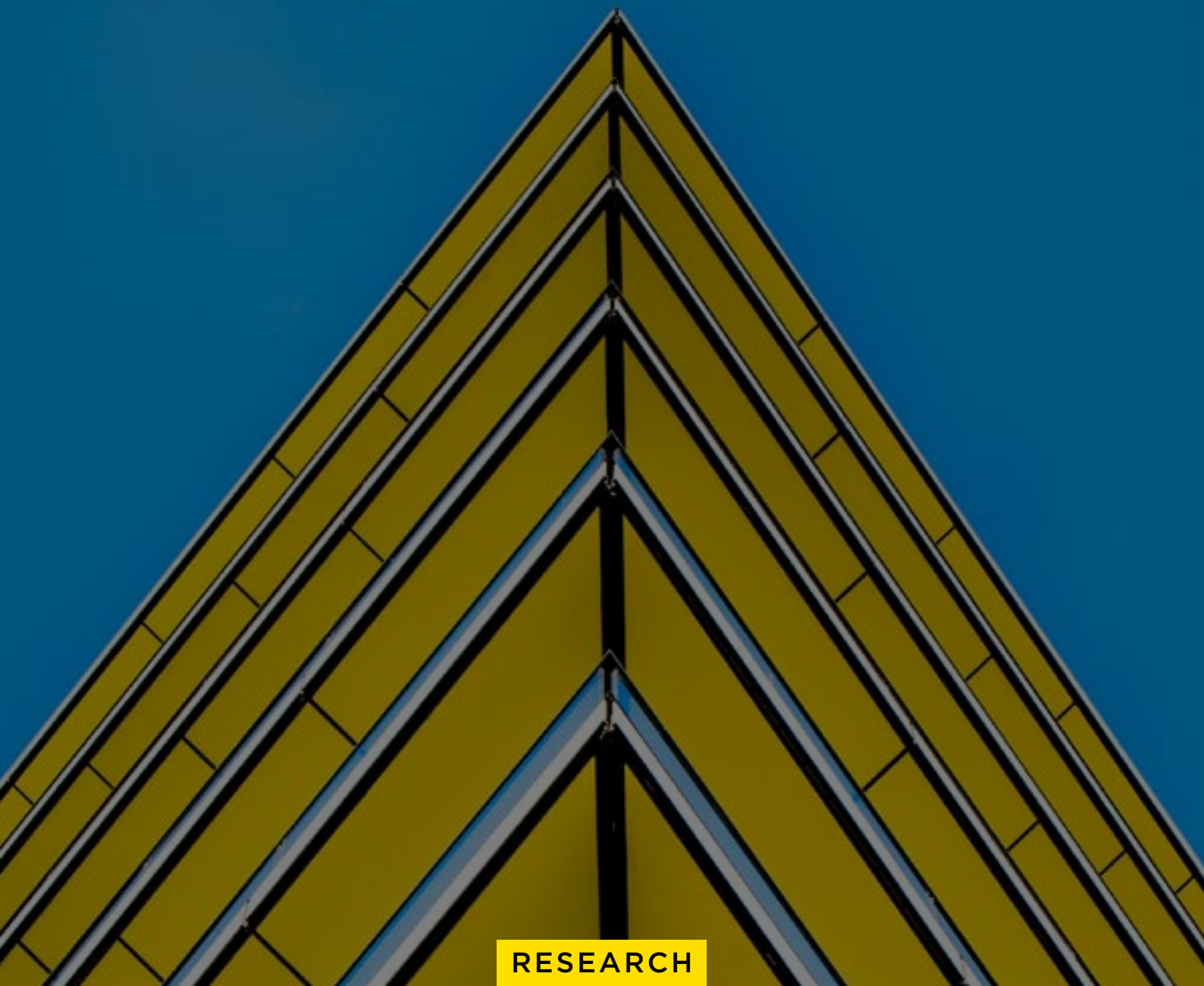
savills

OUTLOOK 2025 & TRENDS 2026

SAVILLS RESEARCH | PORTUGAL | 2026



RESEARCH



ECONOMICS
PORTUGAL

FORECAST 2026

2.3%
GDP GROWTH RATE

1.9%
INFLATION RATE

5.9%
UNEMPLOYMENT RATE

GDP growth projections for Portugal remain steady at 2.3% for 2026 and 1.7% for 2027, following an estimated 2% expansion in 2025.

Outlook supported by solid income growth and high employment levels. The labour market continues to provide a solid foundation for the economic outlook.

Employment increased again in November, rising 0.4% on the month and pushing annual growth to 3.8%. This strong performance contributed to a further decline in the unemployment rate, which returned to its 25-year low of 5.7%.

