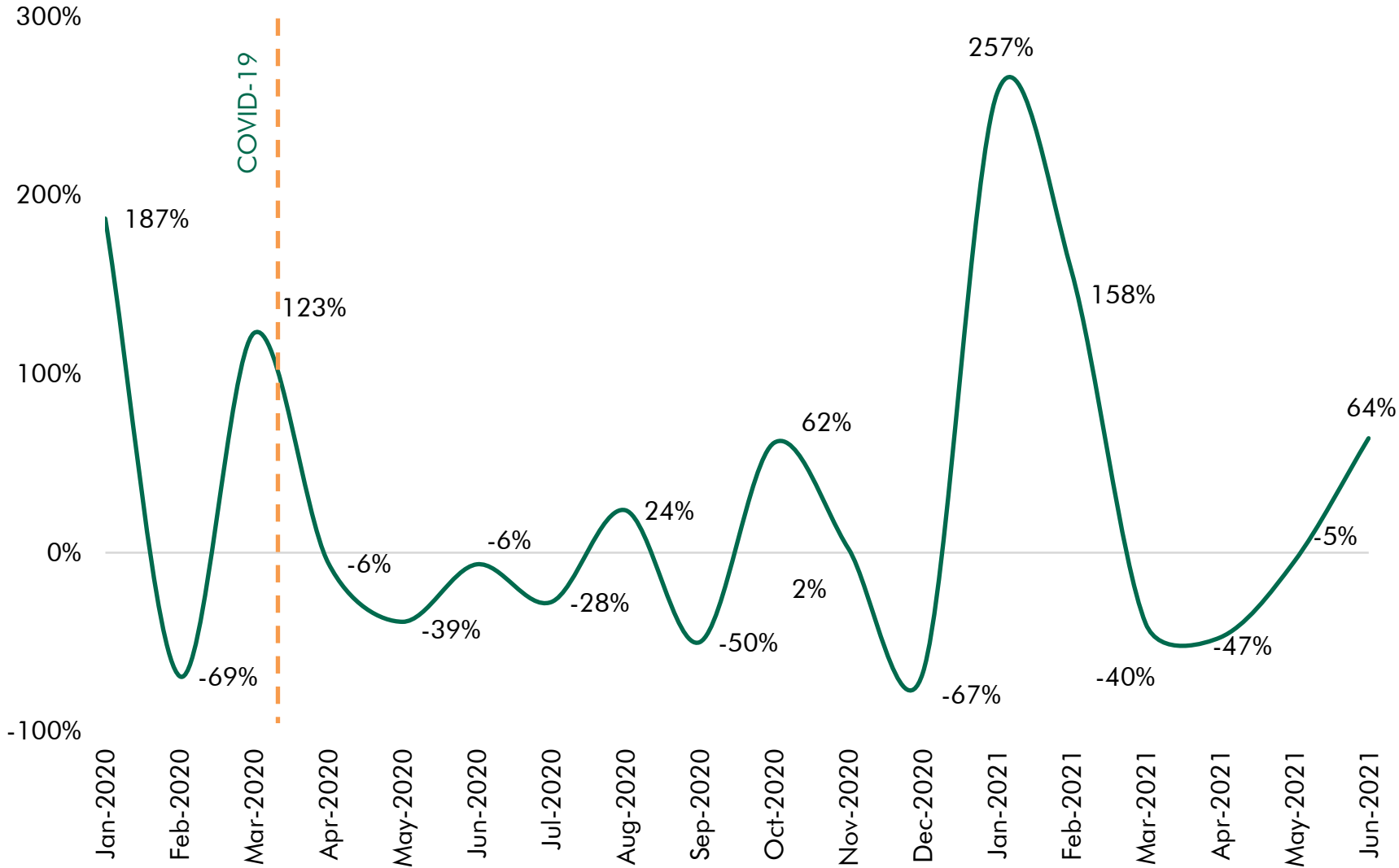
The market pipeline transactions has been recovering for the last two months, having 7.2% more projects if compared to June 2020.

### TREND

We have been experiencing an upward trend due to recovery and seasonality of the market.

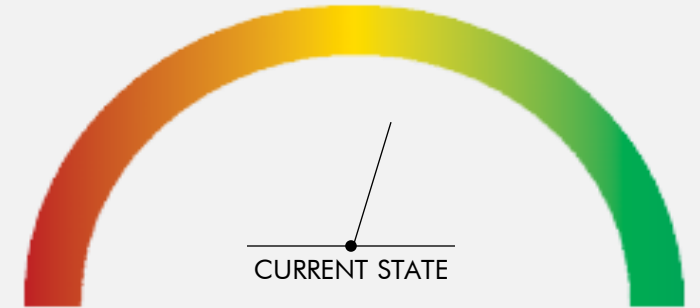
# MEXICO MARKET NEW BUSINESS

Monthly variation of Mexico's market new business, 2020 - 2021.



Source: CBRE Research, 2021

## MEXICO MARKET DEMAND INDICATORS



### CURRENT STATE

- New potential transactions have been trending upward again after the high increased experienced at the beginning of the year.

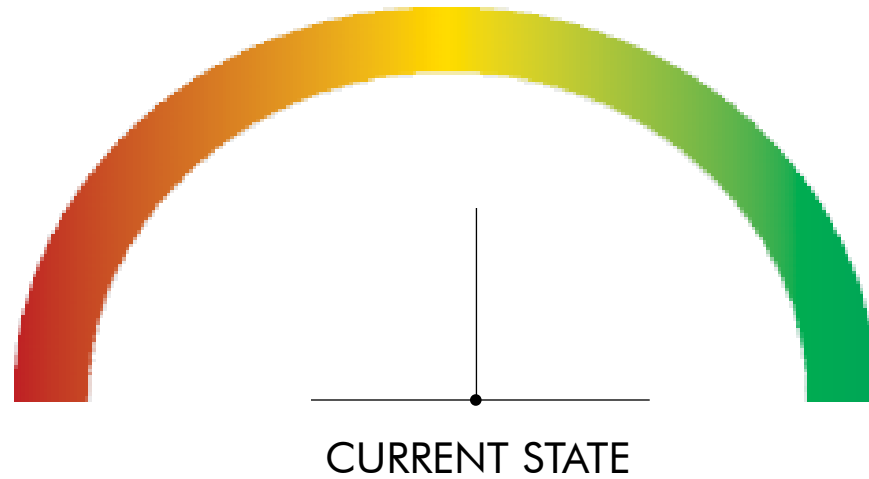
### TREND

- We are expecting new business will continue growing for the next months, expecting a rebound in the number of projects closed towards the end of the year.



