



Bogotá Office Market

Slow Office Occupation

The office market has experienced a notable evolution in terms of variety and availability of office space, opening a wide set of possibilities for the tenants at the time for decision making about a new space. Currently, Newmark has registered an increase in availability of office space not only in A and A+ class buildings, but also in older buildings in different locations, in different conditions and sometimes fully furnished, which provides a great opportunity for those clients who require to add savings in improvements and more.

Nevertheless, it is important to highlight that although this increased variety of offices, the development of new office projects has not registered a significant growth through this quarter. As a result, the availability of mid-sized areas does not show any fluctuation according to previous periods, limiting the options for tenants of greater areas.

Several organizations have recognized that hybrid-work is not only a favorable practice, but also a necessity for their employees. This situation has permitted several tenants to optimize their space reducing the occupied surface adapting to the new market trends.

Current Conditions

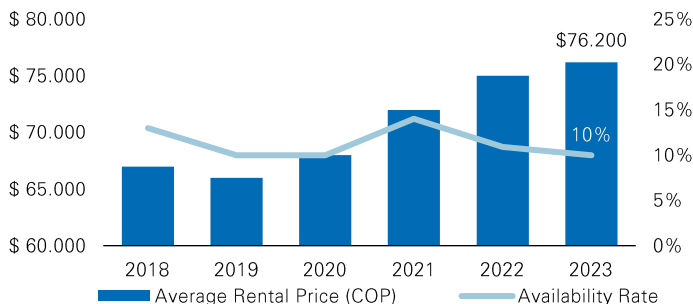
- During 2023 half of the square meters registered in the same period for 2022 have been absorbed.
- The Availability rate in Bogotá keeps stable. CBD is 5.7% and in the suburbs is of 13.3%
- Prices begin a stabilization process, currently the CBD has an average rent price of \$78.400 COP (\$ 18.66 USD).

Market Overview Classes A+ and A

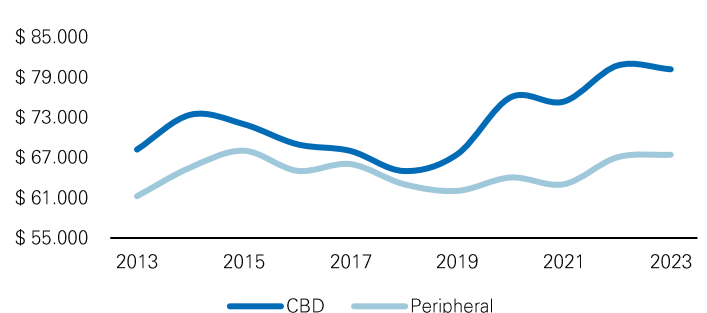
	Current Quarter (2Q 23)	Previous Quarter (1Q 22)	Previous Year (2Q 22)	12 Month Projection
Total Inventory (sqm)	1,62 M	1,62 M	1,58 M	↑
Availability Rate	10,1%	10,6%	10,9%	↓
Accum. Absorption Rate (YTD)	14.129	11.541	30.490	↑
Rent Price (USD/sqm/month)	\$18.14	\$18.61	\$17.85	↑

Market Analysis (Classes A+ and A)

HISTORIC RENT PRICES (COP) AND AVAILABILITY RATES



ASKING PRICE (COP) PER SUBMARKET TYPE (SQM)



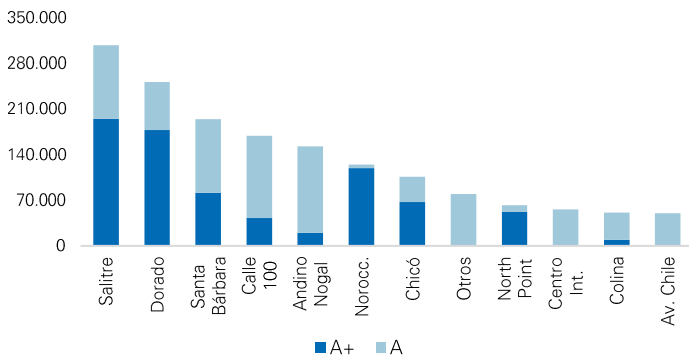
Inventory

In the second quarter of the year, the office inventory in Bogotá stays in 1.621.100 square meters. 53% of this, corresponds to class A offices, while the rest belongs to class A+ spaces. Salitre and Dorado submarkets keep its leading position with a 19% and a 16% respectively. This suburban submarkets, located at the west of the city, have maintained its activity in terms of construction due to the availability of land, which consolidates it as development sector for greater business complex in Bogotá.