Labour-market tightness remains a key driver of income growth, supported not only by robust job creation but also by policy measures such as tax reductions and increases in the minimum wage.

Additional momentum is expected from increased public and private investment linked to the EU's Recovery and Resilience Facility (RRF).

Source: Savills Research using Oxford Economics

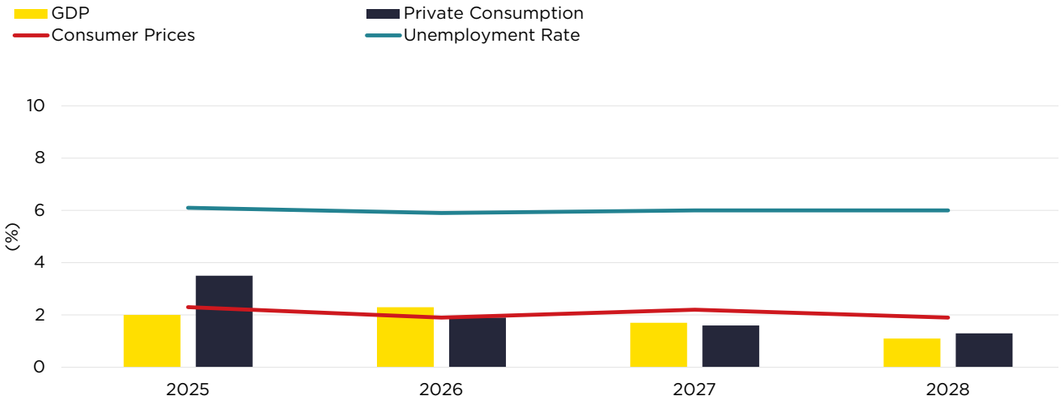
The tourism sector is entering a period of slower growth, reducing the contribution of net exports to overall economic performance;

External demand is unlikely to be a major driver of GDP in the coming years, placing greater weight on domestic consumption and investment as the main sources of expansion;

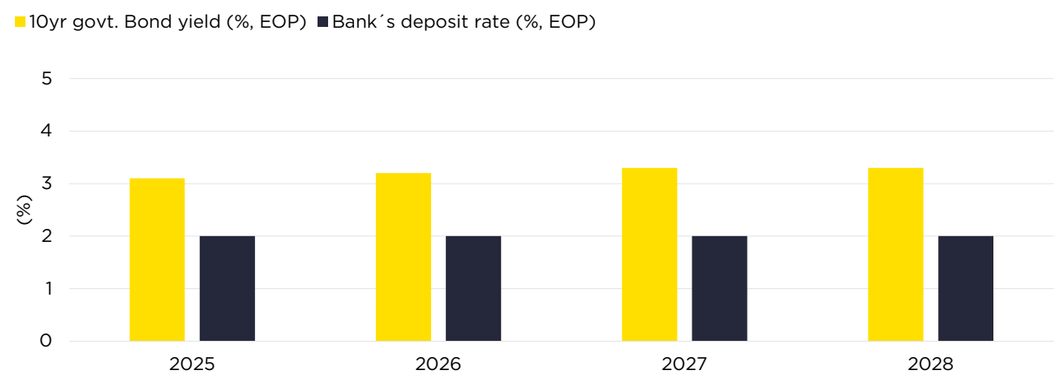
Inflation is expected to ease progressively. In December, CPI inflation held steady at 2.2%, and base effects suggest a gradual slowdown over the coming month;

Lower energy prices should add further downward pressure, supporting a more moderate inflation profile.

KEY ECONOMIC FORECASTS



PROJECTED EVOLUTION | DEPOSIT RATE VS. 10-YEAR GOVERNMENT BOND YIELD



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WHAT´S GOING ON IN PORTUGAL?

CAPITAL MARKETS | PORTUGAL | 2026



RESEARCH

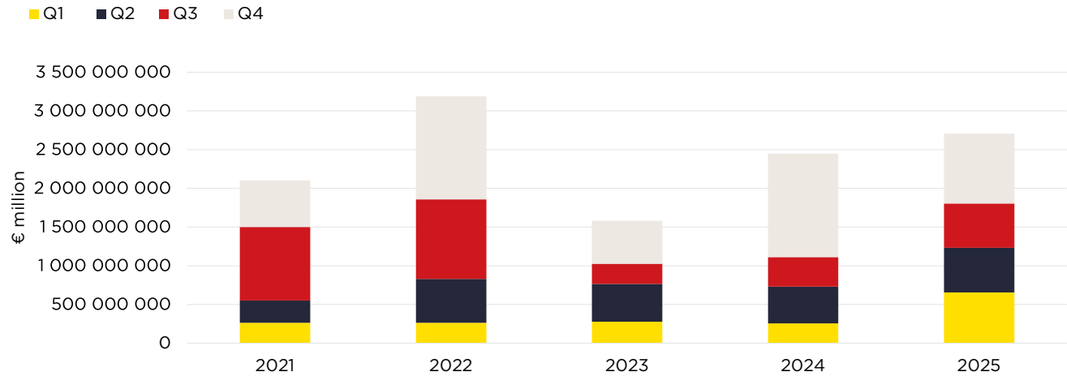
CAPITAL MARKETS
WHAT´S GOING ON IN PORTUGAL?



