
Investment Report

Colombia 2025

LOGAN

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Introduction

This report analyses the institutional real estate market in the region from two perspectives: the value of Assets Under Management (AUM) of regulated vehicles and the results of surveys conducted with General Partners (GPs) and Limited Partners (LPs). The information comes from public financial statements, asset manager reports, and annual surveys conducted by LOGAN, ensuring a reliable and up-to-date analysis.

The document is aimed at managers, developers, brokers, consultants, and institutional investors such as pension funds, insurance companies, financial institutions, family offices, and non-profit organizations. Its purpose is to provide a strategic view of the market's evolution, facilitate cross-country comparisons, identify opportunities, and support long-term decision-making.



Methodology

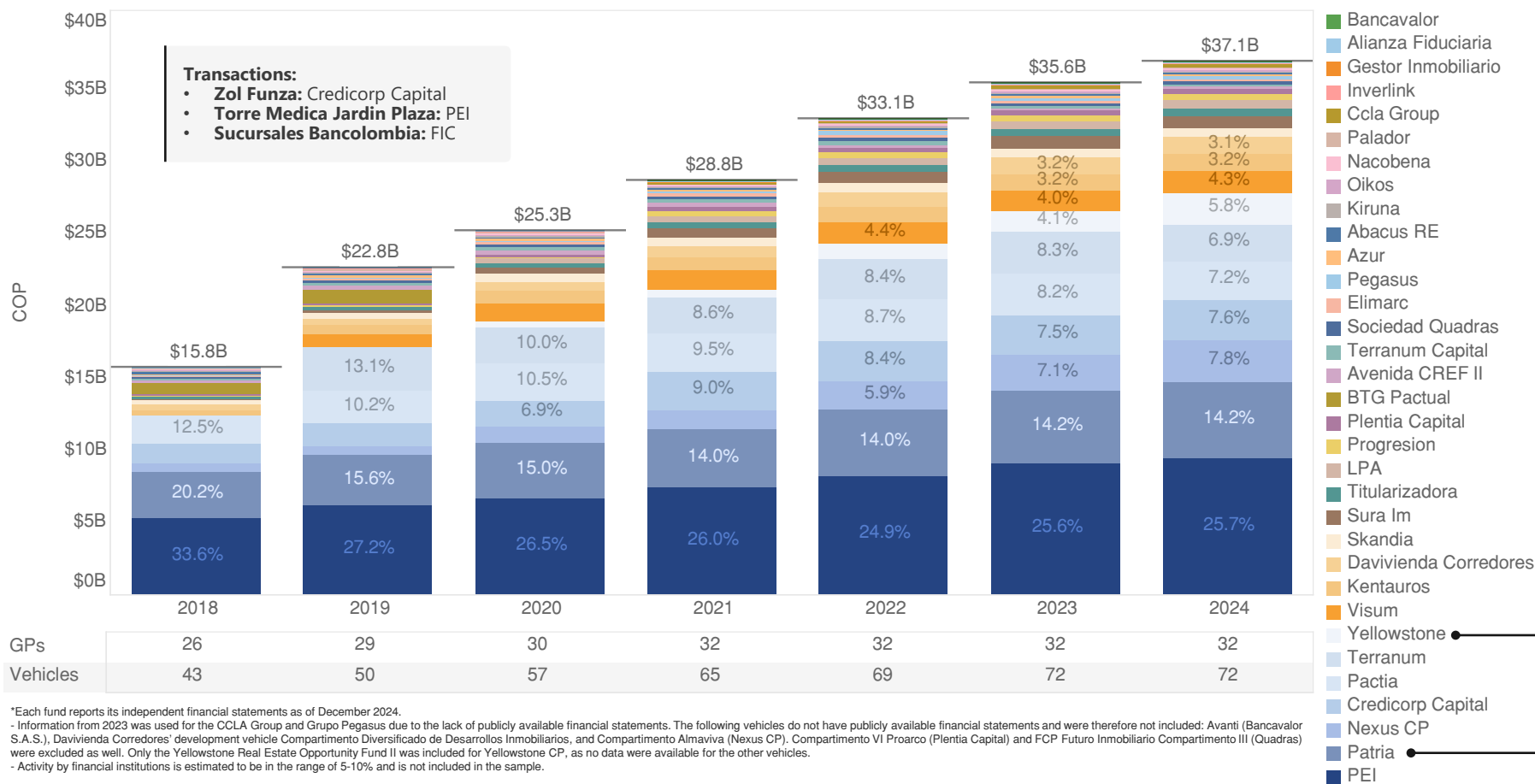
- **AUM (Assets Under Management):** The information is based on public financial statements and asset manager reports, allowing for an assessment of the market's size and an analysis of the evolution of portfolios and strategies.
- **GPs (General Partners):** Annual survey aimed at professional managers, developers, real estate brokers, and real estate consultants.
- **LPs (Limited Partners):** Annual survey aimed at institutional real estate investors such as pension funds, insurance companies, financial institutions, family offices, and non-profit organizations.

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Assets Under Management General Partners

Transactional activity in Colombia remained limited in 2024. Although cap rates remain attractive, the market still expects high levels of profitability that do not match current conditions. This is taking place in a context marked by a high degree of uncertainty, associated with the presidential period, where many investments have been held back due to the political instability of the current government.



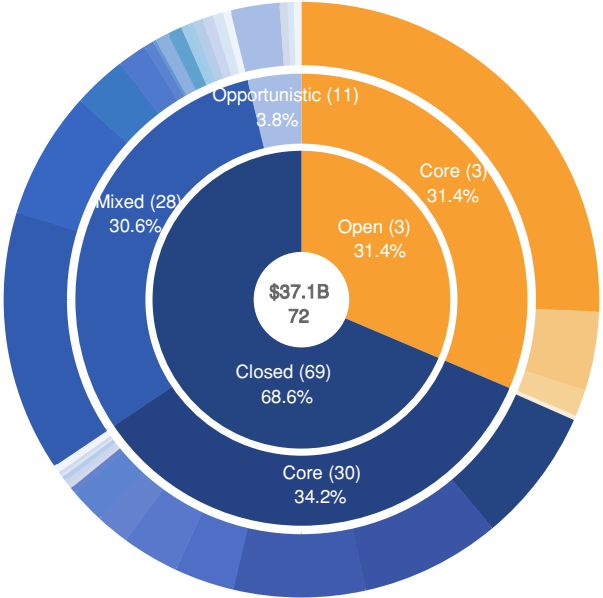
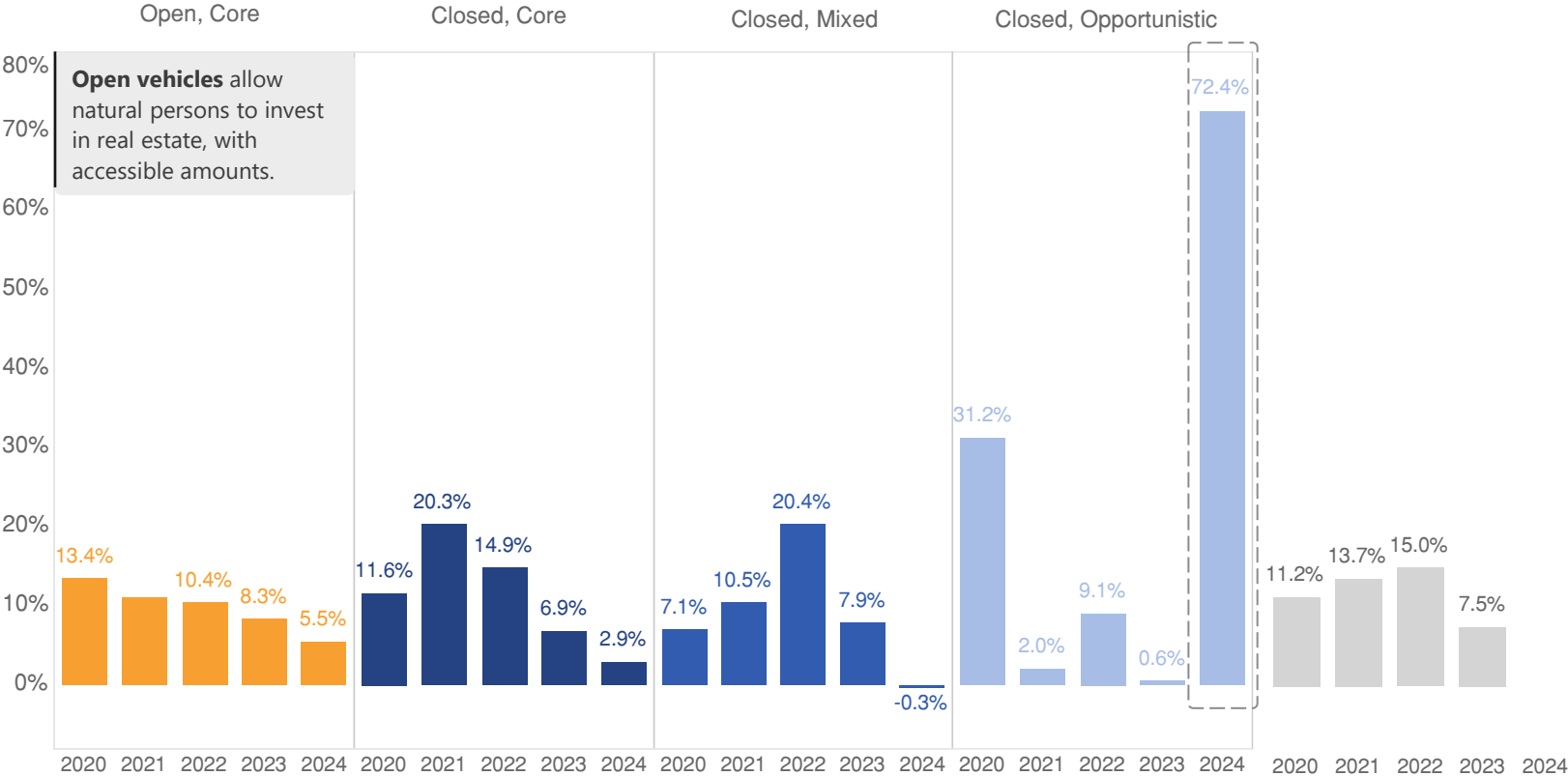
Yellowstone has positioned itself as a key player thanks to its ability to raise capital and drive new projects under development.

