

	YoY Chg	12-Mo. Forecast
13.2% Vacancy Rate	▲	▲
5,422 Net Absorption, (SQM)Q1-2021	▼	▲
\$ 73,212 Asking Rent, (USD/Sqm/Month)	▲	▼

ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
15.5% * Unemployment Rate	▲	▼
-4.5% ** GDP Variation	▼	▲
1.5% *** Inflation Index	▼	▲

Source:
 (*) DANE dic - feb 2021
 (**) Forecast BBVA Research Q1-2021
 (***) 12 months - March 2021

MARKET OUTLOOK

The year begins with the implementation of a hybrid work model (in-person and remote) by most companies, also with shift work. Most of the economic activities are in operation, with a few exceptions and implementing biosafety protocols. Some firms have decided to continue virtually until the middle of the year.

An increase in the inter-annual vacancy is observed in the market, as well as in the asking rent; however, the negotiation margin increased, being a tenant market in which the occupants have a greater negotiation power, considering the current market conditions.

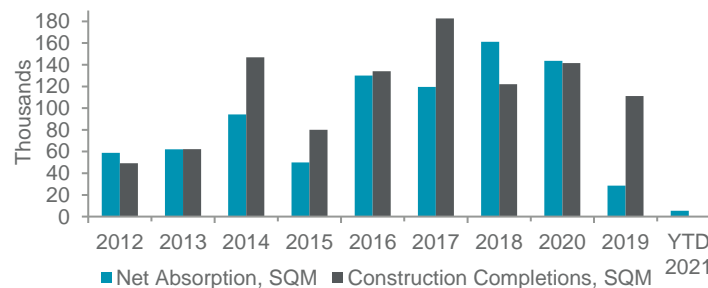
SUPPLY / DEMAND:

The inventory increased by 6.4% compared to Q1-2020; reaching 1.68 Mill of sq.m, In 2020, five buildings entered the market, adding 111,134 sq.m to the inventory: Gold 8 and 9 in Connecta, the North Tower of Atrio, Sequoia, FIC 92-11, and Colina Business Center. Of the above, Atrio stands out, which became the second tallest in the city after BD Bacatá. The available office area increased significantly from one year to the next, mainly caused by the new projects that came into operation and the vacating of some spaces. In any case, there was an acceptable performance in occupations, registering a positive absorption in the quarter of 37,052 sq.m, from which government and BPO sectors played an important role. This fact contributed to keeping the vacancy controlled during the quarter, reaching 13.2%; having increased 5.5% YoY. Net absorption, although positive, shows slow signs of recovery.

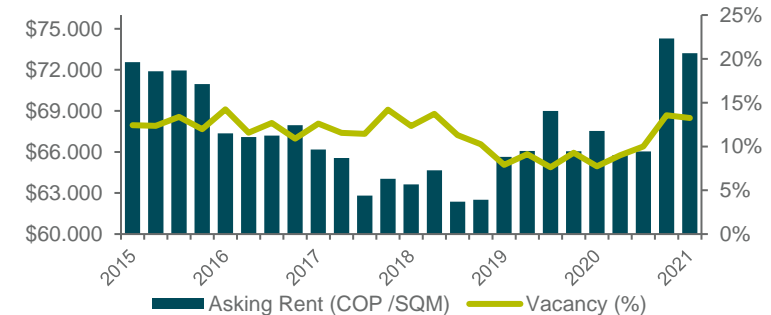
PRICING:

The asking rent per s.qm decreased only 1% compared to the end of 2020, reaching \$ 20 USD/ sqm. This asking rent level, requested by the owners, increased during the previous quarters mainly due to the entrance of new projects at higher prices than the average. However, the market had to adapt to the new conditions, giving more flexibility to contracts, and increasing the negotiation margin against asking rent, among others. Also, there is a trend to sublet spaces.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



