

**BOGOTÁ OFFICE**

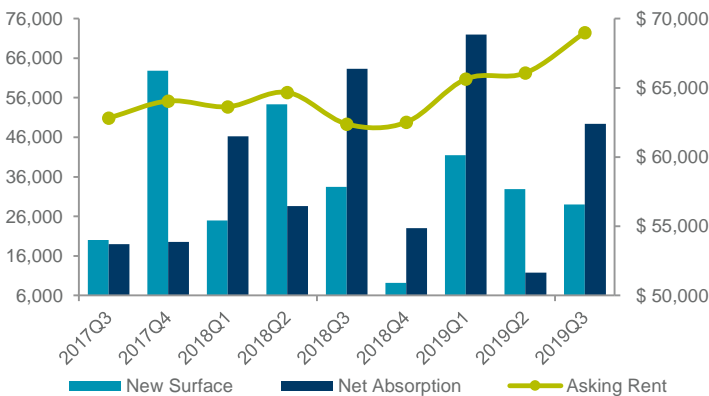
Economic indicators

	Q3 18	Q3 19	12-Month Forecast
Unemployment rate	9,5%	10,3% (*)	▲
GDP variation	2,7%	3,1% (**)	▲
Inflation index YTD	3,2%	3,75%	▼

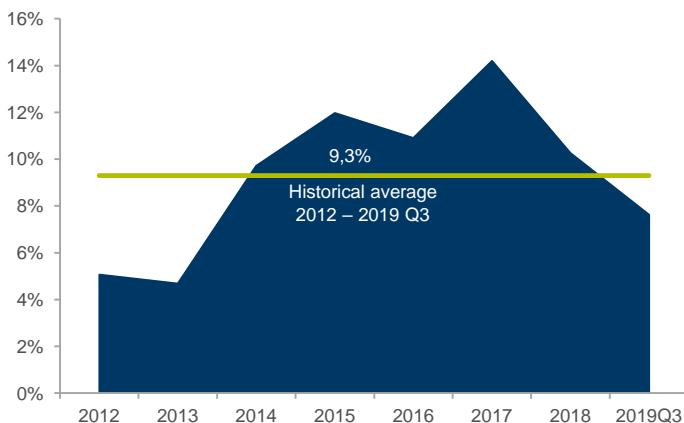
(\*) MQT June August 2019 DANE  
 (\*\*) Forecast BBVA Research T3 2019.

Market indicators (Class A)	Q3 18	Q3 19	12-Month Forecast
Overall vacancy	11,2%	7,6%	▲
Net Absorption	63.347	49.375	▬
Under Construction (sq. m)	-	249.606	▼
Average asking rent (COP/sq. m/month)	\$62.372	\$69.000	▲
Average asking rent (USD/sq. m/month)	\$21,0	\$19,9	▲

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



Overall vacancy (%) (Class A)



**Economy**

In the second quarter of 2019, GDP grew by 3.0% compared to the same period of 2018. In the political context, there will be elections for mayors and governors next October.

GDP was driven by significant private consumption and greater investment; the fastest growing sectors were retail, public administration-defense, and professional activities. On the other hand, the least performing sectors were manufacturing, construction and mining.

In August inflation reached 3.75%, staying close to the upper limit of the Central Bank's target range. Instead, the labor market remains weak. As for the currency, it strengthened slightly, despite the fact that it devaluated during the year.

In the near future it is expected that GDP will grow in total at least 3% in 2019 and that inflation will close near 3.7%. It is estimated that unemployment will reach 11%. Finally, the country is forecasting to attain the fiscal deficit target of 2.7% of GDP.

In the external context, the countries with the ones Colombia has a more active trade will slow down in 2019, which means a slow down on the country's commercial dynamics. Given this, the largest contribution to GDP is expected to come from the local market. On the other hand, the continuity of unfavorable climatic conditions could affect agricultural production for a prolonged period, which would affect 2019's GDP.

The most important issues for the government are to take control of the unemployment and to improve the investment conditions perception - as it is one of the main engines of growth in 2019.

**Market Overview**

This quarter was registered a low vacancy for the Class A Office Bogota market, reaching only 7.6%. This reflects a high demand for large surfaces in premium buildings. It is remarkable the fact that the vacancy decreased this quarter compared to the previous one, despite the penetration of four Class A buildings, which increased the inventory by 29,000 sqm.

The available area decreased in relation to the previous quarter by 15%, reaching only 116,958sqm. This quarter, the incoming inventory was mostly pre-commercialized and other where Built to Suit buildings, which have been mostly occupied by coworking companies and contact centers. This means that the buildings entered the market fully occupied. This smaller available area impacted the vacancy indicator which decreased 16% compared to 2019-Q2. Likewise, the fact of less available area in the market and the continuous entrance of high-specification buildings, pushed the price upwards reaching 69,000 cop / sqm. This is an increase of almost \$ 3,000cop / sqm versus the previous quarter.

