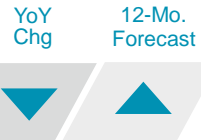


Industrial Q4 2022

553.1K
Overall Take-up (sq.m)



€5.00
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%). A recovery in private consumption was registered in 2022, surpassing 2021 by 5.0%, but it is expected to slow down to 0.4% in 2023. Inflation increased to 7.8% in 2022 and it is expected to gradually moderate to 5.2% in 2023 and 2.4% in 2024. The Manufacturing Industry registered a year-on-year (YoY) increase of the Industrial Production Index by 1.7% until December, with the Confidence Indicator registering an average increase of 1.9 points.

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

During Q4 2022, 25 new occupancy deals in a total of 233,710 sq.m were transacted in Portugal. The annual take-up volume reached 553,130 sq.m, representing a year-on-year (YoY) decrease of 22%. In the fourth quarter the activity was mainly concentrated in the Greater Lisbon area, recording 94,685 sq.m. The average leased area reached 7,475 sq.m. The future occupation by Mercadona at its under construction logistics centre in Almeirim was the largest deal of this quarter. Given the shortage of logistic product in the market, speculative development continues on the rise. The first building of Aquila Capital's project in Azambuja was completed and delivered to Sonae MC and the are more 75,000 sq.m under construction. VGP is currently spearheading three projects, namely in Loures, Sintra and Montijo, with a total of 62,000 sq.m, with work on the first one ongoing. Merlin Properties started the promotion of the second stage of the Northern Lisbon Logistics Platform (Castanheira do Ribatejo).

ECONOMIC INDICATORS 2022

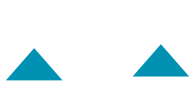
6.7%
GDP Growth



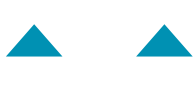
17.3%
Exports Growth



99.5
Industrial Production Index



-3.4
Manufacturing Industry's Confidence Indicator

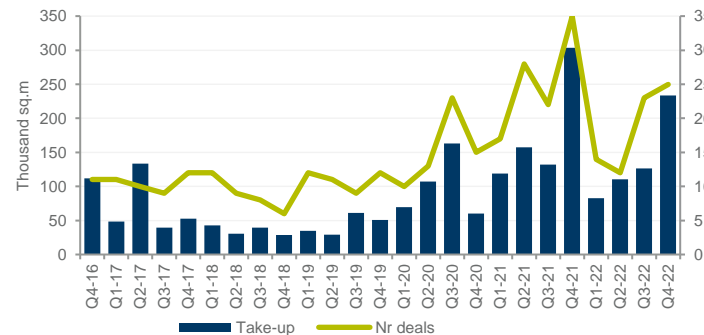


Source: Moody's Analytics; INE

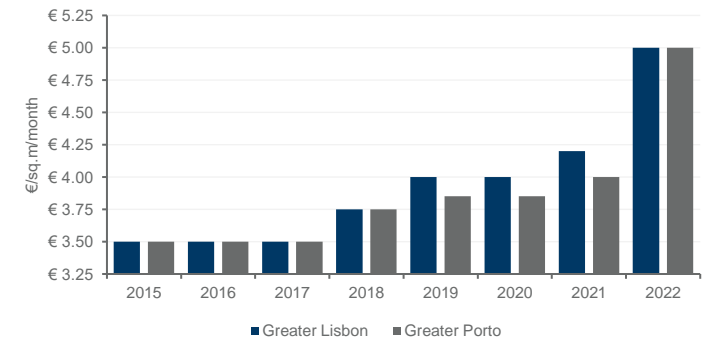
PRICING: Rental Growth both in Greater Lisbon ad Greater Porto

Zone 1 prime rents in the fourth quarter of 2022 increased to €5.00/sq.m/month both in Lisbon and Porto. Some of the remaining zones in Greater Lisbon and Greater Porto also registered increases both in prime and average rents..

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%*	94,680	283,910	€5.00	5.00%
Greater Porto	12,848,800	-	-	50,370	97,180	€5.00	5.25%
PORTUGAL TOTALS	-	-	-	233,710	553,130	€5.00	5.00%

* Vacancy rate includes Industrial, Logistics and Warehouses

MAIN OCCUPANCY TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Almeirim Logistics Platform	Alentejo	Mercadona	50,580	Owner-occupier
Ribeirão Logistics Centre	Greater Porto	Olicargo	33,800	Owner-occupier
Azambuja Logistics Platform	Greater Lisbon	Olicargo	25,000	Owner-occupier
Arneiros II (C2)	Greater Lisbon	Transportes Carreras	22,300	Lease
Passil	Greater Lisbon	Garland	15,460	Lease

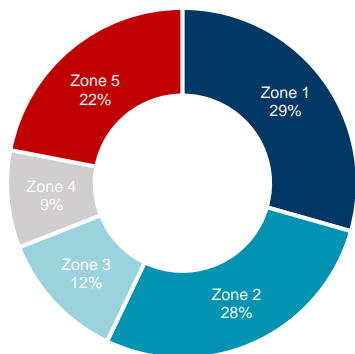
ANDREIA ALMEIDA

Head of Research

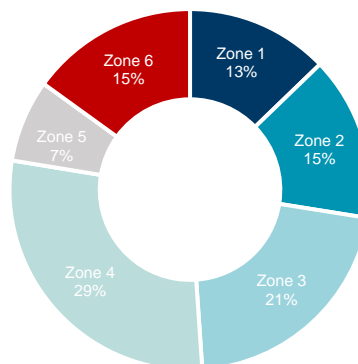
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