CUSHMAN & WAKEFIELD
LOGISTIC OPERATORS' SURVEY

DECEMBER 2020
PORTUGAL

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LOGISTIC OPERATORS' SURVEY

Cushman & Wakefield Portugal undertook a survey among logistics operators during the summer of 2020, after the initial lockdown period, with a view to gathering occupational data and assessing market sentiment and trends.

A total of 31 operators responded to the survey and we would like to thank them for their participation.

This document summarizes the responses received as well as our conclusions.

A key take-away is the resilience of the occupiers in the sector, with the prospect of healthy demand driven by the growth of e-commerce over the next years, which underpins a strong rental market.

We invite you to read the document and the conclusions and would be delighted to discuss the content and conclusions in more detail, so do not hesitate to contact any member of the team to exchange ideas.

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LOGISTIC OPERATORS' SURVEY

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I. HIGHLIGHTS

- **52%** of all respondents are operating from leased spaces.
- **58%** of the operators are currently occupying units with more than 10,000 sq.m. Most have expanded over the last 5 years, and **26%** by more than 20,000 sq.m.
- Almost **30%** of the operators put unloading docks and floor-to ceiling height in excess of 9 meters at the center of their requirements.
- Good road accessibilities **(33%)** and proximity to clients **(22%)** are the main locational preferences.
- Half of the operators deal with e-commerce on a daily basis, which for the majority of these represents up to **9%** of their annual revenues.
- Overall **87%** of respondents have or expect to operate with e-commerce in the near future.
- Despite the lower share of expansion plans in the short term, **23%** of respondents expect to expand occupation by between 10,000 to 20,000 sqm in the next 2 years.
- Logistics tenants generally comply with rental payments and **70%** indicate that they do not expect rental discounts.
- Sustainability certifications and robotization processes are referred as growing trends or the future of this sector.

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OPERATORS’ REQUIREMENTS ARE BECOMING CLEARER FOR THE SECTOR; THERE ARE SIGNS OF RESILIENCE, THANKS TO THE GROWTH OF E-COMMERCE; OCCUPATIONAL ACTIVITY IS STRENGHTENING AND RENTAL DISCOUNTS ARE NOT EXPECTED.

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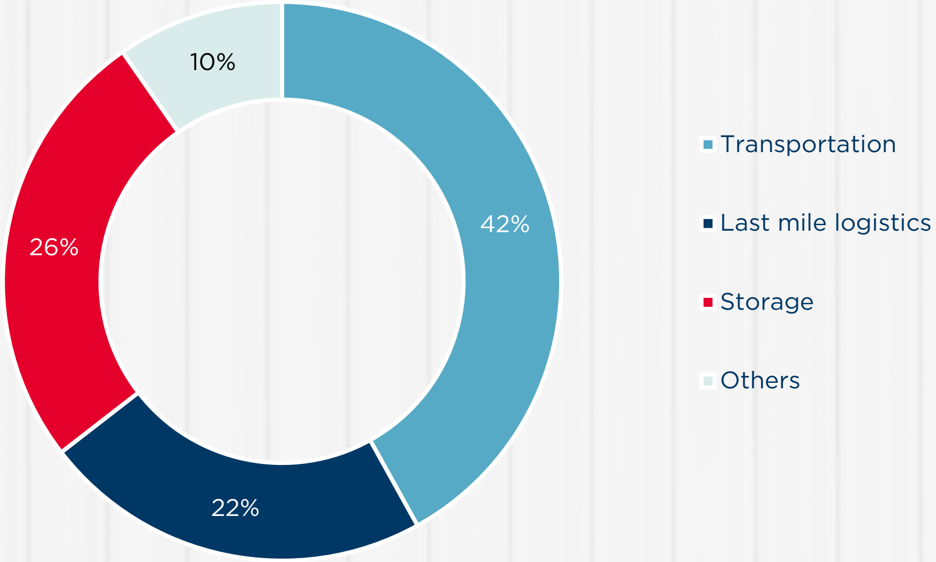
II. PROFILE OF RESPONDENTS

