

# CRE: Robust fundamentals underpin the recovery!

Offices | Retail | Logistics | Hospitality | Investment



**CBRE**

Portugal  
Real Estate Summit  
2024

# Offices





Offices  
LISBON & PORTO



# Growth in take-up and prime rents



TAKE-UP YTD  
('000 sq.m)

**149**

+ 107% vs 2023

PRIME RENT  
(€ / sq.m)

**28**

+ 3% vs Q2 2023

LISBON

TAKE-UP YTD  
('000 sq.m)

**48**

+ 20% vs 2023

PRIME RENT  
(€ / sq.m)

**20**

+ 11% vs Q2 2023

PORTO





Offices  
LISBON & PORTO



**Relatively  
low vacancy  
vs rest of  
Europe**



LISBON

VACANCY RATE

**7,7%**

**▲ +27%**

Versus  
pre-pandemic  
vacancy

PORTO

VACANCY RATE

**5,2%**

**▼ -36%**

Versus  
pre-pandemic  
vacancy

LARGE EUROPEAN CAPITALS AVERAGE

VACANCY RATE  
(% of total stock)

**8,7%**

**▲ +54%**

Versus  
pre-pandemic  
vacancy



Offices  
LISBON & PORTO



# Dynamics in office sector



**Hybrid work is the norm**  
and it is increasingly codified into HR policies

**Rising office attendance**  
both in average usage rate and in peak usage

**Office space to evolve**  
to a more purposeful usage of office space



Offices  
LISBON & PORTO



# The business case for offices in Portugal

**SOME ORGANIC  
GROWTH IS  
EXPECTED**

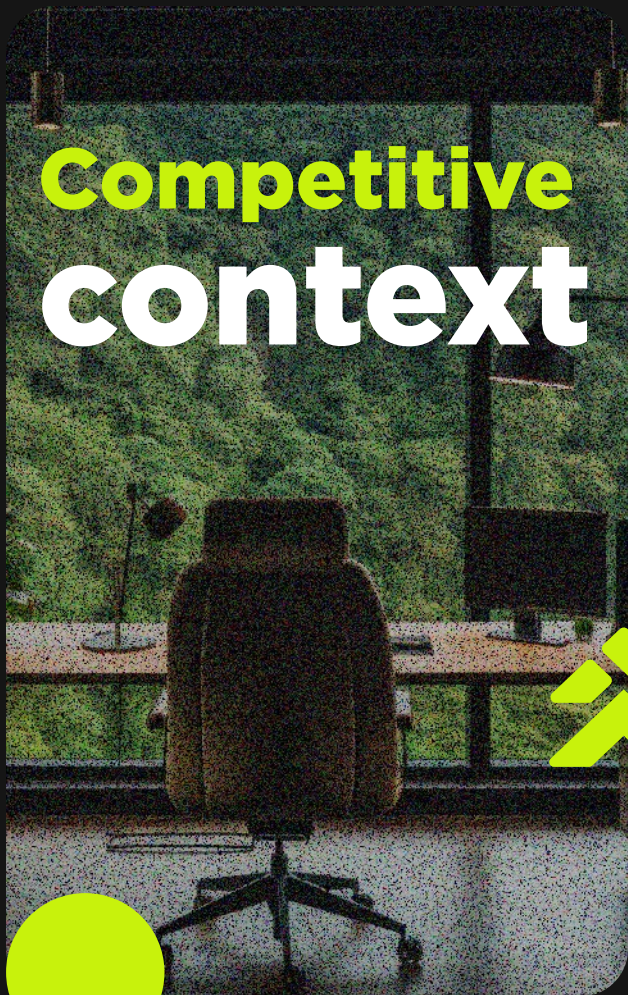


**DRIVERS FOR SERVICE  
CENTERS IN PORTUGAL  
INCREASINGLY  
STRONGER**





# Offices LISBON & PORTO



## Competitive context

Average wage in 2023  
[EUR per year and rank in EU]

NED  60,1k

ES  35,1k

PT  **23,8 k**

HUN  17,4k

Cost of Living  
[New York = 100%]

Paris  76%

London  74%

Lisbon  **51%**

Warsaw  44%

Sunshine  
[hours per year]

Lisbon **2806**

Madrid 2769

Rome 2473

Amsterdam  
London,  
Paris,  
Berlin ~1630

English Proficiency  
[Score and world ranking]

NED  647 #1

PT  **607** #8

ZAF  605 #9

FRA  531 #43

KOR  525 #49



Offices  
LISBON & PORTO



# Success Stories



As cases of successful service centres in Portugal accumulate, **multinationals' trust builds up.**