Patria Investments closed the acquisition of Nexus Capital Partners in July 2024.

*Each fund reports its independent financial statements as of December 2024.
- Information from 2023 was used for the CCLA Group and Grupo Pegasus due to the lack of publicly available financial statements. The following vehicles do not have publicly available financial statements and were therefore not included: Avanti (Bancavalor S.A.S.), Davivienda Corredores' development vehicle Compartimiento Diversificado de Desarrollos Inmobiliarios, and Compartimiento Almaviva (Nexus CP). Compartimiento VI Proarco (Plentia Capital) and FCP Futuro Inmobiliario Compartimiento III (Quadras) were excluded as well. Only the Yellowstone Real Estate Opportunity Fund II was included for Yellowstone CP, as no data were available for the other vehicles.
- Activity by financial institutions is estimated to be in the range of 5-10% and is not included in the sample.

Assets Under Management - Growth

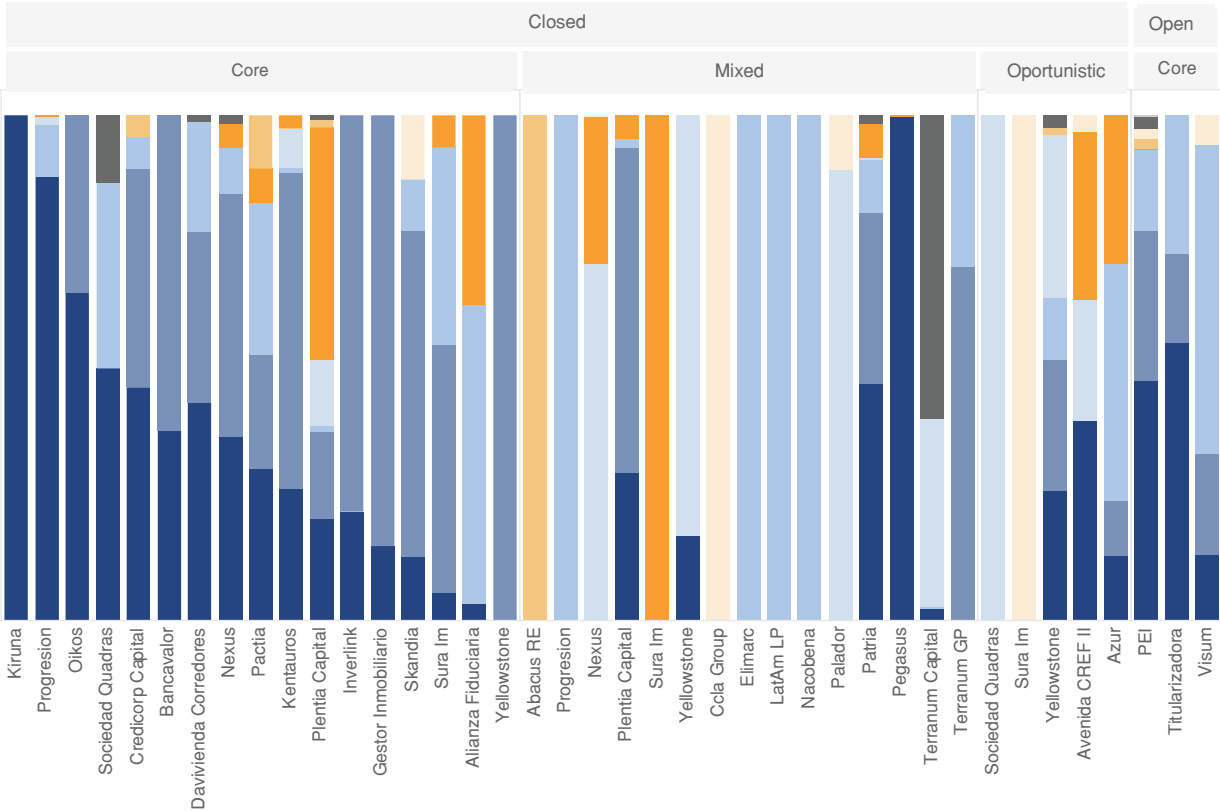
Yellowstone's creation of the new Flagship Opportunity Fund IV development vehicle has driven significant growth in the opportunistic strategy. According to its investment horizon, the fund entered its active implementation phase in 2024, and its growth has been exponential, driven by the participation of several institutional investors.



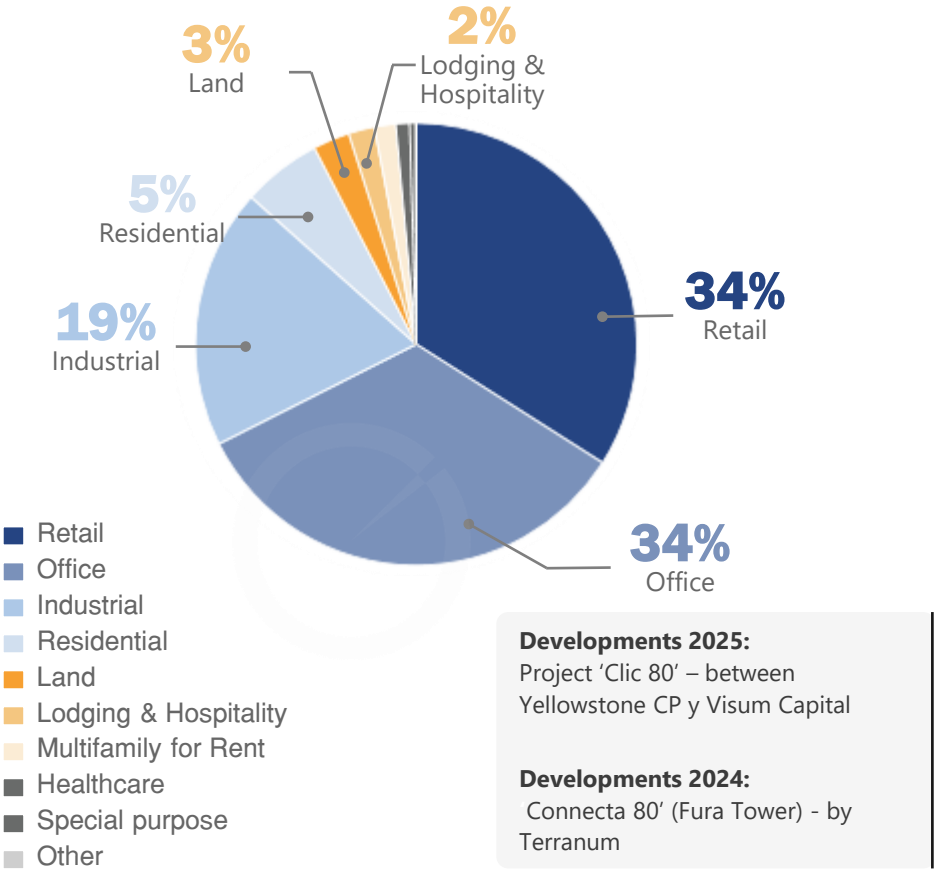
Note: Historical values may present variations with respect to the report published in 2024, due to the inclusion of information on new vehicles.

Assets Under Management by Sector 2024

Colombia's industrial sector has grown due to the e-commerce boom, which has increased the demand for logistics space. Additionally, although Mexico leads the region in nearshoring, Colombia has also begun to benefit from the global relocation of supply chains thanks to its strategic location, free trade zones, and the U.S.-Colombia Free Trade Agreement (FTA). Finally, projects such as the 'Ruta del Sol', the 4G highways, and the expansion of 'Tunel de La Línea' strengthen the country's logistics infrastructure, supporting the growth of this sector and ensuring its operation.

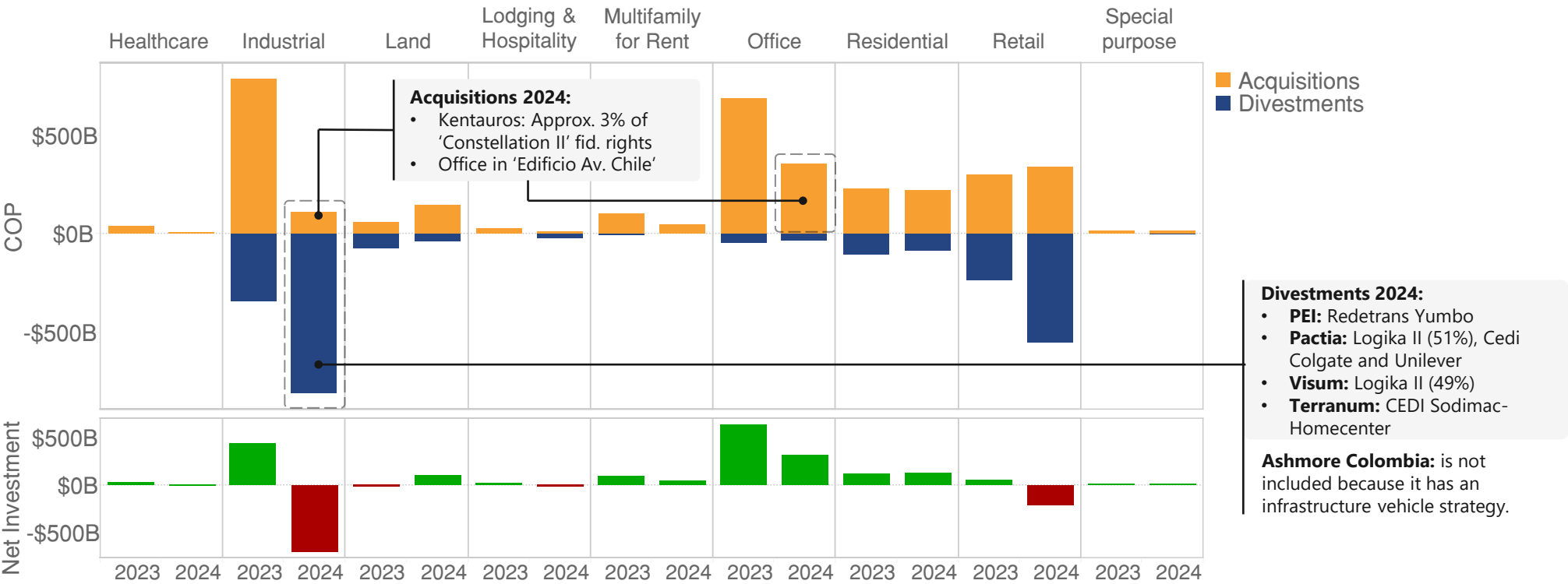


Note: The chart categorises capital distribution by both sector and the vehicles managed by each manager.



