

7.1%

Vacancy Rate

YoY Chg



12-Mo. Forecast



19.9K

Overall Take-Up (sq.m)



€27.00

Prime Rent (€/sq.m/month)



ECONOMIC INDICATORS 2023

1.3%

GDP Growth

YoY Chg



12-Mo. Forecast



-0.6%

Job Creation

YoY Chg



12-Mo. Forecast



6.7%

Unemployment Rate

YoY Chg



12-Mo. Forecast



Source: Moody's Analytics

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

According to Moody's Analytics, the Portuguese economy closed 2022 with a GDP growth of 6.7%. The GDP growth is expected to slow down to 1.3% in 2023, followed by a recovery in 2024 (+2.5%) and 2025 (+2.1%). A recovery in private consumption was registered in 2022, surpassing 2021 by 5.7%, but it is expected to slow down to 0.1% in 2023.

The inflation rate is currently forecasted to gradually moderate to 5.1% in 2023 and 2.4% in 2024. Investment will be impacted by global uncertainty, but is expected to grow by 2.4% in 2023, followed by 5.9% in 2024. Unemployment is expected to increase to 6.7% in 2023, recovering to 6.2% in 2024.

DEMAND: Demand Slowing Down in Q1 Compared With the Homologous Period

The Greater Lisbon office market registered 41 new lease deals in a total take-up volume of 19,910 sq.m in Q1 2023, representing a year-on-year (YoY) drop of almost 70%. The average deal size decreased to 490 sq.m, compared with 1,360 sq.m in 2022.

New Office Areas (zone 3) and Western Corridor (zone 6) represented the highest share of the take-up representing each one 19% of the total take up in Q1 2023, followed by CBD (zone 2) with 17%. The TMT's & Utilities and Other Services sectors accounted each one for nearly 30% of the total leased area.

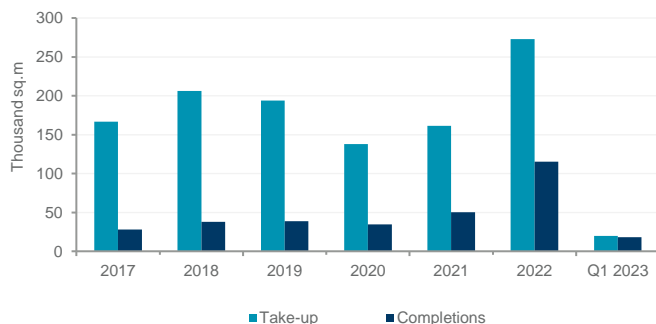
The Code for All lease of 2,840 sq.m at Gonçalves Zarco building at Docas and the lease by Hipoges of 2,085 sq.m at Colombo – Torre Oriente were the largest deals of the quarter.

The vacancy rate slightly increased to 7.1% in Q1 2023, comparing to 6.9% in the previous quarter. During the first quarter of the year, 3 buildings were completed totalling 18,350 sq.m. There are currently 276,230 sq.m under construction of which 49% are pre-occupied.

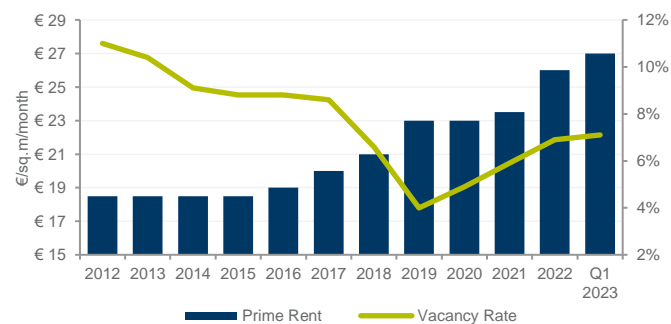
PRICING: Prime Rental Growth in Zone 1 and Zone 4

When compared with Q4 2022, prime rents in Greater Lisbon registered an increase at Prime CBD (Zone 1) reaching €27.00/sq.m/month. Prime rents also increased at CBD (Zone 2) reaching €22.00/sq.m/month 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	26,160	4.7%	2,440	2,440	3,850	€27.00	4.50%
Zone 2 (Central Business District)	938,060	32,970	3.5%	3,460	3,460	16,930	€22.00	5.25%
Zone 3 (New Office Areas)	564,100	30,760	5.5%	3,790	3,790	82,530	€19.00	5.75%
Zone 4 (Secondary Office Locations)	401,050	5,780	1.4%	2,840	2,840	11,400	€21.00	5.25%
Zone 5 (Parque das Nações)	475,800	31,390	6.6%	1,670	1,670	80,790	€19.50	5.25%
Zone 6 (Western Corridor)	1,054,490	165,700	15.7%	3,730	3,730	38,710	€17.00	7.00%
Zone 7 (Other Zones)	487,930	26,030	5.3%	1,980	1,980	42,020	-	-
GREATER LISBON TOTALS	4,474,550	318,780	7.1%	19,910	19,910	276,230	€27.00	4.50%

MAIN OCCUPANCY TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
LEAP Docas	Zone 4	Code for All	2,840	Lease
Colombo – Torre Oriente	Zone 3	Hipoges	2,090	Lease
AGEAS	Zone 5	Confidential	1,410	Lease
Miguel Bombarda, 4	Zone 2	Mastercard	1,020	Lease
Torres de Lisboa – Torre G	Zone 3	Confidential	700	Lease

MAIN INVESTMENT TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE (€M)
Parque das Nações - Office Unit	Zone 5	Private Investor / Square Asset Management	600	€3.0 M
Former Bayer Headquarters	Zone 6	Bayer / Terracel	5,700	Confidential

COMPLETIONS Q1 2023

PROPERTY	SUBMARKET	TENANT IF RESERVED	AREA (SQ.M)	OWNER / DEVELOPER
Almirante Gago Coutinho, 30	Zone 7	Whitestar, TPF, LEAP	10,920	The Edge Group
Edu Hub	Zone 7	-	4,000	-
Boqueirão do Duro	Zone 4	Accenture	3,440	-

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