



Bogota Industrial Market

Low availability continues

The investment funds, seeing the dynamism in the warehouses of Class A industrial parks, seek to develop BTS with contracts with a minimum 8 to 10 years contracts, with the purpose of having a stabilized income and profit in the future. The Calle 80, Tocancipá and Calle 13 corridors are the favorite areas for these developments, however, there are no speculative constructions, as a result of the high construction costs.

Additionally, in recent months foreign clients continue with their long-term expansion project in the country. In contrast, the projects of national companies have been stopped, this due to the uncertainty of what may happen with the new tax reform of 2023.

It is expected that in the coming year, the industrial market will continue with a low vacancy rate, due to the scarcity of new constructions and a high demand for spaces, mainly by logistics companies.

Actual Conditions

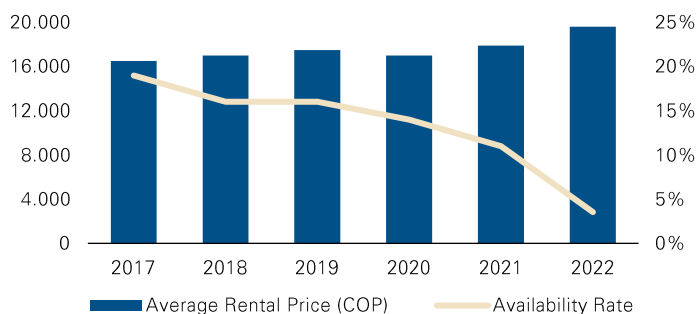
- Cumulative absorption of the year is 310,800 sqm.
- Bogota's vacancy rate dropped to 3.8%.
- The average rental price for Class A was COP \$19,600 (USD \$4,66) /sqm/month, while the Free trade zones closed at COP \$22,000 (USD \$5,23) /sqm/month.

Market Summary

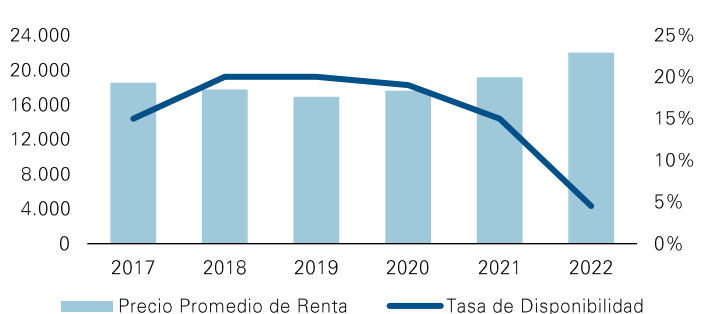
	Current semester (2S 22)	Previous Semester (1S 22)	Last year (2S 21)	Projection to 12 months
Total inventory (sqm)	2.54M	2.54M	2.39M	↑
Availability Rate	3.8%	9.8%	14.2%	↓
Semester Net Absorption (sqm)	146,800	164,000	149,606	↑
Net Accumulated Absorption (sqm)	310,800	164,000	205,387	↑
Rental Price (COP/sqm/month)	\$20,550	\$19,150	\$18,000	↑

Market analysis Price of Rent Average and Rate of Availability

CLASS A



FREE TRADE ZONES



Inventory

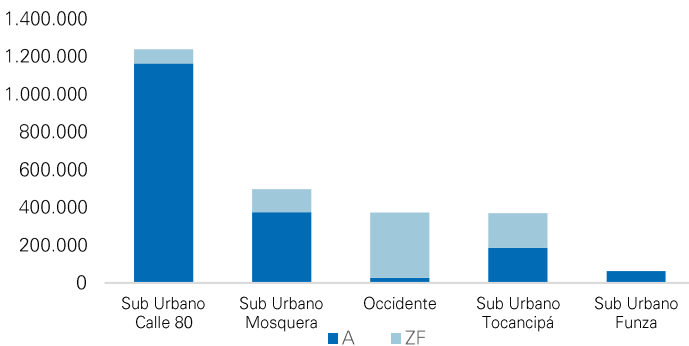
Bogotá closes the second half of 2022 with an inventory of 2,546,000 rentable square meters, of which 71% correspond to industrial parks and the rest to Free Zones.

The Street 80 Suburban corridor is the protagonist of the market, with 49% of the total inventory in the city. Located in the western area, this submarket has become the area with the greatest development of important industrial complexes that have been built to measure and thus, it has established itself as one of the most attractive areas for those who want to have their operations in one place.

