



Curaçao: Bridging Europe and Latin America

Potential of the Colombian Real Estate Sector

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Presented by:





About Holland House Colombia



- Top-3 Bilateral Chamber of Commerce in Colombia
- Unique concept
- 250 member companies
- Offices in Bogotá, Medellín and Barranquilla
- First worldwide accredited Business Hub by NLinBusiness, part of VNO-NCW
- Strong ties with Curacao



Why Latin America?



- As of 2018, Latin America's total population is estimated at **639 million** inhabitants.
- Latin America offers some of the **most affordable human capital** in the world.
- Latin America's economic outlook for 2019 is positive, **envisaging positive GDP growth** for all countries, except for Venezuela and Argentina.
- FDI to Latin America and the Caribbean **rose 8%** to reach **USD \$151B**.
- With respect to the origin of investment, the Netherlands is now the largest investor in Latin America, accounting for **20% of inflows**.



Why Colombia?



- Colombia is the **third largest economy** in Latin America, with a GDP of **USD \$337B**.
- Colombia's GDP is steadily growing YoY. The country had a **2,7% GDP growth in 2018**, higher than the region's median growth. GDP is expected to grow **3,5% in 2019**.
- Colombia has a total population of **49.7 million** inhabitants. The country's middle class is expected to grow 32% in the next decade to reach 64% of the population.
- The country has a **strategic geographical position**, with access to both the Atlantic and Pacific Oceans.
- As of August 2019, Colombia's annual inflation rate reached **3,75%**, below market expectations.
- **20 Free Trade Agreements (FTA)** negotiated in the past few years. 13 of these FTAs have been enforced and are currently operating.

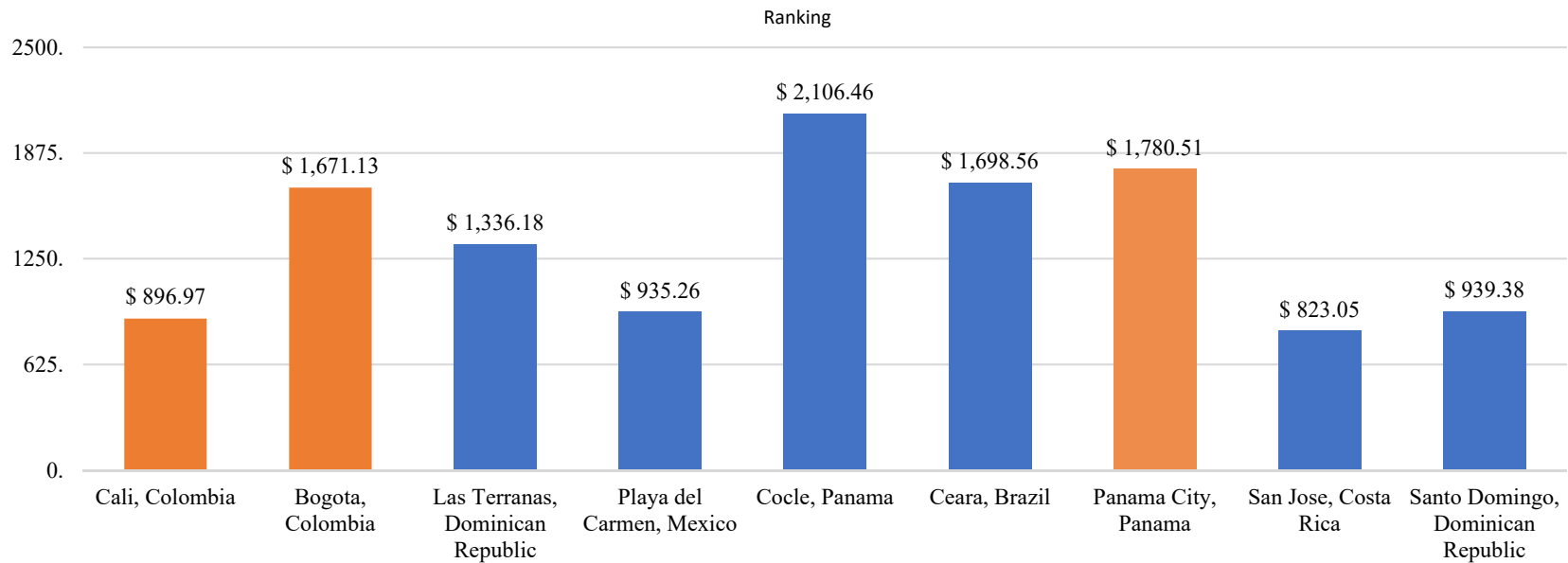


Colombian Real Estate Sector

Colombia maintains a strong link to the United States, landing it at the top of the list for many U.S. investors. Not only that, but Colombia also boasts one of the region's best corporate income tax rates – second only to Chile.

Top 9 Latin American Real Estate Markets

- Currently, the best Latin American countries to buy real estate are Colombia, the Dominican Republic, Mexico, Panama, Brazil, and Costa Rica. The top cities for real estate are Cali and Bogotá, allowing Colombia to have a major moment. Cali boasts affordable property values with an average price of \$896.97 per square meter.