During this quarter, there has not been significant changes in the inventory, keeping stable in comparison to previous quarter. Although the absence of many important construction of office spaces, excluding Connecta 80 Complex, it is expected that the inventory increases around 15.000 square meters during the rest of 2023.

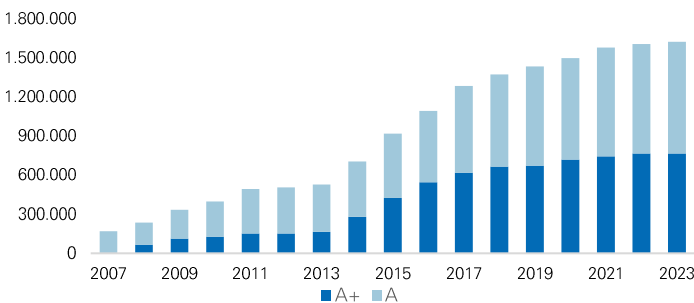
Inventory per Submarket

RENTABLE SQUARE METERS



Historic Inventory per Class

RENTABLE SQUARE METERS



Supply

Currently Bogotá has 162,400 square meters of office space available, decreasing a 5% if compared with the same quarter in 2022.

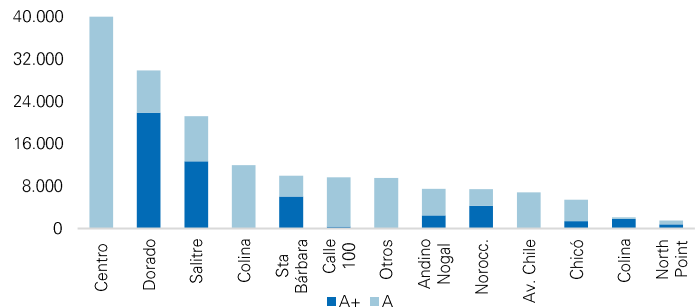
As a response for the changing demands in the labor, companies have adopted flexible work models permitting its employees to work remotely from home or from any other place. This trend has given a place to a decrease in the occupation of physical facilities, as the companies reduce and optimize its workplaces. As a result, this reduction has decreased the slight occupation that the market was experiencing lately.

It is important to highlight that differing from last year, it has been observed a wider variety of spaces available of a range of 200 to 800 square meters, due to the delivery of spaces by small and mid-sized companies. Although the availability of offices with areas of 1,000 square meters or more, keeps stable, specially in the submarkets in the CBD.

In regards of vacancy rate, it registers 10% to the end of this quarter, very similar to the registered in the same period of previous year. The CBD shows the lowest vacancy rate, with a 5.7%, while the suburban submarkets register a 11.6%. It is relevant to highlight that the higher level of availability it is found in the Centro submarket, specifically in the Atrio towers, where the available spaces have not been occupied still. Excluding this building, vacancy would be in a 7%.

Supply by Submarket

AVAILABLE SURFACE



Office Projects

The real estate market of office spaces in the Colombian capital keeps showing activity, with near 90,000 square meters of spaces classes A+ and A currently under construction. In this panorama, the project Connecta Blocks 1 and 2 in the Dorado suburban submarket, which is estimated to be finished and delivered during this year.

It is observed a decrease in the investment on office complexes, this trend is not only perceived to the effects of the pandemic, but due to the uncertainty generated by the political and economic conditions of the country. Despite of this, a better future is expected, with a number close to 650,000 square meters of office space in plans, with delivery dates for the next 7 years.

The submarkets Salitre, Dorado and Centro will be the zones with the major square meters under development for the next years, submarkets that are found out of the CBD of the city.

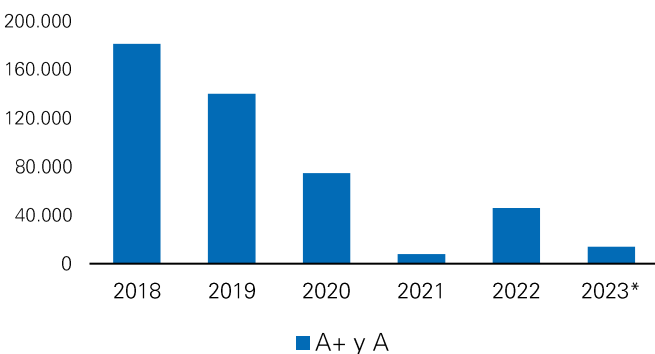
Absorption

During 2023, the Colombian capital, registered a net absorption of 14,129 square meter, almost half of what it was registered for the same period of 2022.

