

MEXICO CITY

Cushman & Wakefield

Global Cities Retail Guide

Mexico City, the ancient Aztec capital and heart of colonial New Spain, is one of the largest urban areas in the world, home to more than 22 million people. The city features both new and old traditions. Likewise, both home grown and international retailers thrive here. Among the vibrancy that typically characterizes an emerging market, Mexico's history stands alongside modernity here, giant shopping malls neighboring traditional shopping markets.

Both mass and luxury retail are prevalent in Mexico City, mirroring the market's purchasing power, which spans all income levels. The average per capita income of US\$25,200 is among the top for the developing world. Living at this crossroads of old and new-world traditions, Mexico City's people are open and avid consumers, willing to try what the world has to offer. As such, hundreds of international brands have established footholds in the market, opening both expanded and petite versions of their typical footprints. A retail laboratory indeed, Mexico City is not only the tip of the spear for many international retailers' Latin America market entry strategy, but also the birthplace for most Mexican national retailers, many of which are now expanding across the Latin world and beyond.

Mexico City is also leading the country's recovery. New developments have resumed construction and rental rates are trending upward, mirroring the transformative power of the city.



MEXICO CITY OVERVIEW

MEXICO CITY

KEY RETAIL STREETS & AREAS

SATÉLITE

Since its origin in the 1950s, "Satelite City," the first official suburb in the metro area, has been a compelling location for mass retailers willing to introduce innovative shopping experiences and concepts. These include the first large shopping mall, Plaza Satélite in 1970, the first entertainment center, Mundo E in 1990, and a large number of power-centers and family-oriented brands that target the middle classes and the significant density in working class northern Mexico City.

PERIFÉRICO SUR

The southern section of Mexico City's ring road borders many of the most reputable and affluent residential areas in the city. Its fashion malls, led by Perisur at the top of the ranking, enjoys a prestigious metropolitan reach. Several small-sized boutique shopping centers complete the picture for this car-oriented area.

INTERLOMAS

Interlomas' malls, stores, and supermarkets satisfy the ever-growing demand generated by the continuously expanding residential development of the area. Interlomas is clearly a family hub. Its diverse retail lures a typically young, upper middle class consumer.

INSURGENTES

Insurgentes avenue is more than 10 miles long and runs as a north-south axis for Mexico City's central area. The southern half features several corporate buildings as well as residential and retail complexes catering to a high density of middle class consumers.

