

4T 2024

# Bogotá Office Market



NEWMARK

# Market Analysis

## Economy

- The World Bank (WB), in its most recent growth projections report, lowered the forecast for the Colombian economy by 0.5% for this year, compared to the January 2024 estimate, bringing it to 1.3%.
- The national economy grew only 0.7% in the first quarter of 2024. One sector that performed well was agriculture, which increased by 5.5%, associated with abundant rainfall that is now seen as excessive and may lead to crop failures.
- It is forecasted that in 2024, public spending will drive growth, and construction will show some recovery, although still slightly negative.

## Transactions

- With the addition to the inventory of Torre Fura, part of the new Connecta 80 business center located in the northwest of Bogotá, which boasts over 34,400 sqm of gross leasable area (GLA) and 11,000 sqm of occupancy, significant transactions were recorded. Notably among these were Divemotor Colombia, representative of Mercedes-Benz, Freightliner, and Fuso, as well as Siemens Colombia.
- Although there is a high demand for offices in the market, the shortage of large spaces in the CBD results in lower than expected occupancy rates.

## Market Fundamentals

	Current Quarter 4Q 2024	Previous Quarter 3Q 2024	Previous Year 4Q 2023	12-Month Projection
Total Inventory (sqm)	1.69 M	1.64 M	1.62 M	↑
Availability Rate	9,5%	8,5%	9,7%	↓
Year-to-Date (YTD) Cumulative Net Absorption (sqm)	56.627	33.925	20.593	↑
Rental Price (COP/sqm/month)	\$81.910	\$79.400	\$78.200	↑
Rental Price (USD/sqm/month)	\$19,14	\$18,02	\$17,71	↑

## Outlook

- It is estimated that in 2025, supply will remain stable or even decrease, especially in the CBD corridors. Although the inventory will begin to grow, this growth is expected to be moderate.
- Despite a large number of projects in the planning phase, high construction costs have made it difficult to reach the breakeven point. Therefore, it is anticipated that construction will continue at a slow pace.
- Due to the shortage of large spaces, especially in the CBD, 2025 is expected to continue the upward trend in rental and sale prices.

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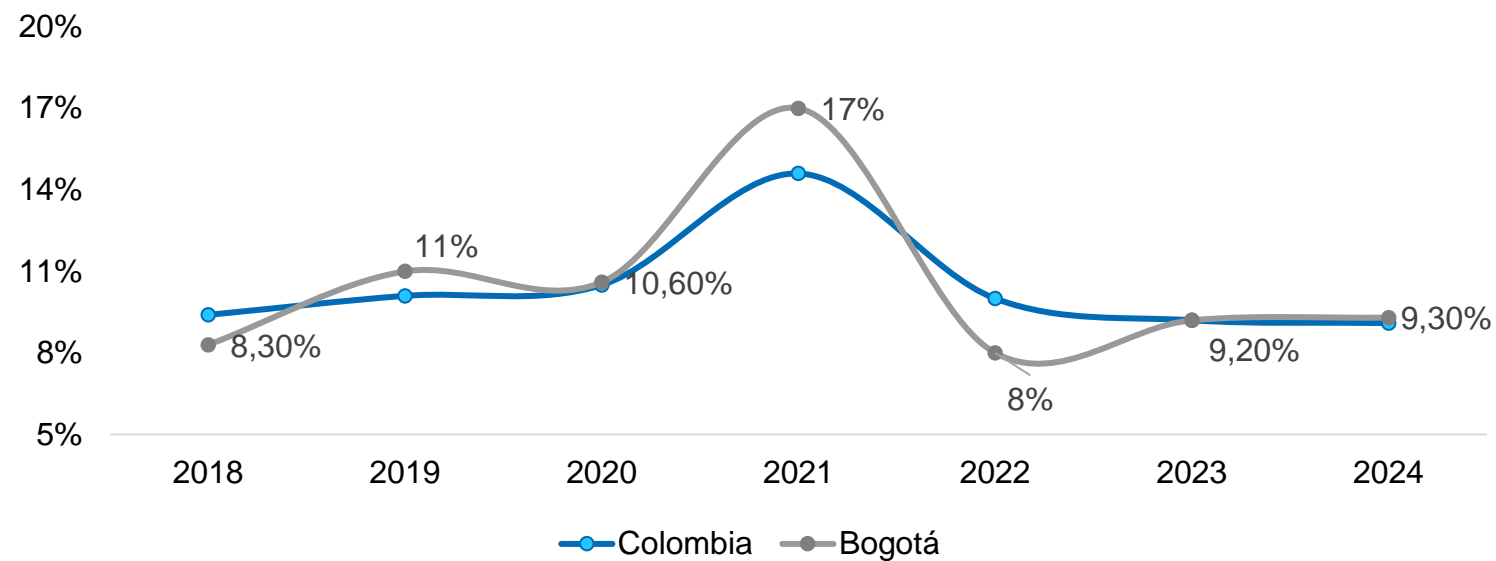
# Economy



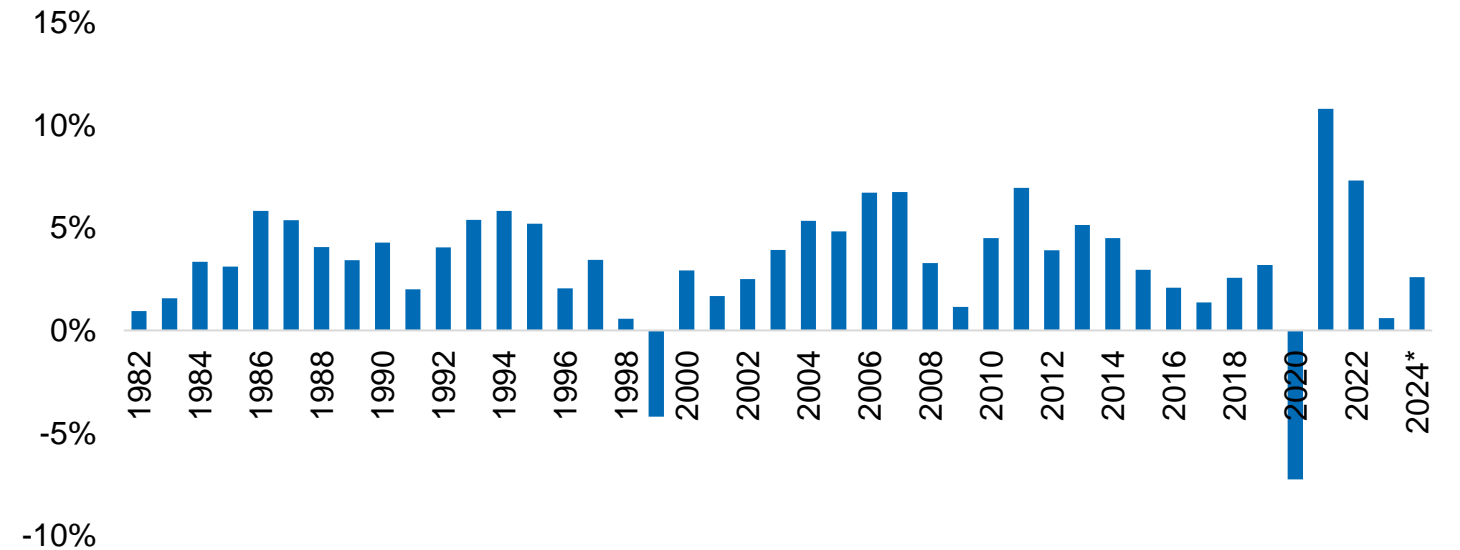
# Economic

According to experts, uncertainty remains a significant factor in the Colombian economy. The year 2025 emerges as a potential year when economic indicators might show a clear positive trend and revival. This improvement in the economy would be driven by several factors, including an increase in consumer activity and investment, along with positive effects derived from the Credit Pact, an initiative aimed at boosting the economy through favorable financing conditions.

