



Bogotá Industrial Market

Shortage of Warehouses

During the second half of 2023, the Bogotá industrial market has seen sustained demand for warehouses with high technical specifications. At the same time, there has been a marked reduction in the availability rate of Class A warehouses, creating a scenario of greater competition and search for adequate spaces for companies in general.

In response to this demand, industrial park developers have maintained their focus on the development of built-to-suit (BTS) projects, allowing them to minimize risks and maximize the profitability of their investments through the signing of long-term contracts with clients, leaving aside speculative projects.

This strategy has led the rental price of new industrial developments to be above the market price range, contributing to an upward trend in rental prices.

Market Conditions

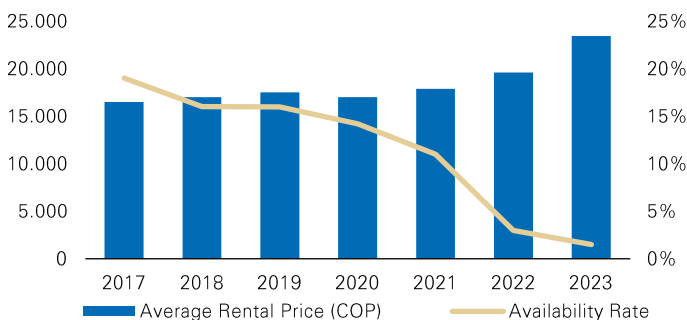
- Accumulated absorption for the year is 152,852 sqm for Class A warehouses and 93,676 sqm for free trade zones.
- The availability rate for Class A warehouses closed at 1.5%, the lowest historically. Meanwhile, in Free Trade Zones it was 7.2%.

Market Summary A and FZ

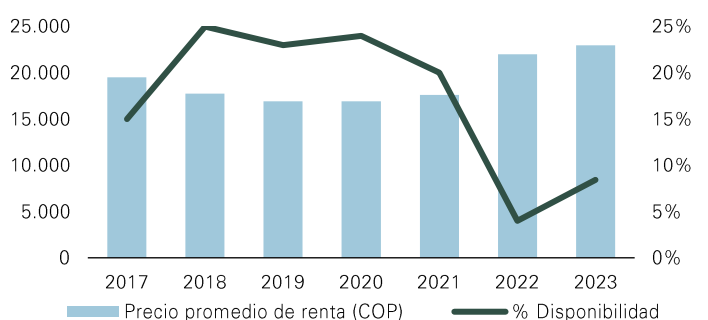
	Current Semester (2S 23)	Previous Semester (1S 23)	Last Year (2S 22)	Projection For 12 Months
Total Inventory (sqm)	2,87M	2,75M	2,54M	↑
Availability Rate	3,1%	4,2%	3,8%	↓
Net Absorption Half Year (sqm)	143.461	246.528	146.800	↑
Net Absorption YTD (sqm)	393.286	246.528	310.800	↑
Average Asking Rent (COP/sqm/mo)	\$22.700	\$21.300	\$20.550	↑

Market Analysis Average Rental Price and Availability Rate

Class A



Free Trade Zones



Inventory

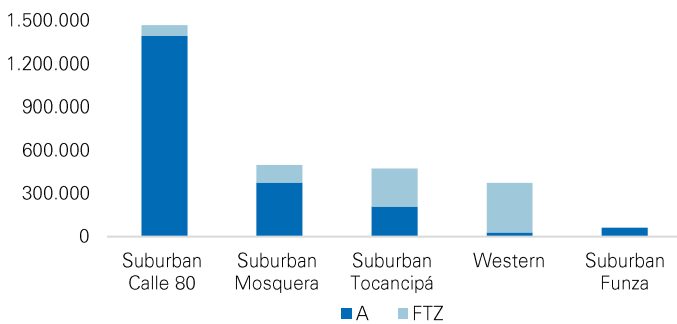
At the end of 2023, Bogotá's industrial market has a profitable inventory of 2,871,400 sqm, representing a 13% increase compared to December 2022 and a 4% increase compared to the previous semester. This growth is due to two main factors: the expansion of the Innova, LATAM and Clic 80 industrial parks, as well as the growing construction of built-to-suit projects for companies such as Falabella, Tostao, Postobón Los Coches, Thomas Greg & Sons (TGS) and Heineken.

