

YoY Chg 12-Mo. Forecast

10.0%
Vacancy Rate ▲ ▲

-15,228
Net Absorption, (SQM)Q3-2020 ▼ —

\$65,891
Asking Rent, (USD/SqM/Month) ▼ ▼

ECONOMIC INDICATORS Q3 2020

YoY Chg 12-Mo. Forecast

18.9% *
Unemployment Rate ▲ ▼

-9.0% **
GDP Variation ▼ ▲

1.9% ***
Inflation Index ▼ ▼

Source:
(*) DANE jun-aug 2020
(**) Forecast BBVA Research T3 2020
(***) 12 months - august 2020

MARKET OUTLOOK

Bogotá begins the second half of the year, still in the months of July and August in quarantine, reactivating a large part of the economic activities only in September. Some companies have taken these months to rethink a new work scheme with their employees, moving to a more flexible one, in which several spaces are combined. This is reflected in the new availability of office spaces in the city, which this quarter reached 158,575 sq.m, increasing by 36% compared to the same period of the previous year.

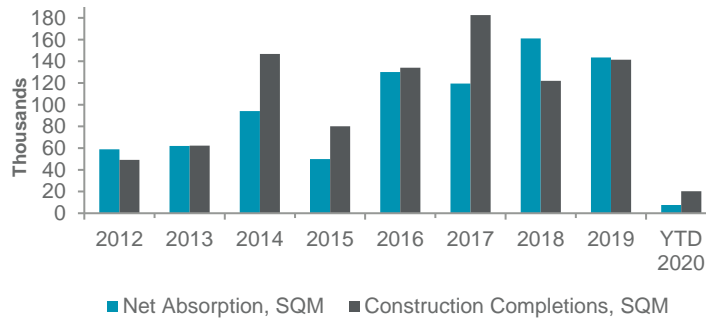
SUPPLY / DEMAND:

Vacancy reached 10% this quarter, increasing 2.3% YoY and only 1% versus the second quarter. Given the impact of vacant spaces during the period, the net absorption was negative, reaching -15,228 sq.m. Nevertheless, the occupation of 21,388 sq.m of office spaces during the quarter stands out, mainly due to important movements in the Centro submarket (+ 7,986 sq.m) and Salitre (+4,738 sq.m). No new Class A office building started operation during the quarter, mainly due to the construction delays generated by the quarantine.

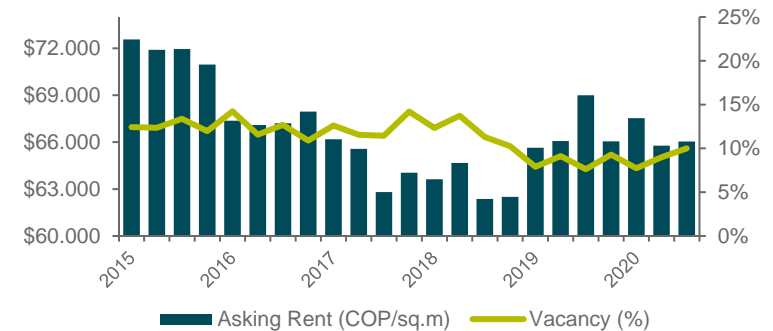
PRICING:

The asking rent price remained very similar to that of the previous quarter, given that new available areas entered the market at normal price despite the situation. However, compared to the same period of the previous year, it suffered a 5% drop. Negotiations between owners and tenants are carried out internally, and in general an exceptional price is considered during the months of the emergency. The submarket that most reduced its average asking rent price was Calle 100 with a decrease of \$ 5,284 pesos versus the previous quarter. On the other hand, in the Santa Bárbara submarket new office spaces entered which made increased the average price by 2.6%

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



ECONOMIC OUTLOOK

During the second quarter and as a result of a generalized quarantine in the country, GDP decreased 15.7% on Q2 and -9% is projected for the third quarter. The unemployment level had a slight improvement compared to the first quarter, reaching 18.9% in August, according to DANE. As for inflation, it is fully controlled by the Central Bank, which in turn has lowered the interest rate to historic levels.

