

3Q 2024

# Bogotá Office Market





---

# Market Analysis

## Economy

- In the second quarter of 2024, real GDP grew by 2.1% compared to 2023. This is due to the growth in domestic demand, which, after five quarters of contraction, expanded by 1.6% driven by investment and consumption.
- Economic growth was driven by artistic and recreational activities, the agricultural sector, public administration, the provision of public services, and construction. In contrast, manufacturing industries, information and communications, and exploitation experienced declines.
- The Colombian economy is expected to grow between 1.5% and 1.8% in 2024, according to experts. The median for 2025 is projected to be 2.5%.

## Transactions

- The Atrio building, located in the Centro corridor, which had been unoccupied for several periods, saw two transactions during this period. The first was by a betting company taking 5,000 sqm, and the second by a technology sector company taking 8,000 sqm.
- Throughout the year, it has been identified that companies have returned to take back spaces they had previously vacated in the same building they occupy, as a result of the progressive return of employees to work in offices. Additionally, there has been an increase in demand for flexible and shared spaces, adapting to the new dynamics of hybrid work. This phenomenon also suggests that companies are reassessing their office occupancy strategies, seeking a balance between costs and occupancy.

## Market Fundamentals

- The cumulative net absorption in the third quarter is 33,925 sqm, more than double the 16,139 sqm registered during the same period in 2023.
- The availability rate closed at 8.5%, decreasing by 1.5 percentage points compared to 2023. The CBD has the lowest rate at 3.9%, whereas the peripheral corridors reached an availability of 11.9%.
- Prices continue to rise, averaging COP \$79,400. CBD rental prices keep trending upwards, closing at COP \$86,900, while peripheral corridors close at COP \$78,550.

## Outlook

- Due to the scarcity in the construction of spaces, absorption in 2024 is anticipated to remain at levels comparable to those in 2022.
- With the progressive return to in-person work, many companies that initially planned to renegotiate their lease contracts or reduce their spaces are re-evaluating these decisions. Some have even retaken the spaces they had previously vacated.
- Despite the increase in demand for offices, economic and political uncertainty has made companies cautious when deciding to expand their office spaces. This context reflects a trend towards greater prudence and evaluation before considering significant expansions.

---

Economy	4
Market Fundamentals	7
Summary Table	12

3Q 2024

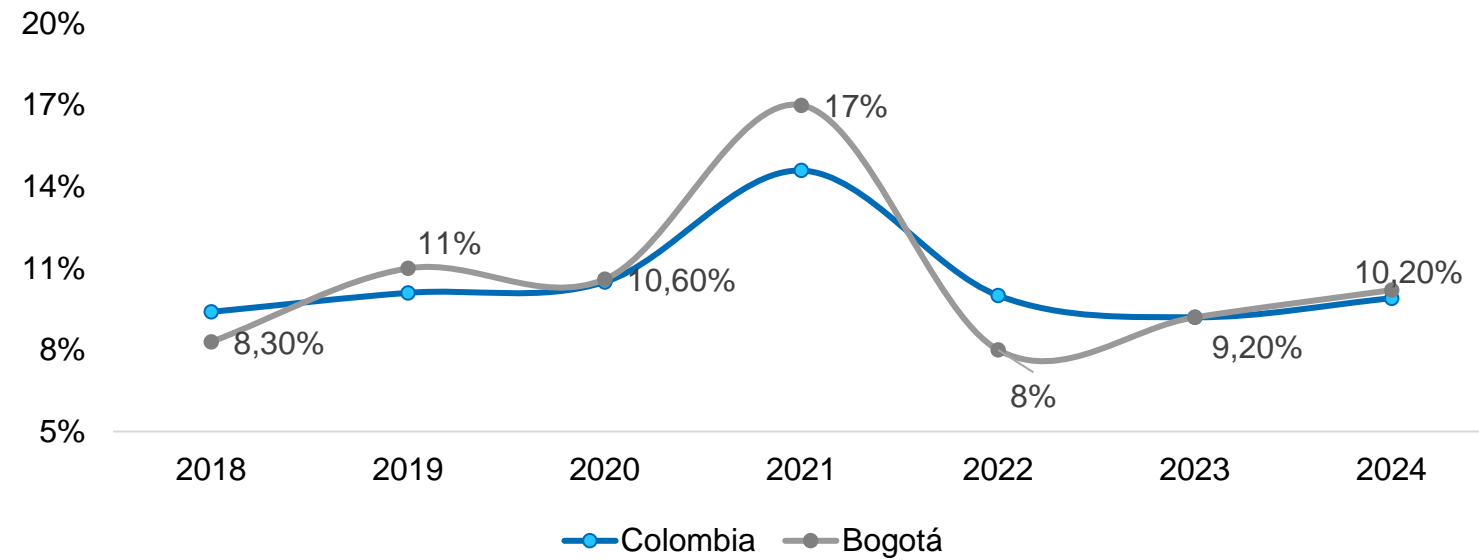
# Economy



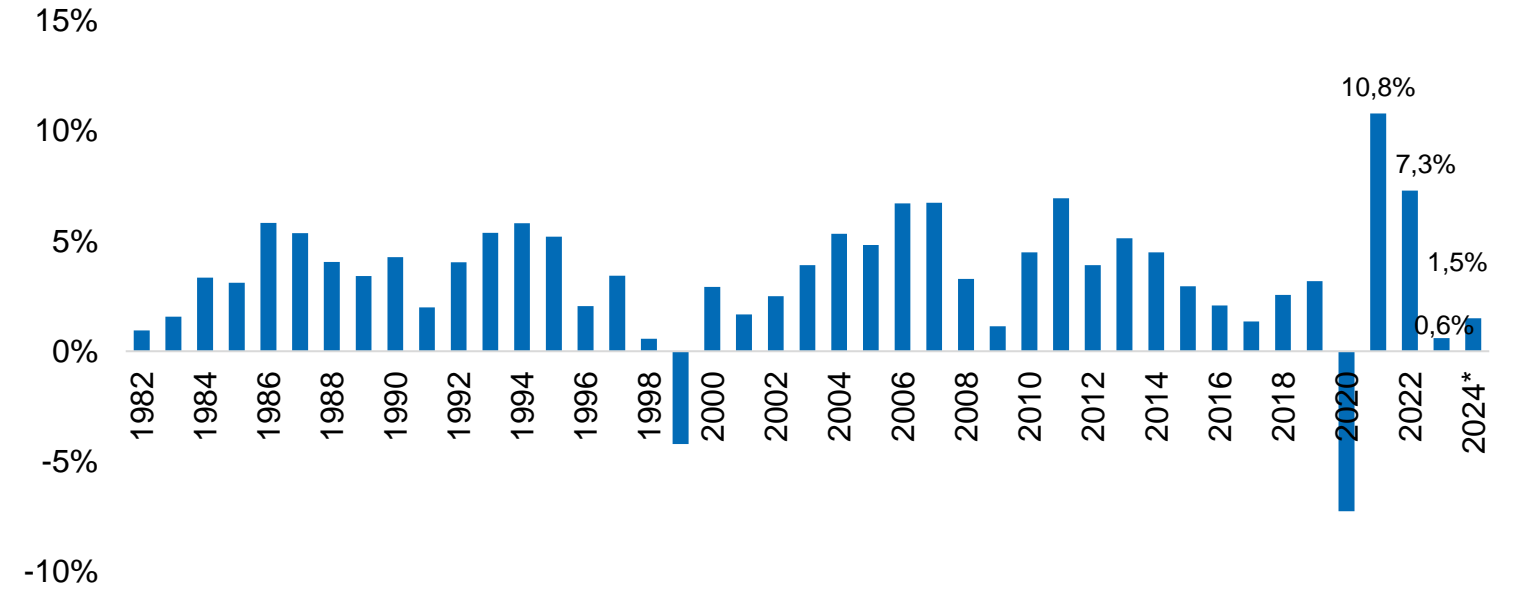
# Economic

The economy exhibited a particular behavior in the first half of the year, during which monetary policy interest rates continued their downward trend, as did inflation. Despite the positive figures, they do not reach last year's levels, indicating an economic slowdown.

