

Bogota Industrial Market

The recovery of the industrial market continues

The first half of 2022 closes with a very positive perspective for the industrial market, according to Dane, the manufacturing industry registered in April 2022 an annual variation of 13.5%, contributing 8.5 percentage points to the total variation of the Industrial Production Index of that month.

The BTS construction trend continues in the industrial parks that still have land to develop, led by the Calle 80 corridor that has positioned itself as the one with the greatest development of this type of projects.

Occupancy by CEDIS and e-commerce companies continues to be the driver of absorption in Bogotá, reaching absorption levels of 164,000 square meters for the first half of the year

The positive behavior of the industrial market is expected to continue in the second half of the year registering absorptions close to or higher than those registered during 2021.

Current Conditions

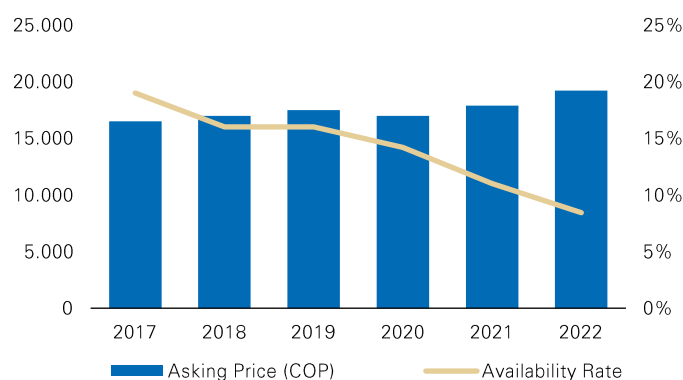
- The absorption of the first half of 2022 was 164,000 m².
- Bogotá's availability rate dropped to 8.5%, Class A closed at 8.9% and Free Zones at 13%.
- The average rental price of Class A was COP\$19,200/m²/month, that of the Free Trade Zones closed at COP\$19,150/m²/month.

Market Summary

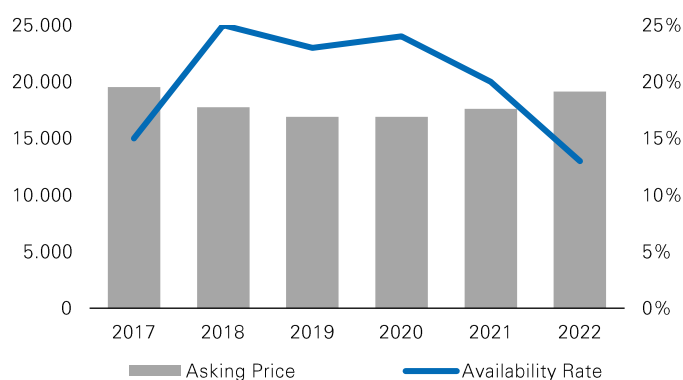
	Current Semester (1S 22)	Previous Semester (2s 21)	Previous year (1S 21)	12-Month Projection
Total Inventory (m ²)	2,54M	2.39M	2.39M	↑
Availability Rate	9,8%	14,2%	17,7%	↓
Quarterly Net Absorption (m ²)	164.000	149.606	55.781	↑
Accumulated Net Absorption (m ²)	164.000	205.387	55.781	↑
Rental Price(COP/m ² /month)	\$19.150	\$18.000	\$17.700	↑

Market Analysis – Average Rental Price and Availability Rate

A CLASS



FREE TRADE ZONE



Industrial Parks continue to be occupied

Newmark selected 28 Class A industrial parks and six Free Zones that make up the competitive inventory.

Analyzing the inventory, it is found that although new industrial parks have not been completed, during the first six months of the year the inventory increased by 8%, as a result of finished warehouses, mostly BTS (Built to Suit) in the corridor calle 80, an area that has consistently led the growth of the inventory since in its parks there is still land to develop.

The reactivation of the economy in the country has added to the growth of e-commerce, has made the supply continue to decline, at the end of the first half of the year it reached 153,000 square meters, decreasing by 16% compared to the previous period and 40% with the same period of 2021.

Absorption during the first half of 2022 closed at 164,000, well above that registered in the same period the previous year. For the occupation of warehouses by Mercado Libre, CEVA Logistics, Refax, Solística, Bomi, Ingram Micro and Ega Kat, among others.

In the rest of the year, it is expected that the inventory will not have major changes, because it is not expected that large projects will be completed. for this reason, the supply will remain stable. This is since the occupations that will be observed during the year will correspond to BTS.

