



Bogota- Colombia Office Market

Slow Recovery of the Market

For the first quarter 2022, Newmark has performed an exhaustive revision of the inventory of constructed buildings in the city, in order to classify it according to the latest building's specifications in the region. Afterwards, the buildings of the city with the best characteristics were classified as A+ and A. As a result, of this classification, it was found that in Bogota, there exists 1,57 million square meters in these two categories, of which 37% corresponds to Class A+ and the 42% to Class A

It is worth to point out that Bogota's inventory has tripled in the last 10 years, presenting a renovation process in which an important number of buildings of high specifications have been constructed to respond to the demand of high-level companies that made presence in the Colombian capital city.

Current Conditions

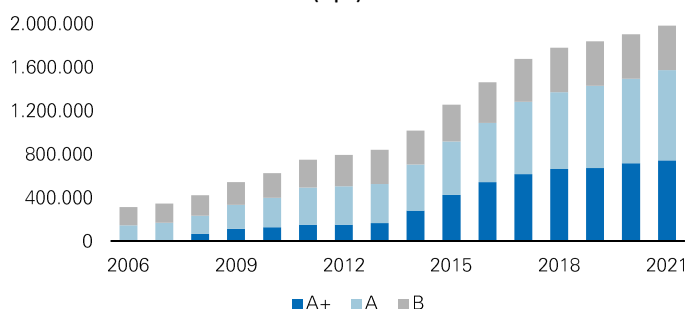
- The absorption for the first quarter 2022 is 18.700 sqm.
- The availability rate in Bogota reached a 12% for Classes A+ and A.
- Rent prices keeps falling closing in USD \$17.88 for Classes A+ and A.

Market Summary A+ and A

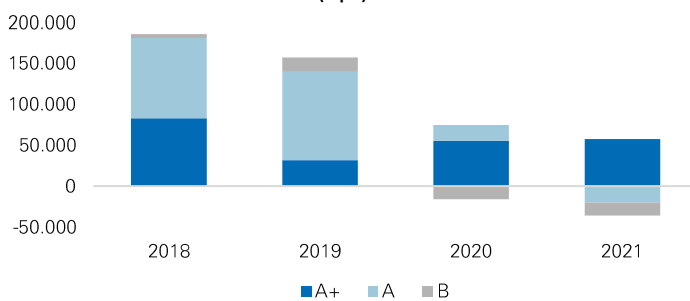
	Current Quarter (1Q 22)	Previous Quarter (4Q 21)	Previous Year (1Q 21)	12 month Projection
Total Inventory (sqm)	1,57 M	1,57 M	1,57 M	↑
Availability Rate	12,0%	12,9%	13,2%	↓
Quarterly Net Absorption (sqm)	18.676	2.578	9.587	↑
Rent Prices (USD/sqm/month)	\$19.20	\$18.01	\$18.30	↓

Market Analysis

HISTORIC INVENTORY PER CLASS (sqm)



HISTORIC ABSORPTION PER CLASS (sqm)



Supply Keeps Stable

Bogota closes the first quarter of 2022 with a supply of spaces Classes A+ and A of 176.852 sqm and 28.300 sqm of Class B, keeping very close to the registered in 2021. Within the submarkets with the most availability, Salitre submarket leads with a 22%, due to the buildings: Gran Estacion, CEMSA and Elemento. In second place, the submarkets Dorado and Calle 100 with a 18% and 15% respectively, of the total inventory.

On its part, the availability rate for Classes A+ y A close at 12%, falling one percentage point in respect to the same period of previous year, the gradual reactivation of the office buildings has been the main factor for this change.

Construction in Alternate Zones to CBD

Due to shortage of land to develop inside the CBD (Central Business District), the submarkets Salitre and Dorado have turned into the main protagonists of developments of office complexes. Buildings which its majority have been commercialized "to-suit", reinforcing these zones as an example of urbanism with a great attractive to companies that wishes to consolidate its operation on one single building.

Currently, these two submarkets which consolidate as the western peripheric, add up to one million square meters in plans, which aim to be constructed in the next five years. Despite the progressive reactivation in office occupations, developers are being conservative, postponing construction dates or just standing by to begin construction.

This behavior evidenced since the beginning of the pandemic; it is expected to continue at least until the end of the first half 2022. in is also expected that during 2022 there will be no important changes in the city.

