

	YoY Chg	12-Mo. Forecast
6.9% Vacancy Rate	▲	▼
272.0K Overall Take-Up (sq.m)	▲	▼
€26.00 Prime Rent (€/sq.m/month)	▲	▲

ECONOMY: GDP expected to slow down to 1.3% in 2023, after growing 6.7% in 2022

After a strong recovery in 2022, Portugal's economy is expected to slow down in the near term. According to Moody's Analytics, Portuguese GDP growth will slow down to 1.3% in 2023 (after 6.7% in 2022), followed by a recovery in 2024 (+2.8%) and 2025 (+2.2%). Investment will be impacted by some global uncertainty, and it is expected to grow only by 0.8% in 2023, followed by 6.6% in 2024. Inflation increased to 7.8% in 2022 and it is expected to gradually moderate to 5.2% in 2023 and 2.4% in 2024. Unemployment stabilized at 6.0% in 2022 and is expected to increase to 6.6% in 2023, recovering to 6.2% in 2024.

DEMAND: Annual take-up of 272,000 sq. in 2022, Reaching an All-time High

The Greater Lisbon office market registered 39 new lease deals in a total take-up volume of 24,130 sq.m in Q4 2022. With a total of 200 deals in 2022, the year-end volume reached 272,000 sq.m reaching an all-time high and representing a year-on-year (YoY) growth of 68%. The average deal size increased to 1,360 sq.m, compared with 1,180 sq.m in 2021.

Western Corridor (zone 6) represented the highest share of the take-up (28%) in Q4 2022, followed by Prime CBD with 21% (5,100 sq.m) of the take up in this quarter. The largest deal of the quarter was the lease of around 4,000 sq.m by LACS at 24 de Julho, 98 building. When considering the total take-up in 2022, the total volume of leased area was mainly concentrated in Parque das Nações (zone 5) and the New Office Areas (zone 3), representing 26% and 20%, respectively.

The vacancy rate slightly decreased to 6.9% in Q4 2022, comparing to 7.2% in the previous quarter. During 2022, 10 buildings were completed totalling 115,400 sq.m. There are currently 245,790 sq.m under construction of which 56% are pre-occupied

ECONOMIC INDICATORS 2022

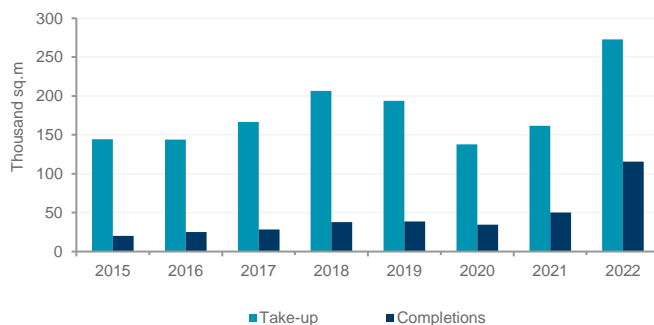
	YoY Chg	12-Mo. Forecast
6.7% GDP Growth	▲	▼
2.0% Job Creation	▲	▼
6.0% Unemployment Rate	▲	—

Source: Moody's Analytics

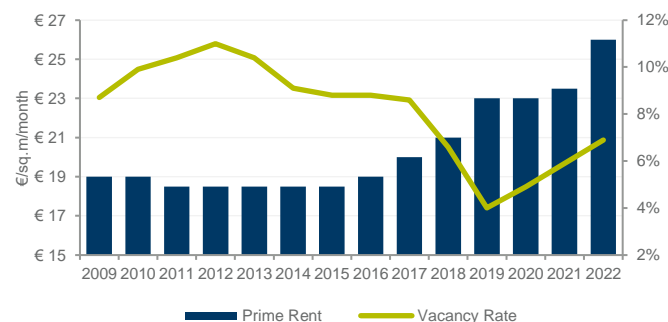
PRICING: Prime Rental Growth in Zone 1, Zone 4 and Zone 6

When compared with Q3 2022, prime rents in Greater Lisbon registered an increase at Prime CBD (Zone 1) reaching €26.00/sq.m/month. Prime rents also increased at Secondary Office Locations (Zone 4) and Western Corridor (Zone 6), reaching €21.00/sq.m/month and €17.00/sq.m/month, respectively, and remained stable in the remaining zones.

OFFICES DEMAND & COMPLETIONS



OVERALL VACANCY & PRIME RENT



MARKET STATISTICS

SUBMARKET	STOCK (SQ.M)	AVAILABILITY (SQ.M)	VACANCY RATE (%)	QUARTER TAKE-UP (SQ.M)	OVERALL TAKE-UP (SQ.M)	UNDER CONSTRUCTION (SQ.M)	PRIME RENT (€/SQ.M/MONTH)	PRIME YIELD (%)
Zone 1 (Prime Central Business District)	553,110	19,880	3.6%	5,100	34,260	3,850	€26.00	4.25%
Zone 2 (Central Business District)	938,060	33,050	3.5%	2,880	18,710	16,930	€21.00	5.00%
Zone 3 (New Office Areas)	564,100	29,550	5.2%	2,950	53,680	73,530	€19.00	5.50%
Zone 4 (Secondary Office Locations)	397,620	9,560	2.4%	4,010	48,090	14,830	€21.00	5.25%
Zone 5 (Parque das Nações)	475,800	28,070	5.9%	2,490	71,130	51,920	€19.50	5.00%
Zone 6 (Western Corridor)	1,054,490	169,090	15.3%	6,700	37,330	38,710	€17.00	6.75%
Zone 7 (Other Zones)	483,920	28,260	5.8%	0	8,820	60,420	-	-
GREATER LISBON TOTALS	4,467,120	309,450	6.9%	24,130	272,000	245,790	€26.00	4.25%

MAIN OCCUPANCY TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
24 de Julho, 98	Zone 4	LACS	4,010	Lease
AGEAS	Zone 5	Xpand Solutions	1,410	Lease
Visconde de Alvalade	Zone 3	Jerónimo Martins	1,290	Lease
World Trade Center – Bloco 2	Zone 6	Planet Inspiration	1,100	Lease
Exeo Office Campus - Lumnia	Zone 5	Confidential	1,090	Lease

MAIN INVESTMENT TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE (€M)
Lisboa	Zone 5	Marathon / AGEAS	4,190	€35.0-37.0 M
Jean Monet	Zone 1	Confidential / Sonagi	6,310	€30.0-35.0 M
Almirante Gago Coutinho, 26	Zone 7	Gama Life / Square Asset Management	6,300	€17.5-19.5 M

COMPLETIONS Q4 2022

PROPERTY	SUBMARKET	TENANT IF RESERVED	AREA (SQ.M)	OWNER / DEVELOPER
Alcântara Lisbon Offices (ALLO) – Building 1 & 2	Zone 4	E&Y, Galp, Confidential	34,430	Bedrock Capital Partners
Hub Creativo do Beato – Factory Building	Zone 7	Factory	10,000	C.M. Lisboa / Startup Lisboa
Casal Ribeiro, 16	Zone 2	-	4,240	Private

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