Overall sentiment is positive, with investors active in the market but maintaining a highly selective approach.

Capital continues to concentrate on development-driven strategies, value-add opportunities, and core assets offering resilient fundamentals.

TOTAL INVESTMENT VOLUME COMMERCIAL REAL ESTATE



Source: Savills Research

€902M

(-32% Q4 2024)
Q4 2025

€2.70M

(+11% YOY)
FULL YEAR 2025

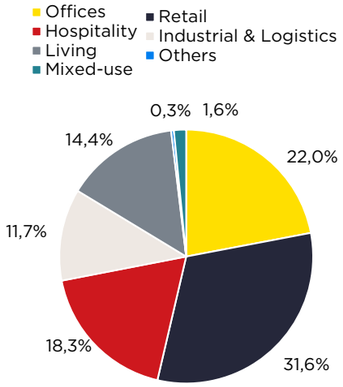
The Portuguese real estate investment market closed 2025 with a solid performance and a clear continuation of its recovery path;

Total investment reached €2.7 bn, an 11% increase compared with 2024 and 13% above the three-year average, benefiting from stronger investor confidence.

The average deal size increased by 5%, reaching €32 million; Market activity strengthened in the final quarter: Q4 totaled €902 million, the most active period of the year, although still 32% below the exceptionally strong Q4 2024;

Investor demand for well-located, high-quality assets remains firm across all sectors, supported by a steady improvement in market confidence.

INVESTMENT VOLUME BY SECTOR YEAR 2025



Source: Savills Research

Capital deployment remained diversified, proving investor´s appetite for core sectors and the gradual interest for operational and alternative real estate.

Retail recorded a positive year, supported by shopping centres, which posted a 26% year-on-year increase. However, this performance was largely driven by the completion of exceptional transactions, including the acquisition of the entire NorteShopping asset by the Sierra Prime Fund, managed by Sonae Sierra - an operation estimated at over €300 million, which significantly boosted this segment's results in 2025;

Offices saw a 92% year-on-year rise, driven by key transactions, such as the office building Lumnia in Parque das Nações, highlighting the strong appetite for office core assets;

Hospitality maintained stable investment levels, supported by solid tourism fundamentals and consistent operating performance;

Logistics was the strongest performer, with a 114% year-on-year increase, expanding its share of total investment. Demand remained high, supported by structural drivers and limited availability of prime stock;

Portfolio transactions represented 22% of total volume, indicating sustained interest in scale and operational efficiency. Lisbon and Porto captured 65% of all transactions, maintaining their dominance as the country's main investment hubs;

Although still modest in annual terms, 2025 also recorded activity in alternative segments such as gyms, schools, and data centres, pointing to a gradual broadening of investor strategies.