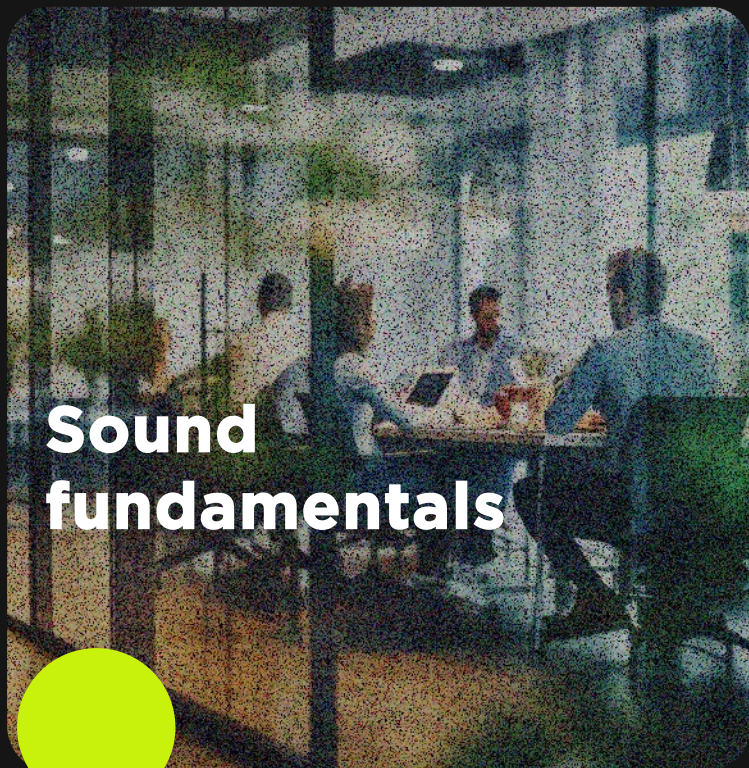






Offices  
LISBON & PORTO

# Trends



**Sound  
fundamentals**



**Increasing  
attendance will  
drive organic  
growth**



**Case for Portugal as  
a premier choice for  
service centers**

# Retail





Retail Market  
PORTUGAL

# Overall Retail Market



Retail Sales  
Growth  
**3.0%**

Consumer  
Spending  
Growth  
**1.4%**

Pipeline  
**153,700**  
sq.m GLA

Take-up  
**386**  
new openings  
during H1 2024

Sources: INE; Moody's (September 2024);  
Cushman & Wakefield

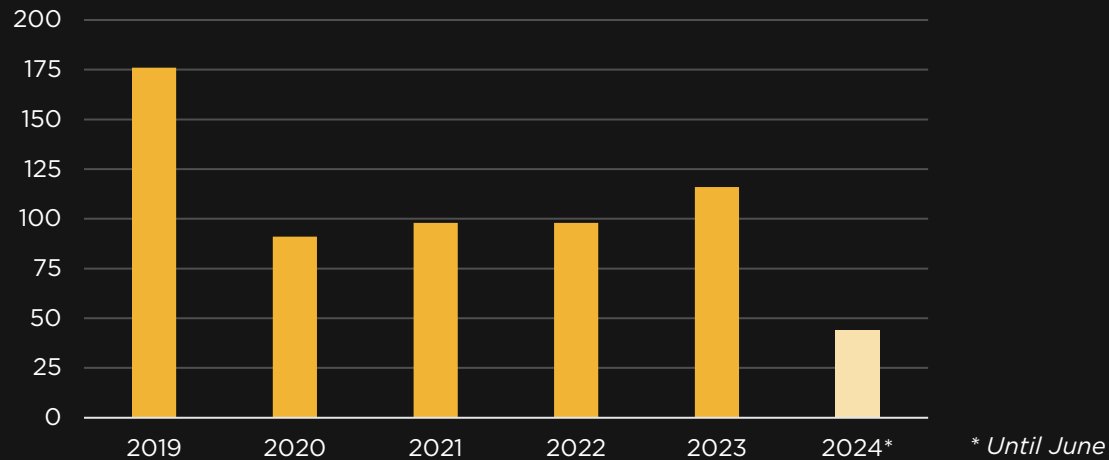


# Shopping Centres PORTUGAL



# Shopping Centres

Store openings



## Rents

**Greater Lisbon**

**€115/sq.m/  
month**

**Greater Porto**

**€87.5/ sq.m/  
month**

**Q3 2024**



# Shopping Centres PORTUGAL



# Shopping Centres



## KPIs

**Total Sales**

**€10.5 Bn**

18.5% of total  
retail sales

**Footfall**

**550 M**

+8.3% YoY

**Occupancy  
Rate**

**97.4%**

**2023**

**Sales**

**+26.7%**

**Footfall**

**+0.9%**

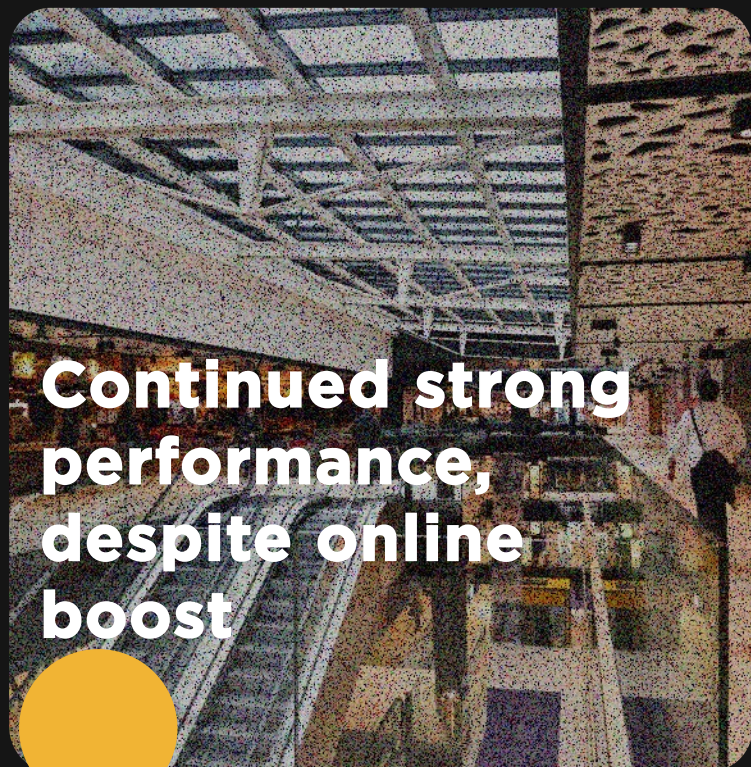
**2023 vs 2019**

Source: APCC (Portuguese Association of Shopping Centres)