Given the shortage of finished warehouses within industrial parks and the lack of speculative investment, the industrial market this year has been characterized by the construction of built-to-suit projects.

In 2024, financing and construction costs will be determining factors for the completion of new projects that will significantly contribute to the supply increase.

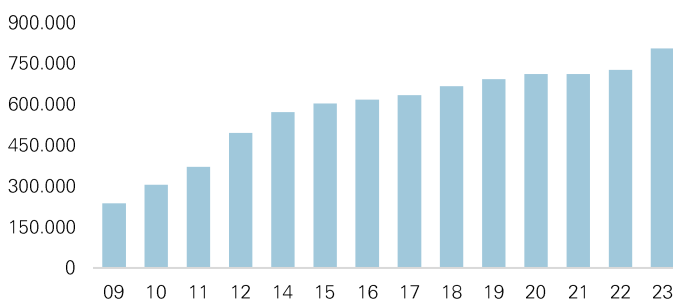
Inventory by Corridor and Class

RENTABLE SQUARE METERS



Historical Free Trade Zone Inventory

RENTABLE SQUARE METERS



Offer

At the end of the year, there were 88,850 m² available in Bogotá and its suburban corridors, representing a 27% decrease compared to the same period in 2022 and a 39% decrease compared to the previous semester. This downward trend has been consistent since late 2020 and is expected to continue in 2024 due to a market shift towards custom constructions and an economic situation that has directly impacted real estate investments.

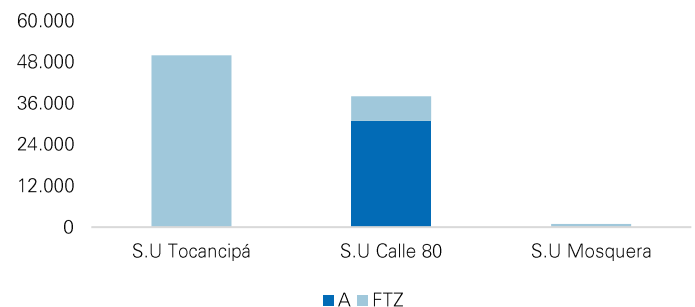
It is noteworthy that 56% of the availability is concentrated in the Tocancipá corridor, located in the farthest part of the urban perimeter. In second place is the Suburban Calle 80 corridor, representing 42% of the total supply. In this corridor, industrial parks with higher supply stand out, such as Costellation, Celta Trade Park, and Oikos. It is important to mention the absence of availability in Funza and Mosquera, corridors where no Class A warehouses are available.

Regarding the availability rate, it stands at 3.1%, implying a 0.7 percentage point decrease compared to 2022. If we analyze by type, Class A industrial parks have a rate of 1.5%, the lowest historically recorded, while Free Trade Zones show a rate of 7.2%.

As for future projections, availability is expected to continue decreasing, driven by the development of BTS (Build-to-Suit). Additionally, economic recovery and the reactivation of various sectors are anticipated to boost investment in the real estate market, creating new opportunities and challenges for industry stakeholders.

Offer by Broker and Class

RENTABLE SQUARE METERS



Industrial Projects

The real estate market in Bogotá and its surroundings presents a promising outlook with the expectation of developing approximately one and a half million square meters destined for industrial projects. However, at present, only a small proportion, representing just 8% of this projected area, is under construction and will be occupied as soon as it is completed.

