MARKETBEAT
PORTUGAL
INDUSTRIAL Q3 2024

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
513.4K Overall Take_up*	▲	▬
€5.10 Greater Lisbon Prime Rent (€/sq.m/month)	▬	▲
€5.50 Greater Porto Prime Rent (€/sq.m/month)	▲	▲

**January to September*

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.8% GDP Growth	▼	▲
4.8% Exports Growth	▲	▼
98.1 Industrial Production Index	▼	▲
-6.9 Manufacturing Industry's Confidence Indicator	▼	▲

Source: Moody´s Analytics

ECONOMY: GDP ANNUAL GROWTH FORECASTED TO STABILIZE AT CIRCA 2,0% 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 1.8%, followed by a slight increase over the next two years (2.0% for both 2025 and 2026).

Private consumption is projected to rise by 1.4% in 2024 and 1.5% in 2025, dropping to 0.6% growth in 2026. The inflation rate is anticipated to continue decreasing, reaching 2.3% in 2024 and falling below the 2.0% target in 2025 (1.6% in 2025 and 2026).

After an upward trend in 2023, unemployment should decrease to 6.3% this year, reaching 5.7% in 2025 and 5.3% in 2026 – a 25-year record low.

DEMAND: YEAR-TO-DATE TAKE-UP OF 513,420 SQ.M 19% ABOVE THE ANNUAL 2023 VOLUME

During the third quarter of 2024, the Industrial & Logistics sector recorded 16 new occupancy deals totalling 97,870 sq.m, The accumulated take-up volume for the first nine months of 2024 reached 513,420 sq.m, 19% above the annual 2023 volume, representing a year-on-year (YoY) increase of 36%. Consequently, the average deal size reached 7,900 sq.m during this period. Regarding the geographical distribution of demand, the third quarter's activity was mainly concentrated in Greater Porto (47%) and Greater Lisbon (41%) areas.. The largest deal of the quarter was the pre-let of 16,000 sq.m at the currently under construction Panattoni Park Valongo by Aldi.

In Greater Lisbon, the vacancy rate slightly decreased by 0.2 percentage points compared to the previous quarter, reaching 4.6%. During the third quarter, 172,670 sq.m in the logistics segment were completed, distributed over three projects, including the Castanheira do Ribatejo Logistics Platform, developed by Montepino, whose official delivery will take place at the end of this year.

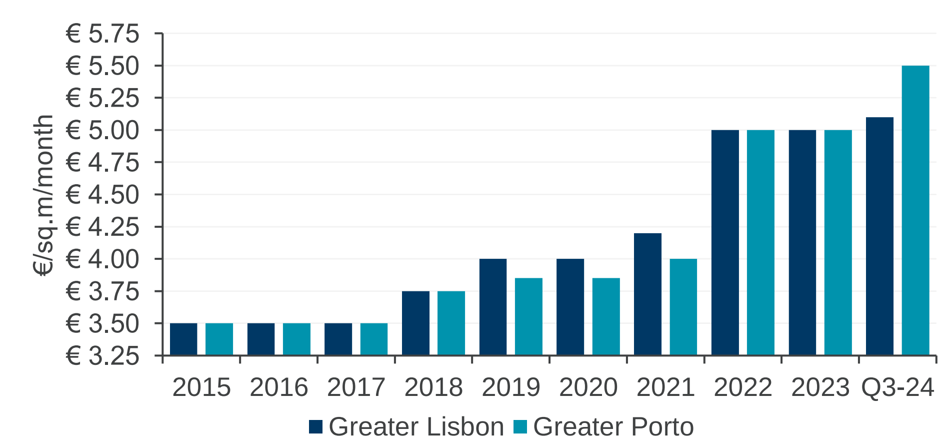
Regarding the pipeline, 554,170 sq.m in logistics are forecasted to be concluded over the next three years, of which 277,410 sq.m are currently under construction. Of these, 67% are already pre-occupied, with more than half located in Greater Lisbon. Noteworthy projects include the Panattoni Park in Valongo, Lidl's future Logistics Warehouse and the future Almeirim Logistics Platform – Phase II.

PRICING: PRIME RENTS SLIGTHLY INCREASING

Compared to the previous quarter, there were some upward corrections in both prime and average rents. In Greater Lisbon, prime rent in Castanheira - Azambuja (zone 1) remained stable at €5.10/sq.m./month, while in Greater Porto, in Port of Leixões – Airport (zone 10), values reached €5.50/sq.m./month.

INDUSTRIAL & LOGISTICS DEMAND

PRIME RENTS



MARKET STATISTICS

SUBMARKET	STOCK (SQ.M)	VACANCY RATE	QUARTER TAKE-UP (SQ.M)	YTD TAKE-UP (SQ.M)	PRIME RENT (€/SQ.M/MONTH)	PRIME YIELD (%)
Greater Lisbon	3,102,262	4.6%	40,540	203,370	€5.10	5.75%
Greater Porto	-	-	45,750	129,060	€5.50	6.00%
PORTUGAL TOTALS			**97,870**	**513,430**		

MAIN OCCUPANCY TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Panattoni Park Valongo	Greater Porto	Aldi	16,070	Lease
Merlin Lisboa Park	Greater Lisbon	DSV	16,010	Lease
Estrada das Fontaínhas	Greater Lisbon	Santos e Vale	13,000	Lease
Praceta da Fábrica Warehouse	Greater Lisbon	Hospital CUF Descobertas	9,810	Lease
Silva Aroso Warehouse	Greater Porto	Newonedrive - Comércio de Peças Auto	9,720	Lease

MAIN COMPLETIONS Q3 2024

PROPERTY	SUBMARKET	MAJOR TENANT	AREA (SQ.M)	OWNER/DEVELOPER
Castanheira do Ribatejo Logistics Platform – Plot 1	Greater Lisbon	Leroy Merlin	105,500	Montepino
Almeirim Logistics Platform – Phase I	Ribatejo	Mercadona	50,600	Garcia Garcia
Gandra North Green Logistics Park	Greater Porto	Olicargo	16,570	Aquila Capital

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