OPERATORS CATEGORY



Source: Cushman & Wakefield

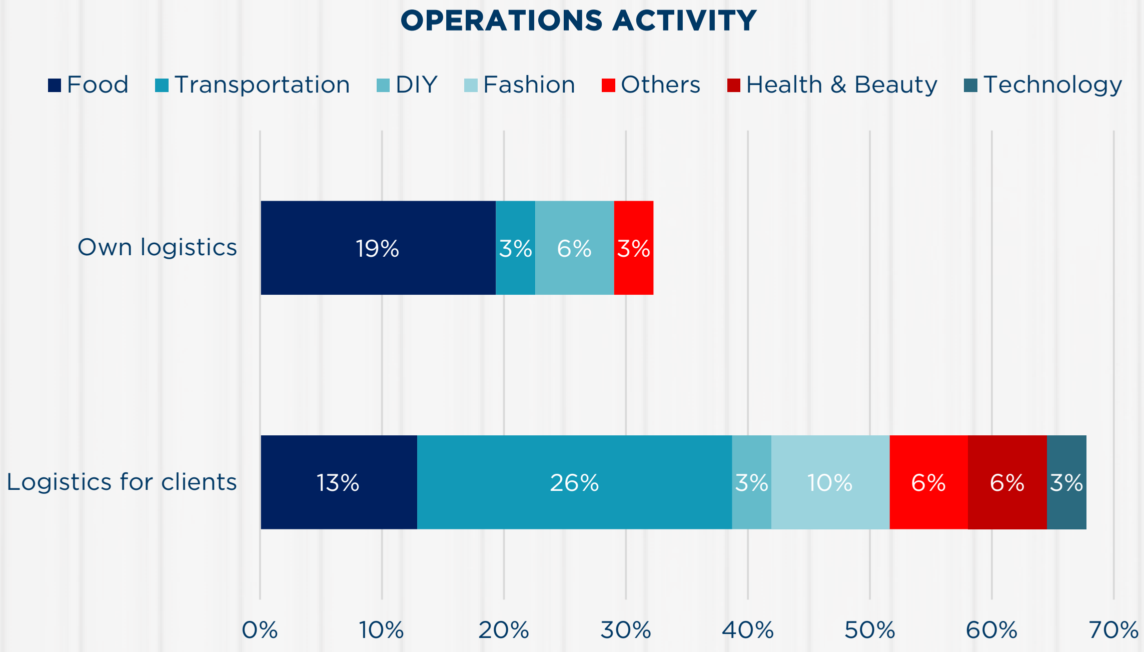
Respondents represent diversified profile of national and international operators

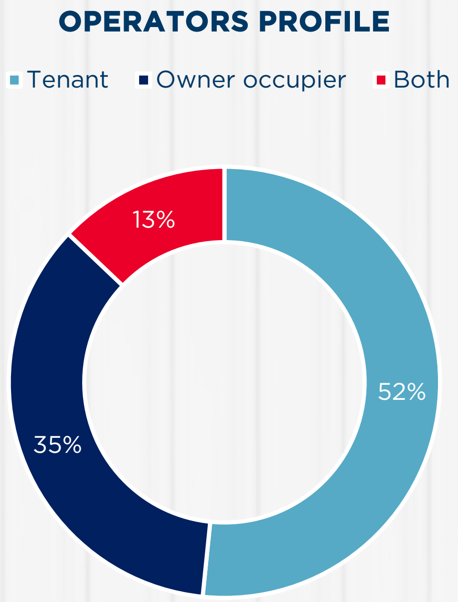
42% of the respondents are traditional, transport-focused logistic operators

48% are operators of emerging subsectors such as last mile delivery and storage

II. PROFILE OF RESPONDENTS
OPERATORS ACTIVITY AND PROFILE

Most of the operators' activity is for customers (68%) from the transport, food and fashion sectors; while companies with their own logistics (32%) particularly operate in the food sector. Overall, 52% of all respondents lease their space.