Acquisitions and Sales

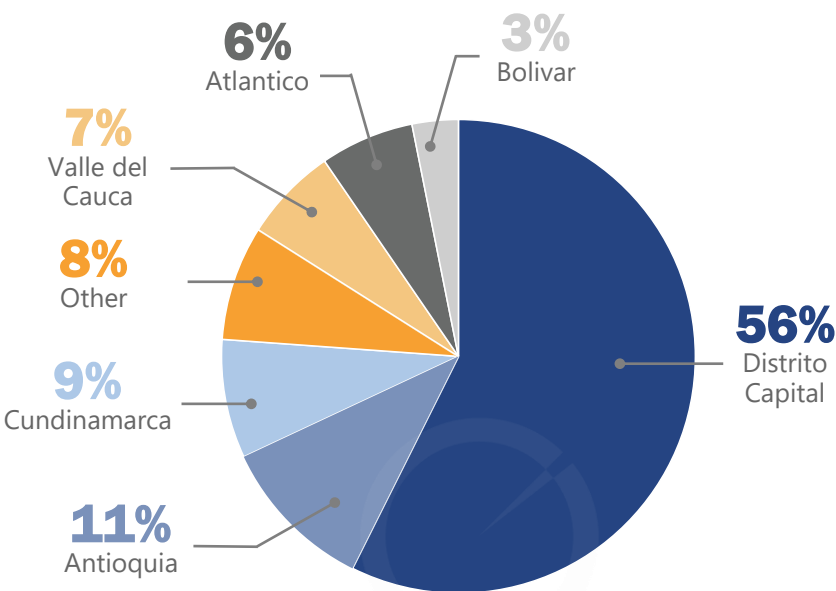
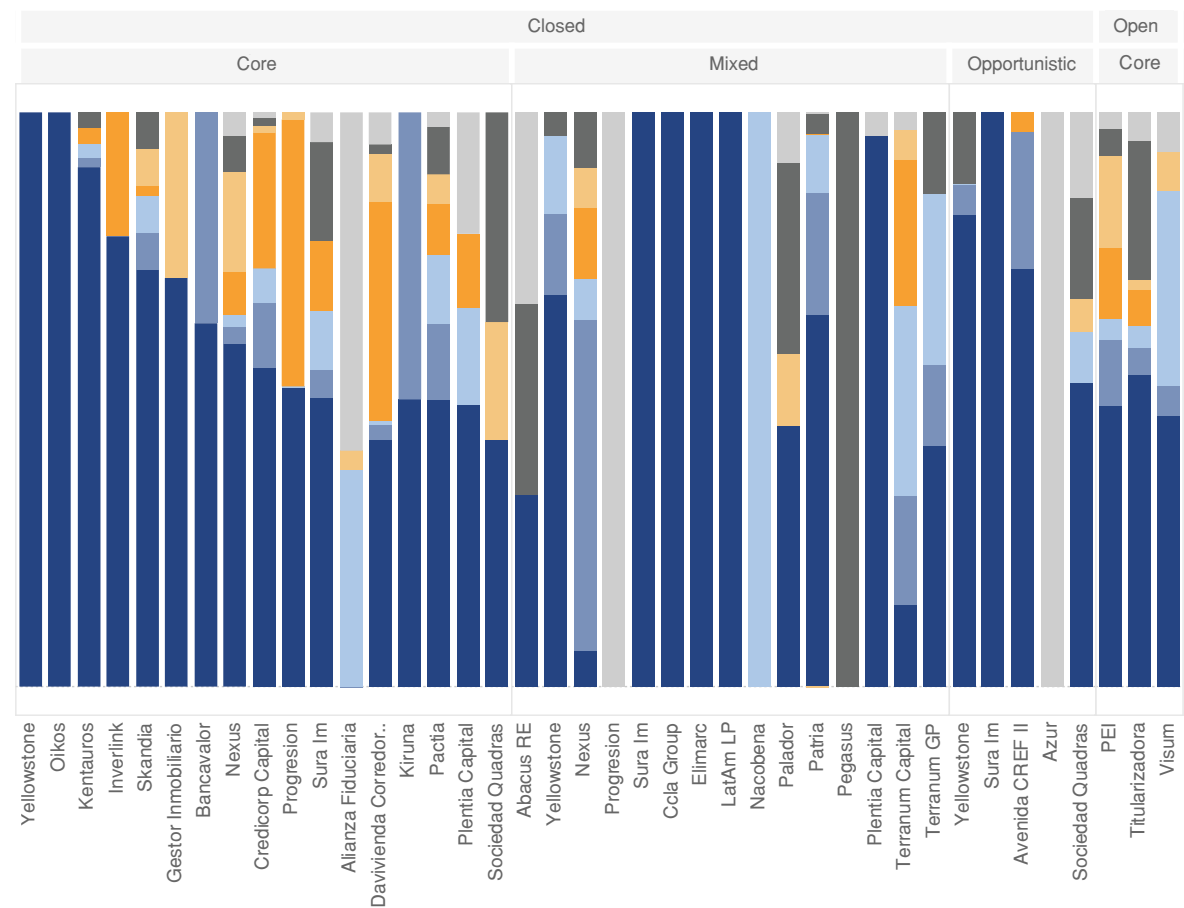
Over the past two years, there has been a change in investment dynamics, characterized by an increase in the divestment of real estate vehicles and transactions between managers. This study has captured this recent trend, and it is expected that more information will be available in future for further analysis. Divestment has been evident in almost all sectors.



Note: Acquisitions include new assets reported by managers as additions to their portfolio. Divestitures correspond to assets leaving the portfolio, including assets that are transferred to funds or other actors outside the sample. Some transactions of financial entities or individuals are not included due to confidentiality.

Assets Under Management by Geographic Location

Bogotá's real estate investment continues to grow steadily. As well as concentrating assets in traditional sectors, it is also developing new assets in alternative areas, such as the Multifamily for Rent sector. Standout projects under development include Nomad Central and Salitre, reflecting a new commitment to this type of asset. For property managers, this represents an opportunity to diversify their portfolios.



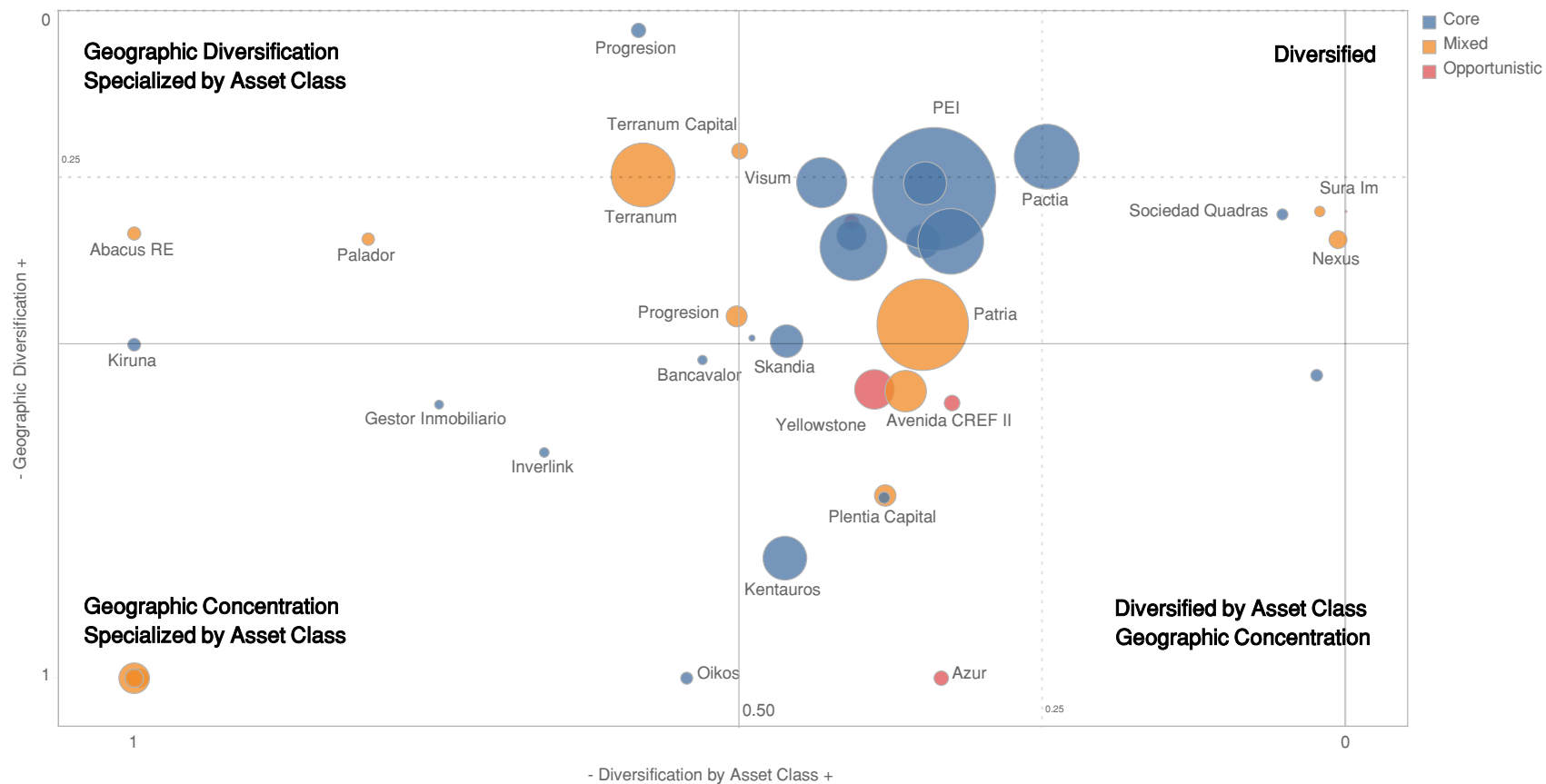
- Distrito Capital
- Antioquia
- Cundinamarca
- Other
- Valle del Cauca
- Atlantico
- Bolivar

Multifamily for Rent in Bogota: Nomad 77, Nomad Central and Nomad Salitre.

