

# PORTUGAL

Retail Q2 2022

**€1,039**

Average Monthly Income

YoY Chg



12-Mo. Forecast



**10,345K**

Population



**5.7%**

Unemployment Rate



Source: Moody's Analytics; INE

## ECONOMIC INDICATORS 2022

**6.2%**

GDP Growth

YoY Chg



12-Mo. Forecast



**5.2%**

Consumer Spending Growth



**8.8%**

Retail Sales Growth



Source: Moody's Analytics; INE

## ECONOMY: Retail Sales Registered a year-on-year Recovery of 8.8%

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. Until June 2022, retail sales registered a year-on-year recovery of 8.8% according to INE, boosted by non-food retail (+20.0%).

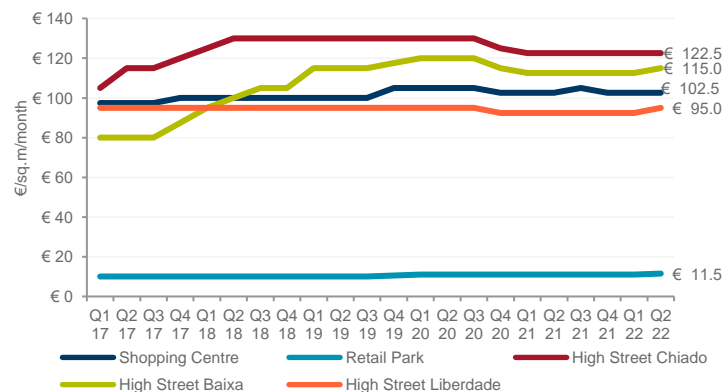
## DEMAND: Over the Next Three Years a Total of 80,700 sq.m of GLA are Expected to Enter the Market

During Q2 2022, the retail market registered the completion of 14,500 sq.m of GLA of one retail park, Sudoeste Retail Park (Silves). Over the next three years a total of 80,700 sq.m of GLA are expected to enter the market, including Lagos Retail Park and Estoril Retail Park that are likely to open in Q3 2022. Cushman & Wakefield's retail take-up registered 96 new openings in Q2 2022, totaling 200 new openings in the first half of the year (-13% year-on-year). The high street retail format continues to dominate the market with 64% and there was an increase in shopping center format, reaching 21% of the new openings. There is also a continuous interest in large-scale stores, namely retail parks and stand-alone units, which led both formats to represent 14% together in this quarter. Likewise, although the F&B sector stood out once more (45%), convenience stores boosted the food sector to second place (19%).

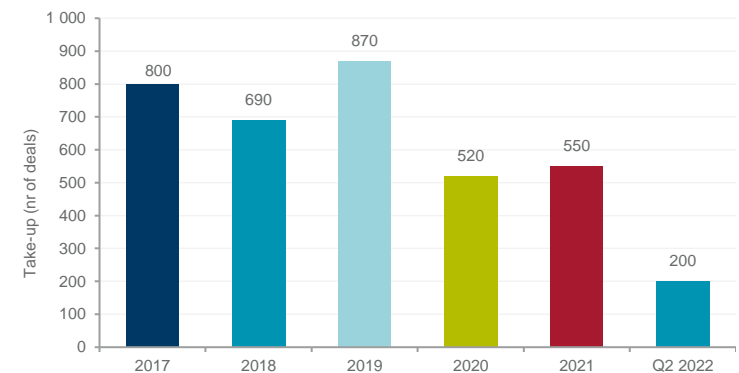
## PRICING: Prime rents growing

When compared with Q1 2022, high street rental values remained stable in Chiado at €122.50/sq.m/month, whereas in Baixa and Avenida da Liberdade increased to €115.00 and €95.00/sq.m/month, respectively. High street prime rents in Porto also increased to €75.00/sq.m/month, as well as retail parks to €11.50/sq.m/month. Despite the unpredictability of some economic factors, market values are expected to slightly increase until the year end.

### PRIME RENTS



### DEMAND EVOLUTION



## MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ.M)	SHOPING CENTRE PIPELINE (SQ.M)	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
North	432,400	-	-	-
Greater Porto	672,230	-	€80.0	5.75%
Centre	529,970	18,000	-	-
Lisbon Metropolitan Area	896,690	10,500	€102.5	5.50%
Setúbal Peninsula	269,090	-	-	-
South	276,720	1,200	-	-
Islands	92,510	-	-	-
<b>PORTUGAL TOTALS</b>	<b>3,169,610</b>	<b>29,700</b>	<b>€102.5</b>	<b>5.50%</b>

## MAIN OCCUPANCY TRANSACTIONS Q2 2022

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Stand Alone	Porto	Casa Peixoto	8,000	Multiple
Stand Alone	Setúbal	Mercadona	3,500	Cross Border
Stand Alone	Braga	Mercadona	3,500	Cross Border
Retail Park	Silves	Continente Bom Dia	3,000	Multiple
Shopping Center	Ovar	Trofa Saúde Hospital	3,000	Multiple

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