Although the inventory has not had significant changes in the second half of the year, it is expected that it will continue to grow due to the construction of new warehouses in existing parks such as: ZF Interxona, La Pampa Industrial Park and Zonna Siberia.

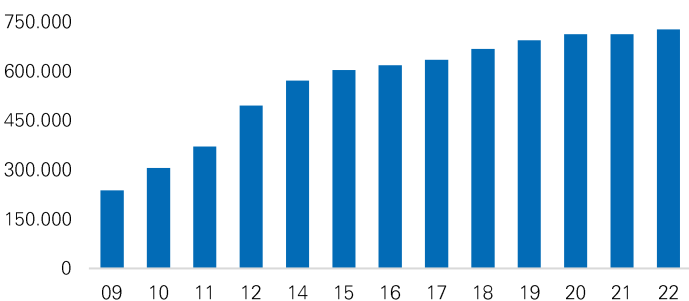
Inventory by Runner and Class

PROFITABLE SQUARE METERS



Historical of Inventory of Free Trade Zones

PROFITABLE SQUARE METERS



Offer

As of December 2022, there are 95,700m² available in Bogota and its suburban corridors, decreasing 75% when compared to the same period of 2021 and 61% compared to the last quarter. The continuous occupation of spaces during the year and the lack of speculative construction or large areas are the main reasons for this behavior.

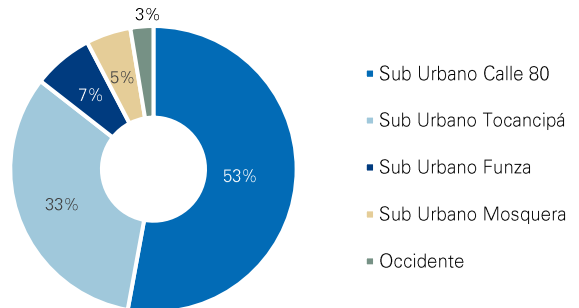
The Sub Urban Street 80 corridor continues to occupy the first place in supply with 53% of this. The parks that still have supply in this corridor are: Zona Franca Interxona, Celta Trade Park, Clic 80 and Logika Siberia. The Tocancipá corridor is the second with the second largest supply with 33%. This corridor, which is the furthest from the urban perimeter of Bogota, has become a focus of development due to the availability of land.

the availability rate closes at 4%, down 9 percentage points with respect to 2021. If we analyze the availability rate by type, we find that industrial parks report a rate of 3.5% and Free Trade Zones a rate of 4.5%.

It is expected that by 2023, the industrial market will continue with a low availability rate, due to the low construction of speculative warehouses and a high demand for space mainly by logistics clients. Industrial developers are focusing mostly on BTS (Built to Suit), so supply has been steadily declining and it is not easy to get ready-to-occupy space in the city and its suburban corridors..

Offer by Runner

PROFITABLE SQUARE METERS



Industrial projects

In Bogotá, about two and a half million square meters are projected, however, only 12% of these are under construction, confirming the marked trend of construction on demand.

The corridors with the highest number of projects are: Sub Urban Street 80 and Sub Urban Tocancipá, with 42% and 37%, respectively. It is expected that in 2023 there will be greater construction dynamics and several projects will be launched in the market.

It is worth noting that 78% of the projects are Class A and the remaining are Free Zones. This decrease in construction is due to the expectation of the 2023 tax reform. In this reform, companies under the free trade regime will be required to comply with the minimum annual export percentage of their entire production; if they do not comply with this requirement, they will lose the tax and tariff benefits they currently have

Accumulated Net Absorption

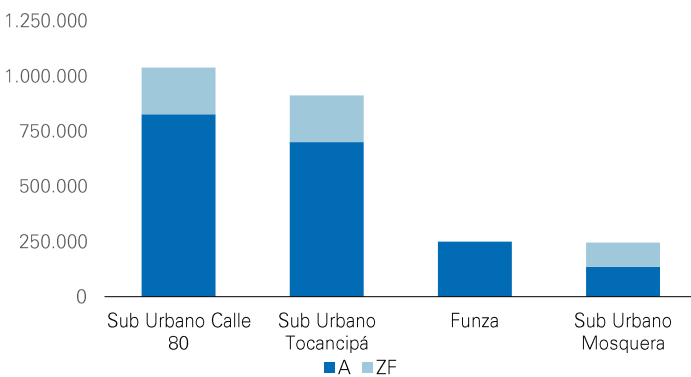
During 2022, the Colombian capital registered a net absorption of 310,798, 27% more than that registered during 2021, behavior caused by the accelerated recovery of the industrial market.

