

	YoY Chg	12-Mo. Forecast
<b>€615m</b> Total Volume	▲	▲
<b>€159m</b> Office Volume	▲	▲
<b>€20m</b> Retail Volume	▼	▲
<b>€217m</b> Hospitality Volume	▲	▲
<b>€203m</b> Industrial Volume	▲	▲

### ECONOMIC OVERVIEW: 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.

### INVESTMENT OVERVIEW: Hospitality and Industrial sectors were the most dynamic in Q2 2022

The recovery of institutional investment already registered during 2021 continued throughout the first semester of 2022, with €364 million transacted in Q2, reflecting a slight decrease of 3% when compared with Q1 2021, and taking H1 2022 volume to €615 million. Some transactions that were nearly closed in Q2 ended up slipping to Q3 2022.

As in previous quarters, large deals contributed to this result, with the top 3 ones representing around 60% of the total amount invested. This quarter was highly influenced by the hospitality sector, which accounted for 48% of the investment volume – with the acquisition by Azora of Pestana Blue Alvor Hotel for €75-85 million, and the purchase by Gaw Capital of Hotel Infante Sagres (Porto) from Fladgate for €34-38 million. The industrial sector accounted for 46% of the investment volume in Q2 2022 (highlight for the Rubrik Portfolio, sold for €40-47 million to a confidential buyer).

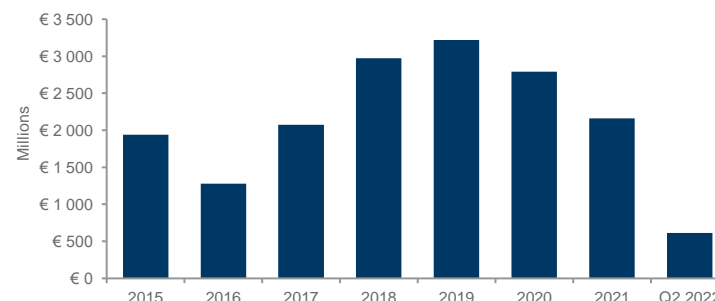
Prime yields mirror investors' increased preference for core assets in prime locations. Compared to Q1 2022, the office sector remained stable at 3.75% and there was a contraction of 25 bps in the industrial & logistics sector (to 4.50%). As for retail, high street and shopping centres prime yields remained stable at 4.25% and 5.50%, respectively, and there was a contraction of 25 bps. in retail parks prime yields (to 6.50%). Higher interest rates, inflationary pressures and pessimistic growth forecasts are foreseen to change investors' stance and asset pricing in the second half of the year

### ECONOMIC INDICATORS 2022

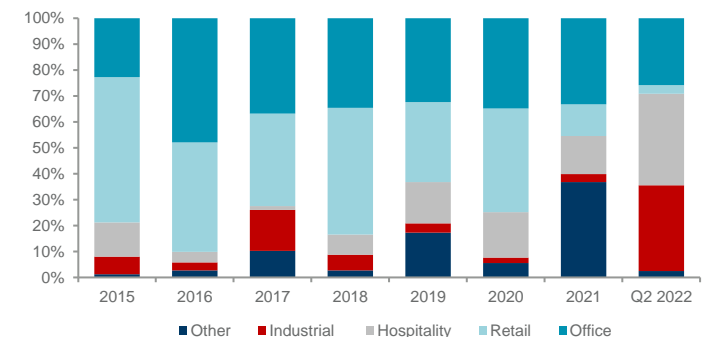
	YoY Chg	12-Mo. Forecast
<b>6.2%</b> GDP Growth	▲	▼
<b>3.6%</b> Investment Growth	▲	▼
<b>5.7%</b> Unemployment Rate	▼	—
<b>2.0%</b> 10-Yr Treasury Yield	▲	▲

Source: Moody's Analytics

### INVESTMENT VOLUME



### INVESTMENT VOLUME BY SECTOR



# MARKETBEAT PORTUGAL

## Investment Q2 2022



### MAIN INVESTMENT TRANSACTIONS 2022

PROPERTY NAME	SECTOR	MARKET	AREA (SQ.M)	SELLER	BUYER	PRICE (€M)	YIELD (%)
Pestana Blue Alvor	Hospitality	Portimão	490 keys	Pestana	Azora Group	€75.0-85.0 M	n.a
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.
Rubrik Portfolio	Industrial	Several Locations	60,000	Confidential	Confidential	€40.0-47.0 M	n.a.
Infante Sagres Hotel	Hospitality	Porto	85 keys	Fladgate	Gaw Capital	€34.0-38.0 M	n.a.

### INVESTMENT ACTIVITY 2022

PROPERTY SECTOR	NR DEALS	TOTAL VOLUME (€M)	AVERAGE DEAL SIZE
Office	9	€158.9 M	€17.7 M
Retail	6	€20.4 M	€4.1 M
Hospitality	5	€216.6 M	€43.3 M
Industrial	10	€203.2 M	€20.3 M
Other	1	€15.5 M	€15.5 M
<b>TOTAL</b>	<b>31</b>	<b>€614.6 M</b>	<b>€20.5 M</b>

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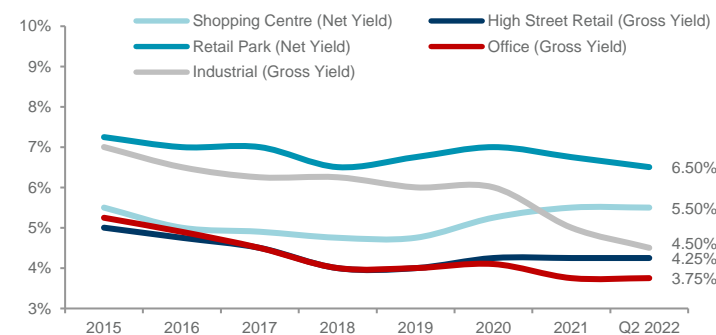
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### PRIME YIELDS BY SECTOR



### TOTAL INVESTMENT BY CAPITAL SECTOR 2022