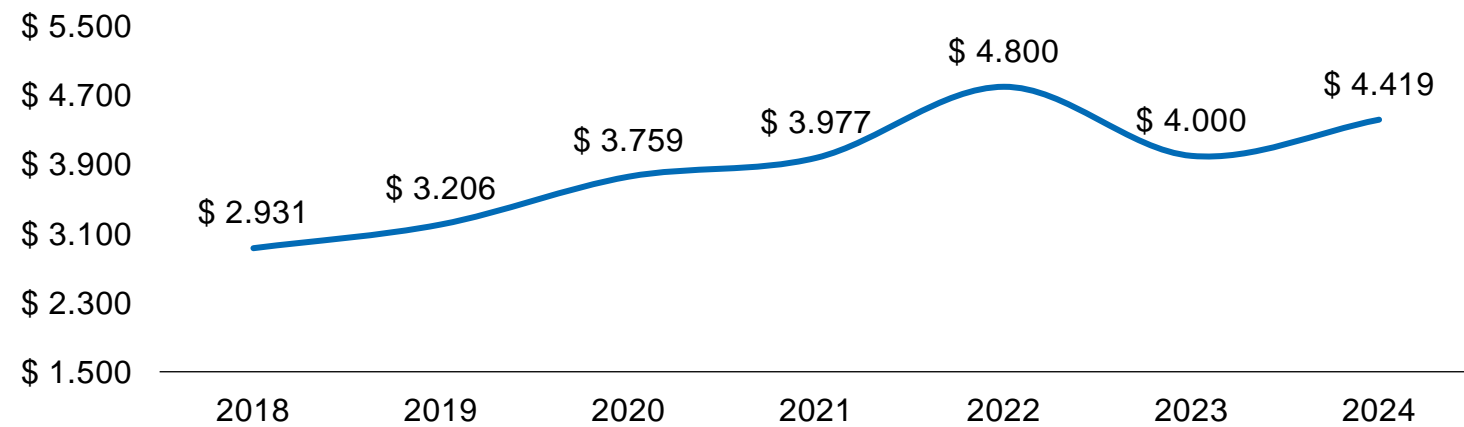
### Unemployment Rate



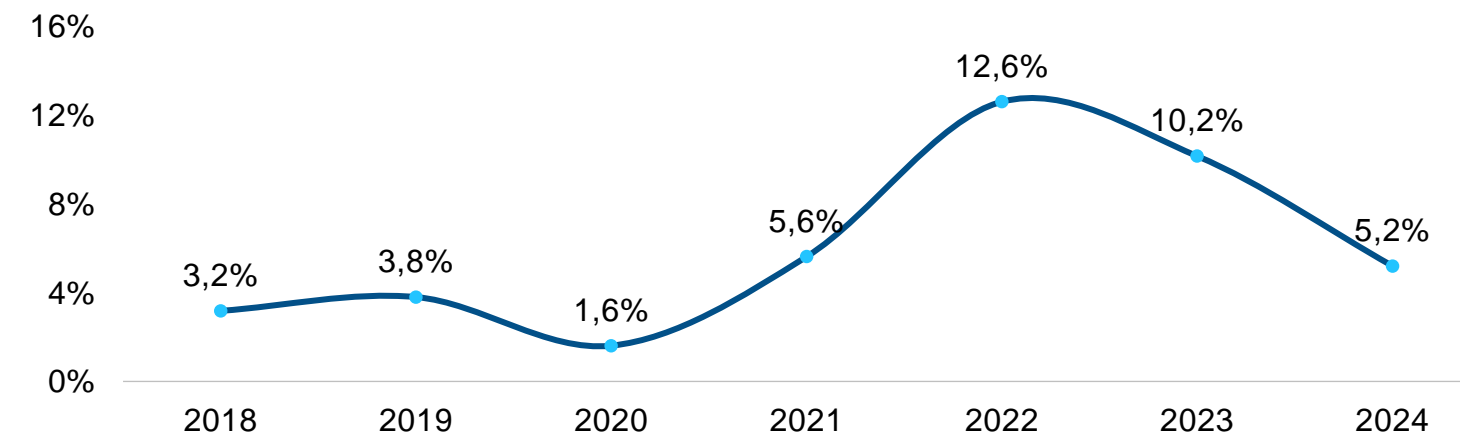
### GDP Growth (% Annual)