Shopping Centres  
PORTUGAL

# Trends



**Continued strong performance, despite online boost**



**Active Asset Management improves underperforming schemes**



**Integration of health, wellness and hospitality concepts**



# High Street Retail

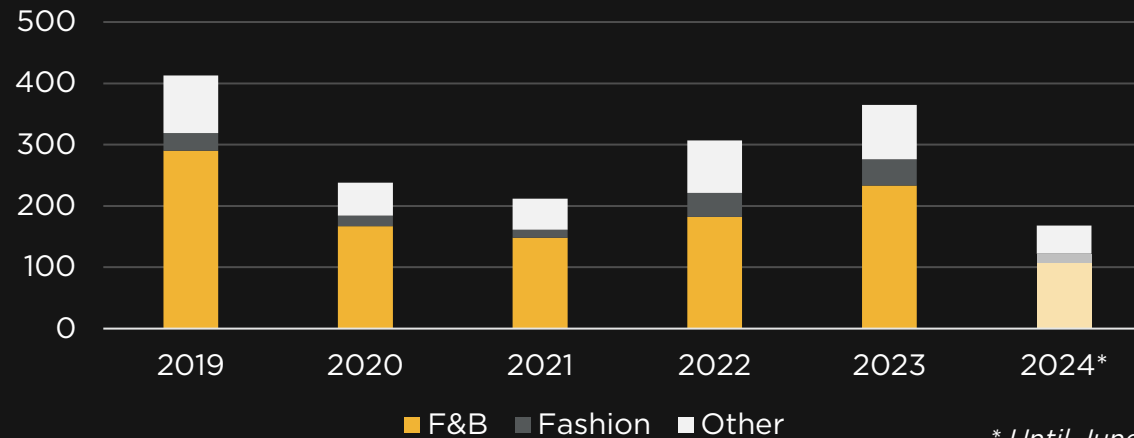
## LISBON & PORTO



# High Street Retail



### Store openings



\* Until June

## Rents

**Lisbon Chiado**

**€135/sq.m/  
month**

**Porto Santa Catarina**

**€82.5/sq.m/  
month**

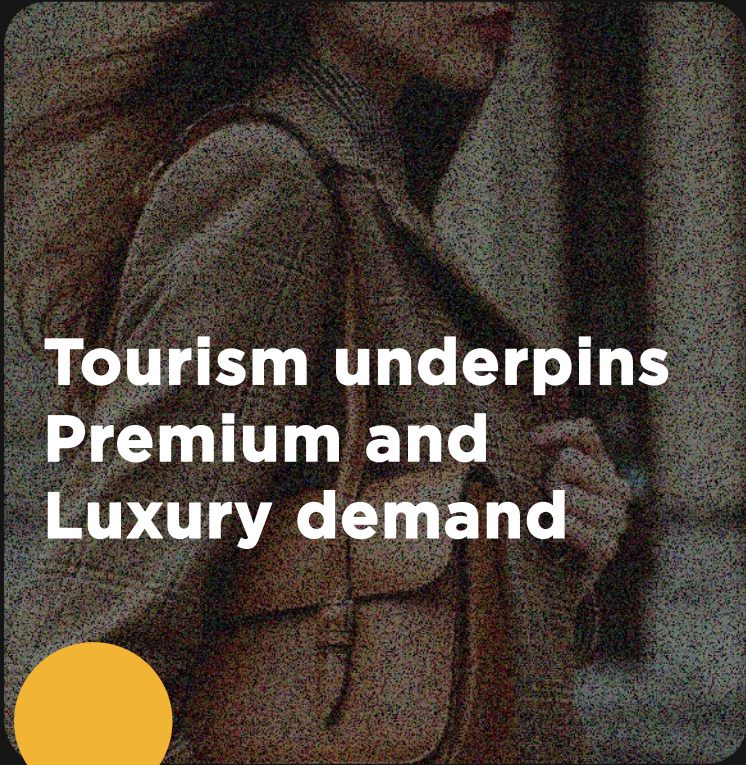
**Q3 2024**

Source: Cushman & Wakefield




High Street Retail  
LISBON & PORTO

# Trends



**Tourism underpins  
Premium and  
Luxury demand**



**Brands with  
purpose:  
circularity,  
sustainability and  
social responsibility**



**Shop-in-Shop  
to create new  
consumer  
experiences**



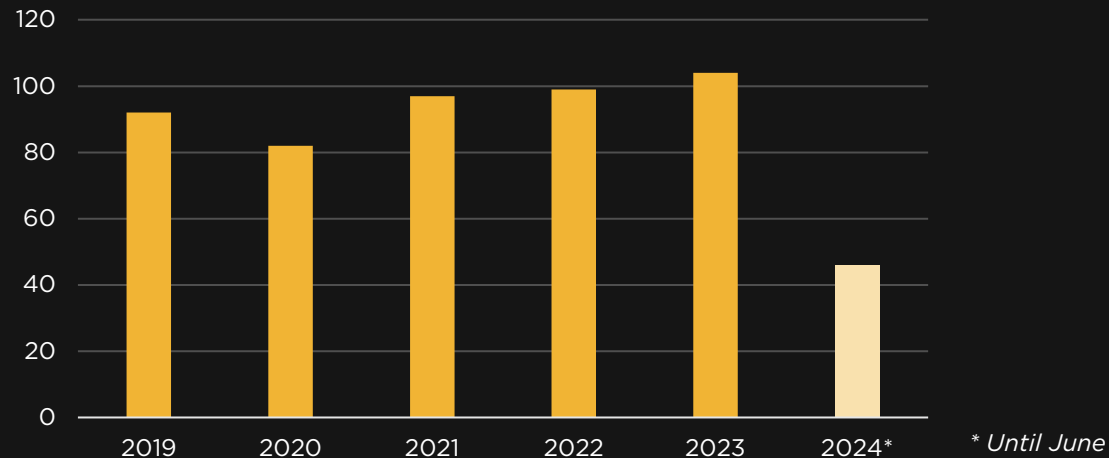


# Out of Town

## RETAIL PARKS, SUPERMARKETS & STAND-ALONE UNITS



Store openings



### Rents

**Retail Parks**

**€13/sq.m/  
month**

**Q3 2024**

### Pipeline

**Retail Parks**

**105,200 sq.m**

**Next 3 years**



Out of Town

RETAIL PARKS, SUPERMARKETS & STAND-ALONE UNITS

# Trends



**Newcomers**  
(e.g. non-food discounters)



**New small /  
medium size  
retail park  
clusters**



**Food retail still  
expanding  
aggressively**



Retail Market  
PORTUGAL

# Trending Brands



## SHOPPING CENTRES



PRIMARK®

**flying tiger**  
copenhagen

PRIMOR

**PJI**

## HIGH STREET

Normal

ZARA

My Auchan



honest  
greens®

## OUT OF TOWN

pepco®  
group

**JYSK**

  
**MERCADONA**  
SUPERMERCADOS DE CONFIANZA

///ACTION

KIWOKO

# Logistics





# Portugal YTD vs H1 2023



TAKE-UP  
(‘000 sq.m)

162

▼ - 37% vs  
H1 2023

PRIME RENT  
(€ / sq.m)

5,0

▲ + 11% vs  
H1 2023

103

LISBON

25

PORTO

5,0

LISBON

5,25

PORTO

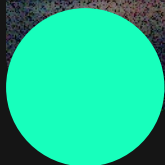
34

REST OF PORTUGAL



Logistics  
PORTUGAL

# Much lower vacancy than in Europe



PORTUGAL

VACANCY RATE

2.4%

▼ -50%

Versus average  
pre-pandemic  
vacancy

EUROPE

VACANCY RATE

4.2%

▲ +11%

Versus average  
pre-pandemic  
vacancy

Source: CBRE Research



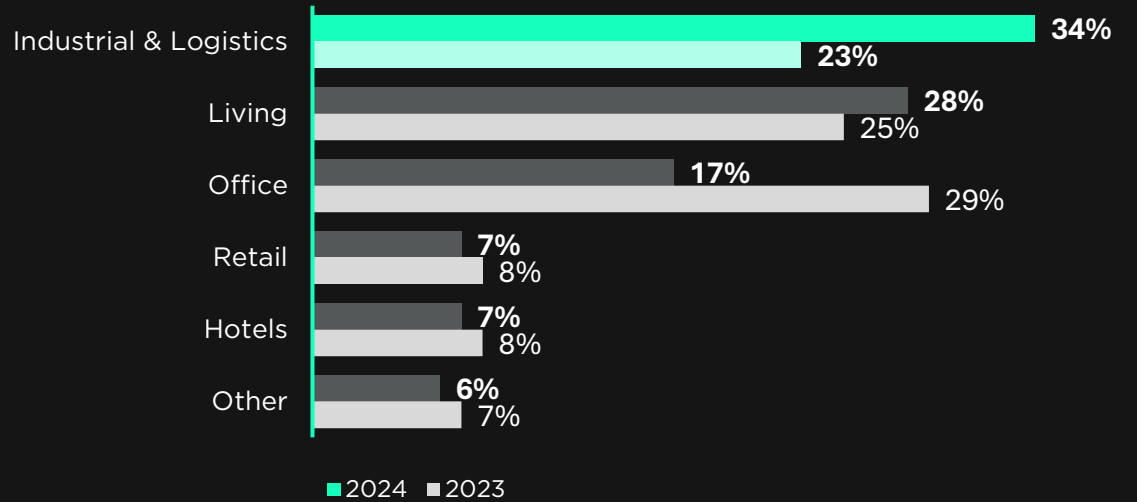
CBRE



# Investors favour I&L anticipating surge in demand due to nearshoring

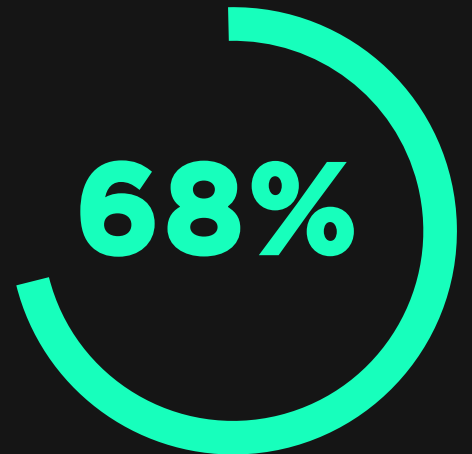


European Investor Intentions Survey – preferred investment sector



European Logistics Occupier Survey

**Percentage of occupiers who consider that nearshoring will have a significant impact on European I&L take-up.**

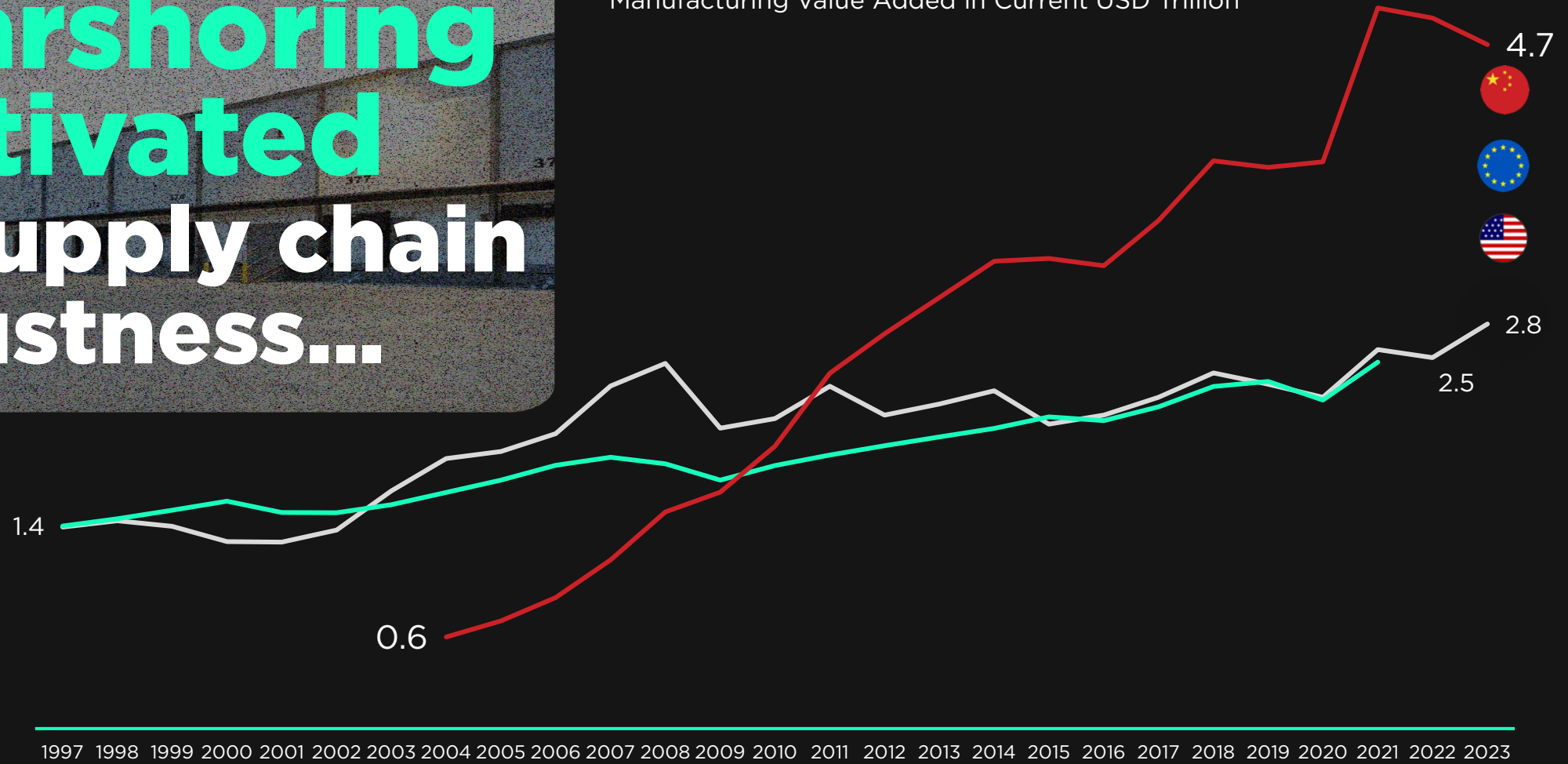


Source: CBRE Investor Intentions Survey 2024; CBRE Logistics Occupier Survey 2024