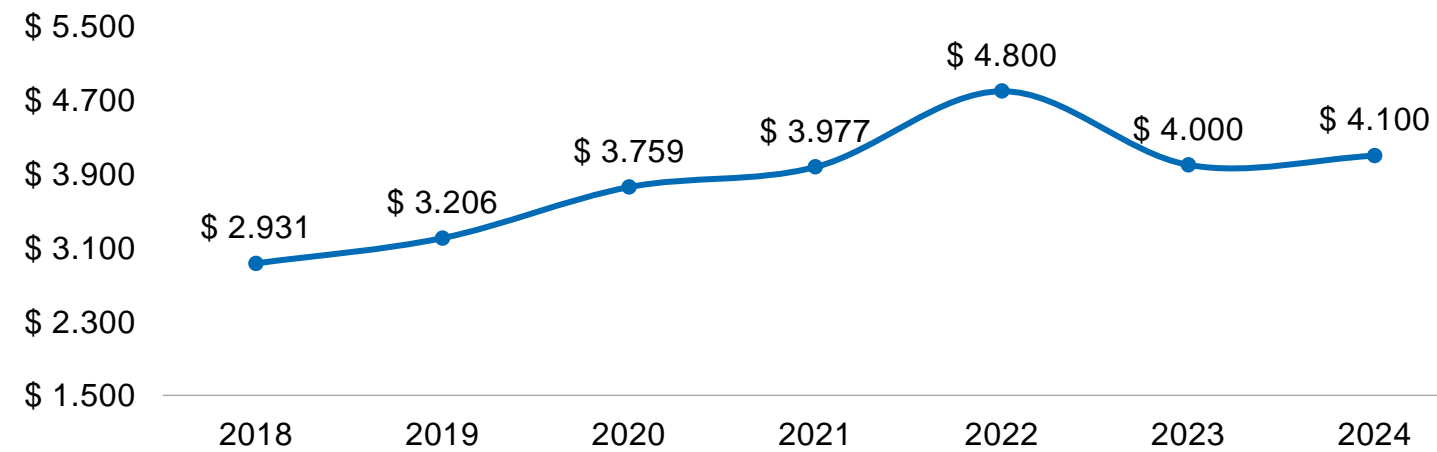
### Unemployment Rate



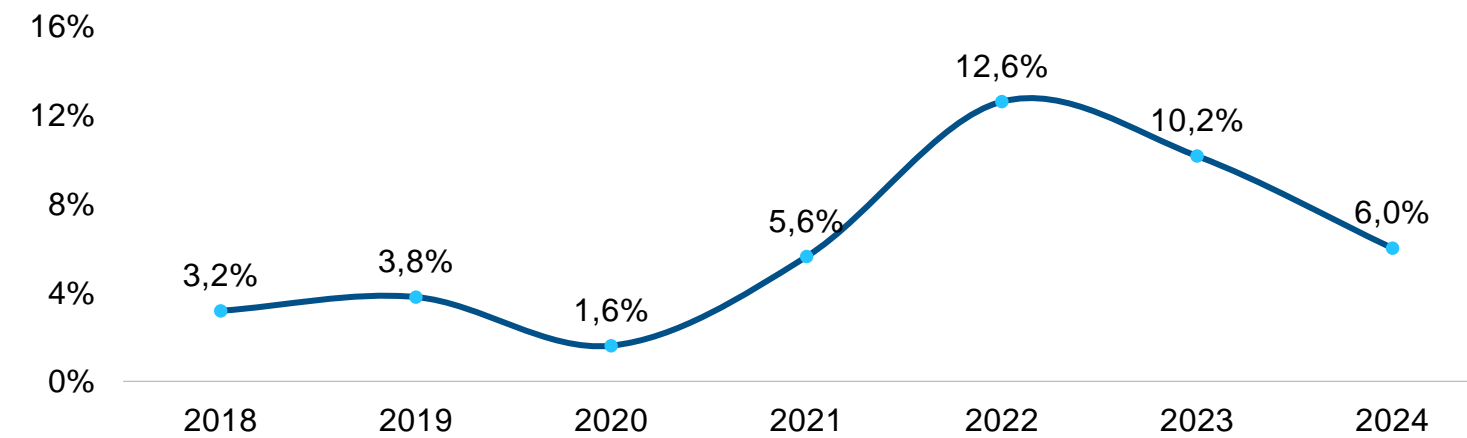
### GDP Growth (% Annual)



