

Industrial Q2 2022

205.2K

Overall Take-up (sq.m)

YoY Chg



12-Mo. Forecast



€4.20

Prime Rent (€/sq.m/month)



ECONOMY: Manufacturing Industry's Confidence Indicator with a year-on-year growth of 8.0 points

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 Manufacturing Industry registered a recover of the Production Index by 2.0% over the first half of 2022, with the Confidence Indicator registering an average increase of 8.0 points until June.

DEMAND: Despite the High Demand for Space there was a year-on-year Take-up Volume Decrease of 26%

During Q2 2022, 12 new occupancy deals in a total of 110,560 sq.m were transacted in Portugal, reaching 205,170 sq.m in the first half of 2022, a year-on-year decrease of 26%. This activity was mainly concentrated in Greater Lisbon and Central regions, recording 50,185 sq.m and 34,450 sq.m, respectively. The average leased area increased to 9,210 sq.m, mainly influenced by two large deals - the future owner-occupation by WEG of the Santo Tirso fabric (expansion) with an estimated covered area of 22,680 sq.m and the lease by Garland of circa 16,100 sq.m at Leiria Logistics Platform.

The sector's heightened levels of activity continue to drive investment in quality supply, through the refurbishment or development of new projects. Among the owner-occupied projects, highlight on Aldi investment in a 50,000 sq.m unit in Moita that was completed in the last quarter. 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 (already under construction), Sintra and Montijo, with a total of 62,000 sq.m. Panattoni 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

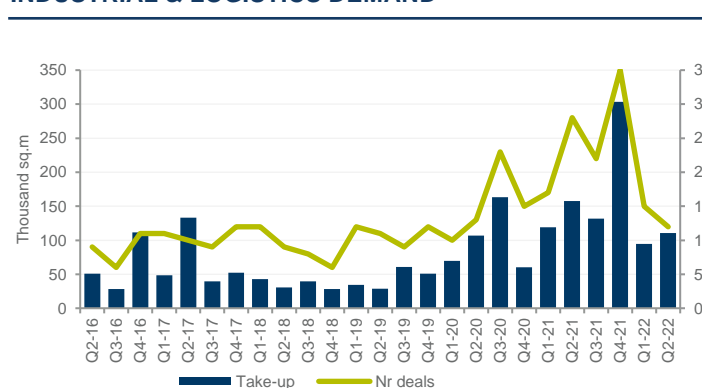
Zone 1 prime rents in the second quarter of 2022 remained stable at €4.20/sq.m/month in Lisbon and €4.10/sq.m/month in Porto. All the remaining zones in both Lisbon and Porto registered increases, except Zone 2 in Lisbon and Zones 2 and 3 in Porto, which remained stable.

ECONOMIC INDICATORS 2022

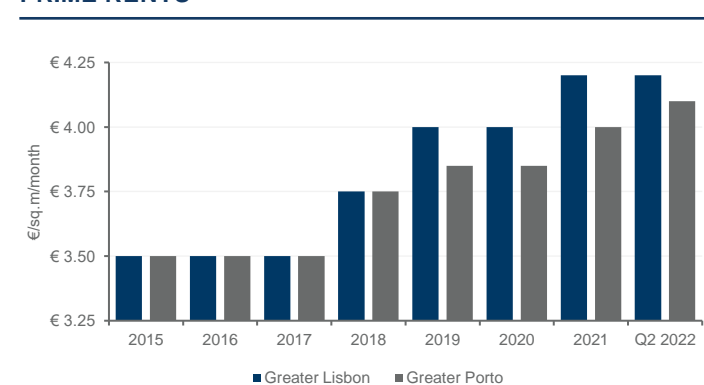
	YoY Chg	12-Mo. Forecast
6.2% GDP Growth	▲	▼
13.2% Exports Growth	▲	▲
99.5 Industrial Production Index	▲	▲
-1.2 Manufacturing Industry's Confidence Indicator	▲	▲

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%*	50,190	112,740	€4.20	4.50%
Greater Porto	12,848,800	-	-	24,430	37,030	€4.10	4.75%
PORTUGAL TOTALS	-	-	-	110,560	205,170	€4.20	4.75%

* Vacancy rate includes Industrial, Logistics and Warehouses

MAIN OCCUPANCY TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
WEG – Santo Tirso Factory	Greater Porto	WEG	22,680	Owner-occupier
Leiria Logistics Platform	Center	Garland	16,100	Lease
Vialonga	Greater Lisbon	Logic	15,500	Lease
Leiria Logistics Platform	Center	UPS	11,350	Lease
Polo Logístico Palmela 6	Greater Lisbon	Luís Simões	10,910	Lease

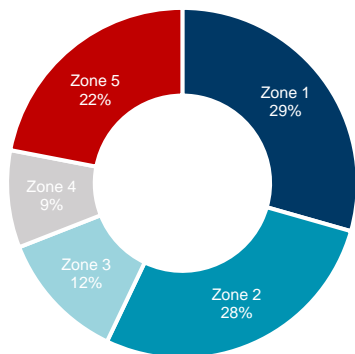
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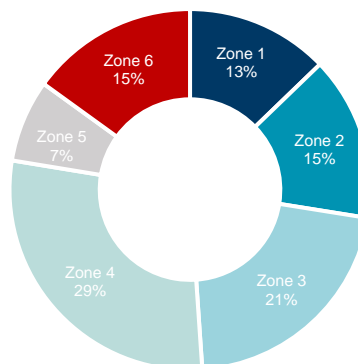
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