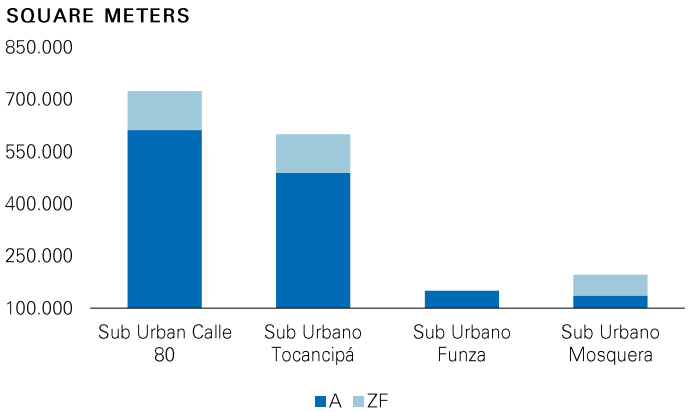
It is important to note that the availability of industrial properties in the market has been affected due to the growing demand for customized spaces. Industrial park developers have adopted a strategy focused on built-to-suit construction, where facilities are uniquely designed and built to meet the specific needs and requirements of each company.

Net Absorption

By the end of the second half of the year, the city of Bogotá registered a net absorption of 393,286 sqm, representing a 27% increase compared to the same period in 2022 and a 60% increase compared to the previous semester. This positive behavior is the result of the rapid recovery of the industrial market in the Colombian capital.

Analyzing by corridor, it is observed that 63% of the total absorption is concentrated in the 80th Street corridor. This result is mainly due to the completion of the Distribution Center (CEDI) for Falabella and Tostao, which significantly boosted occupancy in this area.

Projects by Corridor

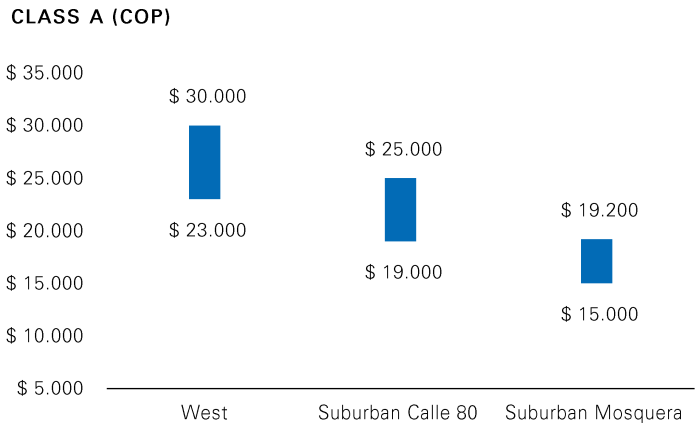


Prices

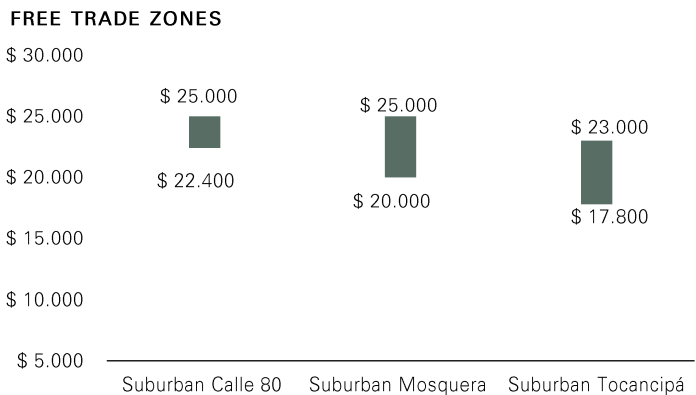
Due to the persistent shortage of supply, rental and sales prices have experienced an upward trend, with a 10% annual increase in rent and 11% in sales. This situation is expected to continue in the future, since construction focused on built-to-suit projects continues to be observed and there is an absence of speculative constructions that could significantly increase supply.