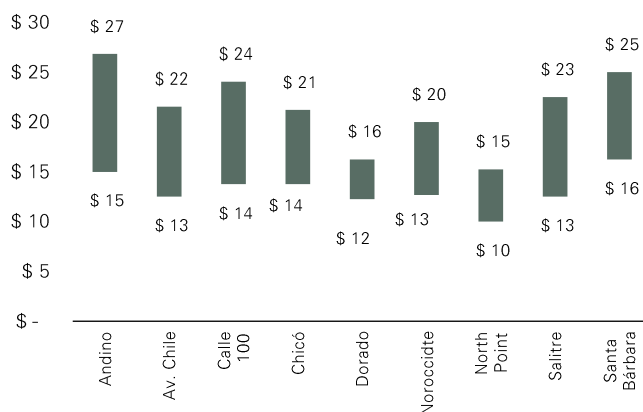
Stable Rent Prices

In general, rent prices have been presenting a slight falling trend during the last two years, a decrease result of the low pace in the absorptions and constant vacancies in some zones of the city.

It is evident, that the lowest average prices, and with most variations compared to the previous year, are found in zones with the most availability, as is the case of the peripheric submarkets, Salitre and Dorado. Similarly, sale prices have registered a decrease of 5% compared to the same period of previous year, on the same way as rent prices, is caused by the increase of availability.

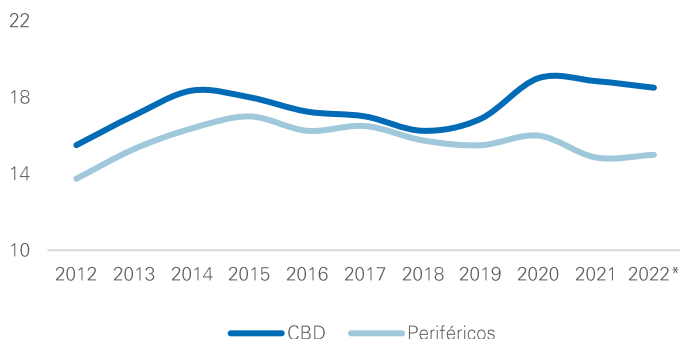
Rent Price Ranges per Submarket

A+ and A (USD)



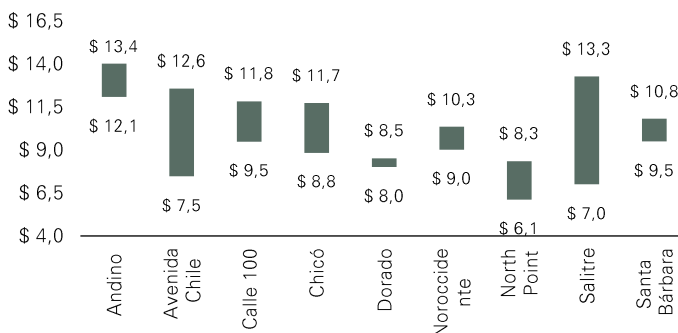
Historic Rent Prices

A+ and A (USD)



Sale Price Range per Submarket

A+ and A (Thousand USD)



Statistics per Submarket Classes A+ and A – Dollars (USD)

	Total Inventory (sqm)	Total Availability (sqm)	Availability Rate	Average Rent Price (USD/sqm/month)	Average Sale Price (USD/sqm/month)
Total CBD	665.155	79.831	12,0%	\$ 19,2	\$ 2.710
Andino	146.511	14.542	9,9%	\$ 20,4	\$ 2.847
Av. Chile	49.880	12.988	26,0%	\$ 18,6	\$ 2.526
Calle 100	168.522	23.223	13,8%	\$ 18,8	\$ 2.792
Chico	105.892	12.165	11,5%	\$ 18,5	\$ 2.661
Santa Bárbara	194.350	16.914	8,7%	\$ 19,8	\$ 2.723
Total Peripheric	910.817	97.020	10,7%	\$ 18,2	\$ 2.243
Northern Peripheric	237.572	22.889	9,6%	\$ 17,2	\$ 2.229
Colina	50.743	4.200	8,3%	\$ 18,4	\$ 2.244
Noroccidente	124.624	12.043	9,7%	\$ 18,9	\$ 2.544
North Point	62.205	6.647	10,7%	\$ 13,4	\$ 1.900
Wester Peripheric	537.687	51.553	9,6%	\$ 16,9	\$ 2.420
Peripheric Dorado	230.036	15.174	6,6%	\$ 16,2	\$ 2.184
Peripheric Salitre	307.651	36.379	11,8%	\$ 17,0	\$ 2.655
Others	135.558	22.578	16,7%	\$ 18,4	\$ 2.013
Centro Internacional	56.000	18.524	33,1%	\$ 22,4	\$ 2.053
Others	79.558	4.054	5,1%	\$ 14,5	\$ 1.974
Total Market	1.575.972	176.852	11,8%	\$ 19,2	\$ 2.476

