

# BOGOTÁ

Office Q1 2023

YoY Chg 12-Mo. Forecast

**10.3 %**  
Vacancy Rate



**35,014** (Sq.m) Q1-2023  
Net Absorption, (Sq.m)



**\$ 16.2**  
Asking Rent, (USD/Sqm/Month)



## ECONOMIC INDICATORS Q1 2023

YoY Chg 12-Mo. Forecast

**11.8 % \***  
Unemployment Rate



**2.0 % \*\***  
GDP Variation



**13.3 % \*\*\***  
Inflation Index



Source :  
(\* ) DANE dic – feb 2023  
(\*\* ) Forecast BBVA Research Q1-2023  
(\*\*\*) 12 months - March 2023

## MARKET OUTLOOK

During the first quarter of the year, the Class A office market continued to show signs of recovery, as reflected in real estate indicators. A positive trend is observed in vacancy and price behavior, which began in the third quarter of 2021 with a moderate recovery due to the reactivation of the country's economy.

Moreover, there is an evident trend towards the construction of buildings with energy-efficient and sustainable plants in both existing and new real estate developments. This trend supports decarbonization goals and offers an upside potential for owners who respond to current market needs. By providing products with specifications that align with current requirements, especially in the areas of hybrid work and ESG priorities, such buildings offer a solid experience to their occupants.

## SUPPLY / DEMAND:

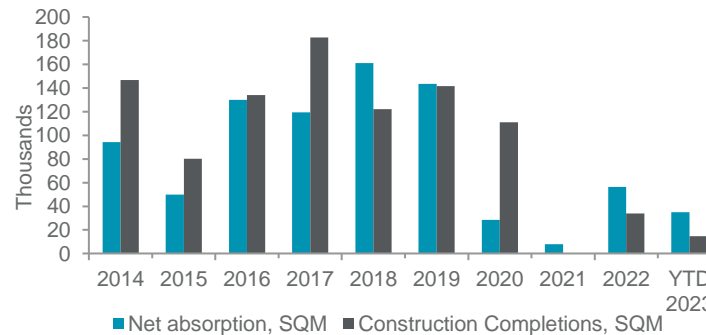
Over the last year, the inventory of available office spaces has been updated with the addition of nearly 42,000 square meters. Despite this increase in supply, vacancy rates have contracted by 2 pp compared to the same period in the previous year. This reduction can be attributed to the high absorption rate of new buildings, particularly in the educational, technology, and food sectors. These developments indicate the successful launch and commercialization of new office spaces, confirming the supply of premium office in the market.

## PRICING:

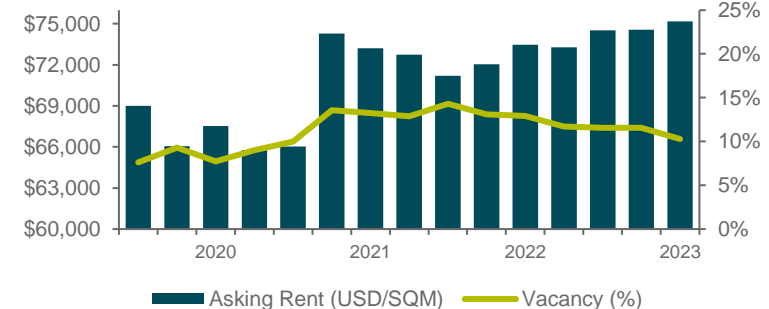
The asking rental prices for office spaces continue to trend upward, reaching \$16.2 USD/Sqm/Month, which marks a 2.3% YoY increase. This variation can be attributed in part to the new supply and the low availability of efficient spaces, reflecting the supply and demand dynamics in the main corridors with a low vacancy rate.

The Class A office segment has shown resilience as an investment alternative, maintaining healthy behavior despite market fluctuations. Currently, the market is on the cusp of entering a real estate recovery cycle, which is evident in the transactional records showing a market dominated by owners

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



## ECONOMIC OUTLOOK

Despite rising inflationary scenarios, with the rate reaching 13.34% in March, annual food inflation began the year with measured decreases and reached 24.1% in February. These signs suggest that this indicator is approaching its peak, and therefore a moderate decrease is expected in 2023, with stronger downward pressure in 2024, resulting in a gradual convergence towards the 3% goal.

