MARKETBEAT
PORTO
OFFICE Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
9,0% Vacancy Rate	▲	▬
2.8k Overall Take-Up* (sq.m)	▼	▲
€21.0 Prime Rent (€/sq.m/month)	▲	▬

** January to March*

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.7% GDP Growth	▼	▼
-1.3% Job Creation	▼	▲
5.9% Unemployment Rate	▼	▼

Source: Moody´s Analytics

ECONOMY: GDP GROWTH OF 1.7% IS FORESEEN FOR 2025, STILL OUTPERFORMING THE EURO ZONE AVERAGE

According to Moody's Analytics, Portuguese GDP growth of 1.7% is foreseen for 2025, followed by a slowdown to 1.4% in 2026; nonetheless, it is still set to outperform the eurozone average. 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 1.9% in 2025 and dropping 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 forecasted to continue to fall, reaching 5.9% in 2025 and 5.4% in 2026 – a 25-year record low.

DEMAND: DEMAND SLOWING DOWN IN Q1 COMPARED WITH THE HOMOLOGOUS PERIOD

The Greater Porto office market registered 10 new lease deals in the first quarter of 2025, with a take-up of 2,960 sq.m, representing a year-on-year drop of 83%. The average deal size decreased to 297 sq.m, compared with 840 sq.m in Q1 2024.

ZEP (zone 3) emerged as the most sought-after zone, accounting for almost half of total demand, followed by CBD Boavista (zone 1) with 39%. This was influenced by the two largest deals of the quarter, the lease of 745 sq.m by BBVA and also 745 sq.m by Dascher, both at Icon Douro building that is located at ZEP. The third largest deal was the lease of 620 sq.m at Bessa Leite Offices by a confidential entity. In terms of sectors, the Financial Services sector had the largest share, representing 46% of this quarter's take-up, followed by the TMT's & Utilities sector with 37%.

The vacancy rate slightly increased by 0.1 p.p. when compared with the previous quarter, reaching 9.0%,.

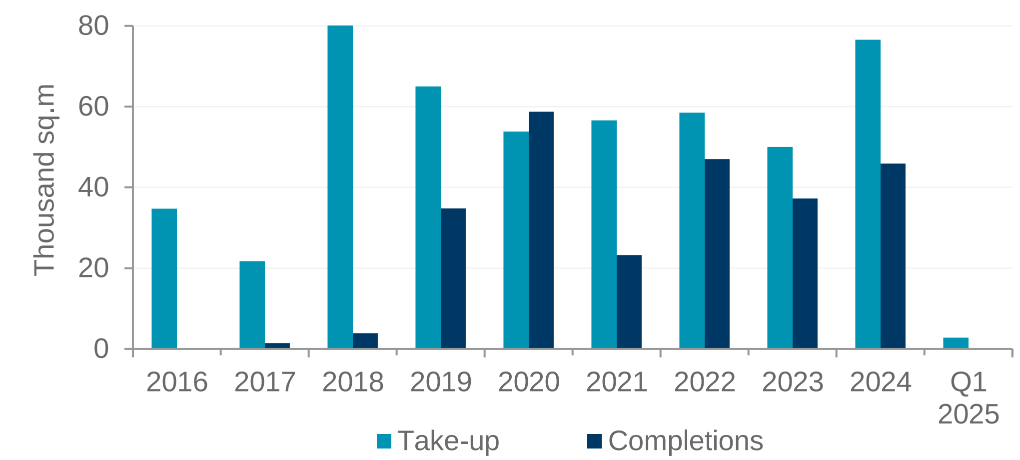
No new buildings were completed during the first quarter of the year.

Concerning future supply, the pipeline forecasts 181,600 sq.m to be completed within the next three years, with 102,600 sq.m currently under construction, of which almost one third is already pre-occupied.

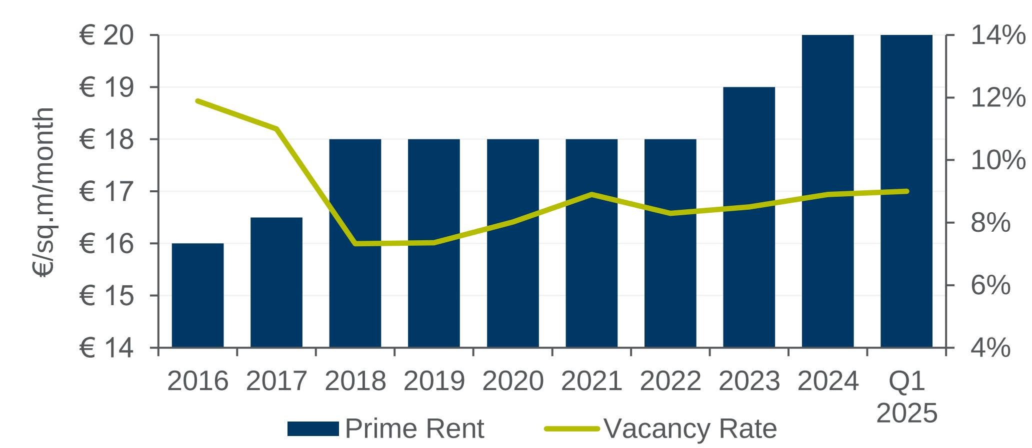
PRICING: PRIME RENTS REMAINED STABLE

Compared with the previous quarter, all prime rents remained stable with CBD Boavista (Zone 1) prime rent at €21.00/sq.m/month.

OFFICES DEMAND & COMPLETIONS



OVERALL VACANCY & PRIME RENT



SUBMARKET	STOCK (SQ.M)	AVAILABILITY (SQ.M)	VACANCY RATE (%)	QUARTER TAKE-UP (SQ.M)	UNDER CONSTRUCTION (SQ.M)	PRIME RENT (€/SQ.M/MONTH)	PRIME YIELD (%)
Zone 1 (CBD Boavista)	379,410	31,980	8.4%	1,100	11,680	€ 21.00	6.75%
Zone 2 (CBD Downtown)	260,330	16,340	6.3%	250	37,520	€ 17.00	6.75%
Zone 3 (ZEP)	137,610	14,240	10.3%	1,490	18,850	€ 18.00	7.50%
Zone 4 (East)	44,800	1,500	3.3%	0	12,150	€ 14.00	8.50%
Zone 5 (Others Porto)	89,140	13,000	14.6%	0	0	-	-
Zone 6 (Matosinhos)	277,040	31,260	11.3%	130	19,000	€ 16.00	7.50%
Zone 7 (Maia)	223,570	19,100	8.5%	0	0	€ 13.00	-
Zone 8 (Vila Nova de Gaia)	282,850	24,840	8.8%	0	3,360	€ 14.00	-
Zone 9 (Others Outside Porto)	9,550	290	3.1%	0	0	-	-
GREATER PORTO TOTALS	**1,704,300**	**152,520**	**9.0%**	**2,970**	**102,550**		

MAIN OCCUPANCY TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Icon Douro	Zone 3	BBVA	745	Lease
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Bessa Leite Offices	Zone 1	Confidential	620	Lease
Aliados, 42-54	Zone 2	Amazing Evolution	250	Lease
Península Business Center	Zone 1	Sardel Conseil	160	Lease

MAIN INVESTMENT TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	AREA (SQ.M)	PRICE (€M)
Matosinhos Office Center (MOC)	Zone 6	Padrão Casual / Montepio Gestão de Ativos	3,950	€13 M
Aliados 20	Zone 2	BBVA / Wille Finance	1,300	€10-12 M

NO COMPLETIONS IN Q1 2025

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