MARKETBEAT

BOGOTA

Offices 4Q 2023

CUSHMAN & WAKEFIELD

	Year-on-year Variation	12-month Forecast
10.5 % Overall Vacancy	▼	▲
67,173 (sqm) Net Absorption YTD	▲	▲
$ 74,011 (COP/sqm/Month) Average Asking Rent	▼	▲

FINANCIAL INDICATORS 4Q 2023

	Year-on-year Variation	12-month Forecast
9.2 % * Overall Vacancy	▼	▲
1.8 % ** GDP Variation	▼	▲
9.3 % *** Inflation Rate	▼	▼

Sources:
(*) DANE Sep - Nov 2023
(**) Year-on-year Forecast BBVA Research 4Q-2023
(***) Accumulate as of December (12 months)

MARKET OUTLOOK FOR OFFICES

The year-end closure in the high-specification office market in Bogota clearly shows a recovery trend, with a noticeable year-on-year reduction of 1% in overall vacancy, reaching 10.5%. Since the first quarter, we have seen this dynamic manifested in increasingly active behavior on the supply part. Noteworthy are the movements of users towards more cutting-edge spaces, with optimized layouts and amenities for their workers, which are key elements in this real estate segment. Additionally, the hybrid work modality has persised and strengthened, evolving towards an experience focused on relationship-building, mentoring, and corporate identity. This approach significantly contributes to supporting business growth processes.

On the other hand, the robust demand is remarkabledespite the constant increase in rental prices over the past three years. This rise is mainly attributed to the limited supply of high-specification spaces in corridors with high demand, as well as the incorporation of new available inventory. In this context, the market presents itself as a favorable scenario for strategic investments and corporate development, offering opportunities for higher specifications in a setting that is undergoing a recovery process.

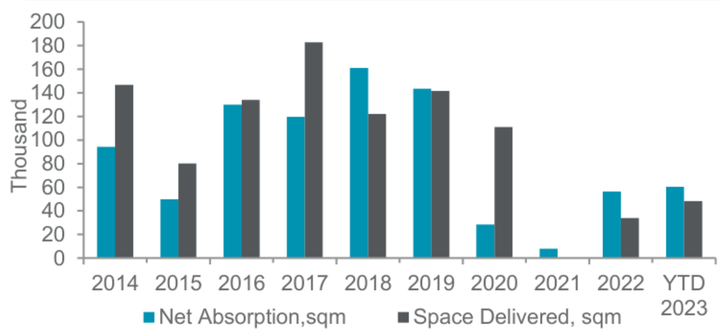
SUPPLY AND DEMAND

Throughout the year, approximately 48,000 sqm of new inventory were introduced to the market, spread across 6 buildings, which accounts for a 3% increase in Class A office inventory. It is important to note that, to date, 53% of this new supply has been absorbed, highlighting the commencement of these projects without any availability. This underscores the positive market situation, which continues to be conducive to offering spaces with high specifications in strategic locations, and these aspects highly valued by occupants.

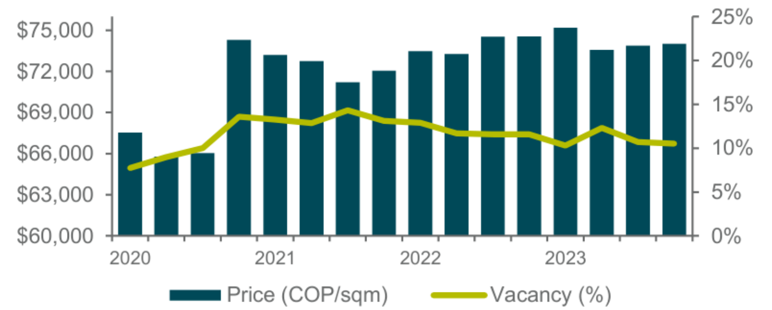
PRICE

As for the asking rent, it stood at 74,011 COP/sqm, showing a 9% increase over the last three years. This rise is primarily attributed to the introduction of new spaces with higher listed prices and the release of areas in valued sub-markets, wich are factors that have historically driven prices upward. Nevertheless, this upward trend is foreseen to continue in the coming years, driven by the arrival of new competitive offerings in specifications.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



FINANCIAL LANDSCAPE

In specific terms, the Colombian situation reveals an unemployment rate of 9.2%, an inflation rate of 9.28%, and a monetary policy interest rate of 13%. Despite the resilience of employment, domestic demand has decreased, impacting GDP growth especially in sectors like construction. Investment has significantly declined, while consumption and imports have gained importance in the economic structure.

Looking ahead, a recovery in domestic demand is anticipated in 2024, driven by improved consumption performance. However, a gradual moderation in job creation is expected. The projected reduction in inflation and a slower economic momentum will provide the Colombian monetary authority with the opportunity to lower interest rates, especially during the year 2024, aiming to stabilize the country's economic situation.

