

PORTUGAL

Retail Q4 2022

€1,034
Average Monthly Income



10,345K
Population



6.0%
Unemployment Rate



Source: Moody's Analytics; INE

ECONOMIC INDICATORS 2022

6.7%
GDP Growth



5.8%
Consumer Spending Growth



5.8%
Retail Sales Growth



Source: Moody's Analytics; INE

ECONOMY: Retail Sales Registered a year-on-year Recovery of 5.8%

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 5.8%, 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. Retail sales continued an upward trend, with accumulated values until December evidencing an overall year-on-year recovery of 5.8% according to INE, boosted by non-food retail (+17.1%).

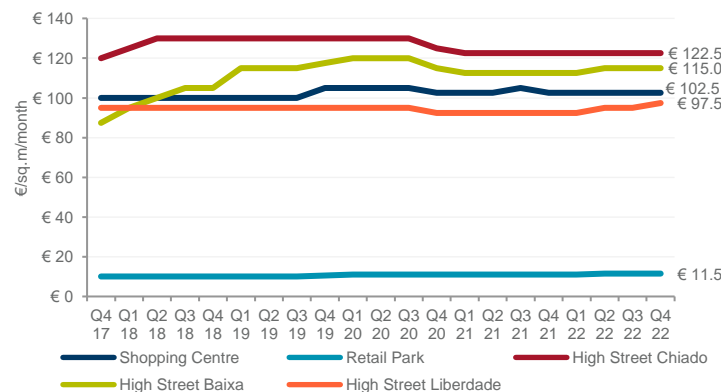
DEMAND: Over the Next Three Years a Total of 63,500 sq.m of GLA are Expected to Enter the Market

During Q4 2022, the retail market registered the completion of 8,000 sq.m of GLA, considering the completion of Estoril Retail Park. Over the next three years a total of 63,500 sq.m of GLA are expected to enter the market, including Nova Vila Retail Park and City Covilhã that are expected to open in 2023, and the Centro Colombo (Lisbon) redevelopment and expansion for 2025. Cushman & Wakefield's retail take-up registered 150 new openings in the Q4 and an annual volume of 530 new units in 2022 (-5% year-on-year). The predominance of high street retail prevailed, with 64% of total new openings, followed by shopping centres with 19%. Large units remain popular with retailers, namely retail parks and stand-alone units, which together accounted for around 16% of the deals. The Food and Beverage (F&B) sector remained dominant, representing 44% of new openings, followed by the food sector with 17%.

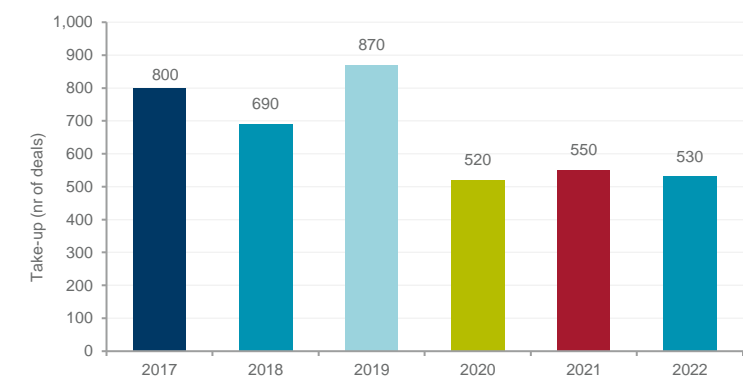
PRICING: Prime Rent Increasing at Avenida da Liberdade

When compared with Q3 2022, prime rent at Avenida da Liberdade increased to €97.5/sq.m/month remaining stable in the remaining locations and formats, with prime HS retail rent at €122.5/sq.m/month in Lisbon (Chiado) and at €75.00/sq.m/month in Porto (Downtown).

PRIME RENTS



DEMAND EVOLUTION



MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ.M)	SHOPING CENTRE PIPELINE (SQ.M)	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
North	432,400	-	-	-
Greater Porto	672,230	-	€80.0	6.00%
Centre	529,970	18,000	-	-
Lisbon Metropolitan Area	896,690	10,500	€102.5	5.75%
Setúbal Peninsula	269,090	-	-	-
South	277,920	-	-	-
Islands	92,510	-	-	-
PORTUGAL TOTALS	3,170,810	28,500	€102.5	5.75%

MAIN OCCUPANCY TRANSACTIONS Q4 2022

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Stand Alone	Loures	Bricomarché	4,000	Cross Border
Stand Alone	Cascais	Continente Modelo	3,600	Multiple
Stand Alone	Oeiras	Mercadona	3,500	Cross Border
Stand Alone	Viseu	Mercadona	3,400	Cross Border
Stand Alone	Caldas da Rainha	Mercadona	3,200	Cross Border

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