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



### Consumer Price Index (CPI)

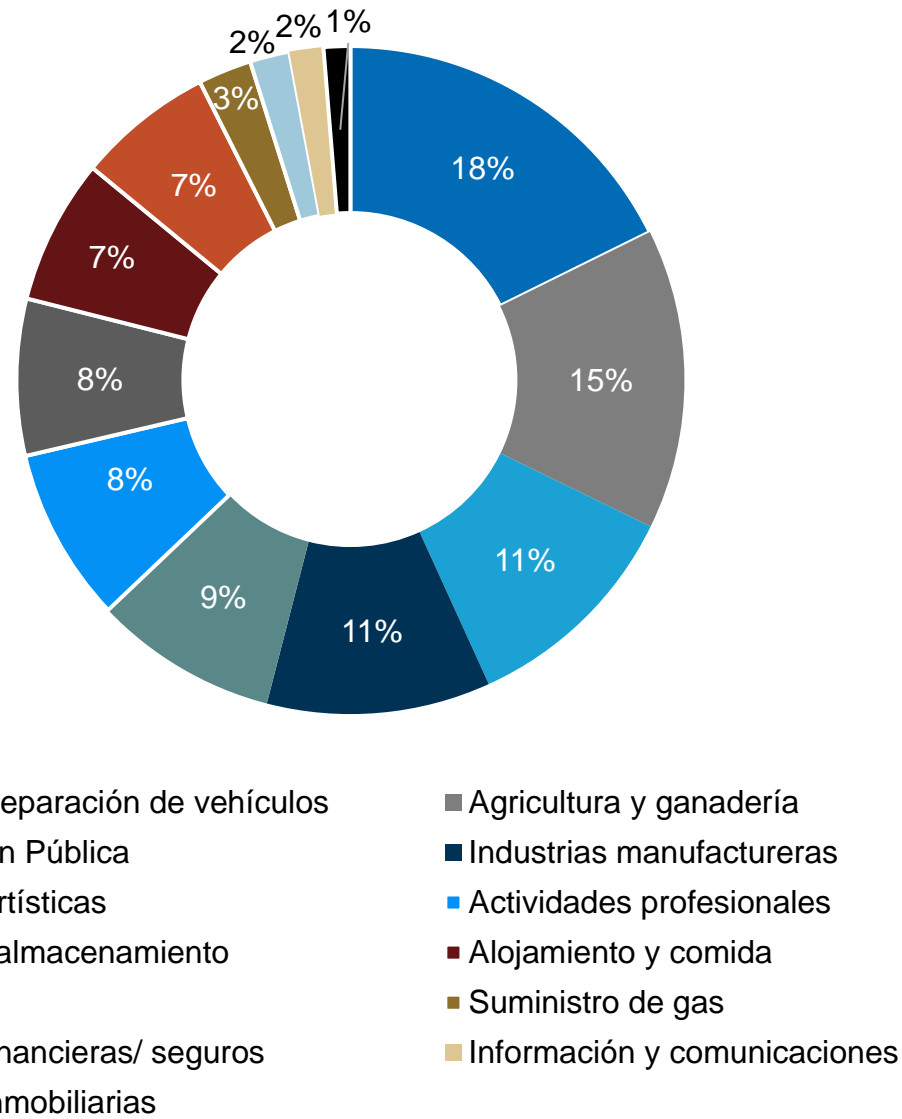


Source: DANE, Banco de la República

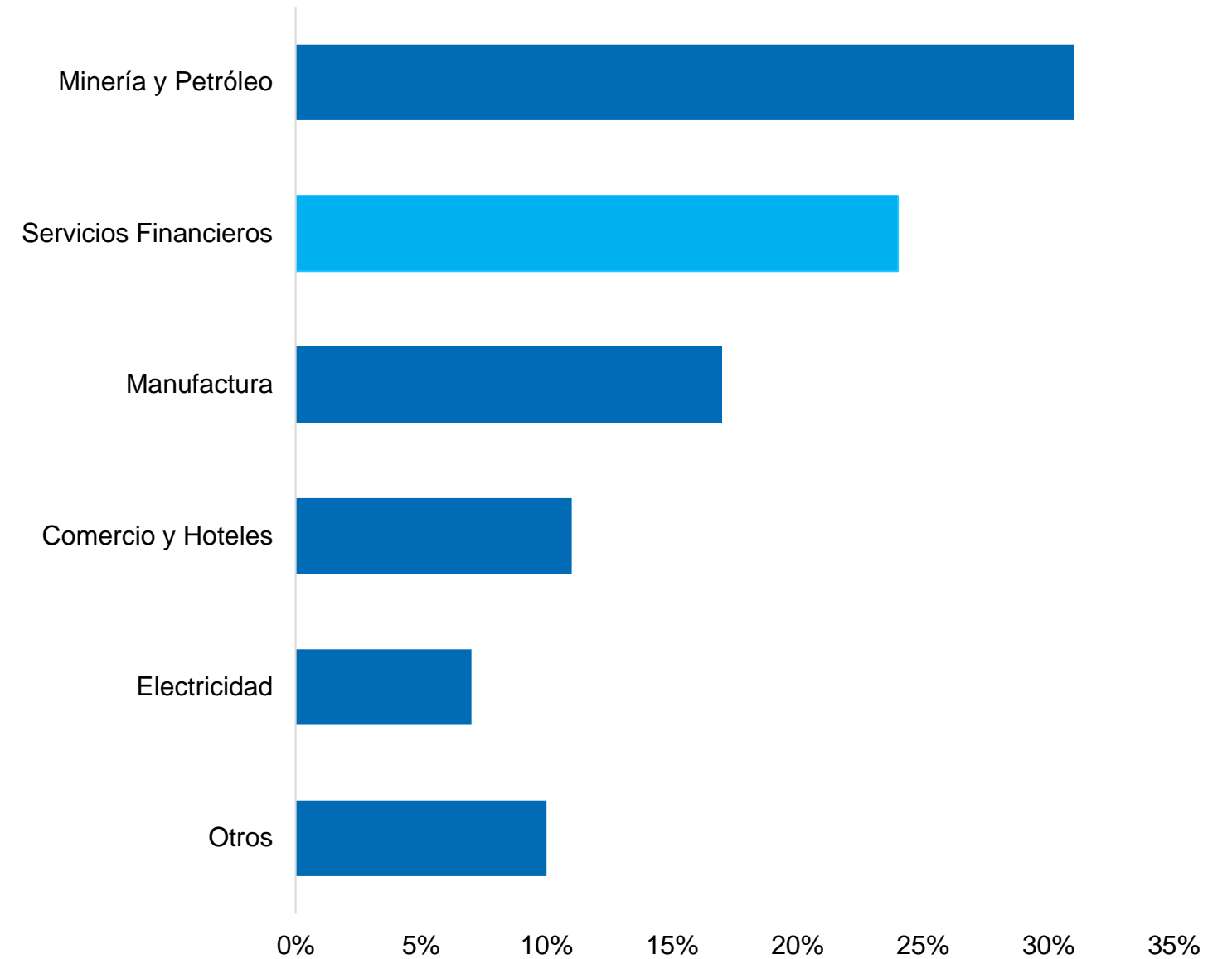
# Other Economic Variables

According to the central bank, monthly investment has been declining since April 2024. The Banco de la República reported that foreign direct investment (FDI) between January and September was USD 9.953 billion, representing a 25.4% drop compared to the same period in 2023 (USD 3.384 billion). Financial analysts believe that the combination of fiscal problems, increased uncertainty, and a long list of reforms is one of the worst combinations for creating a favorable investment climate.