Source: Cushman & Wakefield

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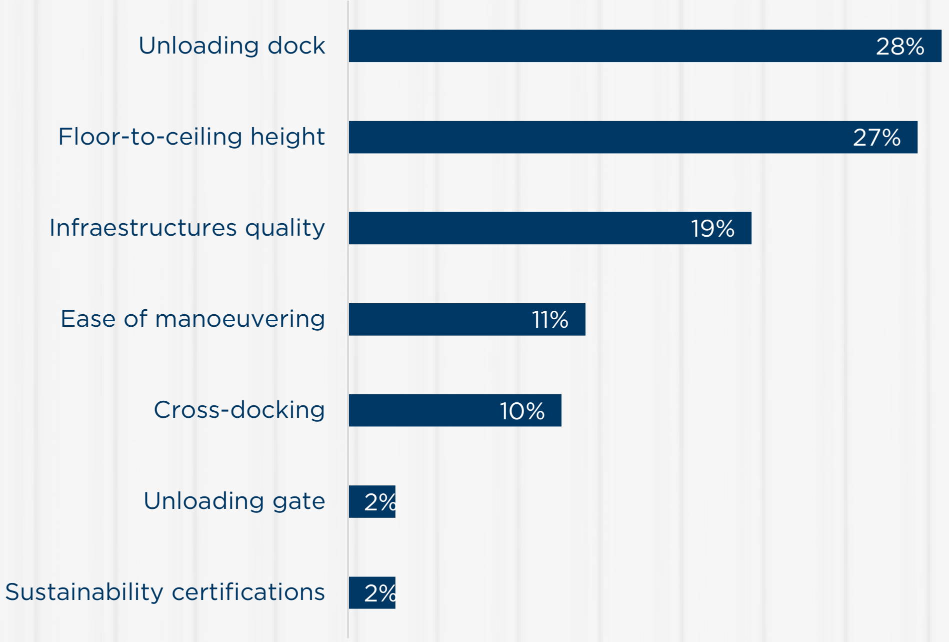
III. OCCUPANCY STRATEGIES
MOST VALUED TECHNICAL SPECIFICATIONS



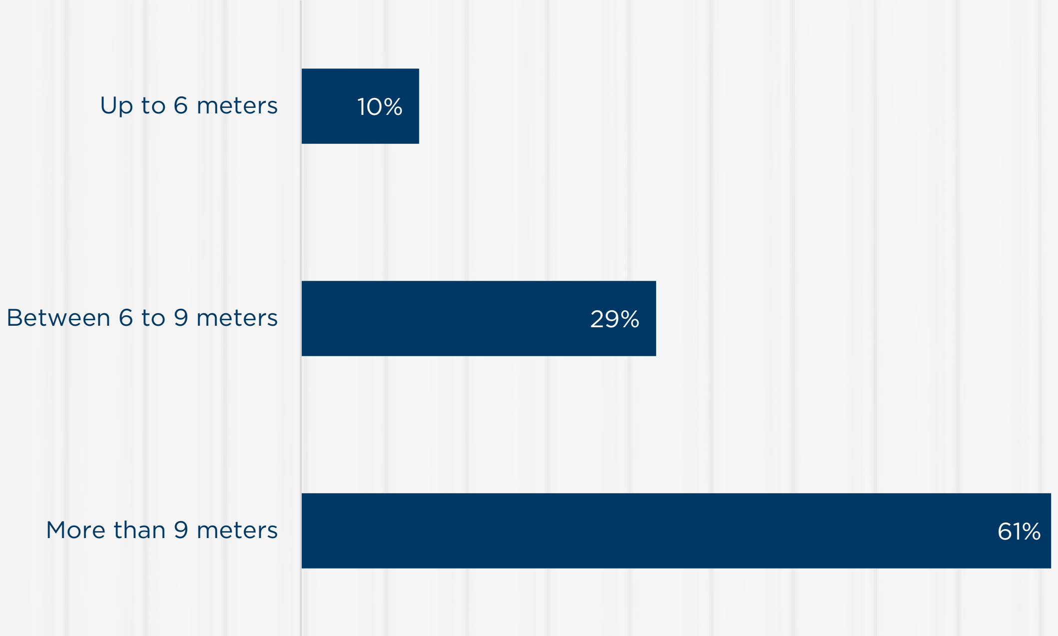
Source: Cushman & Wakefield

Almost 30% of the operators put unloading docks and floor-to ceiling height at the center of their requirements.

19% also focus on the quality of infrastructures.

Only 2% indicate sustainability certification as a priority when leasing space.