Office Submarkets in Bogota

Office market in Bogota is sectioned in 11 submarkets, 5 of them compose the Central Business District (CBD), while the remaining submarkets correspond to the peripheric zones. Below, we will make a short description of each one of them:

Santa Barbara (CBD)

This submarket is located in the northeast of Bogota, in the locality of Usaquen. Comprehends the frame of the 7th and 9th avenues, and 127th and 110th streets. It is a zone where it is found important corporations. Is a zone where important businesses of the financial, hotels and gastronomic sectors are located, which makes it a high value environment.

It is surrounded by important roads that guarantee mobility towards north, south and west of the Colombian capital. The Pepe Sierra avenue, the 7th avenue, 9th avenue and 127th street make part of the complete mobility road network of the zone. In addition, there are 48 IPTS (Integrated Public Transportation System) bus stations.

Counts with a 12% of the total of Class A+ and A buildings in Bogota, of which there are flagship buildings such as : Cusezar, Samsung Tower, Tierra Firme Tower and AR Tower. Its location and prestige, has made it one of the preferred submarkets of companies such as SAP, Dell, Samsung, Procter & Gamble and Protobaco.

Calle 100 (CBD)

As its name indicates, this submarket comprehends the frame of the 100th street, one of the most important main roads in the north of the city. The limits of this submarket are between the 7th avenue and Northern Highway (Transmilenio main line).

This strip is a complete dedicated zone to the hotel sector and offices, which has made this a traditional submarket in the city for financial entities and multinational for several years.

This submarket concentrates an 11% of the A+ and A class buildings in the city, and a 27% of the total of square meters of B class buildings. Counts with representative office buildings such as : Capital Tower, Torre 100, City Business, North Tower, and more. Among the most important companies located in this submarket there are: Abbot Labs, Nestle, Amway, Citibank, Heineken, Chevron, and more.

Chico (CBD)

Currently, is one of the most exclusive zones of the city. This submarket corresponds to one of the luxury neighborhoods of the city, of which its objective is to reflect modernity, luxury, comfort and a quality life, zone which subsequently begin replacing residences into retail and office adapting to the services demand of the community and for being framed by important roads as the 100th st., 7th av. and 15th av.

In Chico, residential life coexist with the day by day of companies, banks, notaries, restaurants and chain hotels. In addition, the retail sector offer great variety of businesses such as galleries, boutiques and retailers of sale of articles and goods.

Its geographic location in Bogota, is one of the most privileged, with important green areas which converge with zones of famous restaurants, luxury retailers, nightclubs and leisure. This interesting mix, has made Chicó the place of important national and multinational companies, some of them are Microsoft, Sony Music, Sura, Pay U, Sierracol.

Andino (CBD)

Same as Chico, this submarket counts with an unbeatable real estate attractive. Its architecture mixes a proprietary colonial style of the family houses of the mid 20th century, with modern buildings and luxury shopping malls, designer boutiques and shops, high level restaurants, bars, rooftops and nightclubs.

One of the greatest attractive of this submarket is its location, since it has a great supply of public transportation in roads such as 9th av. 7th av. & 76th st. in addition, counts with 44 IPTS bus stops/stations and long bike roads along 11th road.

This submarket counts with the 9% of the A+ and A square meters of the city, and although it is not one of the biggest submarkets, it has been the preference to several multinationals and companies such as: JP Morgan, British and New Zealand's embassies, Terpel, Sony, United Nations, Michael Page, Facebook, among others.

Avenida Chile (CBD)

30 years ago, this submarket turned into the first concentration zone of high-end office buildings. It was recognized as the financial district of the city, since it gathered the most important banks and financial entities. Nevertheless, the shortage of land has reduced almost to nothing the opportunity to develop new office projects with big floorplates and high-end specifications, which has lagged its importance in the corporate market and due that there has been new flagship developments in other zones of the city.

Keeps the name of one of the most important streets, the 72nd, a road that runs through the city from east to west at the northern part of the city.