**Employment by Sector of Activity**



**Foreign Direct Investment (% of total as of Sept 2024)**



Source: DANE

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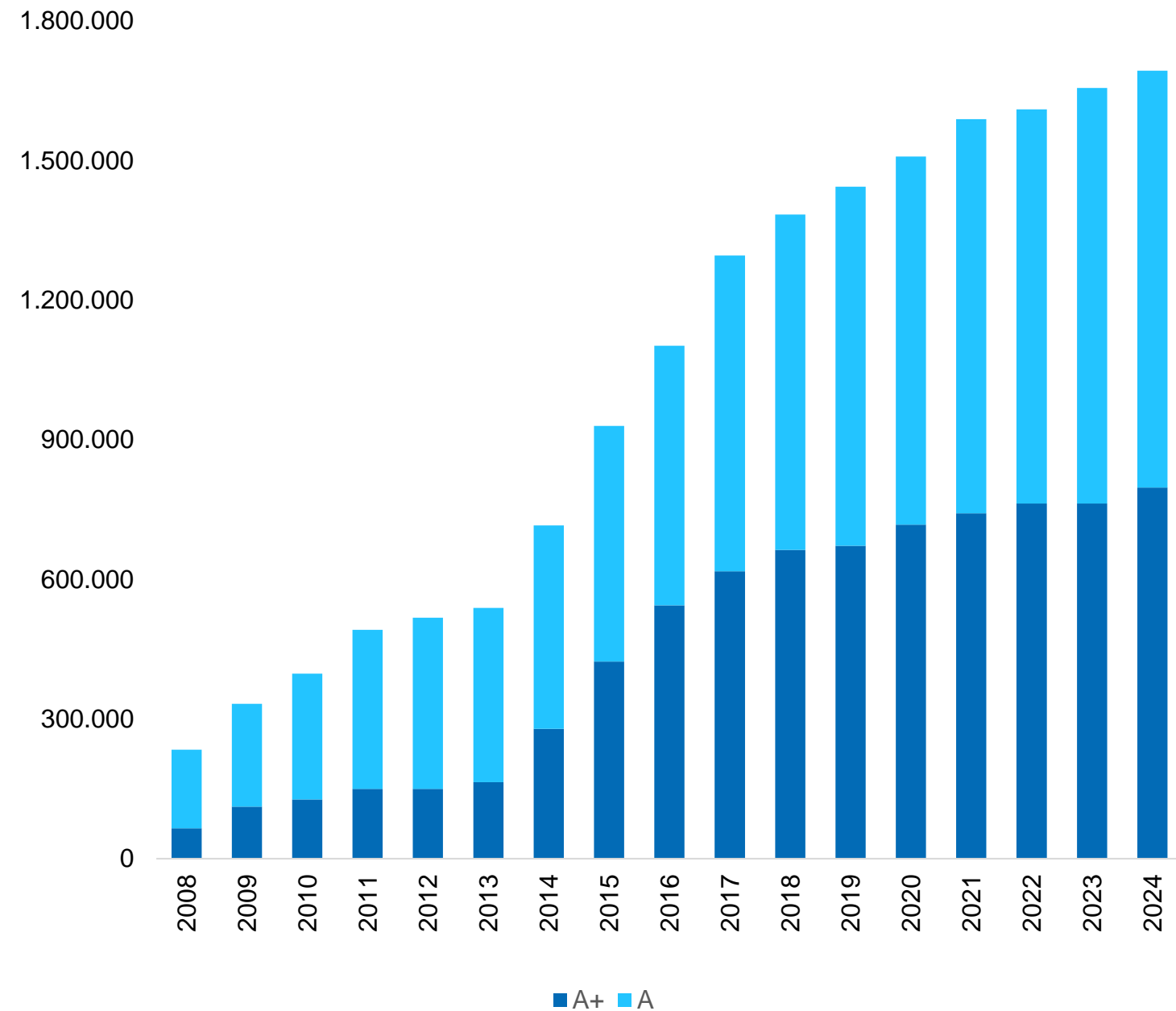
# Market Fundamentals



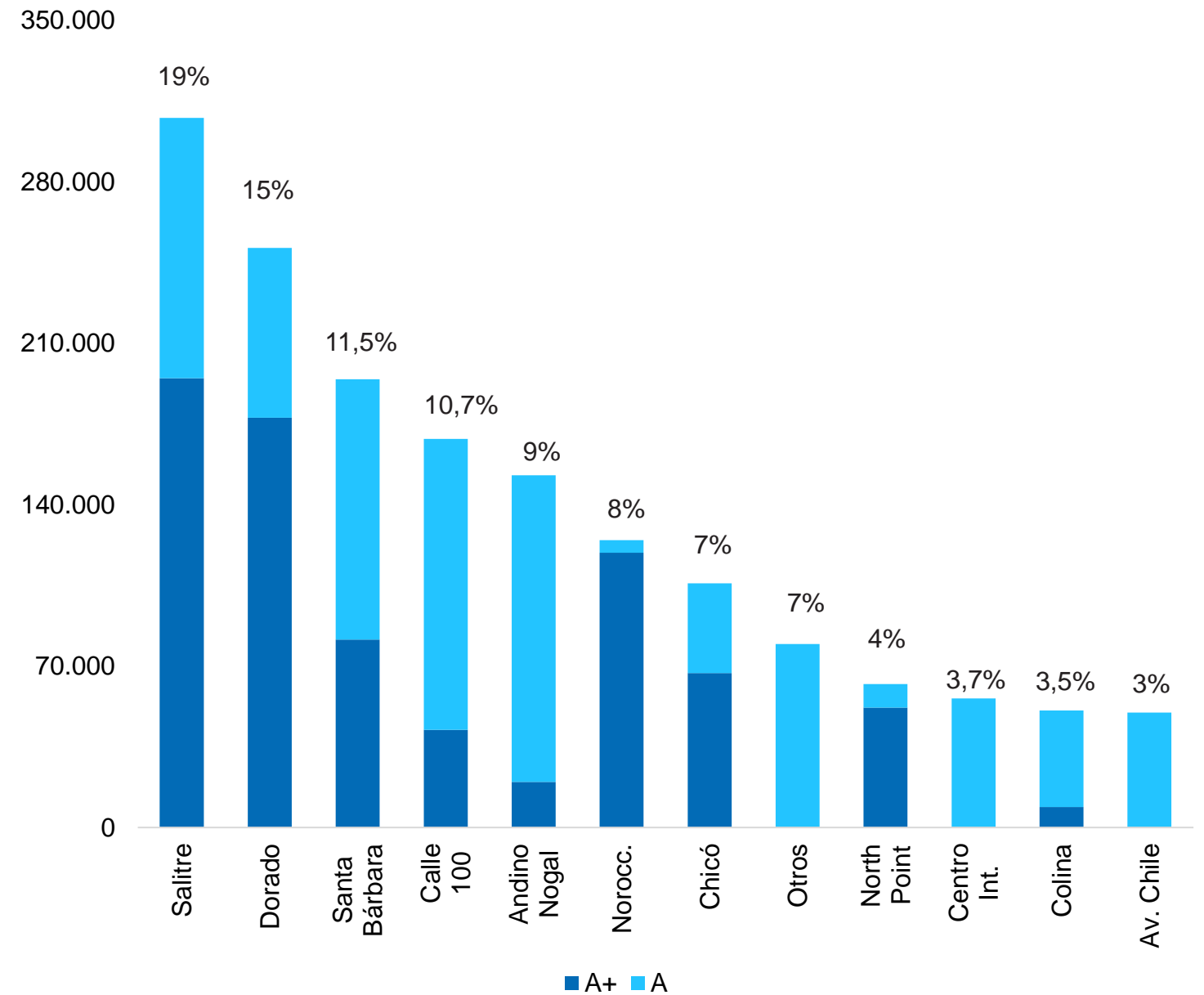
# Inventory

In the last quarter of the year, the Connecta 80 building is added to the inventory, contributing approximately 35,400 sqm to the city. For 2025, a moderate growth in supply is estimated, which is not expected to significantly impact the vacancy rates in Bogotá.