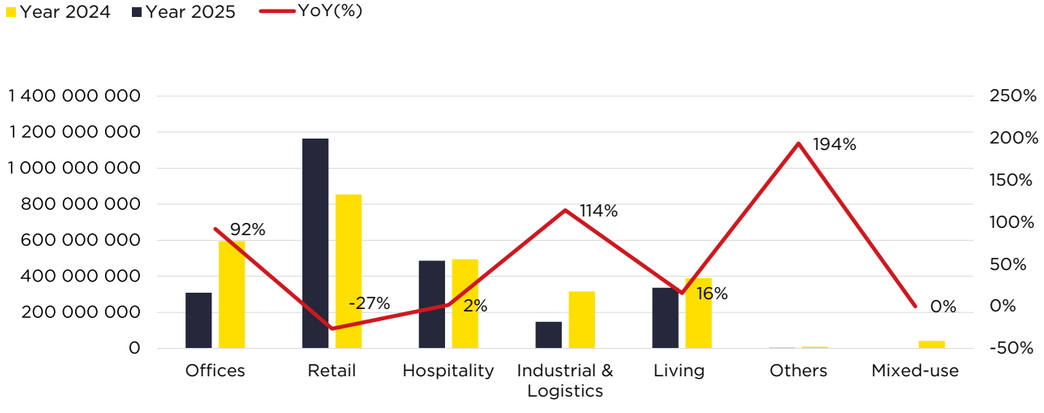
+13%

INVESTMENT VOLUME 3 YEARS AVERAGE

€32M

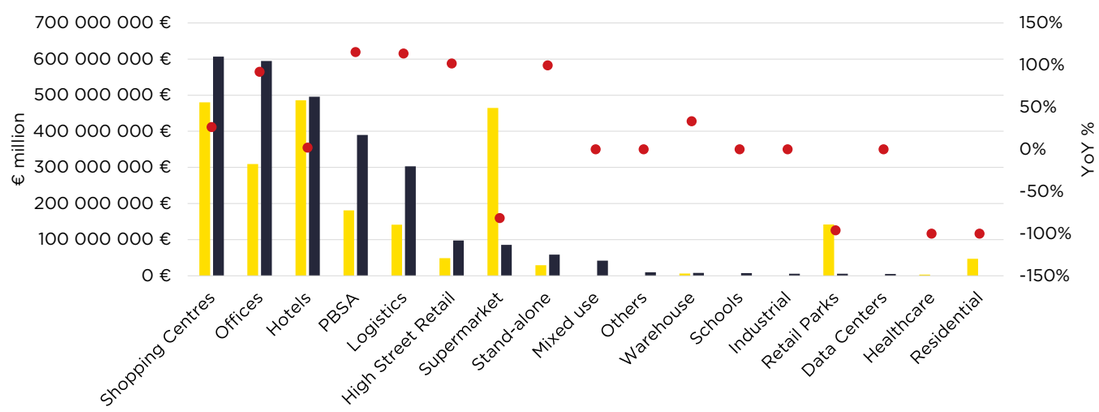
(+5% YOY) YEAR 2025 | AVERAGE DEAL SIZE

INVESTMENT VOLUME BY SECTOR



Source: Savills Research

DISTRIBUTION OF INVESTMENT VOLUME BY ASSET CLASS



Source: Savills Research

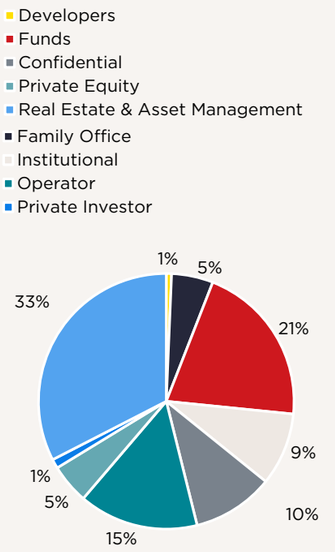
Domestic investors accounted for 35% of total capital;

Real Estate & Asset Management Companies and Real Estate Funds remained the most active investor groups, deploying more than half of all capital and maintaining their position as key drivers of market liquidity;

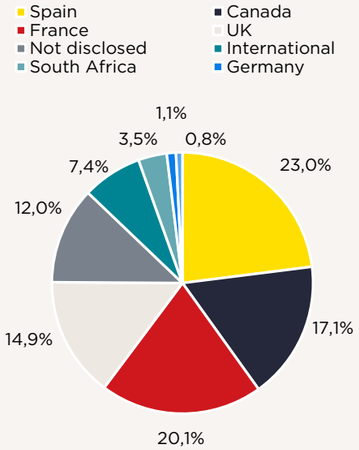
Cross-border capital continued to play a central role. Spanish investors were the most active, representing 23% of international inflows, followed by Canada, France, and the United Kingdom, which together contributed roughly half of all foreign investment.



INVESTMENT VOLUME BY INVESTORS CATEGORY



SHARE OF INVESTMENT VOLUMES BY INVESTORS



Source: Savills Research

65%

CROSS-BORDER CAPITAL

The stabilization of Portuguese 10-year government bond yields throughout 2025 created a more predictable cost-of-capital environment for real estate investors;

With the risk-free rate no longer exerting upward pressure on discount rates, financing assumptions became more stable, supporting the overall resilience of prime real estate yields;

The narrowing of spreads between Portuguese sovereign bonds and core euro-area benchmarks reinforced Portugal's position as a lower-risk southern European market, supporting sustained investor interest in prime assets.