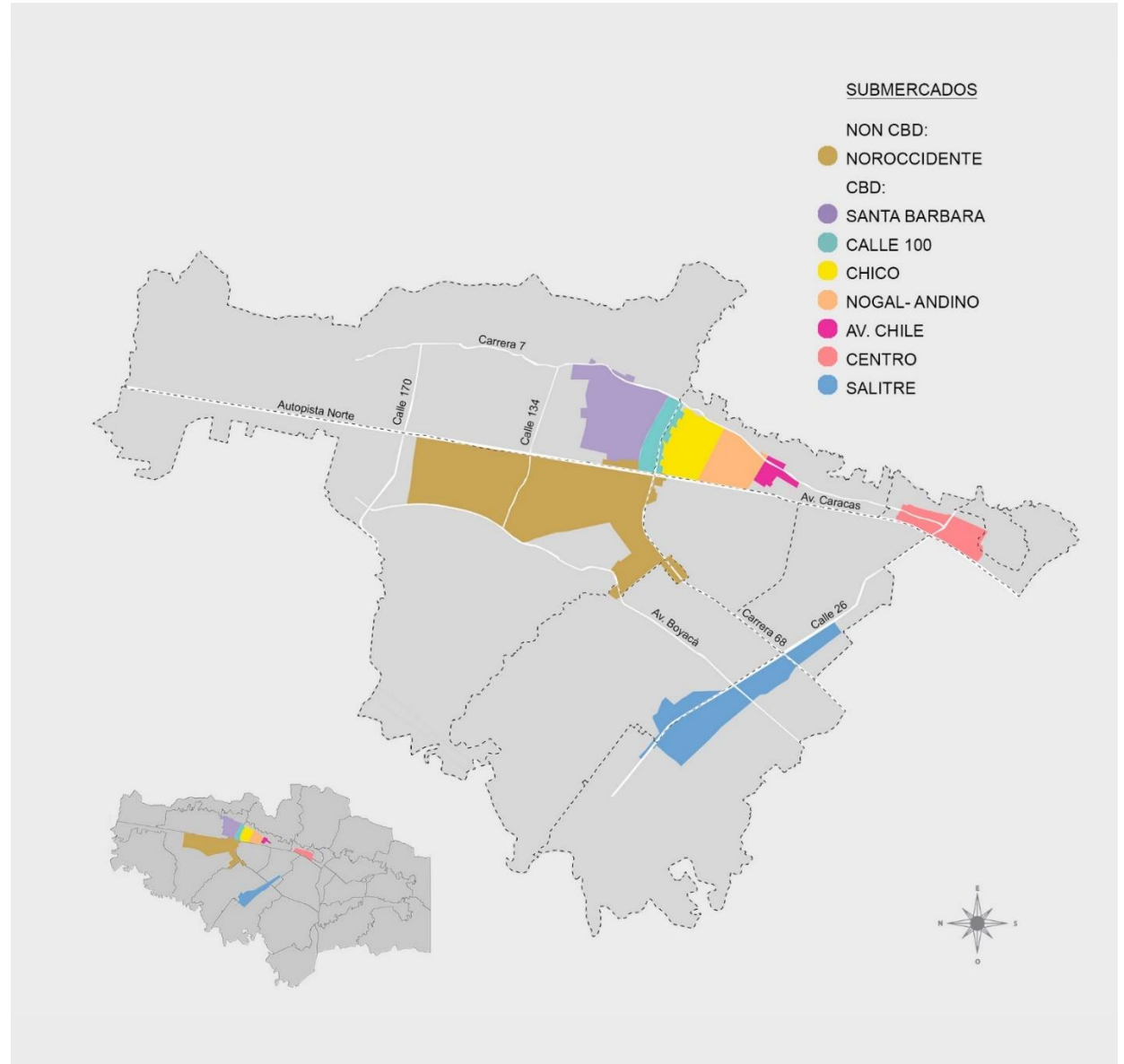
The COVID-19 pandemic hit Colombia since March 2020, late in the quarter but with enough time to have a significant impact on market fundamentals for the first three quarters of the year. In the second and third quarters of 2020, the economy felt its effects fully, brought on by government-sponsored shutdowns coupled with mandatory quarantine. Access the latest information specific to COVID [here](#).

FUTURE OUTLOOK

Throughout the year, only two new Class A buildings (Centro Empresarial Colina and FIC 92-11) have entered the inventory, totaling 20,230 sq.m. There are currently 215,445 sq.m under construction, of which 114,000 sq.m are expected to be delivered during the last quarter of the year, with projects such as Atrio, Sequoya, and the two Connecta towers. 36% of the total area under construction is located in Calle 100 and 30% in the Center Submarkets. In Noroccidente, Santa Bárbara and Av. Chile submarkets, there are no projects under construction.

There are approximately 577,212 sq.m of projects in Class A planned in the city. Most of this surface is located in the Salitre submarket (40%), an area in which there is a large amount of land with development potential. Likewise, in the Noroccidente submarket there is 15% of this future surface area. Two new projects identified are in the Centro and Nogal Andino submarkets, totaling 34,000 sq.m.

