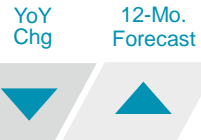


213.9K
Overall Take-up (sq.m)



€5.00
Prime Rent (€/sq.m/month)



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

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. Inflation rate is currently forecasted to gradually moderate to 5.1% in 2023 and 2.4% in 2024. Investment will be impacted by some global uncertainty, but it 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. Concerning the manufacturing industry, Production Index registered a decline, registering a year-on-year drop of 1.4% in the first quarter of the year, with Confidence Indicator following a similar trend, given the average decrease of 4.8 points until March.

DEMAND: 19 new occupancy deals in a total of 213,880 sq.m were transacted in Portugal

During Q1 2023, 19 new occupancy deals in a total of 213,880 sq.m were transacted in Portugal, representing a year-on-year (YoY) increase of 159%. In the first quarter the activity was mainly concentrated in the Greater Lisbon area, recording 111,770 sq.m. The average leased area reached 11,260 sq.m. The future occupation by Lidl at its under construction logistics centre in Loures was the largest deal of this quarter with 54,000 sq.m.

The second phase of Azambuja Green Logistics Park was completed with around 45,000 sq.m. VGP is currently spearheading three projects, namely in Loures, Sintra and Montijo, with a total of 62,000 sq.m, with Loures and Montijo projects already under construction. Merlin Properties is also scheduled to start the second stage of the Northern Lisbon Logistics Platform (Castanheira do Ribatejo).

PRICING: Rental Growth both in Greater Lisbon and Greater Porto

Zone 1 prime rents for bib boxes remained stable in the first quarter of 2023, at €5.00/sq.m/month both in Lisbon and Porto. Some of the remaining zones in Greater Lisbon and Greater Porto registered slight increases both in prime and average rents..

ECONOMIC INDICATORS 2023

1.3%
GDP Growth



3.1%
Exports Growth



98.4
Industrial Production Index

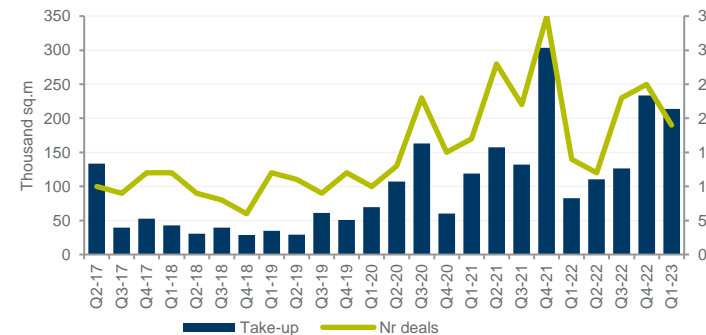


-4.9
Manufacturing Industry's Confidence Indicator

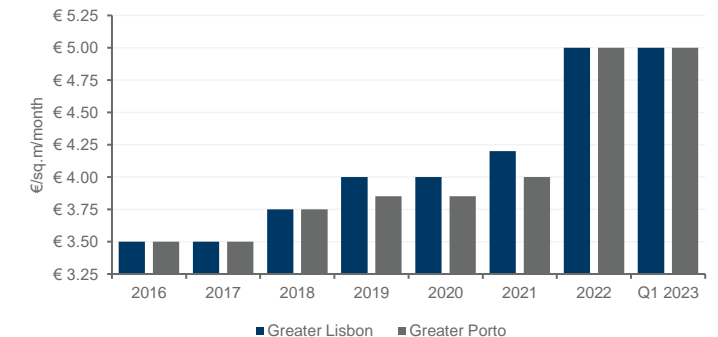


Source: Moody's Analytics; INE

INDUSTRIAL & LOGISTICS DEMAND



PRIME RENTS



MARKET STATISTICS

| SUBMARKET | QUARTER TAKE-UP (SQ.M) | YTD TAKE-UP (SQ.M) | PRIME RENT (€/SQ.M/MONTH) | PRIME YIELD (%) |
|------------------------|------------------------|--------------------|---------------------------|-----------------|
| Greater Lisbon | 111,770 | 111,770 | €5.00 | 5.25% |
| Greater Porto | 47,000 | 47,000 | €5.00 | 5.50% |
| PORTUGAL TOTALS | 213,880 | 213,880 | €5.00 | 5.25% |

MAIN OCCUPANCY TRANSACTIONS Q1 2023

| PROPERTY | SUBMARKET | TENANT | AREA (SQ.M) | TYPE |
|--|----------------|--------------|-------------|----------------|
| Logistics Centre | Greater Lisbon | Lidl | 54,000 | Owner-occupier |
| Almeirim Logistics Platform – Phase II | Alentejo | Mercadona | 37,000 | Owner-occupier |
| Itron Building | Greater Porto | Confidential | 29,000 | Owner-occupier |
| Azambuja 3 | Greater Lisbon | Luís Simões | 20,350 | Lease |
| Casa Peixoto | North | Casa Peixoto | 15,000 | Owner-occupier |

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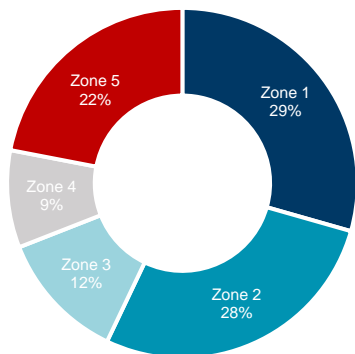
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STOCK DISTRIBUTION – GREATER PORTO

