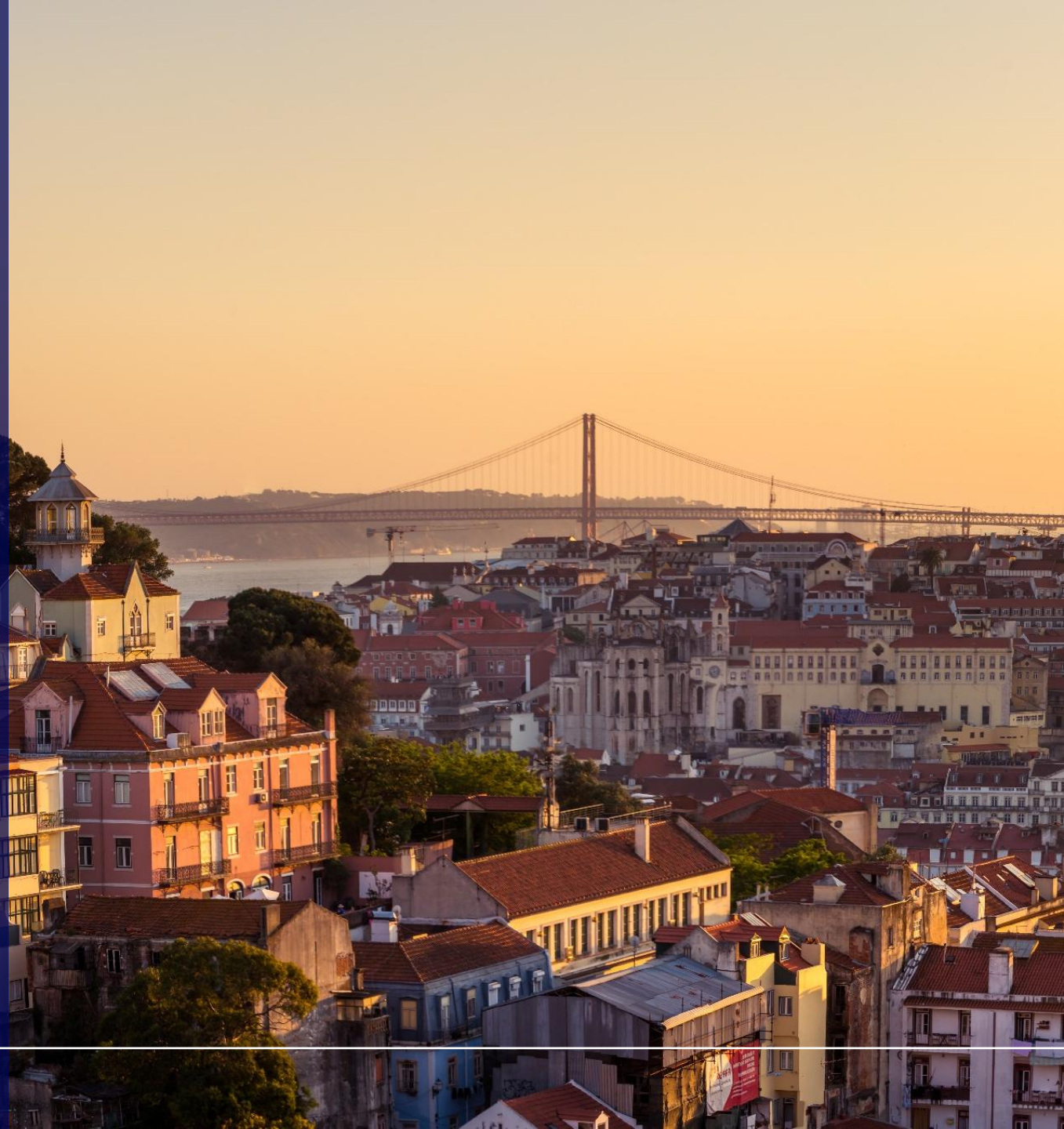
Colliers

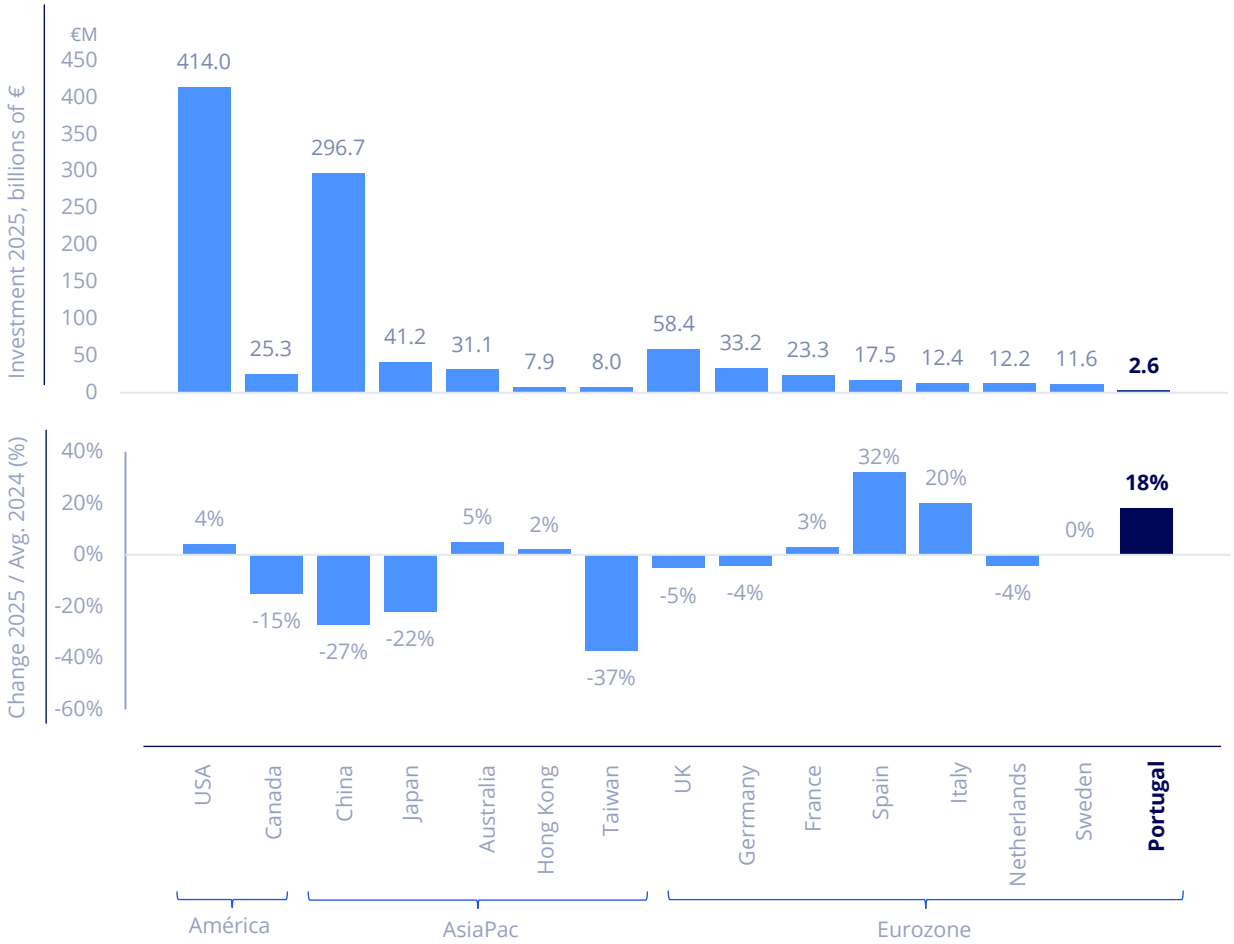
Q4 2025 SNAPSHOT

Investment in Portugal

Accelerating success.