# Nearshoring motivated by supply chain robustness...

Manufacturing Value Added in Current USD Trillion

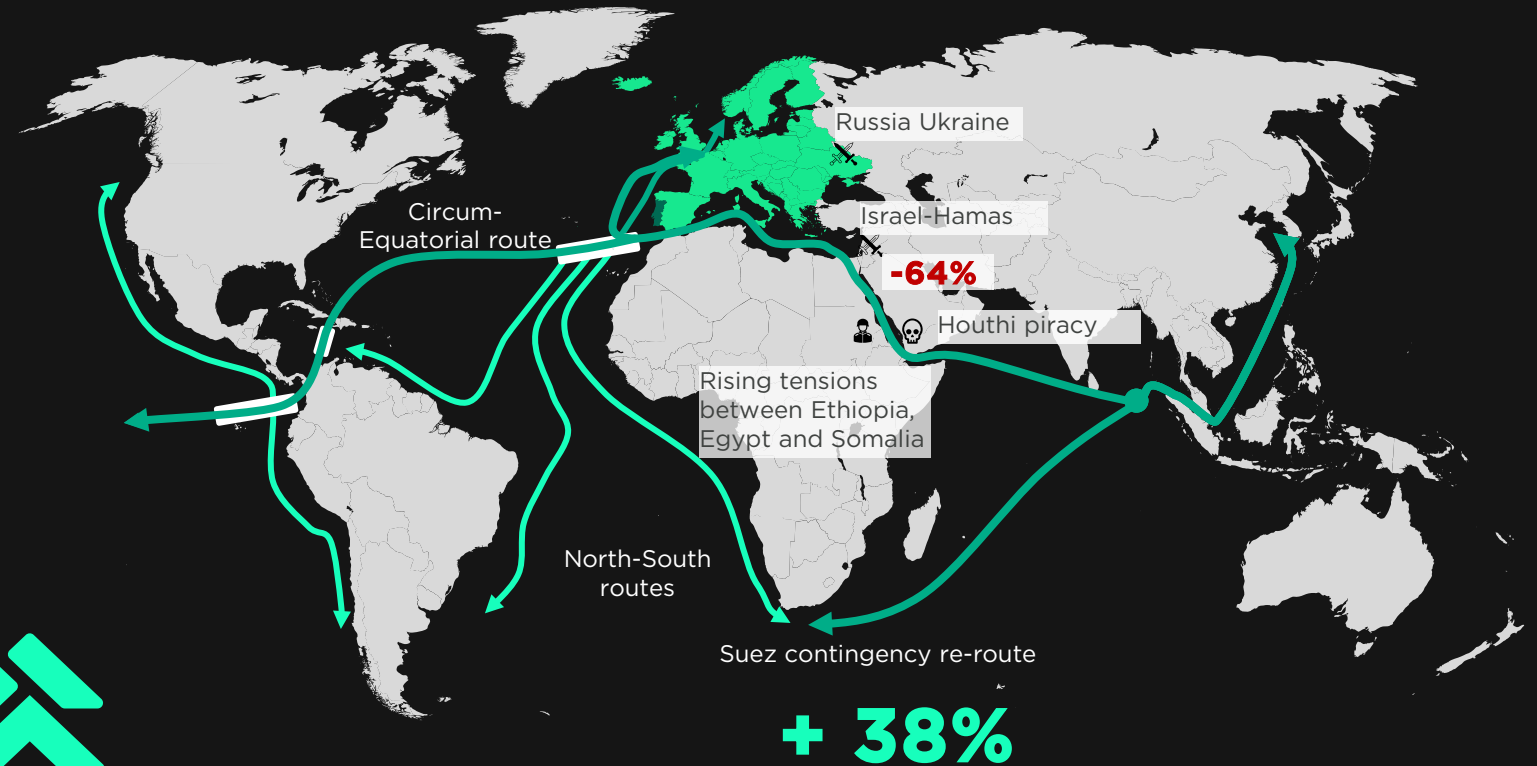


Source: WorldBank





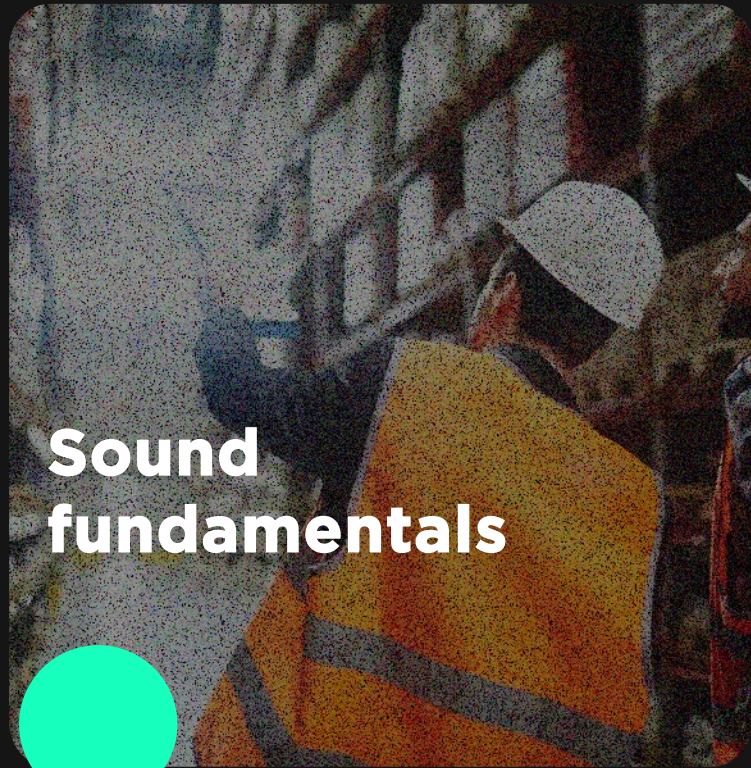
... and for  
**reasons**  
of stability  
and  
**security**