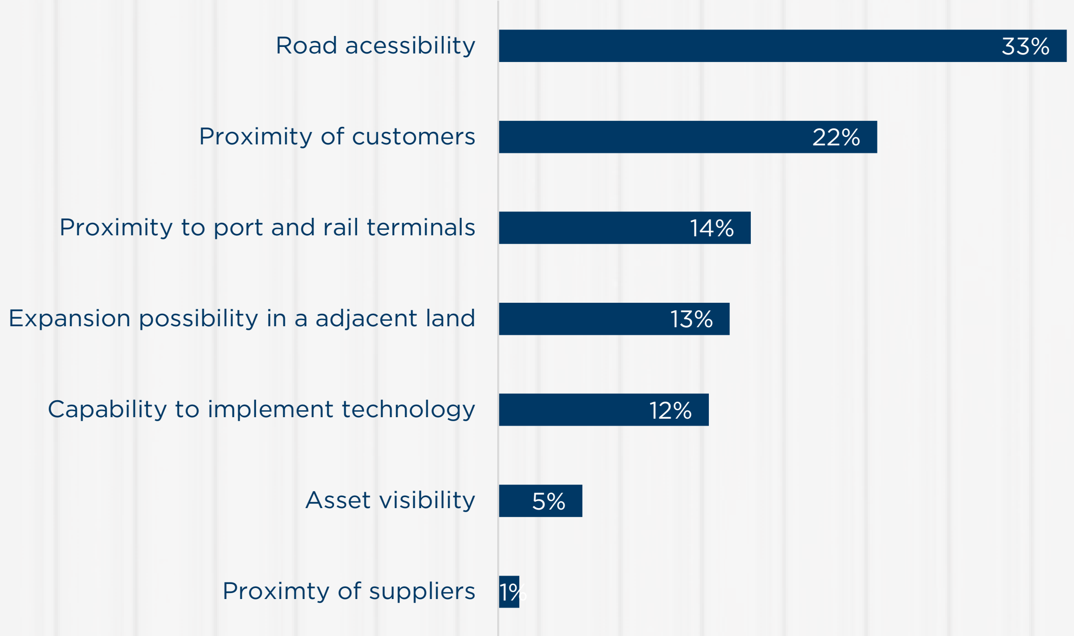
III. OCCUPANCY STRATEGIES
MOST SUITABLE FLOOR-TO-CEILING HEIGHT



Source: Cushman & Wakefield

Operators are increasingly more demanding with regard to ceiling height and 61% of operators prefer warehouses with more than 9 meters. Usually, the larger the floor plate, the higher the floor-to-ceiling height.

