MARKETBEAT
PORTUGAL
RETAIL Q2 2025

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€1,226 Average Monthly Income	▲	▲
10,750K Population	▲	▲
6.3% Unemployment Rate	▼	▼

Source: Moody's Analytics; INE

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.7% GDP Growth	▼	▲
2.6% Consumer Spending Growth	▼	▲
5.7% Retail Sales Growth	▲	▲

Source: Moody's Analytics

ECONOMY: GDP GROWTH OF 1.7% IS FORESEEN FOR 2025, FOLLOWED BY AN ACCELERATION TO 2.6% IN 2026

According to Moody's Analytics, Portuguese GDP is foreseen to grow by 1.7% in 2025, followed by an acceleration to 2.6% in 2026, outpacing the eurozone average and signaling resilient economic performance. Although exports will face some challenges, they are expected to grow by 2.3% in 2025 and 2.6% in 2026, while domestic demand will continue to support the economy in both years. The inflation rate reached 2.4% in 2024 and it is expected to moderate gradually, reaching 2.2% in 2025 and dropping to 1.5% 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 decline, reaching 6.3% in 2025 and 6.1% in 2026.

SUPPLY: TWO RETAIL SCHEMES WERE COMPLETED IN Q2 2025

During the second quarter of 2025 two new retail schemes were completed: Nova Vila Retail Park (Portimão), developed by Mitiska REIM with 22,000 sq.m and Nova Terra Felgueiras Retail Park, developed by Europar, with 11,000 sq.m. The pipeline for the next three years indicates that an additional 171,190 sq.m. of retail GLA will be completed, with 65% of that area already under construction. Developers remain committed to retail parks, which attract most of this new supply (90%).

The largest retail parks under construction are Retail Park Póvoa de Varzim and Azores Retail Park (Ponta Delgada), and for shopping centres the highlight is City Center Covilhã.

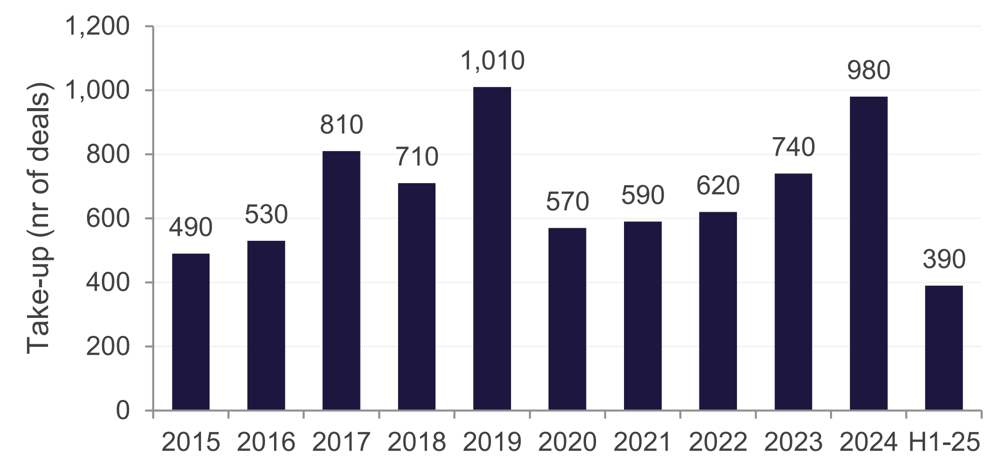
According to Cushman & Wakefield, retail take-up recorded a total of 190 new openings during the second quarter of 2025, contributing to an accumulated volume of 390 inaugurations in the first semester, marking a slight 6% year-on-year decrease. In H1, high street retail was the dominant format with 69% of the new openings. In terms of sectors, Food & Beverage (F&B) represented 47% of total openings.

RENTS: INCREASE IN HIGH STREET RETAIL IN CHIADO

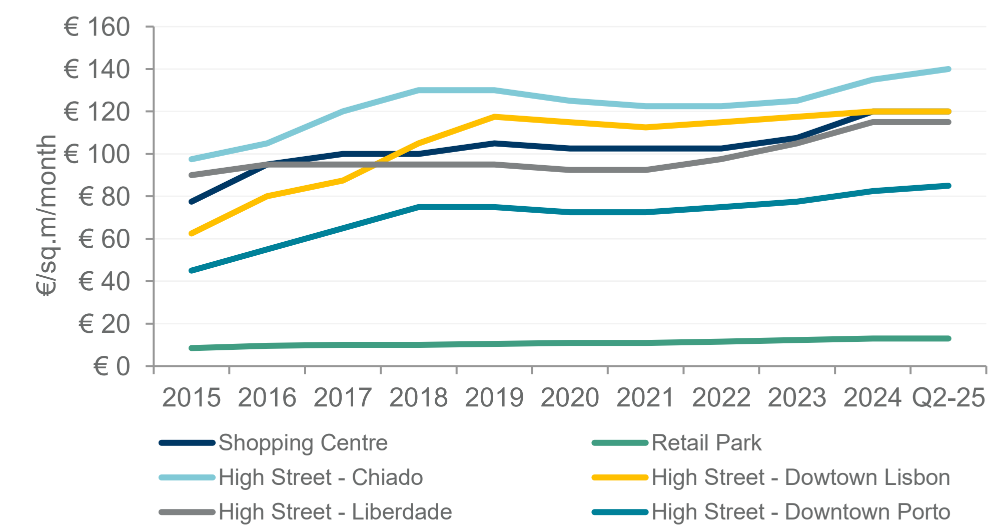
When compared with the previous quarter, prime rental values registered an increase of €2.5/sq.m/month in high street retail in Chiado (Lisbon) and remained stable in Downtown Porto (Rua de Santa Catarina).

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	591,920	19,960
Greater Porto	791,520	21,000
Centre	710,620	35,500
Lisbon Metropolitan Area	1,034,980	35,400
Setúbal Peninsula	379,060	-
South	418,220	42,330
Islands	92,510	18,000
PORTUGAL TOTALS	**4,018,820**	**171,190**

FORMAT	LOCATION	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
High Street Retail	Lisbon – Chiado	€140.0	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 Q2 2025

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Retal Park	Portimão	Leroy Merlin	7,000	Cross Border
Stand Alone	Fafe	Mercadona	3,800	Cross Border
Retail Park	Felgueiras	JOM	3,070	Multiple
Stand Alone	Maia	Lidl	3,000	Cross Border
Shopping Centre	Viseu	Primark	2,860	Cross Border

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