Historical Inventory Growth by Class (sqm)



Inventory Distribution by Corridor and Class (sqm)



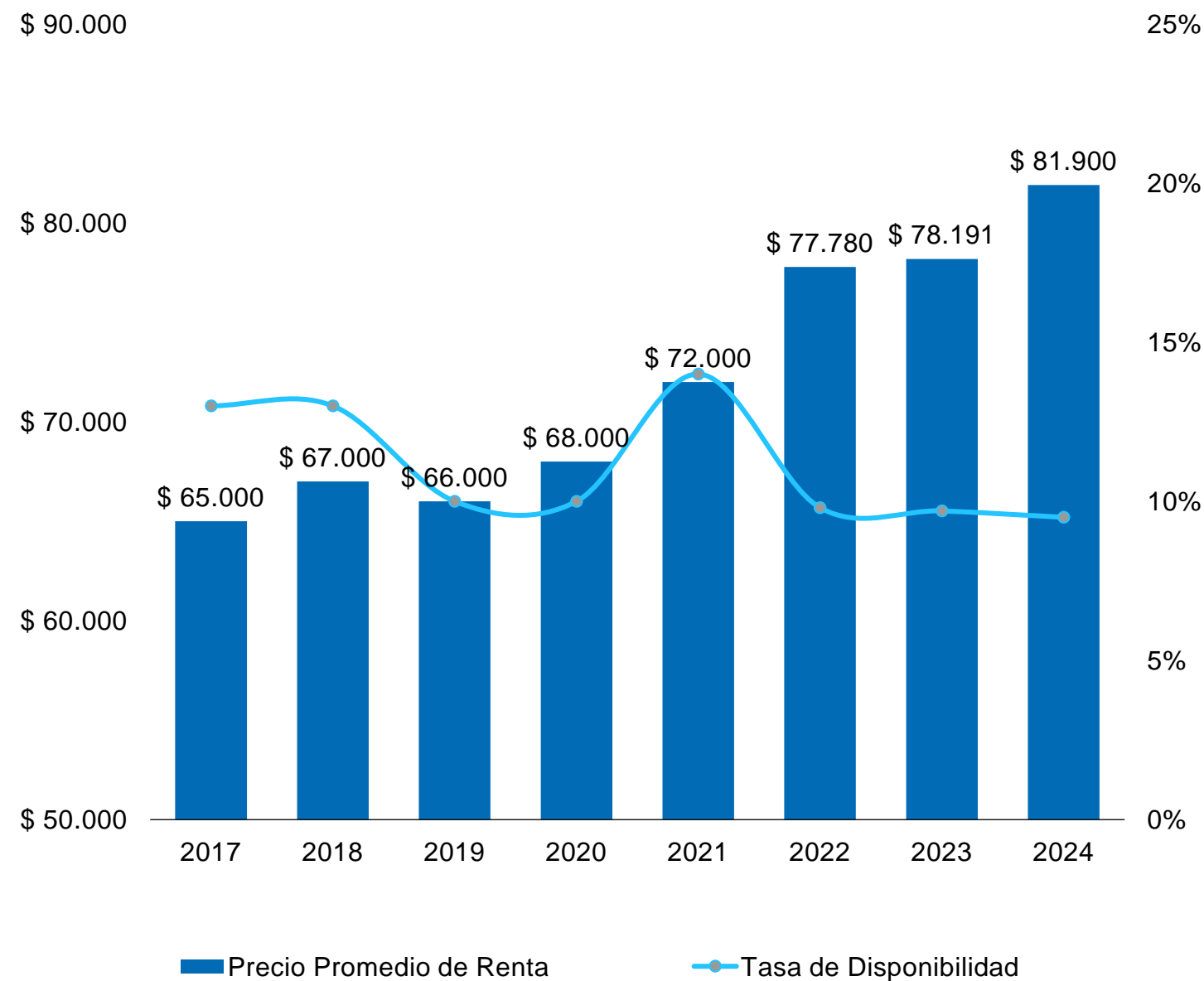
Source: Newmark Research



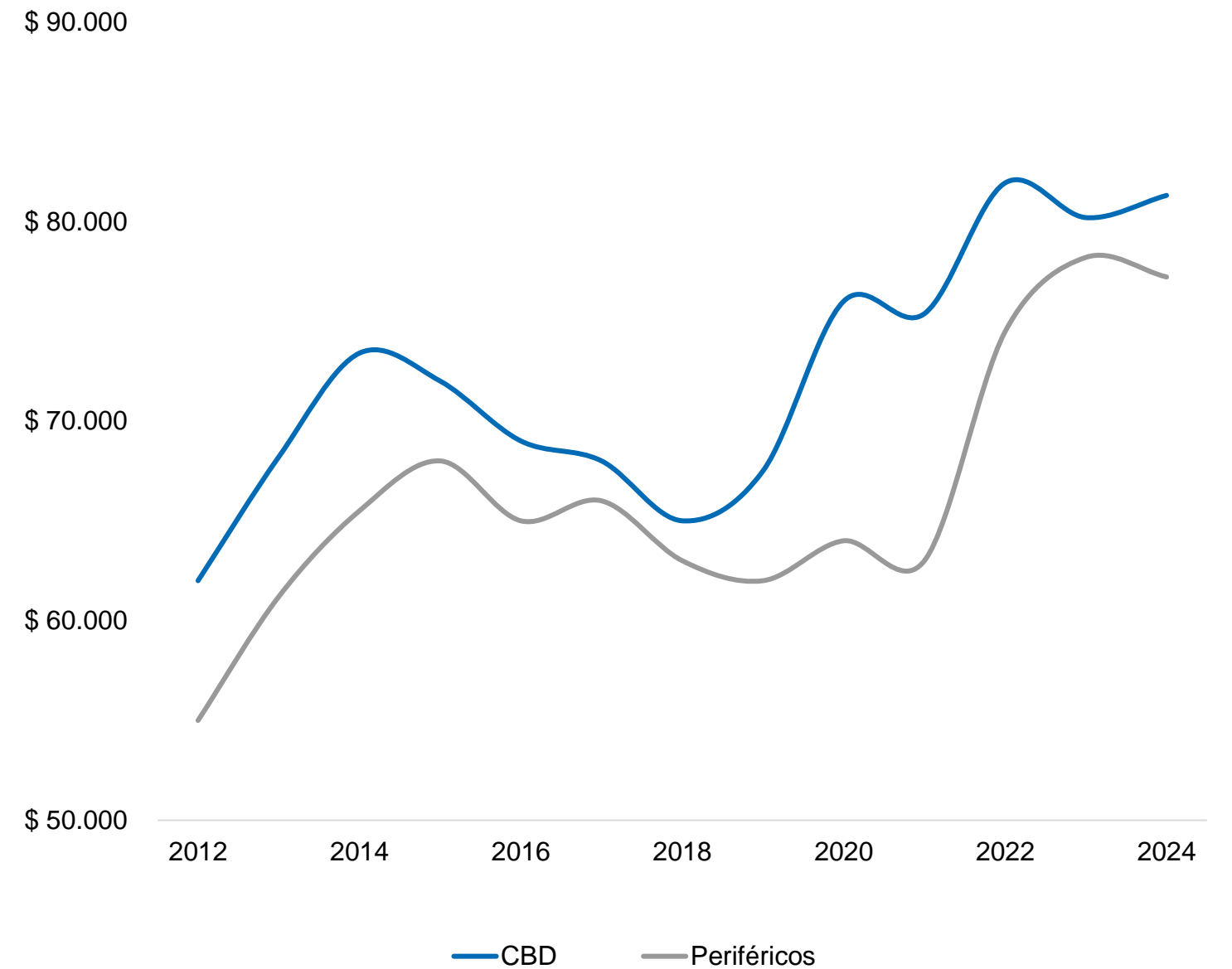
# Market Analysis

Due to the decrease in supply in the corridors that make up the city's CBD, the last quarter of the year closes with a rise in prices. This trend is expected to continue over the coming years until several constructions, which have experienced delays in their execution, are completed.