Note: The chart categorizes capital distribution by both geographic location and the vehicles managed by each manager.

Diversification

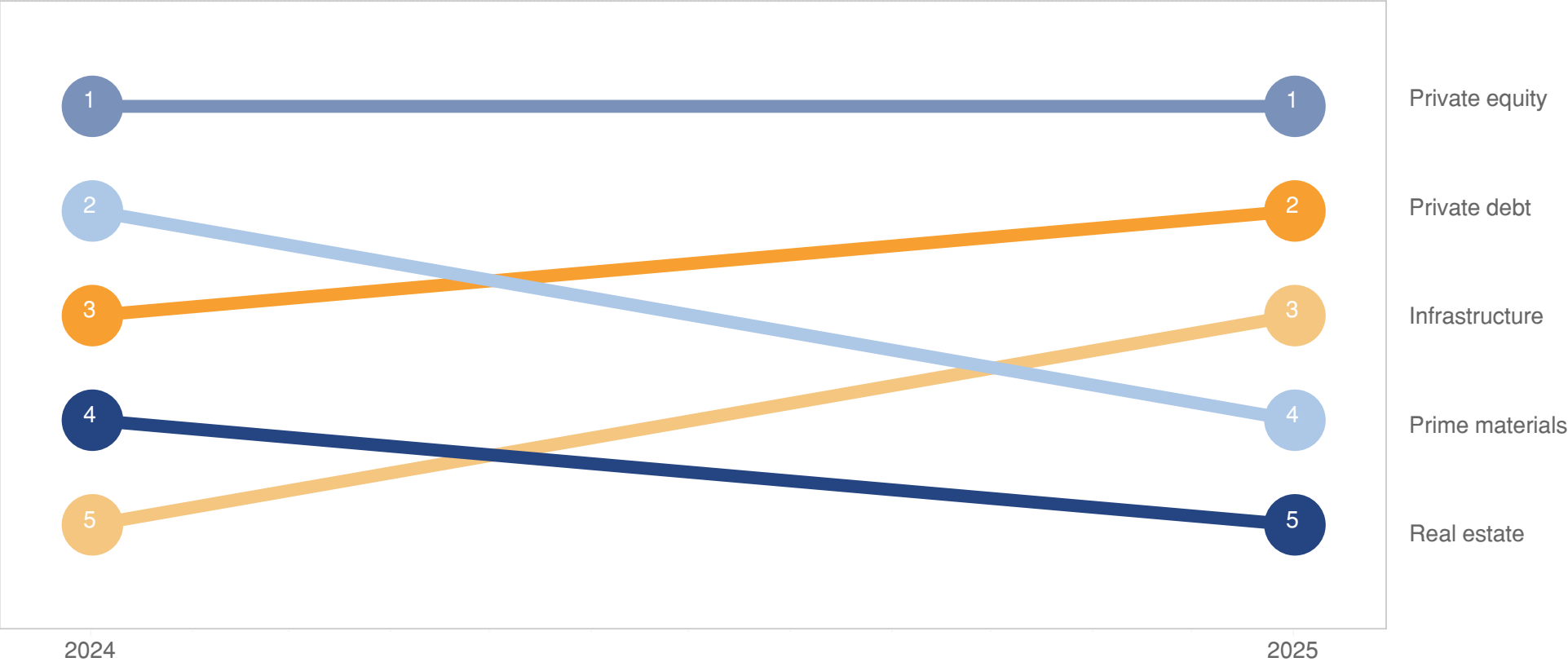
The chart plots the Herfindahl–Hirschman Index (HHI) by sector and geography (both axes inverted): the closer to zero, the greater the diversification. As can be seen, larger funds, especially Core funds, tend to be more diversified, whereas some closed-end funds specialise in specific sectors or locations.



Note: Diversification is presented on a disaggregated basis for each of the vehicles managed by the real estate managers.

Returns by Type of Investment

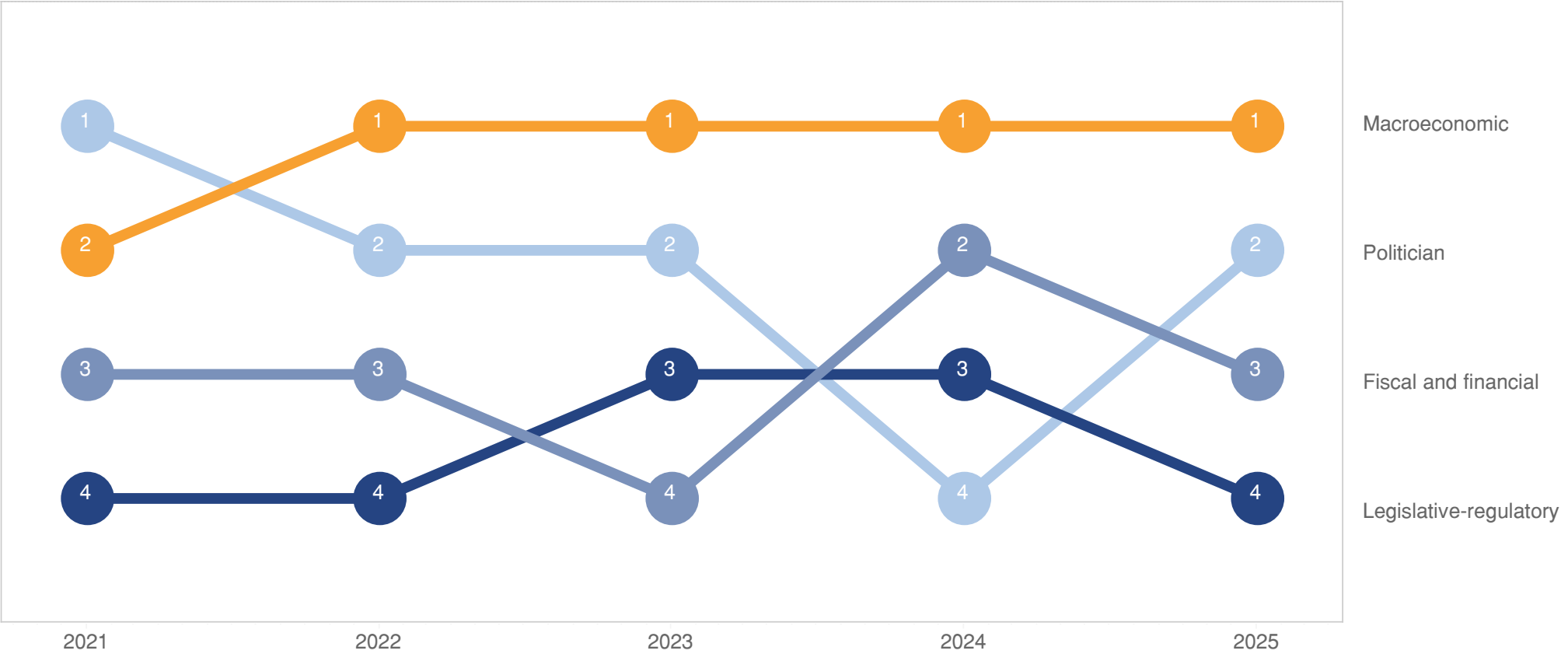
The performance of private equity and private debt has remained strong, supported by diversified strategies and the ability to generate returns in uncertain scenarios. By contrast, the real estate sector is facing greater challenges due to a combination of higher interest rates, increased debt costs, tighter financing conditions and a general lack of liquidity.



Nota: The source of information comes from an annual survey conducted by LOGAN, aimed at institutional investors in the real estate sector.

