Investment Report

Mexico 2025

LOGAN

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Introduction

This report analyses the institutional real estate market in the region from two perspectives: the value of Assets Under Management (AUM) of regulated investment vehicles and the results of surveys conducted with General Partners (GPs). The information is sourced from public financial statements, manager reports, and annual surveys carried out by LOGAN, ensuring a reliable and up-to-date analysis.

The document is intended for fund managers, developers, brokers, consultants, and limited partners such as pension funds, insurance companies, financial institutions, family offices, and nonprofit organizations. Its purpose is to provide a strategic view of market dynamics, facilitate cross-country comparisons, identify opportunities, and support long-term, decision-making processes.



Methodology

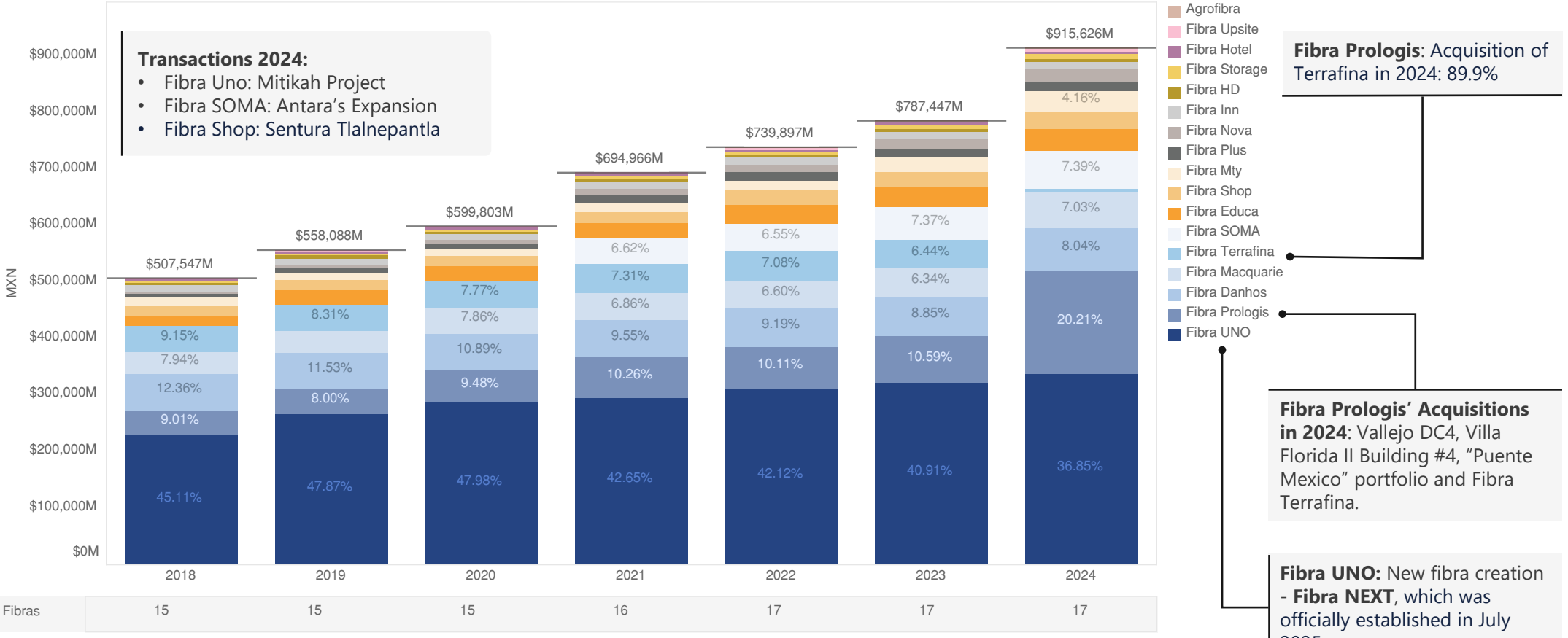
- ***AUM (Assets Under Management):*** The information is based on public financial statements and General Partners' reports, enabling an assessment of the market's size and an analysis of the evolution of portfolios and investment strategies.
- ***GPs (General Partners):*** Annual survey conducted to General Partners, developers, brokers and real estate consultants.

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Assets Under Management - Fibras

The value of assets under management reflects the maturity of Mexico´s Fibra market and its strategic geopolitical position as a regional hub driven by nearshoring. This environment has supported the specialization of the real estate sector, leading to the creation of Fibras focused on industrial, logistics, and retail segments, as well as strategic acquisitions such as Fibra Prologis-Terrafina, which reinforce the market's consolidation and sophistication.



Source: Publicly available financial statements on the websites of the Mexican Stock Exchange (BMV) and the Institutional Stock Exchange (BIVA).

Note: For vehicles that report values in Mexican pesos, the year-end exchange rate corresponding to each period was applied.

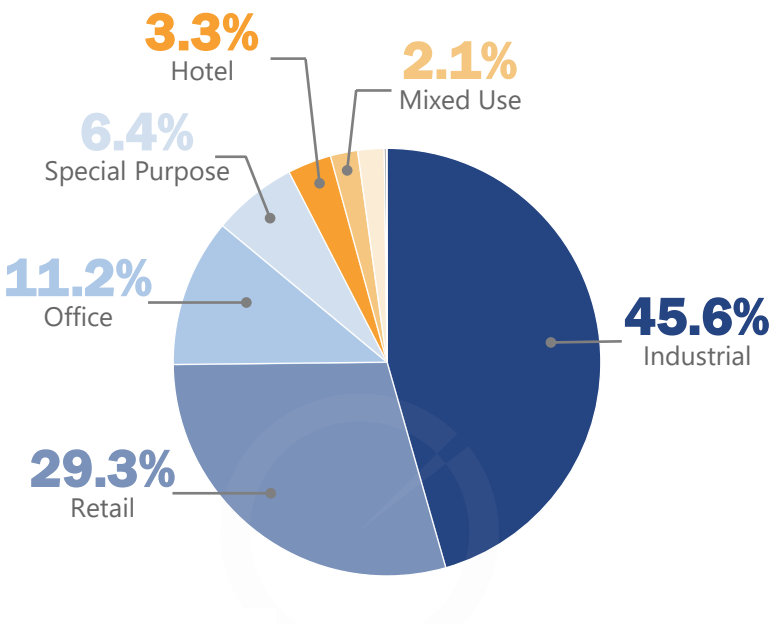
Fibra Prologis: Acquisition of Terrafina in 2024: 89.9%

Fibra Prologis' Acquisitions in 2024: Vallejo DC4, Villa Florida II Building #4, "Puente Mexico" portfolio and Fibra Terrafina.

Fibra UNO: New fibra creation - **Fibra NEXT**, which was officially established in July 2025.