64% of the absorption corresponds to Class A warehouses and the rest to Free Zones. Additionally, if it is analyzed by corridor, it is found that 57% of the total absorption corresponds to Suburbano Calle 80.

By 2023, absorption levels are expected similar to or even higher than those registered this year.

Projects by Corridors

SQUARE METER



Prices

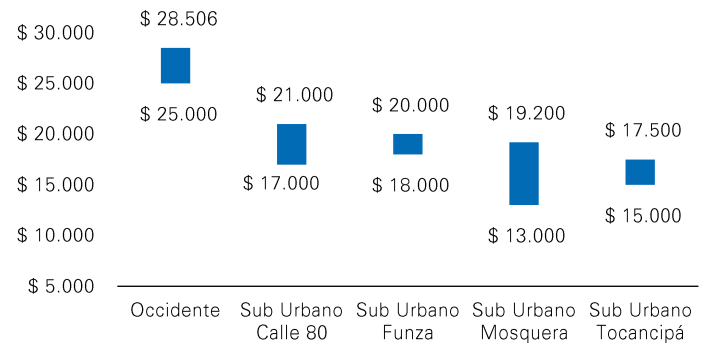
As a result of the low supply, rental and sale prices have had an upward trend. At the end of 2022, rental prices registered an annual increase of 10%, while sales prices had an increase of 5%.

Prices in general will continue to grow, mainly caused by the scarce supply, the constant built to suit (BTS) and the low completion of new Class A construction.

The prices in the Free Zones may have changes in prices, the above, as a result of the regulatory change expected in 2023, thus the behavior of this Class of warehouses is still uncertain.

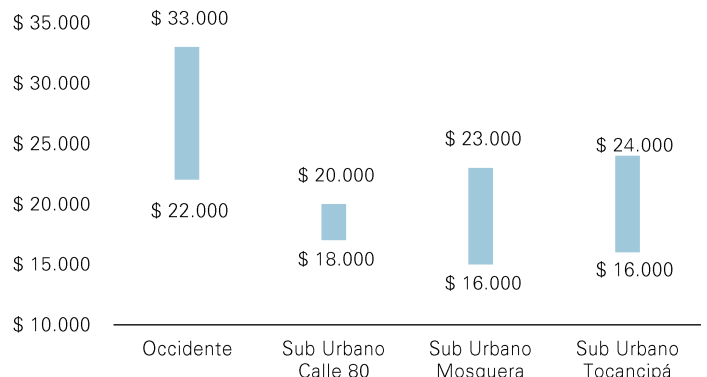
Rank of Prices of Rent by Corridors

CLASS A (COP)



Rank of Prices of Rent by Corridors

FREE TRADE ZONES



Statistics by Class A Submarket – Colombian Pesos

	Inventory Total (sqm)	Availability Total (sqm)	Rate of Availability	Absorption Net Cumulative YTD (sqm)	Rental Price Average (COP/sqm/month)	Sale price Average (COP/sqm/month)
Occidente	27,299	613	2.2%	1,541	\$25,000	\$3,100,000
Sub Urban Street 80	1,163,843	40,178	3.5%	175,940	\$19,650	\$2,700,000
Sub Urban Funza	61,841	6,505	10.5%	0	\$20,000	-
Sub Urban Mosquera	374,400	2,161	0.6%	31,470	\$14,188	\$2,664,800
Sub Urban Tocancipá	185,692	13,590	7.3%	-9,147	\$17,800	
Total Market	1,813,075	63,047	3.5%	199,804	\$19,620	\$2,473,847

Statistics by Free Zone Submarket - Colombian Pesos

	Inventory Total (sqm)	Availability Total (sqm)	Rate of Availability	Absorption Net Cumulative YTD (sqm)	Rental Price Average (COP/sqm/month)	Sale price Average (COP/sqm/month)
West	345,635	1,869	0.5%	31,069	\$24,000	\$2,685,853
Urban Sub Urban Street 80	74,817	10,412	13.9%	7,253	\$20,000	\$2,550,274
Sub Urban Mosquera	122,500	2,680	2.2%	51,525	\$18,000	\$2,128,486
Sub Urban Tocancipá	183,790	17,650	9.6%	21,147	\$22,008	\$2,215,346
Total Market	726,742	32,611	4.5%	110,994	\$22,000	\$2,409,882

