

## Industrial Q2 2021



### ECONOMY: Sustained Exports Growth for the Next 2 Years

The sanitary situation is improving in Portugal, with its vaccination campaign currently evolving at a much quicker pace than initially expected.

Both exports and investment are forecasted to highly contribute to a national GDP growth of 4.1% in 2021, with year-on-year increases of respectively 8.3% (fuelled by the recovery of goods exports) and 10.4% (thanks to a sustained rhythm in construction and equipment purchase). For 2022, Moody's Analytics foresees a 5.4% GDP growth for the Portuguese economy.

The Manufacturing Industry registered a recovery of the Production Index by 11.1% over the first five months of 2021, with the Confidence Indicator registering an average increase of 5.2 points until June.

### DEMAND: New and Expanding Players Stimulating Demand Growth in 2021

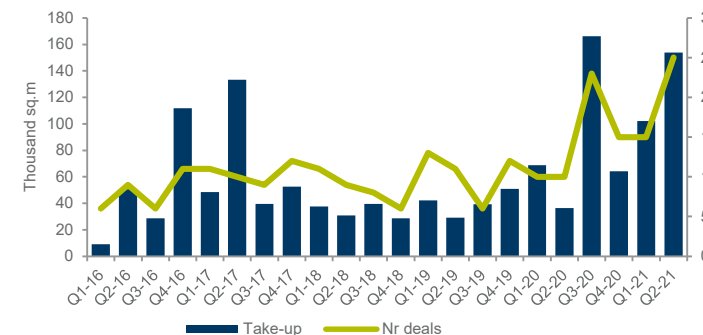
The industrial & logistics sector is boosting, with a high level of demand from new and expanding players, while also being stimulated by several speculative developments. Until June, take-up increased once more, totalling 256,100 sq.m of occupied area distributed over 40 deals, of which 153,900 sq.m in the second quarter of 2021. The owner-occupation by RNM, a chemical distribution company, of an industrial unit with an estimated covered area of 20,000 sq.m in the Porto region was the major operation of this quarter.

This represents a very positive year-on-year evolution of 132%, in line with the foreseen renewed interest in the sector from the demand side, which is also driving supply with increasing announcements of pipeline projects from both companies and developers. Among many owner-occupied projects, highlight on Medway investment of €63 million in a 220,000 sq.m unit in Vila Nova de Famalicão to be completed by the end of 2022. As for speculative supply, most known projects from developers such as VGP Parks, Merlin Properties and Aquila Capital, are gradually moving forward relying on the latent demand dynamic.

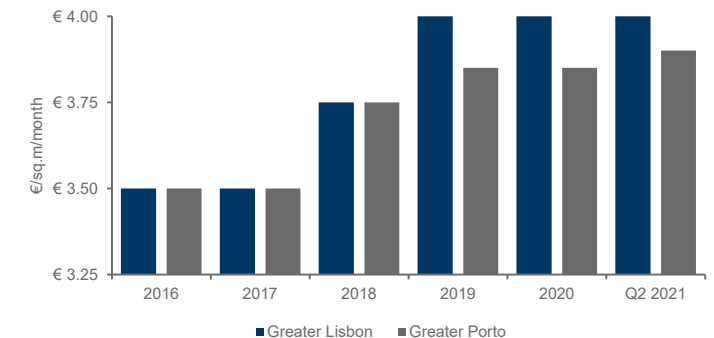
### PRICING: Increasing Quality Supply Will Create Space for Rental Growth

The emergent number of projects with higher quality standards is tackling the shortage of quality supply, which has limited both the occupational and investment market, creating more opportunities for prime rent growth and prime yield compression. Porto prime rent in this quarter slightly increased to €3.90/sq.m/month while Lisbon's stood stable at €4.00/sq.m/month.

#### INDUSTRIAL & LOGISTICS DEMAND



#### PRIME RENTS



#### ECONOMIC INDICATORS 2021



Source: Moody's Analytics; INE

### 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%	71,780	100,920	€4.00	5.50%
Greater Porto	12,848,800	-	-	18,650	57,650	€3.90	5.75%
<b>PORTUGAL TOTALS</b>	-	-	-	<b>153,880</b>	<b>256,100</b>	<b>€4.00</b>	<b>5.50%</b>

### MAIN OCCUPANCY TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Landim Industrial Unit	North	Grupo RNM	20,000	Owner-occupier
Alenquer Logistic Platform	Centre	STEF	15,000	Owner-occupier
Trofa Logistic Centre	Greater Porto	Olicargo	15,000	Owner-occupier
Vale Tripeiro Benavente	Centre	Fusion Fuel	14,330	Owner-occupier
Lisboa Norte Logistic Platform	Greater Lisbon	Olicargo	9,470	Lease

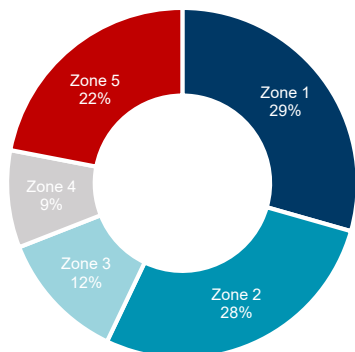
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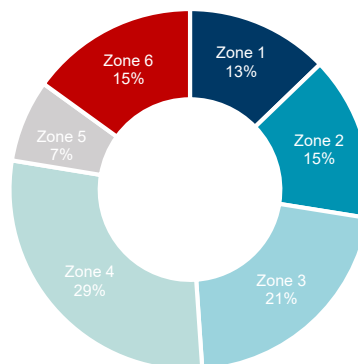
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### STOCK DISTRIBUTION – GREATER LISBON



### STOCK DISTRIBUTION – GREATER PORTO



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