Free trade zone

There are 6 free zones that are in the competitive inventory of Bogotá, adding a little more than 726,750 square meters, increasing by 2% compared to the end of 2021, growth caused by the delivery of warehouses in the Free trade Zone.

Like the industrial parks, the free zones have started the year with great dynamism, supply closed at 94,375, decreasing by 38% compared to the same period in 2021.

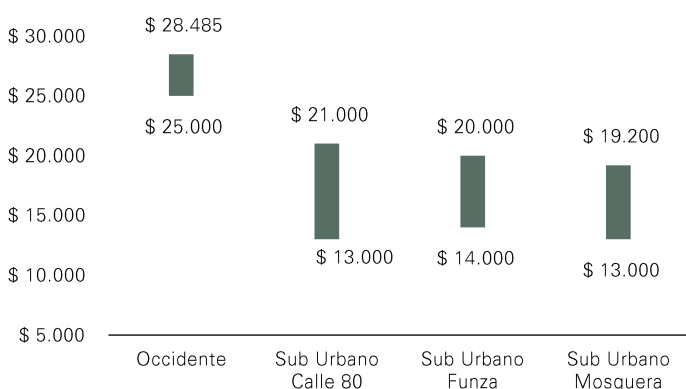
The vacancy rate, for its part, fell to 13%, a decline mainly caused by occupations in the Bogotá Free Trade Zone and in Gachancipá Free Trade Zones. Occupations that led to the absorption to register 76,000 square meters during these 6 months.

Perspectives 2022

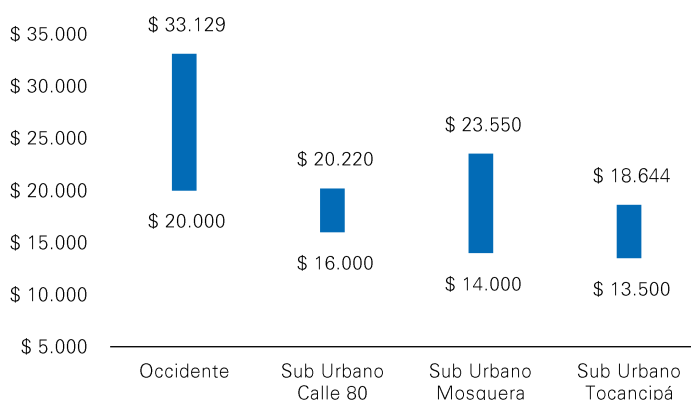
For the remainder of 2022, it is expected that the dynamics of demand will continue to increase, mainly due to the occupation of CEDIS and spaces in BTS that are already under construction, however, no major changes in inventory or launch of new industrial parks are expected.

There is an expectation that although prices have remained stable with a slight upward trend, they may be affected by the change in the price of raw materials, the inflationary effect and the changes in government that the country is going through.

Class A Rental Price Ranges by Corridor (COP)



ZF Class Rental Price Ranges by Corridor (COP)



Free trade zone

According to Procolombia, entity in charge of promoting Tourism, Foreign Investment in Colombia, a Free trade Zone is an incentive for exports that allows the development of industrial, commercial and service activities, under special regulations, in exchange, tax, customs and foreign trade.

The benefits of the Free Zone are:

Customs:

- Customs extraterritoriality
- Non-payment of customs duties for capital goods, equipment, supplies and spare parts from abroad
- Unlimited storage of foreign goods without payment of taxes.- Payment of partial taxes on the merchandise, received to be used just in time in Colombia
- Partial processing of goods in the TAN (Territory -- National Customs), without the need to pay taxes and customs procedures.

Tax:

- Single income tax rate of 15% for industrial users.
- Sales from the national customs territory to industrial users of goods and services are exempt from VAT. (E.T. Art. 481 of Law 1004/2005).
- When paying the income taxes of the company, the partners are exempt from income.

Free trade Zone Classes in Colombia

In Colombia there are 4 types of Free trade Zones:

Industrial Free Zones for goods and services:

To promote and develop the industrialization process, the provision of services aimed primarily at foreign markets and marketing

Industrial Free Zones for technological services:

In order to promote and develop technology-based companies (those whose products are scientific research and technological development, new products and processes of creation, generation and appropriation of technology oriented to export and subsidiarily towards the national market).