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



Average Listing Price by Corridor Type (COP)

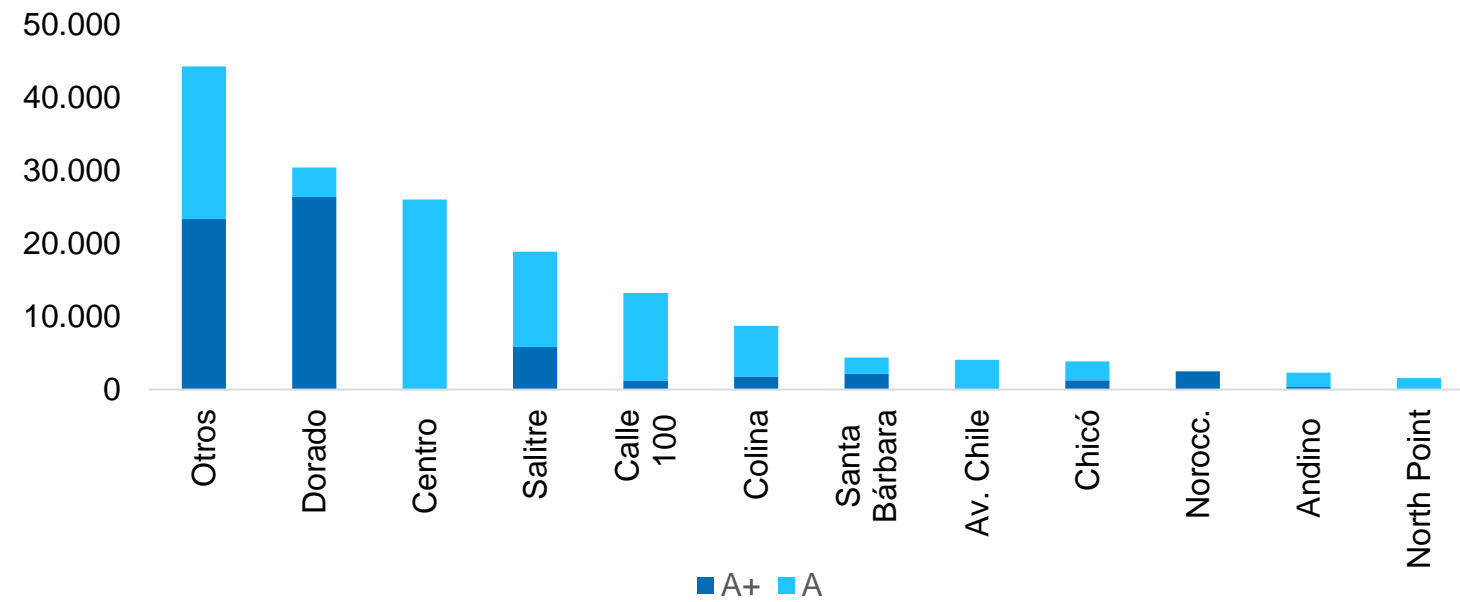


Source: Newmark Research

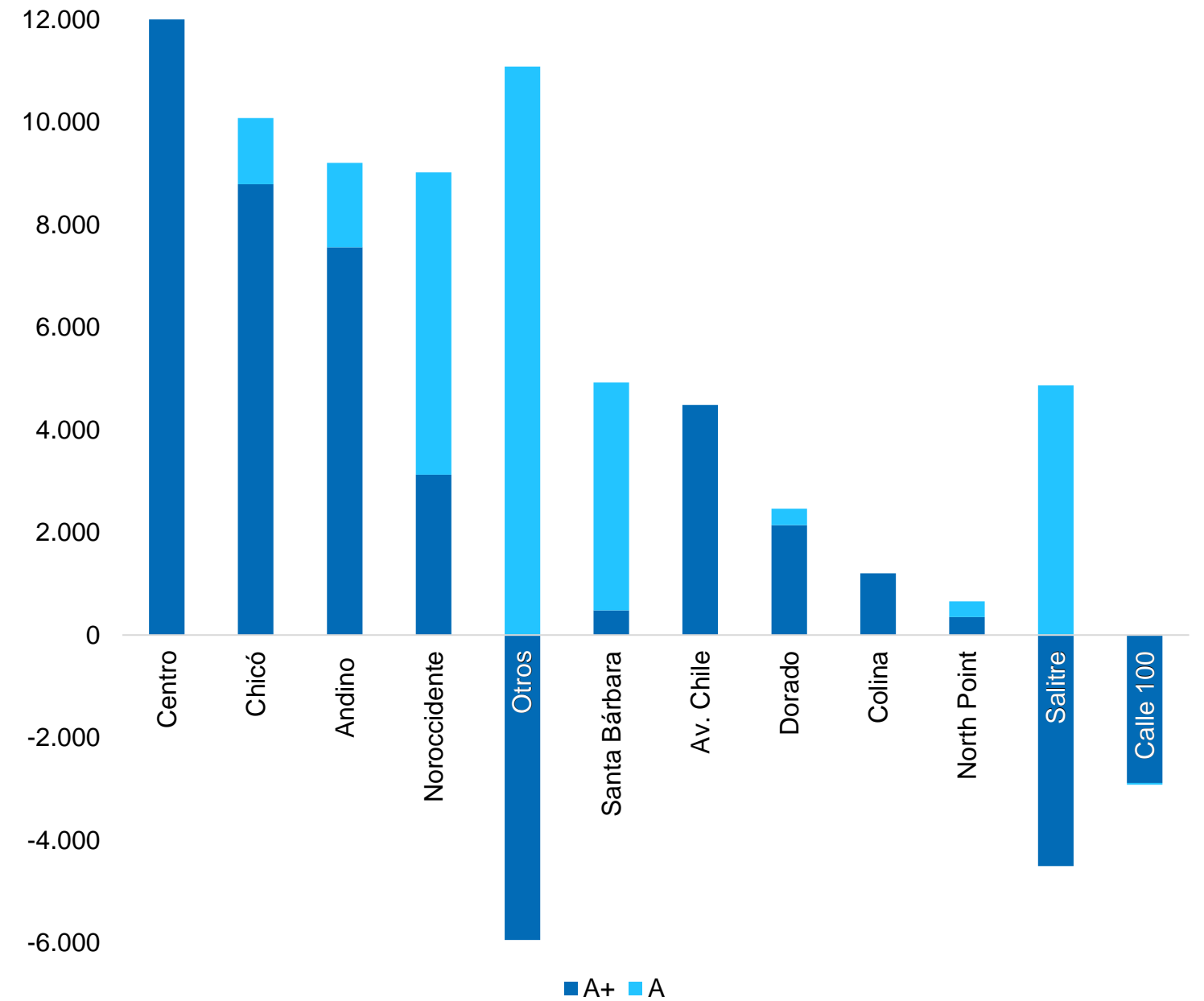
# Supply and Absorption

The year 2024 concludes with a positive result. Although a clear recovery is observed compared to the previous year, the supply of ready-to-occupy spaces remains insufficient, causing absorption to not cover all the existing demand. Additionally, the economic and political uncertainty in the country makes clients more cautious in making decisions.