Logistics  
PORTUGAL

# Trends



**Sound  
fundamentals**



**Nearshoring  
gains momentum**



**Portugal will  
capitalize on its  
unique position**

# Hospitality





# Overall impact on economy



**19,6%** of total GDP  
(growing  
8,6% YoY)

2023

**11,7%** revenue growth

2024 YTD (June)

**1.11 M** direct and indirect jobs  
(22,4% of labor force)

2023



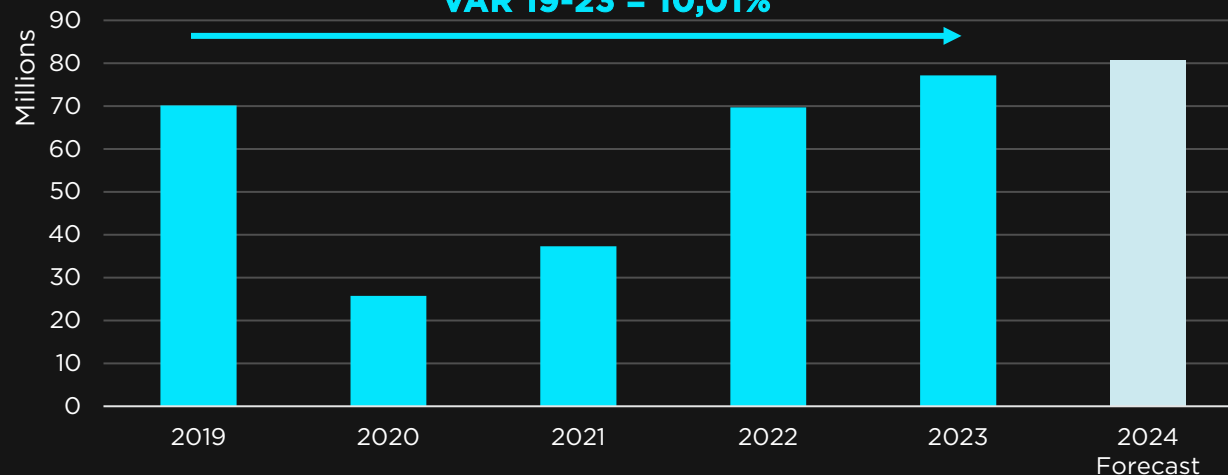
# Overnight stays

# 4,52%

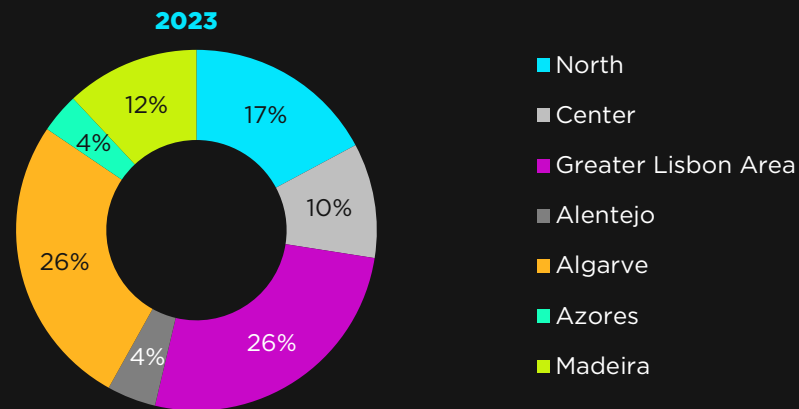
## YoY Growth

H1 2024 YTD

Overnight Stays  
VAR 19-23 = 10,01%



Overnight Stays - Regions Market Share



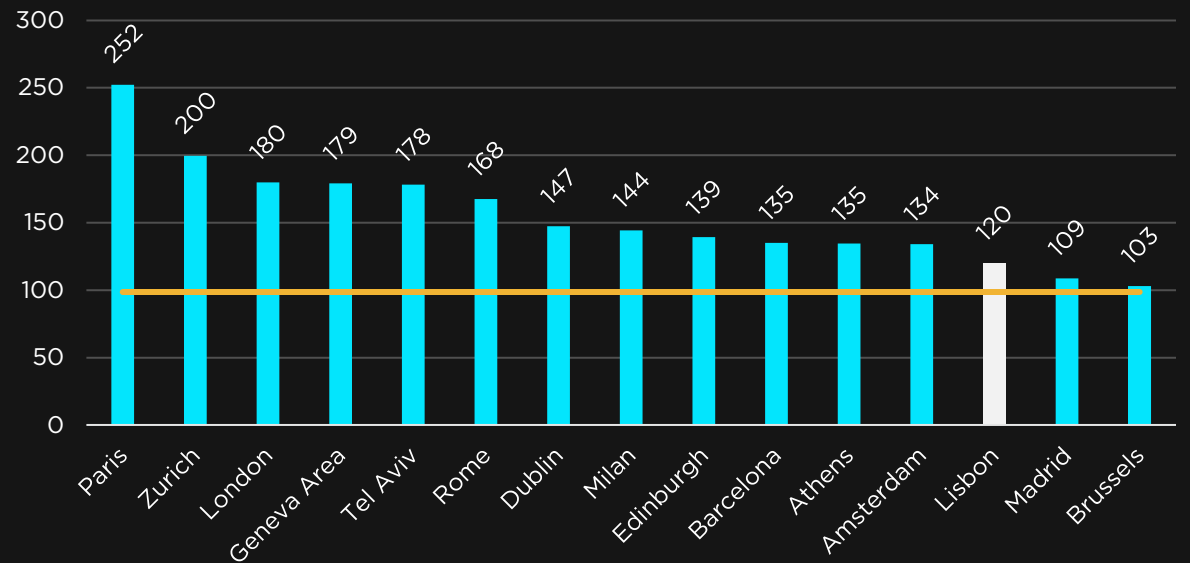
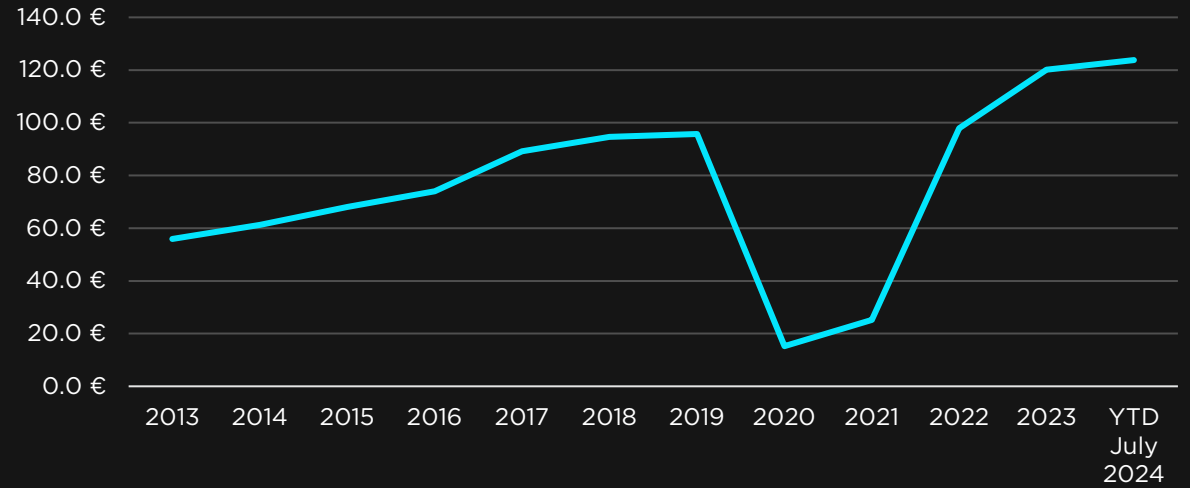
Source: Turismo de Portugal | INE