Although it counts with only a 3% of the Classes A+ y A buildings of the city, this zone concentrates a 18% of the Class buildings of the capital. Due its status and tradition, this sector is preferred by diplomatic services entities and companies such as: Davivienda Bank, Bolívar Insurances, Caja Social Bank, National Credit Management, Caracol Radio and Colombia's Stock Exchange.

Centro Internacional

It was the nest of the offices in Bogota, the first zone where big companies established in the first years the city's development of the city near the 40's. Walking around it, is a time travel journey where the heart of the governance of the country is found. Governmental buildings such as the capitol, universities and all kinds of formal & informal retailers are found, as well as great classic restaurants.

Its importance begin moving to new development zones of the city in the mid 70's, as a result of the growth and populational settlement, in addition to the urban deterioration of the zone. However, many renovation plans have began to bring back downtown its relevance, during the last years, a few projects with excellent specifications such as Atrio towers, have been under development offering an alternative to the sector.

Salitre (Wester Periphric)

Located at the west, this submarket has gained relevant importance as an alternative to the consolidated CBD at the north of the city. The zone counts with a wide attractive in terms of green areas, longitudinal parks provided with multiple sport fields, bike roads and pedestrian walkways are part of the spaces destined for sports and recreation.

Currently, concentrates the major amount of A+ and A square meters of the city with a 19% total. It is the zone where the great office projects of the city are located, as a result of being a zone with availability of land to develop buildings of great floorplates. It is recognized as the submarket with the most up-to-date buildings in the market, and a wide road network. An urbanistic reference for the country and architectonic reference in the whole city.

Due its proximity to the city's airport and the Intermunicipal Bus Station, is a zone with a wide hotels offer. Being the submarket with the most supply of big areas, big companies that used to be spread around the city in multiple locations, were able to consolidate, such as: Lexmark, Argos, Une, Jhonson & Jhonson and Nokia.

Dorado (Western Periphric)

This submarket, similarly, as Salitre, are located along 26th st., however, as a difference of it, its proximity to the airport makes a mixed composition between industrial and air transport related activities, hotels, logistics, added to the business development and office buildings for thus purpose.

Dorado concentrates 15% of the A+ y A buildings, however, a difference between Salitre is its major composition and supply are Classes A and B offices, focused to less-demanding occupants such as some Call Centers y BPO's.

In this zone, outstands the Connecta Business Complex and Buró 25, as well as corporate occupants such as the airline Avianca, Interglobe, Amazon, Scotiabank and Teleperformance.

Northwest (Northern Peripheric)

This submarket is one of the newest submarkets in the city. As result of its growth in residential development, mostly Class Á+ buildings began to consolidate, main reason of why this submarket takes relevance in the office sector.

Counts with important access roads such as: Northern Highway and 127th st., additionally, it has great access to public transportation and Transmilenio stations. Its remoteness with the most crowded and commercial zones of the city, makes it of easy mobilization as an additional attractive.

This submarket concentrates the 7% of the Class A+ and A offices of Bogota, mainly because of the Colpatría Business Complex, which, in its currently developed three towers add up to 60,000 Class A+ square meters approximately.

Colina (Northern Peripheric)

Colina is a privileged zone, counts with wide and important access roads and is a reference point at the west of the city, where residential and retail are predominant.

This small submarket corresponds to newer buildings that have been developed around residential neighborhoods, although it only counts with four buildings, they correspond a 3% of the total inventory.

North Point (Northern Peripheric)

Same as Colina, this zone is composed only by four developed buildings and a parking tower in a zone known as North Point, as the first towers were named at the beginning. This buildings have gained a relevant position in the office market concentrating 4% of the Classes A+ and A offices in the city.

Map of Office Submarkets in Bogota



Economy 2021 & 2022

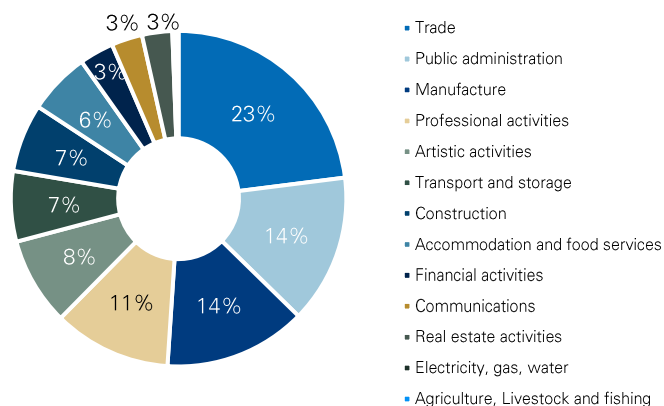
Colombia's GDP registered a growth of 10.6% in 2021, the highest in the history of the country and a strong rebound after the contraction of 2020 because of the Covid-19 pandemic.

