

YoY Chg 12-Mo. Forecast

11.6 %
Vacancy Rate



21,417
Net Absorption, (Sqm) Q3-2022



\$ 74,519
Asking Rent, (COP/Sqm/Month)



MARKET OUTLOOK

The city of Bogota closed the third quarter of the year maintaining a recovery trend for the Class A office market, reflecting a vacancy that continues to decrease as well as an increase in inventory, reflecting the attractiveness in these types of assets since the economic recovery.

Positive absorption was registered in all submarkets, with a demand trend for areas larger than 900sq.m in the northeastern submarkets of the city. Most of the companies decided to optimize their office spaces, despite the continuous growth on its labor force. The hybrid work model is accentuated and the return of employees to the office is identified with greater incidence, due to the efforts of the companies to guarantee biosecurity, comfortable places, and new distributions of flexible/collaborative workspaces.

SUPPLY / DEMAND:

The inventory has increased by 2% during the third quarter, while the vacancy closed at 11.6%, down 2.7% from the same time last year. Such performance had not been seen since the end of 2020, showing signs of recovery for Class A Office buildings. On the other hand, premium office occupation in recent semesters has shown increases, registering net absorptions exceeding 21,000sq.m in the Salitre, Chicó and Nogal Andino submarkets

PRICING:

Average asking rent per sqm closed at COP \$74,519, an increase of 2% compared to the previous quarter, and 5% YoY. This increase is the result of new high-end buildings that have entered the market, the increasing interest in this type of assets by tenants and the low space availability of office space over 2,000 sqm, especially in the submarkets located on the east side of the city.

The submarkets that increased their average asking rent the most in the last year were Salitre, Calle 100 and Santa Bárbara with an increase of 9%, 6.3% and 2.5%, respectively, reflecting a landlord's market for those submarkets with low vacancy.

ECONOMIC INDICATORS Q3 2022

YoY Chg 12-Mo. Forecast

11.0 % *
Unemployment Rate



5.2 % **
GDP Variation

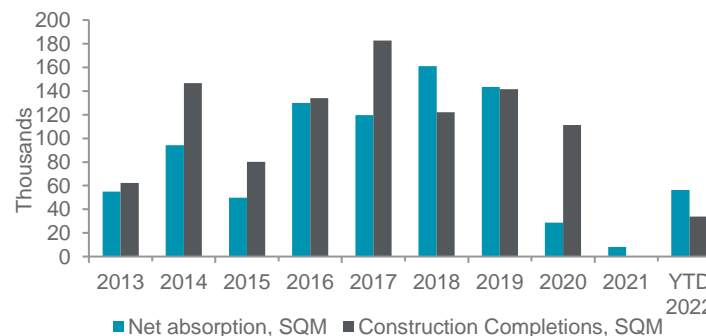


11.4 % ***
Inflation Index

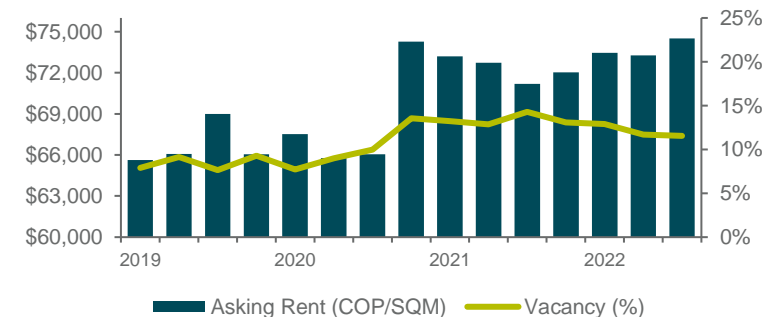


Source:
(*) DANE jun - ago 2022
(**) Forecast BBVA Research Q3-2022
(***) 12 months - Sep 2022

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



ECONOMIC OUTLOOK

The third quarter of the year continued with the inflation upward trend reaching an increase of 11.4%, by September. The sectors that most contributed to the increase of this indicator were food and non-alcoholic beverages. The Central Bank, on an effort to reduce inflation, decided to increase the interest rate to 10.0%.