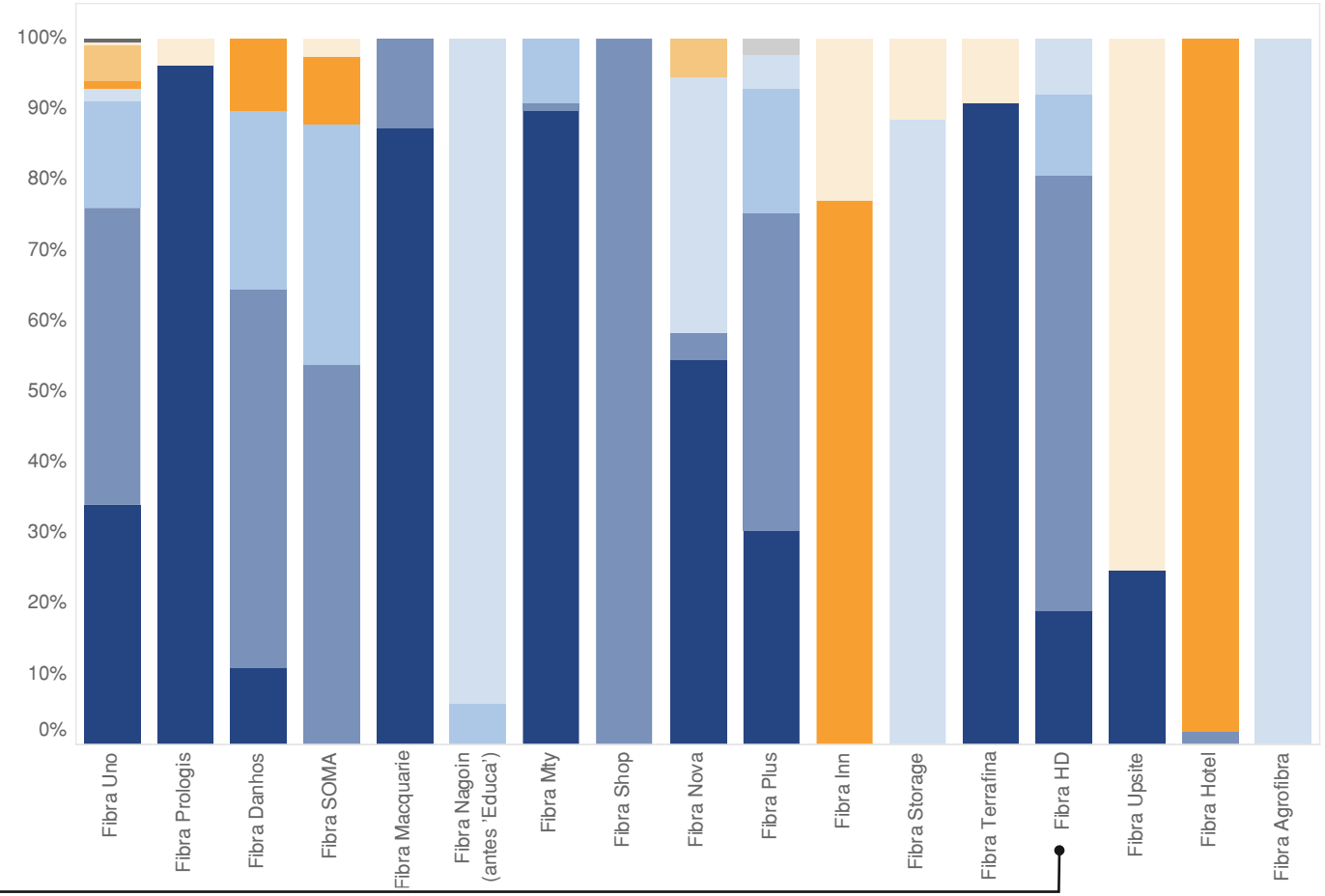
Assets Under Management by Sector - Fibras

Industrial assets have increased their share of total assets under management, rising from approximately 35% in 2020 to 45% in 2024. This trend reflects the growing relevance of the industrial sector within the Fibra universe, driven by nearshoring and strong demand in the northern region of the country.



Special Purpose:
- Hydroponic Greenhouse: Agrofibra
- Universities: Fibra Uno y Educa
- Mini-storages: Fibra Storage

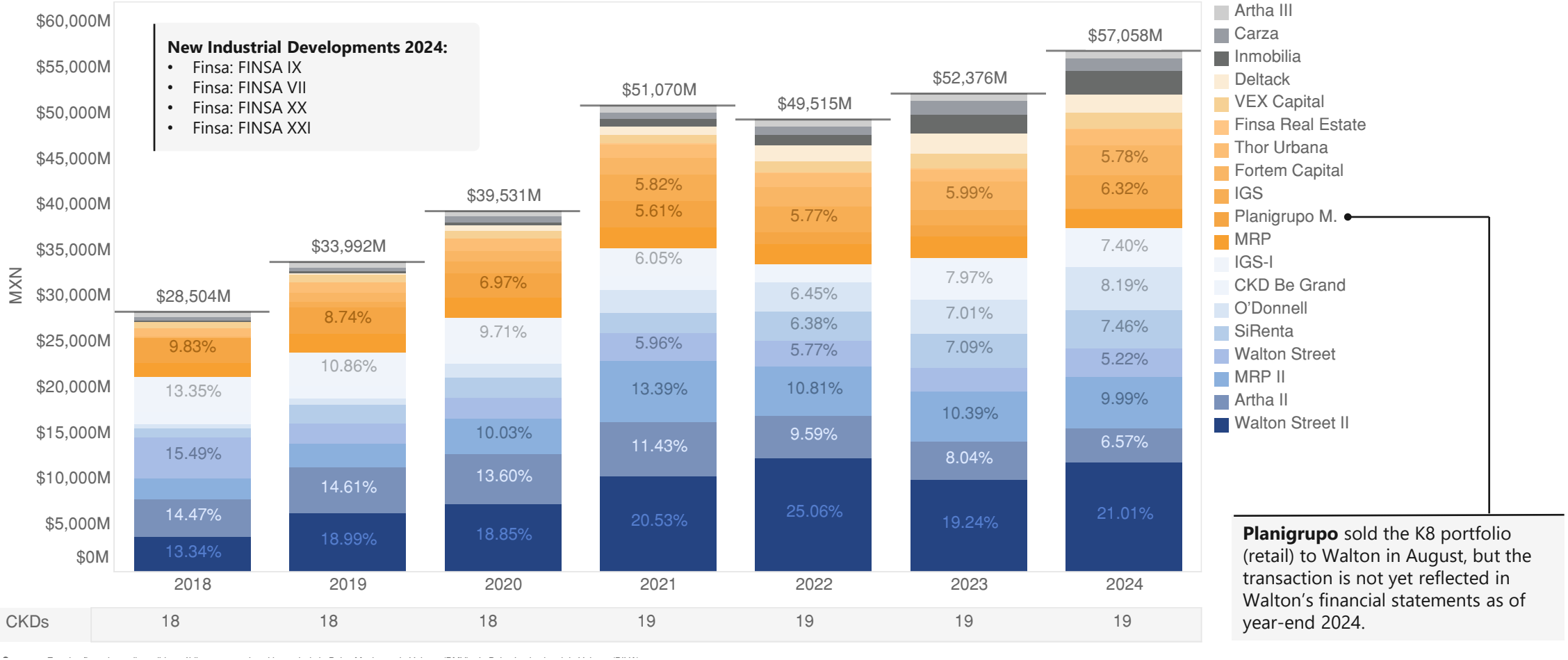
Fibra HD: Manages 29,1% of their own assets - the remaining portion was acquired by Fibra Plus.



Source: Publicly available financial statements on the websites of the Mexican Stock Exchange (BMV) and the Institutional Stock Exchange (BIVA).

Assets Under Management CKDs

8.9% Increase in 2024: The rise in AUM between 2023 and 2024 is explained by the consolidation of investments in active vehicles and the incorporation of new capital flows, reflecting greater dynamics in asset rotation and the strengthening of operating portfolios.