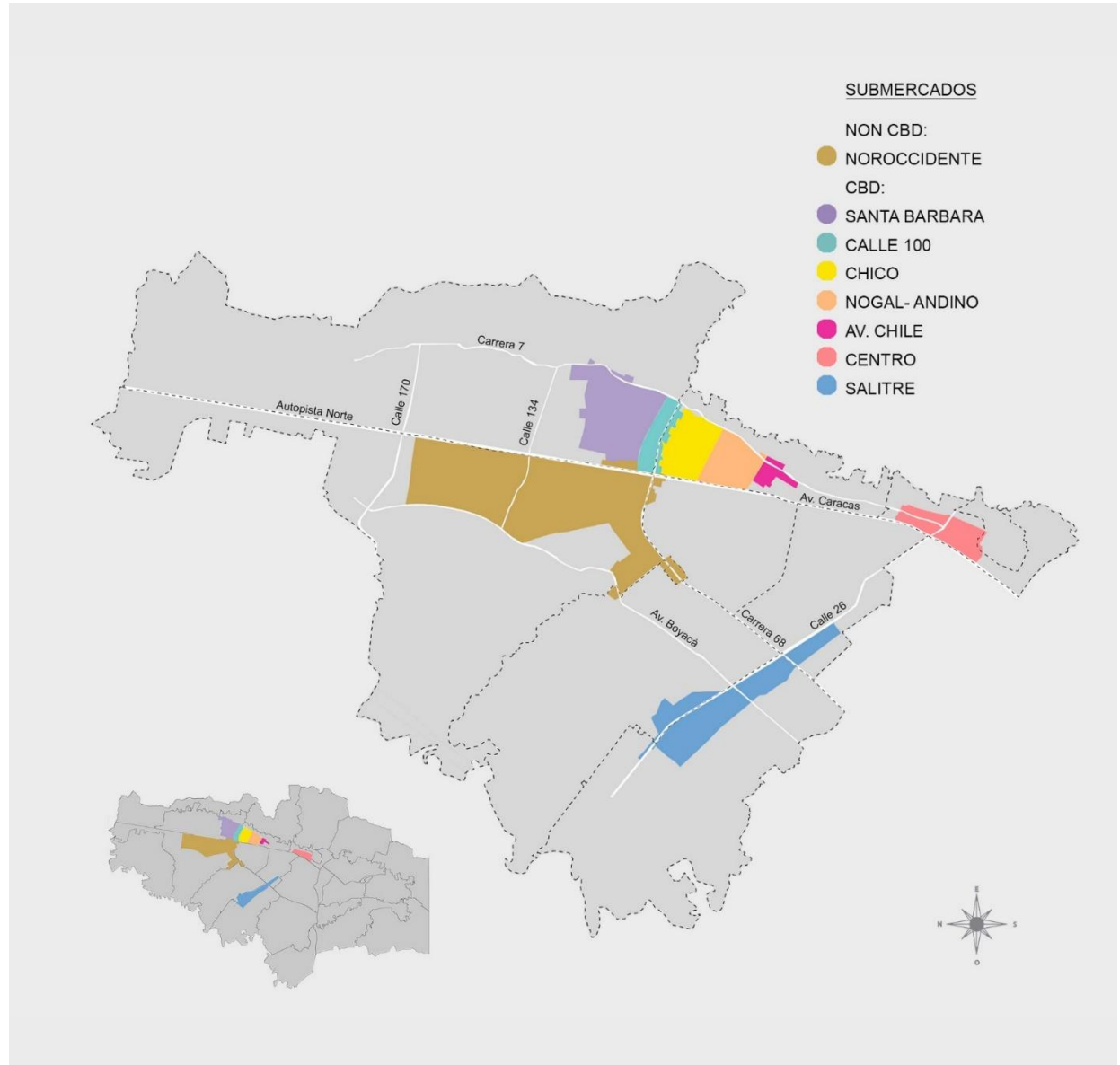
Moreover, foreign direct investment (FDI) saw growth of 25.3% in the first quarter, with a total volume of nearly US\$2,276 million. Additionally, GDP growth is expected to reach 0.7% by the end of 2023, with this trend continuing into 2024 reaching 1.8%.

## FUTURE OUTLOOK

At present, Bogota has 159,395 m<sup>2</sup> of projects under construction, of which 20% are expected to be delivered during the year. The remaining 80% of the projects show moderate construction progress, which are projected to reach close to 60,000 sq. m. by the year 2024. At the same time, a relatively fast placement is forecast, considering the location of the projects and the behavior of the industry in recent periods.

On the other hand, there are 739,266 sq. m. of projects on plans, 74% of which are concentrated in: Salitre (33%), Centro (22%) and Noroccidente (19%). Although there is a recovery trend, the market is in an environment of high interest rates, high construction costs and macroeconomic uncertainty, which cause speculation as to the start date of construction in most projects.