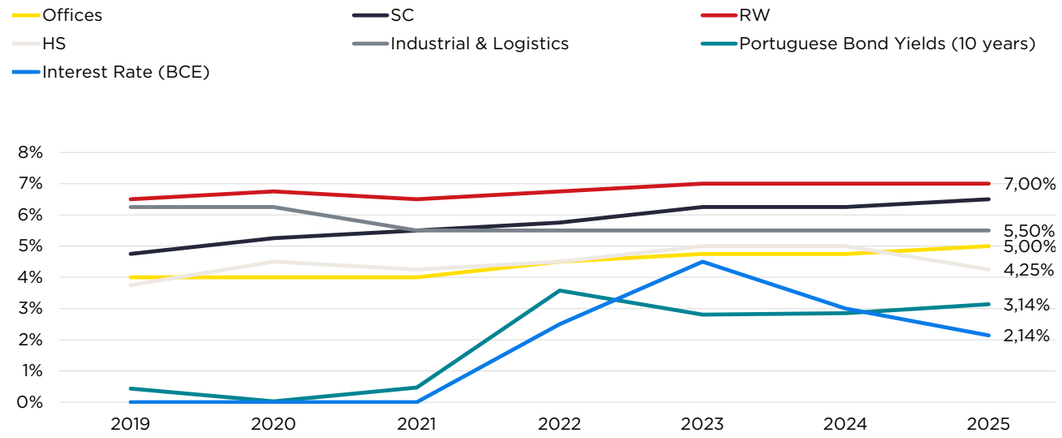
Prime yields remained largely unchanged across most asset classes in 2025. The modest compression recorded in high-street retail and Purpose-Built Student Accommodation (PBSA) reflects persistent investor demand for assets with strong operational fundamentals.

Both segments continue to benefit from structural undersupply, favourable demographic trends, and consistently high occupancy levels, which have supported pricing, particularly in established urban locations.
By contrast, the slight upward movement in office yields is linked to a widening gap between prime and non-prime assets.

Limited availability of high-quality office product has restricted transaction volumes, while assets outside the prime bracket are experiencing pricing pressure driven by higher vacancy risk, increased retrofit requirements, and weaker tenant covenant profiles.



PRIME YIELDS VS PORTUGUESE 10-YEAR BOND AND INTEREST RATES



Source: Savills Research

INVESTMENT YEAR 2025 | PORTUGAL
OFFICE MARKET



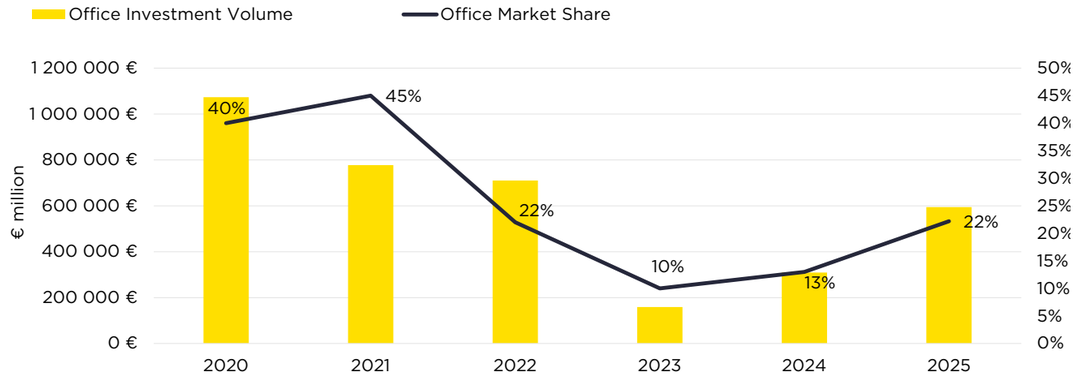
OFFICE MARKET FUNDAMENTALS

- Offices remain a core institutional asset class, offering stable income and long-term resilience;
- ESG is now a non-negotiable driver of tenant and investor decisions: energy efficiency, certifications, and wellbeing features are essential;
- Growing gap between Grade A, ESG-compliant offices and outdated stock with limited tenant appeal;
- Hybrid work is reshaping demand but not eliminating it. Occupiers prioritize flight-to-quality, seeking modern, energy-efficient and flexible layouts;
- Opportunity for refurbishment and repositioning of obsolete buildings into Grade A, ESG-aligned offices;
- Increasing focus on mixed-use schemes integrating offices with retail, residential, and amenities;
- Increasing integration of flexible workspace within traditional office portfolios.

YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	GLA(sqm)	Seller	Buyer	Investment Volume (€M)
Q1 2025	Ramalho Ortigão 51 New Office Zone	11,456	Incus Capital	BPI Fomento	Confidential
Q4 2025	Exeo Lumnia Parque Das Nações	27,600	Avenue	Arié Group	Confidential
Q4 2025	Oriente Tower New Office Zone	27,600	Union Investments	Sonae Sierra + Bankinter	€80m - €90m
Q4 2025	Allianz Castilho CBD	8,205	Allianz Portugal	Confidential	Confidential

OFFICE INVESTMENT MARKET



Source: Savills Research

INVESTMENT YEAR 2025 | PORTUGAL
I&L MARKET

LOGISTIC MARKET STOCK
4.9M
(SQM)

VACANCY RATE
3.02%

I&L TAKE-UP
497,932
SQ M (-36% YOY) YEAR 2025

>60%
TAKE-UP LOGISTIC DEMAND

PRIME RENT
€5,50
€/SQM (+5% YOY)

LOGISTICS TAKE-UP
323,046
SQ M (-23% YOY) YEAR 2025

PRIME YIELD
5.50%
(YOY STABLE)

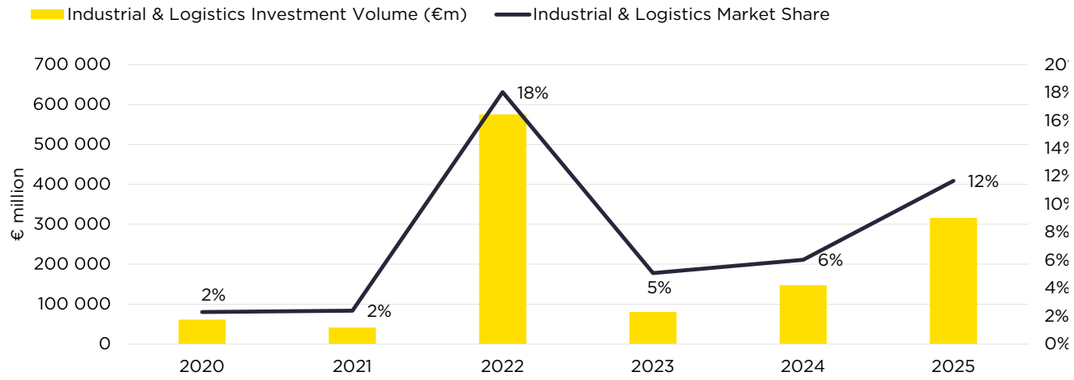
LOGISTICS MARKET FUNDAMENTALS

- Logistics sector is undergoing significant transformation and expansion, driven by e-commerce, nearshoring, and supply-chain optimization;
- Strong concentration of activity in Greater Lisbon and Greater Porto, the country's two dominant logistics corridors, fueled by supply chain modernization;
- Occupiers prioritize modern, high-spec warehouses with strong ESG credentials and efficient layouts;
- Strong appetite for core and core-plus assets, with increasing interest in value-add opportunities due to supply shortages;
- Rental growth expected to continue due to structural supply-demand imbalance;
- Potential for last-mile logistics in Lisbon and Porto, driven by urban densification and e-commerce penetration;
- Nearshoring trends and supply-chain resilience strategies support long-term demand stability.

YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	GLA(sqm)	Seller	Buyer	Investment Volume (€M)
Q2 2025	EIPA II Azambuja	52,600	DWS	Corum AM	€30m - €40m
Q2 2025	Quinta do Barrão Montijo	56,290	Confidential	Confidential	Confidential
Q4 2025	Axis Portfolio	57,756	Blackstone	Montepio Gestão de Ativos	€40m- €50m
Q4 2025	Ecologis Portfolio	160,000	Europi Property Group	Incus Capital	Confidential

INDUSTRIAL & LOGISTICS INVESTMENT MARKET



Source: Savills Research

INVESTMENT YEAR 2025 | PORTUGAL
RETAIL MARKET

TOTAL RETAIL STOCK (1)
4M
(SQM)

DENSITY SHOPPING CENTER
260
SQM PER 1,000 INHABITANTS

2025 OPENINGS
~54,000
(SQM) NEW GLA

4
NEW RETAIL PARKS

PIPELINE 2026-2027
67,000
(SQM) NEW GLA

5
PROJECTS

Rents & Yields	Prime Rent (€/sqm)	Prime Yield (%)
Shopping Centers	€140	6.50%
Retail Parks	€12	7.00%
High Street Retail	-	4.25%
Av. Liberdade	€125	-
Garret & Carmo Streets	€140	-