# ECONOMIC INDICATORS

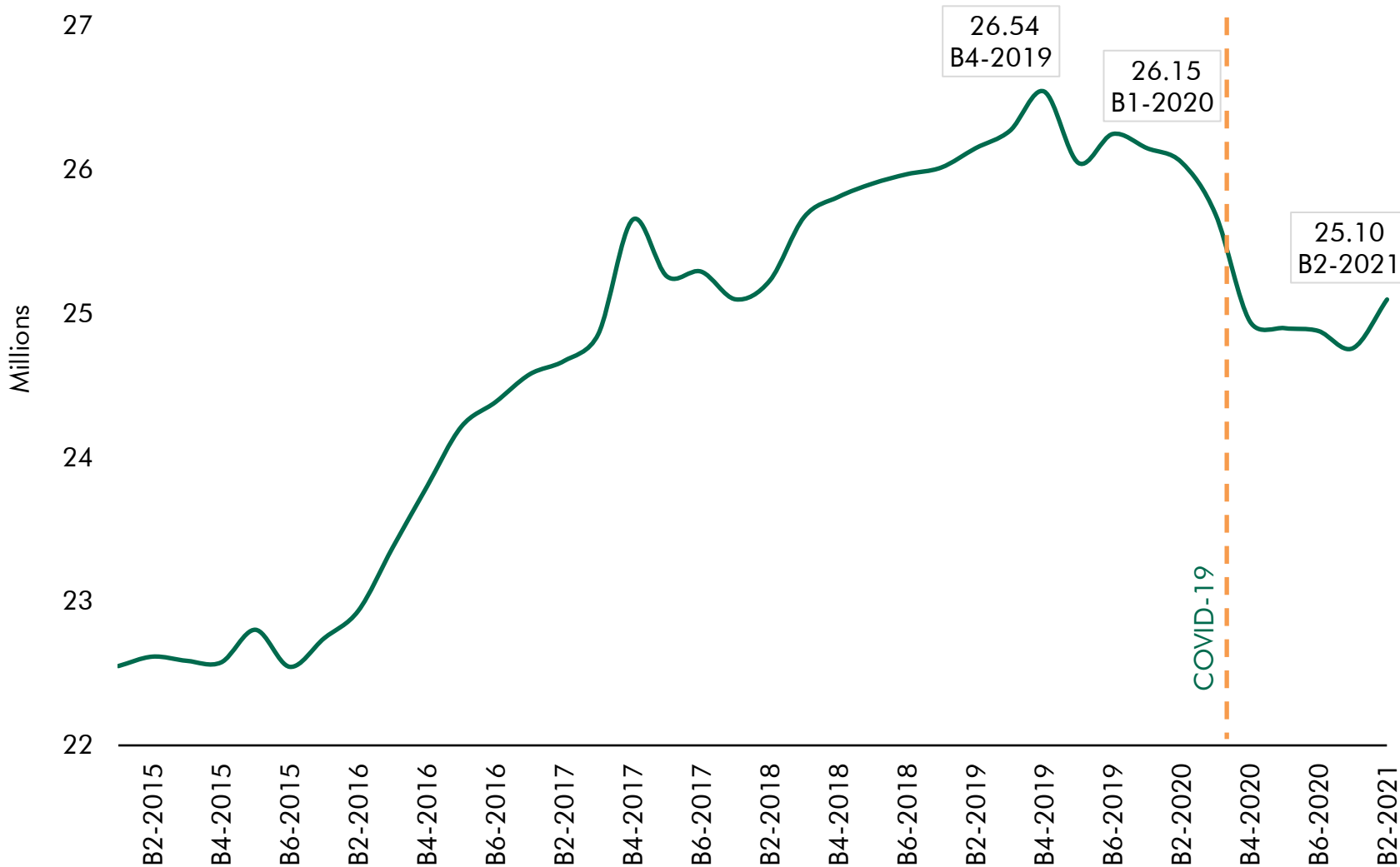
## Yellow Light





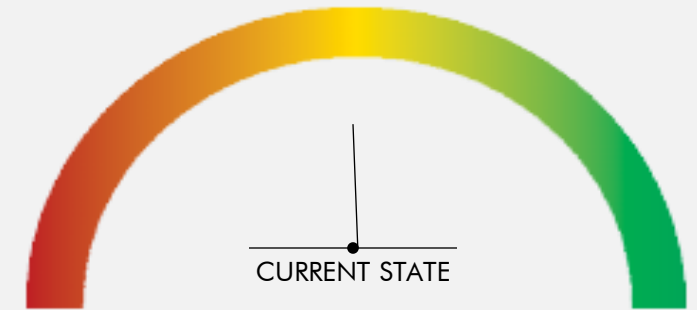
# CREDIT CARDS

Number of credit cards issued by banking institutions, 2015 - 2021 (B=bimonthly).



\*Data from 32 banking institutions were considered.  
Source: CBRE Research with data from CNBV, 2021

## ECONOMIC INDICATORS



### CURRENT STATE

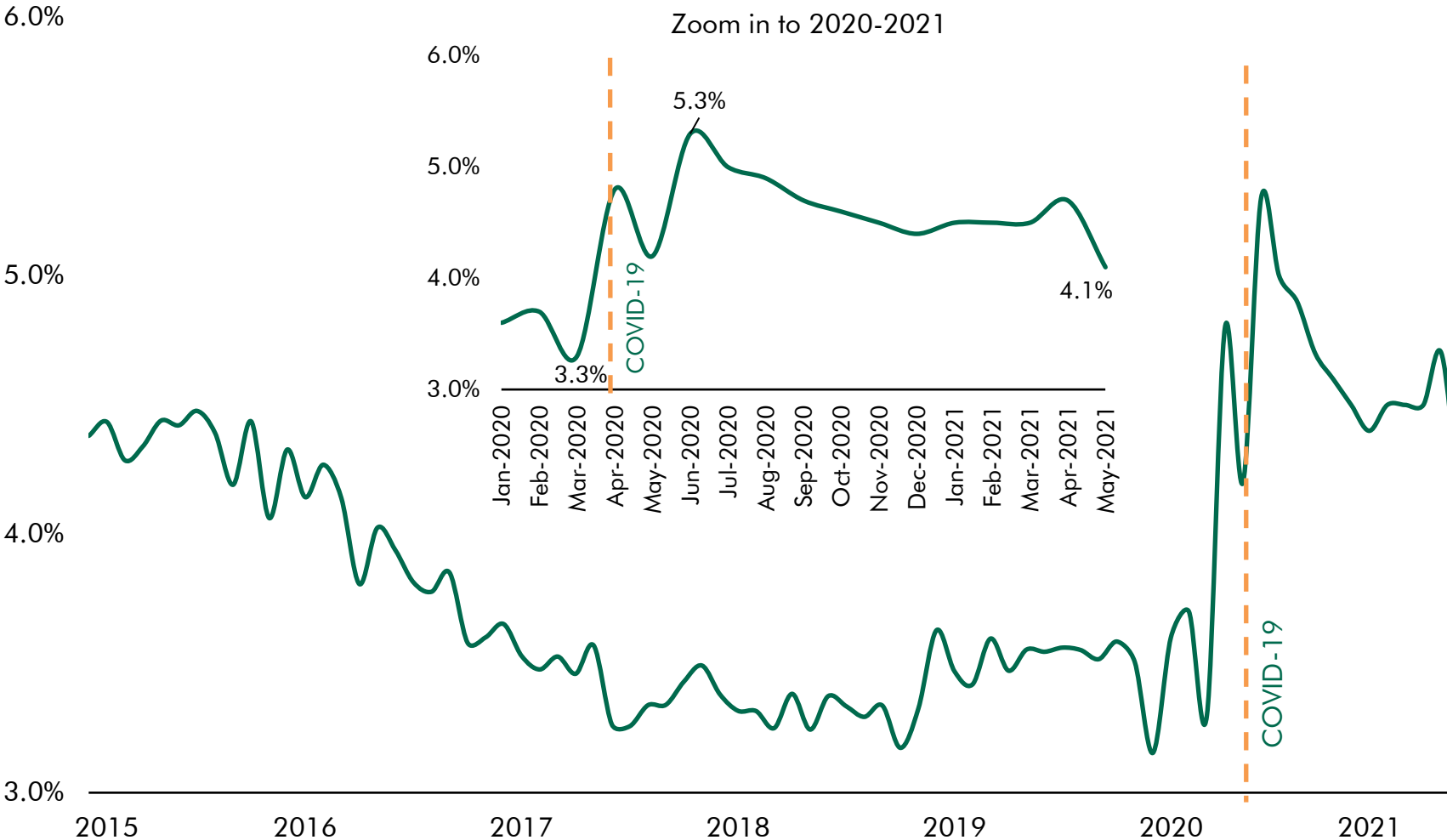
- The number of credit cards issued by banking institutions grew up the second bimester of the year but is still 1 million lower than when the pandemic started.