Yields in Premier Cities, Investment Ratings - GPG



- Long Term Investment Rating is based on: gross rental yield, income tax, capital gains tax, round-trip transaction costs, potential landlord and tenant problems, long-term GDP growth, potential over-supply, affordability, a view of long-term appeal to investors.

City/Country	Gross Rental Yield _{SEP} (% per annum)	Remarks on Yield	Long Term Investment Rating (Stars) 1 = lowest, 5 = highest
Buenos Aires, Argentina	2,45%	Very Poor	2
Sao Paulo, Brazil	3,26%	Poor	4
Santiago, Chile	4,10%	Poor	4
Bogota, Colombia	6,30%	Moderate to Good	5
San Jose, Costa Rica	7,48%	Good	3
Quito, Ecuador	6,75%	Moderate to Good	3
El Salvador, El Salvador	8,49%	Excellent	3
Mexico City, Mexico	4,18%	Poor	Not Available
Managua, Nicaragua	7,70%	Good	4
Panama City, Panama	5,75%	Moderate	5
Lima, Peru	4,80%	Moderate	5
San Juan, Puerto Rico	7,12%	Good	2
Montevideo, Uruguay	4,96%	Moderate	5



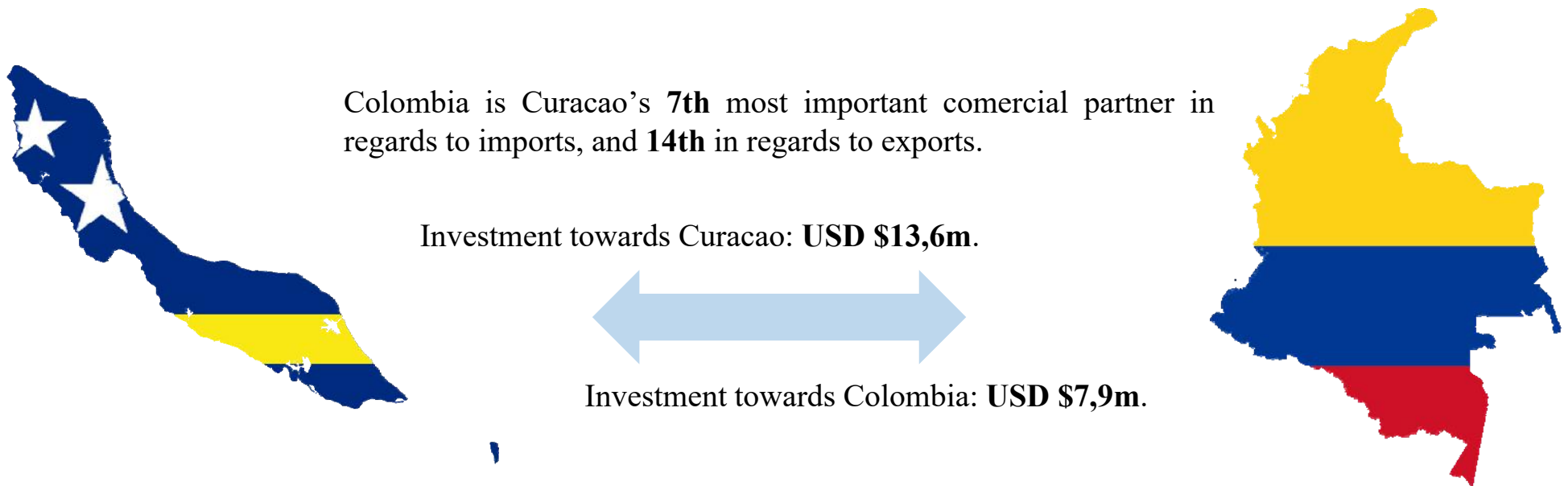
Hospitality



- According to DANE, between 2003 and August 2018, 52,373 new hotel rooms were constructed and over 27,000 rooms were renovated, with a total of **USD \$5,8bn invested** in these improvements.
- International chains first entered the Colombian market in the mid-2000s, after the passing of **Law No. 788 in 2002**, which provided an income tax exemption of over **30 years** for new facilities and the remodeling of existing facilities.
- Foreign investment received by the retail, restaurants and hotels sector **increased by 60%** between 2017 and 2018.
- Some **90 new hotels** are expected to begin construction between 2018 and 2020.

Curacao as a Bridge Between Europe and Colombia

Curacao imported **USD \$21.4M** from Colombia, 1,25% of the islands total imports.



- **Top exports** from Colombia to Curacao in 2018 included: furniture, construction materials, cigarettes, bananas, corn flour, sweet cookies and carburetors. Curacao has close relations with Colombia in a wide range of areas such as **tourism, health, renewable energy, financial sector, ICT and agri-food.**

Curacao as a Bridge Between Europe and Colombia



- Geographical proximity (time zone and travel time).
- Cultural similarities.
- GDP composition based mostly on services in both countries.
- Although Curacao's main language is Papiamentu, Spanish is spoken.
- Similar consumption patterns.
- Trade agreements.







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