

BOGOTÁ OFFICE

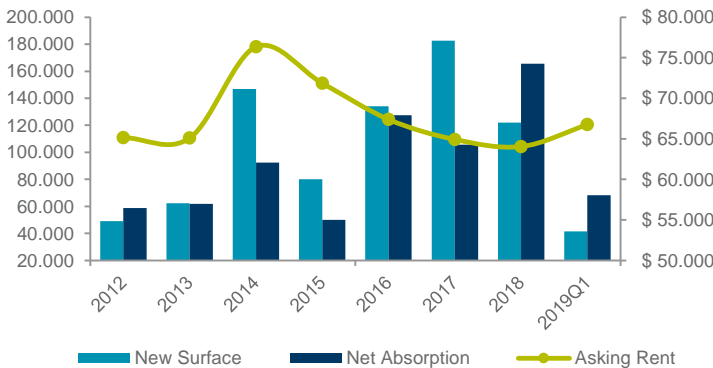
Economic indicators

	Q1 18	Q1 19	12-Month Forecast
Unemployment rate	9.4%	11.4%*	▼
GDP variation	2,2%	2.8%	▲
Inflation index YTD	3.10%	3.15%	▲

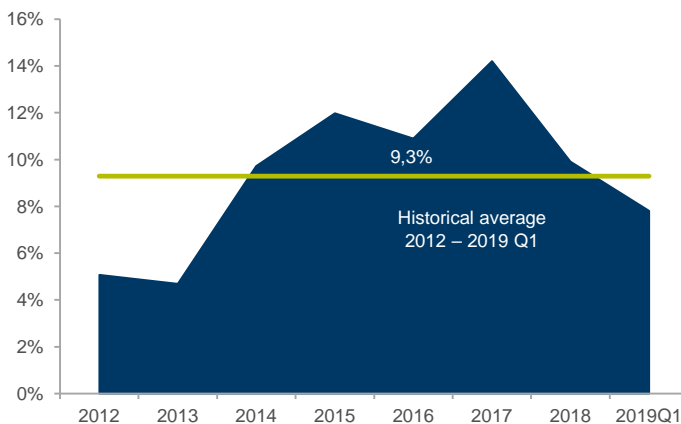
Market indicators (Class A)

	Q1 18	Q1 19	12-Month Forecast
Overall vacancy	12.34%	7,81%	▲
Net Absorption	46.229	68,329	▬
Under Construction (sq. m)		305.737	▼
Average asking rent (COP/sq. m/month)	\$63.626	\$66.745	▬
Average asking rent (USD/sq. m/month)	\$20.13	\$21,12	▬

Net absorption (sq. m) / New surface (sq. m.) / Asking rent (USD/sq. m/month) (Class A)



Overall vacancy (%) (Class A)



Economy

The first quarter of 2019 reflects continuity in the recovery of the Colombian economy, a cycle that began the third quarter of 2018. The World Bank increased the country's growth projection from 3.3% to 3.5% in 2019 and to 3.7% in 2020. This quarter was reflected a good performance for three sectors commonly important for the country's economy: construction, mining (oil) and business.

Regarding inflation, a controlled indicator for the country, this year the projection is around 3.6%.

Given the fiscal deficit that the economy presents, the government recently announced flexibility on the fiscal rule, and extended the country's deadline to reach the 1% target. The government is committed to implement an adjustment plan to achieve this goal; for which there are three strategies: contract the size of the state, modernize the tax collecting entity -the DIAN and sell unprofitable assets.

On the external front, the country may be affected by the slowdown in international economies, and the consequent demand decrease. In a positive way, the central banks of Europe and the United States have announced that they will not change their rates, thus the capitals can continue to be placed in destinations such as Colombia. Moreover, the current price of oil, between US \$ 65 and US \$ 70, has a positive effect on the public finances.

The country's challenges are in essence to fulfill the strategy aimed to correct the the fiscal deficit, to find a plan so that other products different from the oil stand out in international markets and finally to reduce the current trade balance deficit.

Market Overview

The demand for Class A office space in Bogotá continues to rise and press down the vacancy indicator, which registers the lowest figure of the last 5 years. This quarter was characterized by the high occupancy of offices registering a net absorption of 68,329 m2, being one of the quarters with the highest absorption since 2016. The important surface demand meant that, in turn, the vacancy went down to 7.8% , despite the entry of four new buildings that contributed with 41,500m2 to the Class A Office inventory.

On the other hand, the price registered an increase compared to the previous quarter of 2,811 COP (+ 4.4%); and an annual increase of 5% (approximately VAT + 2 pp). Despite the fact that the demand left a good level of net absorption, the vacated office space during the quarter was high, reaching 24,400 m2, 78% more than in the first quarter of 2018, which evidences the movement of companies looking for better economic conditions and / or infrastructure.

