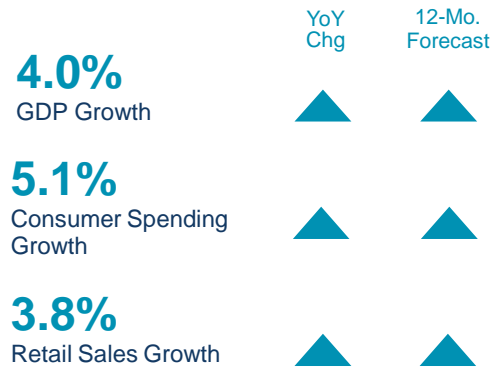


Source: Moody's Analytics; INE

ECONOMIC INDICATORS 2020



Source: Moody's Analytics; INE

ECONOMY: Retail Sales Recovering to Pre-Pandemic Levels

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, including the lift of both mandatory use of masks and limits to retail capacity and opening hours.

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.

Retail sales also continue an upward trend, with accumulated values until August evidencing an overall year-on-year recovery of 3.8%, with the index at pre-pandemic levels, supported by a 5.2% growth on non-food retail and 2.5% on food retail.

DEMAND: Increased Interest in Large-scale Stores and Convenience Retail

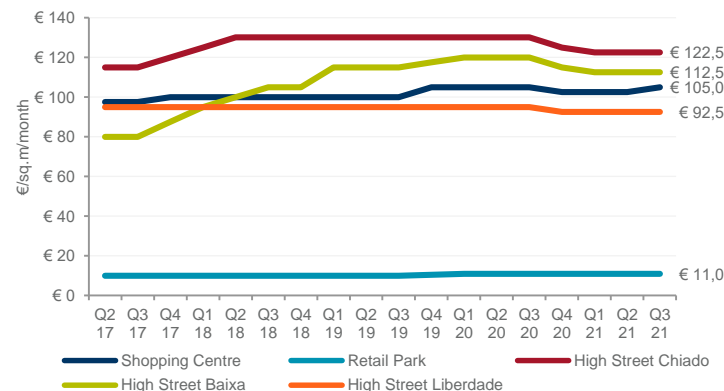
Over this quarter Vila Retail Park (Viana do Castelo), with 9,000 sq.m of GLA and 20 retail units, was completed. With 60% pre-leased area, Rádio Popular, Seaside and Espaço Casa are amongst its first tenants. Until the year-end further 34,700 sq.m of GLA will enter the market, including the redevelopment and expansion of Glicínias Plaza (Aveiro).

Cushman & Wakefield's retail take-up shows a gradual recovery of market activity, with 130 new openings in the third quarter and a year-to-date total of near 360 new units (+4% year-on-year). Until September, despite the continued dominance of high street retail (64%), the increased interest in large-scale stores, namely retail parks and stand-alone units, led to an increase of both formats to 13%. Likewise, although the F&B sector stood out (48%), convenience stores boosted the food sector (around 80 openings).

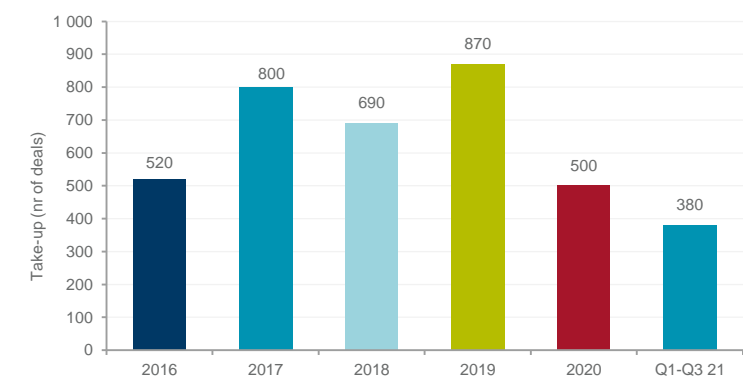
PRICING: Downward Pressure on Rents Despite Pick-up in Latent Demand

Despite a pick-up in latent demand, market rents remain under negative pressure, with landlords more willing to provide tenant incentives (fit-out contributions and/or rent-free periods or deferred rent payments), particularly for properties with longer vacancy.

PRIME RENTS



DEMAND EVOLUTION



MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ.M)	SHOPING CENTRE PIPELINE (SQ.M)	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
North	432,400	-	-	-
Greater Porto	672,230	-	€77.5	5.75%
Centre	517,260	13,700	-	-
Lisbon Metropolitan Area	902,190	10,500	€102.5	5.50%
Setúbal Peninsula	269,090	-	-	-
South	277,280	-	-	-
Islands	92,510	-	-	-
PORTUGAL TOTALS	3,162,970	24,200	€102.5	5.50%

MAIN OCCUPANCY TRANSACTIONS Q3 2021

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Stand Alone	Sines	Bricomarché	2,700	Multiple
Stand Alone	Tomar	Bricomarché	2,500	Multiple
Stand Alone	Porto	Mercadona	1,900	Cross Border
Stand Alone	Espinho	Mercadona	1,900	Cross Border
Stand Alone	Vila Nova de Famalicão	Mercadona	1,900	Cross Border
Stand Alone	Albufeira	Aldi	1,900	Cross Border

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