MARKETBEAT
PORTUGAL
RETAIL Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€1,184 Average Monthly Income	▲	▲
10,640K Population	▲	▲
5.9% Unemployment Rate	▼	▼

Source: Moody's Analytics; INE

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.7% GDP Growth	▼	▼
2.4% Consumer Spending Growth	▼	▼
5.7% Retail Sales Growth	▲	▲

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: FIRST QUARTER WITH 190 NEW OPENINGS, A 3% YOY INCREASE

During the first quarter of 2025 there were no new completions in the retail schemes' market. Nevertheless, the pipeline for the next three years indicates that an additional 198,430 sq.m. of GLA will be completed, with 48% of that area already under construction. Developers remain committed to retail parks, which attracts most of this new supply (91%).

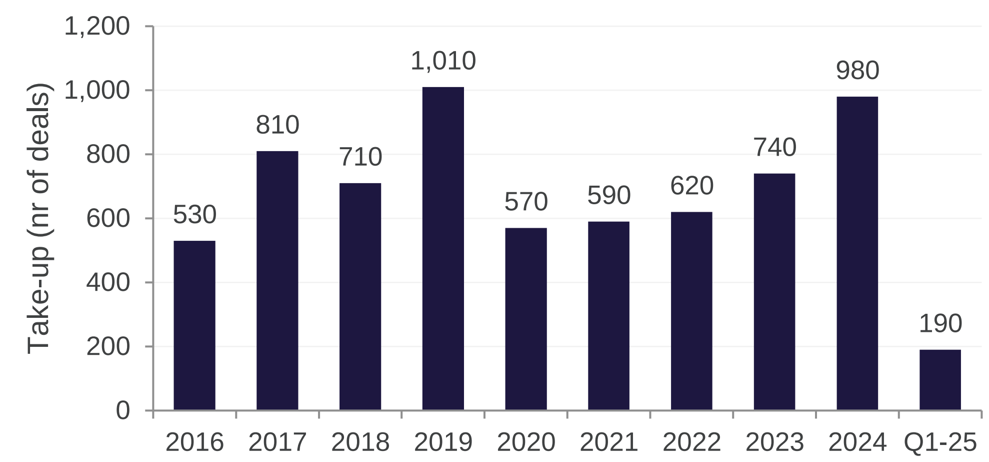
The largest projects under construction regard Nova Vila Retail Park (Portimão) and Azores Retail Park (Ponta Delgada) within retail parks, and City Center Covilhã development amongst shopping centres.

According to Cushman & Wakefield, retail take-up recorded a total of 190 new openings during the first quarter of 2025, marking a 3% year-on-year growth. In this period, high street retail format remained dominant, accounting for 69% of the new openings followed by shopping centres with 13%. In terms of sectors' distribution, the Food & Beverage (F&B) sector led the way, representing 44% of the new units, followed by Leisure & Culture with 17%.

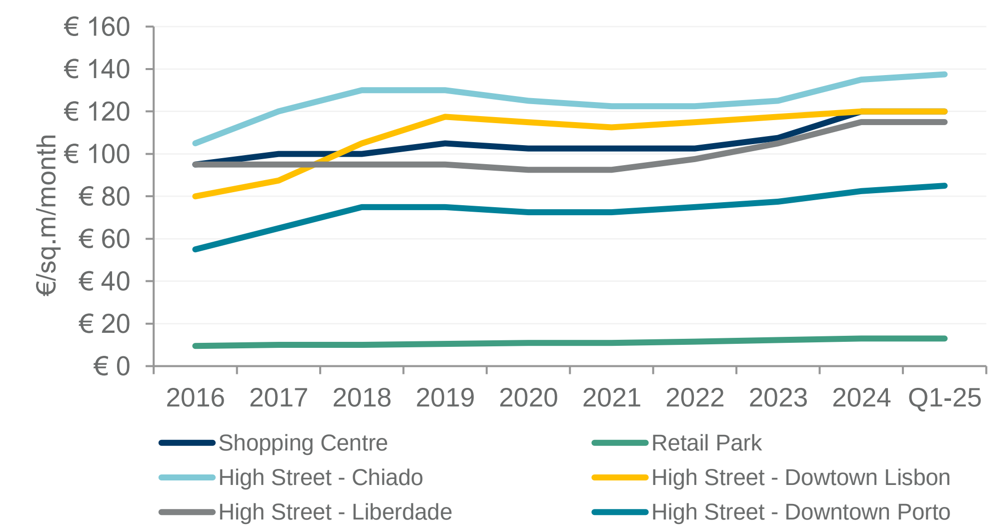
PRICING: RENTAL INCREASE IN HIGH STREET RETAIL

When compared with the previous quarter, prime rental values registered an increase of €2.5/sq.m/month in high street retail in Chiado in Lisbon and Porto Downtown (Rua de Santa Catarina). Regarding the remaining retail formats, prime rental values remained stable in both shopping centres and retail parks.

DEMAND EVOLUTION



PRIME RENTS



MARKET STATISTICS

SUBMARKET	RETAIL SCHEMES STOCK (SQ.M)	RETAIL SCHEMES PIPELINE (SQ.M)
North	580,920	30,530
Greater Porto	791,520	21,000
Centre	710,620	35,500
Lisbon Metropolitan Area	1,034,980	35,400
Setúbal Peninsula	379,060	-
South	396,220	58,000
Islands	92,510	18,000
PORTUGAL TOTALS	**3,985,820**	**198,430**

FORMAT	LOCATION	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
High Street Retail	Lisbon – Chiado	€137.5	4.25%
	Lisbon – Av. Liberdade	€115.0	4.50%
	Porto - Downtown	€85.0	5.50%
Shopping Centres	Portugal	€120.0	6.25%
Retail Parks	Portugal	€13.0	6.50%

MAIN OCCUPANCY TRANSACTIONS Q1 2025

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Stand Alone	Loures	Mercadona	3,800	Cross Border
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Stand Alone	Santarém	Dez Por Vinte	3,500	Independent
Stand Alone	Castelo Branco	Lidl	3,000	Cross Border
Stand Alone	Mértola	Lidl	3,000	Cross Border

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