Real Estate Investment Risk Classification

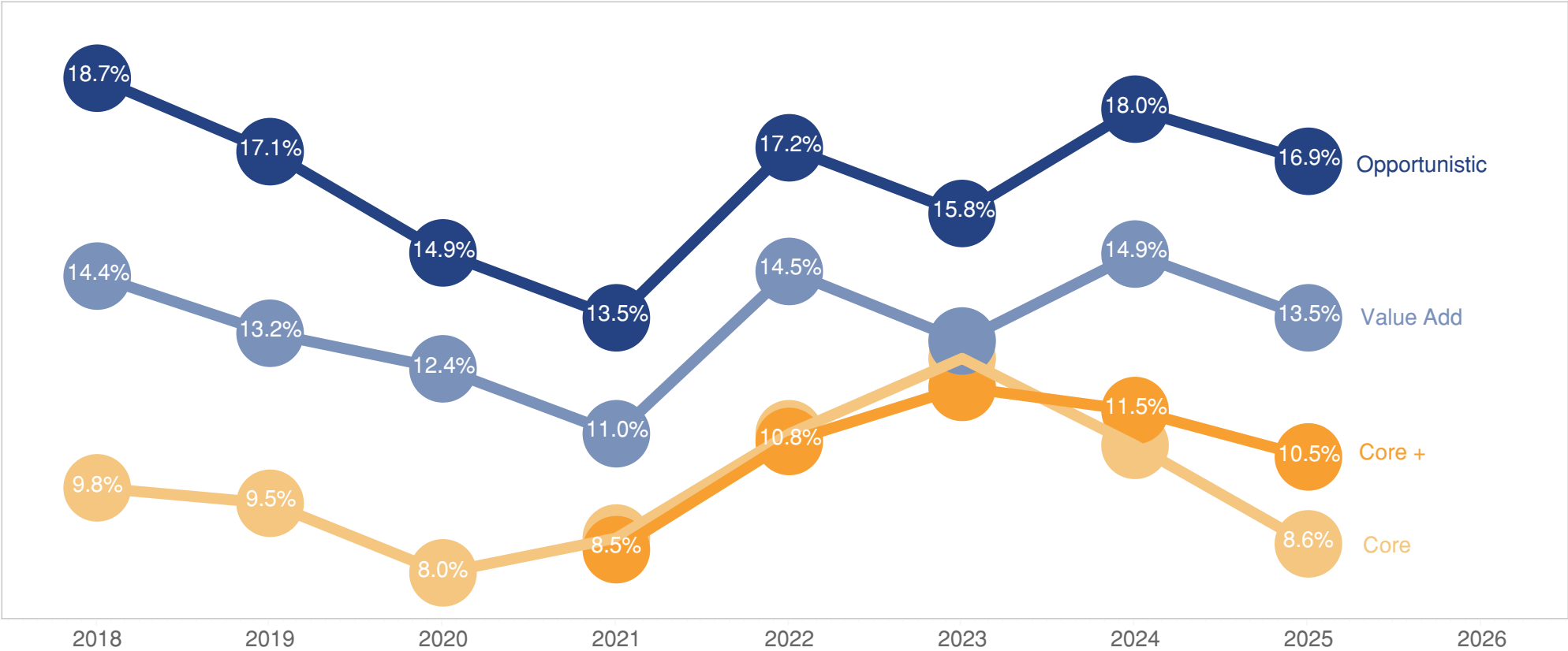
Once again, the macroeconomic factor is positioned as the main variable when making investment decisions, due to its direct impact on indicators such as interest rates, inflation and economic growth, which largely define the profitability and sustainability of investments in the sector. Additionally, the political environment continues to generate uncertainty and instability, which slows down decision making and stagnates the sector.



Note: The source of information comes from an annual survey conducted by LOGAN, aimed at institutional investors in the real estate sector.

Annual Return Expectations - IRR

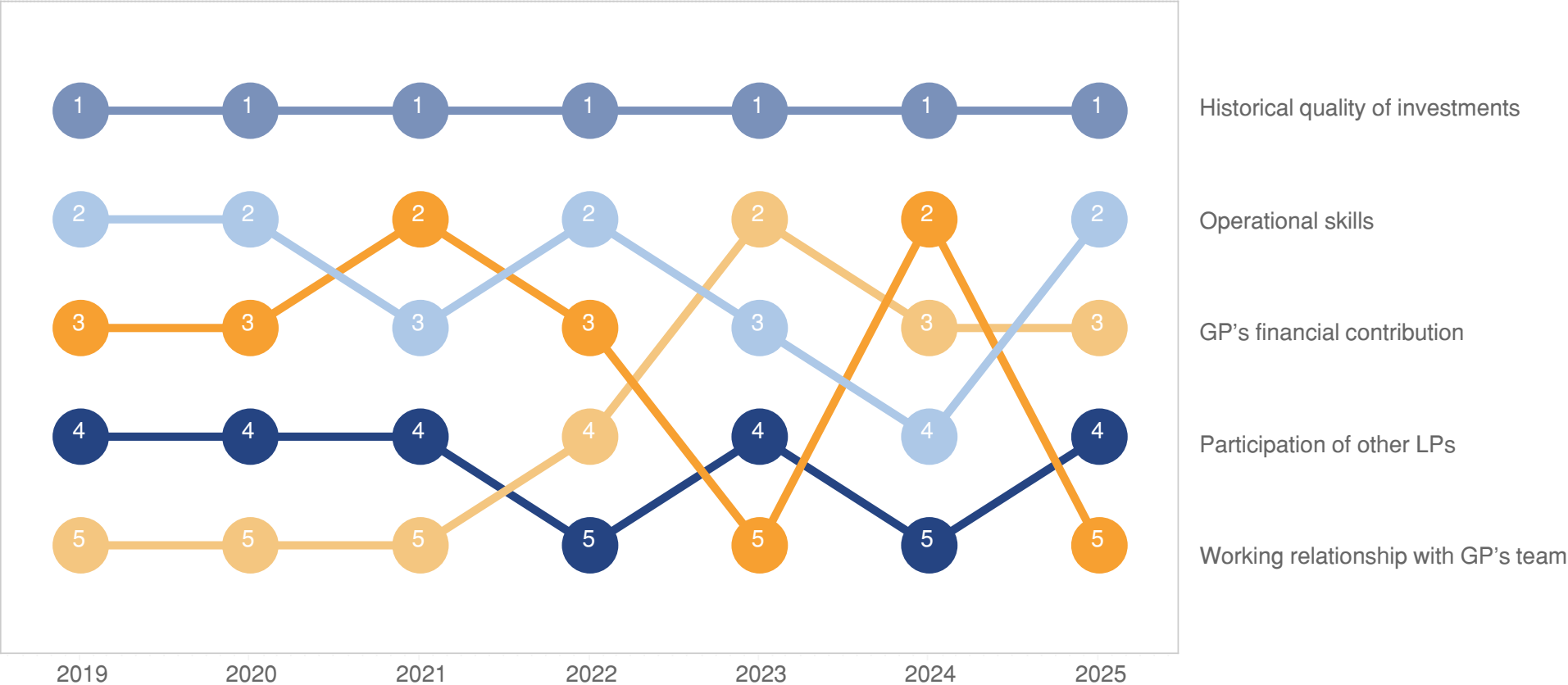
The responses reflect the expected long-term profitability, which is defined as the minimum return that an investment vehicle must offer to be considered for inclusion in a portfolio. This threshold is a benchmark for relative attractiveness compared to other investment alternatives, measured in terms of net returns for a more accurate assessment of the vehicle's ability to generate sustained value over time.



Note: The source of information comes from an annual survey conducted by LOGAN, aimed at institutional investors in the real estate sector.

Manager Selection Criteria Ranking

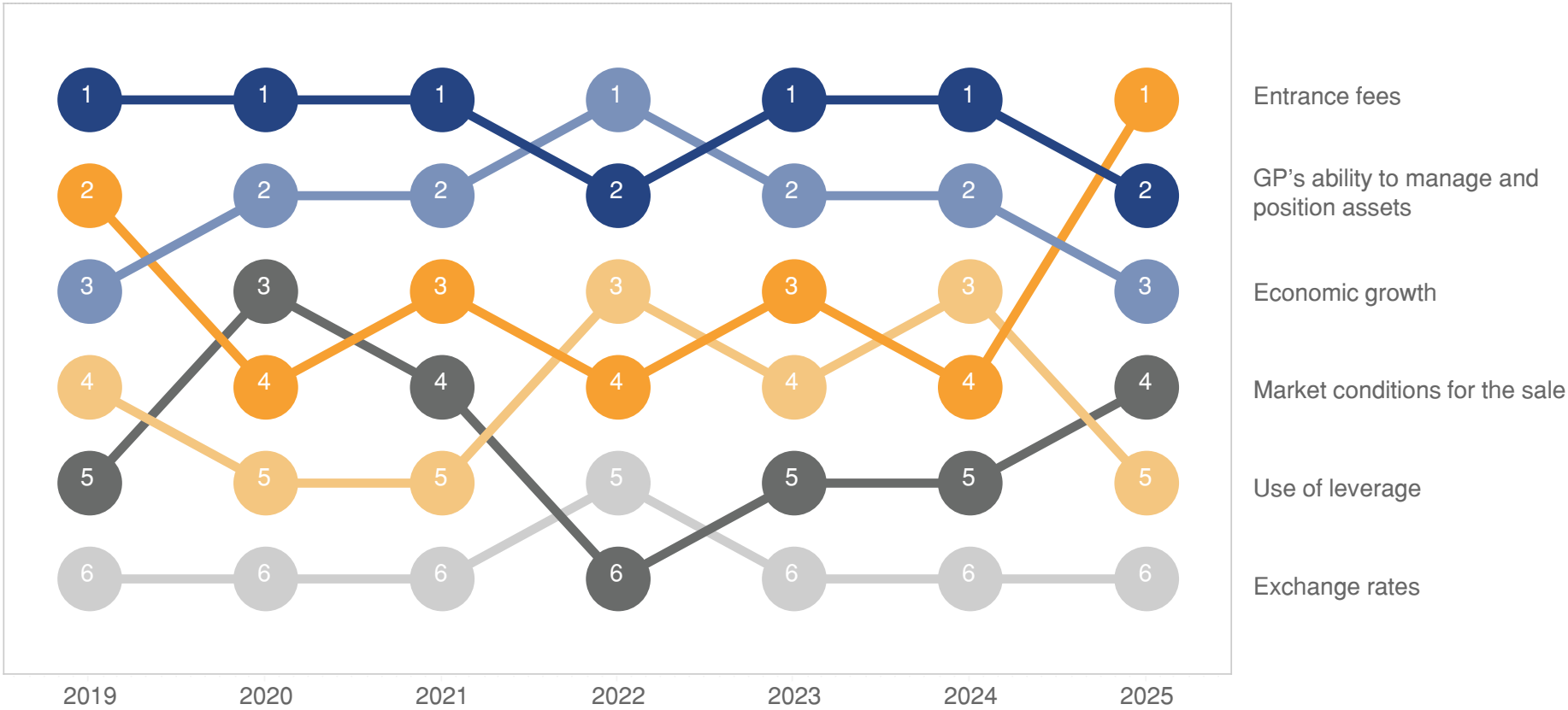
Operational skills took second place in 2025, enabling managers to adapt quickly to a changing market, seize opportunities, and mitigate risks more effectively. In contexts such as Colombia's, which are marked by economic and regulatory volatility, having a team with solid operational skills can provide greater stability and confidence for investors.