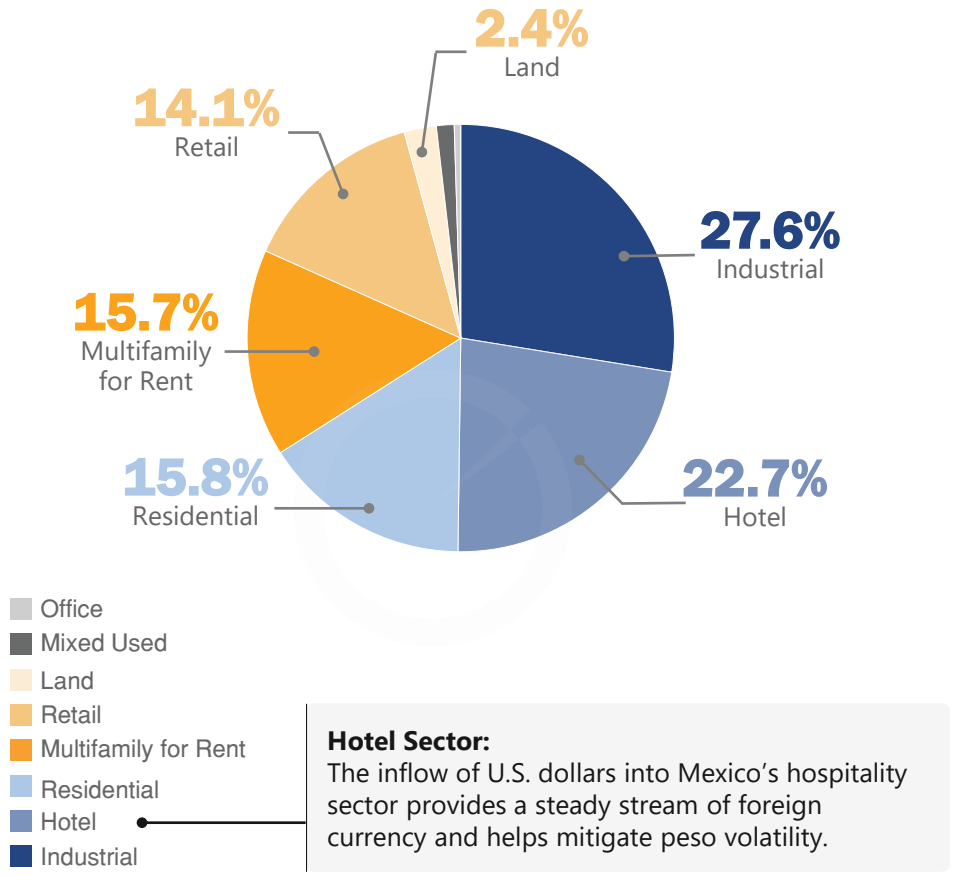


Planigrupo sold the K8 portfolio (retail) to Walton in August, but the transaction is not yet reflected in Walton's financial statements as of year-end 2024.

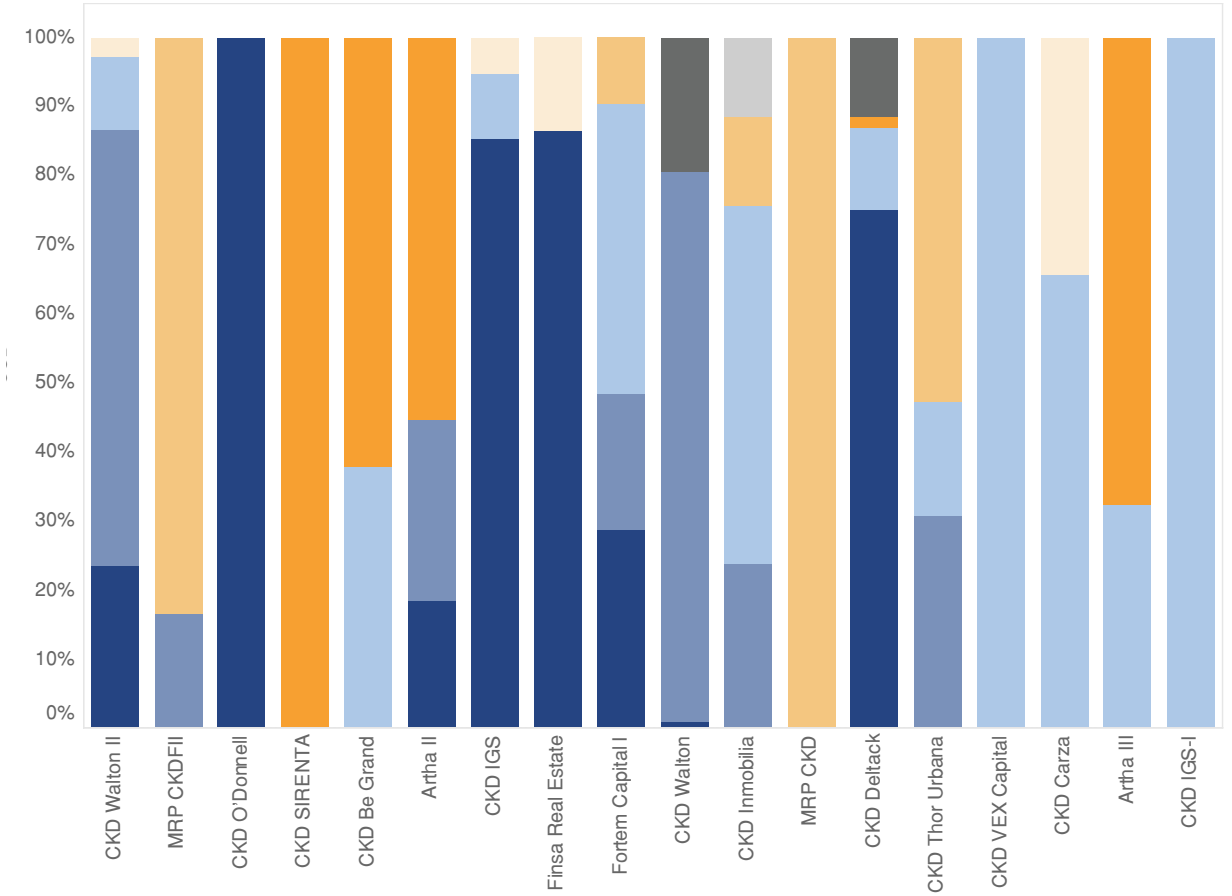
Source: Publicly available financial statements on the websites of the Mexican Stock Exchange (BMV) and the Institutional Stock Exchange (BIVA).

Assets Under Management by Sector 2024 - CKDs

Driven by the dynamism of tourism, the hotel sector ranks third in terms of CKD investment distribution. According to the Ministry of Tourism, Mexico received 77.4 million international visitors from January to November 2024, which is 15.6% more than in 2023.



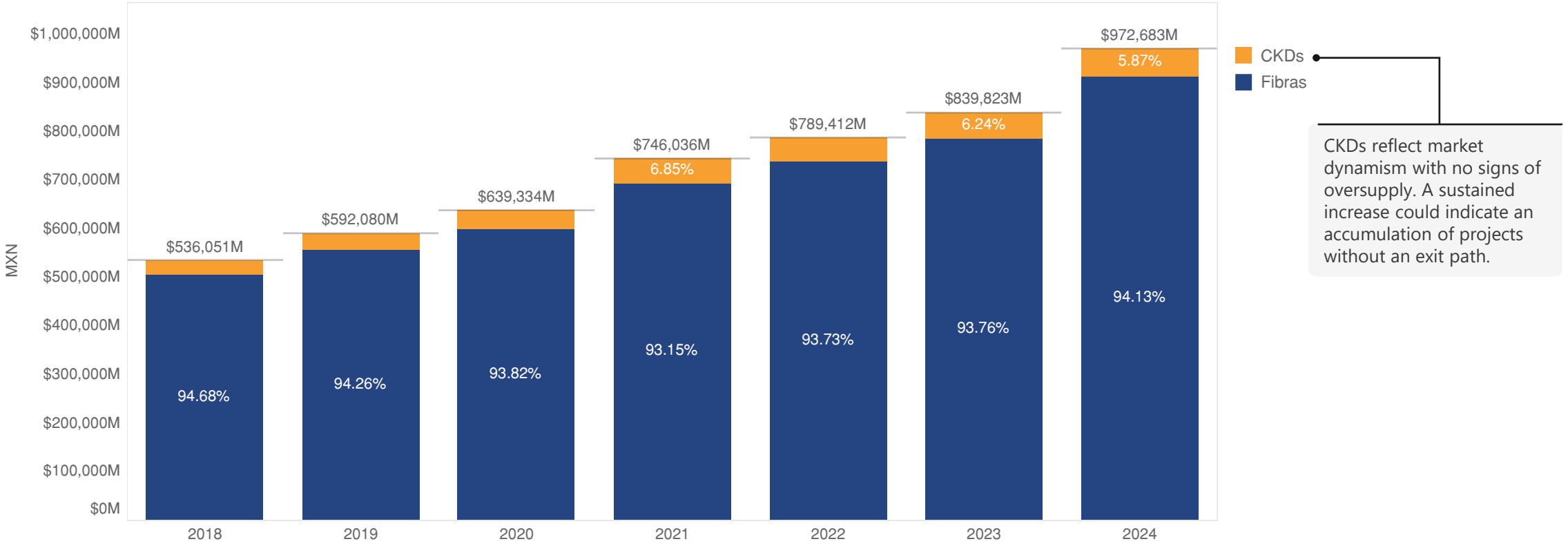
Hotel Sector:
The inflow of U.S. dollars into Mexico's hospitality sector provides a steady stream of foreign currency and helps mitigate peso volatility.



