

YoY Chg 12-Mo. Forecast

8.0%
Vacancy Rate



7.7K
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

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: 3 Buildings Were Completed in the First Quarter of the Year Totalling 16,390 sq.m

The Greater Porto's office sector registered a take-up of 7,690 sq.m in the first quarter of the year, with 13 new deals, representing a year-on-year (YoY) growth of 32%. The average leased area is standing at 590 sq.m, decreasing by 23% when compared with 2022. Matosinhos (zone 6) and CBD Boavista (zone 1) were the most sought-after areas, attracting respectively 38% and 28% of the total take-up volume in Q1 2023, with the Other Services sector accounting for nearly 75% of the leased area.

The sale of 2,560 sq.m to a confidential tenant at Companhia dos Caulinos 69 - 91 building in Matosinhos was the largest deal of the quarter.

The vacancy rate slightly decrease when comparing with the previous quarter, standing at 8.0%. During Q1 2023, 3 buildings were completed totalling 16,390 sq.m. There are currently 97,110 sq.m under construction of which 40% are already pre-occupied.

PRICING: Prime Rental Growth in Zone 6

When compared with Q4 2022, prime rents remained stable in almost all zones of Greater Porto, only registering a slight increase at Matosinhos (Zone 6), reaching €15.50/sq.m/month. CBD Boavista (Zone 1) prime rent remained stable at €18.00/sq.m/month.

ECONOMIC INDICATORS 2023

YoY Chg 12-Mo. Forecast

1.3%
GDP Growth



-0.6%
Job Creation

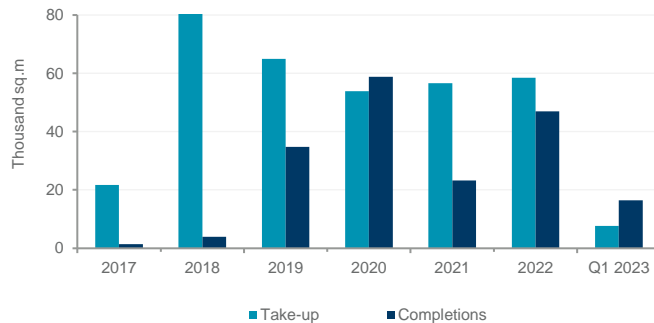


6.7%
Unemployment Rate



Source: Moody's Analytics

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)	411,300	29,610	7.2%	2,120	2,120	6,800	€18.0	6.25%
Zone 2 (CBD Downtown)	217,600	13,390	6.2%	120	120	4,890	€16.5	-
Zone 3 (ZEP)	113,810	7,410	6.5%	1,480	1,480	13,370	€16.5	-
Zone 4 (East)	150,480	12,180	8.1%	570	570	15,800	€14.0	-
Zone 5 (Others Porto)	1,000	-	-	470	470	14,570	-	-
Zone 6 (Matosinhos)	248,800	17,420	7.0%	2,920	2,920	23,190	€15.5	-
Zone 7 (Maia)	223,440	20,810	7.8%	0	0	6,190	€12.5	-
Zone 8 (Vila Nova de Gaia)	279,750	31,110	11.1%	0	0	2,300	€14.0	-
Zone 9 (Others Outside Porto)	-	-	-	0	0	10,000	-	-
GREATER PORTO TOTALS	1,646,180	131,930	8.0%	7,690	7,690	97,110	€18.00	6.25%

MAIN OCCUPANCY TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Companhia dos Caulinos, 69-91	Zone 6	Confidential	2,560	Sale
António Silva Marinho, 66	Zone 3	Fachada Colossal Lda.	1,290	Lease
Bom Sucesso Trade Center	Zone 1	Regus	1,040	Lease

COMPLETIONS Q1 2023

PROPERTY	SUBMARKET	TENANT IF RESERVED	AREA (SQ.M)	OWNER / DEVELOPER
D. M2	Zone 1	Zuehlke	11,480	Incus Capital
Cofina II	Zone 3	Cofina	3,300	-
Alegria, 819	Zone 2	-	1,610	M7 Real Estate

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