

8.3%

Vacancy Rate

YoY Chg



12-Mo. Forecast



58.5K

Overall Take-Up (sq.m)



€18.00

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 58,490 sq. in 2022, representing a YoY Growth of 3%

The Greater Porto's office sector registered a take-up of 13,260 sq.m in the fourth quarter of the year, with 25 new deals. The take-up volume in 2022 reached 58,490 sq.m with 76 new deals, representing a year-on-year (YoY) growth of 3%. The average leased area decreased by 14% when compared with 2021, standing at 770 sq.m.

CBD Downtown (zone 2) and Matosinhos (zone 6) were the most sought-after areas, attracting together about 65% of the total take-up volume in 2022. In Q4 2022, Matosinhos (zone 6) reached 46% of the take-up, influenced by the several occupations at Lionesa Business Hub.

The vacancy rate slightly decrease when comparing with the previous quarter, standing at 8.3%. During 2022, 6 buildings were completed totalling 46,990 sq.m. There are currently 112,180 sq.m under construction of which 37% are pre-occupied.

ECONOMIC INDICATORS 2022

6.7%

GDP Growth

YoY Chg



12-Mo. Forecast



2.0%

Job Creation



6.0%

Unemployment Rate

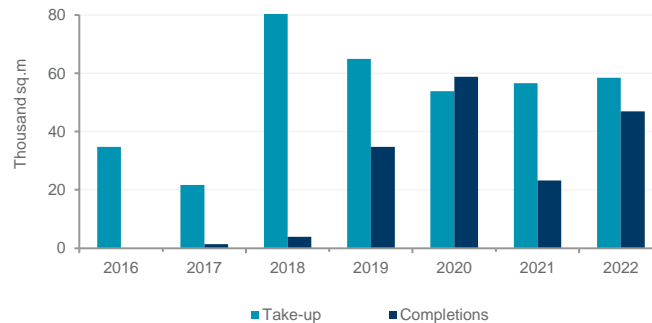


Source: Moody's Analytics

PRICING: Prime Rental Growth in Zone 6

When compared with Q3 2022, prime rents remained stable in almost all zones of Greater Porto, only registering a slight increase at Matosinhos (Zone 6), reaching €15.00 sq.m/month. CBD Downtown (Zone 2) prime rent suffered a slight downturn adjustment, standing at €16.50 sq.m/month.

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 (CBD Boavista)	412,910	24,960	6.0%	1,120	10,120	18,280	€18.0	6.00%
Zone 2 (CBD Downtown)	216,000	12,940	6.0%	1,450	17,930	6,500	€16.5	-
Zone 3 (ZEP)	110,510	9,980	9.0%	2,230	4,280	32,220	€16.5	-
Zone 4 (East)	157,190	17,880	11.4%	0	1,000	15,800	€14.0	-
Zone 5 (Others Porto)	1,000	-	-	2,280	2,960	-	-	-
Zone 6 (Matosinhos)	248,800	17,510	7.0%	6,090	19,810	23,190	€15.0	-
Zone 7 (Maia)	223,440	17,500	7.8%	0	1,940	6,190	€12.5	-
Zone 8 (Vila Nova de Gaia)	279,750	35,960	12.9%	0	470	0	€14.0	-
Zone 9 (Others Outside Porto)	-	-	-	0	0	10,000	-	-
GREATER PORTO TOTALS	1,649,590	136,720	8.3%	13,260	58,490	112,180	€18.00	6.00%

MAIN OCCUPANCY TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Lionesa Business Hub	Zone 6	Confidential	2,100	Lease
Porto Broadway Office	Zone 6	Accenture Technology Solutions	1,555	Lease
Delfim Ferreira, 739	Zone 3	MBA	1,380	Lease

MAIN INVESTMENT TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE (€M)
Invictus Porto (Campo Alegre)	Zone 1	AGEAS / Osborne+Co	10,000	€12.0 M

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