Source: Publicly available financial statements on the websites of the Mexican Stock Exchange (BMV) and the Institutional Stock Exchange (BIVA).

Assets Under Management - Fibras y CKDs

Although CKDs are not automatically integrated into Fibras, they do represent a key source of assets and future inventory. Their stable AUM suggests a consistent flow of projects that could support the growth of Fibras.

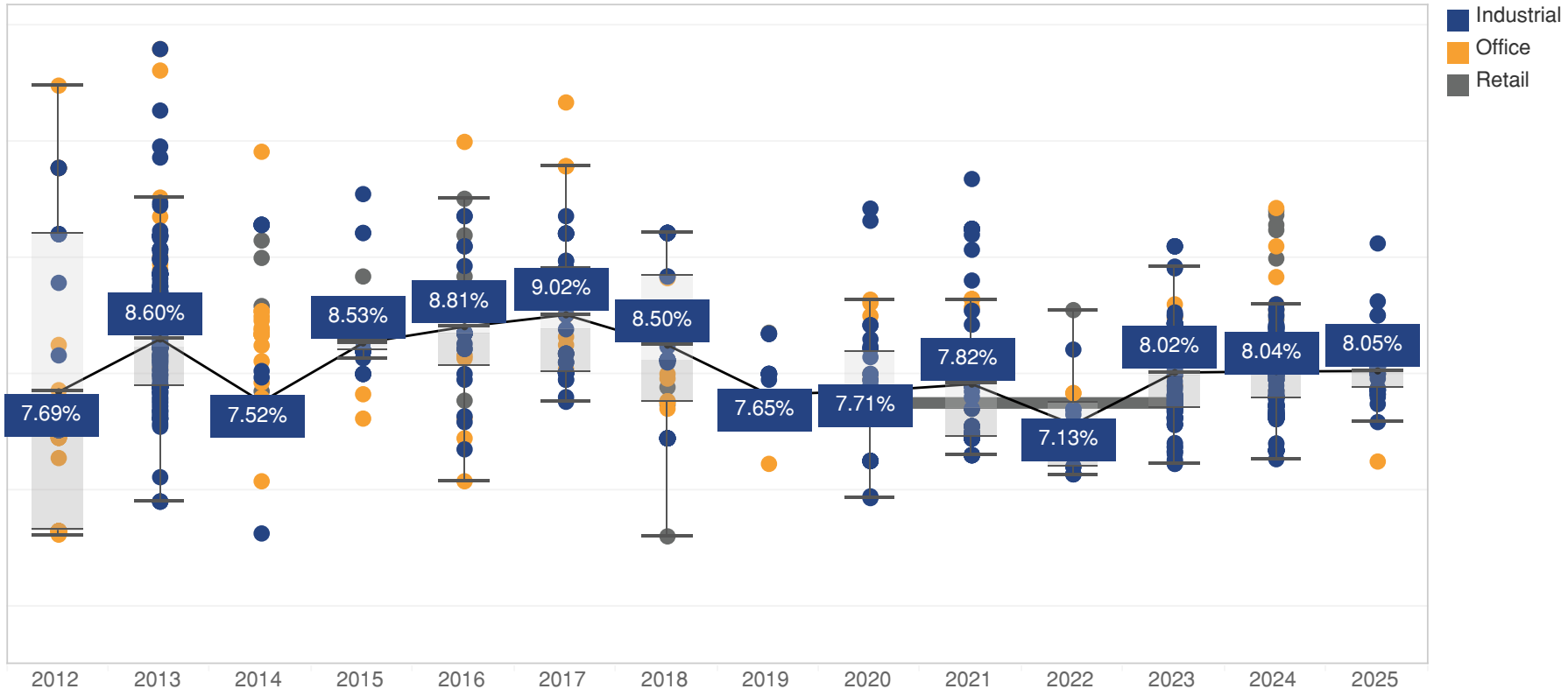


Source: Publicly available financial statements on the websites of the Mexican Stock Exchange (BMV) and the Institutional Stock Exchange (BIVA).

Planigrupo M: This CKD did not record any real estate investments in 2024; therefore, it does not represent real estate investment during this year.

Transactional Capitalization Rates

Mexico's real estate market experienced a period of high volatility between 2012 and 2018, followed by a recovery after the pandemic. Although capitalization rates have remained relatively stable in recent years, they are estimated to reach approximately 8.06% in 2025, significantly above the projected inflation rate of 3.5% according to the Bank of Mexico. This spread reflects a favourable investment environment in which real estate assets offer positive real returns relative to rising prices.



