

## Title C: Why 2019 Is the Year to Invest in Bogotá, Colombia

Subtitle C: Rising tourism rates, a booming economy, and an expanding middle class translate to one-of-a-kind real estate opportunities in Bogotá.



Colombia's bright, ambitious capital – Bogotá – is the country's largest city. It is home to an estimated population of 8 million within the Capital District and 11 million in the broader metro area. At an average altitude of 2,640 meters (8,600 feet) above sea level, Bogotá is the fourth highest capital city in the world.

Bogotá sits in the middle of the country on a fertile highland basin known as the Sabana de Bogotá. Its highland climate means the city sees temperate daytime temperatures and cool nights all year long, varying from six to 19 degrees Celsius (43 to 66 degrees Fahrenheit) on sunny days to 10 - 18 degrees Celsius (50 to 64 degrees Fahrenheit) on rainy days.

In the last few decades, Bogotá has expanded rapidly into a sprawling metropolis with sleek skyscrapers, colorful historic areas, and some of the finest restaurants, nightlife, and shopping scenes in Latin America.

As the country's business hub, Bogotá was recently ranked the fifth [South American City of the Future](#) for 2017/2018 by the Financial Times' [fDi Intelligence](#) research center.

"It's a city that's starting to catch up and come up after being held back for a long time," Sam Miller, Lifeafar Vlogger said in an [interview](#). "With a growing middle class and one of the largest English-speaking populations in Latin America, there are tremendous opportunities."

What's next for Colombia's rising capital? We explore tourism, economy, and property market predictions in our 2019 real estate forecast for Bogotá:

### **Tourism growth**

In Bogotá and across all of Colombia, tourism is on the rise. Over the last decade or so, tourism in Colombia has soared by [more than 300%](#), rising from one million foreign visitors in 2006 to more than three million in 2017.

In a country that has seen [unprecedented tourism growth](#) over the last ten years, Bogotá continues to lead the way as Colombia's most popular destination for foreign visitors.

According to [Ministry of Tourism data](#), the city receives 51% of the country's total tourist traffic, followed by Cartagena at 11%, and Medellin with 10%.

Between 2011 to 2017, the number of annual passengers arriving at Bogotá El Dorado International airport jumped from [20 million to 31 million](#). To accommodate the rapid increase in Bogotá travel, airlines have added [new direct flights](#) to Bogotá from destinations like Amsterdam, Europe, and Los Angeles.

In 2019 and beyond, we expect steady tourism growth to continue across Bogotá and all of Colombia. As Colombia sheds its dangerous reputation, Bogotá continues to receive glowing [press](#) and build its name as South America's hub for [technology](#) and [culture](#).

The ever-evolving city is forecasted to continue to attract a steadily growing stream of business travelers and government workers, in addition to tourists, vacationers, and remote workers.

### Real estate opportunities



Bogotá (and all of Colombia) has enjoyed historic real estate growth over the last ten years. After [crime rates dived](#) under the administration of President Álvaro Uribe in 2003, Colombian real estate prices took a massive uptick. Since then, [property market prices](#) have gone up steadily across Colombia, rising an average of [8% per year](#) in Bogotá.

To understand real estate opportunities within the city, it helps to understand how the government housing stratum system works.

In Colombia, homes are ranked in socio-economic categories known as estratos, with estrato 6 being the most expensive properties and estrado 1 being the least expensive. Bogotá has [four or five](#) estrato 6 areas versus the single estrato 6 area in Medellín. Compared to properties in Medellín, Bogotá properties in estrato 6 can be as much as 40 to 60% more expensive, according to Rich Holman, Chairman of Lifeafar.

The city's rapid economic growth and expanding middle class are putting pressure on the upper estratos, driving up demand even further in these already pricey areas. As real estate becomes more difficult to obtain, opportunities lie in rising neighborhoods that have been previously overlooked.

With the majority of its properties in estrato 3 and 4, the increasingly trendy [Chapinero Alto](#) is a great example of an emerging *barrio* with a lot of room for growth.

As more home buyers, renters, and business owners seek affordable pricing in neighborhoods like Chapinero Alto, increased demand and urban renewal are likely to translate to increased property prices. Investors who can land properties in up-and-coming zones now will likely see substantial returns as real estate prices continue to climb in Bogotá and across Colombia.

### **Economic growth**

All of Colombia has seen tremendous economic growth over the last ten years, and the country's economic prosperity is evident in Bogotá's positive indicators. As the seat for government and business in Colombia, Bogotá averages around 30% of the country's GDP. The capital city is home to most of the multinational corporations as well as national and governmental agencies in the country.

In its American Cities of the Future [report](#) for 2017/18, the fDi Intelligence research center recognized Bogotá as having the second-best strategy for promoting foreign direct investment in South America, second only to Sao Paulo. Previous [fDi reports](#) ranked Bogotá highly for its economic potential based on macroeconomic factors like GDP, unemployment, inflation, and FDI flows.

Currently, the local economy is primarily based on the service sector, including financial services and telecommunications. Looking to 2019 and beyond, we expect to see solid growth in Bogotá's tourism and agricultural sectors.

Over the next ten years, a [steady economic upturn](#) is forecasted to continue in Bogotá and across the country due to increasing oil prices, steady private consumer consumption, and recovery of non-oil exports, among other [variables](#).

### **USD strength compared to the Colombian peso**

Yet another attractive reason to invest in Bogotá real estate is the current currency exchange of the Colombian peso (COP) against the U.S. dollar. As of March 26, 2019, the COP is trading at 3,144 to the USD compared to 1,872.5 on this day eight years ago.

This means the present-day USD investor holds 67% more buying power than investors eight years ago. For 2019 buyers with USD, the undervalued COP makes high-quality real estate in a rapidly appreciating market a global bargain.

### **The bottom line**

As tourism and economic factors continue to improve in Bogotá, we do not expect the rate of real estate to slow down in the next five to ten years. In emerging neighborhoods like Chapinero Alto, we see unparalleled opportunities for substantial returns as real estate demand continues to climb.

To learn more about the best neighborhoods for investing in Bogotá, we encourage you to [get in touch](#) with our residential real estate experts who can help you profit from this exciting global opportunity.