Although there were cases where the spaces were emptied and restituted, these were compensated for new occupation of diverse tenants and multiple expansions, creating a leverage in the net absorption to the closing of the second quarter of the year. This positive scenario provides the bases to project a sustained increase of the absorption through all 2023, impulsed by the continuous demand of spaces in the city.

Accumulated Historic Absorption

CLASSES A+ and A (COP)



Rent and Sale Prices

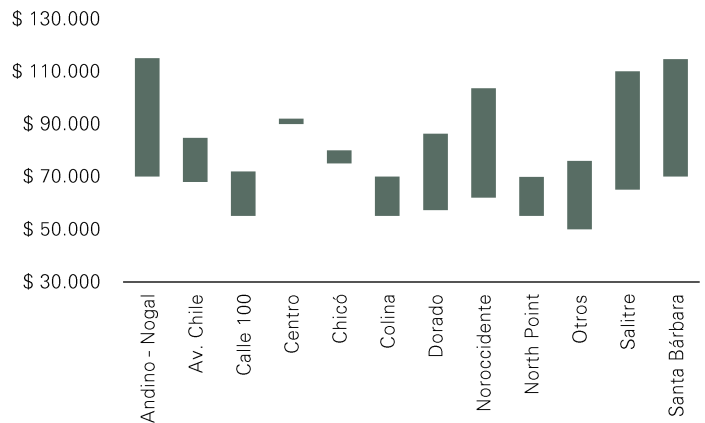
As a result of the low supply, the rent and sale prices have an increase trend during the last 18, nevertheless, it begins to show stabilization signs.

Analyzing the prices by submarket type, it is evidenced a major increase in the CBD than in the suburban submarkets, making the difference even higher between them. The space process in the Central Business Center closes in COP \$78.400 (USD \$18,2) and the peripheric submarkets in \$67.400 (USD \$15,6).

It is expected that in 2023 the prices continue its stabilization process, as a result of the increase of the leasing average time, or vacancy periods presented during the last quarter.

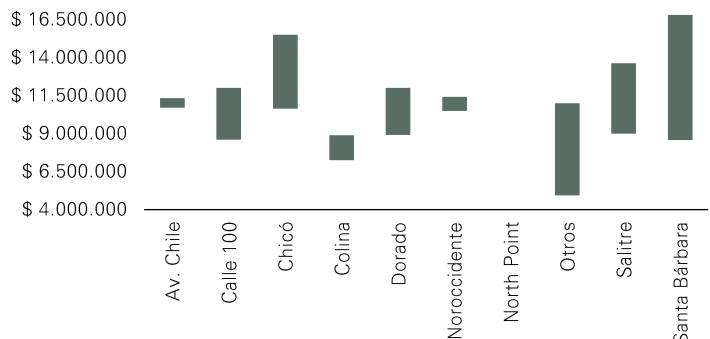
Rent Prices Average per Submarket

CLASSES A+ and A (COP)



Sale Price Range by Broker

CLASSES A+ and A (COP)



Statistics per Class A+ and A – Colombian Pesos

	Total Inventory (sqm)	Total Availability (sqm)	Vacancy Rate	Accumulated Net Absorption (YTD)	Average Rent Price (USD/sqm/month)	Average Sale Price (USD/sqm/month)
Total CBD	678.309	38.877	5,7%	1.599	\$ 78.380	\$ 11.782.207
Andino	152.705	7.422	4,9%	-4.316	\$ 92.329	\$ 12.300.000
Av. Chile	49.880	6.771	13,6%	456	\$ 70.306	\$ 11.115.054
Calle 100	168.522	9.677	5,7%	-930	\$ 69.288	\$ 10.253.387
Chicó	112.852	5.054	4,5%	6.260	\$ 77.500	\$ 13.119.699
Santa Bárbara	194.350	9.952	5,1%	129	\$ 82.481	\$ 12.832.894
Total Suburban Submarktes	942.758	125.049	13,3%	12.530	\$ 67.388	\$ 11.041.406
Suburban North	248.252	24.409	9,8%	12.373	\$ 61.344	\$ 9.969.546
Colina	50.743	15.620	30,8%	4.882	\$ 56.957	\$ 8.057.841
Noroccidente	135.304	7.262	5,4%	8.688	\$ 67.550	\$ 11.050.796
North Point	62.205	1.526	2,5%	-1.197	\$ 59.526	\$ 10.800.000
Suburban West	558.948	51.075	9,1%	1.079	\$ 73.432	\$ 12.313.266
Peripheral Dorado	251.297	29.875	11,9%	3.822	\$ 70.878	\$ 11.000.000
Peripheral Salitre	307.651	21.200	6,9%	-2.743	\$ 75.985	\$ 13.626.532
Others	135.558	49.565	36,6%	-922	\$ 79.578	\$ 8.440.440
Centro Internacional	56.000	40.000	71,4%	0	\$ 92.000	N.D
Others	79.558	9.565	12,0%	-922	\$ 67.157	\$ 8.340.440
Total Market	1.621.067	163.926	10,1%	14.129	\$ 76.116	\$ 11.984.684