# RevPar Lisbon vs European Cities



Lisbon RevPar



Source: STR

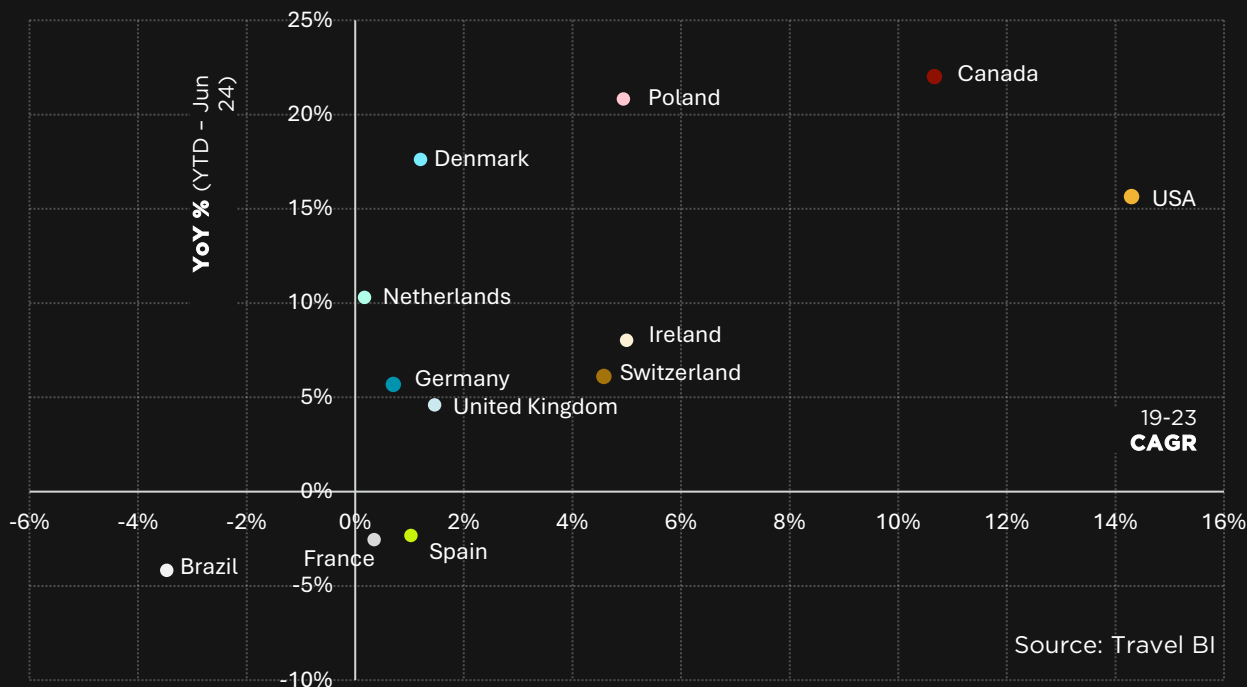


# Foreign Markets Growth



Source: Turismo de Portugal

## Foreign Markets Growth (overnight stays) (CAGR 19-23 Vs 24 ytd growth)



Source: Travel BI

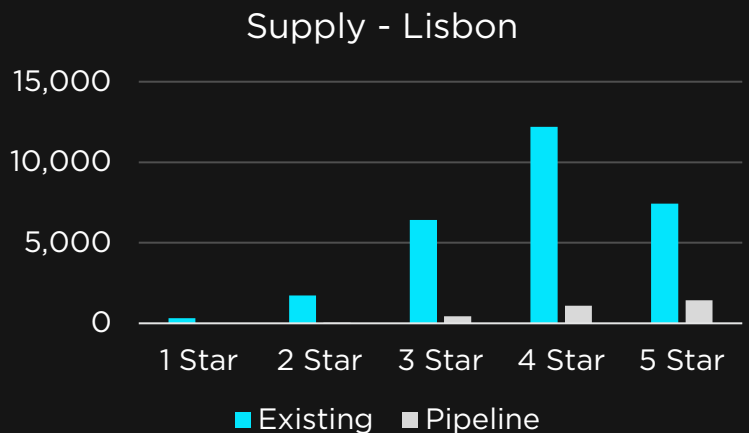
### Top Foreign Markets

MARKETS	MARKET SHARE	AV. SPEND (€)/DAY
United Kingdom	18,4%	386 €
Germany	11,3%	464 €
Spain	10,2%	507 €
France	8,7%	668 €
USA	8,6%	533 €
Brazil	4,8%	410 €
Netherlands	4,4%	395 €