Note: The source of information comes from an annual survey conducted by LOGAN, aimed at institutional investors in the real estate sector.

Drivers of Funds Performance Ranking

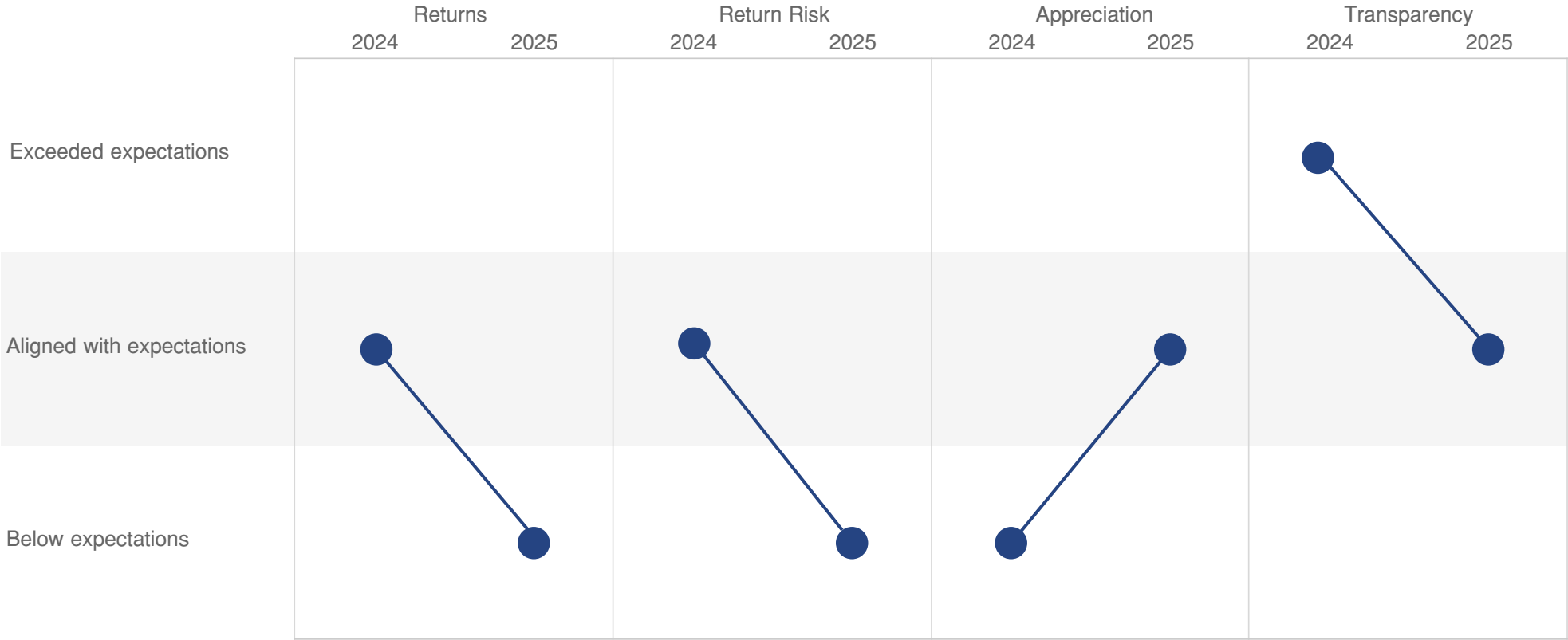
Entry prices are expected to be the most important factor influencing investment profitability in 2025. Acquiring an asset at a favorable price provides greater flexibility to navigate market fluctuations, allowing returns to be maximized. Conversely, when entry prices are high, opportunities to achieve attractive returns may be limited.



Note: The source of information comes from an annual survey conducted by LOGAN, aimed at institutional investors in the real estate sector.

Investment Experience with Real Estate Managers

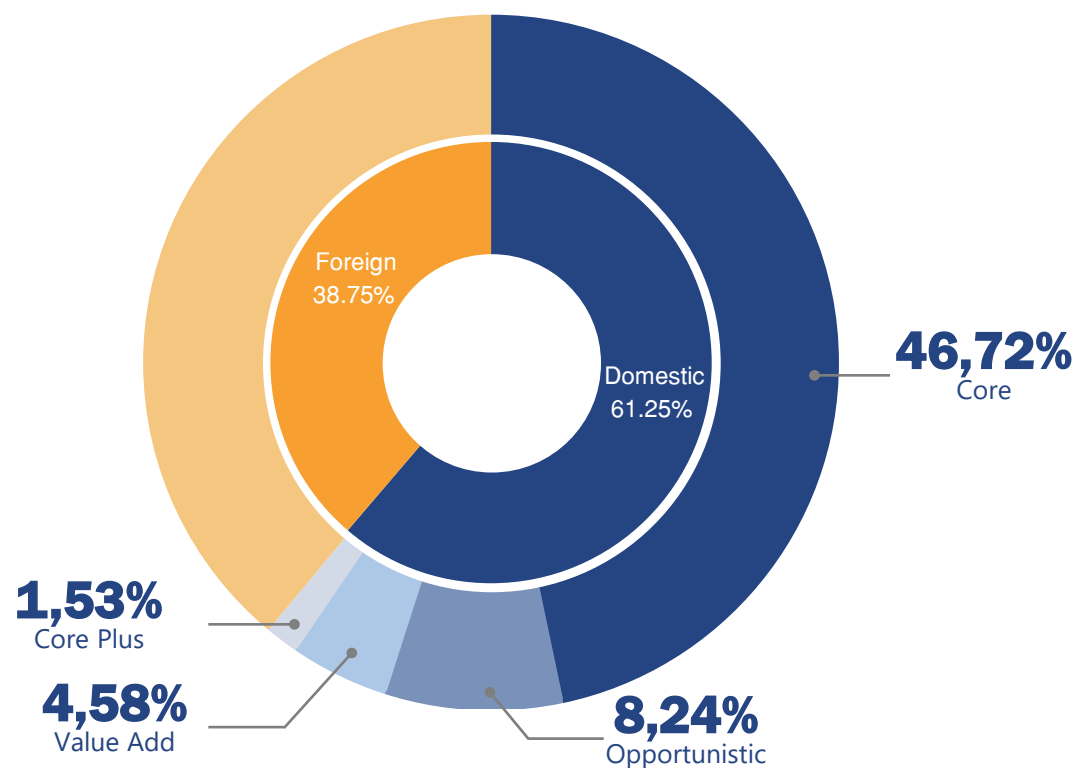
In terms of transparency, the lack of public financial reporting by various types of investment vehicles, including family offices and financial institutions, will generate a negative perception among investors by 2025. Additionally, the lack of standardized, accessible information makes it difficult to compare risks, returns, and cost structures, thereby increasing uncertainty in decision-making processes.



Note: The source of information comes from an annual survey conducted by LOGAN, aimed at institutional investors in the real estate sector.

Real Estate Investment Allocation

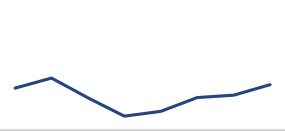
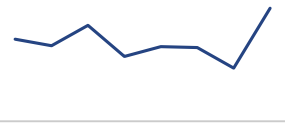
In Colombia, real estate investment is primarily concentrated in the local market due to regulatory and market conditions that favor this approach. The most common strategy is Core, as institutional investors such as pension funds and insurance companies manage third-party capital and must act with great prudence. Consequently, they seek safe and stable assets that allow them to meet their long-term obligations.



Note: The source of information comes from an annual survey conducted by LOGAN, aimed at institutional investors in the real estate sector.