### TREND

- Over the second bimester of the year, the number of credit cards issued by banking institutions trended upward.

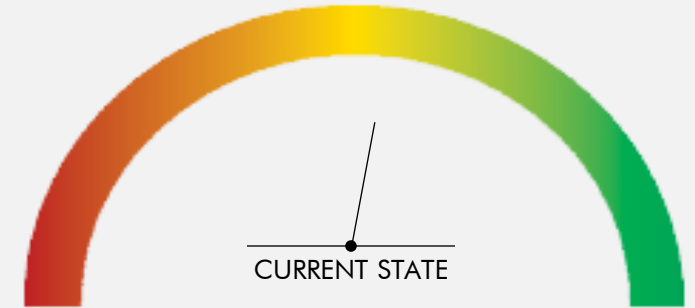
# UNEMPLOYMENT RATE

Unemployment rate, 2015 – 2021 (monthly).



Source: CBRE Research with data from STPS, 2021

## ECONOMIC INDICATORS



### CURRENT STATE

- Unemployment rate is still 80 basis points above March 2020, the month when the pandemic started.

### TREND

- The unemployment trended downward last month, decreasing 60 basis points compared to April 2021.

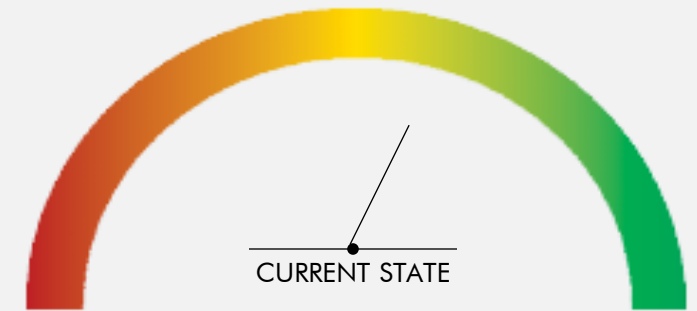
# CONSUMER CONFIDENCE INDICATOR

Consumer Confidence Indicator, 2015 - 2021 (monthly).



Source: CBRE Research with data from INEGI, 2021

## ECONOMIC INDICATORS



### CURRENT STATE

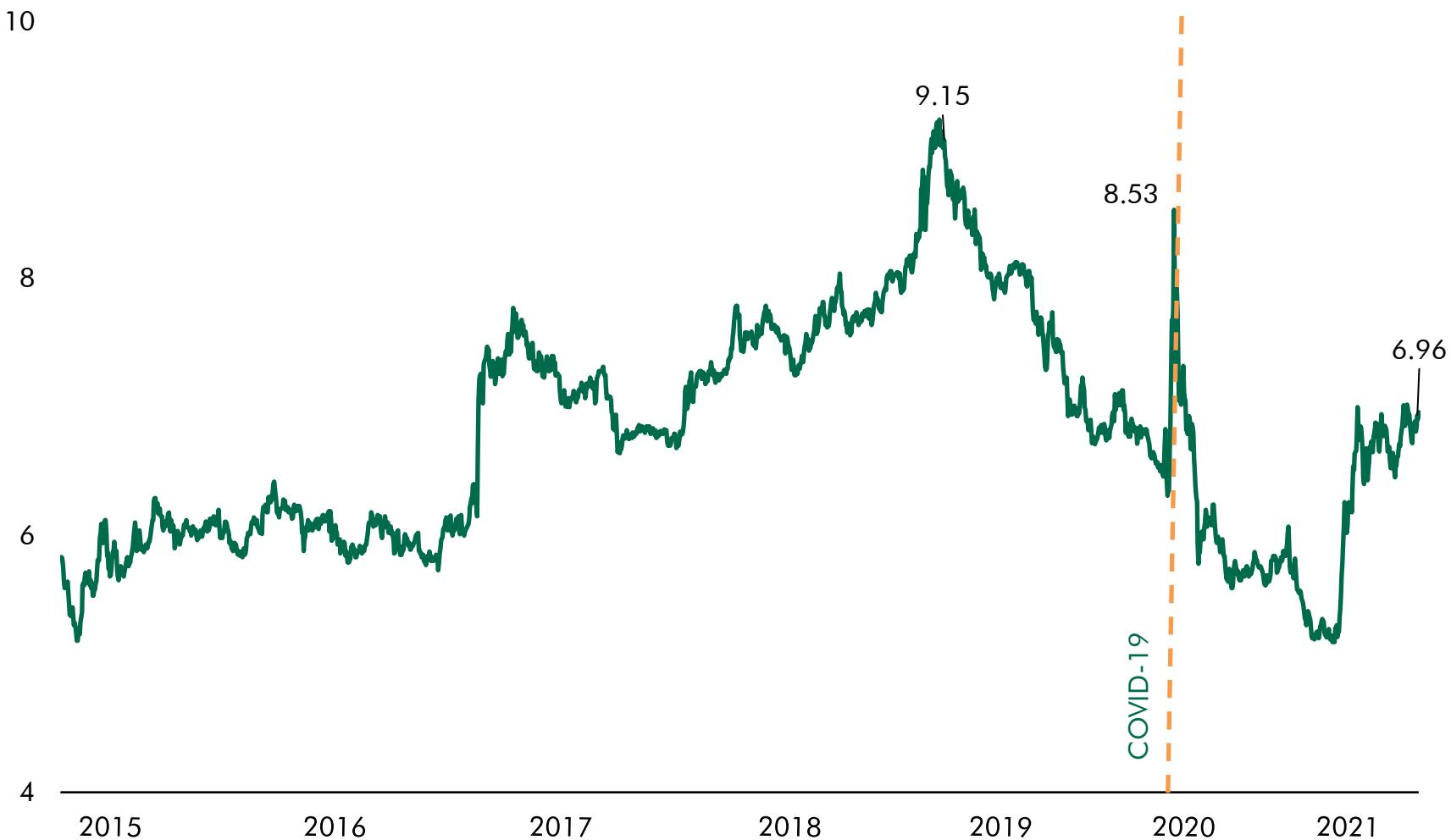
- The Consumer Confidence Indicator is 2.3 points above than the level recorded in March 2020.

### TREND

- The Consumer Confidence Indicator is trending upward placing above pre-pandemic levels.

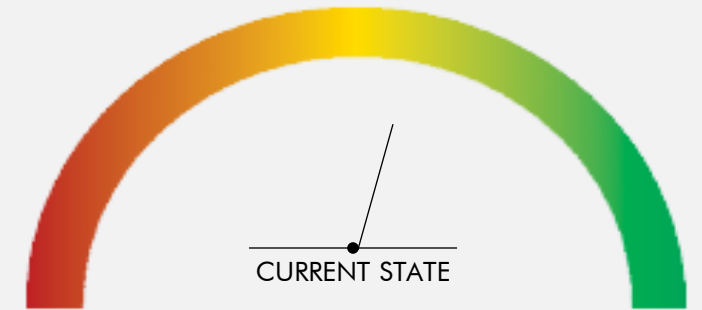
# MEXICO 10Y BOND YIELD

Mexico 10Y Bond Yield, 2015 - 2021 (daily).