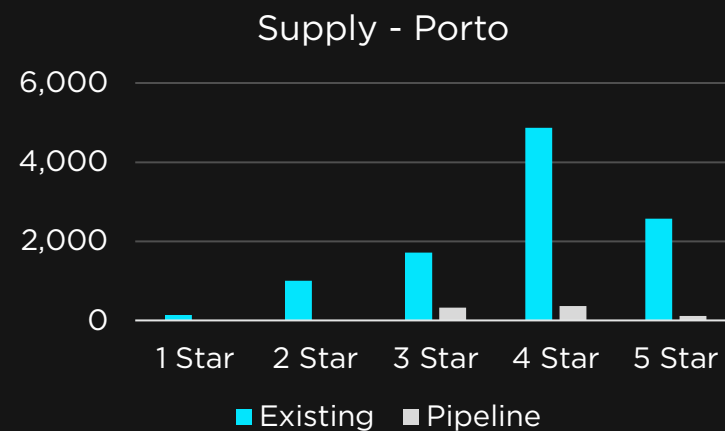
# Hotel rooms

LISBON & PORTO



**28,122**  
Current Supply

**3,000**  
Pipeline



**10,313**  
Current Supply

**815**  
Pipeline

Source: RNET | Cushman & Wakefield







Hospitality  
TOURISM



**26 Michelin Star**

Restaurants in 2019

**39 Michelin Star**

Restaurants in 2024

**LUXURY**



*NOBU HOTELS*



**BOUTIQUE**



HOTEL & SPA  
**VALVERDE**  
SANTAR



**LIFESTYLE**

**HYATT**<sup>®</sup>

**CURIO**  
COLLECTION  
by Hilton<sup>™</sup>

**The Standard**

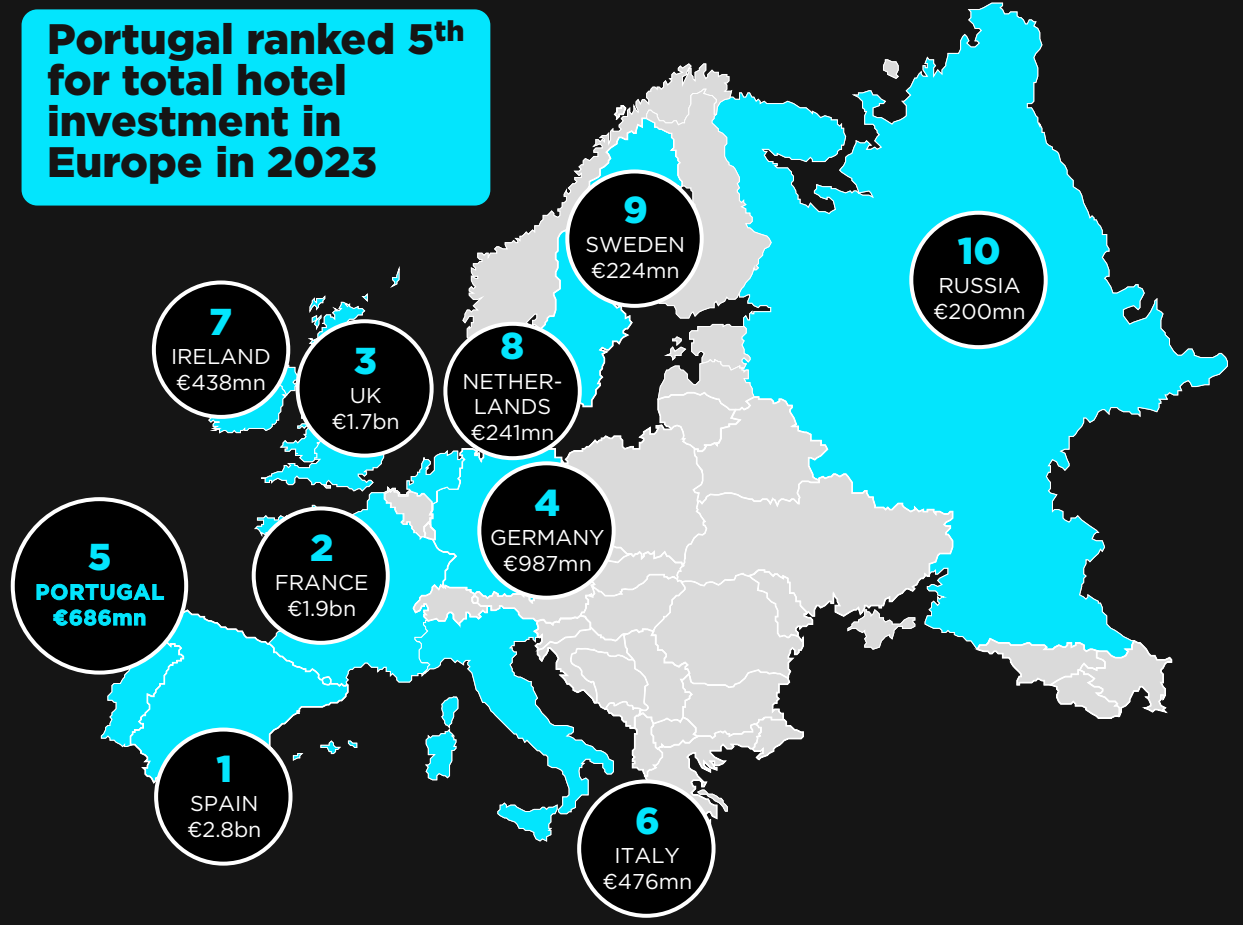
**COMMUNITIES**





# Hotel investment by European country

Portugal ranked 5<sup>th</sup> for total hotel investment in Europe in 2023



Source: HVS / Hodges Ward Elliott



Hospitality  
TOURISM

# Trends



**Product and  
geographical  
expansion**



**Diversificatio  
n of outbound  
markets**



**Private Equity  
divesting to  
core/core+**

# Investment





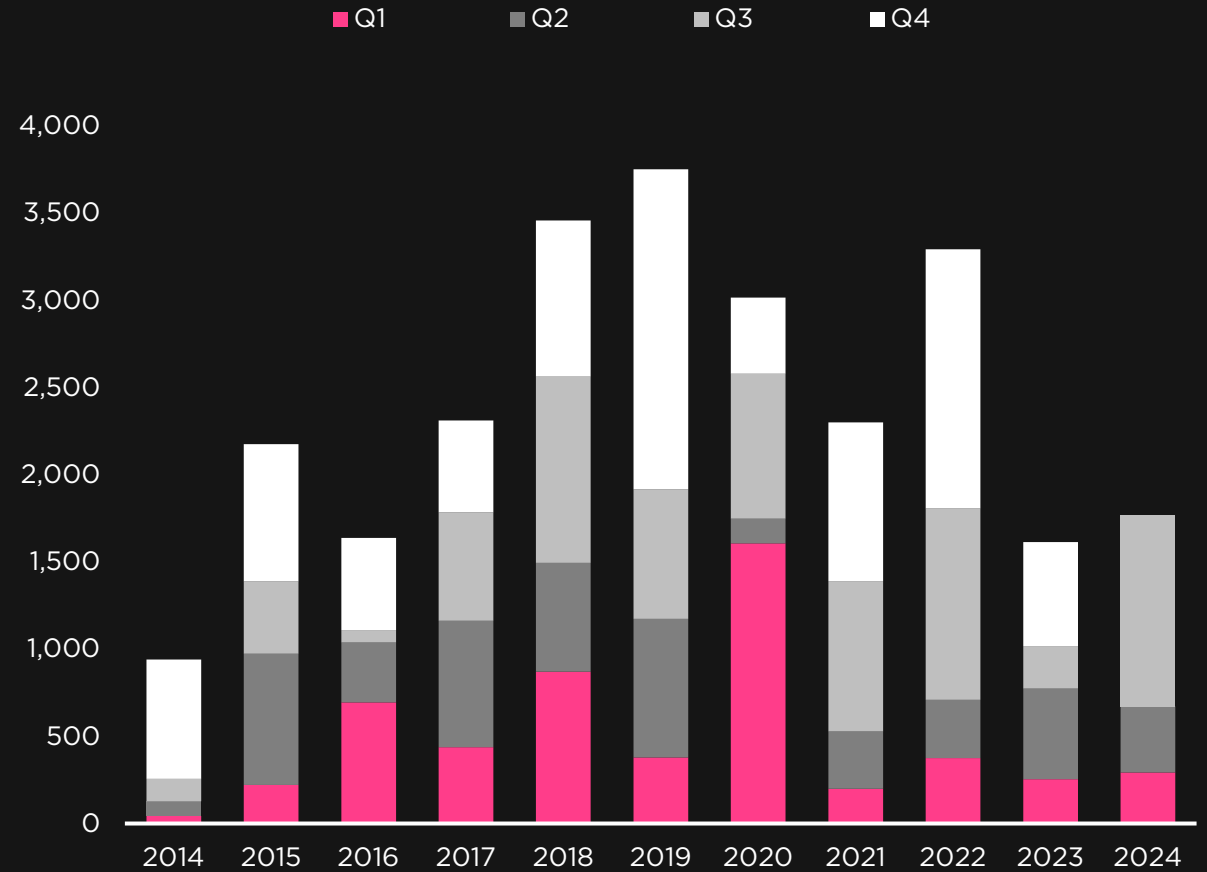
Investment  
PORTUGAL

**Healthy pipeline for Q4 2024**

**+10% Expected growth**

**2024**

Portuguese Real Estate Investment Volumes [EUR Million]