OFFICE MAP WITH SUBMARKET DIVISIONS / BOGOTA / COLOMBIA

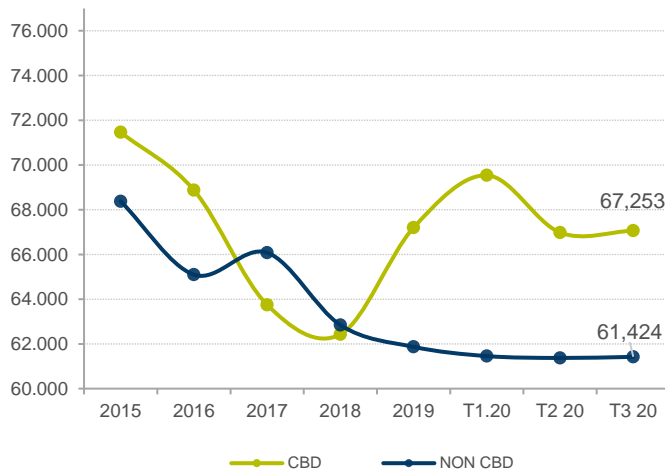


MARKET STATISTICS

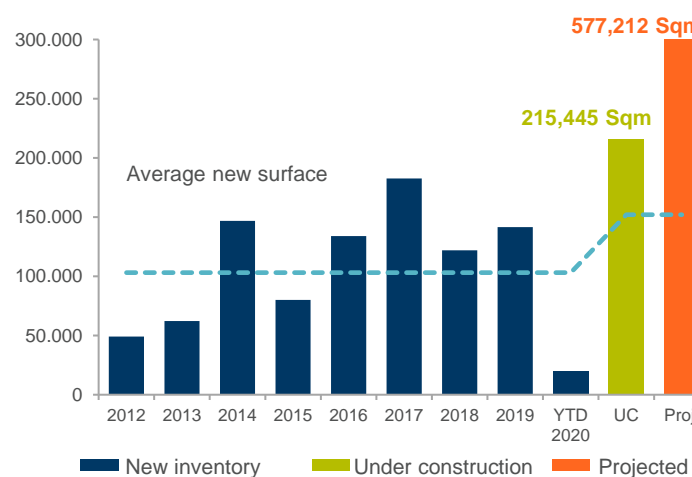
SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	PROJECTED (SQM)	OVERALL AVG ASKING RENT (USD/SQM/MONTH)	OVERALL AVG ASKING RENT (COP/SQM/MONTH)
Avenida Chile	92,118	5	2,482	2.7%	-1,524	-	-	\$17.3	\$66,951
Calle 100	175,657	16	7,476	4.3%	-2,500	76,600	52,400	\$15.4	\$59,656
Centro	31,178	2	4,116	13.2%	7,993	64,000	66,000	\$16.0	\$62,032
Chicó	160,697	22	24,471	15.2%	4,757	19,120	31,600	\$19.6	\$77,052
Nogal-Andino	141,757	20	6,451	4.6%	168	23,000	58,000	\$20.0	\$77,760
Salitre	576,595	45	55,063	9.5%	451	32,725	230,045	\$15.5	\$60,168
Santa Bárbara	207,785	14	25,556	12.3%	-10,490	-	49,738	\$19.0	\$73,572
CBD	1,385,787	124	125,615	9.1%	-1,145	215,445	487,783	\$17.3	\$67,253
Noroccidente	206,182	14	32,960	16.0%	8,639	-	89,429	\$15.8	\$61,424
NON CBD	206,182	14	32,960	16.0%	8,639	-	89,429	\$15.8	\$61,424
BOGOTA TOTAL	1,591,969	138	158,575	10.0%	7,494	215,445	577,212	\$17.0	\$66,041

CBD: Central Business District: Main corporate Submarkets Type A
 NON-CBD: Non-Central Business District: Non-traditional corporate Submarkets Type
 (*) TRM: 3.879 COP = 1 USD

ASKING RENT (USD / Sq.m / Month)
 CBD / NON CBD



NEW INVENTORY (Sq.m)
 PROJECTED SURFACE (Sq.m)



ANDREA DUQUE
 Market Research Manager
Andrea.Duque@cushwake.com

JUNIOR RUIZ
 Market Research Analyst
Junior.Ruiz@cushwake.com

cushwakecolombia.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

**The vacancy rate calculated and established by Cushman Wakefield, takes into account the physical / effective occupation of the spaces as opposed to the commercial vacancy which considers negotiations. The entrance to the inventory of a building is considered when it begins operations, including reception and administration.