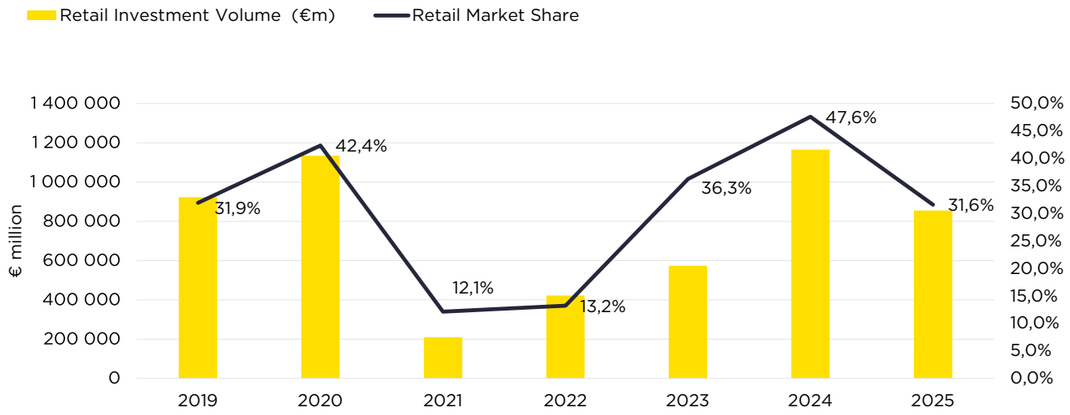
RETAIL MARKET FUNDAMENTALS

- Retail continues to benefit from Portugal's well-supported tourism sector, which significantly boosts footfall and turnover;
- Gym and fitness operators continue to expand steadily, strengthening their proximity-based relationship with customers through the rollout of neighborhood-focused and convenience-driven gym concepts.
- Demographic ageing is reshaping demand patterns, increasing the relevance of healthcare services and strengthening the role of proximity retail in meeting everyday needs.
- Immigration is supporting additional growth in F&B, neighborhood retail and food distribution, both through higher consumption volumes and the diversification of concepts and operators.
- Growth in omnichannel behaviour, with physical stores playing a critical role in brand visibility;
  Rising demand for convenience and proximity retail, supported by demographic shifts;
- Supply: focus on refurbishment, repositioning, and tenant-mix optimisation;
- Strong performance of retail parks, driven by affordability, accessibility, and resilient categories (DIY, home, electronics);
- High-street retail in Lisbon and Porto remains undersupplied in prime, flagship-quality units;
- Strong interest in prime shopping centres and dominant retail parks, supported by stable occupancy and long leases;
- International brands remain highly active, particularly in fashion, sportswear, beauty, and lifestyle.

YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	GLA(sqm)	Seller	Buyer	Investment Volume (€M)
Q1 2025	Norteshopping	89,151	TIIA Group	Sierra Prime	€300M - €350M
Q2 2025	Nosso Shopping	22,720	DWS	L Catterton	€79M
Q2 2025	Forum Madeira	21,472	DWS	Castella Properties	€62M
Q4 2025	Alegro Setúbal	27,000	Tiekenveen	Ceetrus	€60M - €70M

RETAIL INVESTMENT MARKET



Source: Savills Research

INVESTMENT YEAR 2025 | PORTUGAL
HOTELS MARKET

OVERNIGHTS
82.1 M
(FORECAST)

GUESTS
32.2M
(FORECAST)

OPENINGS
+5.500
BEDS

59
HOTELS

NEW SUPPLY
44%

Lisbon & Porto
METROPOLITAN AREAS

*projects under construction.