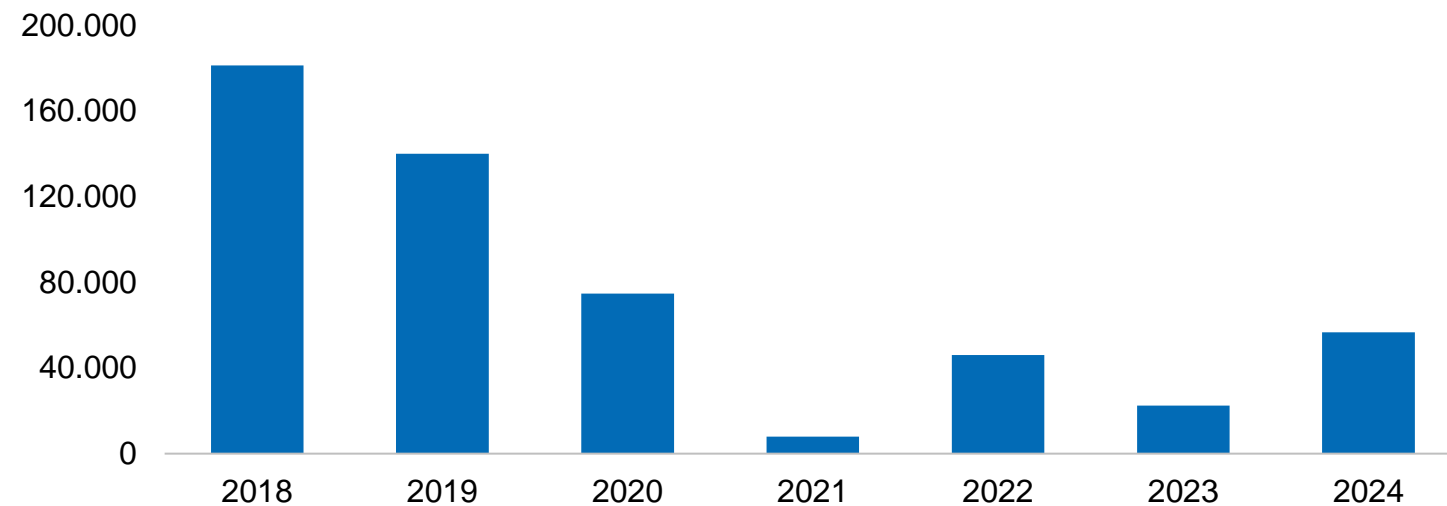
### Supply Distribution by Class and Corridor (sqm)



