

	YoY Chg	12-Mo. Forecast
€2.1bn Total Volume	▼	▲
€580m Office Volume	▲	▲
€186m Retail Volume	▼	▲
€286m Hospitality Volume	▼	▲
€57m Industrial Volume	▬	▲

ECONOMIC OVERVIEW: Economic Activity Bouncing Back in 2021

According to Moody's Analytics, economic activity will continue recovering throughout 2022, with GDP forecasted to grow by 5.2% (above the 4.3% figure of 2021). GDP is forecasted to keep growing from 2023 onwards, albeit at a slower pace. This favourable outlook, despite ongoing supply-chain issues and COVID-19 cases increase, will continue to support both job and private consumption growth, with tourism only fully recovering by 2023, when foreign demand returns to pre-pandemic levels. Reflecting its lagging adjustment, the unemployment rate stabilized in 2021 (6.7%) and it will start to decrease from 2022 onwards.

INVESTMENT OVERVIEW: The recovery of institutional investment accelerated throughout Q4

The recovery of institutional investment accelerated throughout Q4, with €846 million transacted (17% above the previous quarter), contributing to a total annual volume of €2.150 billion (23% down on 2020, a very strong year due to two exceptionally large deals). As in previous years, a few large deals contributed to this result, with the top 3 representing a third of the total amount invested. Alternative assets received the highest share of capital (37%), largely due to the two largest deals of 2022. – In the PRS segment, Albatross and Tikehau acquired the so-called Project ZIP (a 4,400 residential units portfolio) from Norfin for €363 million and in the healthcare segment, Icade Santé's debuted in Portugal through the purchase of the Saúdeinvest fund (comprising a portfolio of 4 private hospitals) from Fidelidade for €213 million. The third largest deal featured Azora purchasing the Tivoli Marina Vilamoura and Tivoli Carvoeiro hotels from Minor International for €148 million.

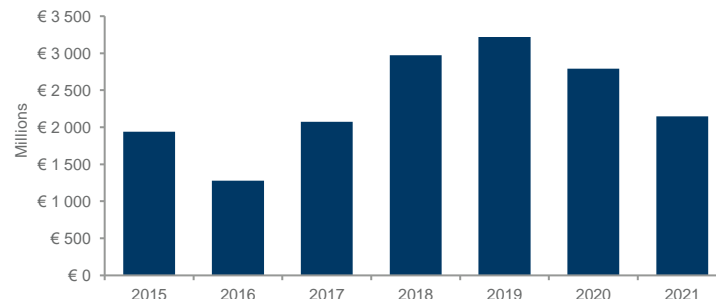
Prime yields mirrored investors' increased preference for core assets in prime locations. Compared to 2020, yields sharpened by 35 basis points (bp) in offices (to 3.75%) and by 100 bp in the industrial & logistics sector (to 5.00%). In retail, high street stabilized at 4.25% and shopping centers increased by 25 bp to 5.50%.

ECONOMIC INDICATORS 2021

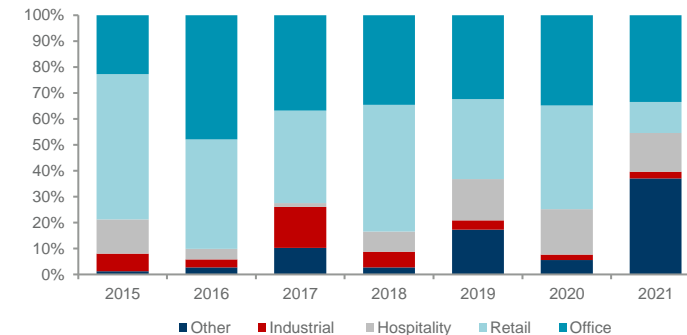
	YoY Chg	12-Mo. Forecast
4.3% GDP Growth	▲	▲
5.7% Investment Growth	▲	▼
6.7% Unemployment Rate	▲	▼
0.3% 10-Yr Treasury Yield	▲	▲

Source: Moody's Analytics

INVESTMENT VOLUME



INVESTMENT VOLUME BY SECTOR



MARKETBEAT PORTUGAL

Investment Q4 2021



MAIN INVESTMENT TRANSACTIONS 2021

PROPERTY NAME	SECTOR	MARKET	AREA (SQ.M)	SELLER	BUYER	PRICE (€M)	YIELD (%)
Project ZIP (FIIAH Norfin)	Other	Several	4,435 keys	Norfin	Albatross / Tikehau	€363.0 M	n.a
Heart Portfolio (Saúdeinvest Fund)	Other	Several	87,500	Fidelidade	Icade Santé	€213.0 M	n.a.
Tivoli Marina Vilamoura & Tivoli Carvoeiro	Hospitality	Several	630 keys	Minor International	Azora	€148.0 M	n.a.
Quinta da Fonte (15 buildings)	Office	Oeiras	50,260	Signal Capital Partners	Sixth Street (Acacia Point)	€125.0-130.0 M	n.a.
Navigator Portfolio	Office	Several	34,980	Rivercrown	South (Castel)	€117.0 M	n.a.

INVESTMENT ACTIVITY 2021

PROPERTY SECTOR	NR DEALS	TOTAL VOLUME (€M)	AVERAGE DEAL SIZE
Office	26	€718.0 M	€27.6 M
Retail	33	€259.0 M	€7.8 M
Hospitality	9	€320.0 M	€35.6 M
Industrial	6	€57.0 M	€9.4 M
Other	13	€795.0 M	€61.1 M
TOTAL	87	€2,149.1 M	€24.7 M

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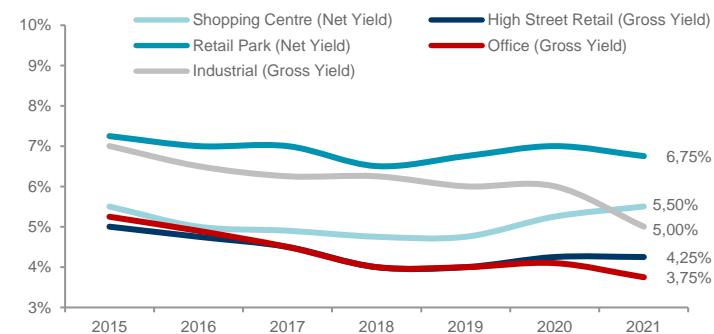
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PRIME YIELDS BY SECTOR



TOTAL INVESTMENT BY CAPITAL SECTOR 2021