### Exchange Rate (Colombian Peso per US Dollar USD)



### Consumer Price Index (CPI)



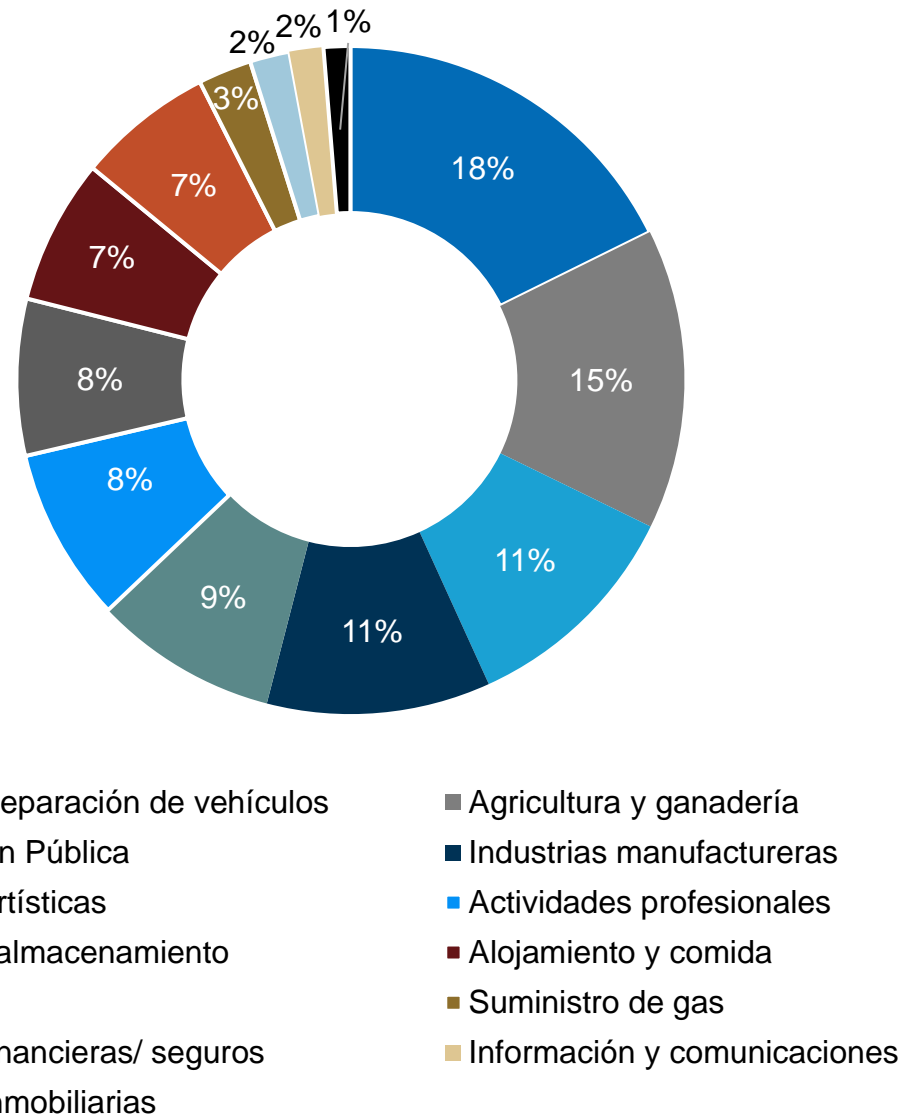
Source: DANE, Banco de la República



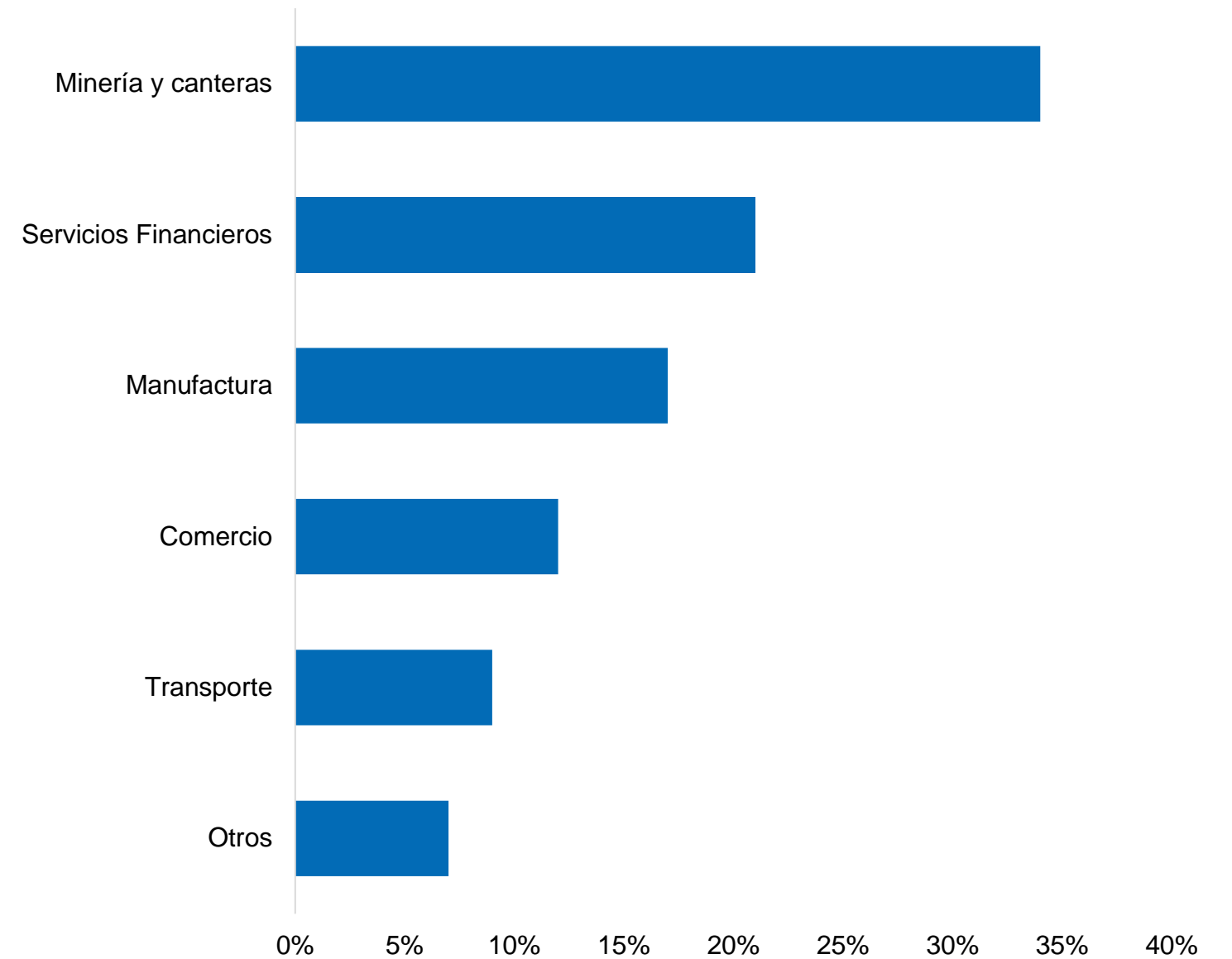
# Other Economic Variables

The Banco de la República de Colombia reported that FDI reached USD 7,201 million so far this year, a decrease of 15.5% compared to 2023. In July 2024, FDI was USD 876 million, 13% less than the previous year, but 6% more than in June of this year, indicating a slight improvement in attracting foreign investment.

Employment by Sector of Activity



Foreign Direct Investment (July 2024)