Source: CBRE Research with data from Investing, as of July 23rd, 2021

## ECONOMIC INDICATORS



### CURRENT STATE

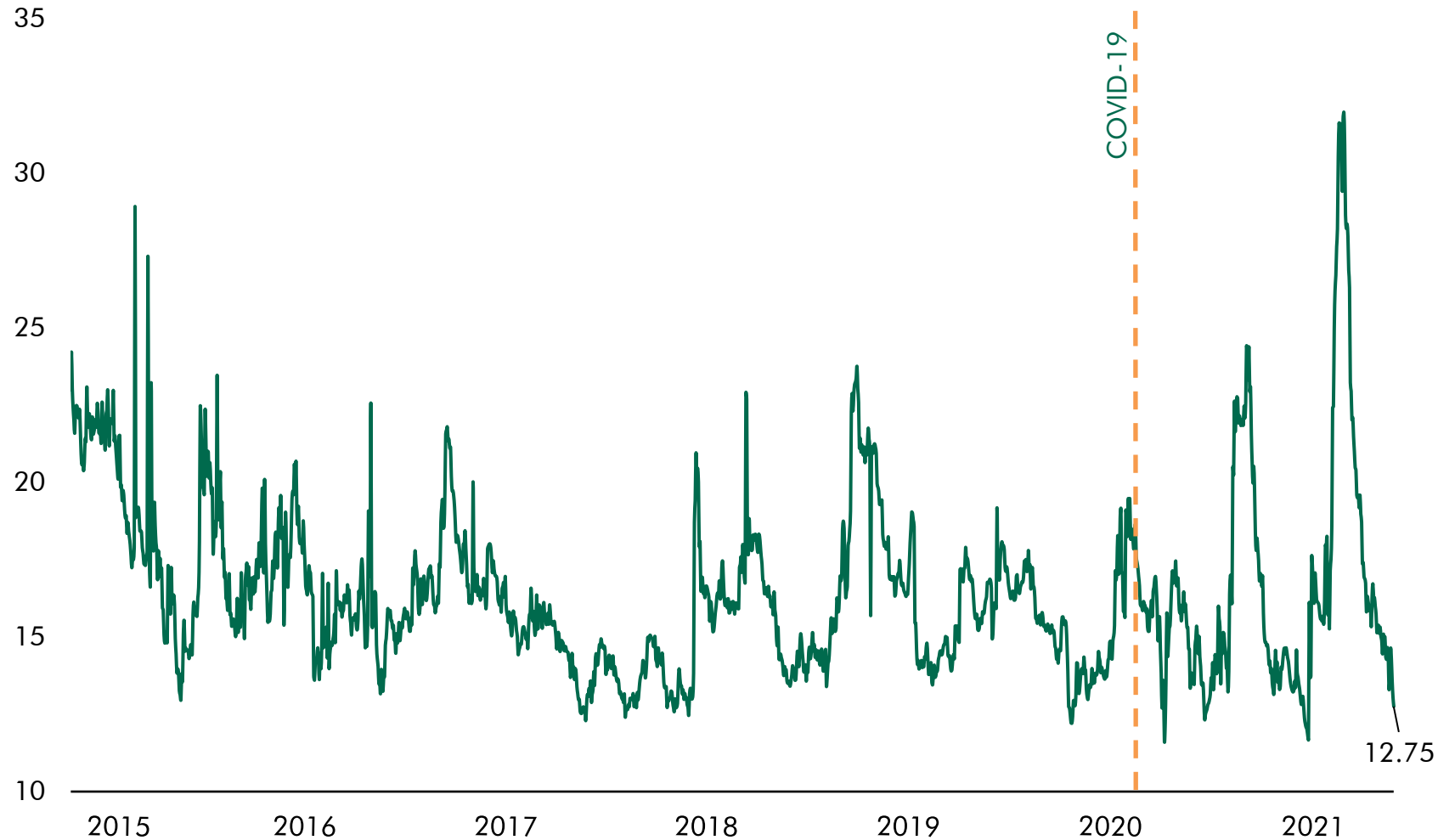
- 10Y Mbond yield remains higher in 568 basis points if compared against the 10Y US Treasury bonds.

### TREND

- 10Y Mbond yield has been stable in the last weeks after the high increase experienced last February.

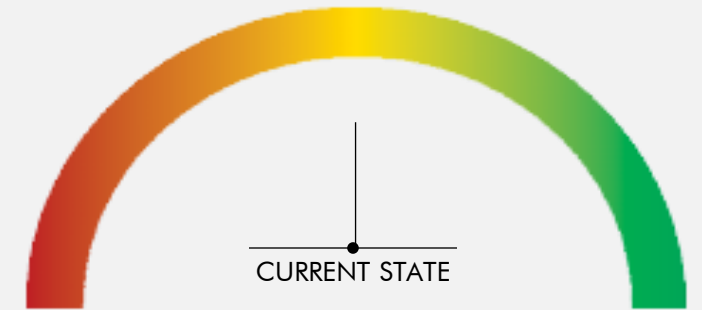
# S&P/BMV IPC VIX

Volatility of the Mexican stock market using the end-of-day pricing for near-term and next-term options on IPC futures, 2015 - 2021 (daily).



Source: CBRE Research with data from S&P Dow Jones Indices, as of July 23rd, 2021

## ECONOMIC INDICATORS



### CURRENT STATE

- As of July 23rd, the volatility of the Mexican stock market of 12.75 continue increasing but is still below the 2015-2020 average of 16.34.