# MARKETBEAT

## Bogotá

Office Q3 2019



65% of the current available area is located in the traditional corporate CBD submarkets. The ratio of available sqm per building in relation to the total inventory is 872sqm. Salitre and Chicó submarkets are those with more available area at the moment, which account 40% of the vacant area. The submarket with the highest vacancy is Chicó, with 17%. This was originated in previous quarters, given the entrance of new premium buildings in the submarket and not yet fully occupied.

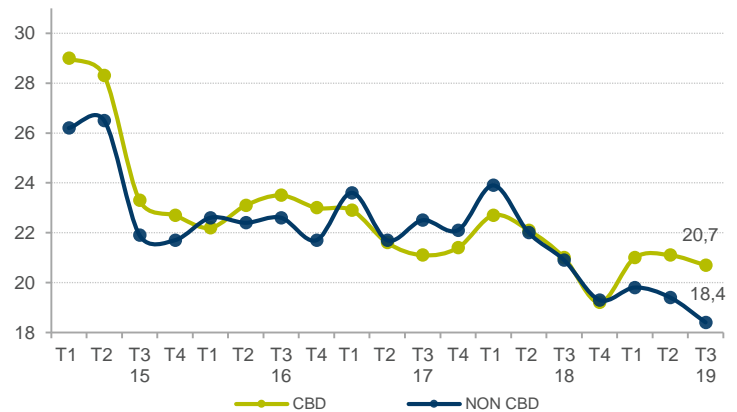
### VACANCY DECREASED TO 7.6%, WHICH REFLECTS HIGH DEMAND FOR PREMIUM SPACES IN THE CITY

The average asking rent continues to rise. Compared to 2019 Q2, it increased \$ 2,931 cop. This means also an increase of \$ 6,500 cop compared to the last quarter of 2018 and a 4% versus 2019 Q2. It is mainly explained by the scarce surface available in certain submarkets and the arrival of premium buildings to the market with high asking rent prices.

The city currently has 249,606 sqm under construction, from which 57% are expected to enter the market in the last quarter of the year. These projects are mainly located in the Calle 100, Centro and Salitre submarkets. There are still seven buildings expected to enter the market this year; among them Atrio Torre-Norte, FIC 92-11, Plaza Claro T3 and Buró 25 T3.

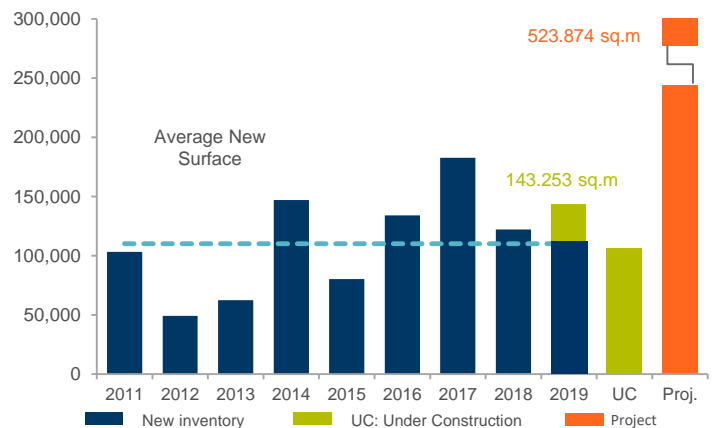
In project and not yet starting its construction are 523,874 sqm in the city. It stands out that despite the large inventory that the Salitre submarket already has, today 40% of these projects are located there, given the availability of land to be developed in the area and the unused surface in existing projects such as Connecta, C26, Central Point and Ciudad Empresarial Sarmiento Angulo among others.

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



\* The prices relate to the historical value of the quarterly exchange rate.

New inventory (sq m) / Projected surface (sq m)  
IN 2019-Q4 143,253 SQM OF CLASS A OFFICE SPACE WILL STILL BE DELIVERED