Source: Financial statements, LOGAN Mexico Database, SiiLA Mexico

Net Capitalization Rate

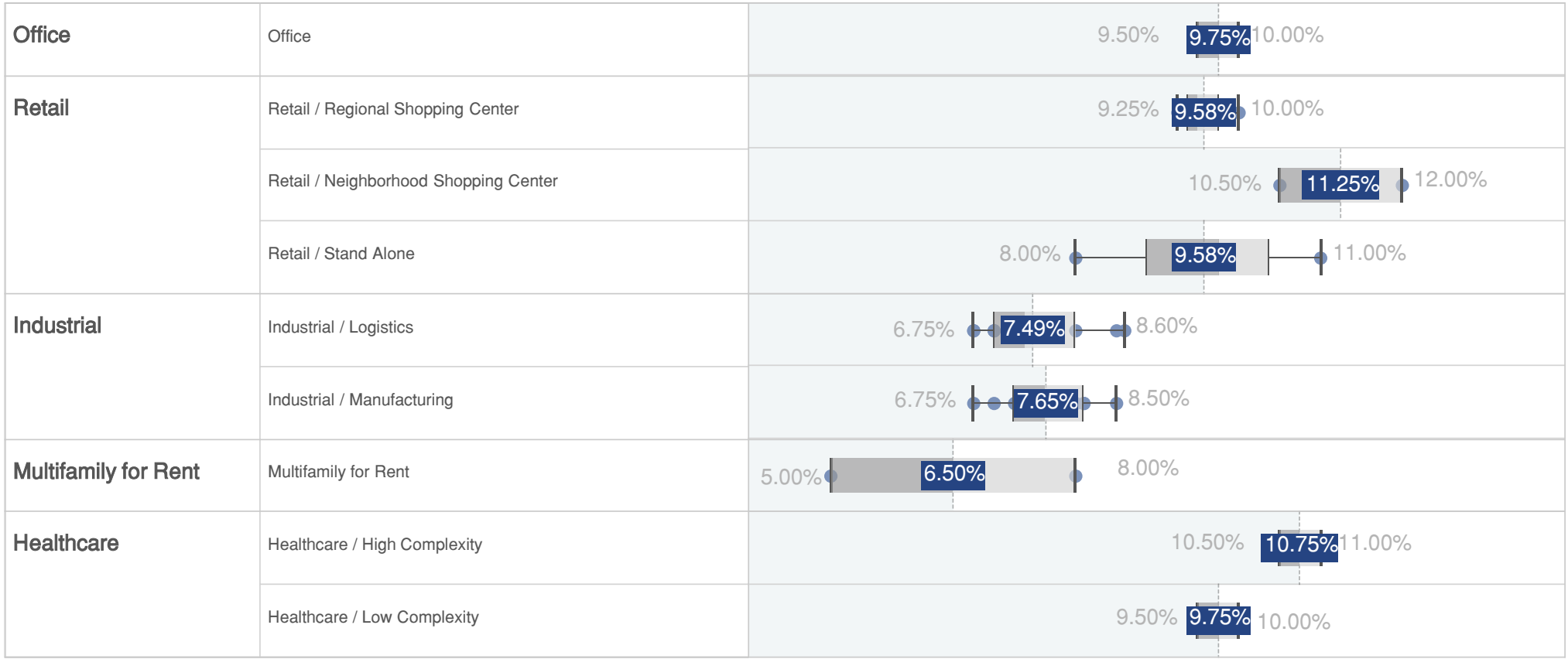
Respondents perceive a slight increase in certainty regarding industrial demand, as well as growing uncertainly in lower-tier hospitality projects, particularly in mass-tourism destinations.

	2023	2024	2025	2023	2024	2025	Forecast
Office	9.00% / 8.00%	10.50% / 7.75%	10.00% / 9.50%	8.43%	9.34%	9.75%	
Retail	12.00% / 8.50%	11.50% / 7.50%	12.00% / 8.00%	9.36%	9.60%	10.00%	
Industrial	9.50% / 6.75%	10.00% / 6.00%	8.60% / 6.75%	7.60%	7.83%	7.57%	
Multifamily for Rent	10.00% / 6.50%	10.00% / 6.00%	8.00% / 5.00%	8.17%	8.00%	6.50%	
Healthcare	12.00% / 7.75%	10.50% / 10.00%	11.00% / 9.50%	9.55%	10.25%	10.25%	
Hotel	11.50% / 7.00%	12.75% / 7.00%	13.00% / 7.50%	9.05%	9.34%	9.69%	

Nota: The information source is an annual survey conducted by LOGAN and directed at professional managers and developers in the real estate sector.

Net Capitalization Rate by Subsector

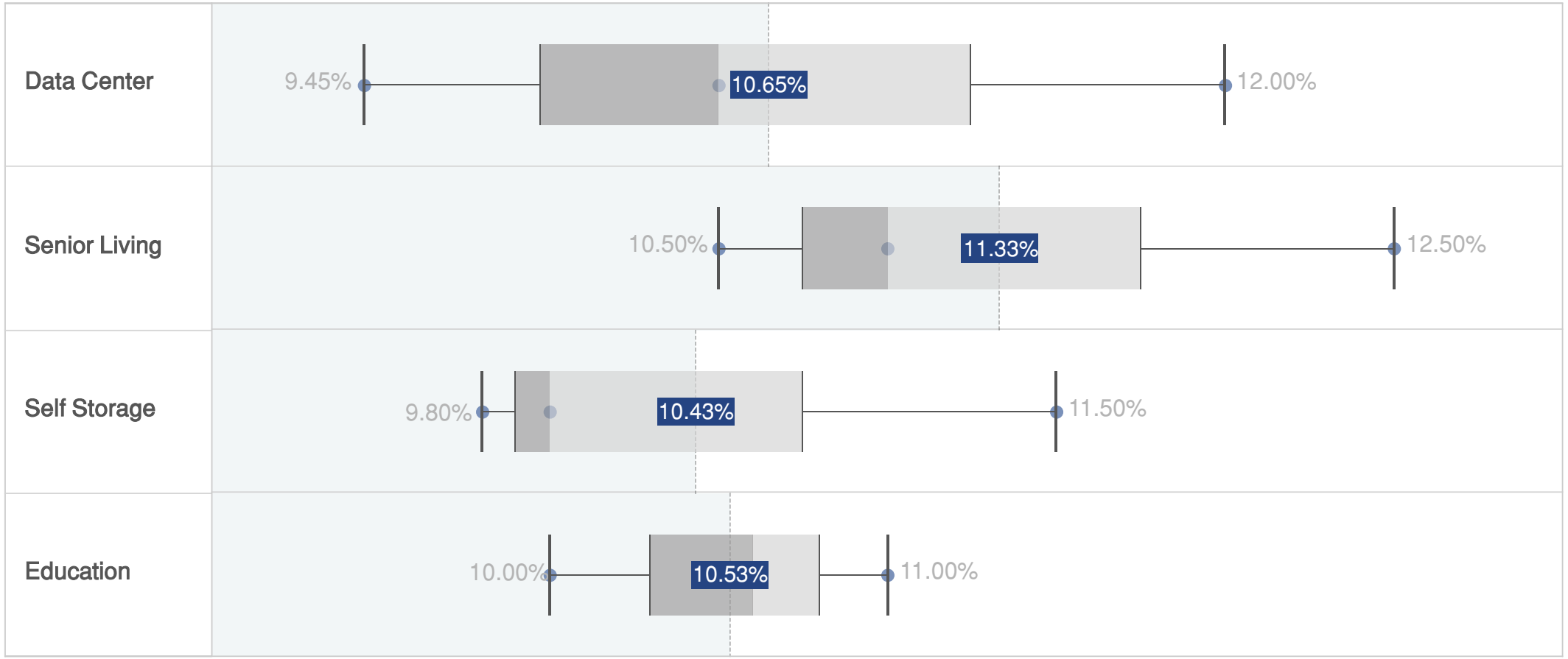
Various factors have influenced the certainty of capitalization rates across all sectors. However, the reduction in the cost of debt has been one of the most significant drivers, and respondents indicate that improved financing conditions have helped stabilize—or even slightly reduce—cap rates.



Note: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Net Capitalization Rate by Subsector Special Purpose