Source: DANE



3Q 2024

# Market Fundamentals

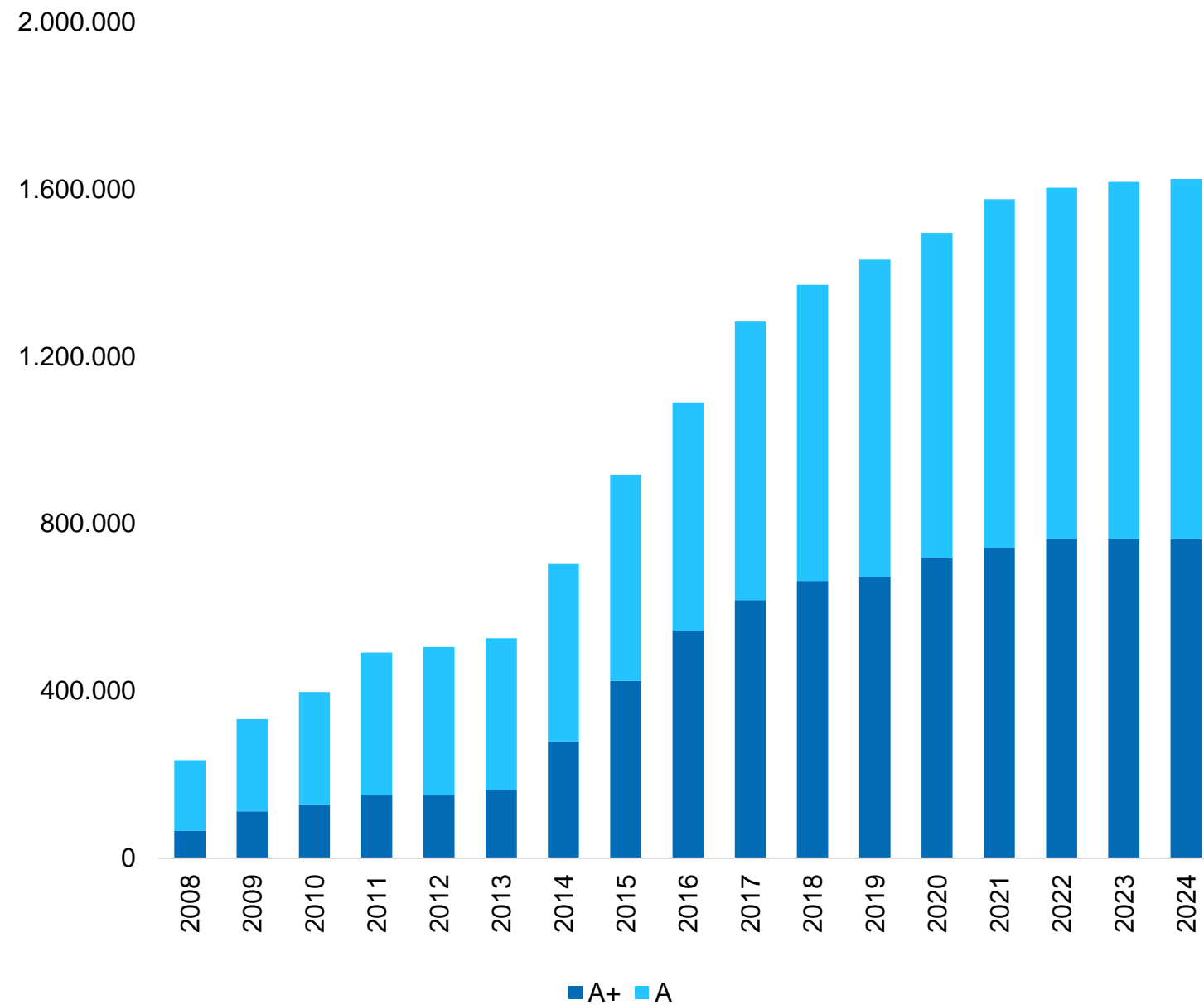




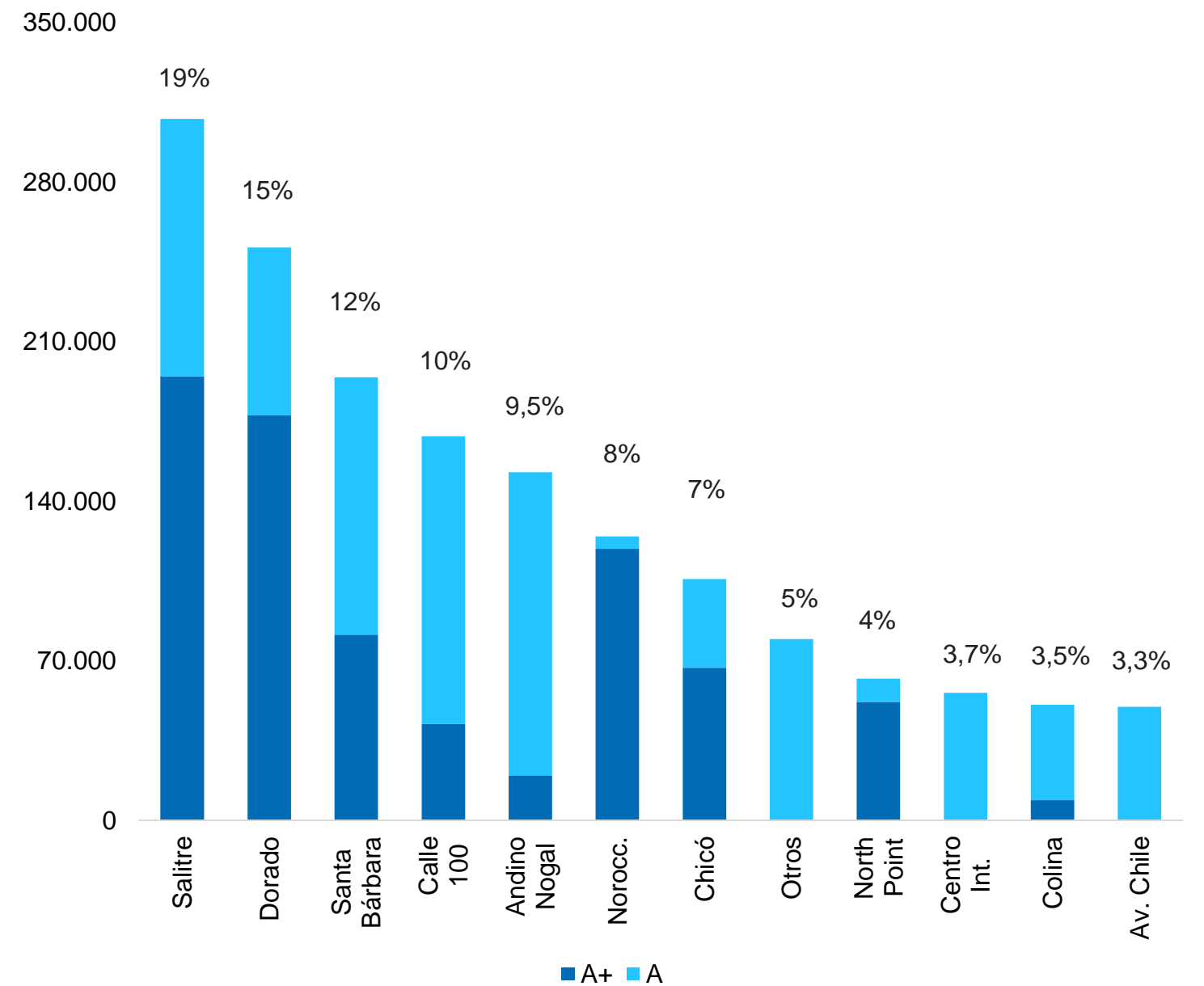
# Inventory

During the third quarter of 2024, no changes were recorded in the inventory of Class A+ and A buildings. It is expected that, in the last quarter of the year, some projects will be completed, increasing the inventory by about 33,000 sqm.

Historical Inventory Growth by Class (sqm)



Inventory Distribution by Corridor and Class (sqm)