MARKETBEAT

Bogotá

Office Q1 2019



During this quarter the surface area reached 74,200 m2, a figure 26.2% higher than the one registered in the same period of 2018. By submarket; Salitre concentrates 51.9% of the total rented spaces, followed by Nogal-Andino and Noroccidente with 25% each. In the Nogal-Andino submarket, Buildings 81-11 and Tower 78 were in an important degree occupied by a Coworking company. In Noroccidente submarket, Urban 165 was partially occupied by a Contact Center, in Salitre, the Elemento building was occupied by several ministries and others. state entities; and finally Central Point was occupied by a Coworking and an IT company.

THIS QUARTER REGISTERS ONE OF THE LOWEST VACANCY RATES OF THE LAST 5 YEARS

Regarding availability, the largest area is concentrated in Salitre with 32,420m2, followed by Noroccidente. The corridors with less availability are Av. Chile, Centro and Nogal Andino. The dynamism of the Salitre corridor stands out, which, despite having an important inventory and available surface, has a low vacancy rate (6.23%). On the other hand, the submarket with the highest vacancy rate is Noroccidente (17.26%). In terms of average rental prices, the CBD surpassed this quarter the NON CBD, which is a fact to be highlighted.

At this moment there are 19 buildings under construction that represent an area of 305.737m2, of which 16 are to be delivered in 2019, representing 90% of the buildings under construction.

NOTE: (CBD) Central Business District (Av Chile, Calle 100, Chicó, Nogal – Andino, Salitre, Santa Bárbara, Centro). (NON CBD) NON Central Business District : (Noroccidente)

SUBMARKET	INVENTORY (SQM)	AVAILABLE AREA (SQM)	VACANCY RATE %	UNDER CONSTRUCTION AND PROJECTS AREA (SQM)	ASKING RENT COP/SQM/MONTH	ASKING RENT USD/SQM/MONTH
CBD	1.288.047	83.202	6.46%	724.534	67.257	21.4
Avenida Chile	92.118	3.890	4,22%	-	61.342	19.6
Calle 100	164.657	10.884	6.61%	132.400	65.819	21.0
Centro	31.178	3.555	11.40%	224.000	58.097	18.5
Chicó	130.106	5.715	4.39%	26,641	66.498	21.2
Nogal-Andino	141.757	7.636	5.39%	41.000	84.686	27.0
Salitre	520.446	32.416	6.23%	300.493	57.576	18.4
Santa Bárbara	207.785	19.106	9.20%	-	76.780	24.5
NON CBD	183.682	31.700	17.26%	105.077	67.748	21.6
Noroccidente	183,682	31.700	17.26%	105.077	67.748	21.6
TOTAL BOGOTÁ – CLASS A	1.471.729	114.902	7.81%	829.611	66.745	21.2

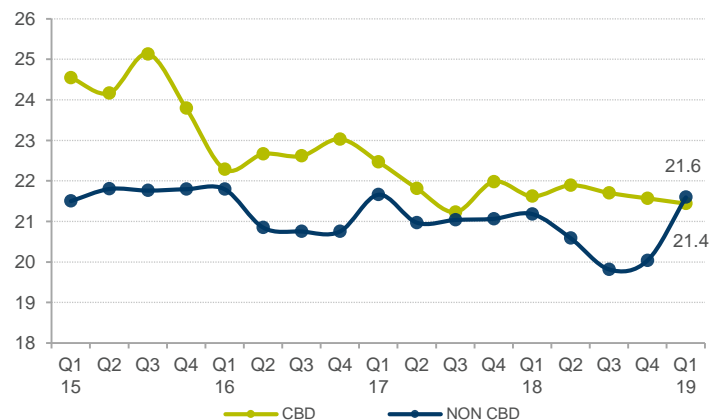
TRM: 3.137 COP = 1USD

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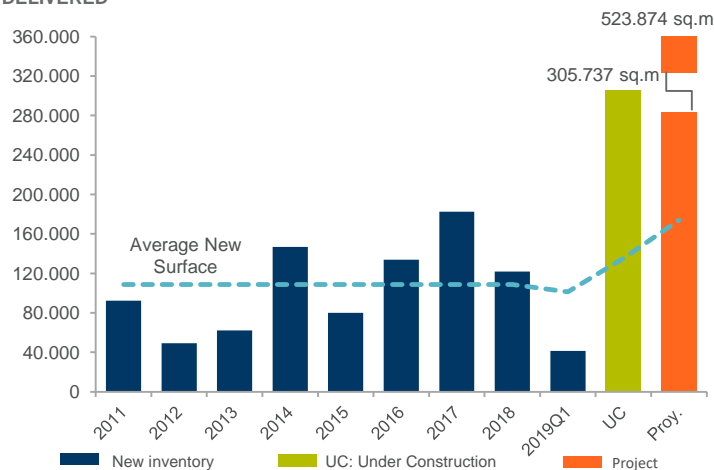
Asking rent(USD/sq m/month) CBD / NON CBD

THE ASKING RENTAL PRICE IN NON CBD EXCEEDED THIS QUARTER THE PRICE OF THE CBD



New inventory (sq m) / Projected surface (sq m)

IN 2019 305,737M2 OF PROJECTS UNDER CONSTRUCTION REMAIN TO BE DELIVERED



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