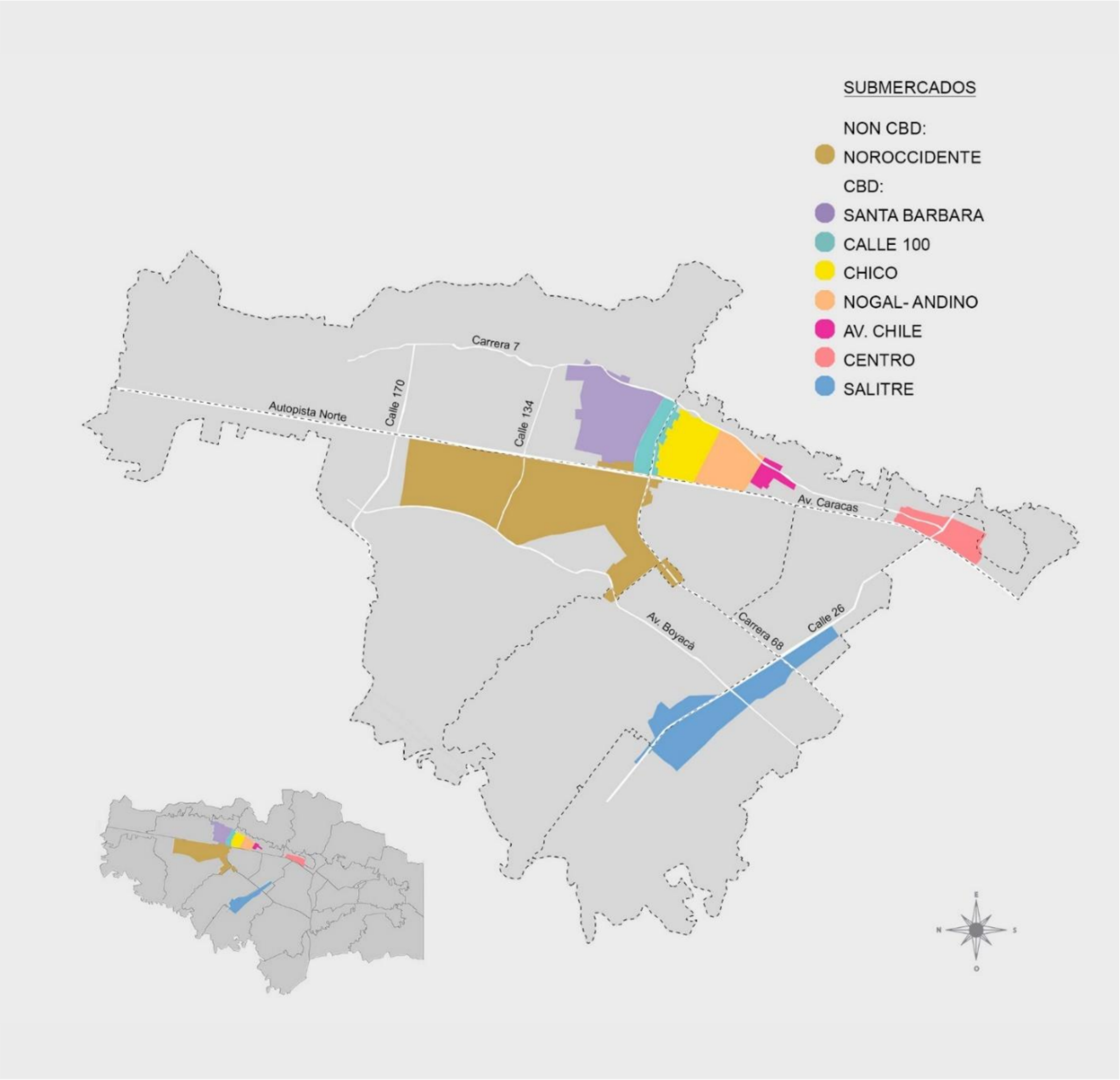
FUTURE LANDSCAPE

Currently, the city has construction projects totaling 139,143 sqm, with the expectation that 50% of this inventory will be included in the 2024 market. It is noteworthy that most of these projects hold environmental certifications, demonstrating a commitment to sustainable practices.

As for the surface area in the planning stage, 764,013 sqm have been identified with delivery timelines ranging from 7 to 10 years, primarily concentrated in Salitre with 36%, Centro with 22%, and Noroccidente with 18%.

Even though the prime office real estate sector has shown significant resilience in challenging contexts, reaffirming its status as a segment of interest for developers and users, a crucial element is identified in the new projects. This is because the commencement of construction will depend not only on the sector's resilience but also on the overall economic performance and determining factors for financial viability, such as development costs and access to financing.