HISTORIC DISTRICT

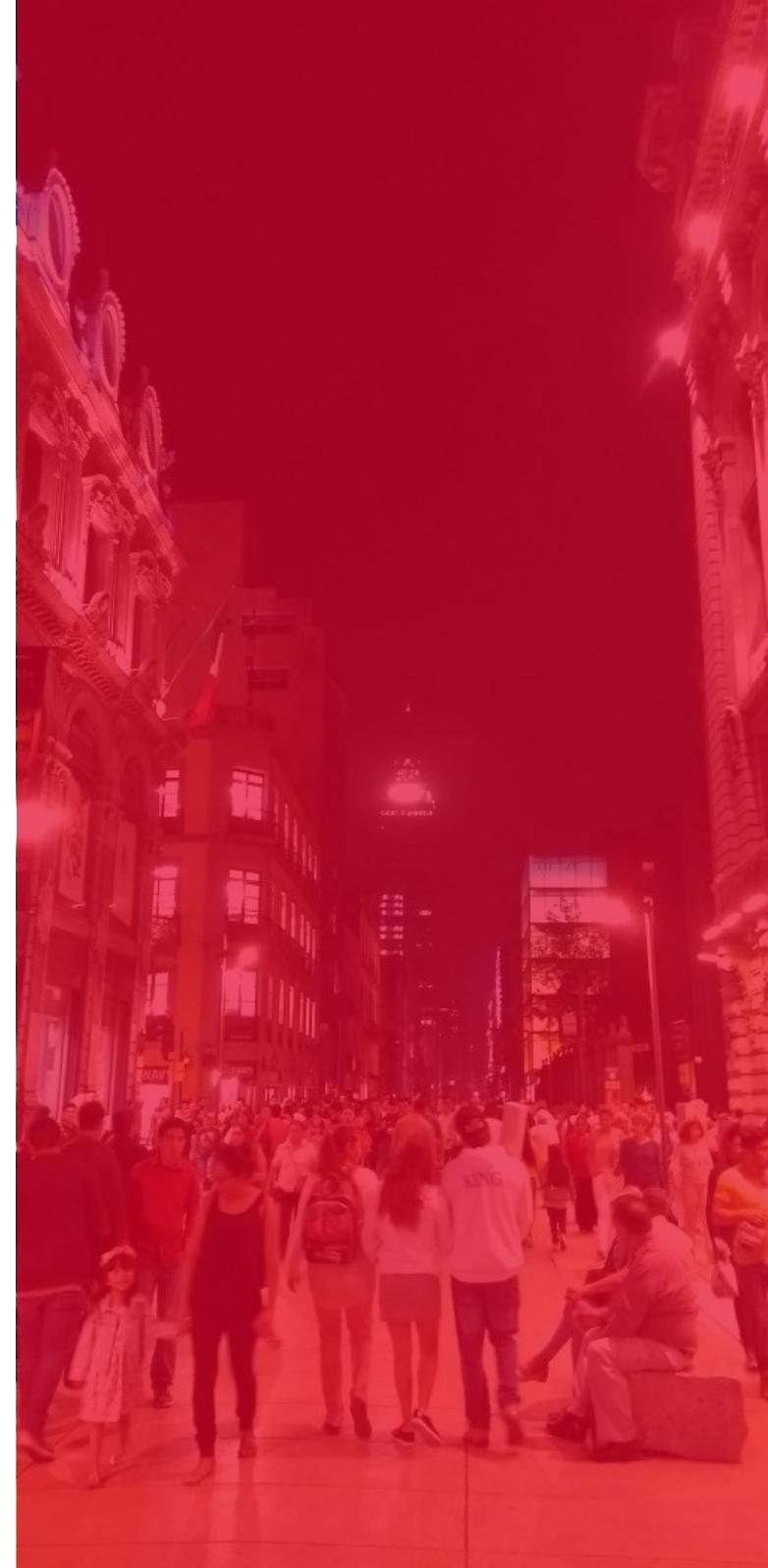
The "Centro Histórico" is a world heritage site listed by UNESCO. The old core of the city preserved its high volume of business activity, with dozens of streets specializing in a specific line of retail. The city government's efforts to revitalize the zone are attracting an historically high number of tourists and an unprecedented amount of investment.

POLANCO

Home of fashionable Masaryk street, luxury retailers take advantage of the pedestrian accessibility of this central business area neighborhood to showcase their brands. Leafy parks and high-connectivity help this market stand out as a fashion hub for the upper class.

SANTA FE

Santa Fe is a large corporate area with cutting-edge office projects and a growing number of residential developments. Intended to be a display of modernity, the development of the area had resulted in a car-oriented district and with big shopping centers, including Santa Fe Mall boasting 10,000 parking spaces and the largest gross leasable area (GLA) in Latin America.



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MARKET OVERVIEW

KEY AREAS / STREETS/ SHOPPING CENTERS	CONSUMER PROFILE	MAJOR RETAILERS PRESENT	NEW ENTRANTS	TYPICAL RENT FOR UNIT OF 2,000 SQFT	RANGE OF UNIT SIZES
Polanco	Local business density, Local shoppers, Tourists	Liverpool, El Palacio de Hierro, Saks Fifth Avenue, Louis Vuitton, Cartier, Gucci	Williams Sonoma	\$30-\$110 PSF/YR	1,000-150,000 SF
Historic District	Local business density, Tourists	Liverpool, El Palacio de Hierro, Zara, Forever 21	H&M	\$20-\$110 PSF/YR	500-50,000 SF
Insurgentes	Local business density, Local shoppers	Liverpool, Sears, Sanborns	William Sonoma	\$20-\$60 PSF/YR	500-100,000 SF
Satélite	Local shoppers	Liverpool, El Palacio de Hierro, Costco, Sam's Club	H&M	\$17-\$40 PSF/YR	500-150,000 SF
Periférico Sur	Local shoppers, Local business density	Liverpool, El Palacio de Hierro, Louis Vuitton	H&M	\$22-\$70 PSF/YR	1,000-150,000 SF
Interlomas	Local Shoppers	Liverpool, El Palacio de Hierro, Costco	Crate & Barrel	\$20-\$50 PSF/YR	500-150,000 SF
Santa Fe	Local business density	Liverpool, El Palacio de Hierro, Sears	Lululemon,	\$22-\$70 PSF/YR	1,000-150,000 SF



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SHOPPING CENTRES

ANTARA

With over ten years leading as the top luxury mall in Mexico, this open air mall acts as the anchor of one of the largest modern retail districts in Mexico. More than 400,000 sqm of high-profile office space is within walking distance, as the new United States embassy will also be. Some of the city's trendiest museums and theatres are located across the street. An expansion is planned to be completed by 2020, expanding and emphasising the already excellent food and entertainment offer of this mall.