III. OCCUPANCY STRATEGIES
MOST VALUED GEOSTRATEGIC CHARACTERISTICS OF ASSETS



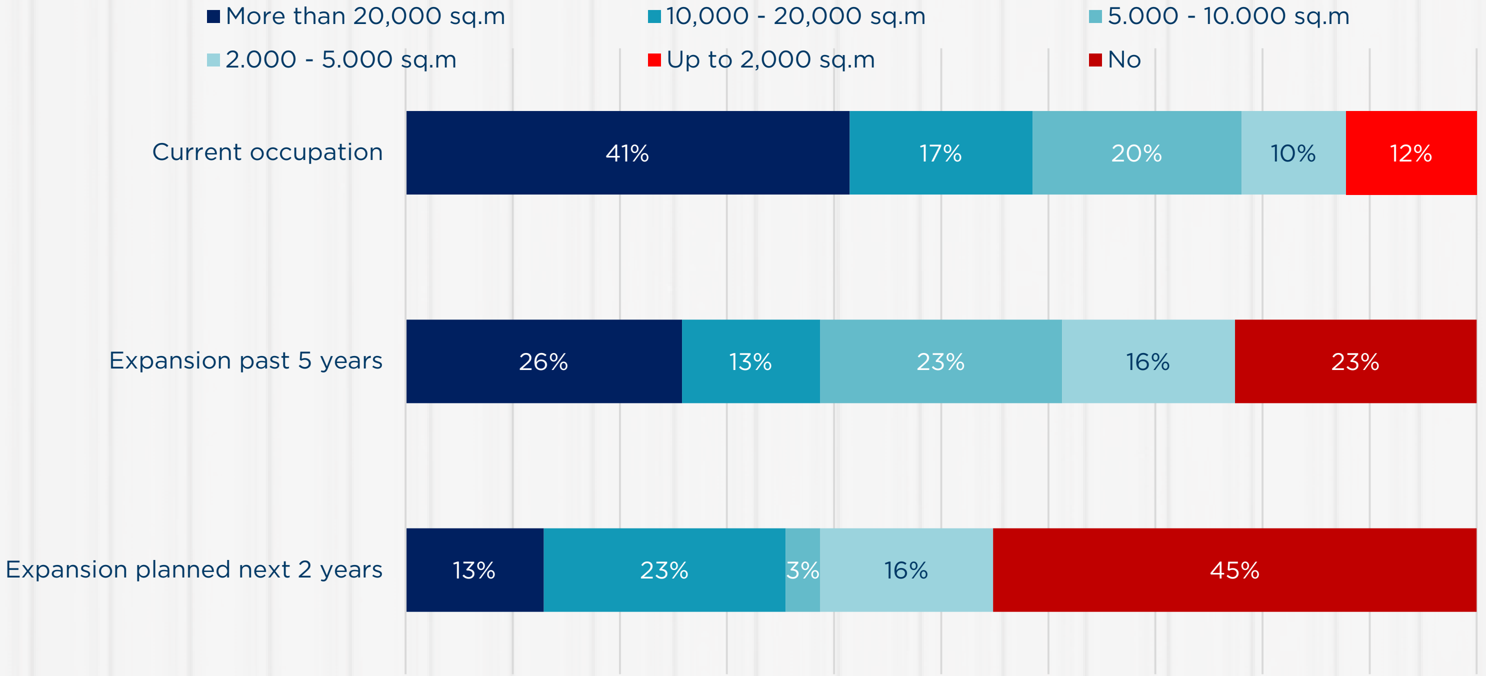
Source: Cushman & Wakefield

33% of operators seek locations with good road access, while proximity to ports and rail terminals is of lesser importance for most of the respondents.

With customers expecting ever shorter delivery times, proximity to customers (22%) is more important than to suppliers.

IV. INVESTMENT PLANS

CURRENT OCCUPATION AND EXPANSION PLANS



58% of respondents are currently occupying units of more than 10,000 sq.m.

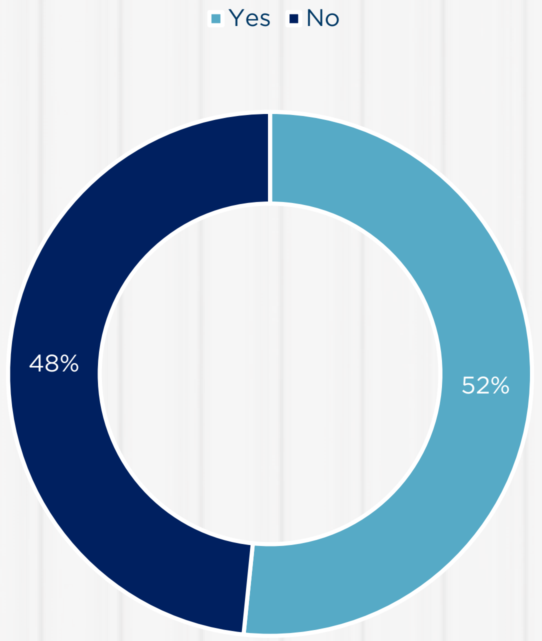
Most have expanded over the last 5 years, and 26% by more than 20,000 sq.m

Despite slower expansion plans in the short term, 23% of respondents expect to expand occupation by between 10,000 to 20,000 sqm in the next 2 years.

Source: Cushman & Wakefield

V. THE RELEVANCE OF E-COMMERCE

E-COMMERCE ON OPERATORS’ DAILY ACTIVITY



Source: Cushman & Wakefield

Half of the operators deal with e-commerce on a daily basis.

Overall, 87% of respondents have or expect to operate with e-commerce in the near future.

