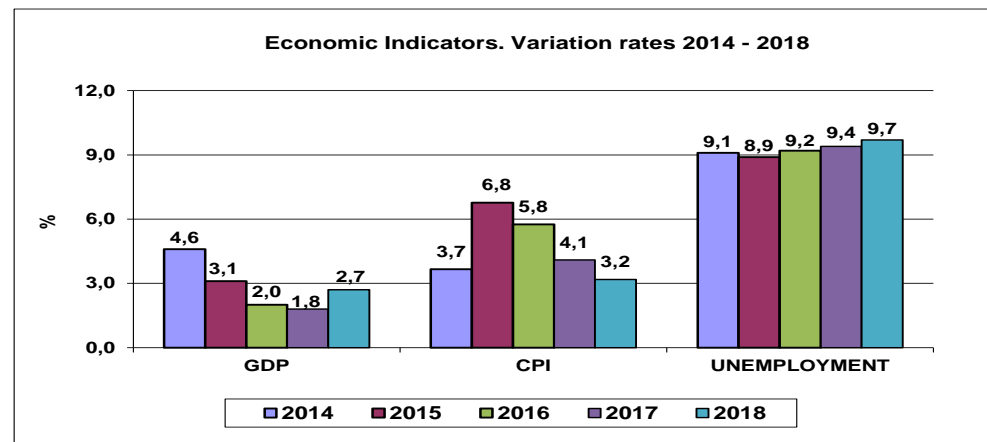


# Shopping Centres in Colombia: Semi-annual Activity Report June 2019

## Economy:

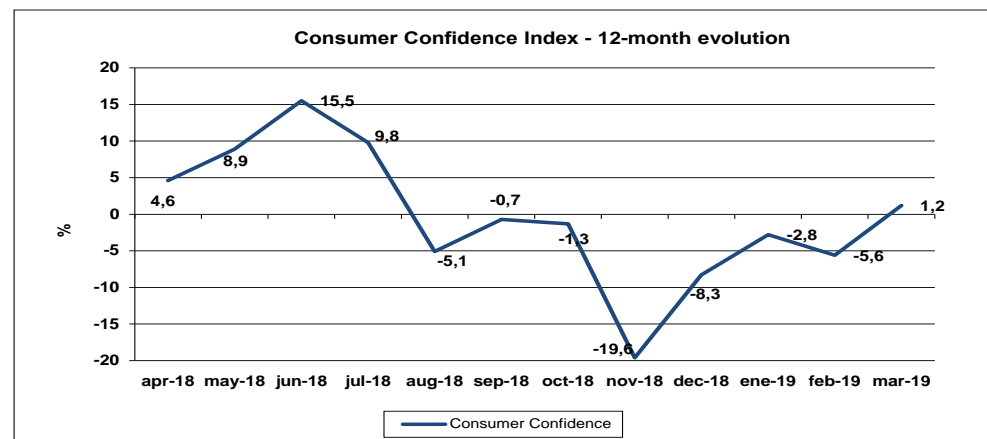
1. Colombia's **Gross Domestic Product (GDP)** grew 2.7% in 2018, year-on-year, above the year-on-year rate for 2017 (1.8%), according to the National Administrative Statistics Department (DANE). (see Graph no. 1)
2. In terms of large branches of the economy, the sectors that grew the most in 2018 were Public Administration and Defence, Education and Health (4.1%), Sales, Transport, Housing and Food Services (3.1%), and Professional, Scientific and Technical Activities (5%). Together, these branches contributed with 1.6% of the **GDP** for 2018.
3. The Colombian **inflation rate** was 3.18% in 2018, also according to the DANE. The items which most increased the final rate were Housing and Food. **Inflation** variation in 2018 was 0.91% higher than the one registered in 2017. (see Graph no. 1)
4. The **unemployment rate** in 2018 was 9.7% in Colombia, according to the DANE. This is a slightly higher rate with respect to the previous year (9.4%). (see Graph no. 1)
5. In 2018, **Retail Sales** increased 6.2% year-on-year, compared to a 0.9% decrease in 2017. According to the DANE, out of 16 item categories, 14 registered increases in their retail sales, adding up to 6.5% of the index. On the other hand, the remaining item categories subtracted 0.3% from the same index.
6. According to the results of Fedesarrollo's Consumer Opinion Survey, the **Consumer Confidence Index (ICC)** was -8.3% in December of 2018, which is a 2.3% decrease compared to December 2017. In January of 2019, it increased further, reaching -2.8%; in February it dropped to -5.4% and in March it grew again, reaching a positive rate, with 1.2%. (see Graph no. 2)