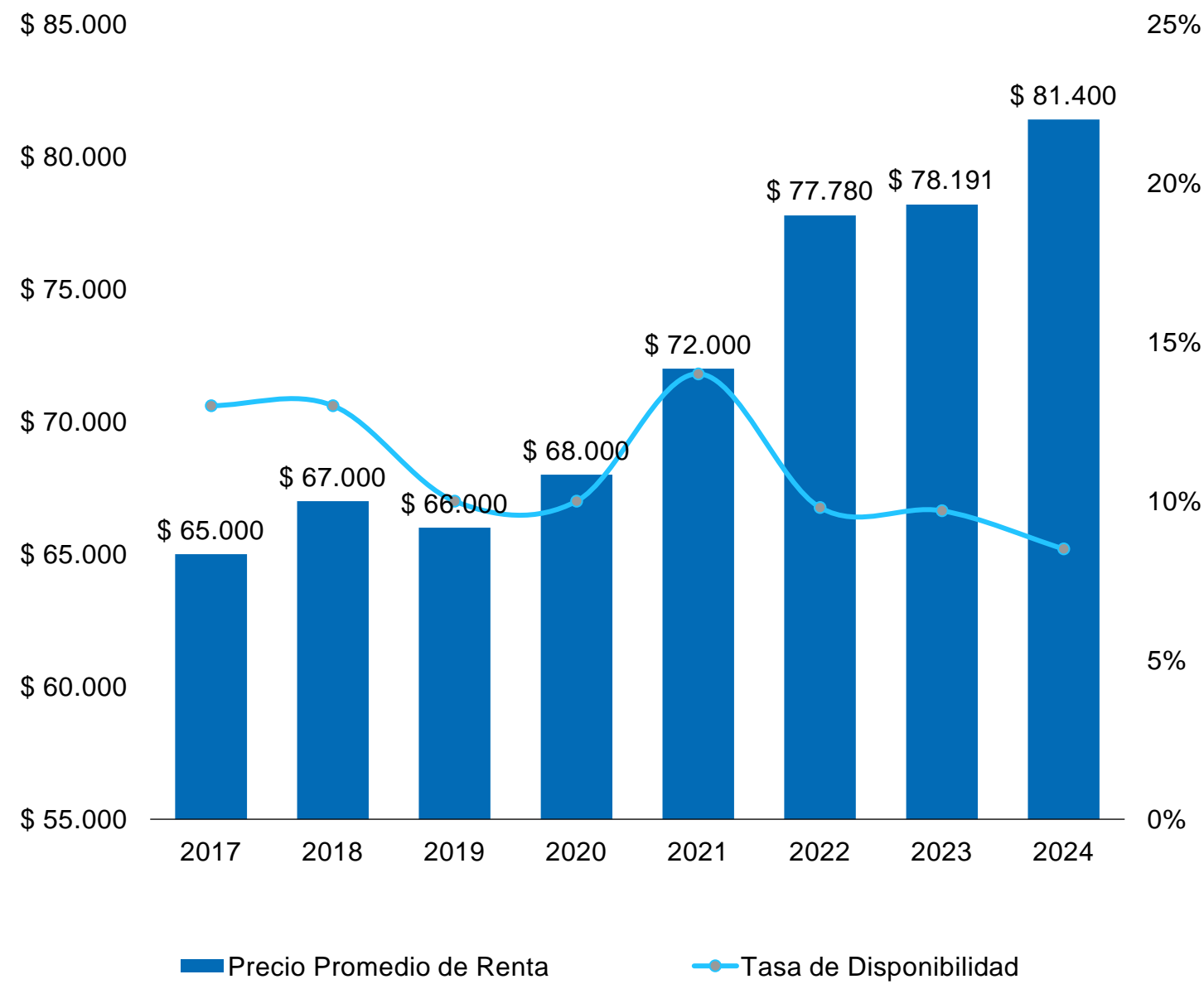
Source: Newmark Research



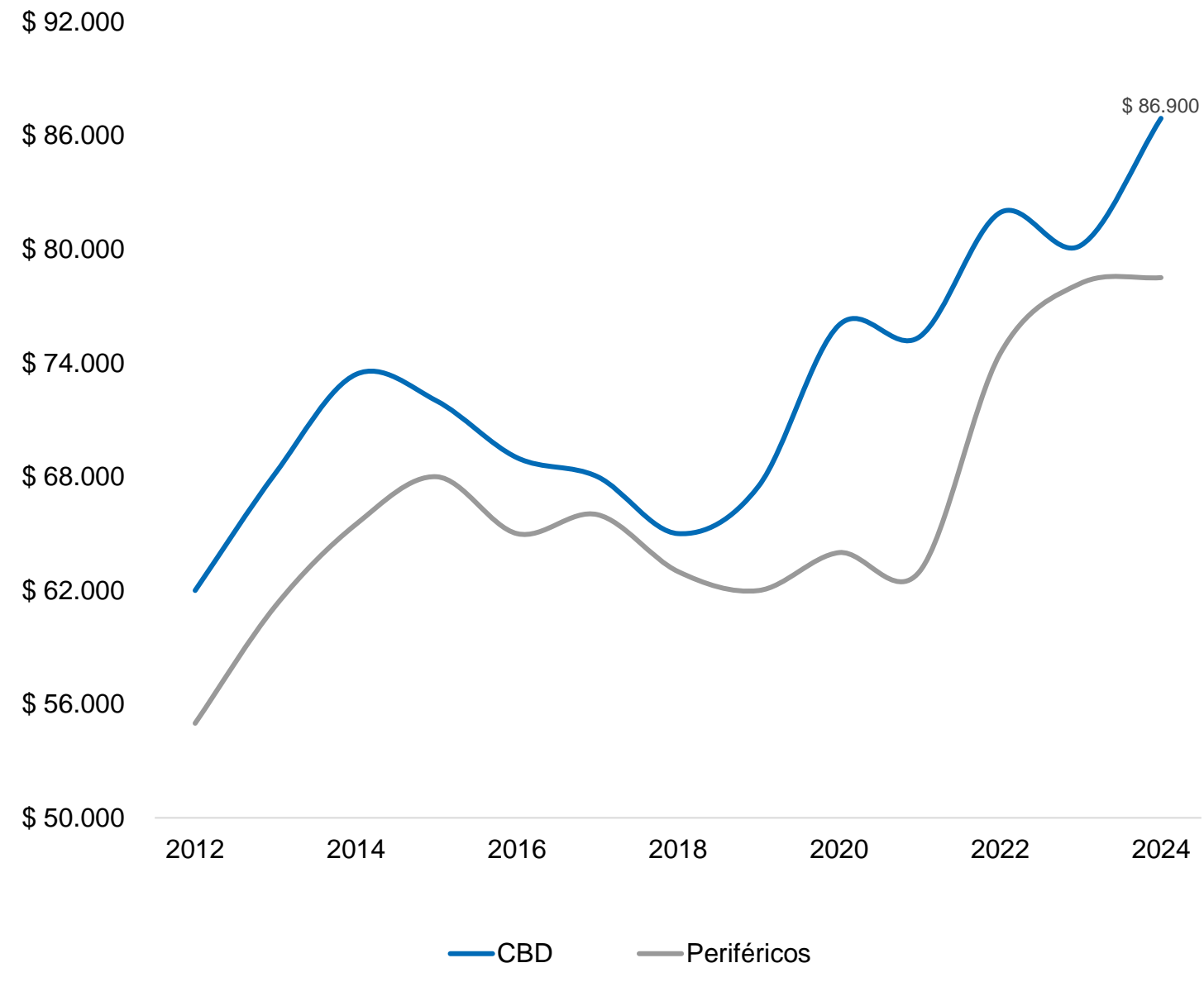
# Market Analysis

In general, prices do not seem to show any significant change. However, upon closer examination, we discover that leasing rates in the corridors within the Central Business District (CBD) exhibit upward trends, in contrast to the peripheral corridors, where prices show a downward trend. This situation leads to what appears to be a generalized stabilization of prices in the market.

