MARKETBEAT
PORTUGAL
INDUSTRIAL Q1 2025

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
84.1K Overall Take_up*	▼	▲
€5.25 Greater Lisbon Prime Rent (€/sq.m/month)	▲	—
€5.75 Greater Porto Prime Rent (€/sq.m/month)	▲	▲

**January to March*

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.7% GDP Growth	▼	▼
3.2% Exports Growth	▼	▼
98.3 Industrial Production Index	▼	▲
-5.1 Manufacturing Industry's Confidence Indicator	▲	▲

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 PROJECTS TOTALLING 151,000 COMPLETED IN THE FIRST QUARTER

During the first quarter of 2025, the Industrial & Logistics sector recorded 16 new occupancy deals, totalling 84,130 sq.m, reflecting a year-on-year (YoY) decrease of 49%. Consequently, the average deal size contracted 14%, to 5,260 sq.m, with 89% of the take up being concentrated in Greater Lisbon and 11% in Greater Porto.

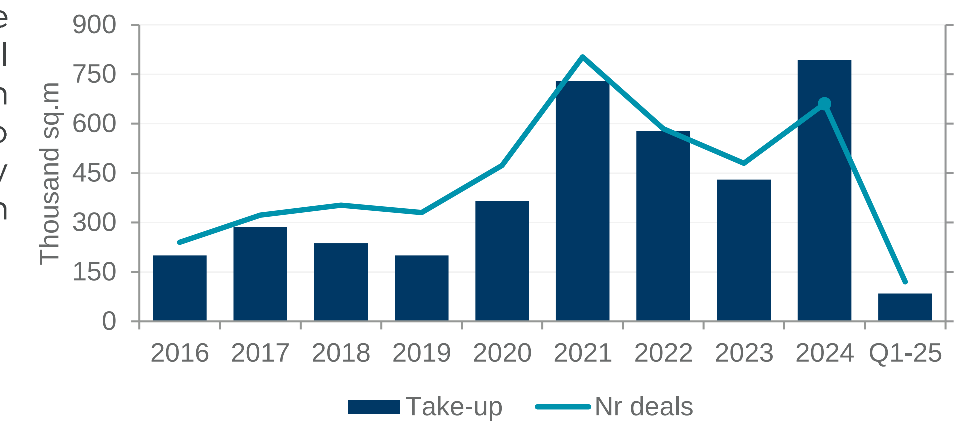
The largest deal of the quarter was the lease of 11,070 sq.m by IsKay Pet at Logplace Azambuja followed by the lease of 10,120 sq.m at Estrada Vaza Borracha (Montijo) by a confidential tenant.

In Greater Lisbon, the vacancy rate slightly decreased by 0.1 percentage points compared to the year-end of 2024, reaching 4.1%, evidencing the continuous lack of quality supply. During the analyzed period, 151,000 sq.m in the logistics segment were completed, distributed over three projects, one of them located in Greater Lisbon – Lidl Logistics Warehouse (Loures) and two of them located in Greater Porto – Panattoni Park Valongo and M7 Crestins. Regarding the pipeline, 548,000 sq.m in logistics are planned to be concluded over the next three years, with 42% of this area already under construction. 83% of this area is already pre-occupied, with around 60%f of it located in Greater Lisbon. Noteworthy projects include the Panattoni Park Lisbon-City, the Panattoni Park Lisboa-Santarém and the future Mercadona's Almeirim Logistics Platform – Phase II.

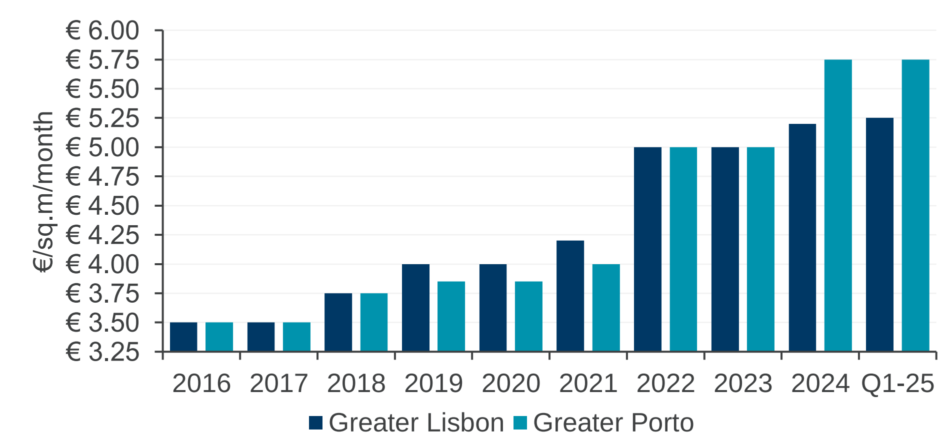
PRICING: PRIME RENTS INCREASING IN SOME ZONES

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 €5.25/sq.m./month, while in Greater Porto, in Port of Leixões – Airport (zone 10), values remained stable €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	3,204,890	4.1%	74,740	74,740	€5.25	5.50%
Greater Porto	-	-	9,390	9,390	€5.75	6.00%
PORTUGAL TOTALS			**84,130**	**84.130**		

MAIN OCCUPANCY TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)	TYPE
Logplace Azambuja	Greater Lisbon	Iskay Pet	11,070	Lease
Estrada Vaza Borracha	Greater Lisbon	Confidential	10,120	Lease
Estrada das Laranjeiras Warehouse	Greater Lisbon	BlueSpace	8,450	Sale
Panattoni Park Valongo	Greater Porto	HomyCasa	7,200	Lease
Obramat Alfragide	Greater Lisbon	Obramat	7,000	Lease

MAIN COMPLETIONS Q1 2025

PROPERTY	SUBMARKET	MAJOR TENANT	AREA (SQ.M)	OWNER/DEVELOPER
Panattoni Park Valongo	Greater Porto	Aldi, Linde Material Handling	75,000	Panattoni
Loures Logistics Warehouse	Greater Lisbon	Lidl	54,000	Lidl
M7 Crestins	Greater Porto	Truck & Wheel	22,000	-

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