PERISUR

Since 1982, Perisur has been a landmark shopping venue for Mexico City. The first true super-regional mall in the country, it has gone through many expansions and renovations, encouraging the growth of a retail ecosystem for the southern area of the city. The creation of this centre was the first time the three largest department-store retailers in Mexico joined forces to develop a shopping mall. Perisur proved a seminal proof-of-concept that propelled the role of real estate developers for these firms. Today it is undergoing a refurbishment that will position it to compete with the ever-expanding offer of shopping malls in the area.

CENTRO SANTA FE

Now 25 years old and the largest shopping mall in Latin America, Centro Santa Fe hosts over 400 stores in more than 120,000 leasable sq m. It has distinct sections specialised in entertainment (25 screen movie theatre, ice-rink, casinos, a children's theme park), two food halls, two large food courts and a luxury brand promenade. The surrounding area's population continues to grow, and this centre's metropolitan reach is likely to expand once the inter-urban high speed rail Mexico City-Toluca begins operation - one of its stops is at the gates of the mall.

PLAZA SATÉLITE

At the heart of Mexico City's original suburbia and in the middle of one of the densest middle class regions in the country, Plaza Satélite is a leader of large shopping malls in Mexico. From 1970 on it has been one of the preferred venues to sample modern retail concepts, targeting middle-income consumers. Today, it has recently completed a massive expansion that will alleviate its extensive waiting list of retailers.

DEVELOPMENT TO WATCH OUT FOR

ENCUENTRO OCEANIA

Total Size (sqm) 120,000

- Retail GLA (sqm) 72,000

- Leisure/Entertainment
GLA (sqm) 19,000

Planned Opening Date Q2 2019

Consumer Profile Mass-market local
residents

ABOUT THE DEVELOPMENT

Encuentro Oceanía will be the only Fashion Mall within a 7.5 km radius in a densely populated area. Located 5 minutes from the International Airport of Mexico City, this project will host more than 200 stores, including Ikea's debut in Latin America.



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FOOD & BEVERAGE

Mexico City is the melting pot of the varied and rich regional cuisines of Mexico. It is also a cosmopolitan city with splendid representatives of culinary traditions from all over the world.

From omnipresent outdoor food stands to fine brasseries, a diverse stock of venues fill a variety of formats, but they often require highly specialized conditioning, be it a large playground for children, a complex drive-in, or a Zen garden.

Most residents like the convenience of a fine-dining experience near their homes, but the residents of Mexico City are willing to fight traffic and take a long trip to enjoy their preferred taco stand. Exposure is as important as location, but flavor and ambiance trump both.

Fusion chefs find Mexican food a good context, and while there is a constant import of international culinary concepts such as Nobu, some concepts are exported abroad, as Sushi-Itto demonstrates.

Newcomers to market experience a challenge finding the right locations, but some areas have clustered a large number of preferred eateries. The Historic District has a long and rich tradition. For example, the Hostería de Santo Domingo has been serving customers since 1860. Condesa has a relaxed atmosphere luring a young crowd to its many bistros such as Merotoro. San Angel caters to businesspeople, families, and tourists alike at famous venues like San Angel Inn. Polanco has a long list of fine-dining examples such as Quintonil and Pujol, which ranked 11th and 13th respectively in the 2018 S. Pellegrino list of the World's Best Restaurants.

KEY AREAS	CONSUMER PROFILE	FOOD & BEVERAGE OPERATORS	RENT FOR TYPICAL 3,500 SQFT UNIT
Polanco	Business density, residential population, tourists	Pujol, Quintonil, Sir Winston Churchill's, Au Pied de Cochon, Brasserie Lipp, Biko	\$30-\$100 PSF/YR
Historic District	Secondary retail, tourists, business density	El Cardenal, Café Tacuba, La Opera, Los Girasoles, Limosneros, Hostería de Santo Domingo	\$20-\$100 PSF/YR
Condesa	Residential population, business density, tourists	Merotoro, Contramar, Azul Condesa, Agapi Mu	\$20-\$40 PSF/YR
San Angel	Business density, residential population, tourists	San Angel Inn, Eloise, Mandarin House, Saks	\$25-\$40 PSF/YR



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WHAT'S NEXT

REDEFINING THE LANGUAGE OF
RETAIL & LEISURE



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