

	YoY Chg	12-Mo. Forecast
<b>€248m</b> Total Volume	▲	▲
<b>€138m</b> Office Volume	▲	▲
<b>€13m</b> Retail Volume	▼	▲
<b>€47m</b> Hospitality Volume	▲	▲
<b>€35m</b> Industrial Volume	▲	▲

## ECONOMIC OVERVIEW: GDP Expected to Grow by 5.8% in 2022

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%. Private consumption was one of the main drivers of the economy in 2021, showing a marked recovery (+4.4%) compared to the previous YoY figure (-7.1%), and it is expected to grow by 5.8% in 2022. Inflation rate is currently forecasted to rise by 6.0% in 2022, but still expected to decrease to 1.2% in 2023 and maintain similar levels onwards.

The unemployment rate reached pre-pandemic levels in 2021 (6.6%) and it is expected to continue recovering, reaching 5.9% by the end of 2022.

## INVESTMENT OVERVIEW: Institutional Investment with 21% YoY Increase

The recovery of institutional investment already registered during 2021 continued throughout Q1 2022, with €248 million transacted, reflecting an increase of 21% when compared with Q1 2021.

As in previous quarters, large deals contributed to this result - with the top 3 ones representing 68% of the total amount invested. The office sector absorbed 55% of total investment volume, largely due to two significant deals: the acquisition by AFIAA from Lace (Real Added Value) of the Tranquilidade HQ for €65-70 million, and the purchase by Incus Capital from Santander Asset Management of the former Banco Popular HQ for €50-55 million. Hospitality and Industrial accounted for 19% and 14% respectively of the investment volume, with a confidential transaction of a hotel and 4 transactions in the industrial sector.

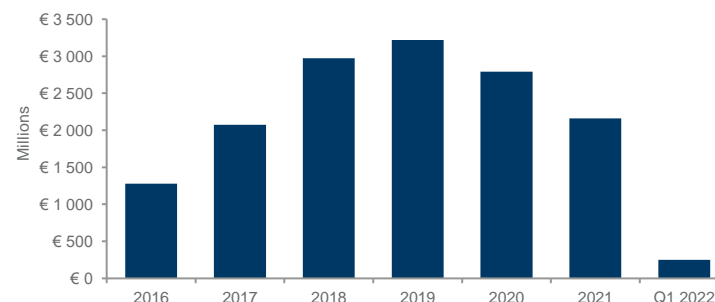
Prime yields keep mirroring investors' increased preference for core assets in prime locations. Compared to Q4 2021, the office sector remained stable at 3.75% and there was a contraction by 25 bps in the industrial & logistics sector (to 4.75%). Regarding retail, high street prime yields remained stable at 4.25%, as well as shopping centres at 5.50%.

## ECONOMIC INDICATORS 2022

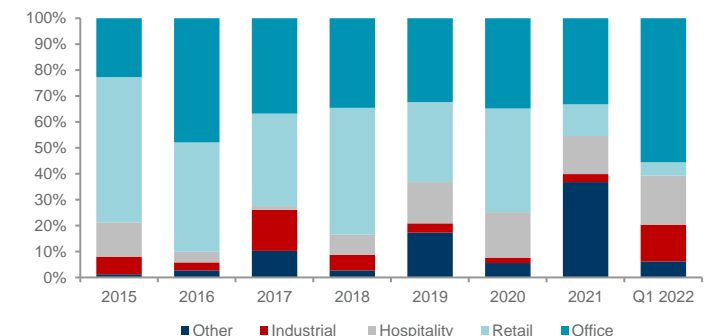
	YoY Chg	12-Mo. Forecast
<b>5.8%</b> GDP Growth	▲	▼
<b>3.4%</b> Investment Growth	▲	▼
<b>5.9%</b> Unemployment Rate	▼	▼
<b>2.2%</b> 10-Yr Treasury Yield	▲	▲

Source: Moody's Analytics

## INVESTMENT VOLUME



## INVESTMENT VOLUME BY SECTOR



# MARKETBEAT PORTUGAL

## Investment Q1 2022



### MAIN INVESTMENT TRANSACTIONS Q1 2022

PROPERTY NAME	SECTOR	MARKET	AREA (SQ.M)	SELLER	BUYER	PRICE (€M)	YIELD (%)
Tranquilidade Headquarters	Office	Lisbon	7,473	Lace (Real Added Value)	AFIAA	€65.0-70.0 M	n.a.
Former Banco Popular Headquarters	Office	Lisbon	11,657	Santander Asset Management	Incus Capital	€50.0-55.0 M	n.a.
Logistic Warehouses - Porto Alto	Industrial	Benavente	39,725	Imofundos / Parpública	Bedrock (Europi)	€16.0-19.0 M	n.a.
MILESTONE Carcavelos Lombos	Other	Cascais	6,622	Value One Holding	Catella	€15.5 M	n.a.
Berna, 54	Office	Lisbon	3,825	Tristan Capital Partners	Confidential	€14.0-15.0 M	n.a.

### INVESTMENT ACTIVITY Q1 2022

PROPERTY SECTOR	NR DEALS	TOTAL VOLUME (€M)	AVERAGE DEAL SIZE
Office	4	€138.0 M	€34.5 M
Retail	2	€12.9 M	€6.4 M
Hospitality	1	€47.0 M	€47.0 M
Industrial	4	€35.0 M	€8.8 M
Other	1	€15.5 M	€15.5 M
<b>TOTAL</b>	<b>12</b>	<b>€248.4 M</b>	<b>€20.7 M</b>

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### PRIME YIELDS BY SECTOR



### TOTAL INVESTMENT BY CAPITAL SECTOR 2022