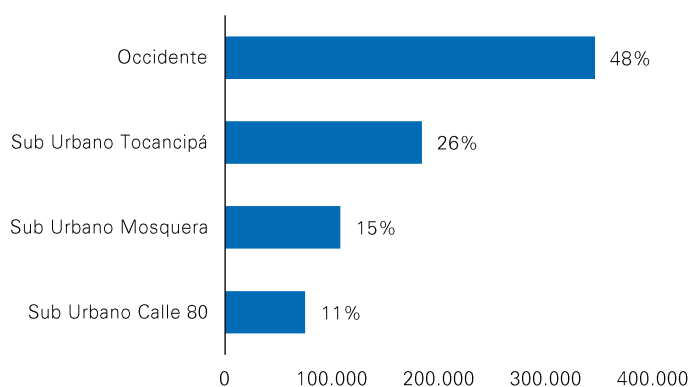
Tourism Industrial Free Zones:

To promote the provision of tourist services, intended primarily for foreign tourism (receptive) and secondarily for national tourism. Tourist activities are, among others: the provision of accommodation services, travel agencies, restaurants, organization of congresses, transportation services, sports, artistic, cultural and recreational activities

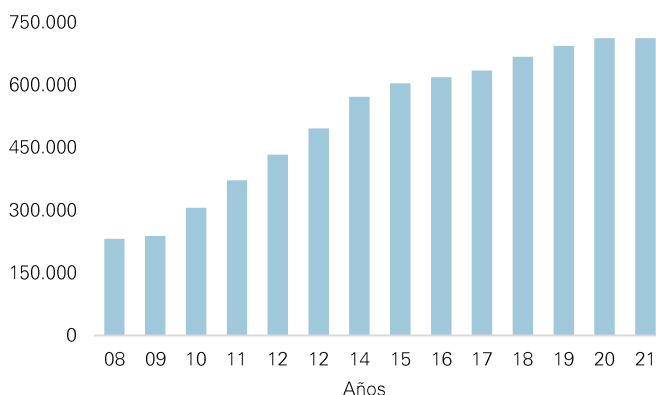
Temporary Free Zones:

To promote international fairs, exhibitions, conferences and seminars of an international nature that are important for the economy and international trade

Distribution of GLA in the Submarkets (m²)



Historical Inventory of Free Zones (m²)



Statistics by Class A Submarket – COLOMBIAN PESOS

	Total Inventory (sqm)	Total Availability (sqm)	Vacancy Rate	Accumulated Net Absorption (ANA)	Average Rent Price (COP/sqm/month)	Average Sale Price (COP/sqm/month)
Occidente	27.299	1.925	7,1%	1.073	\$ 25.000	\$ 3.100.000
Sub Urbano Calle 80	1.163.843	119.318	10,3%	94.487	\$ 18.092	\$ 2.386.000
Sub Urbano Funza	61.841	6.505	10,5%	-1.500	\$ 20.000	-
Sub Urbano Mosquera	374.400	15.531	4,1%	19.050	\$ 13.788	\$ 2.664.800
Sub Urbano Tocancipá	185.692	9.800	5,3%	16.147	\$ 17.500	
Total Market	1.813.075	153.079	8,4%	129.257	\$ 19.220	\$ 2.473.847

Statistics by Submarket Free Trade Zones - COLOMBIAN PESOS

	Total Inventory (sqm)	Total Availability (sqm)	Vacancy Rate	Accumulated Net Absorption (ANA)	Average Rent Price (COP/sqm/month)	Average Sale Price (COP/sqm/month)
Occidente	345.635	22.540	6,5%	3.382	\$ 24.376	\$ 2.685.853
Sub Urbano Calle 80	74.817	20.718	27,7%	9.036	\$ 17.852	\$ 2.550.274
Sub Urbano Mosquera	122.500	32.657	26,7%	17.778	\$ 17.816	\$ 2.128.486
Sub Urbano Tocancipá	183.790	18.460	10,0%	45.934	\$ 16.548	\$ 2.215.346
Total Market	726.742	94.375	13,0%	76.130	\$ 19.148	\$ 2.409.882