Historical Rental Prices (COP) and Availability Rate (%)



Average Listing Price by Corridor Type (COP)

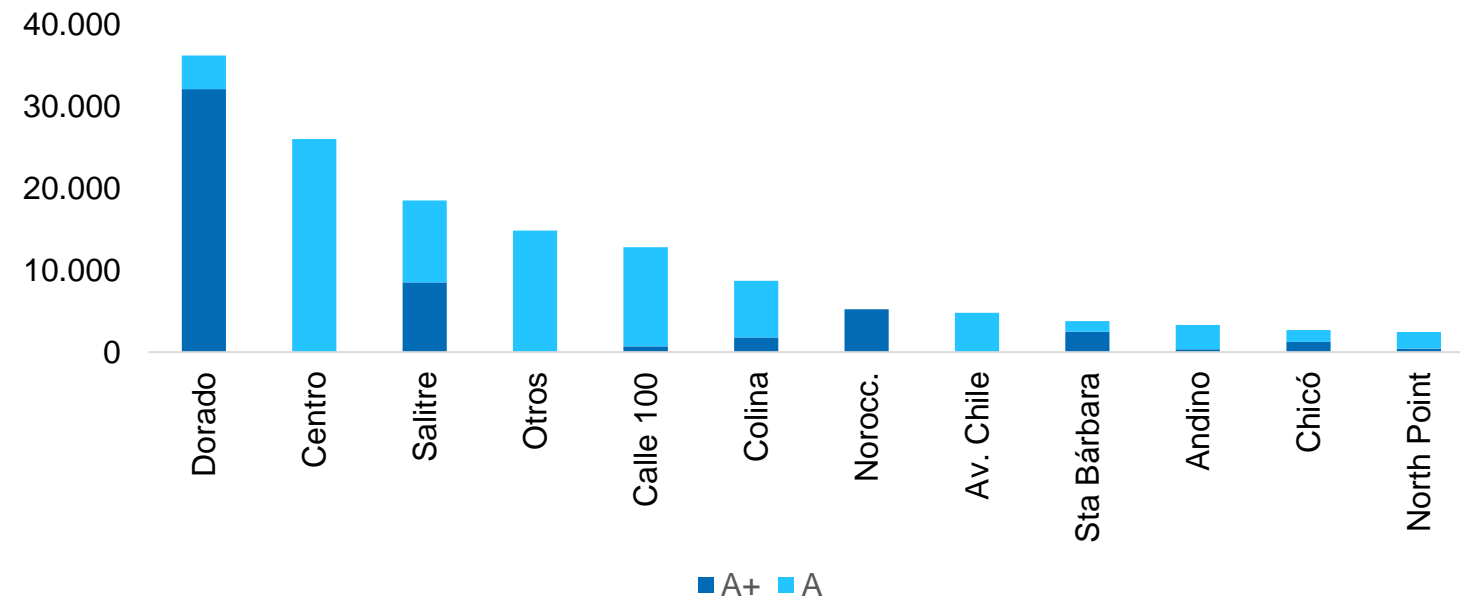


Source: Newmark Research

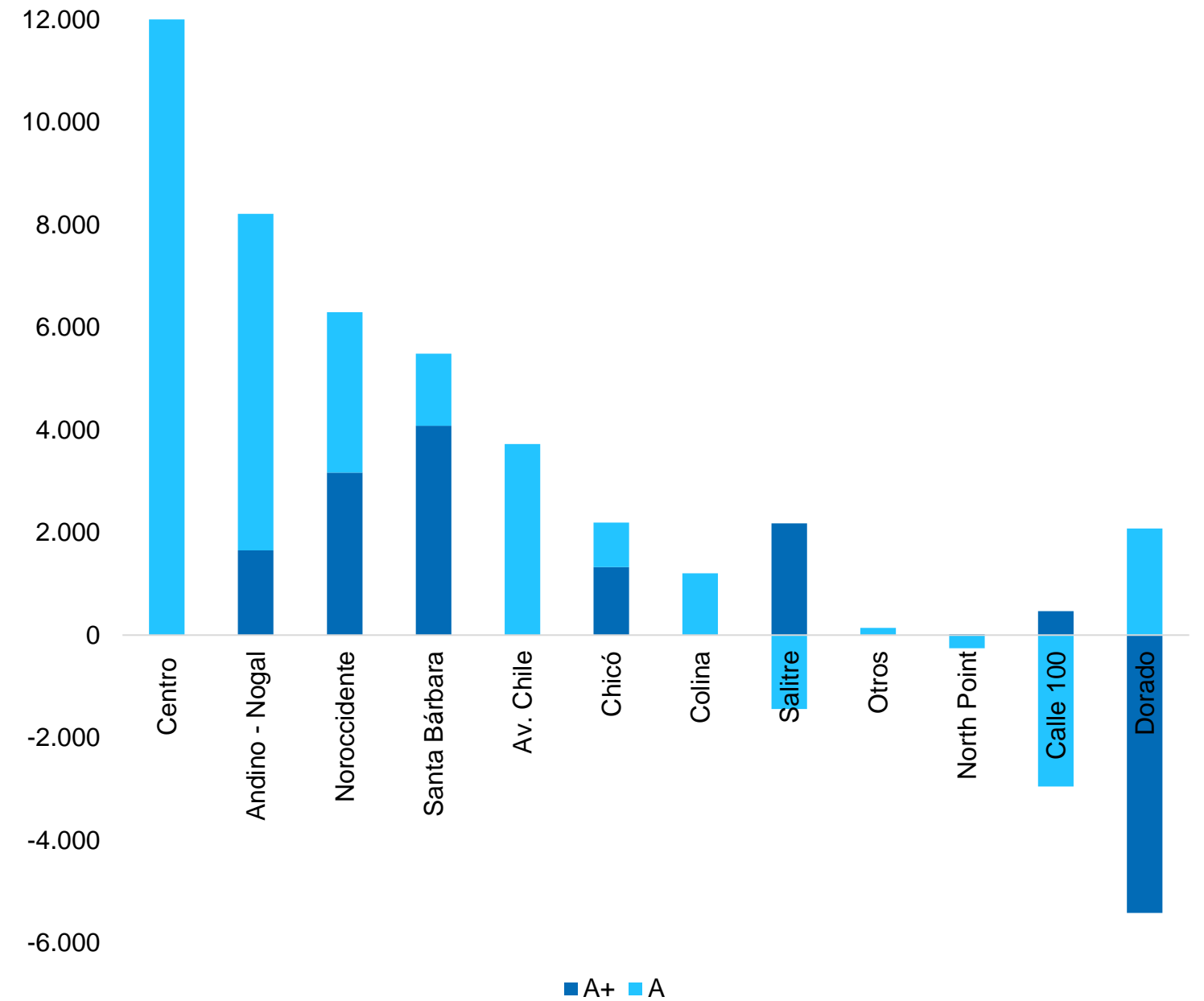
# Supply and Absorption

So far this year, 33,925 sqm of Class A+ and A offices have been absorbed in Bogotá. While a recovery is evident compared to the previous year, there remains a lack of ready-to-occupy spaces, which causes absorption to be lower than the existing demand. Additionally, clients are even more cautious in making decisions due to the country's economic and political uncertainty.

