

7.3% Vacancy Rate	▲	▼
38.3K Overall Take-Up (sq.m)	▲	▲
€27.00 Prime Rent (€/sq.m/month)	▲	▬

ECONOMY: GDP expected to slow down to 2.5% in 2023, after growing 6.7% in 2022

According to Moody's Analytics, Portuguese GDP growth is expected to slow down to 2.5% in 2023 (after 6.7% in 2022), but still remaining one of the better growth rates within the Euro zone. Investment continues to be impacted by some global uncertainty and it is expected to decline 1.0% in 2023, growing by 4.9% in 2024. Whilst inflation is cooling down, rising prices have significantly decreased the purchasing power of consumers and businesses. After reaching 7.8% in 2022, inflation is now expected to gradually moderate to 4.3% in 2023 and 2.4% in 2024. Portugal's unemployment rate is temporarily rising, expected to slightly increase in 2023 to 6.7% and correcting as early as next year.

DEMAND: Office Take-up in Lisbon Recorded 38,320 sq.m in H1 2023 (-77% YoY)

The Greater Lisbon office market registered 33 new lease deals in a total take-up volume of 18,650 sq.m in Q2 2023. With a total of 72 deals until June, the take up in the first semester reached 38,320 sq.m, representing a year-on-year (YoY) drop of 77%. The average deal size decreased to 530 sq.m, compared with 1,600 sq.m in the first semester of 2022.

Parque das Nações (zone 5) reached the highest share of take-up (45%) in the second quarter of the year mainly influenced by the largest deal of the quarter, the lease by a confidential tenant of 4,600 sq.m at Exeo Office Campus - Lumnia. When considering the take-up volume from January to June, it was also mainly concentrated in Parque das Nações (zone 5) representing 26% of the take up, followed by the Western Corridor (zone 6), representing 17%..

The vacancy rate slightly increased to 7.3% in Q2 2023, comparing to 7.1% in the previous quarter. During Q2 2023, 2 buildings were completed totalling 17,670 sq.m. There are currently 268,920 sq.m under construction of which 43% are pre-occupied..

PRICING: Prime and Average Rents Remained Stable

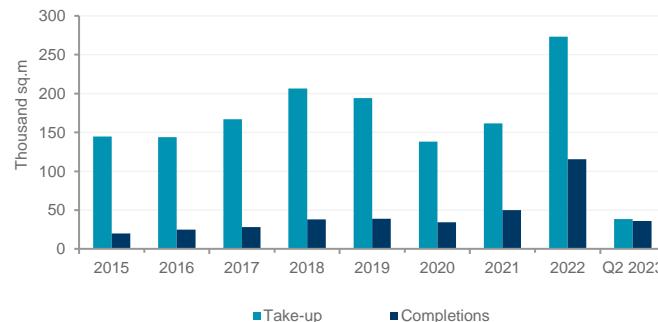
When compared with Q1 2023, in Q2 there was a general stabilization of prime and average rents in Greater Lisbon across all the zones.

ECONOMIC INDICATORS 2023

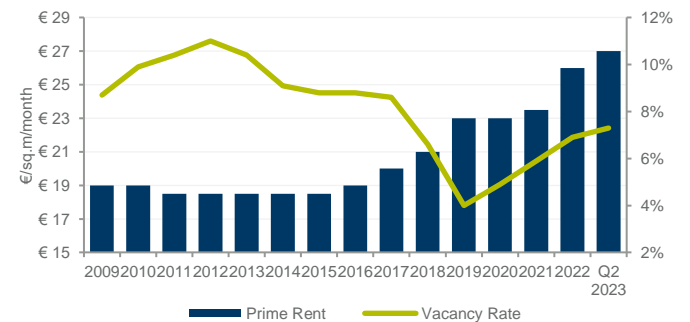
	YoY Chg	12-Mo. Forecast
2.5% GDP Growth	▼	▼
-0.1% Job Creation	▼	▲
6.7% Unemployment Rate	▲	▼

Source: Moody's Analytics

OFFICES DEMAND & COMPLETIONS



OVERALL VACANCY & PRIME RENT



MARKETBEAT LISBON

Office Q2 2023



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	24,470	4.4%	670	3,110	3,850	€27.00	4.75%
Zone 2 (Central Business District)	938,060	33,290	3.5%	2,200	5,660	16,930	€22.00	5.50%
Zone 3 (New Office Areas)	565,480	28,770	5.1%	1,570	5,360	82,530	€19.00	6.00%
Zone 4 (Secondary Office Locations)	401,050	6,830	1.7%	1,370	4,210	17,280	€21.00	5.50%
Zone 5 (Parque das Nações)	491,870	25,700	5.2%	8,370	10,030	67,120	€19.50	5.50%
Zone 6 (Western Corridor)	1,054,490	176,550	16.7%	3,200	6,690	43,190	€17.00	7.25%
Zone 7 (Other Zones)	504,110	33,050	6.6%	1,270	3,250	38,020	-	-
GREATER LISBON TOTALS	4,508,180	328,660	7.3%	18,650	38,320	268,920	€27.00	4.75%

MAIN OCCUPANCY TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Lumnia	Zone 5	Confidential	4,600	Lease
Pórtico	Zone 3	Embaixada do Brasil	1,270	Lease
Via Roma	Zone 7	Selectra	1,090	Lease
Expo 98	Zone 5	Ávila Spaces	1,060	Lease
Vodafone	Zone 5	Servinform	1,020	Lease

MAIN INVESTMENT TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE (€M)
Pier III (Boqueirão do Duro)	Zone 4	Períptero – Empreendimentos Imobiliário / BNP Paribas REIM	4,000	€30-35 M
José Malhoa, 13	Zone 3	FS Capital (Cerberus) / Mapfre	6,096	€30-35 M

COMPLETIONS Q2 2023

PROPERTY	SUBMARKET	TENANT IF RESERVED	AREA (SQ.M)	OWNER / DEVELOPER
K Tower	Zone 5	Critical Techworks, Regus	13,670	Krestlis
Claranet – Hub Creativo do Beato	Zone 7	Claranet	4,000	C.M. Lisboa / Startup Lisboa

ANDREIA ALMEIDA

Associate Director
Head of Research & Insight
andrea.almeida@cushwake.com

CARLOS OLIVEIRA

Partner
Head of Office Agency
carlos.oliveira@cushwake.com

DAVID LOPES

Partner
Head of Investment
david.lopes@cushwake.com

cushmanwakefield.com

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