## OFFICE MAP WITH SUBMARKET DIVISIONS / BOGOTA / COLOMBIA

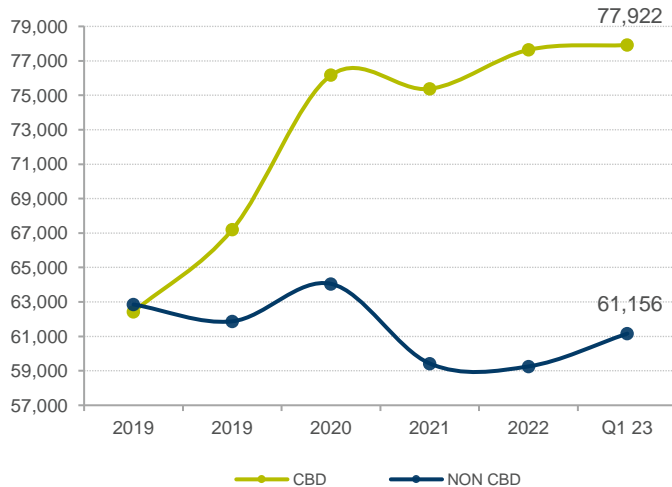


MARKET STATISTICS

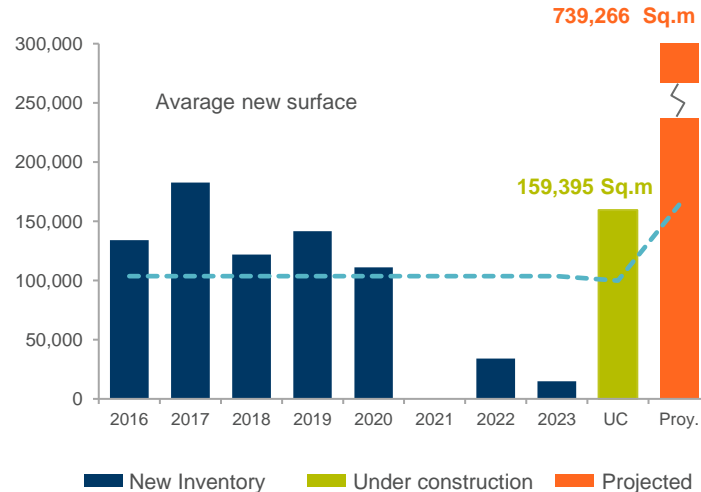
SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	PROJECTED (SQM)	OVERALL AVG ASKING RENT (USD/SQMMONTH)	OVERALL AVG ASKING RENT (COP/SQMMONTH)
Avenida Chile	92,118	5	4,982	5.4%	3,705	-	-	\$ 14.4	\$ 66,688
Calle 100	175,657	16	19,499	11.1%	-2,447	79,200	52,400	\$ 15.1	\$ 70,013
Centro	96,178	3	41,792	43.5%	4,536	-	166,000	\$ 20.5	\$ 95,043
Chicó	176,651	24	11,407	6.5%	10,395	9,390	16,081	\$ 16.5	\$ 76,430
Nogal-Andino	157,457	22	5,920	4.0%	5,881	17,325	72,313	\$ 17.6	\$ 81,596
Salitre	614,099	48	52,642	8.6%	2,013	20,480	245,505	\$ 14.6	\$ 67,706
Santa Bárbara	207,785	14	12,981	6.2%	1,304	-	49,738	\$ 16.3	\$ 75,352
<b>CBD</b>	<b>1,519,945</b>	<b>132</b>	<b>149,223</b>	<b>9.8%</b>	<b>25,398</b>	<b>126,395</b>	<b>602,037</b>	<b>\$ 16.8</b>	<b>\$ 77,922</b>
Noroccidente	211,722	15	29,275	13.8%	9,627	33,000	137,229	\$ 13.2	\$ 61,156
<b>NON CBD</b>	<b>211,722</b>	<b>15</b>	<b>29,275</b>	<b>13.8%</b>	<b>9,627</b>	<b>33,000</b>	<b>137,229</b>	<b>\$ 13.2</b>	<b>\$ 61,156</b>
<b>TOTAL BOGOTÁ</b>	<b>1,731,667</b>	<b>147</b>	<b>178,498</b>	<b>10.3%</b>	<b>35,014</b>	<b>159,395</b>	<b>739,226</b>	<b>\$ 16.2</b>	<b>\$ 75,173</b>

CBD: Central Business District: Main corporate Submarkets Type A  
 NON-CBD: Non-Central Business District: Non-traditional corporate Submarkets Type  
 (\*) TRM: 4,627 COP = 1 USD

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



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



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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.