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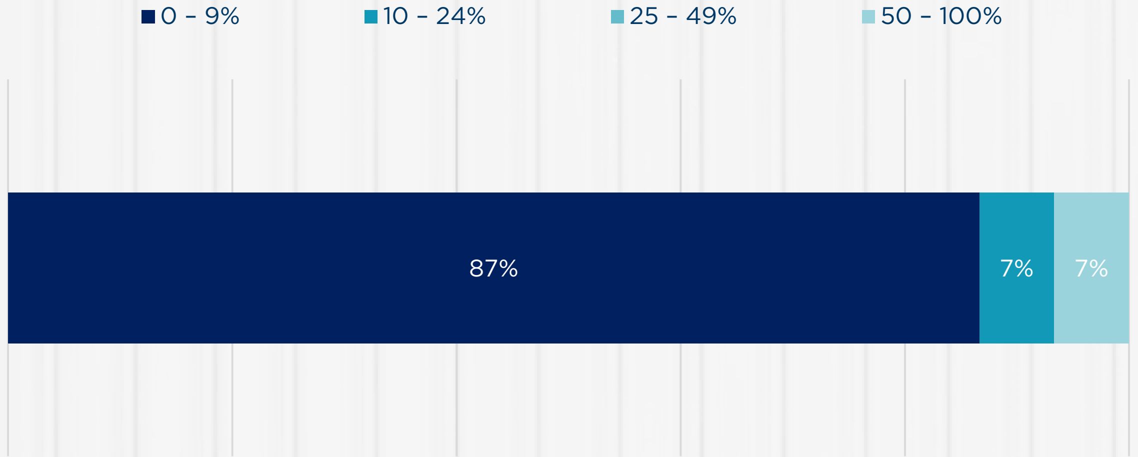
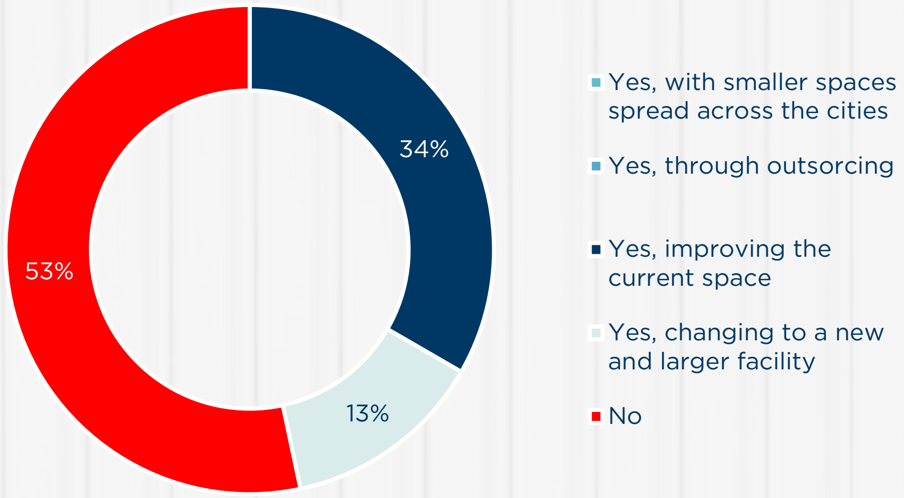
V. THE RELEVANCE OF E-COMMERCE
OPERATORS DEALING WITH E-COMMERCE

For 87% of the operators who deal with e-commerce, this represents up to 9% of their annual revenues; and most of them (53%) did not need to make any investment to adapt their infrastructures to accommodate this type of activity.

E-COMMERCE WEIGHT ON ANNUAL REVENUE



INVESTMENT REQUIRED TO ADAPT INFRASTRUCTURES TO E-COMMERCE?