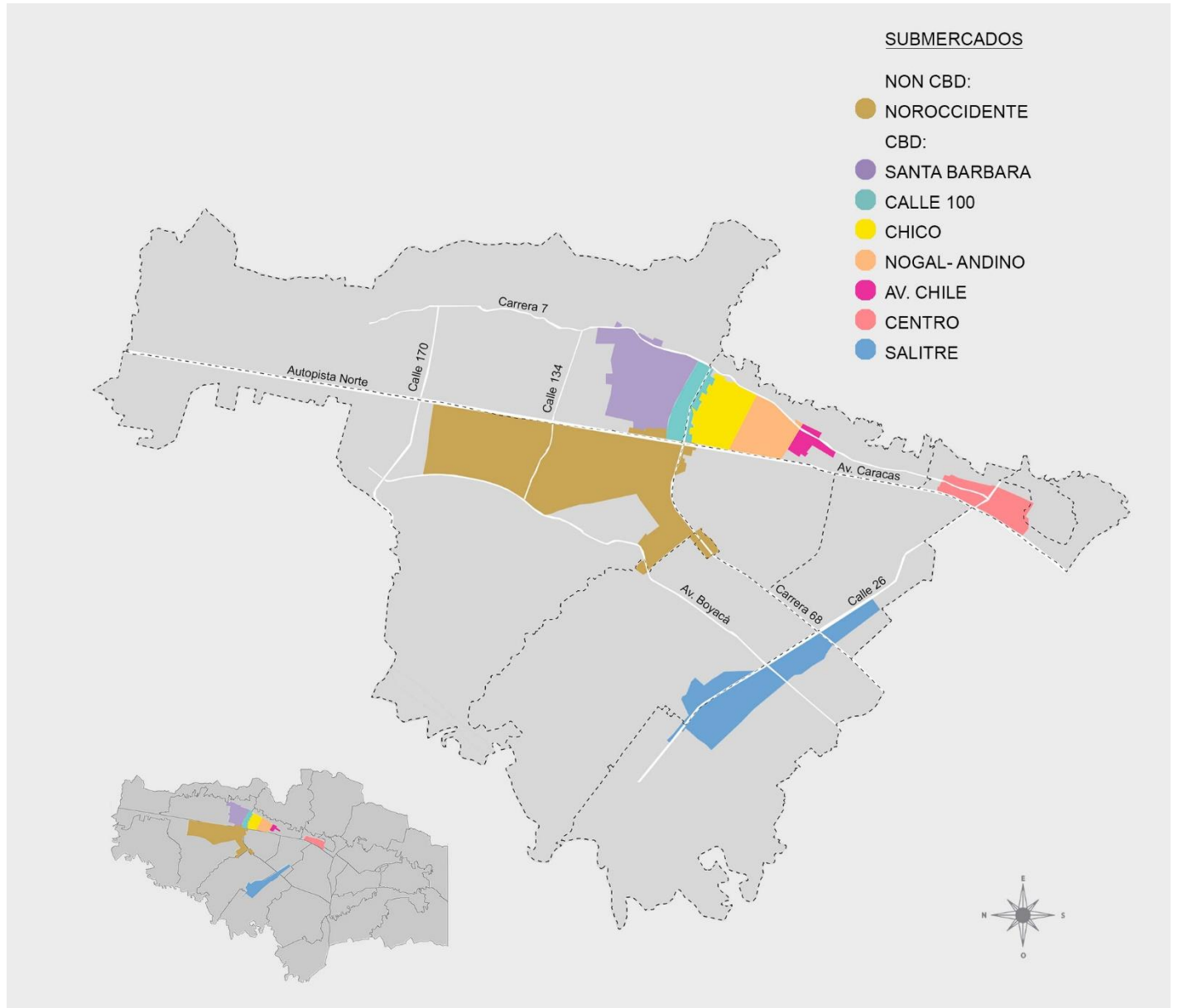
SUBMARKET	INVENTORY (SQM)	AVAILABLE AREA (SQM)	VACANCY RATE %	UNDER CONSTRUCTION AREA (SQM)	PROJECTS AREA (SQM)	ASKING RENT COP/SQM/MONTH	ASKING RENT USD/SQM/MONTH
<b>CBD</b>	<b>1.337.408</b>	<b>76.361</b>	<b>5,71%</b>	<b>226.678</b>	<b>452.445</b>	<b>71.821</b>	<b>20.7</b>
Avenida Chile	92.118	1.167	1,27%	-	-	67.000	19.4
Calle 100	175.657	5.580	3,18%	69.000	52.400	64.169	18.5
Centro	31.178	600	1,92%	64.000	160.000	65.000	18.8
Chicó	150.467	19.357	12,86%	10.230	-	78.774	22.8
Nogal-Andino	141.757	8.153	5,75%	11.000	30.000	91.662	26.5
Salitre	538.446	26.207	4,87%	72.448	210.045	60.234	17.4
Santa Bárbara	207.785	15.297	7,36%	-	-	75.726	21.9
<b>NON CBD</b>	<b>196.182</b>	<b>40.597</b>	<b>20.69%</b>	<b>22.928</b>	<b>71.429</b>	<b>63.694</b>	<b>18.4</b>
Noroccidente	196.182	40.597	20.69%	22.928	71.429	63.694	18.4
<b>TOTAL BOGOTÁ – CLASS A</b>	<b>1.533.590</b>	<b>116.958</b>	<b>7,63%</b>	<b>249.606</b>	<b>523.874</b>	<b>69.000</b>	<b>19.9</b>

CBD: Central Business District: Main corporate Submarkets Type A.  
NON-CBD: Non-Central Business District: Non-traditional corporate Submarkets Type A

TRM: 3.462 COP = 1USD

OFFICE MARKET MAP WITH SUBMARKET DIVISION

BOGOTÁ / COLOMBIA



Cushman & Wakefield

Calle 98 No. 9A-41 Of. 203  
Bogotá, Colombia  
Tel: +57 1 745.20.38  
Contact.Colombia@cushwake.com

For more information please contact:

ANDREA DUQUE GAVIRIA  
Market Research Manager  
Tel: +57 1 745.20.38  
Andrea.Duque@cushwake.com

About Cushman & Wakefield

Cushman & Wakefield was founded in New York in 1917. Argentina's office opened in 2000. It offers a wide range of real estate Premium services for both corporations (companies) and investors. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$6 billion across core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management, project & development services, tenant representation, and valuation & advisory.

Copyright © 2019 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

<http://www.cushwakecolombia.com/>