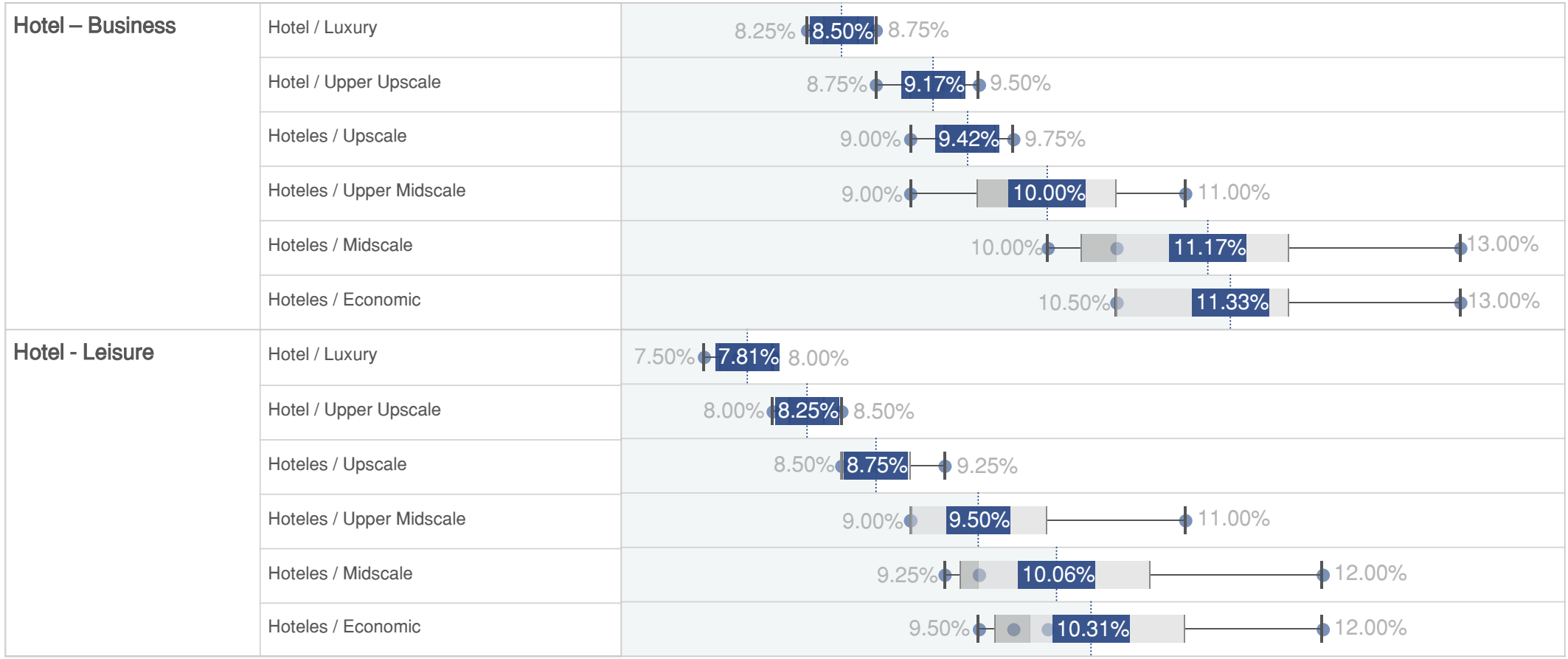
Special-use assets are beginning to attract the interest of institutional investors, with the education segment standing out due to its stability and long-term lease contracts.



Nota: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Net Capitalization Rate Hotel

Hotels in leisure-driven destinations maintain lower and more stable cap rates, supported by U.S. dollar–denominated income and limited new supply.



Nota: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Internal Rate of Return

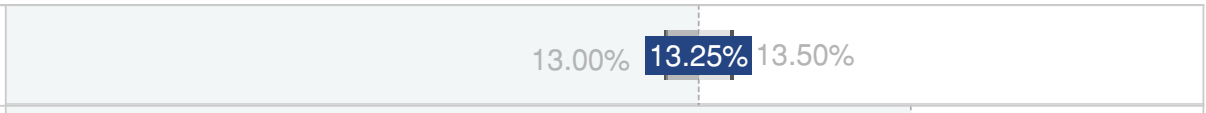
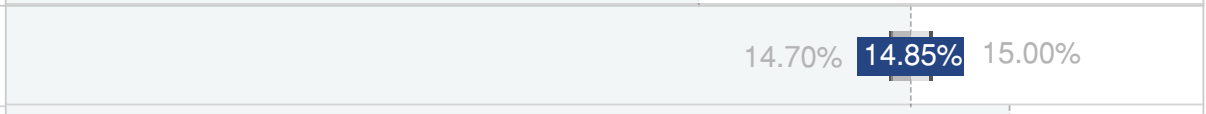
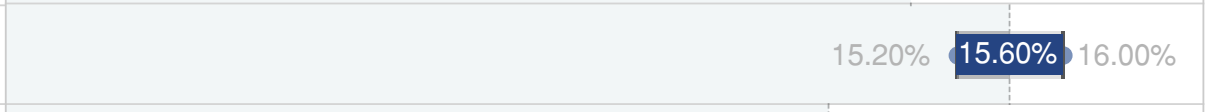
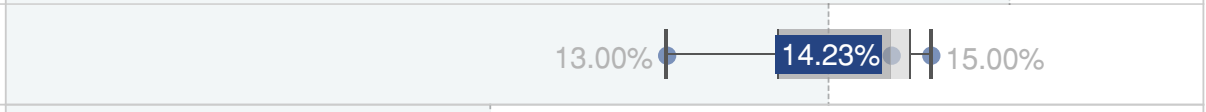
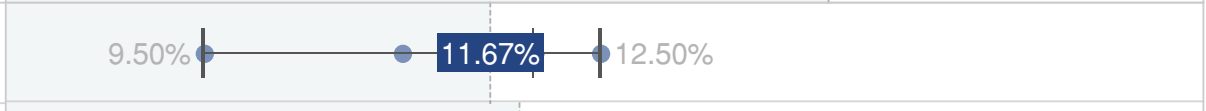
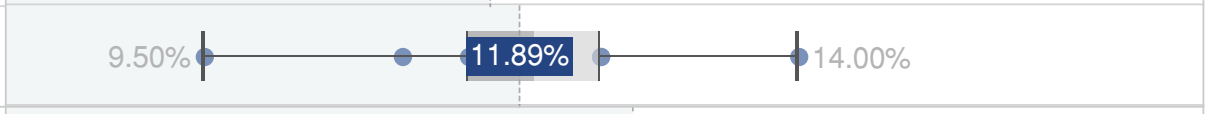
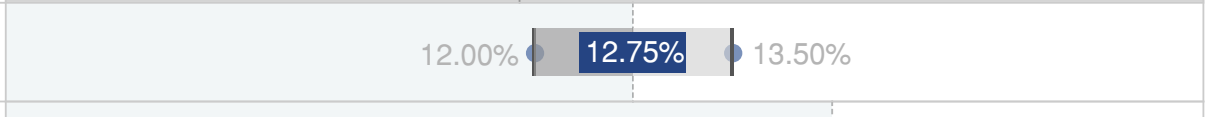
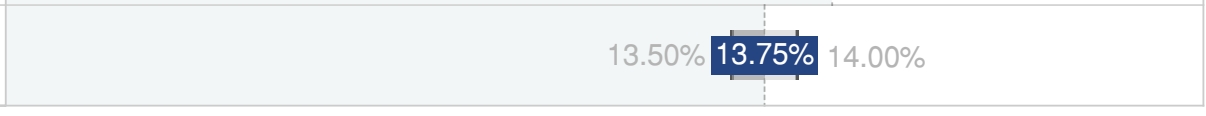
IRRs reflect lower financing costs and greater certainty in retail and multifamily rental markets, driven by peso stability and a narrower risk premium between dollar-denominated and local-currency assets.