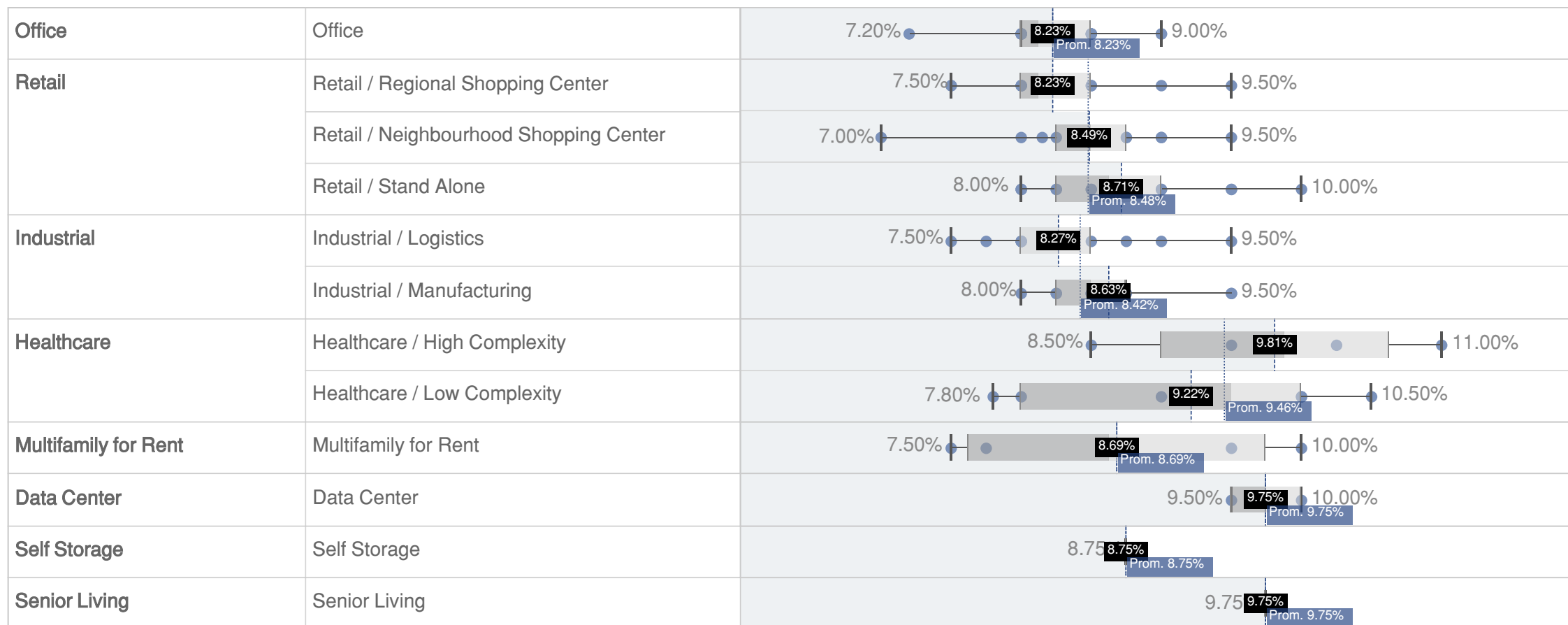
Net Capitalization Rate

The imbalance between supply and demand in the office sector is creating favourable conditions for growth in real market rents. This puts downward pressure on capitalization rates. Conversely, in sectors where supply and demand are more balanced, or where industry-specific uncertainties persist, capitalization rates have shown upward pressure, with no significant changes anticipated in the short term.

		2021	2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		8.13%	8.23%	8.52%	8.66%	8.23%	-43 bps	▼
Retail		8.27%	8.33%	8.21%	8.68%	8.48%	-20 bps	▼
Industrial		7.47%	7.61%	8.03%	8.10%	8.42%	+32 bps	>
Multifamily for Rent		7.84%	8.02%	8.42%	7.90%	8.69%	+79 bps	>
Healthcare		nd	7.95%	8.69%	9.31%	9.46%	+14 bps	>
Lodging & Hospitality		9.00%	9.30%	9.27%	8.65%	10.47%	+182 bps	>

Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

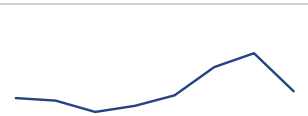
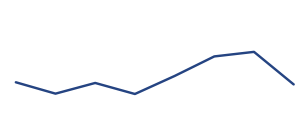
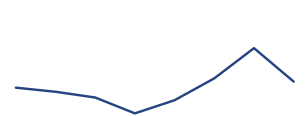
Net Capitalization Rate by Subsector



Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

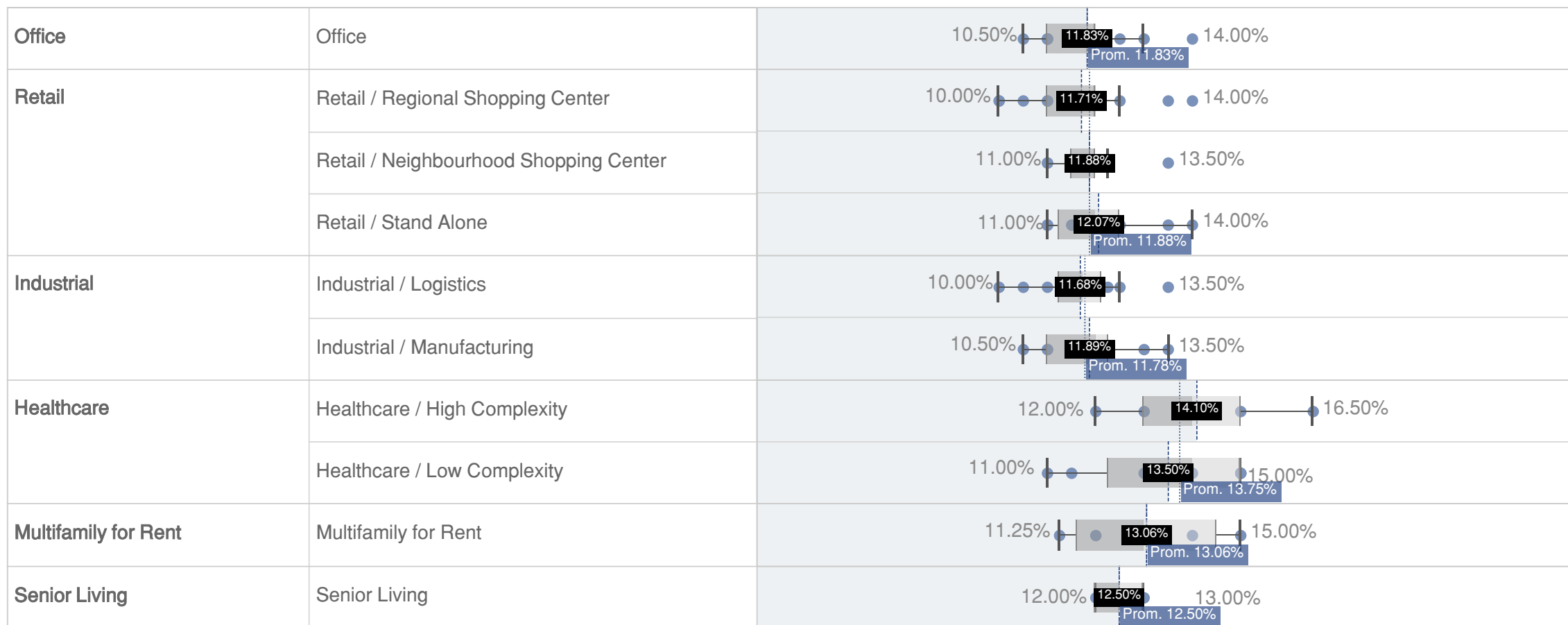
Internal Rate of Return

Compared to 2024, internal rates of return have declined in almost all sectors in 2025, reflecting improved market sentiment and aligning with interest rate reductions over the same period. However, political uncertainty is expected to persist until at least mid-2025, so no further rate cuts are anticipated. Therefore, any adjustments will depend on the specific conditions in each sector.

		2021	2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		11.13%	11.63%	13.00%	13.67%	11.83%	-184 bps	⬇️
Retail		11.41%	12.28%	13.23%	13.45%	11.88%	-158 bps	➡️
Industrial		10.24%	10.88%	11.93%	13.39%	11.78%	-162 bps	➡️
Multifamily for Rent		10.52%	11.52%	14.08%	14.40%	13.06%	-134 bps	➡️
Healthcare		nd	11.86%	13.09%	14.50%	13.75%	-75 bps	➡️
Lodging & Hospitality		nd	nd	nd	13.67%	15.72%	+206 bps	⬇️

Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

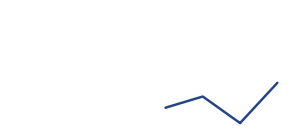
Internal Rate of Return by Subsector



Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

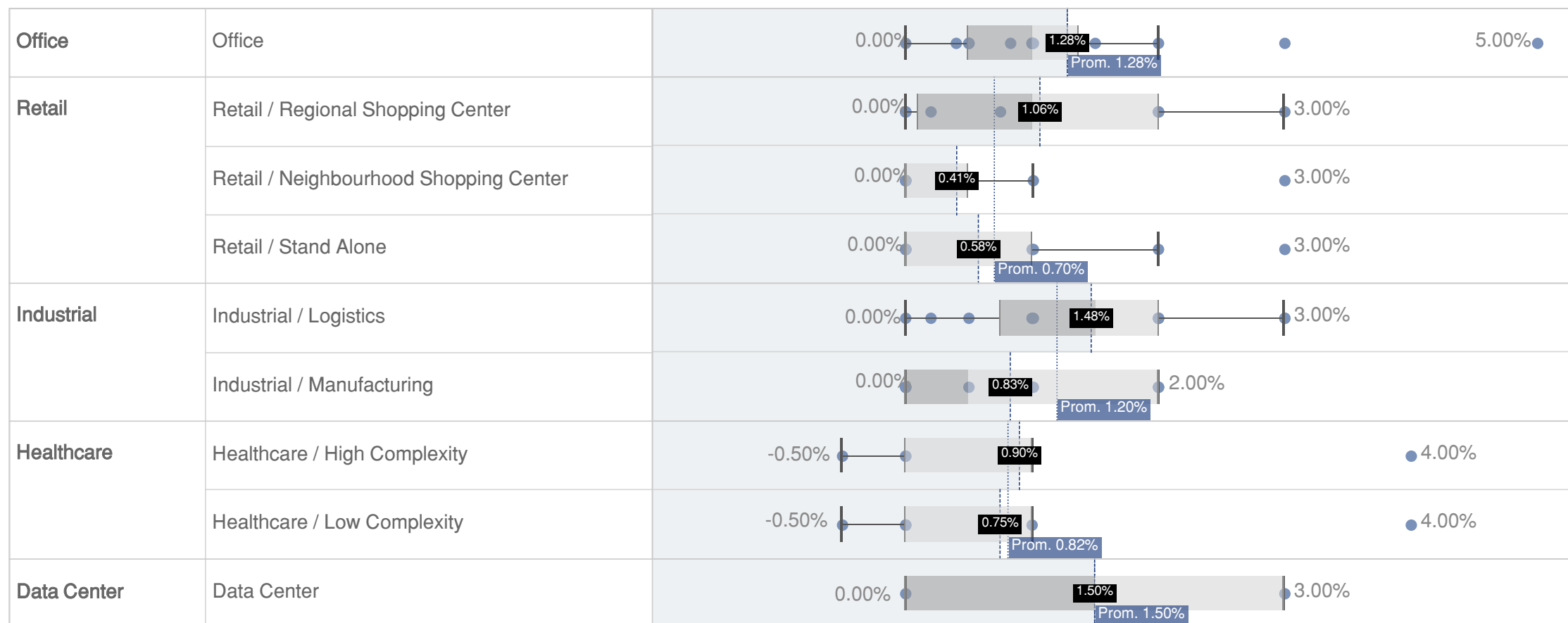
Real Market Rent Growth

A strong demand for tenants and a limited supply of office space in prime locations are expected to create an imbalance, with demand exceeding supply and likely leading to an increase in market rents. Additionally, an improvement in consumer confidence and positive sales growth are expected to boost rental income. In other sectors, however, supply and demand are balanced, so no significant changes in market rents are anticipated.