ECONOMIC OUTLOOK

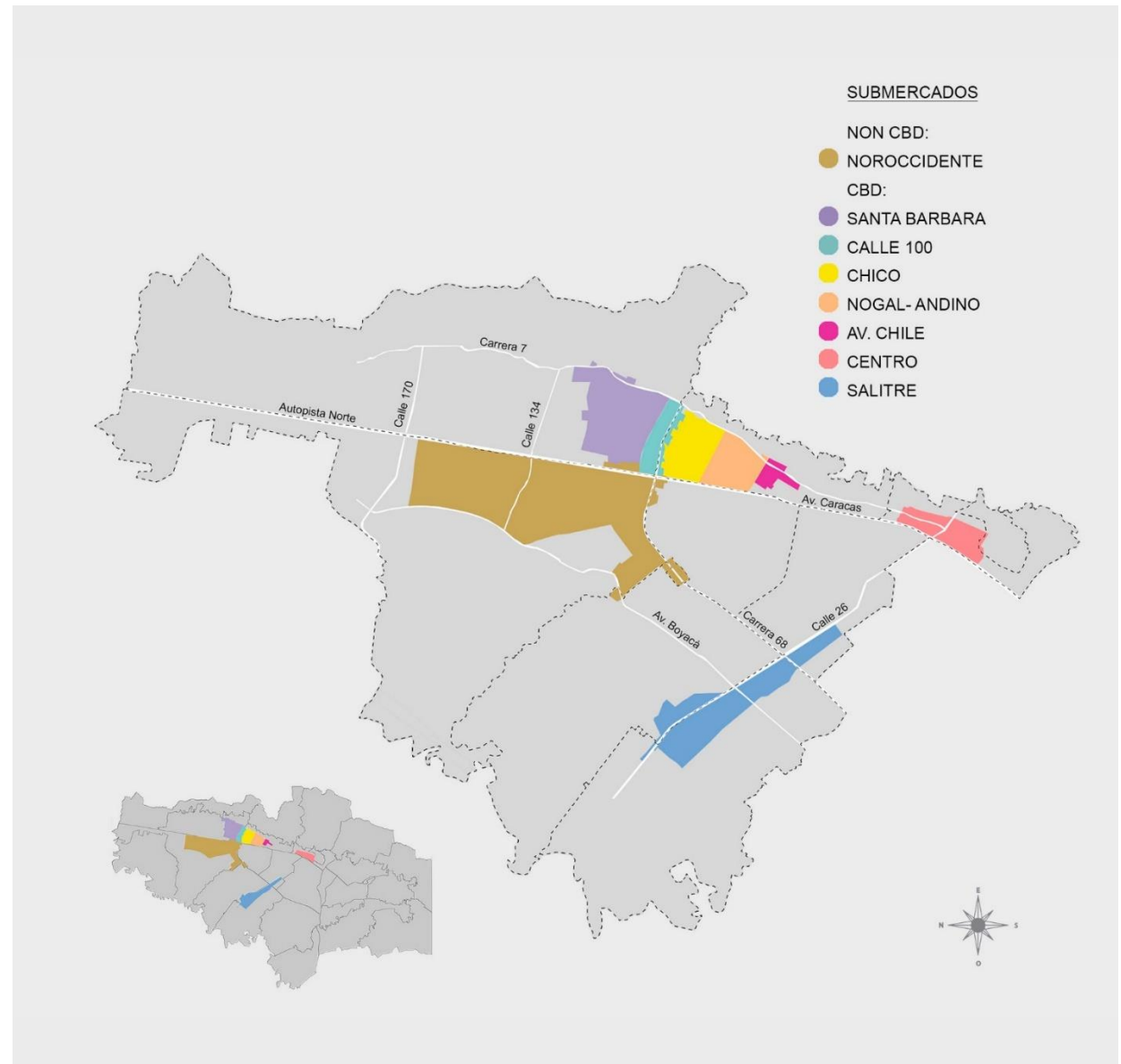
The year 2020 ended with a GDP contraction of -6.8% given the pandemic, placing it right at the Latin American average reported by the World Bank (-6.7%). A figure of around -4.5% is projected for the first quarter. The Central Bank increased its GDP growth projection for 2021 to 5.2%, after last year's GDP contraction was lower than expected by the entity, and motivated by a better performance in Q1. The unemployment level in February was 15.9%, increasing 3.7 pp compared to the same month of the previous year (12.2%). For its part, inflation has been stable in the last 12 months (until February), still standing at 1.5%, a fairly low level in the historical series.

The COVID-19 pandemic hit Colombia since March 2020, but with enough time to have a significant impact on the market fundamentals for all of last year and the first quarter of 2021. In this quarter, the Colombian economy remained active, However, at the end of this report, several cities had already implemented some restrictions given the third wave of the pandemic. Access the latest information specific to economy reopening [here](#).

FUTURE OUTLOOK

To date, the city has 143,490 sq.m under construction, from which only one project is close to delivery (One Vantage) in the Chicó submarket. The rest of the projects have moderate progress, and several of them are expected to be delivered by the end of the year. Among these, the B Tower of Central Point in Salitre and the Americas Tower in Calle 100 stand out. At the moment, we find projects under construction only in the Salitre, Calle 100, Nogal Andino, and Chicó submarkets, as well as isolated projects in non-corporate areas from the city. Given the strong construction wave that took place in recent years and the current market situation, construction initiation is moderate; which will help balance the supply with the new demand conditions. Proposed projects count 659,680 sq.m; most of them being located in the Centro and Salitre submarkets.

