MARKETBEAT
PORTUGAL
INVESTMENT Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€647m Total Volume*	▲	▲
€103m Office Volume*	▲	▲
€362m Retail Volume*	▲	▼
€158m Hospitality Volume*	▲	▲
€27m Industrial Volume*	▲	▲

**January to March*

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.7% GDP Growth	▼	▼
0.1% Investment Growth	▼	–
5.9% Unemployment Rate	▼	▼
3.3% 10-Yr Treasury Yield	▲	▲

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.

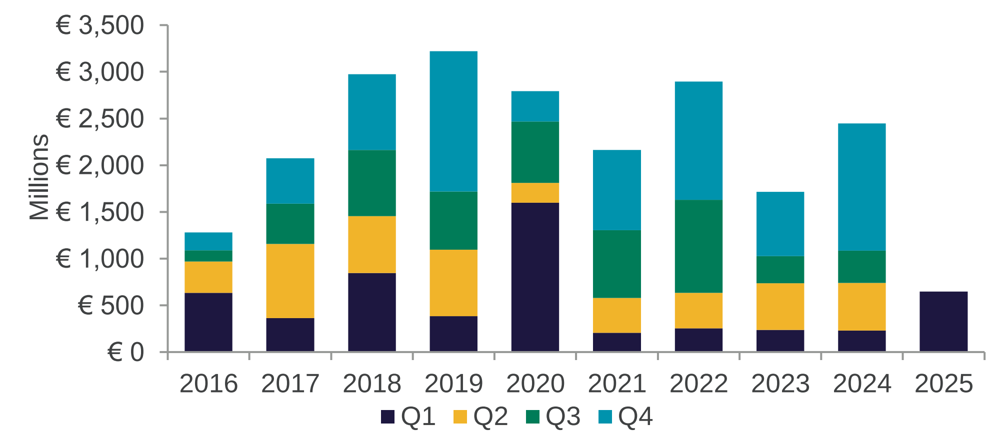
INVESTMENT: FIRST QUARTER INVESTMENT VOLUME WITH A 182% YEAR ON YEAR RISE AND THE RETAIL SECTOR REPRESENTING 56% OF TOTAL

Commercial real estate investment reached €647 million in the first quarter of 2025, representing a year-on-year (YoY) rise of 182%.

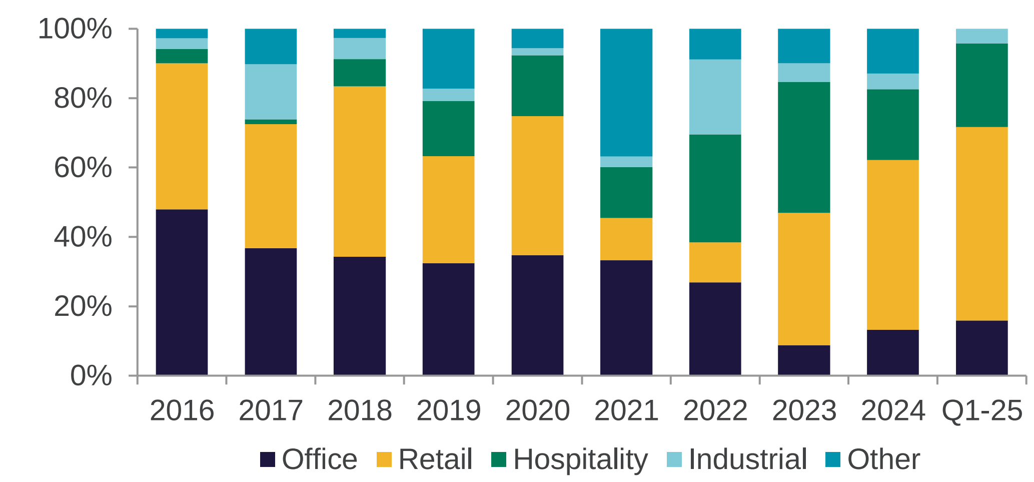
The acquisition by Sierra Prime, for €300-350 million, of the 50% they did not own of NorteShopping was the main contributor to this result, representing almost half of the invested volume in this quarter. This also contributed to the retail sector being the most representative in Q1 2025, with 56% of the total volume. The hospitality sector accounted for 24% of the investment volume, with the sale of Anantara Vilamoura Resort from Minor Hotels for €70-80 being the largest transaction within this sector. The Ramalho Ortigão 51 transaction for €60-65 million was the largest deal in the office sector, which represented 16% of the investment volume in this quarter.