Source: Cushman & Wakefield

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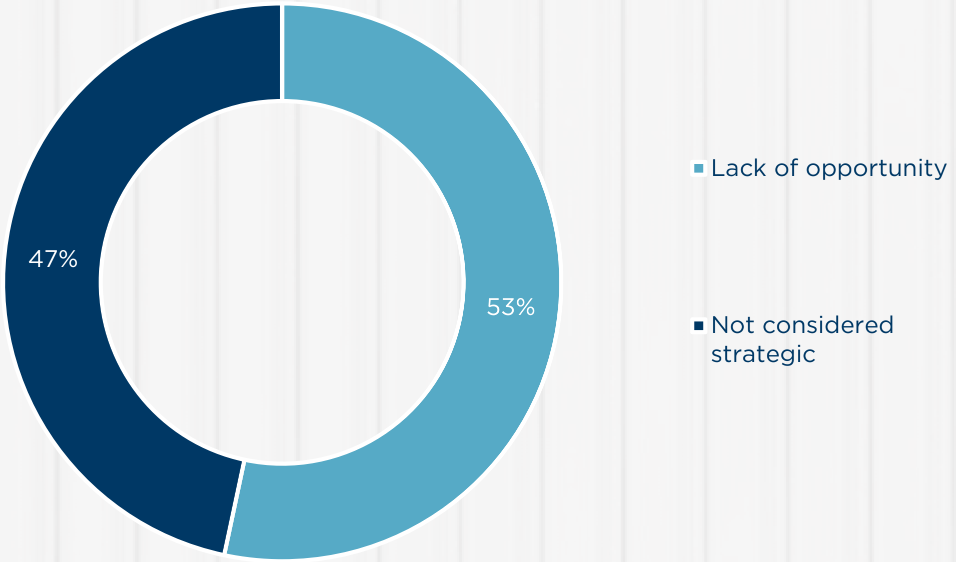
V. THE RELEVANCE OF E-COMMERCE

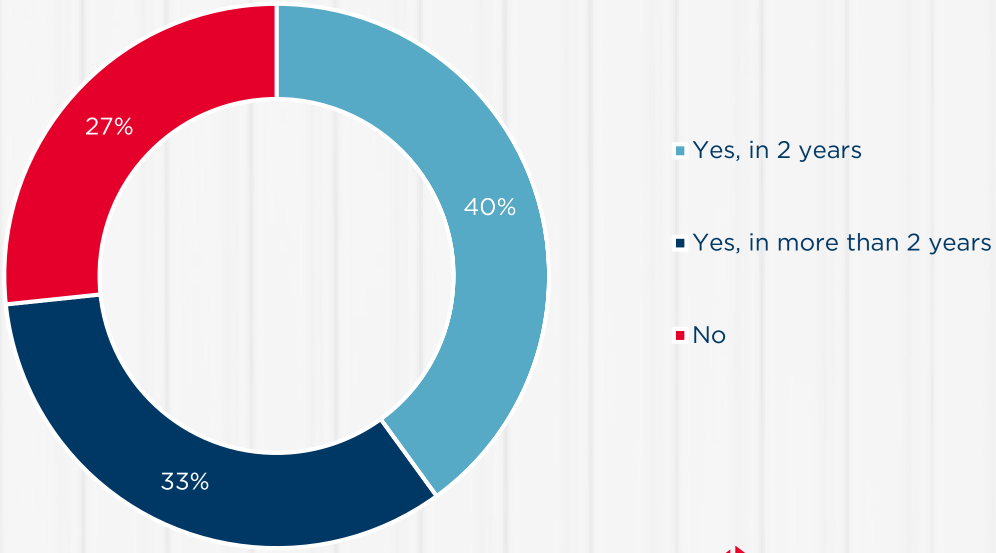
OPERATORS NOT DEALING WITH E-COMMERCE

Operators who currently do not deal with e-commerce either did not have the opportunity or for strategic reasons; but 73% intends to start e-commerce activity within the next years.

WHY HAVEN'T OPERATORS WORKED WITH E-COMMERCE YET?



IS E-COMMERCE AN OPPORTUNITY FOR THE BUSINESS ACTIVITY?