OFFICE MAP WITH SUBMARKET DIVISIONS / BOGOTA / COLOMBIA

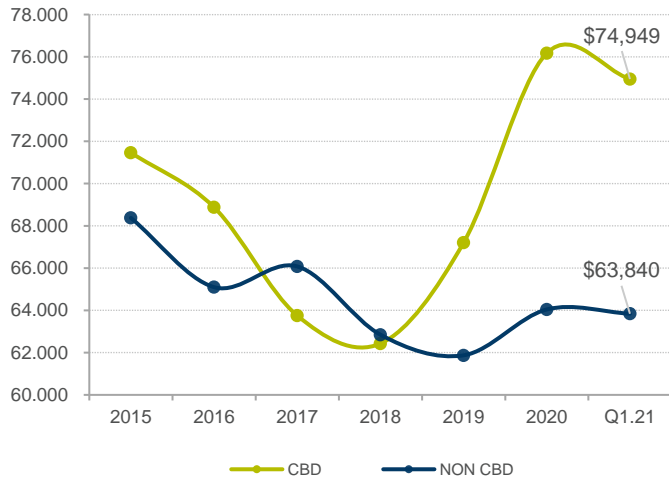


MARKET STATISTICS

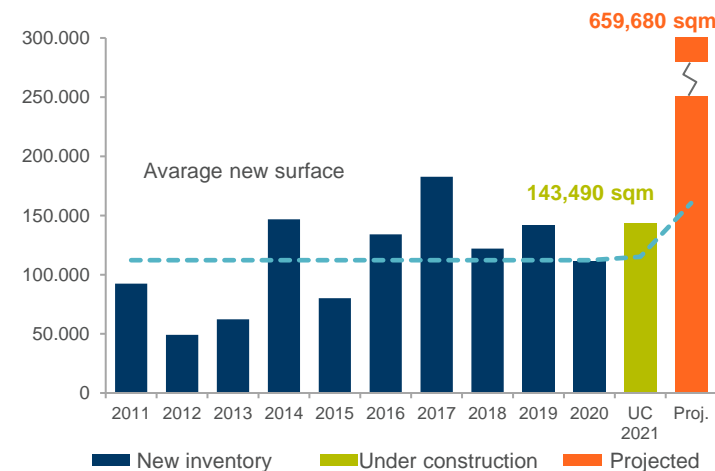
SUBMARKETS	INVENTORY CLASS A	NUMBER OF BUILDINGS	SURFACE AVAILABLE (SQM)	VACANCY RATE (%)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	PROJECTED (SQM)	OVERALL AVG ASKING RENT (USD/SQMMONTH)	OVERALL AVG ASKING RENT (COP/SQMMONTH)
Avenida Chile	92,118	5	7,486	8.1%	612	-	-	\$ 18.3	\$ 67,053
Calle 100	175,657	16	15,803	9.0%	-3,469	76,600	52,400	\$ 17.4	\$ 63,873
Centro	96,178	3	43,872	45.6%	244	-	166,000	\$ 25.9	\$ 94,763
Chicó	160,697	22	14,562	9.1%	7,027	21,120	25,056	\$ 20.8	\$ 76,353
Nogal-Andino	151,657	21	16,110	10.6%	2,465	7,545	68,512	\$ 23.5	\$ 86,079
Salitre	592,599	47	60,918	10.3%	143	38,225	208,545	\$ 17.0	\$ 62,132
Santa Bárbara	207,785	14	29,346	14.1%	-2,234	-	49,738	\$ 19.9	\$ 73,103
CBD	1,476,691	128	188,097	12.7%	4,788	143,490	570,251	\$ 20.4	\$ 74,949
Noroccidente	206,182	14	34,863	16.9%	634	-	89,429	\$ 17.4	\$ 63,840
NON CBD	206,182	14	34,863	16.9%	634	-	89,429	\$ 17.4	\$ 63,840
TOTAL BOGOTA	1,682,873	142	222,960	13.2%	5,422	143,490	659,680	\$ 20.0	\$ 73,212

CBD: Central Business District: Main corporate Submarkets Type A
 NON-CBD: Non-Central Business District: Non-traditional corporate Submarkets Type.
 (*) TRM: 3.665 COP = 1 USD

ASKING RENT (USD / Sq.m / Month)
 CBD / NON CBD



NEW INVENTORY (Sq.m)
 PROJECTED SURFACE (Sq.m)



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**The vacancy rate calculated and established by Cushman Wakefield, takes into account the physical / effective occupation of the spaces as opposed to the commercial vacancy which considers negotiations. The entrance to the inventory of a building is considered when it begins operations, including reception and administration.