* Reference Values
N.D Not found on sale to be able to determine a value.

Statistics by Submarket Class A+ y A – USD

	Inventory Total (m ²)	Availability Total (m ²)	Rate of Availability	Cumulative net absorption (YTD)	Rental Price Average (USD/m ² /month)	Sale Price Average (USD/m ² /month)
Total CBD	678.309	38.877	5,7%	1.599	\$ 18,2	\$ 2.740,0
Andino	152.705	7.422	4,9%	-4.316	\$ 21,5	\$ 2.860,5
Av. Chile	49.880	6.771	13,6%	456	\$ 16,4	\$ 2.584,9
Calle 100	168.522	9.677	5,7%	-930	\$ 16,1	\$ 2.393,8
Chicó	112.852	5.054	4,5%	6.260	\$ 18,0	\$ 3.051,1
Santa Bárbara	194.350	9.952	5,1%	129	\$ 19,2	\$ 2.984,4
Total Peripherals	942.758	125.049	13,3%	12.530	\$ 15,7	\$ 2.591,0
Peripheral Norte	248.252	24.409	9,8%	12.373	\$ 14,3	\$ 2.318,5
Colina	50.743	15.620	30,8%	4.882	\$ 13,2	\$ 1.873,9
Noroccidente	135.304	7.262	5,4%	8.688	\$ 15,7	\$ 2.570,0
North Point	62.205	1.526	2,5%	-1.197	\$ 13,8	\$ 2.511,6
Peripheral Occidente	558.948	51.075	9,1%	1.079	\$ 17,1	\$ 2.863,6
Periférico Dorado	251.297	29.875	11,9%	3.822	\$ 16,5	\$ 2.558,1
Periférico Salitre	307.651	21.200	6,9%	-2.743	\$ 17,7	\$ 3.169,0
Other	135.558	49.565	36,6%	-922	\$ 18,5	\$ 1.939,6
Centro Internacional	56.000	40.000	71,4%	0	\$ 21,4	N.D
Other	79.558	9.565	12,0%	-922	\$ 15,6	\$ 1.939,6
Total Market	1.621.067	163.926	10,1%	14.129	\$ 17,5	\$ 2.772,4

* Reference Values
N.A There is no offer for sale to achieve a value
Exchange Rate: \$4.200 COP

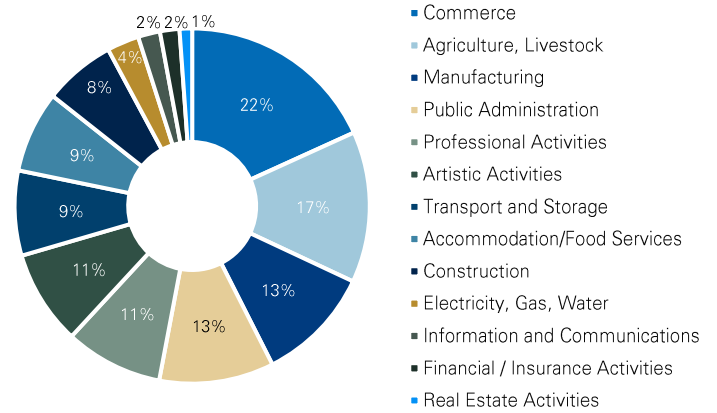
Economic Spectations Decrease

During April, the economic activity in Colombia experimented a contraction of a 0.78%, according to the National Statistics Management Department (Departamento Administrativo Nacional de Estadística). This is the first time, since February 2021, that the indicator shows an annual negative variation, which reflects the challenges that are to be confronted by the country's economy. As well as the primary activities as the secondary, registered a decrease. Nevertheless, the tertiary activities, covering commerce and services, where the only ones that achieved a positive growth.

