

**94.6K**

Overall Take-up (sq.m)

YoY Chg



12-Mo. Forecast



**€4.20**

Prime Rent (€/sq.m/month)



### ECONOMY: Recovery Signs in Manufacturing Industry's Confidence Indicator to Pre COVID Levels

According to Moody's Analytics, the Portuguese economy closed 2021 with a GDP growth of 4.9%. Although short-term economic forecasts are currently clouded by uncertainty, as the conflict between Ukraine and Russia escalated to war, the Portuguese GDP should still increase by 5.8% in 2022, and maintain a positive trajectory in 2023 at 1.6%.

On the trade commerce, exports are expected to grow by 2.3% and imports are expected to decrease by 0.4% in 2022. For 2023, Moody's Analytics foresees a 2.5% grow in imports and +4.7% in exports.

The Manufacturing Industry registered a recover of the Production Index by 0.6% over the first quarter of 2022, with the Confidence Indicator registering an average increase of 12.4 points until March.

### DEMAND: Despite the High Demand for Space there was a year-on-year Take-up Volume Decrease of 20%

During the first quarter of 2022, 15 new occupancy deals in a total of 94,610 sq.m were transacted in Portugal, a year-on-year decrease of 20%. This activity was mainly concentrated in Greater Lisbon, recording 62,550 sq.m. The average leased area slightly decreased to 6,310 sq.m, comparing with 7,000 sq.m in Q1 2021. The largest deal in the first quarter of the year was the lease by NewCold of circa 40,000 sq.m at the former Elos Palmela building.

Given the shortage of logistic product in the market, speculative development continues on the rise and, in addition to Aquila Capital's project in Azambuja with 116,000 sq.m, VGP is currently spearheading three projects, namely in Loures, Sintra and Montijo, with a total of 62,000 sq.m. Panattoni recently announced its first project in Portugal, Panattoni Porto Park, with a total of 75,000 sq.m that will be developed in Campo Valongo Industrial Complex.

### PRICING: Increasing Quality Supply Creates Space for Rental Growth

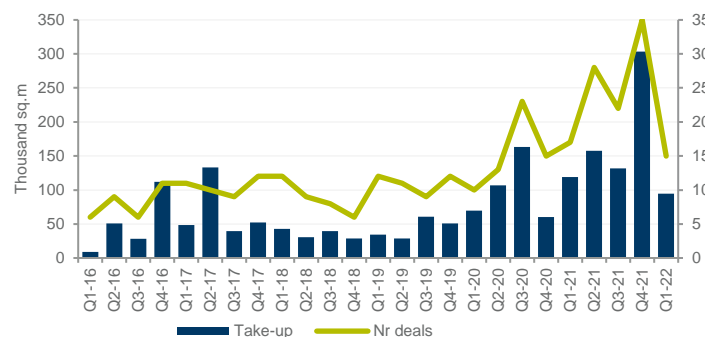
The emergent number of projects with higher quality standards is tackling the shortage of quality supply, which had been limiting both the occupational and investment market, creating more opportunities for prime rent growth and prime yield compression. Zone 1 prime rents in the first quarter of 2022 remained stable at €4.20/sq.m/month in Lisbon and increased to €4.10/sq.m/month in Porto.

#### ECONOMIC INDICATORS 2022

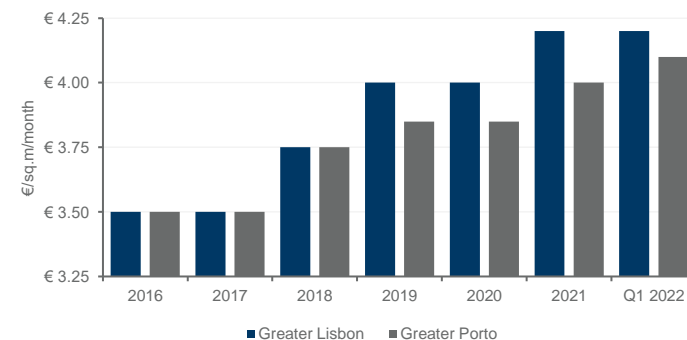
|  | YoY Chg | 12-Mo. Forecast |
|--|---------|-----------------|
| <b>5.8%</b><br>GDP Growth                                    | ▲       | ▲               |
| <b>2.3%</b><br>Exports Growth                                | ▲       | ▲               |
| <b>99.4</b><br>Industrial Production Index                   | ▲       | ▲               |
| <b>-1.2</b><br>Manufacturing Industry's Confidence Indicator | ▲       | ▲               |

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   | 1,797,650           | 15%              | 62,550                 | 62,550             | €4.20                     | 4.75%           |
| Greater Porto          | 12,848,800   | -                   | -                | 12,600                 | 12,600             | €4.10                     | 5.00%           |
| <b>PORTUGAL TOTALS</b> | -            | -                   | -                | <b>94,610</b>          | <b>94,610</b>      | <b>€4.20</b>              | <b>4.75%</b>    |

MAIN OCCUPANCY TRANSACTIONS Q1 2022

| PROPERTY                                      | SUBMARKET      | TENANT    | AREA (SQ.M) | TYPE           |
|---|----------------|-----------|-------------|----------------|
| Former Elos Palmela                           | Greater Lisbon | NewCold   | 40,000      | Sale           |
| Póvoa de Varzim Logistic Platform (expansion) | Greater Porto  | Mercadona | 12,000      | Lease          |
| Rio Maior Factory                             | Alentejo       | Kerakoll  | 6,000       | Owner-occupier |
| Cerveira Industrial Unit                      | North          | Brunswick | 5,200       | Owner-occupier |

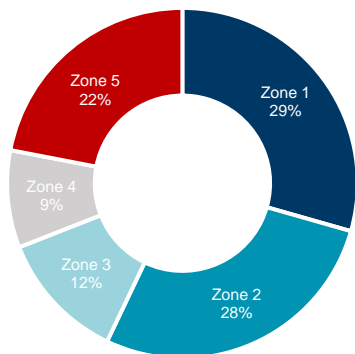
**ANDREIA ALMEIDA**

Head of Research

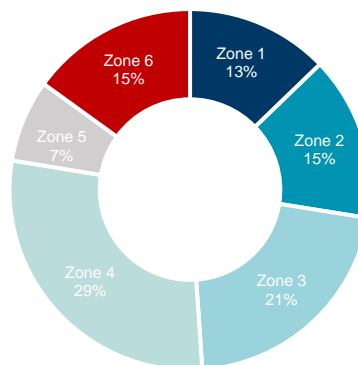
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