

	YoY Chg	12-Mo. Forecast
€1.7bn Total Volume	▲	▲
€642m Office Volume	▲	▲
€46m Retail Volume	▼	▲
€248m Hospitality Volume	▲	▲
€536m Industrial Volume	▲	▲

ECONOMIC OVERVIEW: 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 labour market remains resilient, with Moody's forecasting an unemployment rate of 5.8% in 2022, likely to remain stable in 2023 and 2024.

INVESTMENT OVERVIEW: Office and Industrial sectors were the most dynamic in Q3 2022

Some of the largest deals, which were initially foreseen for the second quarter of the year, slipped to the third quarter, with €1,086 million transacted and reaching a total volume of €1,700 million between January and September. This reflects a year-on-year increase of 30%.

As in previous quarters, large deals contributed to this result, with the 4 largest transactions representing 43% of the invested volume. This quarter was highly influenced by the Industrial sector, which accounted for 31% of the investment volume – with the acquisition by Blackstone of the Connect Portfolio from Novo Banco for €208 million, and the purchase also by Blackstone of another logistics portfolio from M7 Real Estate for €125 million. The Office sector accounted for 45% of the investment volume in Q3 2022, with the largest deal closed by Sonae Sierra and Bankinter Investment - with their purchase of Atrium Saldanha building from Fibeira Group for €205 million.

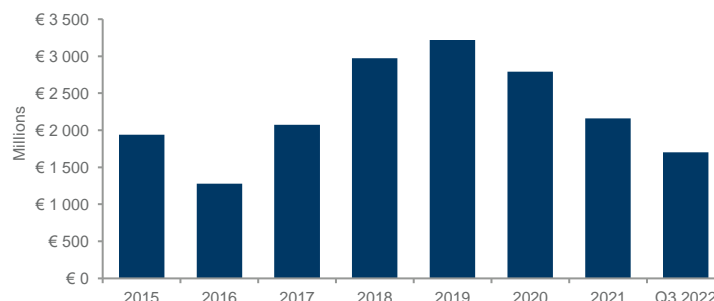
Following the contraction of prime yields in some sectors in the first half of 2022, a change in trajectory took place in Q3. In this period, prime yields increased by 25 b.p. in offices and industrial and logistics, to 4.00% and 4.75% respectively. In retail, both high street retail and shopping centres prime yields remained stable in Q3. For Q4, an upward movement of another 25 b.p. is forecasted for all asset classes.

ECONOMIC INDICATORS 2022

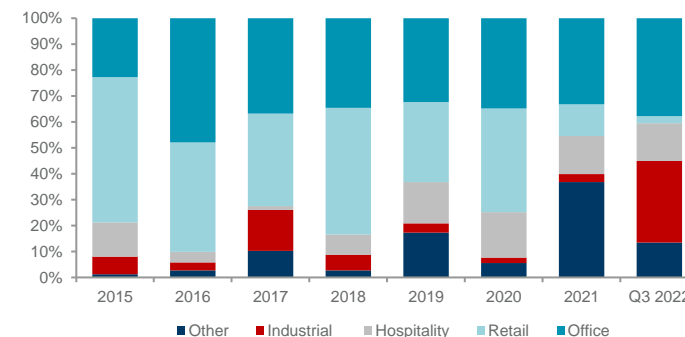
	YoY Chg	12-Mo. Forecast
6.4% GDP Growth	▲	▼
5.5% Investment Growth	▲	▼
5.8% Unemployment Rate	▼	—
2.3% 10-Yr Treasury Yield	▲	▲

Source: Moody's Analytics

INVESTMENT VOLUME



INVESTMENT VOLUME BY SECTOR



MARKETBEAT PORTUGAL

Investment Q3 2022



MAIN INVESTMENT TRANSACTIONS 2022

PROPERTY NAME	SECTOR	MARKET	AREA (SQ.M)	SELLER	BUYER	PRICE (€M)	YIELD (%)
Connect Portfolio	Industrial	Several Locations	325,000	Novo Banco	Blackstone	€208.0 M	n.a
Atrium Saldanha	Office	Lisbon	31,224	Grupo Fibeira	Sonae Sierra / Bankinter Investment	€205.0 M	n.a
Project Move – Smart Studios	Other	Several Locations	2,188 beds	Smart Studios	Round Hill / Canada Pension Fund	€200.0 M	n.a.
Blackstone Logistics Portfolio	Industrial	Several Locations	182,000	M7 Real Estate	Blackstone	€125.0 M	n.a.
Explorer Offices Portfolio	Office	Lisbon	21,000	Explorer	Castel Group	€110.0-120.0 M	4.00-4.45%
Liberdade, 195	Office	Lisbon	15,227	Novo Banco	Merlin Properties	€112.2 M	n.a.

INVESTMENT ACTIVITY 2022

PROPERTY SECTOR	NR DEALS	TOTAL VOLUME (€M)	AVERAGE DEAL SIZE
Office	14	€642.3 M	€45.9 M
Retail	11	€45.7 M	€4.2 M
Hospitality	8	€247.6 M	€30.9 M
Industrial	12	€536.2 M	€44.7 M
Other	4	€228.5 M	€57.1 M
TOTAL	49	€1,700.2 M	€34.7M

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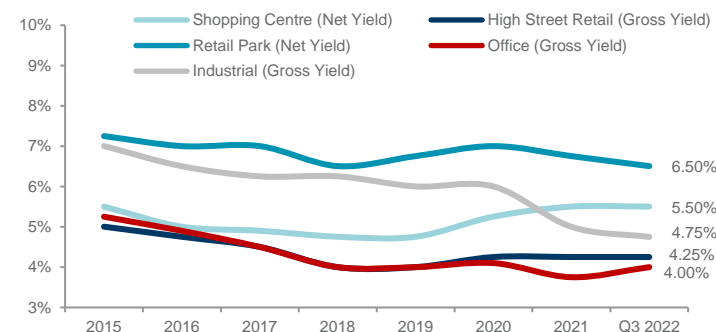
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PRIME YIELDS BY SECTOR



TOTAL INVESTMENT BY CAPITAL SECTOR 2022