Source: CBRE Research

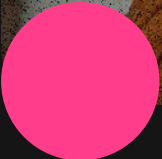




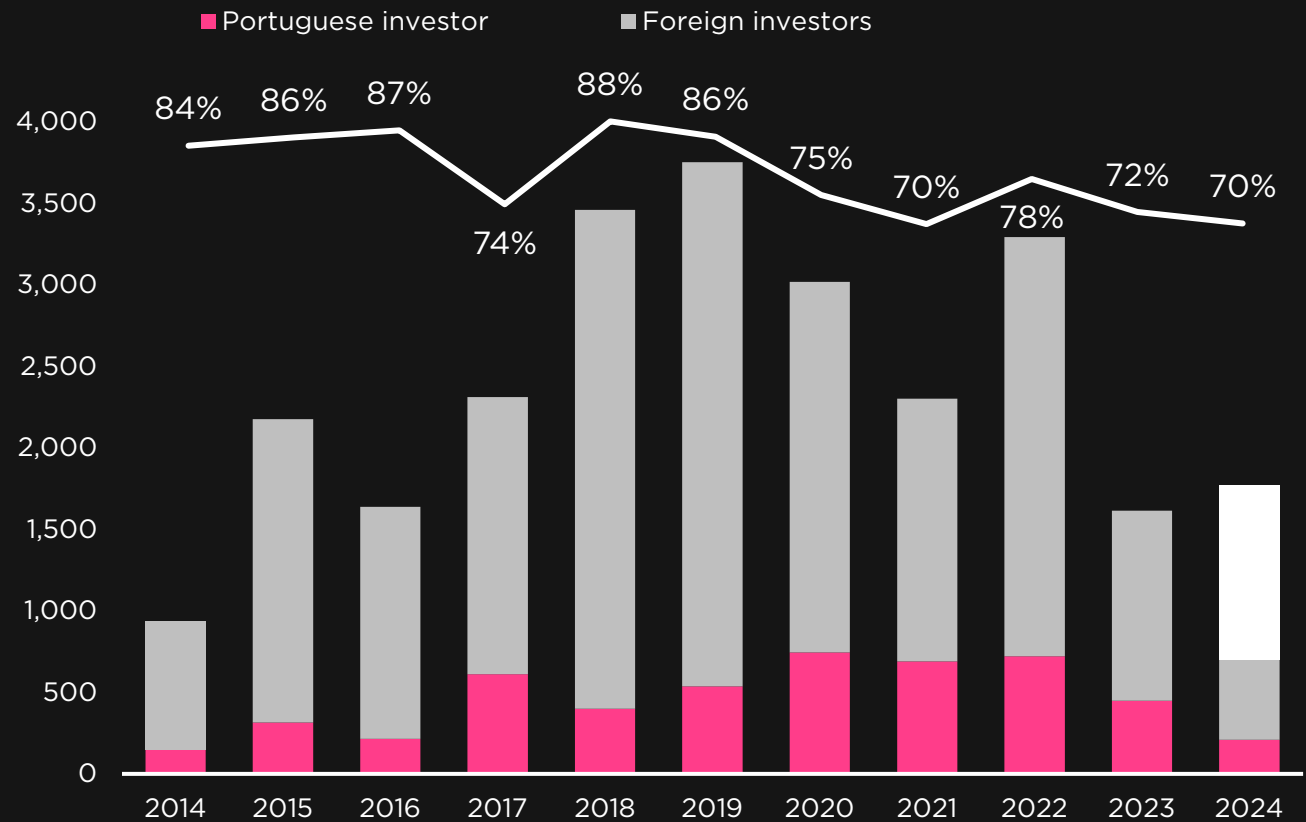
Investment  
PORTUGAL



# Foreign capital dominates



### Portuguese Real Estate Investment Volumes [EUR Million]

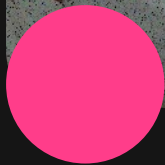
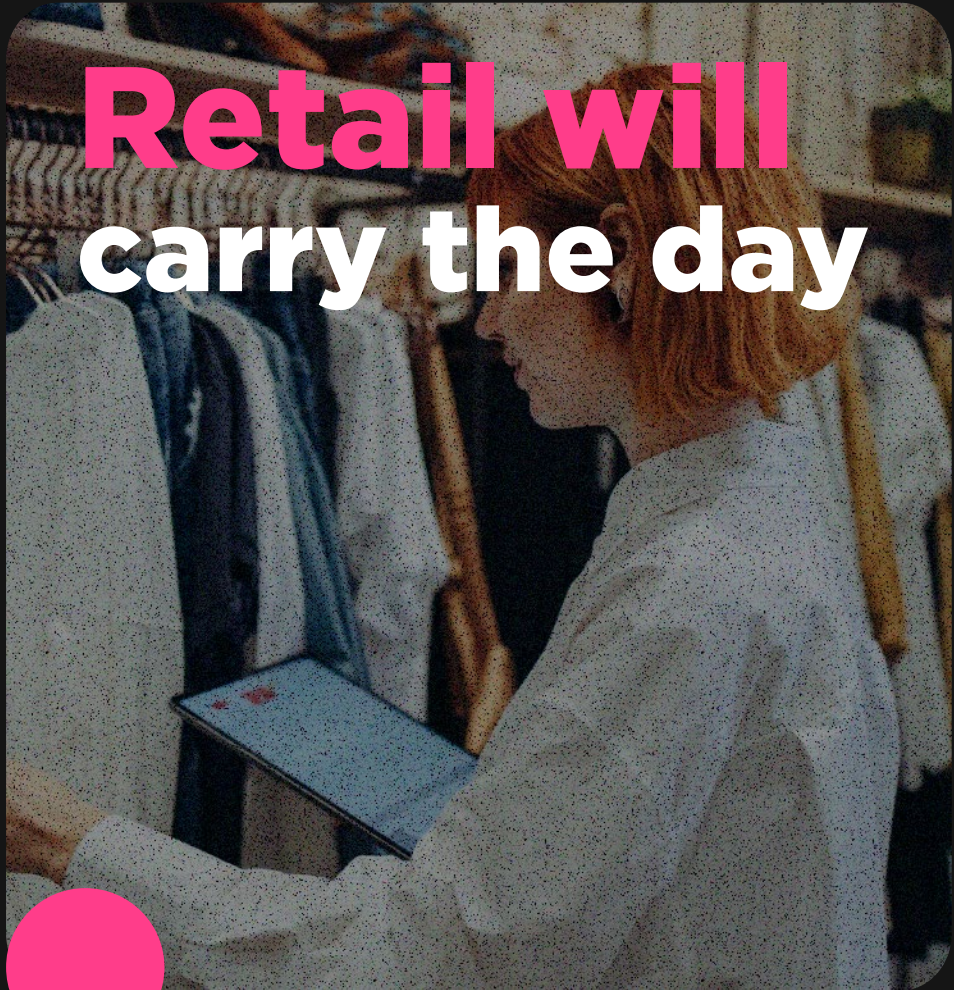


Source: CBRE Research

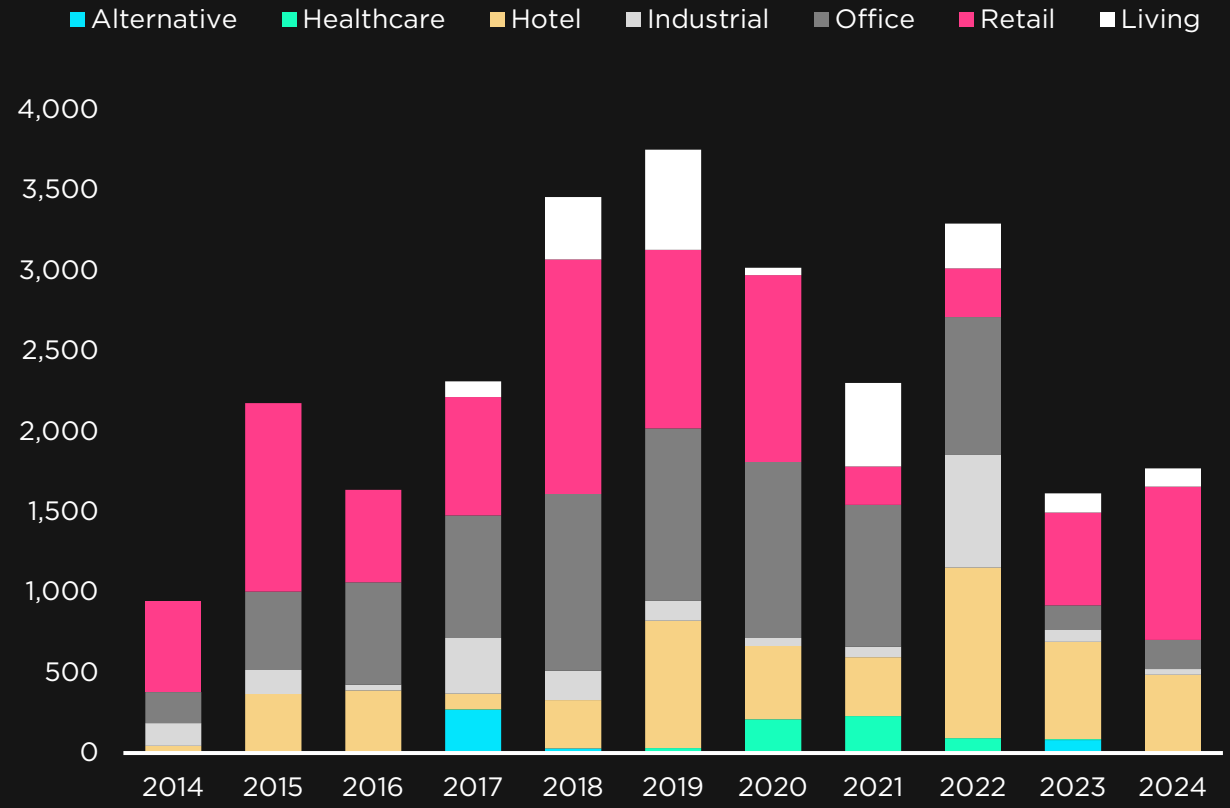




Investment  
PORTUGAL



## Portuguese Real Estate Investment Volumes [EUR Million]



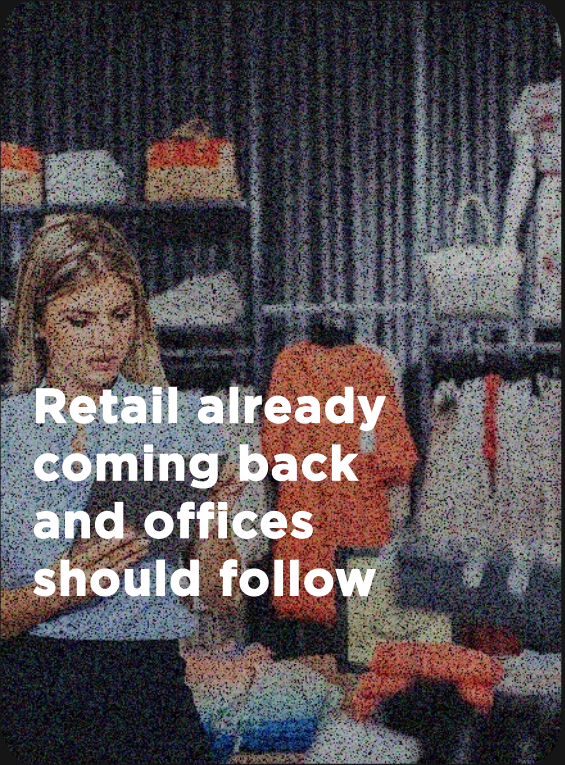
Source: CBRE Research



# Trends



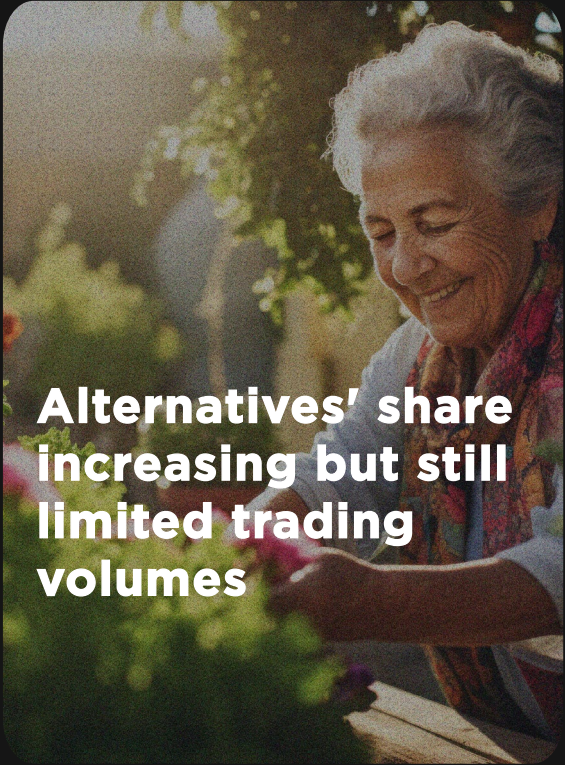
**Institutional investors will progressively return to centre stage**



**Retail already coming back and offices should follow**



**Living: megatrend that all capital is following**



**Alternatives' share increasing but still limited trading volumes**





Thank you!