Graph no. 1: Economic Indicators



Source: DANE

Graph no. 2: Evolution of the Consumer Confidence Index



Source: DANE

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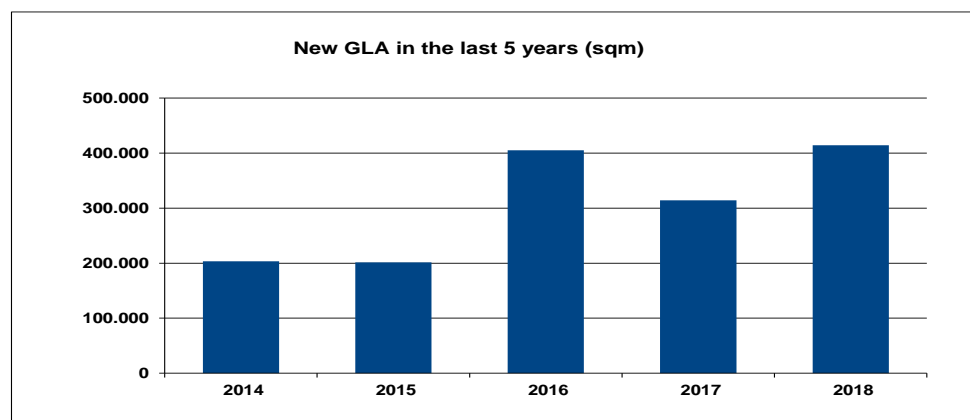
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## Shopping Centre Development:

7. The shopping centre market in Colombia continues to be quite dynamic. According to LaSBA's Data Bases, 2018 closed with the largest volume of new Gross Leasable Area (GLA) in the last five years, above 400,000 sqm. (see Graph no. 3)

Graph no. 3: New GLA inaugurated in the last 5 years



Source: LaSBA

8. In total, there were **14 openings of new shopping centres**, corresponding to a GLA increase of 414,200 sqm, significantly higher when compared to the previous year (12 openings in 2017). No extensions of existing shopping centres were registered. (see Table no. 1)

Table no. 1: Openings 2018

Shopping Centre	Location	Developer	GLA (sqm)	Opening Date
La Central	Medellin	Lodroño Gomez	33.000	May
El Caraño	Quibdó	Portales Urbanos - Airplan	7.000	June
Plaza Claro	Bogotá	Consorcio GEO-SBC Plaza Claro	29.000	June
Plaza Arrayanes	Itagui	C.A.S.A.	15.300	June
Mall Plaza Manizales	Manizales	Grupo Mall Plaza	39.000	August
Usaquén Plaza	Bogotá	Ospinas / Isarco	5.000	September
Carnaval	Soledad	Santa Juana / Caninsa Ramón H SA	25.000	September
Neos Moda	Bogotá	Neos Group	18.000	September
Viva Envigado	Medellin	Grupo Éxito	100.000	October
Viva Tunja	Tunja	Grupo Éxito	35.000	October
Rio del Este	Rionegro	LJN Proyectos Inmobiliarios	16.000	October
Outlet D'Moda	Medellin	Arquitectura y Concreto	13.000	November
Gran Plaza Ensueño	Bogotá	Pactia	37.900	November
Megamall	Valledupar	Gramma Construcciones	41.000	November
<b>Total Openings</b>	<b>14</b>		<b>414.200</b>	