This dynamic in the real estate market has posed challenges for those companies seeking to expand or establish themselves in the region, since the limited supply has led to increased competition for available spaces and rising rental and sale prices.

Rental Price Range by Corridor



Rental Price Range by Corridor



Statistics by Class A Submarket - Colombian Pesos

	Inventory Total (sqm)	Availability Total (sqm)	Availability Rate	Cumulative YTD Net Absorption (sqm)	Average Rental Price (COP/sqm/month)	Average Sales Price (COP/sqm/month)
West	27.299	0	0,0%	2.482	\$ 25.000*	\$ 3.100.000*
Suburban Calle 80	1.393.015	30.904	2,2%	246.743	\$ 23.450	\$ 2.706.000
Suburban Funza	61.841	0	0,0%	6.505	N.D	N.D
Suburban Mosquera	374.400	0	0,0%	3.941	\$ 15.100*	\$ 2.564.800
Suburban Tocancipá	209.067	0	0,0%	133.615	\$ 17.300*	N.D
Total Market	2.065.622	30.904	1,5%	289.686	\$ 23.500	\$ 2.790.267

Statistics by Free Trade Zone Submarket - Colombian Pesos

	Inventory Total (sqm)	Availability Total (sqm)	Availability Rate	Cumulative YTD Net Absorption (sqm)	Average Rental Price (COP/sqm/month)	Average Sales Price (COP/sqm/month)
West	345.635	0	0,0%	1.869	N.D	N.D
Suburban Calle 80	74.817	7.112	9,5%	2.002	\$ 23.450	\$ 2.550.000
Suburban Mosquera	122.500	900	0,7%	-6.844	\$ 23.000	\$ 2.700.025
Suburban Tocancipá	262.790	49.931	19,0%	96.650	\$ 22.000	\$ 2.500.000
Total Market	805.742	57.943	7,2%	93.676	\$ 22.567	\$ 2.583.342

TRM: 4,000 COP

Reference Values

N.D. No sales listings available to determine a value.

Statistics by Class A Submarket - USD

	Inventory Total (sqm)	Availability Total (sqm)	Availability Rate	Cumulative YTD Net Absorption (sqm)	Average Rental Price (COP/sqm/month)	Average Sales Price (COP/sqm/month)
West	27.299	0	0,0%	2.482	\$ 6,3*	\$ 738,1*
Suburban Calle 80	1.393.015	30.904	2,2%	246.743	\$ 5,9	\$ 644,3
Suburban Funza	61.841	0	0,0%	6.505	N.D	N.D
Suburban Mosquera	374.400	0	0,0%	3.941	\$ 3,7	\$ 610,7
Suburban Tocancipá	209.067	0	0,0%	133.615	\$ 4,1	N.D
Total Market	2.065.622	30.904	1,5%	289.686	\$ 5,8	\$ 664,3

Statistics by Free Trade Zone Submarket - USD

	Inventory Total (sqm)	Availability Total (sqm)	Availability Rate	Cumulative YTD Net Absorption (sqm)	Average Rental Price (COP/sqm/month)	Average Sales Price (COP/sqm/month)
West	345.635	0	0,0%	1.869	N.D	N.D
Suburban Calle 80	74.817	7.112	9,5%	2.002	\$ 5,9	\$ 607,1
Suburban Mosquera	122.500	900	0,7%	-6.844	\$ 5,8	\$ 642,9
Suburban Tocancipá	262.790	49.931	19,0%	96.650	\$ 5,7	\$ 595,2
Total Market	805.742	57.943	7,2%	93.676	\$ 5,5	\$ 615,1

TRM: 4,000 COP

* Valores de Referencia
 N.D No se encuentra oferta en venta para lograr tener un valor