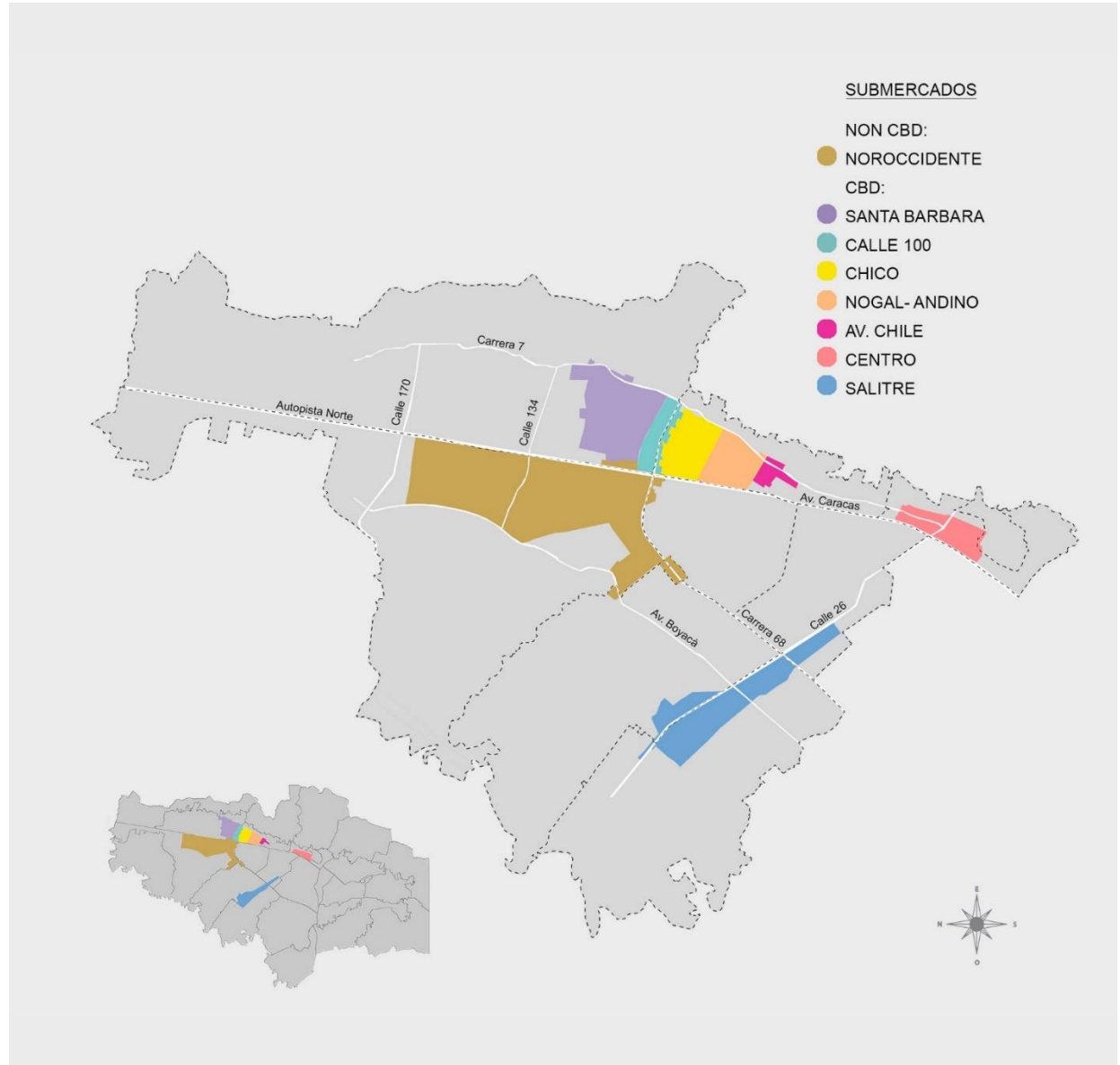
Private consumption continues to increase primarily due to investment in machinery and equipment; however, consumption is expected to decrease next year, mainly as a result of the high interest rates. In the first half of the year, GDP grew by 10.6%. According to OECD forecasts, the GDP projection for the end of 2022 is 6.8% and for 2023 2.1%.

FUTURE OUTLOOK

Currently, there are 150,133 sqm under construction represented in seven projects. By the end of 2022, three projects are expected to be delivered to the market, accounting for 32,000 sqm. 64% of this office space will be located in the Salitre submarket 19% in Chicó 19% and 17% in Santa Bárbara.

For proposed projects, 679,740 sqm of GLA are identified, with projected delivery dates in the following 5 to 8 year. Within this future supply, 36% is in the Salitre submarket, followed by 24% in Centro. Besides this, a project such as América Centro de Negocios should be highlighted, as it will contribute significantly to the increase of the office stock upon delivery.