Source: LaSBA

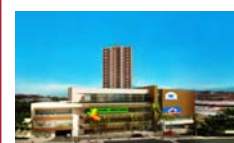
- The most significant opening of 2018 in terms of size was **Viva Envigado** (100,000 sqm GLA), in Medellin, developed by **Grupo Éxito**.
- Other highlights were **Megamall** (41,000 sqm GLA), in Valledupar, **Mall Plaza Manizales** (39,000 sqm GLA) and **Gran Plaza Ensueño** (37,900 sqm GLA), in Bogota.
- Thus, Colombia reached the total amount of **231 shopping centres** (considering only centres with more than 5,000 sqm GLA) by the end of 2018.
- Some developments are still being postponed. **Leasing** some of the shopping centres' units may take longer, resulting in delays.
- In 2018 small and medium shopping centres continued to open in smaller cities with respect to the large capitals, although there were also inaugurations in large cities, the highlights being **Bogota**, with four openings, and **Medellin**, with three openings.
- During this year of 2019 many openings are planned, although there is the possibility of delays due to the reasons previously mentioned. If every project were to open on schedule, by the end of the year there could be once again an amount of new GLA above **400,000 sqm**.
- Some of the most important openings in terms of size for the rest of the year would be: **Paseo Villa del Río** (72,000 sqm GLA), in Bogota, developed by **Suma Promotora Inmobiliaria**; **El Éden** (67,500 sqm GLA), also in Bogota, developed by **Construcciones Planificadas SA**; **Mall Plaza Buenavista** (53,000 sqm GLA), in Barranquilla, developed by **Grupo Mall Plaza**, and **La Mota** (50,000 sqm GLA), in Medellin, developed by **Cemento** and **Spectrum**. (see Table no. 2)
- Some of the shopping centres planned for the current year of 2019 have already



La Central Medellin



Plaza Claro Bogotá



Plaza Arrayanes Itagui



Carnaval Soledad



Gran Plaza El Ensueño Bogotá

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Jardín Plaza Cúcuta



La Serrezuela Cartagena



Mall Plaza Buenavista Barranquilla



Sierraflor Sincelejo



Titán Plaza Bogotá

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opened, during the first few months of the year, e.g. **Jardín Plaza** (43,000 sqm GLA), in Cúcuta, developed by **Sonae Sierra**; **Itagüí Plaza** (10,500 sqm), in Itagüí, or **Jardines de Llanogrande Retail Park** (12,000 sqm GLA), in Medellín, developed by **LJN / Inquietudes Inmobiliarias**.

Table no. 2: Planned Openings 2019

Shopping Centre	Location	Developer	GLA (sqm)	Planned Opening
Avenida	Fusagasugá	Canales Desarrolladores	19.700	2019
Estación San Pedro	Espinal	Stirling / Constructora Ramirez Cardos	26.000	2019
Jardín Plaza	Cúcuta	Sonae Sierra / Central Control	43.000	February 2019
El Éden (1 <sup>st</sup> stage)	Bogotá	Construcciones Planificadas SA	67.500	August 2019
Itagüí Plaza	Itagüí	n.d.	10.500	1st half of 2019
La Mota	Medellín	Cimento / Spectrum	50.000	2nd half of 2019
La Serrezuela	Cartagena	A. Cohen	9.900	June 2019
Mall Plaza Buenavista	Barranquilla	Grupo Mall Plaza	53.000	2019
Nuestro Cartago	Cartago	Comercialise	18.000	June 2019
Nuestro Jamundí	Jamundí	Constructora Sintagma	10.000	2019
Paseo Villa del Río	Bogotá	Suma Promotora Inmobiliaria	72.000	November 2019
P.C. Jardines de Llanogrande	Medellín	LJN / Inquietudes Inmobiliarias	12.000	March 2019
Plaza Bellín	Bello	Convel	9.300	October 2019
Pradera Sur	Medellín	Coninsa Ramón H.	15.000	2019
Reserva Plaza	Rionegro	n.d.	6.200	May 2019
Sierraflor	Sincelejo	Consortio Sierraflor	15.900	2019
<b>Total Planned Openings</b>	<b>16</b>		<b>438.000</b>	

