MARKETBEAT
LISBON
OFFICE Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.6% Vacancy Rate	▲	▬
16.3k Overall Take-Up* (sq.m)	▼	▲
€29.0 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: 3 BUILDINGS WERE COMPLETED IN Q1 2025 TOTALING 47,450 SQ.M

The Greater Lisbon office market registered 33 new lease deals in the first quarter of 2025, with a take-up of 16,260 sq.m, representing a year-on-year drop of 78%. Likewise, the average deal size decreased to 490 sq.m, compared with 1,800 sq.m in Q1 2024.

The lease of 2,800 sq.m by a confidential tenant at Lagoas Park – 6 building and the lease of 1,510 sq.m by another confidential tenant at Art's Business Centre were the largest deals of the quarter.

Western Corridor (zone 6) represented the highest share of the take-up representing 30% of the total take up in Q1 2025, followed by CBD (zone 2) with 25%. The Other Services sector accounted for 35% of the total leased area, followed by the TMT's & Utilities sector which accounted for nearly 30% of the total take-up.

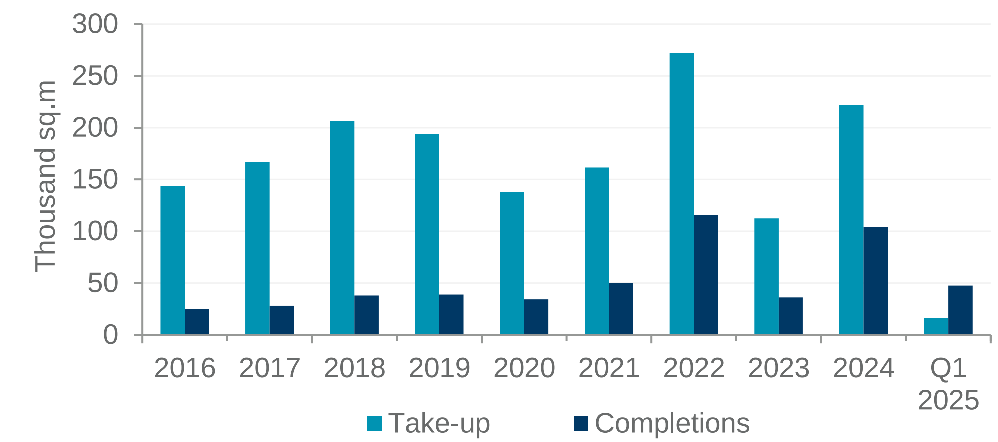
The vacancy rate remained stable at 7.6% when comparing with the previous quarter.

Development activity continues to address the shortage of quality supply with 3 buildings totaling 47,450 sq.m. completed in Q1-25. Future supply remains high and is expected to reach 331,300 sq.m over the next three years, with 185,500 sq.m currently under construction, with 40% of this area already pre-occupied.

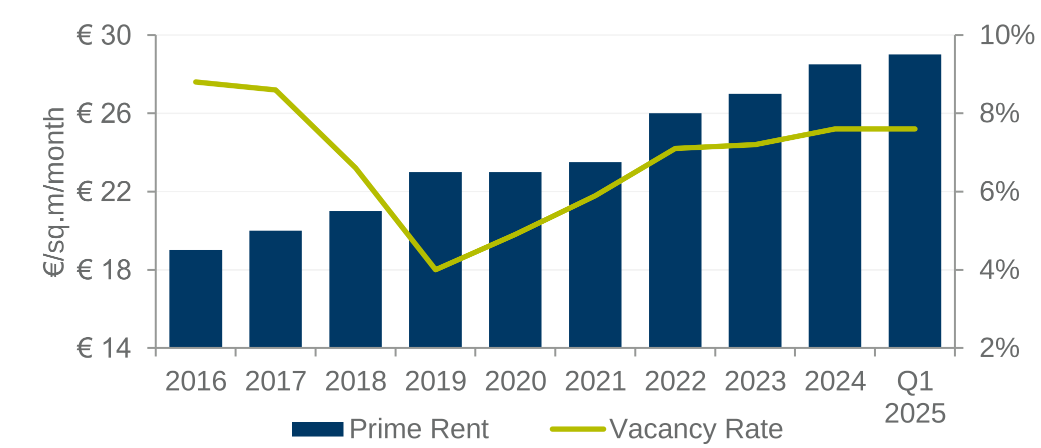
PRICING: PRIME RENTAL GROWTH IN ZONE 1

When compared with Q4 2024, prime rents in Greater Lisbon registered an increase at Prime CBD (Zone 1) reaching €29.00/sq.m/month remaining stable in the remaining zones.

OFFICES DEMAND & COMPLETIONS



OVERALL VACANCY & PRIME RENT



MARKET STATISTICS

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 (Prime Central Business District)	521,750	19,020	3.6%	2,220	46,250	€ 29.00	5.00%
Zone 2 (Central Business District)	926,150	36,110	3.9%	4,090	16,770	€ 23.00	5.75%
Zone 3 (New Office Areas)	554,150	46,120	8.3%	1,110	87,910	€ 21.00	6.25%
Zone 4 (Secondary Office Locations)	392,860	17,840	4.5%	1,800	2,020	€ 24.00	5.50%
Zone 5 (Parque das Nacões)	604,400	43,800	7.2%	2,120	26,710	€ 21.00	5.75%
Zone 6 (Western Corridor)	1,082,700	151,260	14.0%	4,820	3,340	€ 17.00	7.50%
Zone 7 (Other Zones)	500,050	34,260	6.9%	100	2,500	-	-
GREATER LISBON TOTALS	**4,582,060**	**348,410**	**7.6%**	**16,260**	**185,500**		

MAIN OCCUPANCY TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Lagoas Park - 6	Zone 6	Confidential	2,800	Lease
Arts Business Centre	Zone 5	Confidential	1,510	Lease
República, 5	Zone 2	Confidential	1,280	Lease
Cais 5	Zone 4	Confidential	1,020	Lease
Jean Monnet	Zone 1	MFA	810	Lease

MAIN INVESTMENT TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	AREA (SQ.M)	PRICE (€M)
Rua Ramalho Ortigão, 51 - Santander HQ	Zone 3	Incus / BPI Gestão de Ativos	10,500	€60-65 M

COMPLETIONS – Q1 2025

PROPERTY	SUBMARKET	TENANT IF RESERVED	AREA (SQ.M)	OWNER / DEVELOPER
C.M. Oeiras - Paços do Concelho	Zone 6	Câmara Municipal de Oeiras	30,480	C.M. Oeiras
República Center	Zone 2	Dils	11,100	Signal / Signal Capital / Sonae Sierra
Cais 5	Zone 4	Tag Energy	5,880	Acacia Point (Signal Capital Partners) / Square Asset Management (Signal Capital)

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