	2023	2024	2025	2023	2024	2025	Forecast
Office	18.00% / 11.50%	14.50% / 12.00%	13.50% / 13.00%	14.00%	13.57%	13.25%	
Retail	20.00% / 11.00%	17.50% / 13.00%	16.00% / 13.00%	14.21%	14.61%	14.80%	
Industrial	17.00% / 9.00%	16.00% / 9.00%	14.00% / 9.50%	12.00%	12.34%	11.78%	
Multifamily for Rent	18.00% / 12.00%	15.00% / 12.00%	13.50% / 12.00%	14.38%	14.00%	12.75%	
Healthcare	17.00% / 12.00%	14.00%	14.50% / 13.50%	15.00%	14.00%	14.00%	
Hotel	20.00% / 12.00%	20.00% / 13.00%	19.00% / 10.00%	18.77%	14.99%	14.16%	

Note: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Internal Rate of Return by Subsector

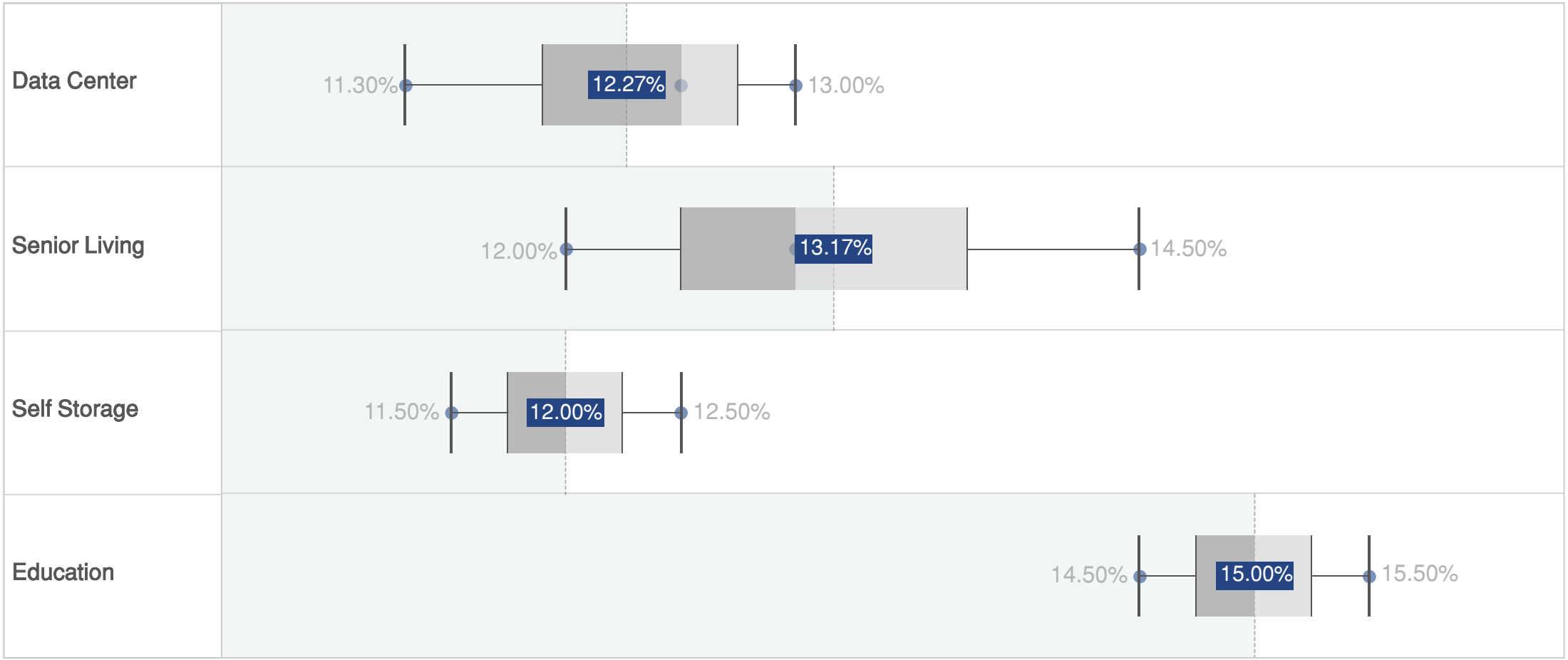
While industrial and residential segments show stability, the office sector reflects the volatility of a market still in transition.

Office	Office	
Retail	Retail / Regional Shopping Center	
	Retail / Neighborhood Shopping Center	
	Retail / Stand Alone	
Industrial	Industrial / Logistics	
	Industrial / Manufacturing	
Multifamily for Rent	Multifamily for Rent	
Healthcare	Healthcare / High Complexity	
	Healthcare / Low Complexity	

Note: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Internal Rate of Return by Subsector Special Purpose

Data centers, considered an extension of the industrial sector, and self-storage assets exhibit slightly lower IRRs due to the greater maturity of these asset types in Mexico and the institutional nature of the investments.



Note: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Residential Development Internal Rate of Return

Investors in residential development projects perceive higher risk in high-income products and therefore demand a higher return on invested equity than the project's IRR. This reflects the shallower market depth and the volatility of demand in premium segments.

	2023	2024	2025	2023	2024	2025	Forecast
High Income	20.00%	20.50% – 20.00%	22.00% – 20.50%	20.00%	20.25%	21.25%	
Middle Income	18.00%	25.00% – 14.00%	20.00% – 15.00%	18.00%	18.00%	17.50%	
Low Income	17.00%	17.00% – 15.00%	19.00% – 14.00%	17.00%	16.33%	16.50%	
High Income – On Equity	20.00%	20.00%	25.00% – 23.50%	24.00%	23.36%	24.25%	
Middle Income – On Equity	24.00% – 19.00%	24.00% – 18.00%	23.00% – 18.00%	21.27%	20.73%	20.50%	
Low Income – On Equity	22.00% – 19.00%	22.00% – 18.00%	22.00% – 17.00%	20.00%	19.36%	19.50%	

Note: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector. With the addition of new responses, the rates may vary relative to the information published last year.

Real Market Rent Growth

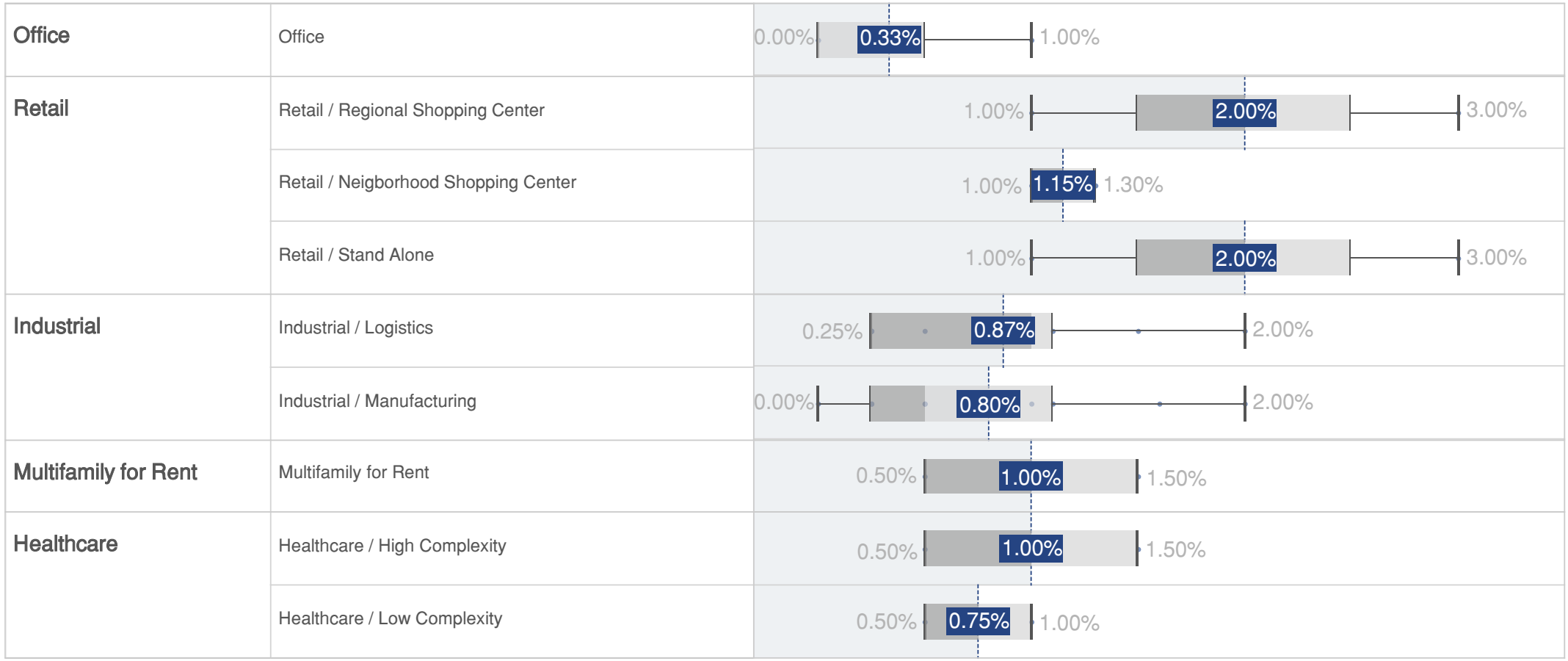
In the retail sector, strong tenant demand combined with limited availability of space in prime locations is expected to create a market imbalance in which demand exceeds supply. According to respondents' perceptions, this dynamic makes an increase in rents likely, particularly in the most established retail corridors.