Following the contraction of prime yields in the retail sector in the last quarter of 2024, during the first quarter of 2025, this asset class stood out for its solid performance again, recording a prime yield compression of 25 basis points in high street retail. A prime yield compression was also registered in the industrial and logistics sector, with other sectors remaining stable. These figures currently stand at 5.00% for offices, 4.25% for high street retail, 5.50% for logistics, 6.25% for shopping centers and 6.75% for retail parks.

INVESTMENT SALES VOLUME



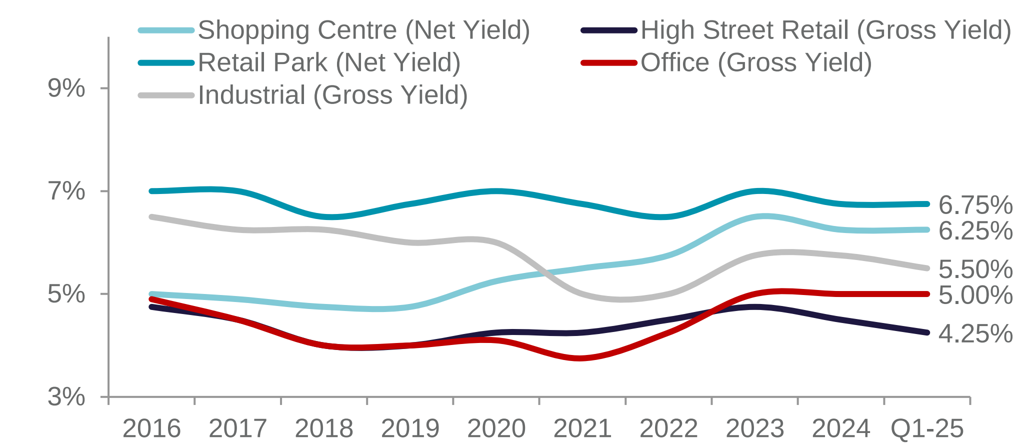
INVESTMENT SALES VOLUME BY SECTOR



INVESTMENT ACTIVITY

PROPERTY TYPE	NR. OF DEALS	TOTAL VOLUME (€M)	AVERAGE DEAL SIZE
Office	4	€103 M	€26 M
Retail	6	€362 M	€60 M
Hospitality	5	€156 M	€31 M
Industrial	4	€27 M	€7 M
Other	-	-	-
TOTAL	**19**	**€647 M**	**€34 M**

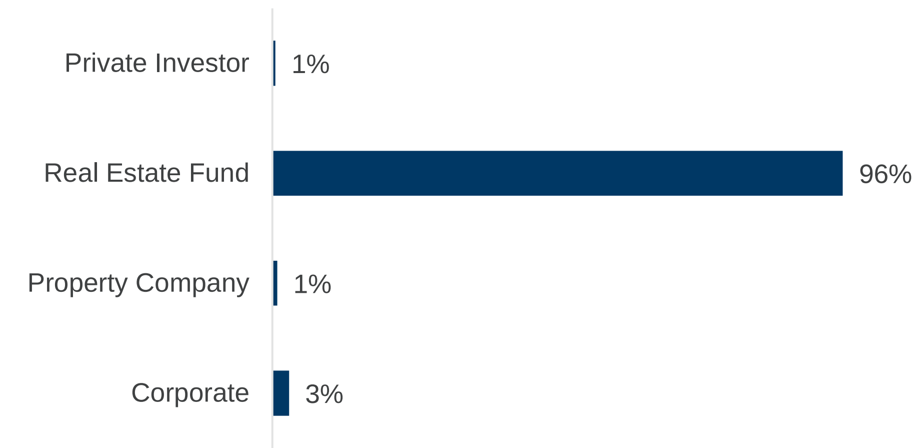
PRIME YIELDS BY SECTOR



MAIN INVESTMENT TRANSACTIONS Q1 2025

PROPERTY NAME	SECTOR	MARKET	AREA (SQ.M)	SELLER	BUYER	PRICE (€M)	YIELD (%)
NorteShopping (50%)	Retail	Matosinhos	-	Nuveen	Sierra Prime	€300-350 M	-
Anantara Vilamoura Resort	Hospitality	Vilamoura	280 keys	Minor Hotels	Arrow	€70-80 M	-
Ramalho Ortigão 51	Office	Lisbon	10,500	Incus Capital	BPI Gestão de Ativos	€60-65 M	-
Douro Royal Valley Hotel & Spa & Douro Palace Hotel Resort & Spa	Hospitality	Baião	130 keys	Jase Hotels	Explorer Investments	€40 M	-
Monte Rei Golf & Country Club	Hospitality	Vila Real de Santo António	n.a.	Private Investor	Arrow	€30-40 M	-

TOTAL INVESTMENT BY CAPITAL SECTOR 2025



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