OFFICES MAP DIVIDED BY SUB-MARKETS/ BOGOTA/ COLOMBIA



MARKETBEAT

BOGOTA

Offices 4Q 2023

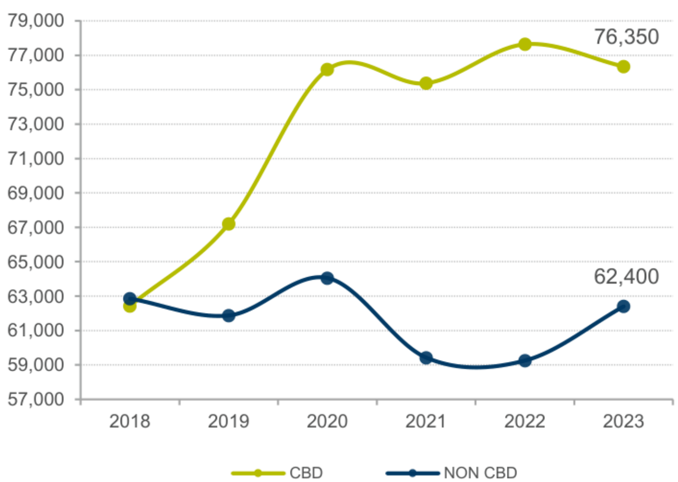
CUSHMAN & WAKEFIELD

MARKET STATISTICS

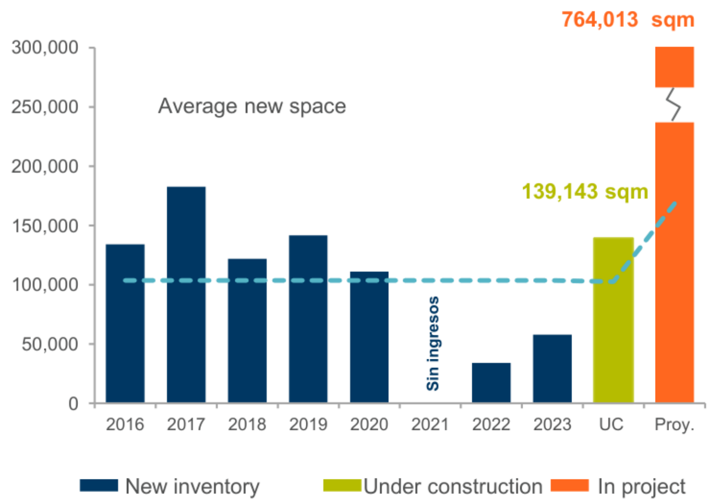
SUB-MARKET	CLASS A INVENTORY	NUMBER OF BUILDINGS	SPACE AVAILABLE (sqm)	OVERALL VACANCY (%)	NET YEARLY ABSORPTION TO DATE (sqm)	UNDER CONSTRUC-TION (sqm)	IN PROJECT (sqm)	CLASS A ASKING PRICE (USD/sqm//MONTH)	CLASS A ASKING PRICE (COP/sqm//MONTH) (*)
Avenida Chile	92,118	5	7,117	7.7%	1,569	-	-	$ 17.7	$ 67,509
Calle 100	175,657	16	13,788	7.8%	3,268	79,200	52,400	$ 17.9	$ 68,466
Centro	96,178	3	44,288	46.0%	2,041	-	166,000	$ 24.4	$ 93,315
Chicó	183,770	25	5,509	3.0%	20,328	5,331	16,441	$ 20.4	$ 78,024
Nogal-Andino	164,270	23	3,667	2.2%	14,948	10,512	64,700	$ 22.2	$ 83,903
Salitre	636,553	50	70,158	11.0%	13,268	-	277,505	$ 17.5	$ 67,061
Santa Bárbara	207,785	14	10,077	4.8%	4,473	11,100	49,738	$ 20.9	$ 79,768
CBD	**1,549,518**	**136**	**154,604**	**9.9%**	**52,643**	**106,143**	**626,784**	**$ 20.0**	**$ 76,350**
Noroccidente	211,722	15	31,184	14.7%	7,717	33,000	137,229	$ 16.3	$ 62,400
NON CBD	**211,722**	**15**	**31,184**	**14.7%**	**7,717**	**33,000**	**137,229**	**$ 16.3**	**$ 62,400**
TOTAL BOGOTA	**1,768,053**	**151**	**185,972**	**10.5%**	**67,173**	**139,143**	**764,013**	**$ 19.4**	**$ 74,011**

Note: CBD: Central Business District refers to primary Type A corporate sub-markets.
NON-CBD: Non-Central Business District refers to non-traditional Type A corporate sub-markets.
(*) Exchange Rate (TRM): 3,822 COP = 1 USD

ASKING RENT (COP / sqm / Month)
CBD / NON-CBD



SPACE DELIVERED PER YEAR (sqm)
SPACE FORESEEN (sqm)



***The vacancy rate calculated and established by Cushman Wakefield considers the physical /effective occupancy of spaces, as opposed to commercial vacancy, which considers negotiations. The inclusion of a building in the inventory is established when it is operational, with reception and operational administration.*

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