R.E. Investment in the World



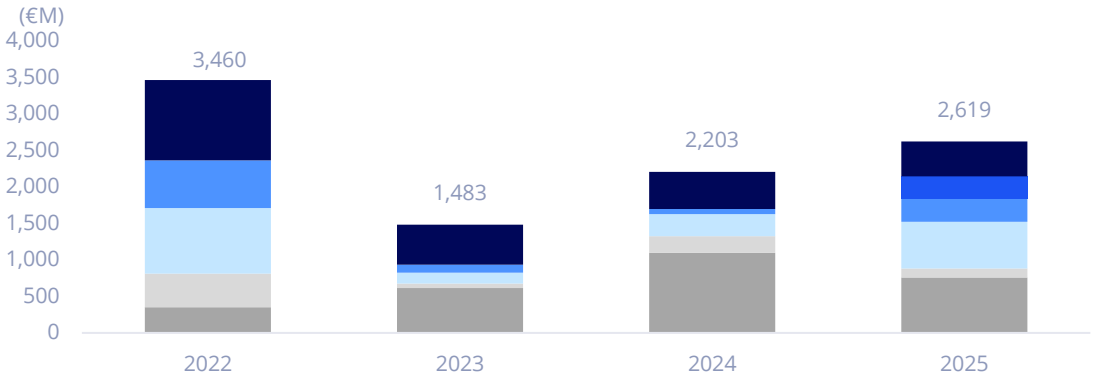
Source: Colliers Research, MSCI Real Capital Analytics

In 2025, real estate investment in Portugal grew by 18% compared to the previous year, outperforming the eurozone, which recorded an average decline of 1.3%.

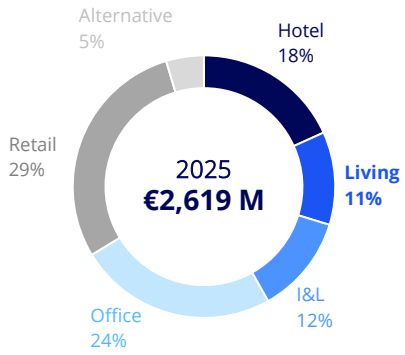
Portugal performed considerably better than most major countries in the Americas, APAC and EMEA regions.

R.E. Investment in Portugal

Investment volume evolution

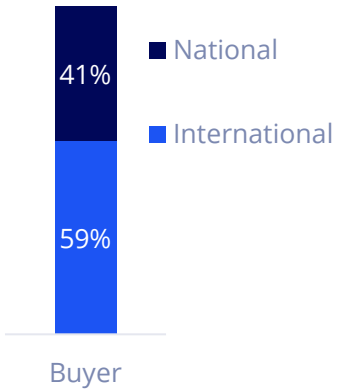


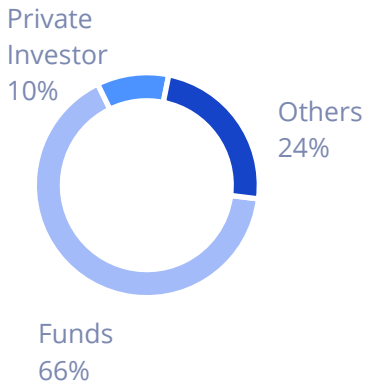
Investment volume



Sector	Q1 (€M)	Q2 (€M)	Q3 (€M)	Q4 (€M)	2025 (€M)	2025 YoY
Hotel	121	206	50	102	**478**	**-6%**
Living	0	300	0	0	**300**	**-**
I&L	6	44	25	245	**319**	**+5%**
Office	74	46	167	353	**640**	**+112%**
Retail	346	213	81	122	**760**	**-30%**
Alternative	0	0	0	122	**122**	**-**
Total	546	808	322	943	**2,619**	**18%**

Investor Breakdown 2025





Hotels and retail lead investor demand

Strong appetite for **ESG-prime office assets**

Living and logistics sectors show sustained growth

Overview by sectors

Prime Yields*

I&L

5.75% 0 bps
Lisbon

6.00% 0 bps
Porto

Office

5.00% -25 bps
Lisbon

6.75% 0 bps
Porto

Retail

4.25% 0 bps
HS Lisbon

5.25% 0 bps
HS Porto

Hotel

5.50% 0 bps

* Change from the previous quarter

Investment performance

Investment activity in Portugal saw a increase of 18% over the past year, with total transaction volumes reaching €2.6 billion. The growth was primarily driven by the Hotels and Retail sectors, which together accounted for approximately 47% of all transactions in the country, underscoring the continued attractiveness of these asset classes to investors.

Yields across most asset classes remained relatively stable during this period, with High-Street Retail assets continuing to offer lower yields compared to other sectors.

The notable rise in investment volumes can be largely attributed to the ongoing compression of interest rates, which has encouraged investors to allocate more capital into real estate opportunities.