The Organization for the Economic Cooperation and Development (Organización para la Cooperación y el Desarrollo Económicos) indicated that the Colombian economy will grow a 1.5% this year and a 1.8% in 2024 . It is expected that the consumption and the investment keep being moderated due to the strict macroeconomic policies and the world's economic fragility.

Labor per Economic Activity Sector

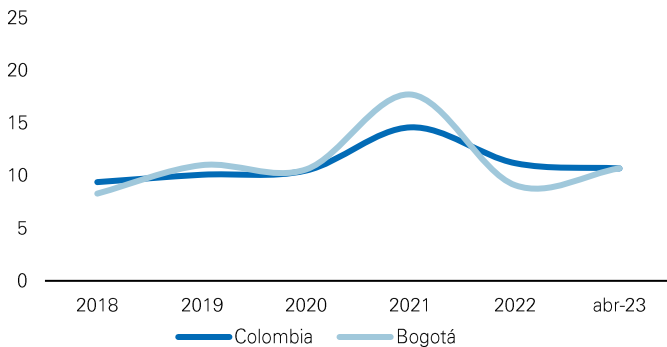
BOGOTÁ , APRIL 2023



Source: DANE

Unemployment Rate

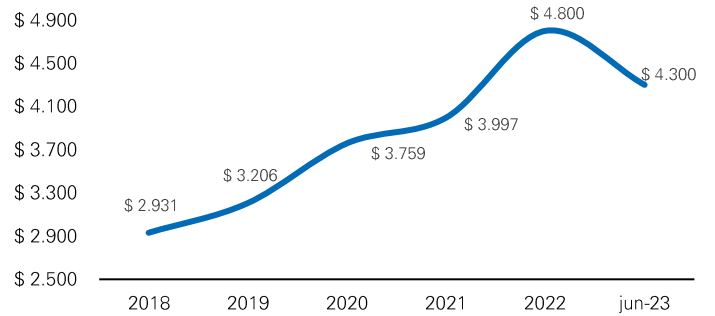
ANNUALIZED INDICATOR



Source: DANE

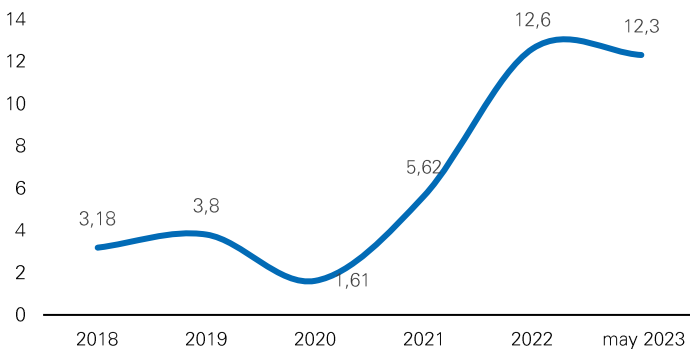
Exchange Rate

COLOMBIAN PESO PER US DOLLAR (USD)



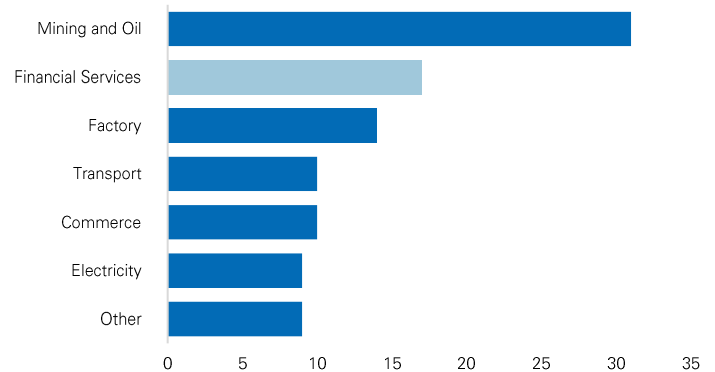
Source: Bank of the Republic

Consumer Price Index (CPI)



Source: DANE

Direct Foreign Investment (March 2023)



Source: DANE

For more information:

Bogotá

Cra. 9 N°77-67, Ofc 405

t +571.210.1929

Aurora Turriago

Market Research Director Colombia

Aurora.turriago@nmrk.com

Juan Manuel Torres

Senior Managing Director

Juan.torres@nmrk.com

newmark.com.co

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 nmrk.lat/market-reports/

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