Source: LaSBA

### Shopping Centres in Operation:

- The **Latin America & Caribbean Shopping Centre Awards** were awarded in Cartagena, during the RECon Latinamerica 2018 event. Some Colombian shopping centres were given awards by the International Council of Shopping Centres (ICSC).
- The shopping centres which won awards were: **Fontanar**, in Chia (New Developments); **Salitre Plaza**, in Bogota (Sales and Events' Promotions); **Titan Plaza**, in Bogota (Marketing / Advertising); **Oviedo**, in Medellín (Refurbishments and Expansions); **Unico Outlet**, in Pasto (several categories); **Atlantis Plaza**, in Bogota (Advertising and Public Relations) and **Santafe Medellín** (Digital Technology and Sales and Events' Promotions).
- With the goal of finding out how the citizens of Bogota evaluate their shopping centres, Retailigence and Camacol presented conclusions from their study where visitors' general perception was gauged. Generally, the most appreciated shopping centre was **Titan Plaza**, followed by **Gran Estacion**, **Centro Mayor**, **Parque La Colina**, and **Santafe**.
- According to a study made by **Mall&Retail**, Bogota closed 2018 with a total of 1,004 vacant units in the 35 analysed shopping centres, which has skyrocketed the vacancy rate to a year-on-year 14.4% with respect to 2017 when there were only 859 vacant units. In total, the vacancy rate is 10.4% (vacant units over total number of units).
- Several months ago, **Salitre Plaza**, in Bogota, renovated its image to celebrate its twenty-second birthday. Visitors (around 1.3 million per month) highlight more brightness inside the establishment. Also, they find it fresher, with more appropriate colours and better circulation within each floor and between floors.
- Unicentro Bogota**, one of Colombia's most significant shopping centres, has also refurbished its areas, including a new office and retail area, as well as co-working and recreation areas.
- El Tesoro Parque Comercial Medellín** will begin the fourth stage of its refurbishment, which has been advancing gradually: in 2013, there was the first medical tower; in 2014, the events centre; in 2018, the hotel and in 2019, the latest, the cultural theatre, which will have a reclined platform for cultural events and capacity for 900 seats; furthermore, there will be 50 new brands to add to the retail mix and 900 new parking spaces.
- Atlantis Plaza**, located in Bogota, has a project that consists of updating the shopping centre twenty years after its construction, rethinking its supply for consumers, renovating both the retail mix and the façade and interiors.
- An unlikely accident occurred at the **Gran Estacion** shopping centre, in Bogota. A car fell from one of the top floors and generated some damage to the lower floor where it landed.
- Campanario** celebrated its tenth anniversary with the talented Colombian singer-songwriter Andrés Cepeda. The artist sang happy birthday to the first shopping centre of Popayan in front of 3,500 people.
- Guatapuri Plaza** also celebrated its tenth anniversary. Institutions like Gobernacion del Cesar, the Mayor of Valledupar, the Departmental Assembly and the Chamber of

Commerce have all pointed out the shopping centre's contribution towards the region's economic development.

### Information regarding Retailers:

28. Danish chain **Ecco** will open their first unit in Colombia during the first half of 2019. Before their arrival in Colombia, the company had already taken its first steps in Latin America last December, when they opened their first store in the region at the shopping centre **Mallplaza**, located in Panama City.
29. **Arkitekt** and **Bronzini** have become independent and are opening their first own store. These Fashion brands, which previously were present inside **Éxito** stores, now share a unit with 125 sqm in the city of Medellín.
30. Canadian Shoewear company **Aldo** arrives in Colombia with two stores in the country's major cities. One of them will be in Bogota, where they will open a flagship store at the city's area T, whereas the second store will be located in Medellín.
31. **Bata** plans to open 35 units in Colombia during 2019. The Shoewear company, founded in Czech Republic, is characterized by growing in most of its target markets.
32. Colombian company **Color Siete**, which is reorganizing for the second consecutive year, plans to take its Color Siete te da la talla concept to the Mexican market this year.
33. Chilean chain **Casaideas** has opened its third store in Colombia, specifically at the **Premium Outlet Arauco**, in Sopo.
34. With the opening of its first store in Medellín, **Miniso** enters a second city in Colombia, after Bogota. The chain claims to maintain its plan of reaching 60 units in Colombia by the end of the year, which implies going into other cities as well.
35. French giant **Decathlon** has set in motion its first store in the south of Valle de Aburrá. The Sports Fashion and Equipment company has inaugurated its fourth store in the country, at the **Viva Envigado** shopping centre, making it its largest so far in the country, with 4,000 sqm.
36. Premium technology brand **Mac Center** has announced the opening of its seventh store. This time, the new store is located at **Centro Mayor** and it will have the brand's entire portfolio, including audio, protection, health and wellbeing, internet and others.
37. Chinese smartphone giant **Xiaomi** has arrived in Colombia with its first authorized 'Mi' store for distribution in Latin America. The unit is located at the shopping centre **Gran Estacion**, in Bogota.
38. **Cinepolis** has inaugurated nine new cinema screens at the Diverplaza shopping centre, in Bogota. The cinema screens are 100% digital in 2D and 3D, and, furthermore, they allow the purchasing of tickets online and through automatic means on site.
39. **Domino's Pizza** has opened its store number 100 in Colombia, specifically in Medellín. The chain plans to open 20 more units in the country over the next three years.
40. **Starbucks** continues with its expansion nationwide and has reached 33 units with the opening of its first store at a medical centre in Colombia. The unit is located at the Imbanaco Medical Centre of Cali.

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