OFFICE MAP WITH SUBMARKET DIVISIONS / BOGOTA / COLOMBIA

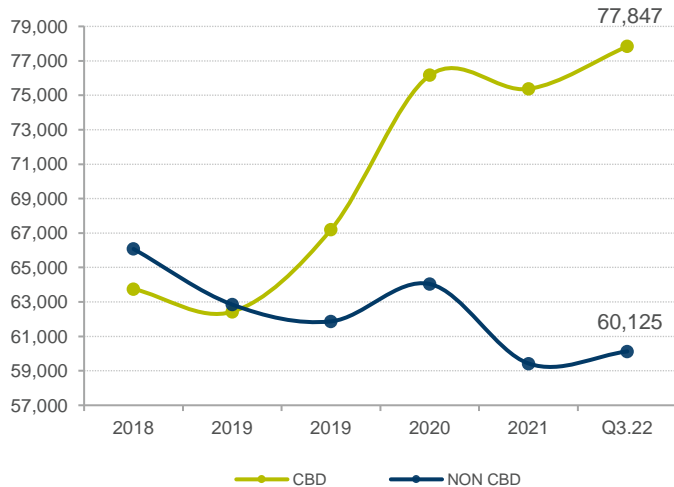


MARKET STATISTICS

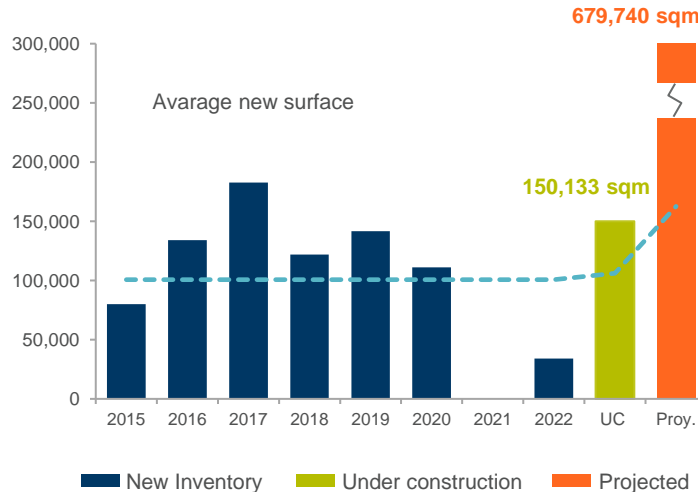
SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	PROJECTED (SQM)	OVERALL AVG ASKING RENT (USD/SQMM/MONTH)	OVERALL AVG ASKING RENT (COP/SQMM/MONTH)
Avenida Chile	92,118	5	9,276	10.1%	1,398	-	-	\$ 15.4	\$ 70,005
Calle 100	175,657	16	16,840	9.6%	3,899	69,000	52,400	\$ 14.8	\$ 66,850
Centro	96,178	3	43,752	45.5%	2,012	-	166,000	\$ 21.0	\$ 95,101
Chicó	167,351	23	11,768	7.0%	10,565	15,300	25,056	\$ 16.7	\$ 75,503
Nogal-Andino	157,457	22	12,411	7.9%	7,586	6,813	68,512	\$ 17.3	\$ 78,280
Salitre	614,099	48	54,372	8.9%	7,101	20,480	241,805	\$ 15.5	\$ 70,164
Santa Bárbara	207,785	14	12,085	6.2%	15,034	5,540	49,738	\$ 16.2	\$ 73,388
CBD	1,510,645	131	161,224	10.7%	47,635	117,133	603,511	\$ 17.2	\$ 77,847
Noroccidente	206,182	14	37,276	18.1%	8,802	33,000	76,229	\$ 13.3	\$ 60,125
NON CBD	206,182	14	37,276	18.1%	8,802	33,000	76,229	\$ 13.3	\$ 60,125
TOTAL BOGOTÁ	1,716,827	145	198,500	11.6%	56,437	150,133	679,740	\$ 16.4	\$ 74,519

CBD: Central Business District: Main corporate Submarkets Type A
 NON-CBD: Non-Central Business District: Non-traditional corporate Submarkets Type
 (*) TRM: 4.532 COP = 1 USD

ASKING RENT (USD / Sqm / Month)
 CBD / NON CBD



NEW INVENTORY (Sqm)
 PROJECTED SURFACE (Sqm)



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**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.