### Absorption by Corridor (sqm)



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

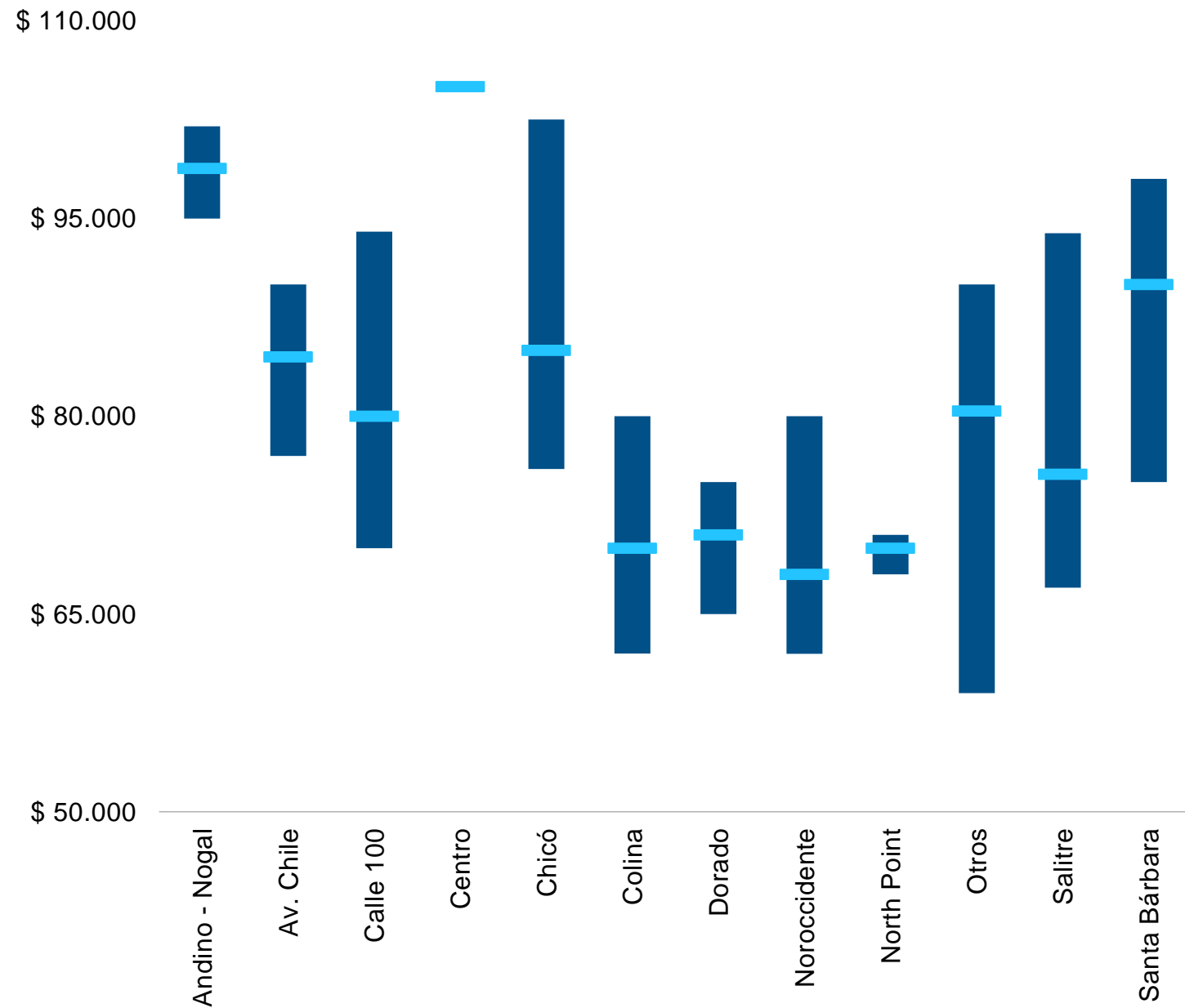


Source: Newmark Research

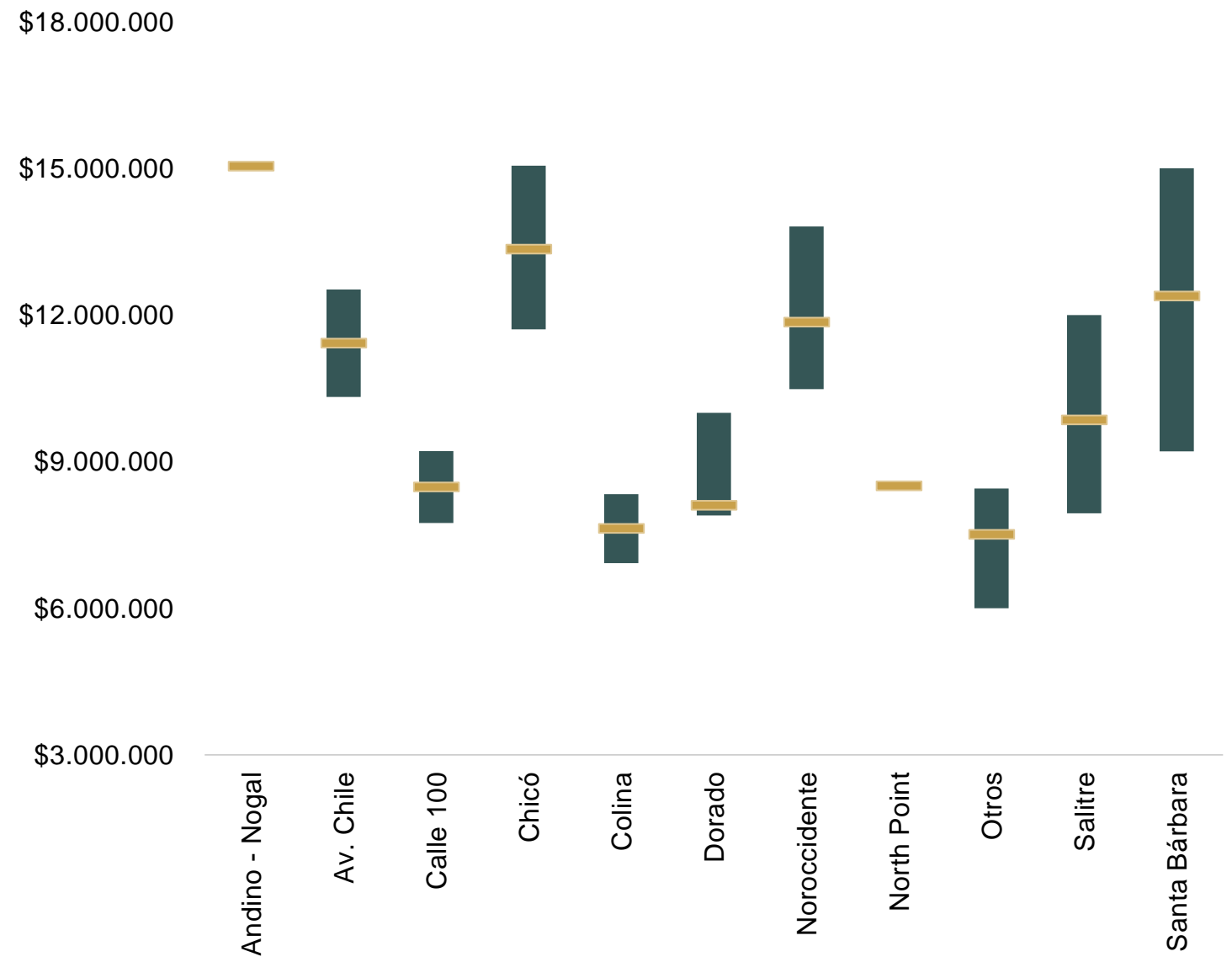
# Listing Prices

Due to the limited availability of high-specification offices, Bogotá continues to experience a sustained increase in rental prices. This trend reflects the high demand for quality spaces that cannot be satisfied with the current supply. Additionally, there has been a contraction in price ranges, as well as in negotiation and closing prices.

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



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



Source: Newmark Research

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# 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>27.777</b>	<b>3,9%</b>	<b>25.778</b>	<b>\$ 85.501</b>	<b>\$ 11.386.800</b>
Andino	159.705	2.332	1,5%	9.206	\$ 98.800	\$ 15.141.202*
Av. Chile	49.880	4.049	8,1%	4.487	\$ 84.500	\$ 11.037.687
Calle 100	181.322	13.215	7,3%	-2.915	\$ 79.920	\$ 7.868.852
Chicó	121.852	3.828	3,1%	10.080	\$ 83.430	\$ 12.327.503
Santa Bárbara	194.350	4.353	2,2%	4.920	\$ 80.856	\$ 10.519.319*
<b>Total Peripherals</b>	<b>819.700</b>	<b>65.613</b>	<b>8,0%</b>	<b>13.709</b>	<b>\$ 76.963</b>	<b>\$ 9.802.000</b>
<b>Northern Periphery</b>	<b>248.252</b>	<b>12.802</b>	<b>5,2%</b>	<b>10.883</b>	<b>\$ 68.198</b>	<b>\$ 8.035.938</b>
Colina	50.743	8.721	17,2%	1.205	\$ 65.400	\$ 8.050.000*
Noroccidente	135.304	2.496	1,8%	9.021	\$ 68.195	\$ 8.500.000*
North Point	62.205	1.585	2,5%	658	\$ 71.000	\$ 7.507.813*
<b>Western Periphery</b>	<b>571.448</b>	<b>52.811</b>	<b>9,2%</b>	<b>2.826</b>	<b>\$ 73.728</b>	<b>\$ 11.550.900</b>
Dorado	251.297	30.390	12,1%	2.463	\$ 71.760	\$ 11.851.509
Salitre	320.151	22.421	7,0%	363	\$ 75.695	\$ 12.382.319
<b>Others</b>	<b>164.153</b>	<b>66.685</b>	<b>40,6%</b>	<b>17.139</b>	<b>\$ 94.220</b>	<b>N.D</b>
Centro	54.000	26.000	48,1%	12.000	\$ 108.000	N.D
Otros	110.153	40.685	36,9%	5.139	\$ 80.440	N.D
<b>Total Overall</b>	<b>1.690.962</b>	<b>160.075</b>	<b>9,5%</b>	<b>56.627</b>	<b>\$ 81.910</b>	<b>\$ 12.451.100</b>

\*Reference Values



**Juan Manuel Torres**  
Senior Managing Director



In 2024, the office market in Bogotá has undergone a subtle but significant transformation, where demand has begun to adjust to the new realities of the post-pandemic work environment. Despite challenges, there has been renewed interest in offices that not only meet space needs but also offer advanced technology and amenities that enhance the daily work experience. This shift in focus is attracting companies looking to provide environments for their employees that boost creativity and foster open communication.

The year 2025 promises to be crucial for the office market in Bogotá, with expectations of stability in supply and a much-needed growth rebound. Although the completion of new projects has been delayed, the sector believes these developments will begin to see the green light, injecting vitality into the existing inventory. The adaptability of market participants will be essential to capitalize on opportunities as economic and political uncertainties clear.

With a shortage of high-specification spaces in traditional corridors, prices will continue to rise, encouraging owners and developers to reassess their current offerings. Companies, increasingly focused on consolidating their presence in strategic locations, seek to meet their space needs and secure competitive advantages through long-term contracts. This trend could catalyze a new cycle of projects and renovations that will directly impact market dynamics in the coming years.

## Bogotá

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#### CLARIFICATION NOTE:

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

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