

	YoY Chg	12-Mo. Forecast
<b>9.1%</b> Vacancy Rate	▲	▼
<b>50.0K</b> Overall Take-Up* (sq.m)	▼	▲
<b>€19.00</b> Prime Rent (€/sq.m/month)	▲	—

\* January to December

**ECONOMIC INDICATORS 2023**

	YoY Chg	12-Mo. Forecast
<b>2.3%</b> GDP Growth	▼	▼
<b>1.4%</b> Job Creation	▼	▼
<b>6.4%</b> Unemployment Rate	▲	▼

Source: Moody's Analytics

**ECONOMY: GDP growth of 2.3% in 2023, one of the highest rates in the euro zone**

According to Moody's Analytics, Portuguese GDP growth slowed down to 2.3% in 2023 (yet still one of the fastest-growing economies in the euro zone) It is expected to increase by 1.4% in 2024 and 1.8% in 2025. Investment is expected to have grown by 0.6% in 2023 and is forecasted to reach 4.3% in 2024. Inflation should continue to ease in the near term, namely to 4.3% in 2023 and 2.9% in 2024. Despite the increase in unemployment rate to 6.4% in 2023, it is expected to decrease to 6.0% in 2024 as the labor market resumes its recovery.

**DEMAND: year-end take up volumes decreased by 14%, to 50,050 sq.m**

During the fourth quarter of 2023, the Greater Porto office sector recorded a total take-up of 9,430 sq.m, distributed over 16 new leases. The year-end figures include 64 deals, with a cumulative take-up of 50,050 sq.m, representing a year-on-year decrease of 14%. The average deal size registered a slight contraction, to 780 sq.m.

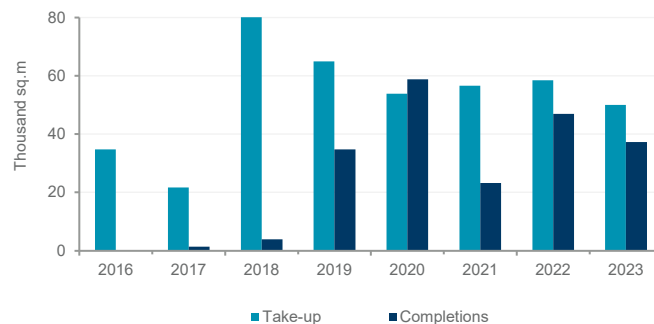
The CBD Downtown (zone 2) presented the highest take-up in the last quarter, accounting for 60% of the total take-up in the fourth quarter and 20% in 2023. Overall, CBD Boavista (zone 1) remained the most sought-after area, aggregating one third of the total occupation. This was notably influenced by the market's largest deal in the past 5 years, namely the lease of the entire 7,820 sq.m of the Boavista Office Center (BOC) by LACS, a national flex offices operator. Two pre-occupations by confidential entities followed – 5,650 sq.m at ICON Offices and 4,300 sq.m at Lionesa Business Hub. Regarding sectors, Other Services and TMT's Utilities each represented around a third of take up last year.

The vacancy rate increased 0,6-percentage points in comparison to the previous quarter, reaching 9.1%. This evolution was influenced by the conclusion of some buildings at the end of the year, where their vacant area has been factored in. In this regard, 37.300 sq.m were completed in 2023, of which 34% are still vacant. As for pipeline, 149,800 sq.m are forecasted to be concluded by 2026; of which 91,400 sq.m are currently under construction, with 23% of this area pre-occupied.

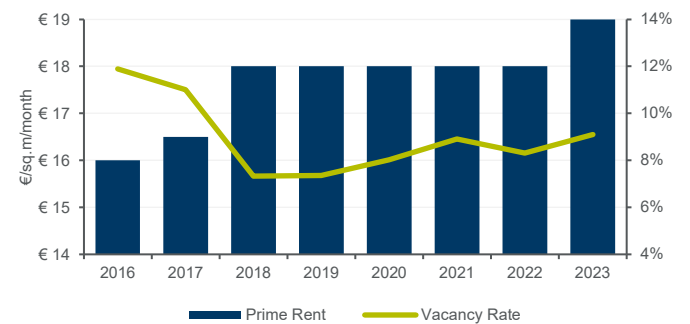
**PRICING: several prime and average rents increased in Q4**

Compared to the previous quarter, several prime and average rents increased, including in CBD Boavista (zone 1).

**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)	403,850	34,750	8.6%	590	15,770	21,800	€ 19.00	6.75%
Zone 2 (CBD Downtown)	217,540	15,540	7.1%	5,690	9,830	0	€ 16.50	6.75%
Zone 3 (ZEP)	127,180	14,540	11.4%	1,540	8,790	18,850	€ 17.50	7.50%
Zone 4 (East)	150,480	10,760	7.2%	0	1,330	15,450	€ 14.00	8.50%
Zone 5 (Others Porto)	1,000	19,610	-	1,300	2,180	0	-	-
Zone 6 (Matosinhos)	252,860	20,350	7.8%	0	7,830	20,280	€ 15.50	7.50%
Zone 7 (Maia)	223,440	34,770	9.1%	320	1,910	6,190	€ 13.00	-
Zone 8 (Vila Nova de Gaia)	280,550	0	12.4%	0	2,420	2,300	€ 14.00	-
Zone 9 (Others Outside Porto)	3,500	0	-	0	0	6,500	-	-
<b>GREATER PORTO TOTALS</b>	<b>1,660,400</b>	<b>150,320</b>	<b>9.1%</b>	<b>9,440</b>	<b>50,060</b>	<b>91,370</b>	<b>€ 19.00</b>	<b>6.75%</b>

## MAIN OCCUPANCY TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Porto Business Plaza - Phase 1	Zone 2	Elementis	2,060	Lease
Porto Business Plaza - Phase 1	Zone 2	Celfocus	1,660	Lease
Monte dos Burgos, 470-492	Zone 5	Globalmídia	1,300	-

## COMPLETIONS Q4 2023

PROPERTY	SUBMARKET	TENANT IF RESERVED	AREA (SQ.M)	OWNER / DEVELOPER
ICON Offices – Building 2	Zone 3	Confidential	4,070	Civilria
Alegria, 819	Zone 2	-	3,500	M7 Real Estate

**ANDREIA ALMEIDA**

Associate Director  
Head of Research & Insight  
[andrea.almeida@cushwake.com](mailto:andrea.almeida@cushwake.com)

**CARLOS OLIVEIRA**

Partner  
Head of Office Agency  
[carlos.oliveira@cushwake.com](mailto:carlos.oliveira@cushwake.com)

**DAVID LOPES**

Partner  
Head of Investment  
[david.lopes@cushwake.com](mailto:david.lopes@cushwake.com)

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