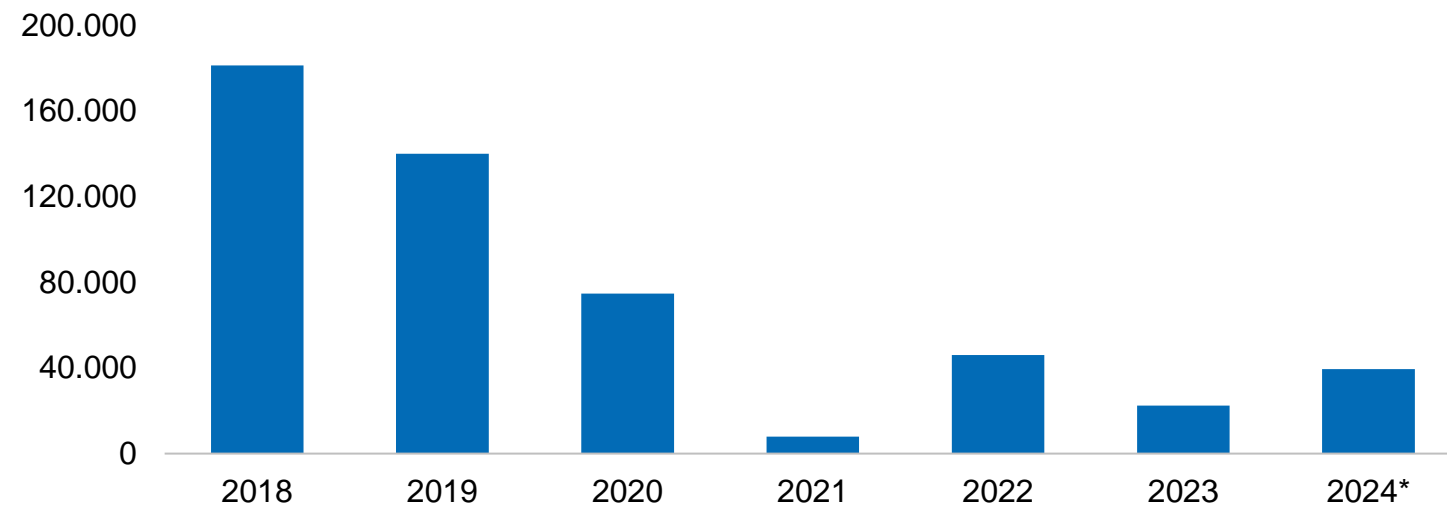
Supply Distribution by Class and Corridor (sqm)



Absorption by Corridor (sqm)



Historical Cumulative Absorption of Class A+ and A Offices (sqm)



