

YoY Chg      12-Mo. Forecast

**9.0%**

Vacancy Rate



**30.3K**

Overall Take-Up (sq.m)



**€18.00**

Prime Rent (€/sq.m/month)



**ECONOMIC INDICATORS 2022**

YoY Chg      12-Mo. Forecast

**6.2%**

GDP Growth



**2.1%**

Job Creation



**5.7%**

Unemployment Rate



Source: Moody's Analytics

**ECONOMY: Inflation forecasted to rise to 6.6% in 2022, but still expected to decrease to 2.4% in 2023**

Although short-term economic forecasts are currently clouded by uncertainty, Portuguese GDP should still increase by 6.2% in 2022 and maintain a positive trajectory in 2023 at 0.9%. Private consumption is expected to grow by 5.2% in 2022 but is forecasted to moderate its growth to 0.1% in 2023. Inflation is currently estimated to rise to 6.6% in 2022, driven by a steep increase in the prices of energy and food products, but still it is projected to decrease to 2.4% in 2023 and maintain similar levels onwards. Regarding the trade balance, exports are expected to grow by 13.2% and imports to grow by 8.5% in 2022. For 2023, Moody's Analytics foresees a 0.9% growth in imports and +3.7% in exports. The unemployment rate reached pre-pandemic levels (6.6%) in 2021 and it is expected to continue recovering, reaching 5.7% by the end of 2022 and remaining stable in 2023.

**DEMAND: The 30,290 sq.m Take-up in the First Half of 2022 represented a YoY Growth of 132%**

The Greater Porto's office sector registered a take-up of 24,470 sq.m in the second quarter of the year, reaching 30,290 sq.m in the first semester, a 132% year-on-year growth. The average leased area almost doubled to 1,060 sq.m when compared with Q2 2021 (570 sq.m), and the number of deals grew by 26%, to 24.

CBD Downtown (Zone 2) represented 45% of the total take-up in Q2 2022, accounting 6 deals with an average deal size of 1,850 sq.m, with the largest deal in Porto Business Plaza (4,700 sq.m). Matosinhos (Zone 6) followed with 34% with the largest deal in Joana D'Arc building (4,500 sq.m) representing 55% of the leased area in this zone.

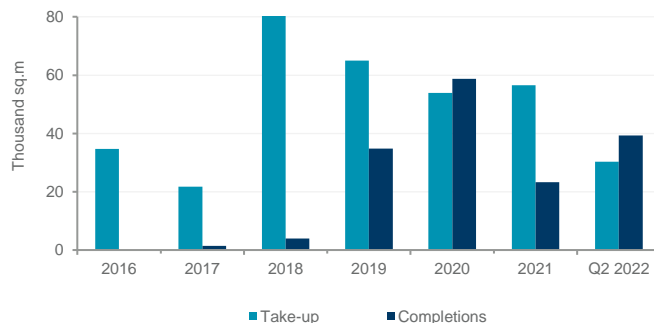
Over Q2 2022, the vacancy rate increased by 80 basis points, to 9.0%, and 4 buildings were completed totaling 24,000 sq.m. Future supply under construction increased to 102,990 sq.m, of which 31% are pre-occupied.

**PRICING: Some Zones Registering Prime Rental Growth**

When compared with Q1 2022, prime rents registered an increase at ZEP (Zone 3) and Oriental (Zone 4), reaching €16.00/sq.m/month and €14.00/sq.m/month, respectively.

Prime rents remained stable at CBD Boavista (Zone 1), CBD Downtown (Zone 2), Matosinhos (Zone 6) and Maia (Zone 7).

**OFFICES DEMAND & COMPLETIONS**



**OVERALL VACANCY & PRIME RENT**



## MARKET STATISTICS

SUBMARKET	STOCK (SQ.M)	AVAILABILITY (SQ.M)	VACANCY RATE (%)	QUARTER TAKE-UP (SQ.M)	OVERALL TAKE-UP (SQ.M)	UNDER CONSTRUCTION (SQ.M)	PRIME RENT (€/SQ.M/MONTH)	PRIME YIELD (%)
Zone 1 (CBD Boavista)	412,910	31,910	7.7%	4,710	6,810	11,480	€18.0	5.50%
Zone 2 (CBD Downtown)	215,650	19,380	9.0%	11,110	11,360	6,500	€17.0	-
Zone 3 (ZEP)	110,510	10,610	9.6%	190	190	32,220	€16.0	-
Zone 4 (East)	157,190	14,840	9.4%	0	1,000	3,300	€14.0	-
Zone 5 (Others Porto)	-	-	-	0	530	-	-	-
Zone 6 (Matosinhos)	241,150	17,600	7.3%	8,220	8,220	33,290	€14.5	-
Zone 7 (Maia)	225,600	15,360	6.8%	0	1,940	6,190	€12.5	-
Zone 8 (Vila Nova de Gaia)	279,750	37,460	13.4%	230	230	0	€14.0	-
Zone 9 (Others Outside Porto)	-	-	-	0	0	10,000	-	-
<b>GREATER PORTO TOTALS</b>	<b>1,642,760</b>	<b>147,170</b>	<b>9.0%</b>	<b>24,470</b>	<b>30,290</b>	<b>102,990</b>	<b>€18.00</b>	<b>5.50%</b>

## MAIN OCCUPANCY TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Porto Business Plaza - Fase 1	Zone 2	Saltpay	4,740	Lease
Joana D'Arc	Zone 6	Spaces (IWG)	4,500	Pre-let
Catarina 1232	Zone 2	Fintru	2,820	Lease

## MAIN INVESTMENT TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE (€M)
Heroísmo, 283	Zone 2	n.a. / Corum AM	6,070	€16.0 M

## COMPLETIONS Q2 2022

PROPERTY	SUBMARKET	TENANT IF RESERVED	AREA (SQ.M)	OWNER / DEVELOPER
Candal Park - Buildings X and W	Zone 8	n.a.	10,000	Candal Parque
ICON Offices 1	Zone 3	Ageas	7,800	Civilria
Santa Catarina Offices	Zone 2	n.a.	4,560	Geo Investimentos
Porto Broadway Office - Building 2	Zone 6	n.a.	1,670	Family Office

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