MARKETBEAT
PORTUGAL
INDUSTRIAL Q4 2024

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
793.4K Overall Take_up*	▲	▬
€5.20 Greater Lisbon Prime Rent (€/sq.m/month)	▬	▲
€5.75 Greater Porto Prime Rent (€/sq.m/month)	▲	▲

**January to December*

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.8% GDP Growth	▼	▲
4.0% Exports Growth	▲	▼
98.0 Industrial Production Index	▬	▲
-6.2 Manufacturing Industry's Confidence Indicator	▲	▲

Source: Moody´s Analytics

ECONOMY: GDP GROWTH EXPECTED TO ACCELERATE TO 2.0% IN 2025, OUTPERFORMING THE EURO ZONE AVERAGE

According to Moody's Analytics, Portuguese GDP growth rate slowed down to 1.8% in 2024 but it is expected to accelerate to 2.0% in 2025, outperforming the euro zone average, and to decelerate to 1.4% in 2026. Although exports will face some challenges, domestic demand will continue to support the economy in 2025 and 2026. The inflation rate reached 2.4% in 2024 and it is expected to moderate gradually, reaching the target of 2.0% in 2025 and falling to 1.2% in 2026. After a slight upward trend in 2023, the unemployment rate slightly decreased to 6.4% in 2024 and it is expected to reach 5.9% in 2025 and 5.4% in 2026 – a 25-year record low.

DEMAND: YEAR-END TAKE-UP REACHED 793,400 SQ.M, 85% ABOVE 2023

During the fourth quarter of 2024, the Industrial & Logistics sector recorded 24 new occupancy deals, encompassing 284,990 sq.m, Overall, the year-end take-up volume reached 793,400 sq.m, a new record, reflecting a year-on-year (YoY) increase of 85%. In 2024, the average deal size registered a 34% increase, to 9,000 sq.m, with half of the take up being concentrated in Greater Lisbon, followed by Greater Porto (25%).

The largest deal of the quarter was the pre-let of 119,000 sq.m by a confidential tenant at the Merlin Lisboa Park – Northern Lisbon Logistics Platform 2nd phases project.

In Greater Lisbon, the vacancy rate stood at 4.2% evidencing the continuous lack of quality supply.

Throughout 2024, 396,200 sq.m in the logistics segment were completed, with more than two-thirds located in Greater Lisbon. Among these projects, the Castanheira do Ribatejo Logistics Platform, developed by Montepino and the Benavente Logistics Park (Invesco/Magna General Contractors) stand out.

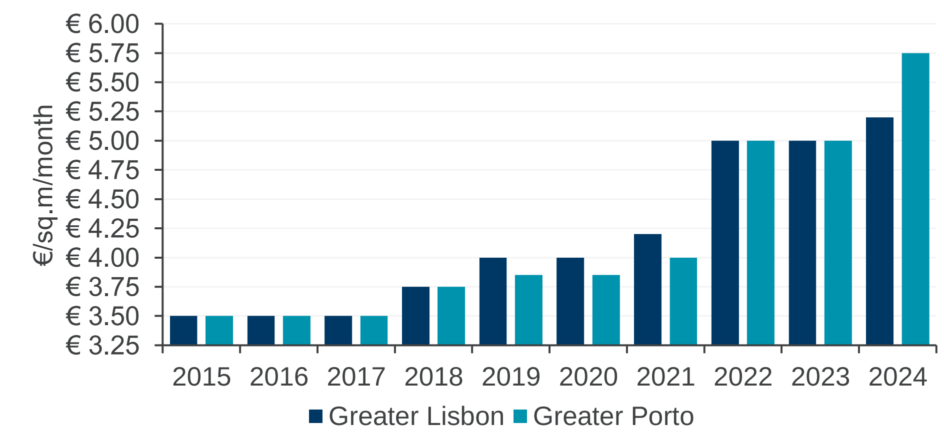
Regarding the pipeline, 309,100 sq.m in logistics are forecasted to be concluded over the next three years, of which 66% are already pre-occupied, with almost half of it located in Greater Lisbon. Noteworthy projects include the Panattoni Park in Valongo, Lidl's future Logistics Warehouse and the future Mercadona's Almeirim Logistics Platform – Phase II.

PRICING: PRIME RENTS 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) increased to €5.20/sq.m./month, while in Greater Porto, in Port of Leixões – Airport (zone 10), values reached €5.75/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	3,150,890	4.2%	191,880	395,250	€5.20	5.75%
Greater Porto	-	-	66,310	195,370	€5.75	6.00%
PORTUGAL TOTALS			**284,990**	**793,380**		

MAIN OCCUPANCY TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Northern Lisbon Logistics Platform	Greater Lisbon	Confidential	119,000	Lease
Continental	Greater Porto	Continental Mabor	22,860	Sale
Vendas Novas Industrial Park	Alentejo	Confidential	21,500	Lease
Panattoni Park Valongo	Greater Porto	Aosheng	12,490	Lease
Crestins Logistics Platform	Greater Porto	Confidential	7,940	Lease

MAIN COMPLETIONS Q4 2024

PROPERTY	SUBMARKET	MAJOR TENANT	AREA (SQ.M)	OWNER/DEVELOPER
VGP Park Montijo	Greater Lisbon	Zolve	31,400	VGP
Azambuja Logistics Platform (expansion)	Greater Lisbon	-	10,000	Logicor
Sintra Logistics Center	Greater Lisbon	Novadis	4,000	-

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