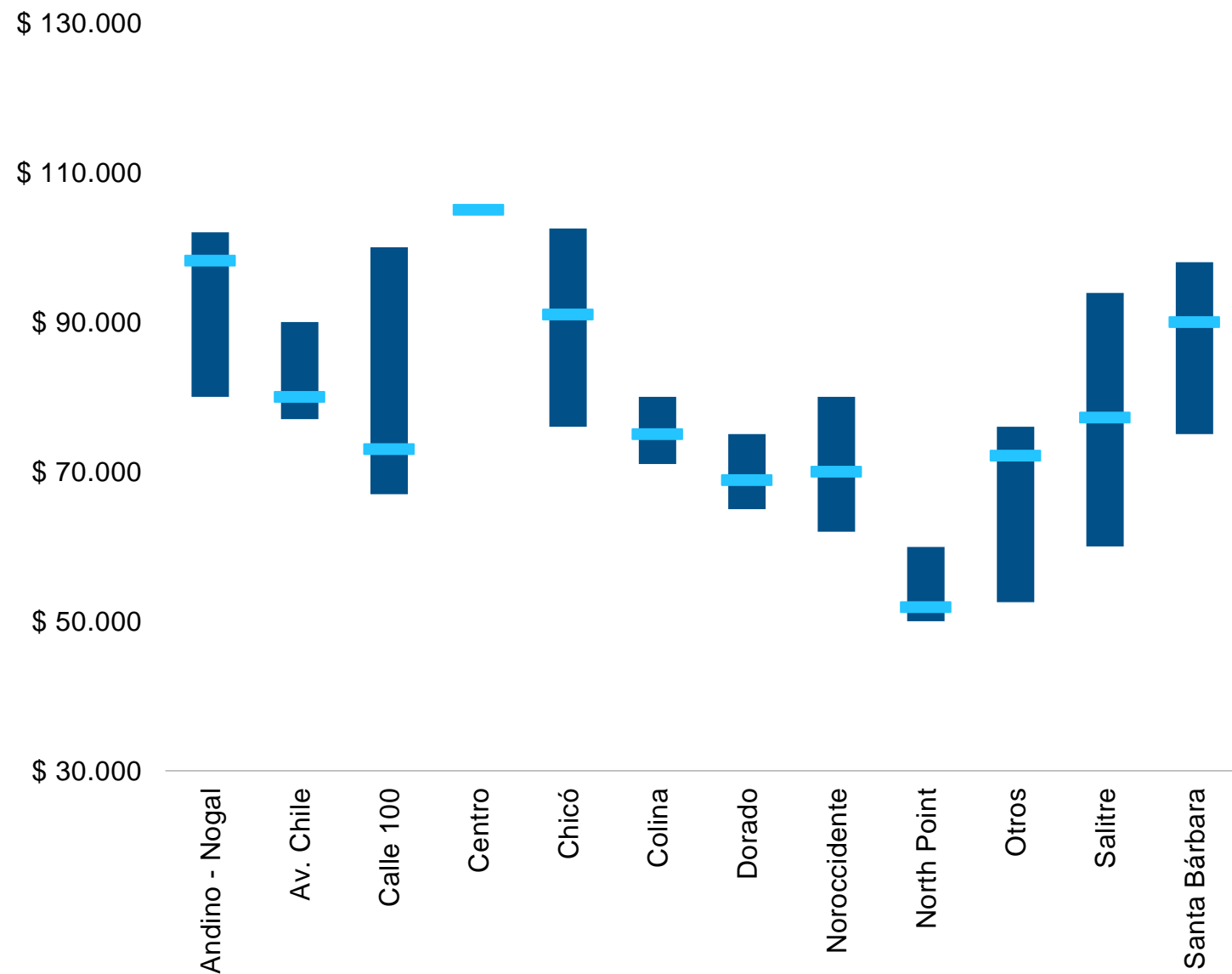
Source: Newmark Research



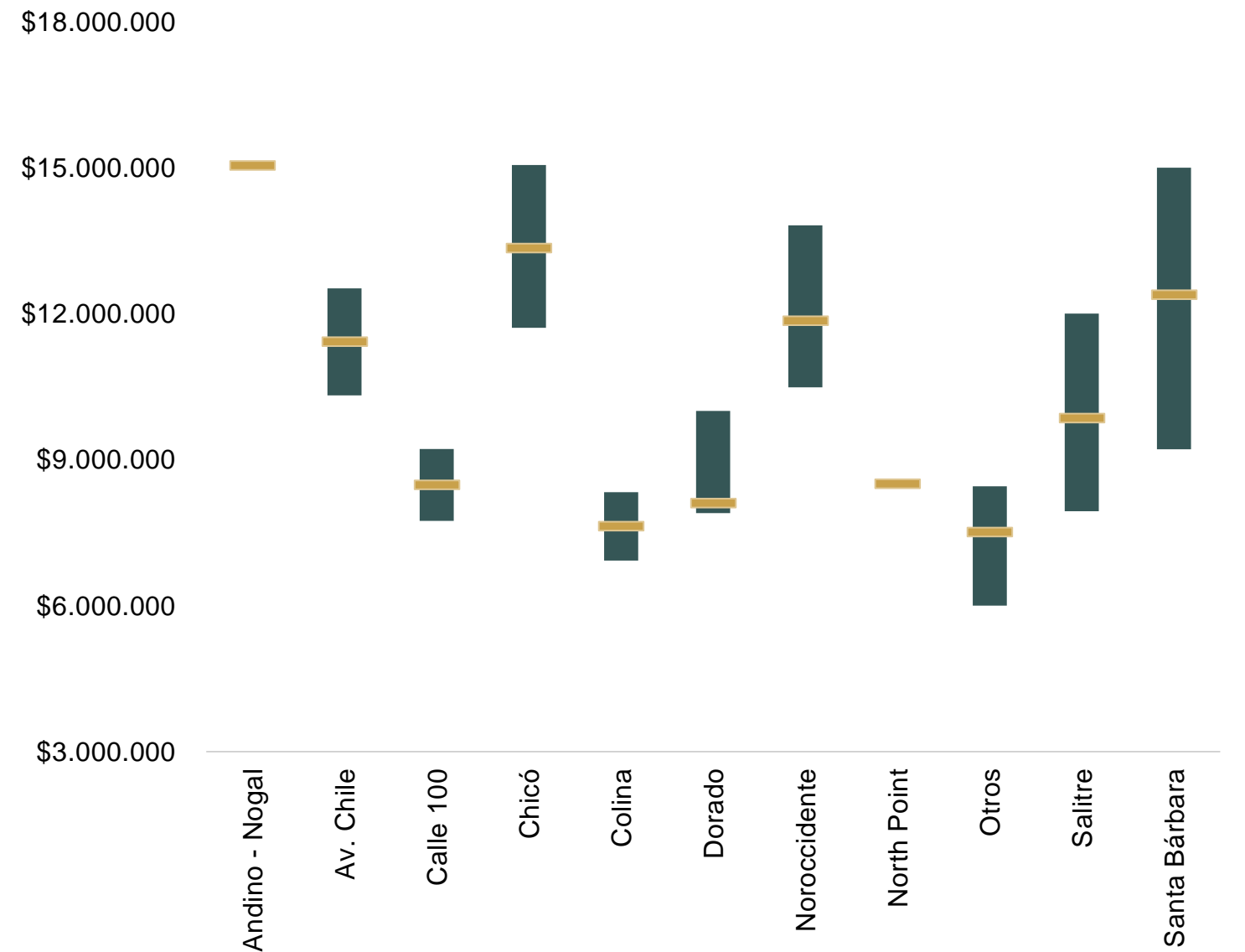
# Listing Prices

Given the limited availability of high-specification offices, Bogotá continues to see an increase in rental prices. This dynamic is expected to persist until the completion of new high-end buildings increases the available supply.

Rental Price Ranges by Corridor (COP/sqm/month)



Sale Price Ranges by Corridor (COP/sqm/month)



Source: Newmark Research



3Q 2024

# Market Indicators





# Summary Table

Statistics by Submarkets						
	Total Inventory (sqm)	Total Availability (sqm)	Availability Rate	Cumulative Net Absorption (sqm)	Average Rental Price (COP/sqm/month)	Average Sale Price (COP/sqm/month)
<b>Total CBD</b>	<b>707.109</b>	<b>27.427</b>	<b>3,9%</b>	<b>17.128</b>	<b>\$ 86.900</b>	<b>\$ 10.717.777</b>
Andino	159.705	3.325	2,1%	8.213	\$ 98.192	\$ 15.141.202
Av. Chile	49.880	4.811	9,6%	3.725	\$ 80.064	\$ 11.221.250
Calle 100	181.322	12.787	7,1%	-2.487	\$ 73.604	\$ 8.278.811
Chicó	121.852	2.716	2,2%	2.192	\$ 89.014	\$ 7.528.250
Santa Bárbara	194.350	3.789	1,9%	5.485	\$ 90.268	\$ 10.519.319
<b>Total Peripherals</b>	<b>938.953</b>	<b>111.949</b>	<b>11,9%</b>	<b>16.797</b>	<b>\$ 78.558</b>	<b>\$ 10.602.000</b>
<b>Northern Periphery</b>	<b>248.252</b>	<b>16.426</b>	<b>6,6%</b>	<b>7.259</b>	<b>\$ 69.278</b>	<b>\$ 8.035.938</b>
Colina	50.743	8.721	17,2%	1.205	\$ 71.356	\$ 8.050.000
Noroccidente	135.304	5.225	3,9%	6.292	\$ 67.562	\$ 8.500.000
North Point	62.205	2.480	4,0%	-237	\$ 68.314	\$ 7.507.813
<b>Western Periphery</b>	<b>558.948</b>	<b>54.708</b>	<b>9,8%</b>	<b>- 2.603</b>	<b>\$ 73.860</b>	<b>\$ 12.126.900</b>
Dorado	251.297	36.191	14,4%	-3.338	\$ 68.486	\$ 11.851.509
Salitre	307.651	18.517	6,0%	735	\$ 77.235	\$ 12.382.319
<b>Others</b>	<b>131.753</b>	<b>40.815</b>	<b>31,0%</b>	<b>12.141</b>	<b>\$ 88.107</b>	<b>\$ 11.593.422</b>
Centro	56.000	26.000	46,4%	12.000	\$ 108.000	\$ 13.339.695
Otros	75.753	14.815	19,6%	141	\$ 72.153	\$ 9.847.148
<b>Total Overall</b>	<b>1.646.062</b>	<b>139.376</b>	<b>8,5%</b>	<b>33.925</b>	<b>\$ 79.400</b>	<b>\$ 12.451.100</b>



**Mauricio Romero**  
Office Associate

**NEWMARK**

“

During the third quarter of 2024, the office rental market in Bogotá has shown a balanced dynamic, with signs of both recovery and persistent challenges. The demand for office spaces has experienced a slight recovery, driven mainly by sectors that show increased occupancy in their offices during times of hybrid and flexible work models.

Companies in markets such as technology and professional services have increased their interest in offices that offer modern and adaptable configurations. However, the market still faces a moderate vacancy rate, resulting from a supply with no significant inventory growth, few new developments, and the occupation of existing spaces in search of new tenants. Considering that several companies have decided not to relinquish the partially available spaces they had put on the market for subleasing or contract assignment, they have resumed occupancy and renewed their contracts to accommodate the growing community returning to the office.

Economic uncertainties and changes in local policies have generated prudence in rental decisions and a more rigorous evaluation of available options. Despite these challenges, the market continues to adapt to new trends, with growing investment in spaces that promote collaboration and flexibility.



**Bogotá**

Cra. 9 N° 77 - 67, Oficina 405

t +57-1-210-1929

**Aurora Turriago**

Market Research Director Colombia

aurora.turriago@nrmk.com

**Mauricio Romero**

Office Associate

mauricio.romero@nrmk.com

**Juan Manuel Torres**

Senior Managing Director

juan.torres@nrmk.com

[newmark.com.co](http://newmark.com.co)

**CLARIFICATION NOTE:**

Newmark has implemented its own database, and the tracking methodology has been revised. With this expansion and refinement of our data, adjustments in historical statistics may occur, including availability, rental rates, absorption, and effective rents. Our market reports are available at <https://nrmk.lat/reportes-de-mercado/>.

All information contained in this publication is based on sources considered reliable; however, Newmark Colombia has not verified it and does not guarantee it. The use of this information is the responsibility of the recipient, who should consult professionals of their choice, including legal, financial, tax aspects, and implications. The recipient of this publication may not, without prior written consent from Newmark Colombia, distribute, disseminate, publish, transmit, copy, upload, download, or in any other way reproduce this publication or any of the information it contains.