	2023	2024	2025	2023	2024	2025	Forecast
Office	1.00% / -0.10%	1.00% / -1.00%	1.00% / 0.00%	0.19%	0.13%	0.33%	
Retail	7.00% / 0.00%	0.00%	3.00% / 1.00%	1.19%	0.87%	1.79%	
Industrial	5.00% / 0.00%	2.00% / 0.00%	2.00% / 0.00%	1.63%	1.41%	0.84%	
Multifamily for Rent	5.00% / 0.00%	3.00% / 0.00%	1.50% / 0.50%	1.86%	1.04%	1.00%	
Healthcare	2.00% / 0.00%	0.50%	1.50% / 0.50%	0.67%	0.50%	0.88%	

Nota: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Real Market Rent Growth by Subsector

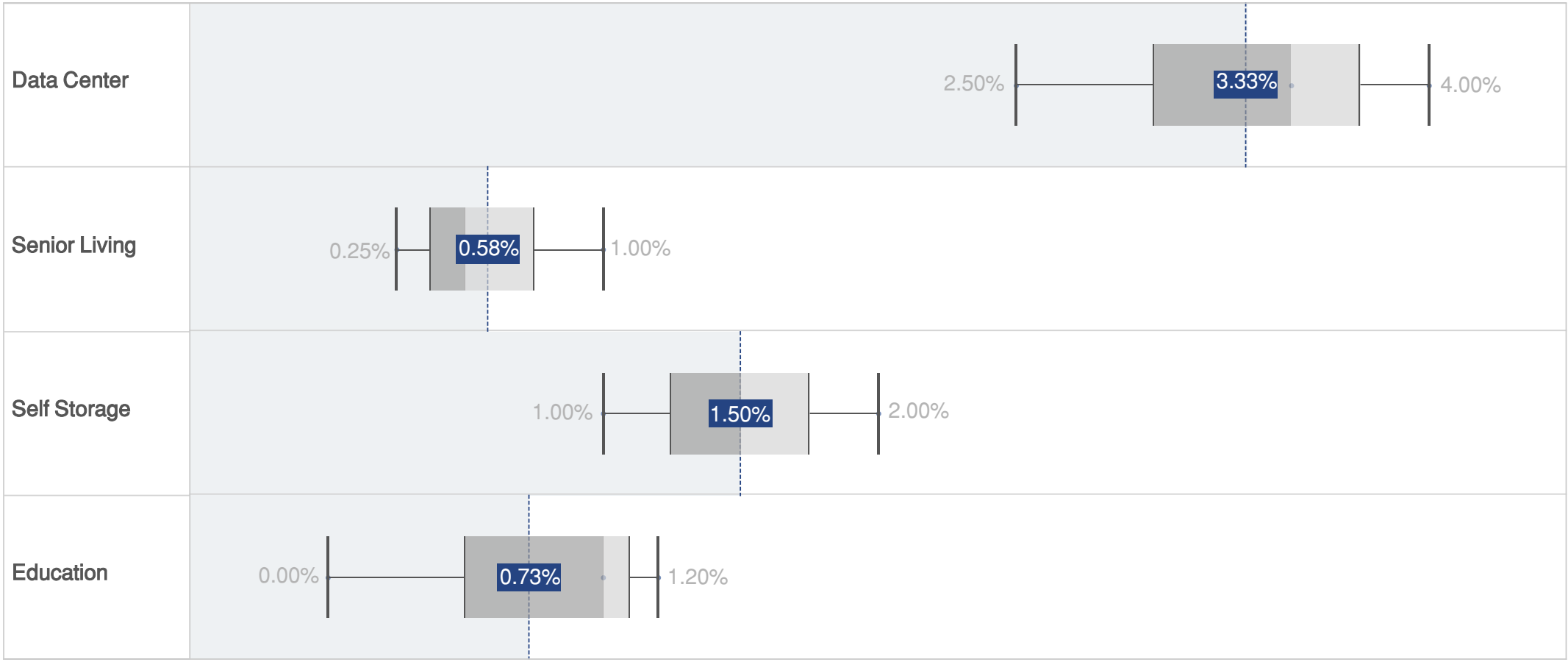
Respondents perceive that the office market remains oversupplied, while industrial rents continue to sit above their historical equilibrium range-between 100 and 200 basis points above inflation.



Nota: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Real Market Rent Growth by Subsector Special Purpose

Respondents anticipate stronger rent growth in data centers, possibly influenced by their high infrastructure investment, dollar-denominated contracts, and limited supply.



Nota: The information source is an annual survey conducted by LOGAN and directed at general partners and developers in the real estate sector.

Glossary

AUM (Assets Under Management / Activos Bajo Administración):
This corresponds to the gross value of assets, taken from the Financial Statements under the heading Investment Properties.

Real Market Rent Growth:
Percentage that measures the average annual increase in rental prices of a property or sector, based on market values, over inflation for the next 5 years.

Core Strategy:
The Core real estate strategy focuses on stable, well-located assets with long-term leases, prioritizing security and steady cash flows over high returns.

Core Plus Strategy:
This is a strategy of investing in high quality properties located in consolidated markets, which generate stable income, but with an additional risk component with respect to core, since they require management improvements, maintenance or repositioning to increase their profitability.

Opportunistic Strategy:
The opportunistic real estate strategy seeks high returns by assuming greater risk, investing in developments, distressed assets or assets in great need of transformation.

Value-add Strategy:
The value-add strategy in real estate focuses on assets that already generate income but require improvements, such as remodelling or management changes, to increase their value and profitability.

Herfindahl-Hirschman Index (HHI):
A measure of market concentration obtained by adding the squares of the shares of each player. A high value indicates greater concentration and less competition.

Nearshoring:
Strategy to relocate production processes to countries close to the final consumer market. Increased demand for industrial and logistics assets.

Risk Prime:
Percentage difference representing the additional return expected from investing in a riskier asset or project versus a less risky one. In real estate, it can be measured, for example, as the difference between the IRR of Development and the IRR of a stabilized asset.

Net Capitalization Rate (Cap Rate):
Percentage that measures the annual profitability of a property, calculated by dividing its Net Operating Income (NOI) by its market value or acquisition price.

Development Internal Rate of Return (Development IRR):
Percentage that measures the average annual profitability of a real estate project from its development stage to its sale or stabilization, considering all cash flows and the initial investment.

Internal Rate of Return (IRR):
Percentage that measures the average annual return on an investment, considering all future cash flows and its initial value, where the net present value equals zero.

LOGAN Valuation is an appraisal and consulting firm specializing in institutional real estate assets in Latin America. With a presence in six countries and a certified team (MAI, RICS), we offer rigorous technical analysis, market research and strategic advice for investment decisions. Our work spans multiple asset classes and combines regional reach with in-depth knowledge of each local market.

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