

331.4K
Overall Take-up (sq.m)

YoY Chg
12-Mo. Forecast

€4.30
Prime Rent (€/sq.m/month)

ECONOMY: GDP Expected to Grow 6.4% in 2022, Predominantly Driven by Exports

Moody's estimates a GDP growth of 6.4% for Portugal in 2022, followed by a slowdown to 0.9% in 2023. This growth will be predominantly driven by exports and further fueled by a revival in the tourism sector. A recovery in private consumption is expected for this year, surpassing 2021 by 5.0%. Inflation is currently forecasted to rise by 7.9% in 2022, and then grow more moderately by 5.5% in 2023 and 1.6% in 2024. Regarding trade, exports are expected to grow by 14.8% and imports are expected to grow by 9.8% in 2022. For 2023, Moody's Analytics foresees a 1.4% growth in exports and 0.1% increase in imports.

The Manufacturing Industry registered a year-on-year (YoY) increase of the Industrial Production Index by 2.6% until September, with the Confidence Indicator registering an average increase of 4.3 points.

DEMAND: Despite the High Demand for Space there was a year-on-year Take-up Volume Decrease of 16%

During the third quarter of 2022, 23 new occupancy deals in a total of 126,250 sq.m were transacted in Portugal. The take-up volume until September reached 331,420 sq.m, representing a year-on-year (YoY) decrease of 19%. The third quarter activity was mainly concentrated in Greater Lisbon region, recording 76,490 sq.m. The average leased area reached 5,490 sq.m in Q3 2022. The lease by Servirent of a warehouse in Benavente with around 18,200 sq.m and the lease by Fincord of 10,400 sq.m at Zona Industrial da Picaria (Santo Tirso) were the largest deals of the quarter. 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 Garland's investment in a 38,000 sq.m logistics center in Gaia that was completed in the third 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 (two units 100% leased - DHL and DPD), Sintra and Montijo, with a total of 62,000 sq.m, with work on the first one just recently started. Panattoni also announced, in the first half of this year, the development of Panattoni Porto Park, a unit in Greater Porto commanding 75,000 sq.m.

PRICING: Generalized Rental Growth both in Greater Lisbon ad Greater Porto

Zone 1 prime rents in the third quarter of 2022 increased to €4.30/sq.m/month in Lisbon and €4.20/sq.m/month in Porto. All the remaining zones also registered slight increases. The most considerable increase was recorded in Lisbon's zone 5 (Sintra – Cascais) and Porto's zone 5 (Vila Nova de Gaia), with rents reaching €5.2/sq.m/month and €4.0/sq.m/month, respectively.

ECONOMIC INDICATORS 2022

6.4%
GDP Growth

YoY Chg
12-Mo. Forecast

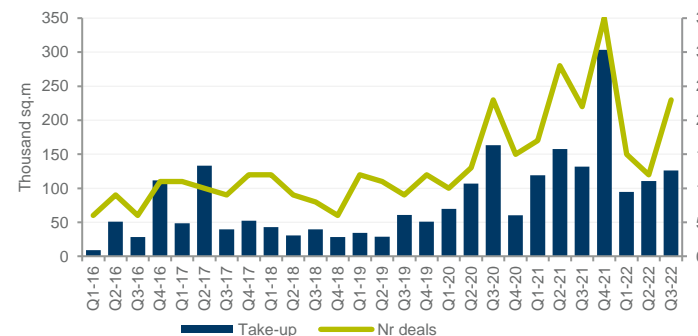
14.8%
Exports Growth

99.8
Industrial Production Index

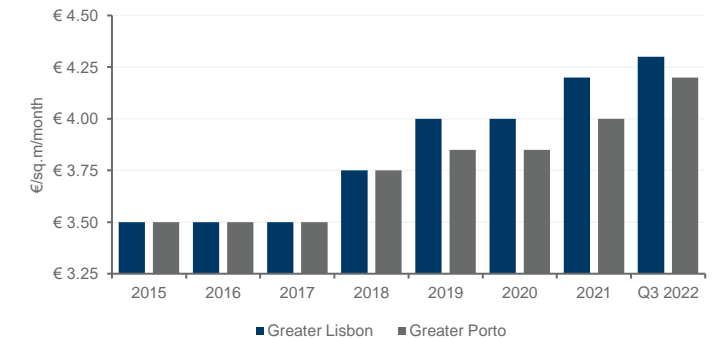
-2.4
Manufacturing Industry's Confidence Indicator

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%*	76,490	189,230	€4.30	4.75%
Greater Porto	12,848,800	-	-	21,780	58,810	€4.20	5.00%
PORTUGAL TOTALS	-	-	-	126,250	331,420	€4.30	4.75%

* Vacancy rate includes Industrial, Logistics and Warehouses

MAIN OCCUPANCY TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Benavente Warehouse	Greater Lisbon	Servirent	18,220	Lease
Zona Industrial da Picaria – Santo Tirso	Greater Porto	Fincord	10,410	Sale
Logispark – Montijo	Greater Lisbon	Decathlon	9,660	Lease
Quinta da Chinesa – Santo Tirso	Greater Porto	Finieco	8,150	Owner-occupier
Zona Industrial da Zibreira	Greater Porto	Campicarn	8,130	Sale

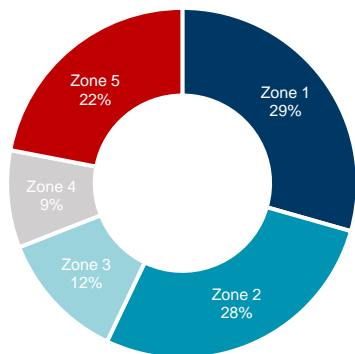
ANDREIA ALMEIDA

Head of Research

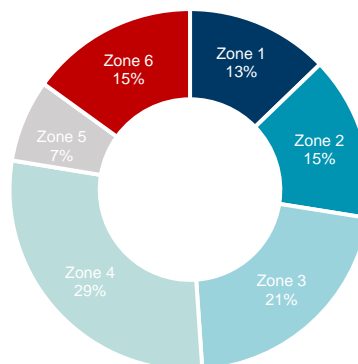
+351 211 207 560 / andreia.almeida@cushwake.com

cushmanwakefield.com

STOCK DISTRIBUTION – GREATER LISBON



STOCK DISTRIBUTION – GREATER PORTO



A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had a revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2019 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.