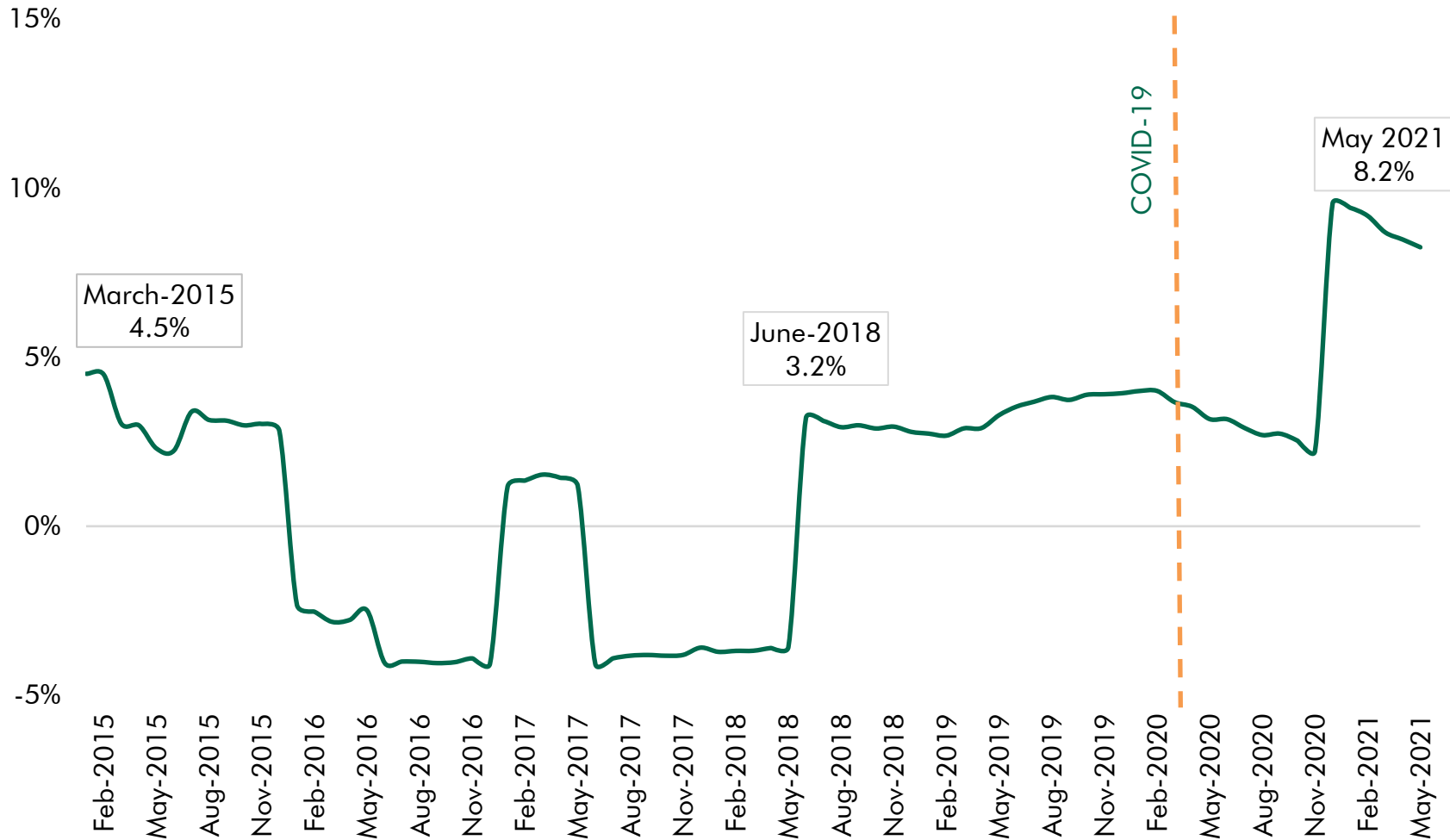
### TREND

- The volatility of the Mexican stock market is decreasing after the high increased recorded the third week of April.



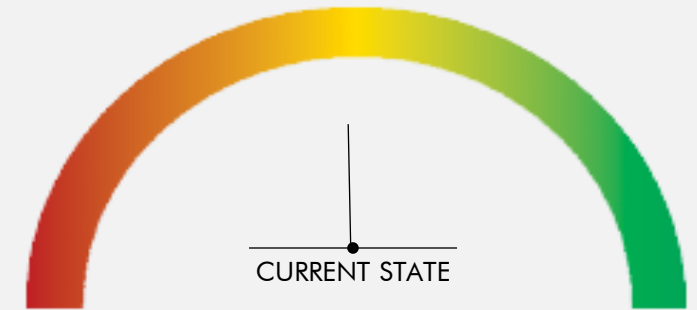
# MORTGAGE LOANS

Annual variation of number of mortgage loans issued by banking institutions, 2014 - 2021 (monthly).



• Data from 30 banking institutions were considered.  
Source: CBRE Research with data from CNBV, 2021

## ECONOMIC INDICATORS



### CURRENT STATE

- In May, more than 1.07 million mortgage loans have been granted by banking institutions, higher figure if compared to the same month of 2019 & 2020.

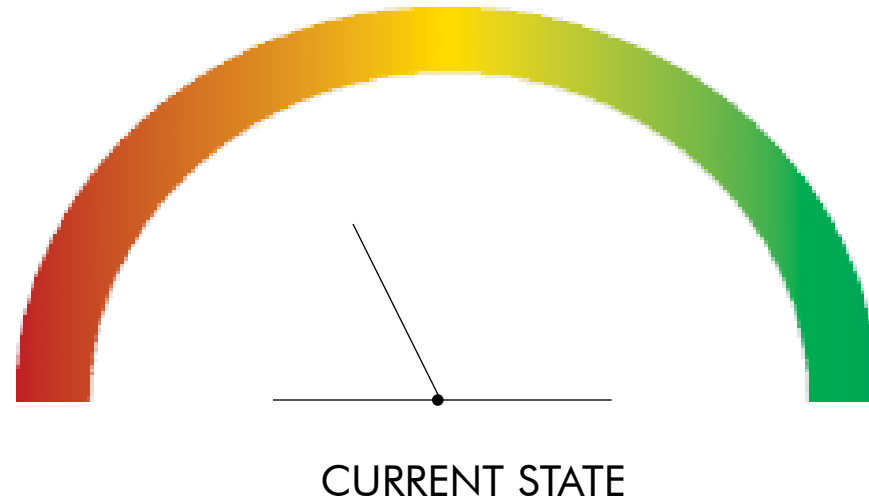
### TREND

- The mortgage loans issued by banking institutions have been trending downward after the increase recorded December 2020.