Likewise, the Economy Monitoring indicator ranked 7.8% for January 2021. Retail was the great propellant through this period, followed by manufacturing industry and artistic activities, first time this line appears under this prominent position during the pandemic.

Fortunately to better indicators due to the investment in Colombia and a better GDP behavior in 2021, it is expected that economy of the country will grow at a 4.9% in 2022.

Employment per Sector of the Economic Activity

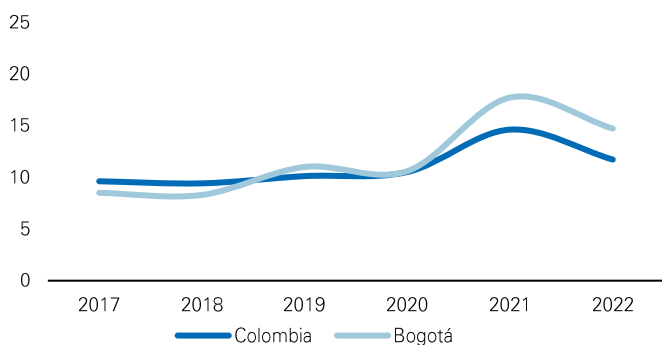
Bogotá, FEB 2022



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Unemployment Rate

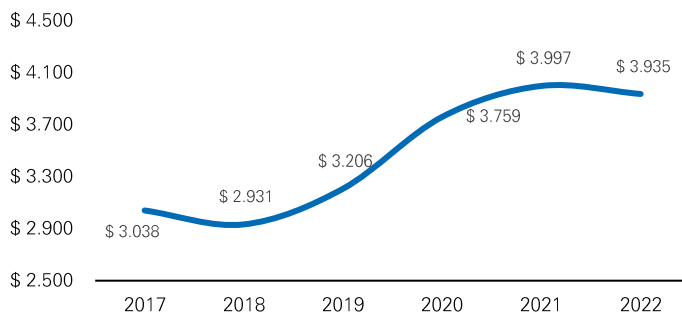
ANNUALIZED INDICATOR



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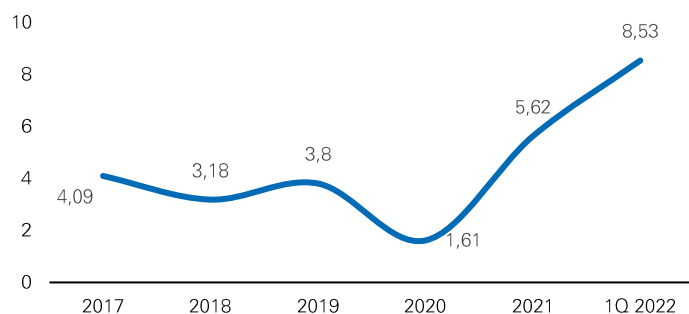
Exchange Rate

COLOMBIAN PESO PER AMERICAN DOLLAR (USD)



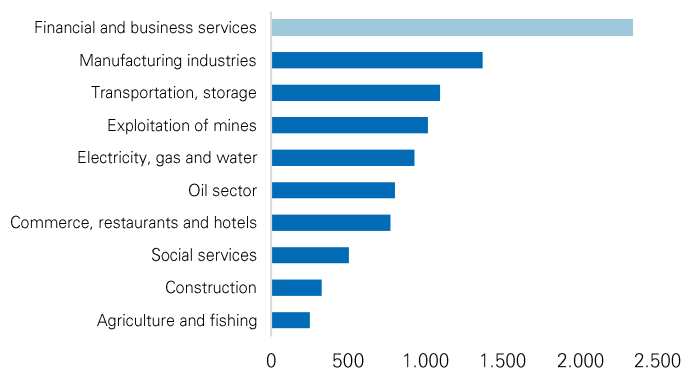
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Consumer Price Index (CPI)



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Direct Foreign Investment (2021)



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Newmark ha implementado una base de datos propia y la metodología de seguimiento ha sido revisada. Con esta expansión y refinamiento en nuestros datos, puede haber ajustes en las estadísticas históricas, incluyendo la disponibilidad, precios de renta, absorción y rentas efectivas. Nuestros reportes de mercado se encuentran disponibles en nmrk.lat/reportes-de-mercado/

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