









1ST QUARTER MARKET REPORT 2017  
BOGOTA, COLOMBIA

## Market Overview

Colombia is going through a period of adjustment due to the rejection to the rejection of the peace treaty signed by the government and the Guerrilla FARC. Taxes have increased from 16% to 19%, which affects income, sales and net worth taxes. The government is developing a plan called Colombia Repunta, to generate new jobs, and seeks to invest COP 40.3 billion. The goal is to increase employment rate by 2.5% for 2017.

### Key Indicators

	Monthly Trend	%	Annual Trend	%
<b>Inflation February</b>		5.47		5.75
<b>Interest Rate</b>		6.81		6.18
<b>Gross Domestic Product</b>		0.5		2.0
<b>Unemployment</b>		0.1		9.2

**Rate of exchange** COP\$2,820.00/US\$ and COP\$2,865.00

If all of the above continue the trend, we will see a cooling down of the real estate market across the board.

## Bogotá

Bogotá is divided into 5 zones (North, North west, west, Downtown, South), determined mainly by the movement of people with regards to their needs. Each major zone has commercial corridors, industrial concentrations and residential neighborhoods each with their own price range and dynamic.

## Land

In Bogotá, Colombia's Capital, land prices were stable due in part to a halt in overall sales. Although the market for development land is stable, and housing prices rise, land prices are going down. We believe such price drop in land is due to interest rate, restrictions on loans and the fact that household income has not grown at the same pace as home prices. This makes sales slower and administrative costs higher.

### North

#### Sales Price

High End Housing	US\$1,700.00 to US\$4,000.00/sqm	
Mid income Housing	US\$1,000.00 to US\$1,500.00/sqm	
Low Income Housing	US\$400.00 to US\$1,200.00/sqm	
Commercial Development	US\$900.00 to US\$1,700.00/sqm	

### Northwest

#### Sales Price

Mid Income Housing	US\$ 800.00 to US\$1,200.00/sqm	
Low Income Housing	US\$ 500.00 to US\$800.00/sqm	
Commercial Development	US\$ 700.00 to US\$1,000.00/sqm	

### West

#### Sales Price

Mid Income Housing	US\$1,000.00 to US\$1,500.00/sqm	
Low Income Housing	US\$350.00 to US\$900.00/sqm	
Commercial Development	US\$800.00 to US\$1,900.00/sqm	

### Downtown

#### Sales Price

Mid Income Housing	US\$700.00 to US\$1,200.00/sqm	
Low Income Housing	US\$300.00 to US\$600.00/sqm	
Commercial Development	US\$800.00 to US\$1,300.00/sqm	

### South

#### Sales Price

Low Income Housing	US\$400.00 to US\$800.00/sqm	
Commercial Development	US\$800.00 to US\$1,200/sqm	

## Office

Since office space, and vacancy continues rising with weak demand, prices are going down. We also think such price drop is due as large tenants renegotiate contracts and in some cases vacate properties to upgrade their offices.

**North**

**Sales Price**

A+ office space

US\$2,200.00 to US\$3,400.00/sqm

A office space

US\$1,700.00 to US\$2,100.00/sqm



**Average Monthly Rent**

A+ office space

US\$14.00 to US\$22.00/sqm

A office space

US\$8.00 to US\$13.00/sqm



**North West**

**Sales Price**

A+ office space

US\$2,500.00 to US\$4,300.00

A office space

US\$1,000.00 to US\$1,500.00



**Average Monthly Rent**

A+ office space

US\$17.00 to US\$28.00/sqm

A office space

US\$8.00 to US\$16.00/sqm



**West**

**Sales Price**

A+ office space

US\$2,200.00 to US\$3,900.00

A office space

US\$800.00 to US\$1,500.00



**Average Monthly Rent**

A+ office space

US\$13.00/sqm to US\$26.00/sqm

A office space

US\$5.00/sqm to US\$12.00/sqm



**Downtown**

**Sales Price**

A+ office space

US\$1,600.00 to US\$3,300.00

A office space

US\$800.00 to US\$1,500.00



**Average Monthly Rent**

A+ office space

NA

A office space

US\$4.00 to US\$17.00



**South**

The office space in the South of the city does not comply with A or A+ Standard.

## Retail

Consumers in Bogotá are heading towards shopping centers due to the increase in traffic. Its getting harder to move around, so shoppers usually prefer to go where they will find the variety of options that will satisfy their needs. Retail space vacancy has remained stable at 1.7%.

### North

#### Sales Price

Street Front

US\$3,500.00 to US\$6,000.00/sqm

Shopping Center

US\$3,000.00 to US\$31,000.00/sqm



#### Average Monthly rent

Street Front

US\$16.00 to US\$40.00/sqm

Shopping Center

US\$11.00 to US\$90.00/sqm



### North West

#### Sales Price

Street Front

US\$750.00 to US\$2,600.00/sqm

Shopping Center

US\$3,718.00 to US\$7,000.00/sqm



#### Average Monthly Rent

Street Front

US\$11.00 to US\$35.00/sqm

Shopping Center

US\$22.00 to US\$45.00/sqm



### West

#### Sales Price

Street Front

US\$900.00 to US\$3,200.00/sqm

Shopping Center

US\$4,300.00 to US\$10,600.00/sqm



#### Average Monthly Rent

Street Front

US\$7.00/sqm to US\$20.00/sqm

Shopping Center

US\$18.00/sqm to US\$45.00/sqm



## Industrial

Industrial vacancy has remained stable for the end of 2016. Industrial development has been less active for the year and we expect a significant reduction for 2017. The projects that are being sold are the ones that were already in the pipeline since 2015. In many areas, industrial parks seldom sell or lease warehouses that are already built. Most of the industrial parks are new and the built warehouses are occupied. They have lots available for construction and they will build to suit.

**North**

**Sales Price**

Independent Warehouse  
Industrial Parks

US\$500.00 to US\$2,100.00/sqm  
US\$1,384.00/sqm



**Average Monthly Lease**

Independent Warehouse

US\$6.00 to US\$11.00/sqm



**North West**

**Sales Price**

Independent Warehouse  
Industrial Parks

US\$700.00 to US\$1,195.00/sqm  
US\$1,384.00/sqm



**Average Monthly rent**

Independent Warehouse  
Industrial Parks

US\$4.20 to US\$6.20/sqm  
US\$5.45/sqm



**West**

**Sales Price**

Independent Warehouse  
Industrial Parks

US\$350.00 to US\$1,219.00/sqm  
US\$668.00/sqm



**Average Monthly rent**

Independent Warehouse  
Industrial Parks

US\$1.90 to US\$12.70/sqm  
US\$6.17/sqm



**Downtown**

**Sales Price**

Independent Warehouse  
Industrial Parks

US\$350.00 to US\$2,400.00/sqm  
NA



**Average Monthly rent**

Independent Warehouse  
Industrial Parks

US\$2.00 to US\$9.00/sqm  
NA