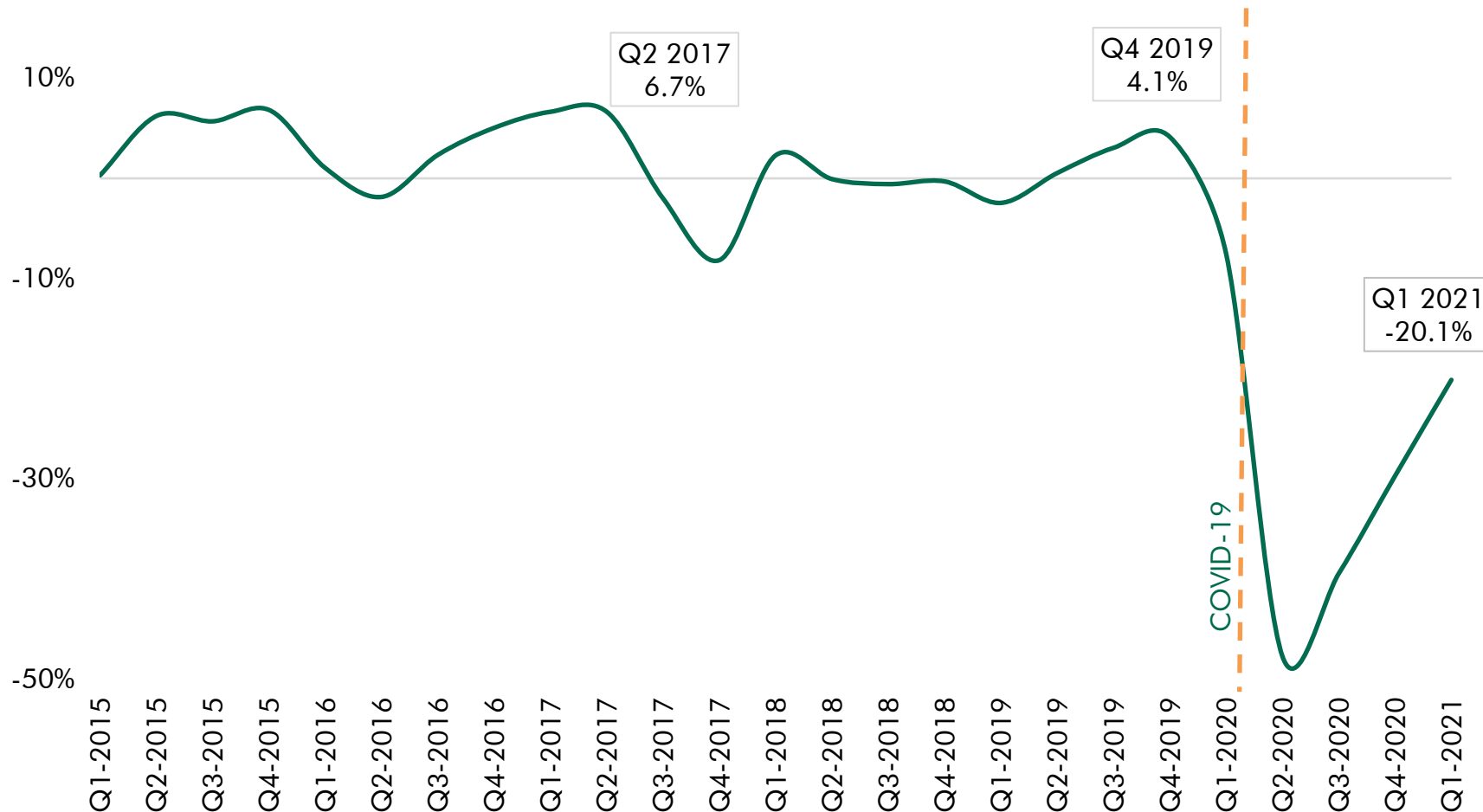
# MOBILITY INDICATORS

## ORANGE LIGHT



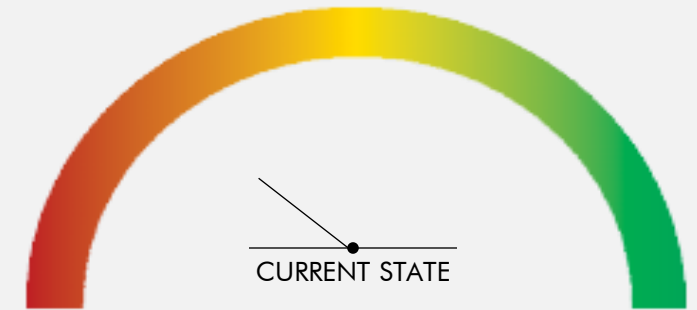
# FOOD AND BEVERAGE PREPARATION SERVICES

Annual variation of preparation of food and beverage for immediate consumption or take away and preparation and service of alcoholic beverages for immediate consumption, 2014 - 2020 (quarterly).



Source: CBRE Research with data from INEGI, 2021

## MOBILITY INDICATORS



### CURRENT STATE

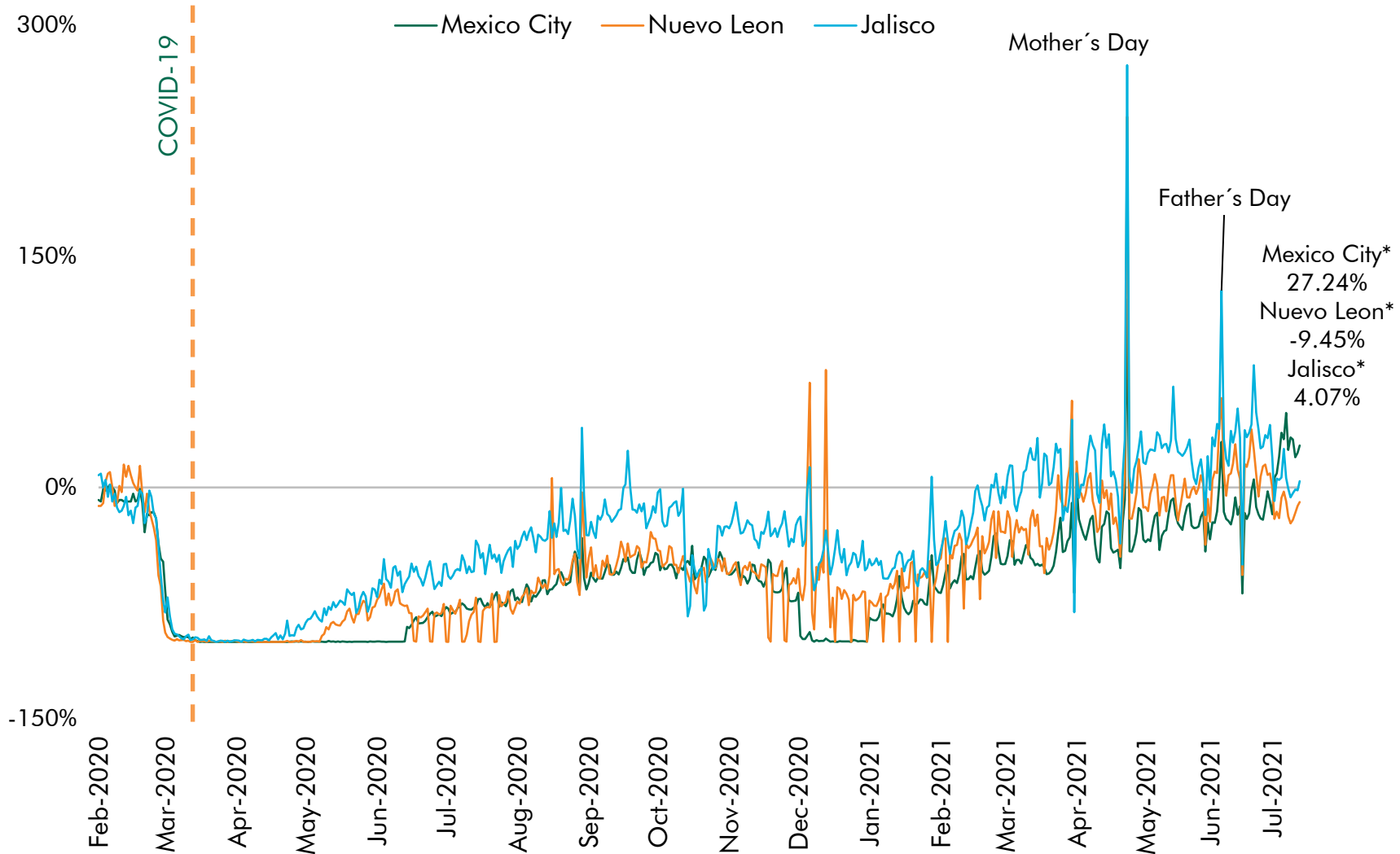
- Up to Q1 2021, the preparation of food and beverages is 20% lower than in the same quarter of 2020.

### TREND

- The preparation of food and beverage has been recovering since the third quarter of 2020. We expect H2 2021 will see an acceleration of the recovery.

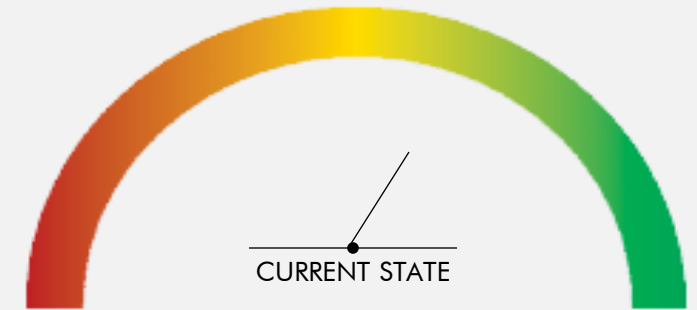
# RESTAURANT ACTIVITY

Annual variation in reservations made online, by phone and walk-in, 2020-2021 (daily)



\*Note: the dataset from January 1, 2021, compares occupancy against 2019 data.  
Source: CBRE Research with data from Open Table, as of July 24th, 2021