		2021	2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		0.50%	0.50%	1.52%	1.28%	1.28%	0, bps	⬆️
Retail		0.86%	0.63%	1.23%	1.60%	0.70%	-90 bps	⬆️
Industrial		0.67%	0.50%	1.38%	1.04%	1.20%	+17 bps	➡️
Multifamily for Rent		0.65%	0.83%	1.07%	1.60%	1.20%	-40 bps	➡️
Healthcare		nd	0.47%	0.63%	0.25%	0.82%	+57 bps	➡️

Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

Real Market Rent Growth by Subsector



Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

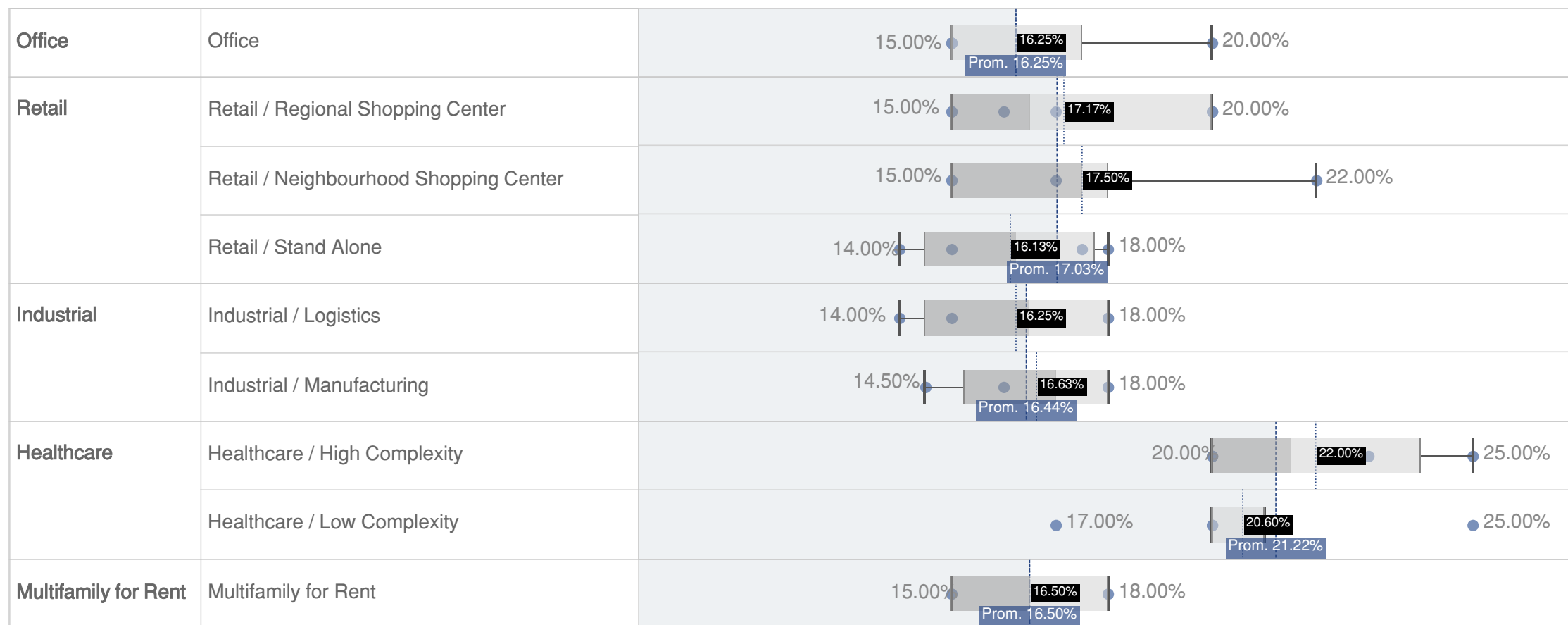
Development Internal Rate of Return

Favourable exchange rate variations have partially reduced the pressure on costs, given that most construction materials are imported. However, this benefit is offset by a challenging political and regulatory environment characterized by frequent changes and a lack of clarity in the rules. This combination of opposing factors creates an uncertain landscape, where short-term incentives are offset by structural risks that hinder decision-making and the planning of new projects.

		2021	2022	2023	2024	2025	2024 vs. 2025	Forecast
Office		13.92%	15.80%	17.30%	15.79%	16.25%	+46 bps	
Retail		14.09%	14.77%	16.78%	16.53%	17.03%	+50 bps	
Industrial		12.18%	14.44%	15.95%	15.13%	16.44%	+131 bps	
Multifamily for Rent		13.50%	14.00%	17.89%	16.25%	16.50%	+25 bps	
Healthcare		nd	15.00%	18.93%	18.17%	21.22%	+306 bps	
Lodging & Hospitality		nd	16.09%	20.53%	nd	22.00%	nd	

Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

Development Internal Rate of Return by Subsector



Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

Internal Rate of Return for Residential Developments

High-income housing projects require expensive land and are scarce in prime locations. This increases the proportion of land in the total cost and reduces margins. Additionally, these projects tend to have lower density and larger units, resulting in smaller projects with longer cycles and increased exposure to risks related to pre-sales, permits, and financing.

		2021	2022	2023	2024	2025	2024 vs. 2025	Forecast
High Income		21.50%	17.10%	23.00%	15.75%	16.75%	+100 bps	
Middle Income		18.90%	16.63%	22.50%	16.75%	15.67%	-108 bps	
Low Income		17.30%	17.83%	20.00%	18.00%	15.50%	-250 bps	
High Income – On equity		22.65%	17.31%	23.00%	18.00%	19.33%	+133 bps	
Middle Income – On equity		20.86%	16.44%	21.67%	19.33%	18.00%	-133 bps	
Low Income – On equity		19.54%	17.63%	19.33%	21.75%	16.67%	-508 bps	

Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

Development Risk Prime

Sector	Subsector	Internal Rate of Return	Development Internal Rate of Return	Spread
Office	Office	 11.83%	 16.25%	442 pbs.
Retail	Retail / Regional Shopping Center	 11.71%	 17.17%	563 pbs.
	Retail / Neighbourhood Shopping Center	 11.88%	 17.50%	546 pbs.
	Retail / Stand Alone	 12.07%	 16.13%	406 pbs.
Industrial	Industrial / Logistics	 11.68%	 16.25%	457 pbs.
	Industrial / Manufacturing	 11.89%	 16.63%	474 pbs.
Healthcare	Healthcare / High Complexity	 14.10%	 22.00%	344 pbs.
	Healthcare / Low Complexity	 13.50%	 20.60%	600 pbs.
Multifamily for Rent	Multifamily for Rent	 13.06%	 16.50%	790 pbs.
				710 pbs.

Note: The source of information comes from an annual survey, conducted by LOGAN, aimed at professional real estate managers and developers.

Glossary

AUM (Assets Under Management):

This corresponds to the gross value of assets, taken from the Financial Statements under the heading Investment Properties.

Market Rent Growth:

Percentage that measures the average annual increase in rental prices of a property or sector, based on market values, over inflation for the next 5 years.

Core Strategy:

The Core real estate strategy focuses on stable, well-located assets with long-term leases, prioritizing security and steady cash flows over high returns.

Core Plus Strategy:

This is a strategy of investing in high quality properties located in consolidated markets, which generate stable income, but with an additional risk component with respect to core, since they require management improvements, maintenance or repositioning to increase their profitability.

Opportunistic Strategy:

The opportunistic real estate strategy seeks high returns by assuming greater risk, investing in developments, distressed assets or assets in great need of transformation.

Valued Add Strategy:

The value-add strategy in real estate focuses on assets that already generate income but require improvements, such as remodelling or management changes, to increase their value and profitability.

Herfindahl-Hirschman Index (HHI):

A measure of market concentration obtained by adding the squares of the shares of each player. A high value indicates greater concentration and less competition.

Nearshoring:

Strategy to relocate production processes to countries close to the final consumer market. Increased demand for industrial and logistics assets.

Risk Prime:

Percentage difference representing the additional return expected from investing in a riskier asset or project versus a less risky one. In real estate, it can be measured, for example, as the difference between the IRR of Development and the IRR of a stabilized asset.

Returns:

In real estate, returns are the profit that an investor obtains on his capital, either through rental income or through the appreciation of the property by selling it at a higher price.

Risk of Return:

In real estate, return risk is the possibility that the return obtained will be lower than expected, due to factors such as vacancy, market changes or unforeseen costs.

Net Capitalization Rate (Cap Rate):

Percentage that measures the annual profitability of a property, calculated by dividing its Net Operating Income (NOI) by its market value or acquisition price.

Internal Rate of Development (Development IRR):

Percentage that measures the average annual profitability of a real estate project from its development stage to its sale or stabilization, considering all cash flows and the initial investment.

Internal Rate Of Return (IIR):

Percentage that measures the average annual return on an investment, considering all future cash flows and its initial value, where the net present value equals zero.

Transparency:

In real estate, transparency refers to the availability and quality of market information, such as prices, rents and transactions, which allows for safer and more reliable investment decisions.

Appreciation:

In real estate, appreciation is the increase in value of a property over time.

LOGAN Valuation is an appraisal and consulting firm specializing in institutional real estate assets in Latin America. With a presence in six countries and a certified team (MAI, RICS), we offer rigorous technical analysis, market research and strategic advice for investment decisions. Our work spans multiple asset classes and combines regional reach with in-depth knowledge of each local market.

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