Statistics by Class A Submarket - USD

	Inventory Total (sqm)	Availability Total (sqm)	Rate of Availability	Absorption Net Cumulative YTD (sqm)	Rental Price Average (USD/sqm/month)	Sale price Average (USD/sqm/month)
West	27,299	613	2.2%	1,541	\$5.24	\$645.82
Sub Urban Street 80	1,163,843	40,178	3.5%	175,940	\$4.12	\$497.13
Sub Urban Funza	61,841	6,505	10.5%	0	\$4.23	
Sub Urban Mosquera	374,400	2,161	0.6%	31,470	\$2.92	\$555.25
Sub Urban Tocancipá	185,692	13,590	7.3%	-9,147	\$3.64	
Total Market	1,813,075	63,047	3.5%	199,804	\$4.12	\$525.42

Statistics by Submarket Free Zones -USD

	Inventory Total (sqm)	Availability Total (sqm)	Rate of Availability	Absorption Net Cumulative YTD (sqm)	Rental Price Average (USD/sqm/month)	Sale price Average (USD/sqm/month)
West	345,635	1,869	0.5%	31,069	\$5.14	\$559.63
Sub Urban Street 80	74,817	10,412	13.9%	7,253	\$4.23	\$531.32
Sub Urban Mosquera	122,500	2,680	2.2%	51,525	\$3.82	\$443.41
Sub Urban Tocancipá	183,790	17,650	9.6%	21,147	\$4.63	\$461.55
Total Market	726,742	32,611	4.5%	110,994	\$4.71	\$502.12

TRM: 4,800 COP

Economic Expectations Decrease

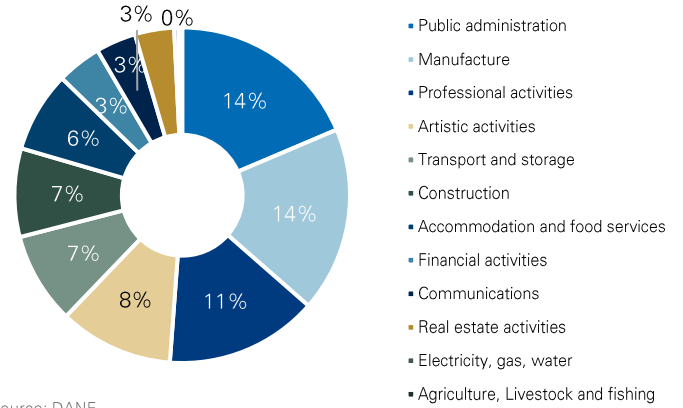
As reported by the Organization for Economic Cooperation and Development (OECD), the Colombian economy will have an increase of 8.1% this 2022, as a result of the strength of domestic consumption, the recovery of exports and the lagged effect of expansive policies that were adopted after the arrival of Covid-19.

In contrast, a slowdown is forecast for 2023, with which GDP would expand below 1%. After this slowdown, the growth of the Colombian economy would remain below 3%.

Three factors are worrying about the country's economic outlook: rising inflation, rising interest rates, and the volatile behavior of the dollar price.