## MOBILITY INDICATORS



### CURRENT STATE

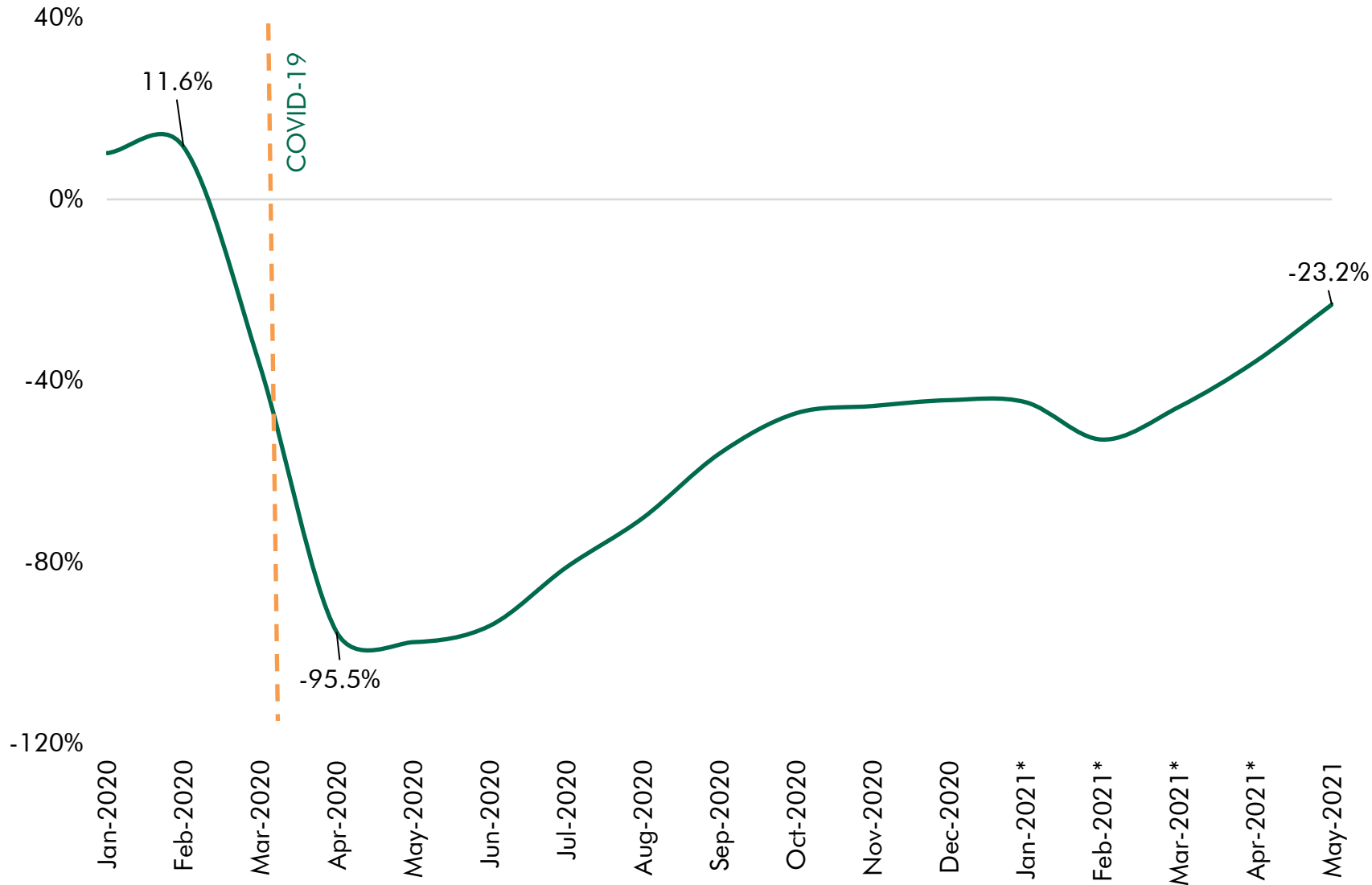
- Restaurants' activity in Mexico City and Jalisco have remained stable in the last days, while Nuevo Leon showed negative numbers.

### TREND

- Restaurants' activity has been increasing at a very slow pace since the beginning of the year when compared to 2019 data.

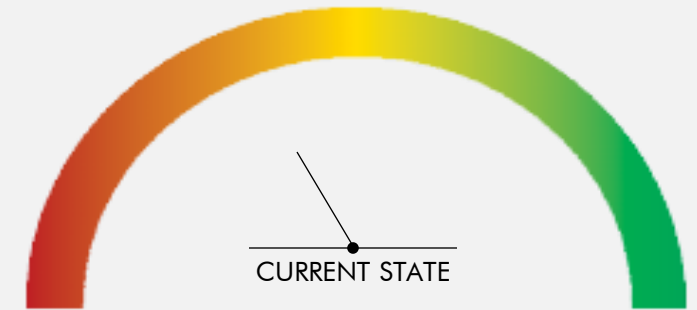
# INTERNATIONAL TOURISTS

Annual variation of arrival of international tourists, 2019 – 2021 (monthly).



Source: CBRE Research with data from SECTUR, 2021

## MOBILITY INDICATORS



### CURRENT STATE

- During May 2021, the arrivals of international tourists was 23.2% lower than the same period of 2020.

