

34.7K

Overall Take-up (sq.m)

YoY
Chg12-Mo.
Forecast

€4.00

Prime Rent (€/sq.m/month)



ECONOMIC INDICATORS 2020

-5.8%

GDP Growth

YoY
Chg12-Mo.
Forecast

-8.2%

Exports Growth



103.3

Industrial Production
Index

-4.6%

Manufacturing Industry's
Confidence Indicator

ECONOMY: Exports Affected But Expecting a Strong Rebound in 2021

The current environment is characterized by the spread of the COVID-19 outbreak across the globe, which in Portugal led to the lockdown of all non-essential services and border closure for tourists, a situation never seen before.

The impacts will be shortly noticed as is expected by Oxford Economics, namely with real GDP reducing by 5.8% in 2020, followed by a rapid recovery of the economy, reaching 3.6% GDP growth in 2021.

Exports will be highly impacted, with a fall of 8.2% in 2020, followed by a strong rebound, an expected growth of 7.0% in 2021.

Confidence Indicator in the Manufacturing Industry decreased sharply to -6.1% in March 2020, the lower figure registered since mid 2014, when the economy started to recover from the last crisis.

Industrial Production Index doesn't reflect yet the effects of COVID-19, as the last available data regards January 2020, which stands in line with the homologous period.

DEMAND: Demand Should Continue Active Given the Current Surge in Workflow

Until March 2020, a total of 34,700 sq.m were transacted in 6 new occupancy deals, 18% below the same period in 2019. Hotelar, a hotel textile manufacturer, completed a refurbishment project with 22,000 sq.m in Vizela to relocate and expand its production, performing the largest deal in the first quarter.

Given the current surge in workflow, some logistic operators are mostly focused on the food retail chains and health sector; and demand is expected to continue active from both those looking to expand operations (namely in key sectors such as technology, food & beverage and healthcare) and new logistics players entering the market given the increase of online sales.

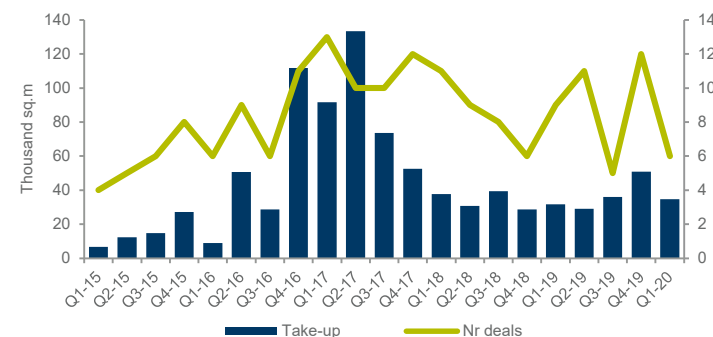
Developers continue interested in future developments to meet tenants' modern requirements, although ideally with pre-leases agreed before construction.

PRICING: Rents Stable Given the Uncertainty

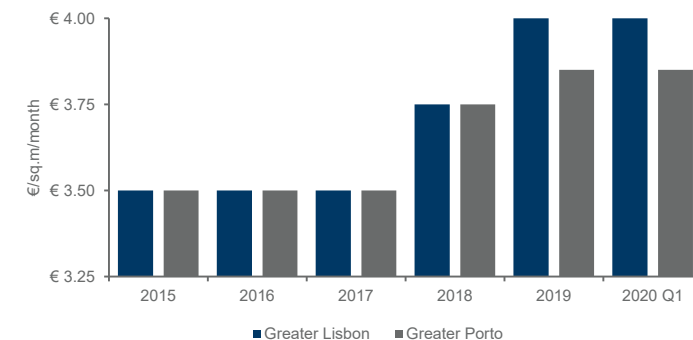
Given the uncertainty regarding the real impact of COVID-19 outbreak, rents remain stable as landlords await for market movements to determine their evolution. Some occupiers are increasingly looking for rent reduction or higher rent-free period.

Currently, the prime rent in Greater Lisbon stands at €4.00/sq.m/month and in Greater Porto slightly below, at €3.85/sq.m/month.

INDUSTRIAL & LOGISTICS DEMAND



PRIME RENTS



MARKETBEAT PORTUGAL

Industrial Q1 2020



MARKET STATISTICS

SUBMARKET	STOCK (SQ.M)	AVAILABILITY (SQ.M)	VACANCY RATE (%)	QUARTER TAKE-UP (SQ.M)	YTD TAKE-UP (SQ.M)	PRIME RENT (€/SQ.M/MONTH)	PRIME YIELD (%)
Greater Lisbon	11,939,375	1,795,240	15%	12,700	12,700	€4.00	6.00%
Greater Porto	12,848,800	-	-	22,000	22,000	€3.85	6.25%
PORTUGAL TOTALS	-	-	-	34,700	34,700	€4.00	6.00%

MAIN OCCUPANCY TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Factory in Rio Vizela	Greater Porto	Hotelar	22,000	Owner-occupier
Palmela 2 – Quinta da Marquesa	Greater Lisbon	Lusoemp	3,650	Lease
Quinta do Galeão	Greater Lisbon	Fundger	2,640	Lease

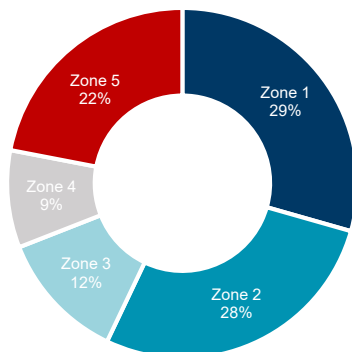
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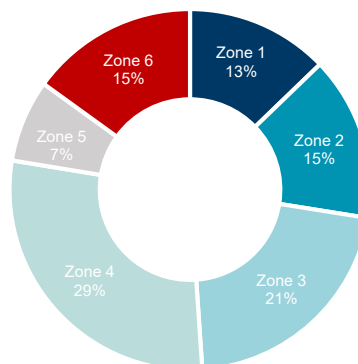
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STOCK DISTRIBUTION – GREATER LISBON



STOCK DISTRIBUTION – GREATER PORTO



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