Statistics by Submarket Class A - USD

	Total Inventory (sqm)	Total Availability (sqm)	Vacancy Rate	Accumulated Net Absorption (ANA)	Average Rent Price (COP/sqm/month)	Average Sale Price (COP/sqm/month)
Occidente	27.299	1.925	7,1%	1.073	\$ 7,0	\$ 775,0
Sub Urbano Calle 80	1.163.843	119.318	10,3%	94.487	\$ 4,5	\$ 596,5
Sub Urbano Funza	61.841	6.505	10,5%	-1.500	\$ 5,0	
Sub Urbano Mosquera	374.400	15.531	4,1%	19.050	\$ 3,4	\$ 666,2
Sub Urbano Tocancipá	185.692	9.800	5,3%	16.147	\$ 4,5	
Total Market	1.813.075	153.079	8,4%	129.257	\$ 4,4	\$ 618,5

Statistics by Submarket Free Zones -USD

	Total Inventory (sqm)	Total Availability (sqm)	Vacancy Rate	Accumulated Net Absorption (ANA)	Average Rent Price (COP/sqm/month)	Average Sale Price (COP/sqm/month)
Occidente	345.635	22.540	6,5%	3.382	\$ 6,1	\$ 671,5
Sub Urbano Calle 80	74.817	20.718	27,7%	9.036	\$ 4,5	\$ 637,6
Sub Urbano Mosquera	122.500	32.657	26,7%	17.778	\$ 4,5	\$ 532,1
Sub Urbano Tocancipá	183.790	18.460	10,0%	45.934	\$ 4,1	\$ 553,8
Total Market	726.742	94.375	13,0%	76.130	\$ 4,8	\$ 602,5

GDP growth above expectations

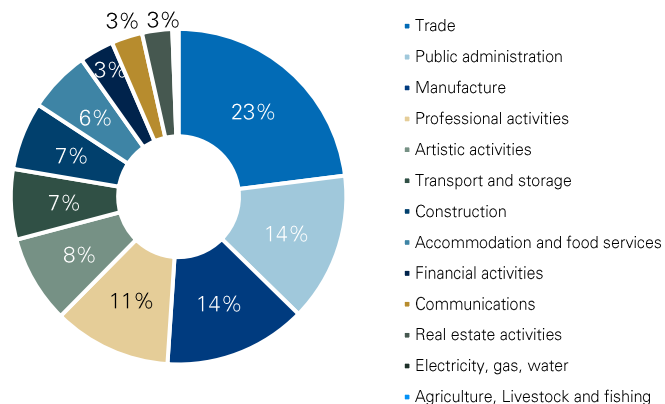
The GDP grew 8.5% in the first quarter of 2022, among the activities that stood out the most are: commerce, manufacturing and artistic activities, which contributed 5.5 percentage points. The country's GDP is expected to grow 6.1% in 2022 and 2.3% in 2023.

However, one of the main problems for the Colombian economy is the growth of annual inflation, which has reached 9.2%, with which monetary policy is expected to remain restrictive until the end of 2023, in order to control high inflation

On May 29, the first president of the country, Gustavo Petro, was elected.

