

Investment Q2 2024

YoY Chg 12-Mo. Forecast

€688m
Total Volume*



€114m
Office Volume*



€117m
Retail Volume*



€310m
Hospitality Volume*



€27m
Industrial Volume*



* January to June

ECONOMIC INDICATORS 2024

YoY Chg 12-Mo. Forecast

1.7%
GDP Growth



0.1%
Investment Growth



6.4%
Unemployment Rate



3.1%
10-Yr Treasury Yield



Source: Moody's Analytics

ECONOMY: GDP annual growth forecasted to stabilize at circa 2,0% figures between 2024 and 2026

According to Moody's Analytics, despite the slowdown in 2024 Portugal will remain a top performer in the euro zone, with GDP growing by 1,7%, followed by slight increases over the next two years (1,8% in 2025 and 2,0% in 2026).

Private consumption is projected to stabilize at 1,6% until 2025, dropping to 0,5% in 2026. The inflation rate is anticipated to continue decreasing, reaching 2.2% in 2024 and falling below the 2,0% target in 2025 (1,3% in 2025 and 1,4% in 2026). After an upward trend in 2023, unemployment should decrease to 6,4% this year, reaching 5,8% in 2025 and 5,3% in 2026 – a 25-year historical low.

INVESTMENT: despite a 7% drop in both Q2 and H1 volumes, recovery remains in sight for the second half of the year

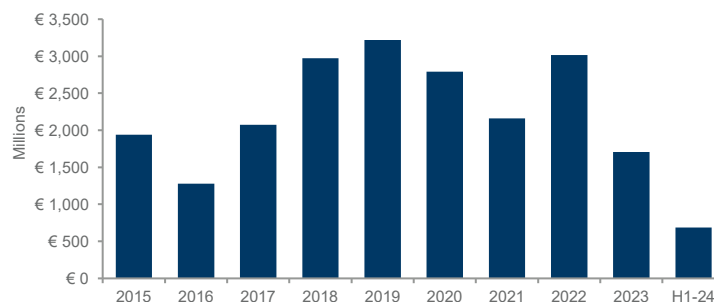
Commercial real estate investment reached €467 million in the second quarter of 2024, representing a year-on-year (YoY) decrease of 7%. With an accumulated volume of €688 million, the same growth rate was registered during the first semester, confirming expectation of lower activity during this period, while the gap in price expectations between sellers and buyers narrows.

Capital allocation by sector reflected the significant interest in Hospitality (58% on Q2 and 45% in H1), which included the two main transactions during this quarter: the acquisition of Sofitel Lisboa Liberdade by a private investor from Accor Invest for €75 million, and the purchase of The Oitavos by BTG Pactual from the Champalimaud group for €70-80 million. Two PBSA deals followed, namely the acquisition of Home & Co Campo Pequeno by Xior from TPG and Round Hill Capital for €58 million, and the purchase of two PBSA units in Lisbon by an undisclosed foreign buyer from Ricardo Kendall and LX Partners for €55-60 million.

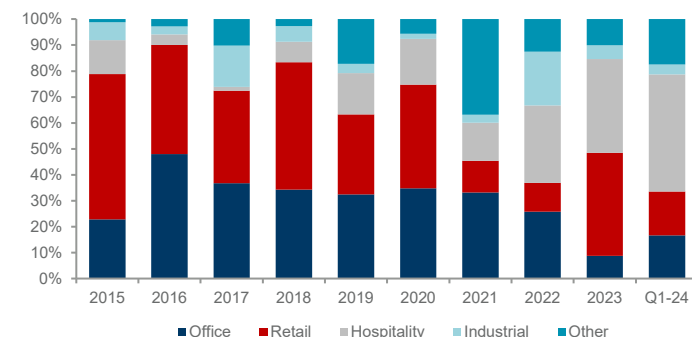
Prime yields remained stable across all sectors, with current rates at 5.00% for offices, 4.75% for high street retail, 5.75% for logistics, 6.50% for shopping centers, and 7.00% for retail parks.

Recovery remains in sight for the second semester, driven by strong economic fundamentals and resumption of occupational activity.

INVESTMENT VOLUME



INVESTMENT VOLUME BY SECTOR



MARKETBEAT PORTUGAL

Investment Q2 2024



MAIN INVESTMENT TRANSACTIONS Q2 2024

PROPERTY NAME	SECTOR	MARKET	AREA (SQ.M)	SELLER	BUYER	PRICE (€M)	YIELD (%)
Sofitel Lisboa Liberdade	Hospitality	Lisbon	160 keys	Accor Invest	Private investor	€75 M	
The Oitavos	Hospitality	Cascais	140 keys	Champalimaud Group	BTG Pactual	€70-80 M	
Home & Co Campo Pequeno	Other	Lisbon	380 beds	TPG / Round Hill Capital	Xior	€58 M	5,0%
2 PBSA units in Lisbon - Ajuda & Areiro	Other	Lisbon		Ricardo Kendall / LX Partners	Confidential	€55-60 M	
Praia D'El Rey Marriott Golf & Beach Resort	Hospitality	Óbidos	240 keys	Oxy Capital	Azora Capital	€50-55 M	

INVESTMENT ACTIVITY 2024

PROPERTY SECTOR	NR DEALS	TOTAL VOLUME (€M)	AVERAGE DEAL SIZE
Office	5	€114 M	€23 M
Retail	13	€117 M	€9 M
Hospitality	9	€310 M	€34 M
Industrial	3	€27 M	€9 M
Other	4	€120 M	€30 M
TOTAL	34	€688 M	€20 M

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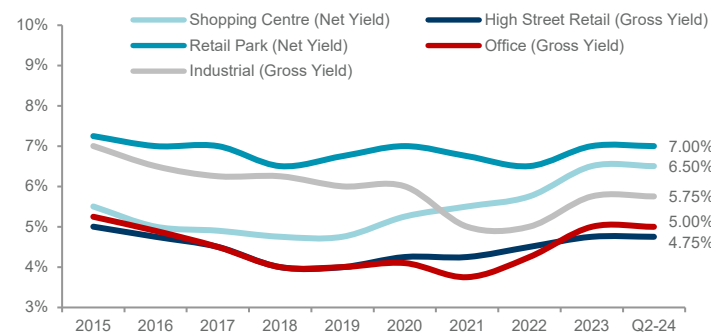
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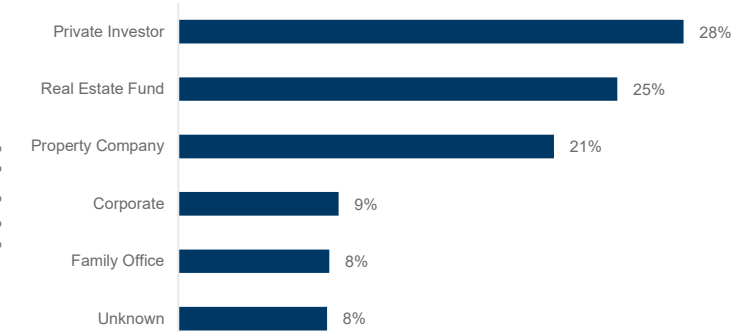
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PRIME YIELDS BY SECTOR



TOTAL INVESTMENT BY CAPITAL SECTOR 2024



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