Employment by Activity Sector Economic

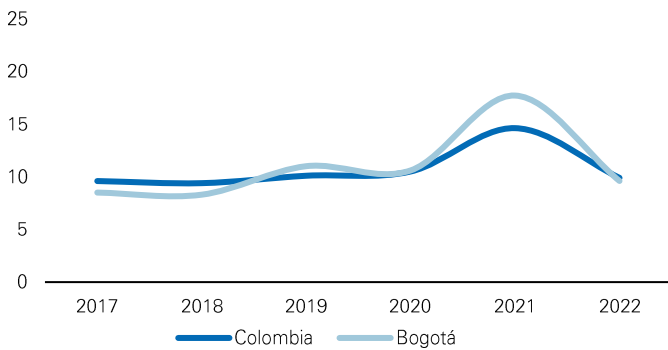
BOGOTA, OCTOBER 2022



Source: DANE

Rate of Unemployment

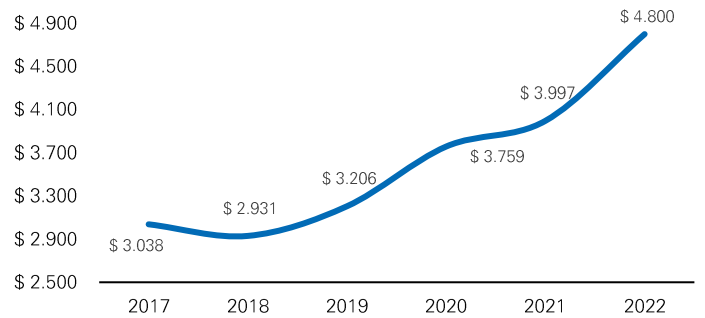
ANNUALIZED INDICATOR



Source: DANE

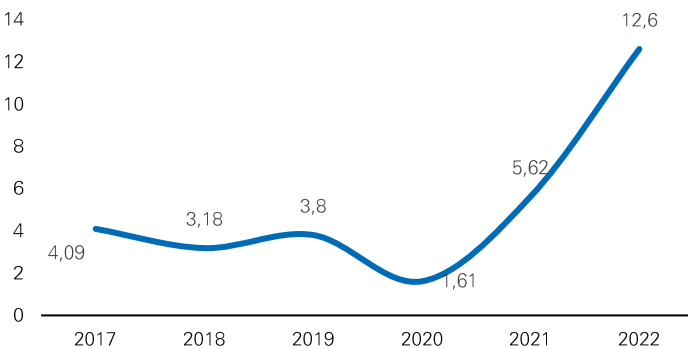
Exchange Rate

COLOMBIAN PESO PER US DOLLAR (USD)



Source: Bank of the Republic

Index of Prices to the Consumer (CPI)



Source: DANE

Investment Foreign Direct (2022)



Source: DANE

For more information:

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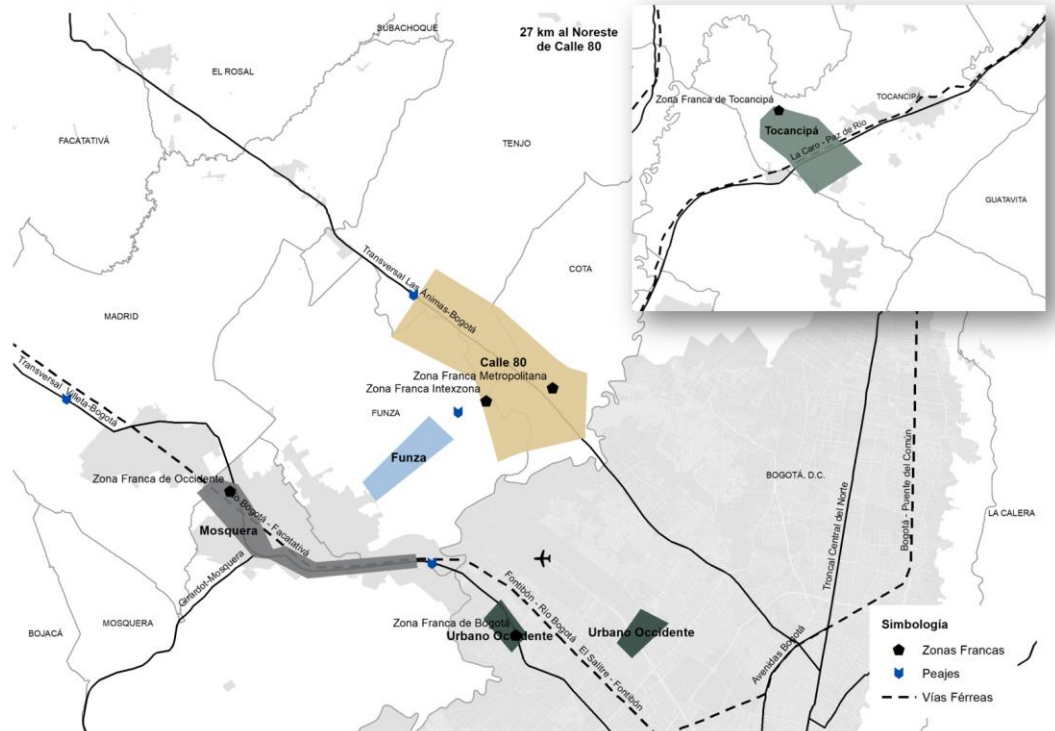
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Newmark has implemented its own database and the monitoring methodology has been revised. With this expansion and refinement in our data, there may be adjustments to historical statistics, including availability, rental prices, absorption, and effective rents. Our market reports are available at nrmk.lat/market-reports/

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