Employment by Sector of Economic Activity

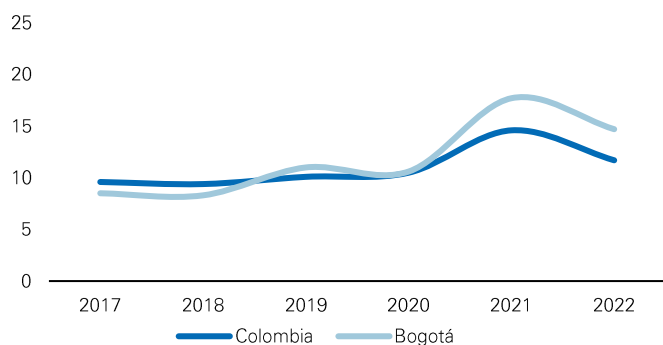
BOGOTÁ, APRIL 2022



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Unemployment rate

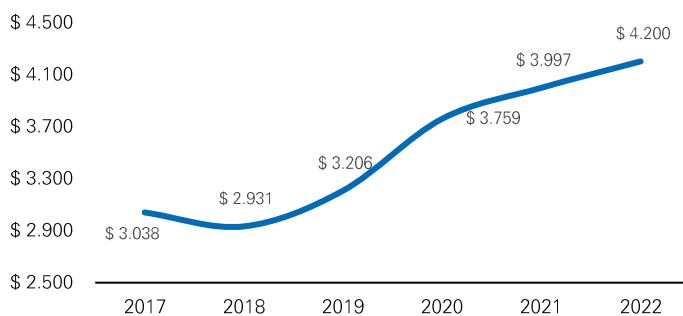
ANNUALIZED INDICATOR



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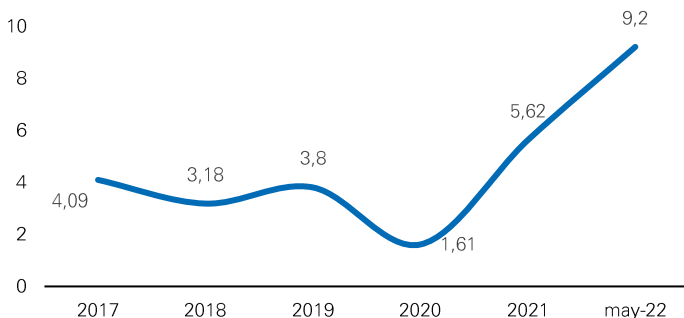
Exchange rate

COLOMBIAN PESO PER AMERICAN DOLLAR (USD)



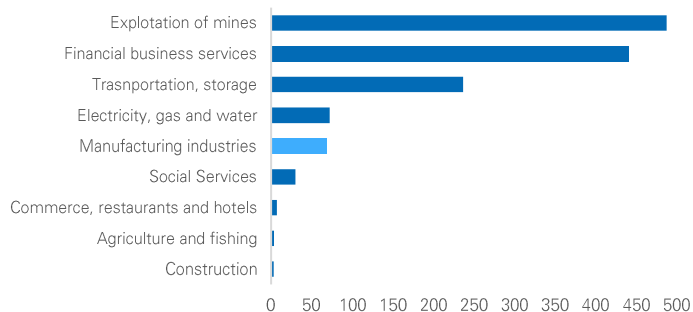
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Consumer Price Index (CPI)



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Foreign Direct Investment (2022)



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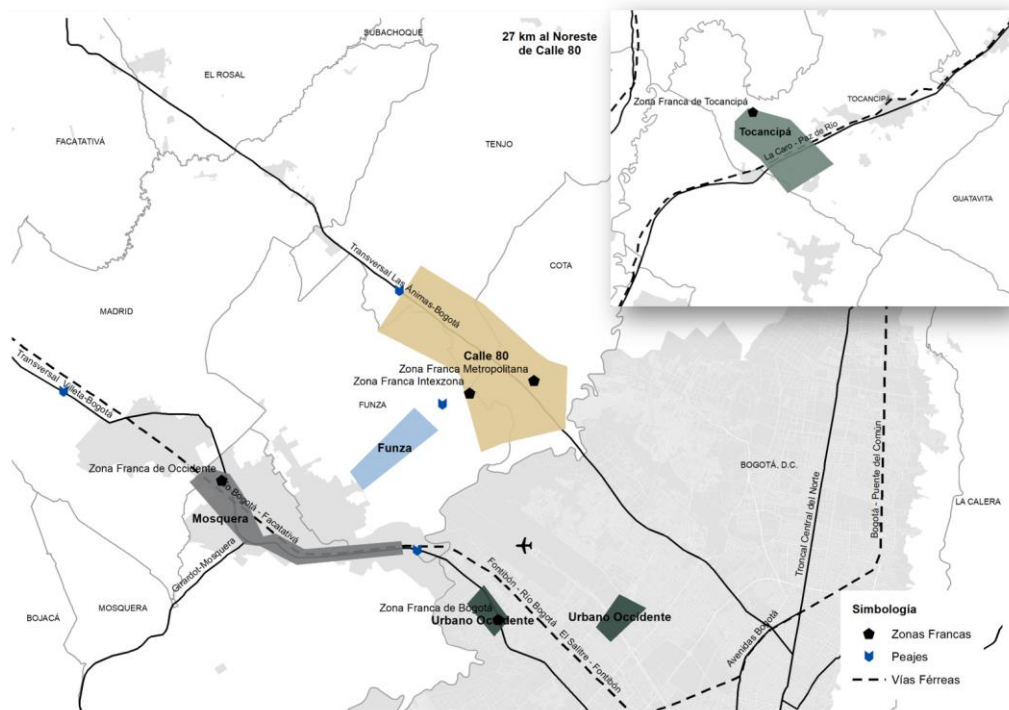
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Newmark ha implementado una base de datos propia y la metodología de seguimiento ha sido revisada. Con esta expansión y refinamiento en nuestros datos, puede haber ajustes en las estadísticas históricas, incluyendo la disponibilidad, precios de renta,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

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