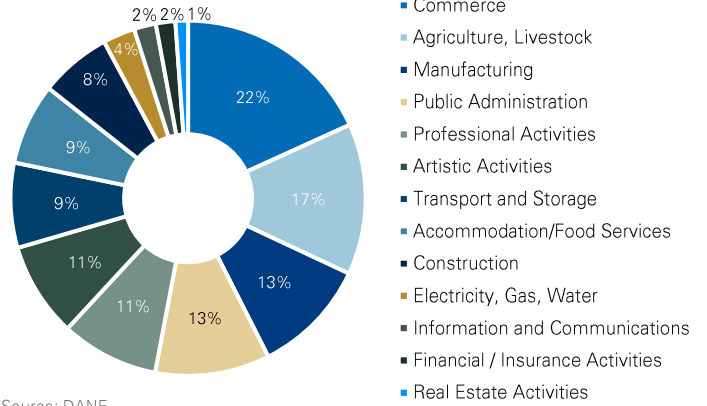
Economic Expectations Decline

In 2023, a scenario of persistent inflation and global economic slowdown without recession materialized. Colombia managed to have one of the best post-pandemic economic recoveries in Latin America and among emerging countries. However, the evident slowdown in several relevant sectors, such as industry, commerce and construction, made the economy feel stagnant.

2024 will be a challenging year, which will test the ability of companies and consumers to withstand the final phase of a complex economic adjustment, characterized by high interest rates and inflation amid high uncertainty caused by global geopolitical shocks and an unfinished reform agenda in Colombia.

Employment by Sector of Economic Activity

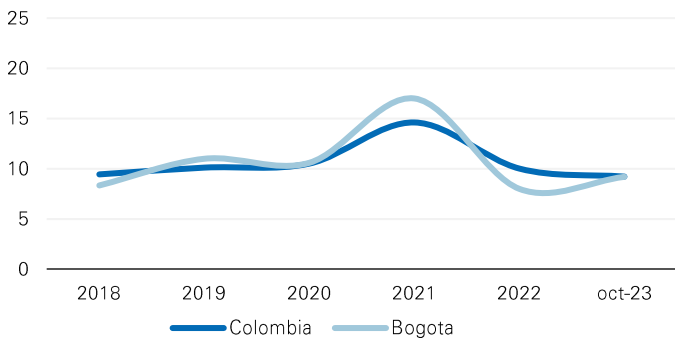
BOGOTA, SEPTEMBER 2023



Source: DANE

Unemployment Rate

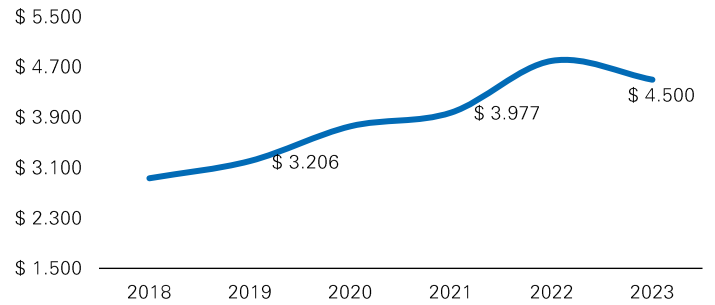
ANNUALIZED INDICATOR



Source: DANE

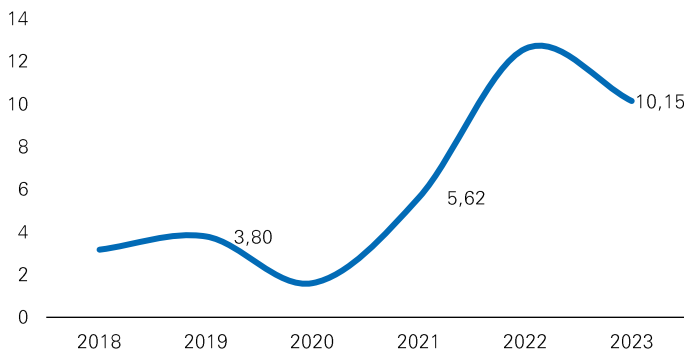
Exchange Rate

COLOMBIAN PESO TO US DOLLAR (USD)