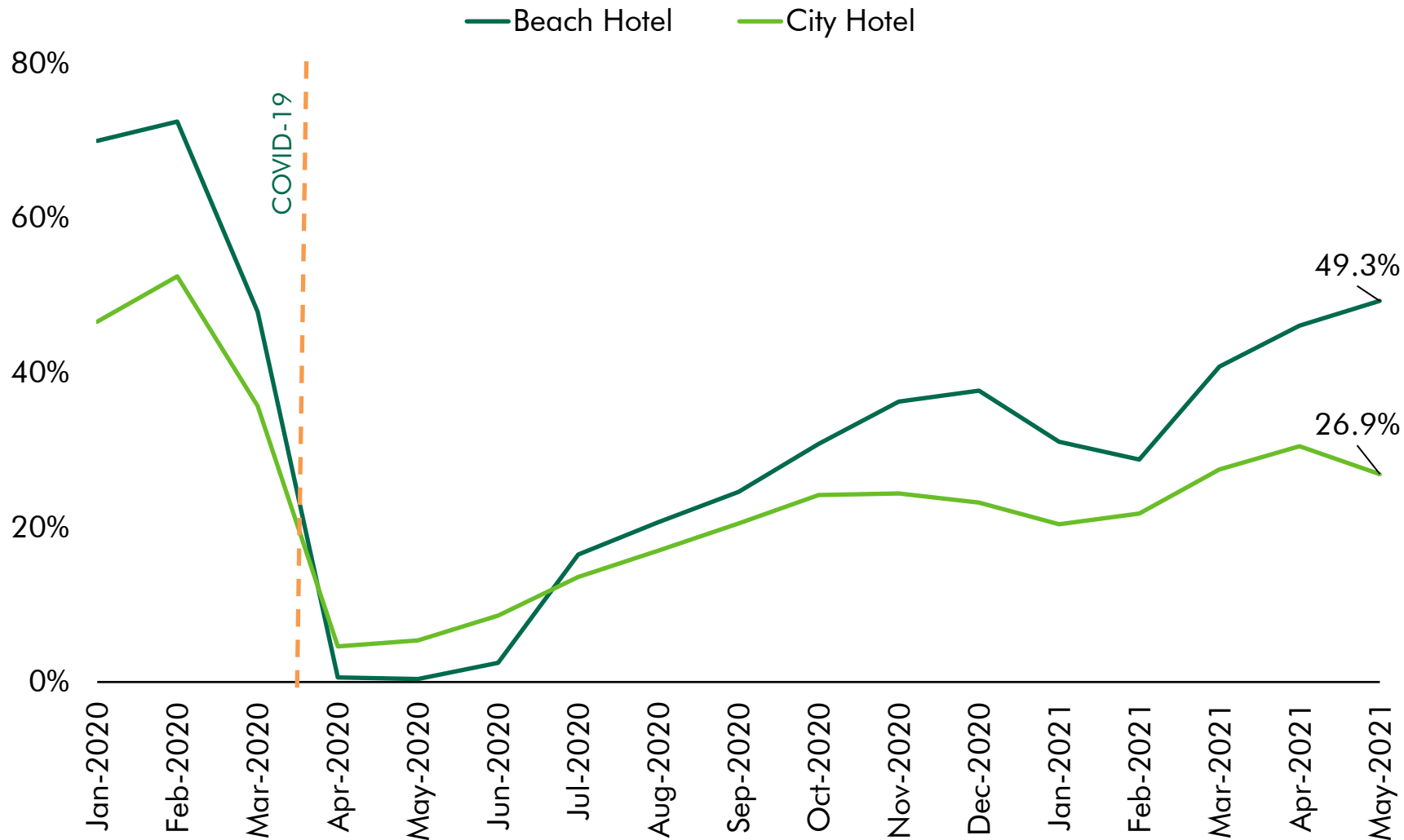
### TREND

- The growth in arrival of tourists is expected to decrease due to the third wave of Covid-19 infections that the country is experiencing, while we expect a recovery towards the end of the year.



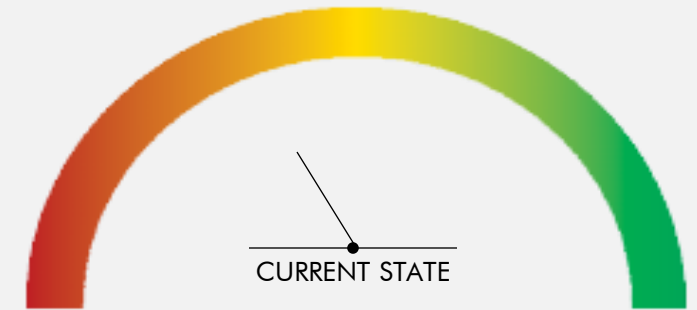
# HOTEL OCCUPANCY RATES

Annual variation of hotel occupancy rates, 2019 - 2021 (Percentage Points) (weekly).



Source: CBRE Research with data from SECTUR, 2021

## MOBILITY INDICATORS



### CURRENT STATE

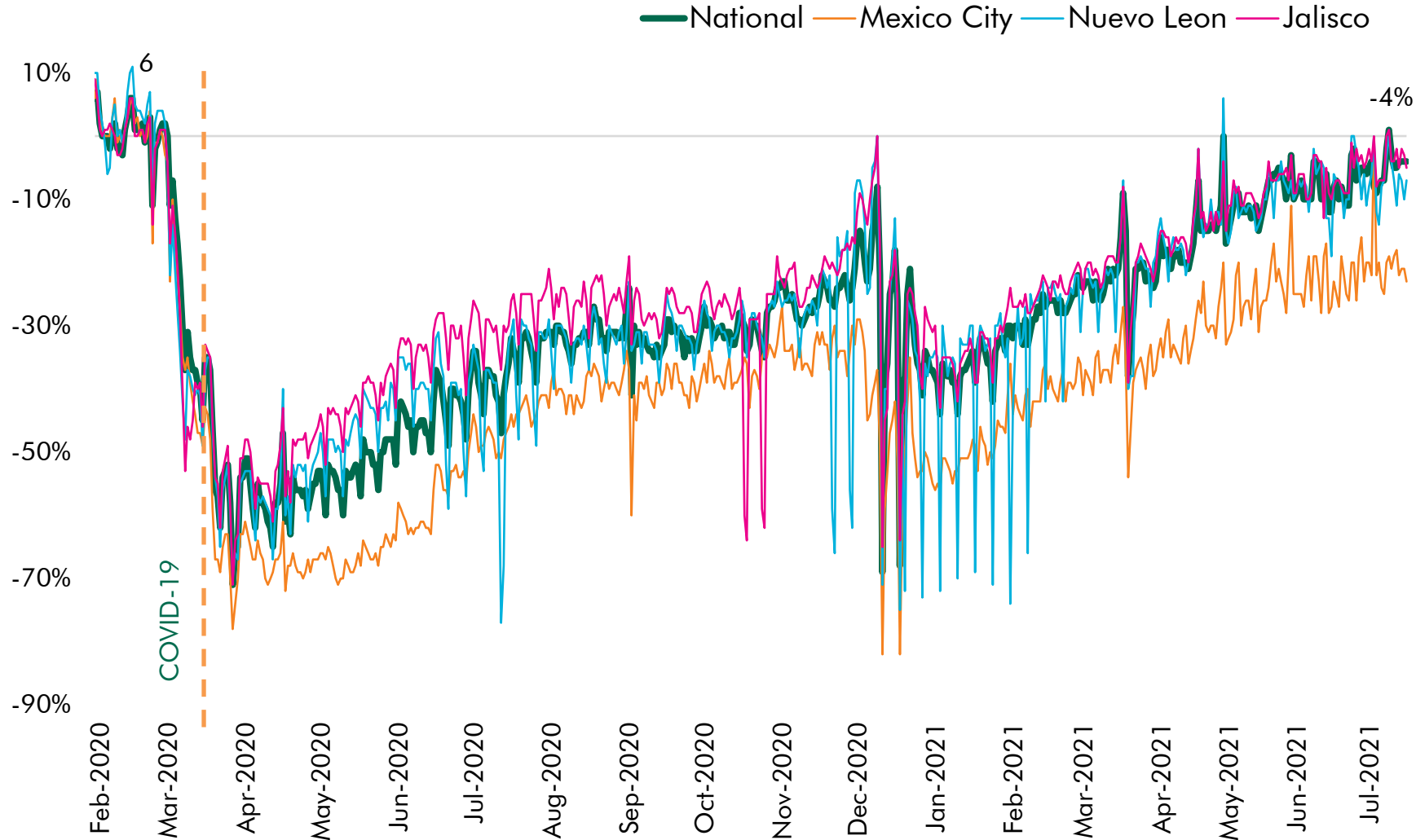
- The hotel occupancy rate for resort hotels has placed at 49.3% of its occupancy while the city hotels placed at 26.9%.

### TREND

- Hotel Occupancy rates of 49.3% for beach hotels and 26.9% for city hotels are below the 2020 average of 30% and 23% respectively.

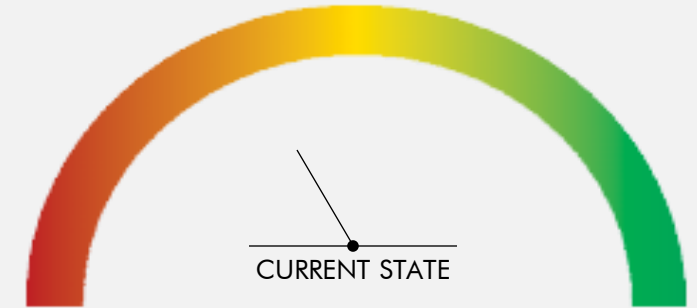
# RETAIL & RECREATION

Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters, 2020 - 2021 (daily).



Source: CBRE Research with data from Google Mobility, as of July 22nd, 2021

## MOBILITY INDICATORS



### CURRENT STATE

- The national mobility trends for retail & recreational places are registering a decrease of 10 points if compared to the pre-Covid level.

### TREND

- Both national mobility and in the main cities are showed an increase in the last weeks; however, due to the increase in the number of COVID-19 infections, a downward trend can be seen in the last few days.

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