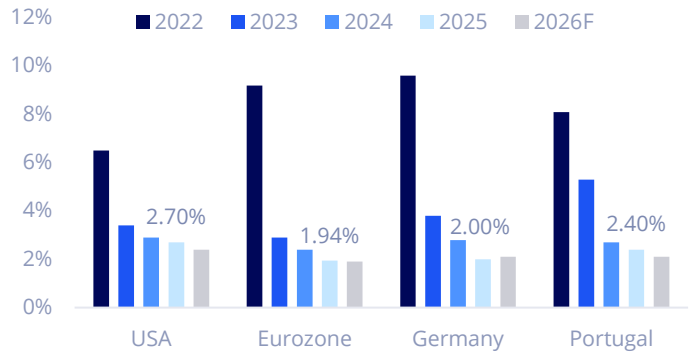
Investment volume increased by 18% due to interest rate compression with yields remaining close to original values.

Key Sectors: Retail & Hotels

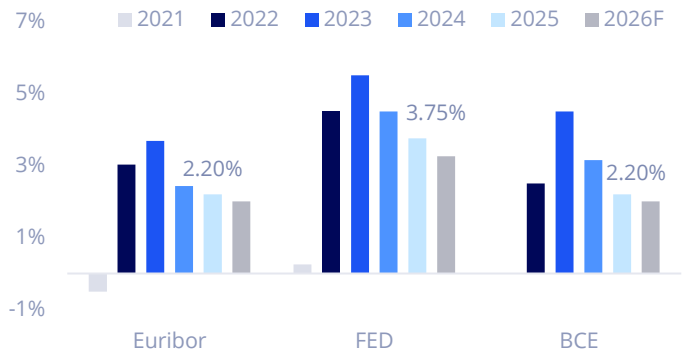
Next Asset Class: Retail

Macroeconomic Context

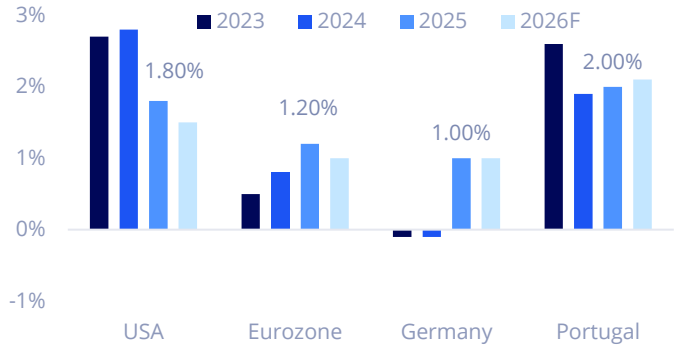
HICP



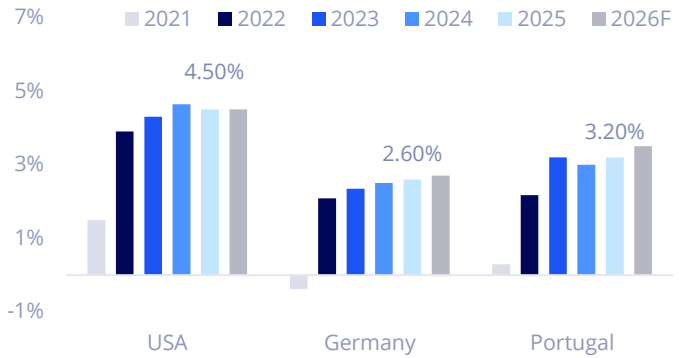
Euribor – Official Rates



GDP



10 - Years Bond



Source: Colliers based on INE, Eurostat, BDE, Oxford Economics

Controlled HICP. Inflation in Portugal has moderated significantly from the 2022 peak and is converging towards the 2% range, in line with the eurozone trend. The outlook suggests price stability over the medium term, supporting improved purchasing power and greater predictability for households and businesses.

GDP. Portugal continues to demonstrate resilient economic growth relative to several eurozone peers. After strong post-pandemic expansion, growth remains positive and above the euro area average, supported by tourism, private consumption and EU-funded investment. While moderating slightly, the outlook remains constructive.

Euribor. It remains stable at levels close to 2.29%. No major changes are expected in the coming quarters.

