



€912

Average Monthly Income

YoY
Chg12-Mo.
Forecast

10,250K

Population



8.9%

Unemployment Rate



Source: Oxford Economics; INE

ECONOMIC INDICATORS 2020

-5.8%

GDP Growth

YoY
Chg12-Mo.
Forecast

-5.7%

Consumer Spending
Growth

6.8%

Retail Sales Growth



6.9%

Shopping Centre
Sales Growth Q4 2019

-1.1%

Shopping Centre
Footfall Growth Q4 2019

Source: Oxford Economics; INE; APCC

ECONOMY: Food Retail Sales Growing The Most

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. Private consumption will have a large impact on GDP, with a decrease of 5.7% in 2020.

Retail sales registered an upward trend in the first two months of 2020, with an increase of 6.8% compared to the same period of 2019. In February, food retail grew the most with 3.8% monthly increase while non-food retail registered a growth of only 2.0%, a sign of COVID-19 outbreak beginning.

Shopping centre industry presented a positive performance with retail sales increasing by 6.9% and footfall decreasing by 1.1% in the last quarter of 2019, resulting on a higher ticket size. Currently, we expect this indicators will sharply decline with the majority of shopping centre stores closed.

DEMAND: Lisboa Retail Park Completion

In first quarter of 2020, a new scheme was completed, Lisboa Retail Park developed by Bogaris with 23,000 sq.m. The scheme comprises three tenants: the supermarket chain Continente already open; the furniture store Conforama, which didn't had the chance to open before the lockdown; and the bricolage store Leroy Merlin which haven't finished the construction works.

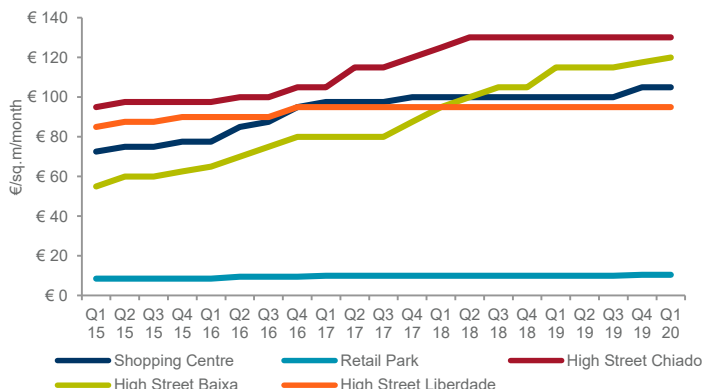
As for take-up, Cushman & Wakefield registered 90 new lease deals, which amount to circa 24,000 sq.m. The highest share of deals took place on high street, with 70%, followed by shopping centres, which accounted for 18% of the new deals.

Overall, restaurants & cafes were the most active sector both in high street and in shopping centres, with 66% of the openings.

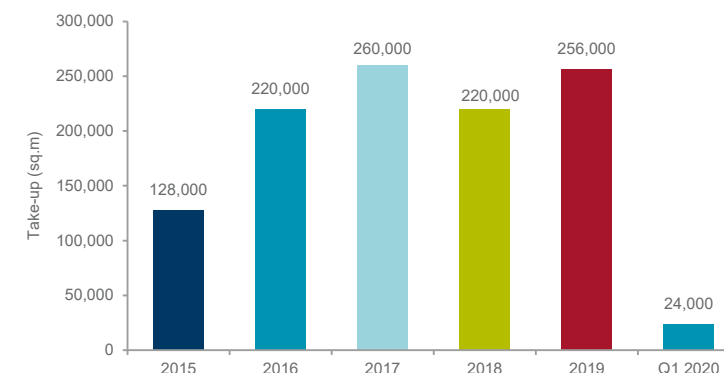
PRICING: Stable Rents But Higher Incentives

Given the uncertainty regarding the real impact of COVID-19 outbreak, rents remain stable as landlords await for market movements to determine their evolution. In general, landlords are accepting a deferred rent payment in line with government measures, postponing rental charge decisions. For new leases, is expected an increase on incentives, namely rent-free periods.

PRIME RENTS



DEMAND EVOLUTION





MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ.M)	SHOPPING CENTRE PIPELINE (SQ.M)	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
North	432,400	-	-	-
Greater Porto	665,230	7,000	€80.0	5.00%
Centre	509,560	21,400	-	-
Lisbon Metropolitan Area	902,730	-	€105.0	4.75%
Setúbal Peninsula	269,090	-	-	-
South	277,280	-	-	-
Islands	85,510	7,000	-	-
PORTUGAL TOTALS	3,141,800	35,400	€105.0	4.75%

MAIN OCCUPANCY TRANSACTIONS Q1 2020

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Retail Park	Lisbon	Continente	5,450	Multiple
Stand Alone	Coimbra	Decathlon	3,500	Cross Border
High Street	Porto	Fitness UP	3,700	Multiple
High Street	Vila do Conde	Fitness UP	2,000	Multiple
High Street	Benavente	Intermarché	2,000	Cross Border

MAIN INVESTMENT TRANSACTIONS Q1 2020

PROPERTY	LOCATION	SELLER / BUYER	AREA (SQ.M)	PRICE (€M)
Sierra Prime Portfolio	Several	Sonae Sierra & APG / Allianz Real Estate & Elo	158,555	€800.0 M
Forum Viseu	Viseu	Lighthouse / Square Asset Management	15,765	€40.0 M
Forum Castelo Branco	Castelo Branco	Patrizia / Square Asset Management	12,810	€20.4 M

COMPLETIONS Q1 2020

PROPERTY	LOCATION	MAJOR TENANT	AREA (SQ.M)	OWNER / DEVELOPER
Lisboa Retail Park	Lisbon	Continente	23,000	Bogaris

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