Source: Cushman & Wakefield

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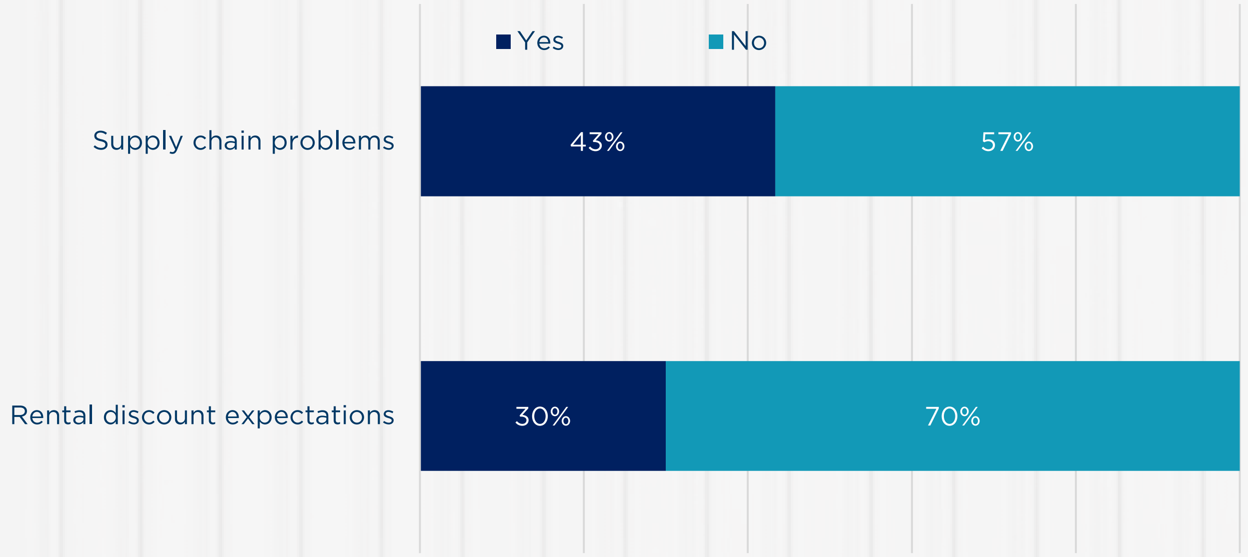
VI. COVID-19 EFFECTS

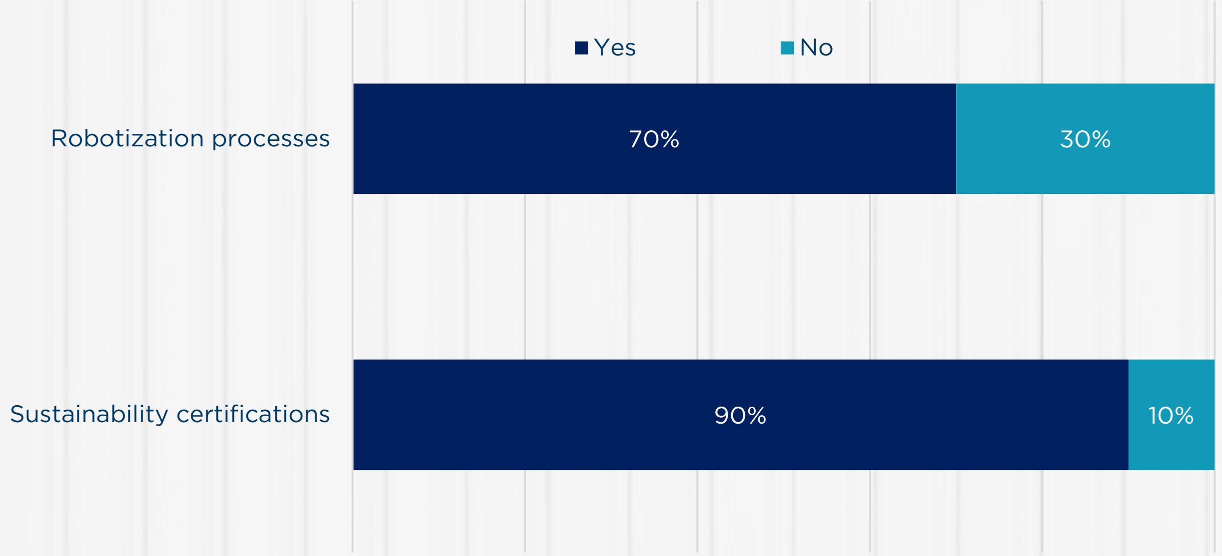
HOW HAS THE COVID-19 OUTBREAK AFFECTED YOUR BUSINESS AND WHAT ARE YOUR EXPECTATIONS REGARDING RENT?



Source: Cushman & Wakefield

As a sign of this sectors' resilience, 57% of the operators have not experienced any problems in the supply chain and 70% do not expect to have rental discounts.

VII. FUTURE TRENDS
EMERGING TRENDS IN THE LOGISTICS SECTOR



Source: Cushman & Wakefield

Sustainability certifications and robotization processes are referred as growing trends or the future of this sector, by 90% and 70% of respondents, respectively.

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