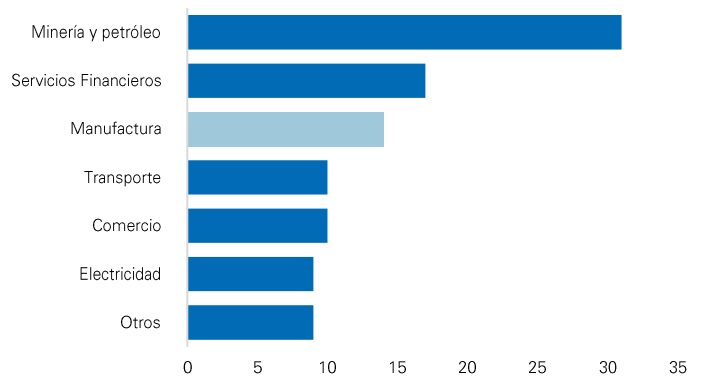
Source: Bank of the Republic

Consumer Price Index (CPI)



Source: DANE

Foreign Direct Investment (October 2023)



Source: DANE

For more information:

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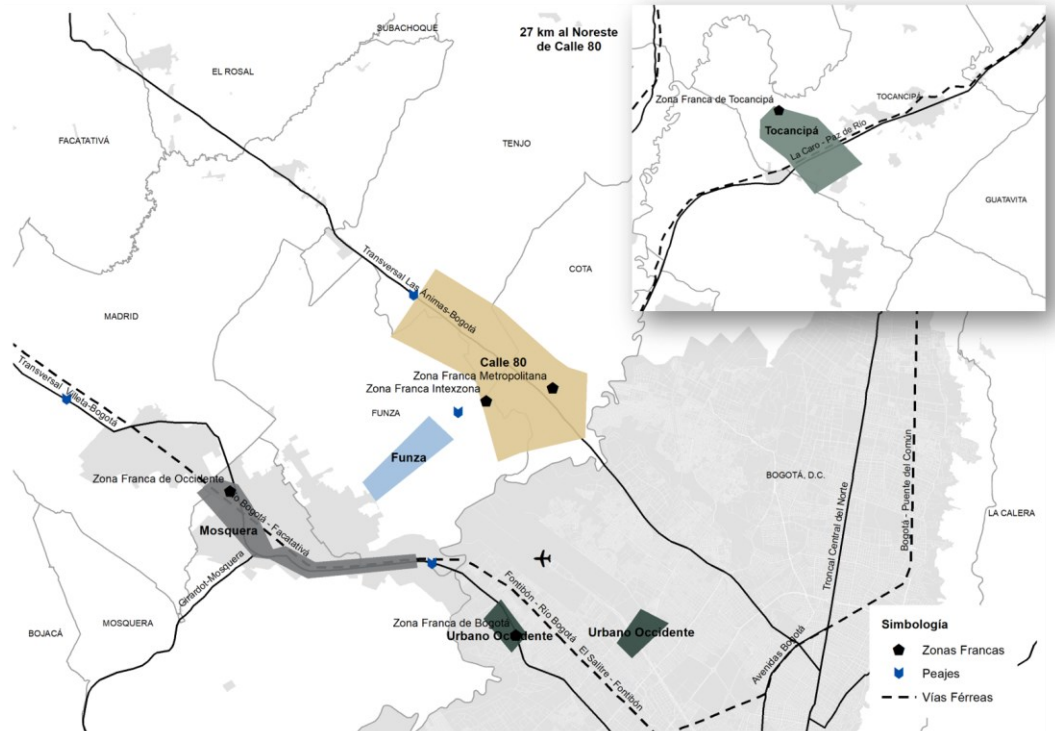
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Newmark has implemented its own database and the monitoring methodology has been reviewed. With this expansion and refinement of our data, there may be adjustments to historical statistics, including availability, rental prices, absorption and effective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

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