

392.5K
Overall Take-up (sq.m)



€4.00
Prime Rent (€/sq.m/month)



ECONOMY: Trade Commerce Recovering at Different Paces

The improvement of the sanitary situation in Portugal - near 87% of the population is fully vaccinated against COVID-19, the highest worldwide rate according to Our World in Data – allowed for further easing of restrictions over the last quarter. Economic activity is expected to consequently bounce back, with GDP growing by 4.0% in 2021 and 5.1% in 2022 according to Moody's Analytics, followed by a continued increase in the short-term, albeit at a slower pace. This rebound will stem from household consumption and tourism growth, though the latter is only forecasted to fully recover by 2023. On the trade commerce, with imports recovering quicker than exports, a short-term trade deficit will temporarily occur, as the first grow by 8.4% and the latter 6.4% in 2021. By 2022, this trend will reverse, with imports increasing 1.5% and exports 5.1%.

DEMAND: Annual Take-up Record High Already Achieved in Q3

The increased activity in the occupational market of the industrial & logistics sector continued throughout Q3, with the quarterly take-up of 117,000 sq.m contributing to a year-to-date volume of 392,500 sq.m, an already annual record high. With over 60 deals until September, the average leased area increased to 6,200 sq.m, influenced by some large deals, including in Q3 Garland's future logistics centre in Gaia (Greater Porto) with 38,000 sq.m, whose construction recently started. The sector's heightened levels of activity continue to drive investment in quality supply, through the refurbishment or development of new projects. Amongst the latter, the most noteworthy owner-occupations are ALDI's future 50,000 sq.m logistics platform (Moita) scheduled for completion by 2022 and Medway's development of the 220,000 sq.m of Lousado Terminal (Vila Nova de Famalicão). Speculative development is also on the rise, with Aquila Capital developing a logistics park with 116,000 sq.m in Azambuja and VGP currently spearheading three projects (in Santa Maria da Feira, Loures and Sintra) with a total of 60,000 sq.m. Merlin Properties is also scheduled to start the second stage of the Northern Lisbon Logistics Platform that will eventually total an additional 180,000 sq.m.

PRICING: Pipeline Creating Way for Further Rental Growth

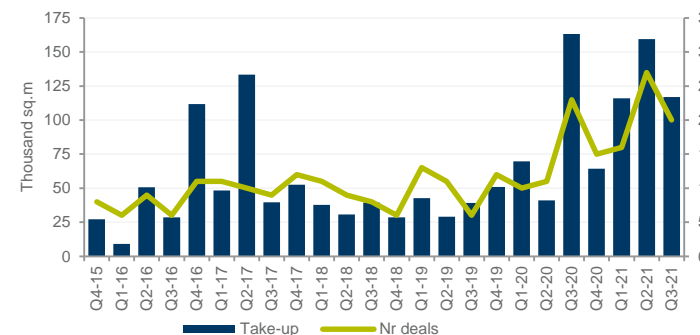
Following a slight increase over the previous quarter in Porto, Zone 1 prime rents remained stable in Lisbon (€4.00/sq.m/month) and Porto (€3.90/sq.m/month), though pipelined projects might create an opportunity for some further rental growth.

ECONOMIC INDICATORS 2021

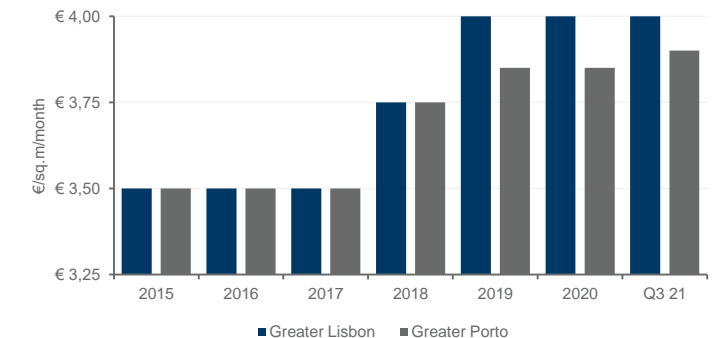


Source: Moody's Analytics; INE

INDUSTRIAL & LOGISTICS DEMAND



PRIME RENTS



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%	38,850	212,280	€4.00	5.25%
Greater Porto	12,848,800	-	-	40,400	96,350	€3.90	5.50%
PORTUGAL TOTALS	-	-	-	116,970	392,460	€4.00	5.25%

MAIN OCCUPANCY TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Gaia Logistics Centre	Greater Porto	Garland	38,000	Owner-occupier
Lanheses Industrial Park	North	Borg Warner	17,000	Owner-occupier
Sumol Building	Algarve	Rolear & Metalofarens	9,970	Lease
Taboeira Industrial Zone	Centre	Primus Vitória	7,500	Owner-occupier
Castanheira do Ribatejo Transport and Distribution Center	Greater Lisbon	Dachser	7,400	Owner-occupier

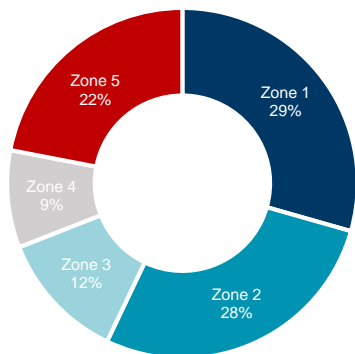
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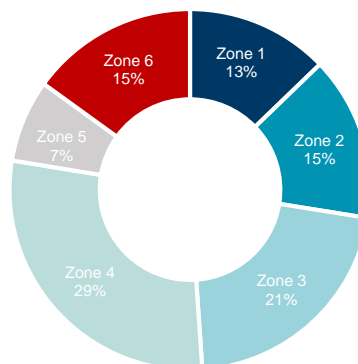
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