Official Interest Rates. ECB monetary policy remains the key driver for Portugal's financing environment. With policy rates stabilising and inflation under control, borrowing conditions are gradually improving. This supports investment decisions and enhances visibility for corporate planning.

10-Year Bond. Portuguese sovereign yields have stabilised following previous increases, reflecting improved fiscal credibility and investor confidence. The spread versus Germany remains contained, reinforcing Portugal's perception as a stable peripheral economy within the eurozone.

Investor interest



Hotel

Portugal remains one of Europe's top tourism destinations, and the hotel sector continues to attract significant investment. Strong 2024–2025 performance and record tourism levels are fueling demand for prime city hotels, resort assets, and value-add repositioning opportunities. Family-run hotels and fragmented ownership structures also create opportunities for consolidation.



Retail

Retail remains one of the strongest performing investment sectors in Portugal. High-street retail in Lisbon and Porto is expected to perform particularly well in 2025, supported by limited supply and new projects under development. Shopping centres with strong leisure components continue to attract capital, while retail parks remain in demand due to resilient consumption patterns. Retail and Hotels together accounted for almost 50% of total investment volumes in H1 2025.



Alternatives

The healthcare segment—including nursing homes, senior living, and medical facilities—is gaining prominence due to demographic ageing and structural undersupply. Meanwhile, Portugal is emerging as a Southern European digital infrastructure hub, driving strong interest in data centres, supported by strategic geography, subsea cable connectivity, and growing cloud and AI capacity requirements.



Living

The Living sector is one of Portugal's most dynamic asset classes due to persistent housing shortages, immigration-driven population growth, and strong demand in Lisbon and Porto. Investor interest is rising in Build-to-Rent, flexible living, and student accommodation (PBSA), including value-add refurbishments and office-to-residential conversions. Supply constraints and stable demand continue to support both rents and pricing across the market.



Office

Investor appetite remains focused on Grade A, ESG-compliant office buildings in Lisbon and Porto, where demand for high-quality, flexible, and energy-efficient spaces continues to grow. Hybrid work trends are pushing companies toward better-located, sustainable buildings, supporting prime rent growth in 2025. Developers and investors are also increasingly targeting mixed-use projects and repositioning opportunities, driven by rising construction costs and licensing delays



I&L

Investor interest remains high for value-add logistics assets, especially in Greater Lisbon and Greater Porto. The shift toward industrial nearshoring, e-commerce growth, and supply chain optimisation continue to boost demand for modern facilities. Sale-leaseback transactions remain attractive across multiple locations, while take-up activity is increasingly concentrated near major transport corridors.

Portugal's strong economic fundamentals, stable financing conditions, and resilient sectors—particularly Living, Hotels, Retail, Logistics, Healthcare, and Data Centres—continue to attract both international and domestic capital.

As interest rates stabilise and new financing alternatives emerge, investors are increasingly targeting **value-add and repositioning strategies, particularly in sectors linked to tourism, population growth, and digital transformation.**

Contacts

BUSINESS INTELLIGENCE

Jorge Laguna
Director
+34 654 387 110
jorge.laguna@colliers.com

Alejandro de Blas
Senior Analyst
+34 91 579 84 00
alejandro.blas@colliers.com

CAPITAL MARKETS

Alberto Díaz
Managing Director
+34 645 801 840
alberto.diaz@colliers.com

HOTELES

Laura Hernando
Managing Director
+34 680 423 667
laura.hernando@colliers.com

Gonzalo Gutiérrez
Managing Director
+34 608 474 903
gonzalo.gutierrez@colliers.com

I&L

Oriol Gual
National Director
+34 711 770 158
oriol.gual@colliers.com

Living

Antonio de la Fuente
Managing Director
+34 606 879 176
antonio.delafuente@colliers.com

BARCELONA

Carolina Pérez
Director
+34 628 214 505
carolina.perez@colliers.com

VALENCIA

Rafael Paz
Director
+34 659 261 874
Rafael.paz@colliers.com

ANDALUCÍA

Íñigo Molina
Director
+34 607 734 825
inigo.molina@colliers.com

PORTUGAL

Pedro Valente
Managing Director
+351 93 346 15 33
pedro.valente@colliers.com

colliers.com

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