

# Macquarie Mexican REIT Completes Acquisition of City Shops del Valle Retail Center in Mexico City

Written by Australian Business

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MEXICO CITY--( [BUSINESS WIRE](#) )--Macquarie Mexican REIT (MMREIT) (BMV: FIBRAMQ) today announced that it has completed the acquisition of City Shops del Valle, a 15,914 square meter (171,297 square foot) retail center located in the Mexico City Metropolitan Area, in Colonia del Valle.

MMREIT had previously announced in July 2013 its agreement to acquire City Shops del Valle as part of an acquisition of a portfolio of six properties. The acquisition of the City Shops del Valle property was conditioned upon completion of construction.

“We are pleased to add this new center to our portfolio of high-quality retail properties,” said Jaime Lara, Chief Executive Officer of MMREIT. “City Shops del Valle is an urban infill property strategically located in one of Mexico City’s most affluent neighborhoods where there is limited room for additional commercial development. The property includes strong anchor tenants serving the growing needs of the surrounding communities. We look forward to working closely with them to ensure that their property management needs are met and that their customers, in turn, have a rewarding shopping experience.”

Tenants of the City Shops del Valle retail center include Superama, Bed Bath & Beyond, Cinemex, and Sports World among others. The center is nearly fully leased with an occupancy rate of 99.6% as of March 2014.

MMREIT estimates that the six property portfolio will generate approximately Ps.246.8 million (US\$19.0 million) of net operating income (NOI) and approximately Ps.157.5 million (US\$12.1 million) of funds from operations (FFO) on an annualized basis. NOI includes forecast rental income plus maintenance recoveries and parking income, minus property operating expenses (including the estimated property administration fee) for the full year 2014. FFO is equal to NOI minus corporate general and administrative expenses, debt service and management fees. US dollar figures are based on an exchange rate of 13.00 Ps/USD.

MMREIT paid approximately Ps.2.8 billion (US\$216.9 million) for the six properties, excluding transaction costs and taxes, with a potential earn-out of up to approximately Ps.84.4 million (US\$6.5 million) payable to the sellers based on additional lease up. Property taxes and transaction costs totaled approximately Ps.200 million (US\$15.4

million).

The transaction, including VAT, was funded with approximately Ps.257.4 million (US\$19.8 million) of senior debt drawn on an existing facility with GE Capital Real Estate México (GECREM) and approximately Ps.364.3 million (US\$28.0 million) of available cash. The GECREM facility bears interest at a rate of 90-day USD Libor + 3.85% per annum.

Following the closing of the acquisition, MMREIT's portfolio consists of 259 industrial properties and 8 retail/office properties, totaling 2.7 million square meters (28.5 million square feet) and 253.1 thousand square meters (2.7 million square feet) of gross leasable area across Mexico, respectively.

## About Macquarie Mexican REIT

Macquarie Mexican REIT (MMREIT) (BMV: FIBRAMQ) is a real estate investment trust (*fideicomiso de inversión en bienes raices*), or FIBRA, listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) targeting industrial, retail and office real estate opportunities in Mexico, with a primary focus on stabilized income-producing properties. MMREIT's portfolio consists of 259 industrial properties and 8 retail/office properties, located in 22 cities across 17 Mexican states (as of March 27, 2014). MMREIT is managed by Macquarie México Real Estate Management, S.A. de C.V. which operates within the Macquarie Infrastructure and Real Assets division of Macquarie Group. For additional information about MMREIT, please visit [www.macquarie.com/mmreit](http://www.macquarie.com/mmreit).

## About Macquarie Group

Macquarie Group (Macquarie) is a global provider of banking, financial, advisory, investment and funds management services. Macquarie's main business focus is making returns by providing a diversified range of services to clients. Macquarie acts on behalf of institutional, corporate and retail clients and counterparties around the world. Founded in 1969, Macquarie operates in more than 70 office locations in 28 countries. Macquarie employs approximately 13,900 people and has assets under management of over US\$359

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billion (as of September 30, 2013).

Macquarie Infrastructure and Real Assets, a division of Macquarie, is a leading global alternative asset manager specializing in investments across infrastructure, real estate, agriculture and energy. Macquarie Infrastructure and Real Assets manages 49 funds with US\$106 billion of assets under management across 25 countries (as of September 30, 2013).

**Cautionary Note Regarding Forward-Looking Statements:** This release may contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ significantly from these forward-looking statements.

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