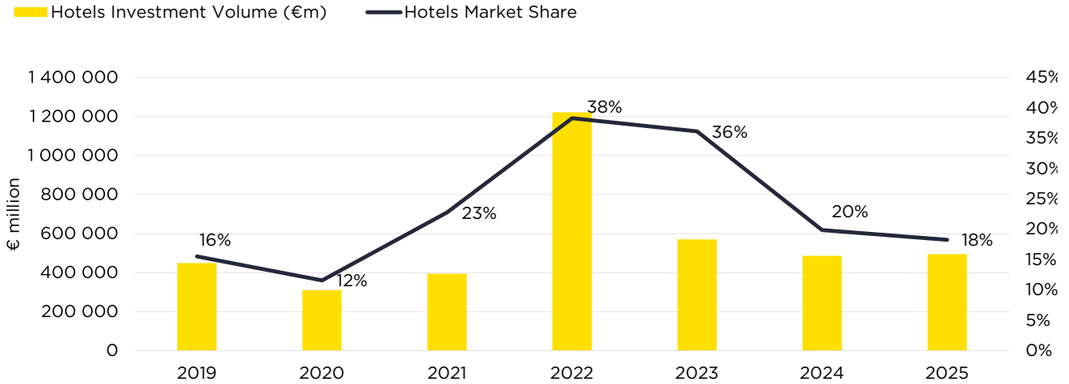
HOTELS MARKET FUNDAMENTALS

- Portugal is one of Europe's most resilient tourism destinations, consistently outperforming pre-pandemic levels;
- Strong brand positioning built on safety, climate, culture, gastronomy and accessibility;
- Highly diversified demand base: leisure, city breaks, remote workers, MICE, and long-stay segments;
- Diversified source markets, with strong inflows from the UK, France, Spain, Germany, and the US;
- Strong recovery and growth in RevPAR and ADR;
- Increasing demand for upper-midscale to luxury product, driven by international travelers with higher spending power;
- Growth in experiential, sustainable, and wellness tourism, aligned with global consumer trends;
- Growing interest from international operators seeking management and franchise agreements;
- Attractive fundamentals for value-add and repositioning strategies, particularly in Lisbon, Porto and the Algarve;
- Potential for new hospitality concepts: eco-resorts, branded residences, hybrid hotel-living models and wellness retreats.

YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	Rooms	Seller	Buyer	Investment Volume (€M)
Q1 2025	Anantara Vilamoura Algarve Resort	280	Minor International	Arrow Global	€70M - €80M
Q2 2025	Hotel Miragem	192	GFC Hotels	JV ARD + Ibervalles	€125M
Q2 2025	Tróia Resort	-	SC Investments	Arrow Global	€45M - €55M
Q4 2025	Le Monumental Palace	76	Centaurus	H1O	Confidential

HOTELS INVESTMENT MARKET



Source: Savills Research

INVESTMENT YEAR 2025 | PORTUGAL
LIVING MARKET

PBSA | YEAR 2024/2025

TOTAL STUDENTS
456,032
(+1.74% YOY)

INTERNATIONAL STUDENTS
80,065
(+3.35% YOY)

PORTUGAL STUDENT ACCOMODATION SUPPLY CURRENT PROVISION RATE

TOTAL BEDS SUPPY
5.6%

PUBLIC & PRIVATE UNI
2.7%

PBSA BEDS
2.5%

PIPELINE 2026-2027
> 3.100
BEDS

LIVING MARKET FUNDAMENTALS

- Persistant mismatch between quality supply and growing demand across all living segments;
- Limited pipeline of modern, professional and managed stock;
- Ageing and ineficiente housing stock;
- Structural pressure on both rents and prices; Increasing relevance of mid-market rental and affordable Housing.

PBSA

- Consistent growth in international student inflows;
- High dependence on informal or low-quality private rentals;
- Demand for high-quality, amenitised accommodation

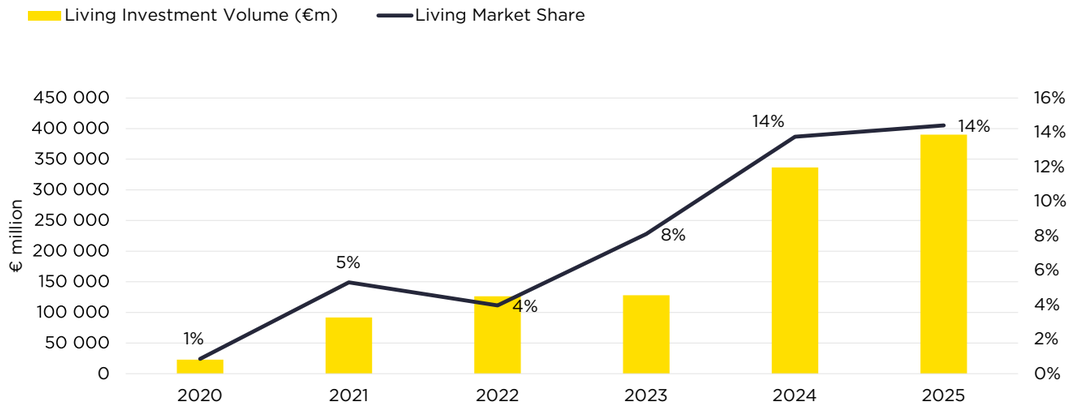
SENIOR LIVING

- Portugal is among the most aged populations in Southern Europe;
- Very limited supply of modern, professionally operated senior living and assisted living schemes;
- Growing demand for continuum-of-care models, driven by longer life expectancy and changing family structures;
- Increasing interest from foreign retirees, attracted by climate, safety and cost competitiveness.

YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	Beds	Seller	Buyer	Investment Volume (€M)
Q2 2025	PBSA Asprela Forward Funding	573	Garcia Garcia	Hines (HEPP)	Confidential
Q3 2025	Livensa Living Portfolio	2,000	Brookfield Asset Management	Nido Living	Confidential
Q4 2025	PBSA Forward Funding	550	Confidential	Confidential	Confidential

LIVING INVESTMENT MARKET



Source: Savills Research



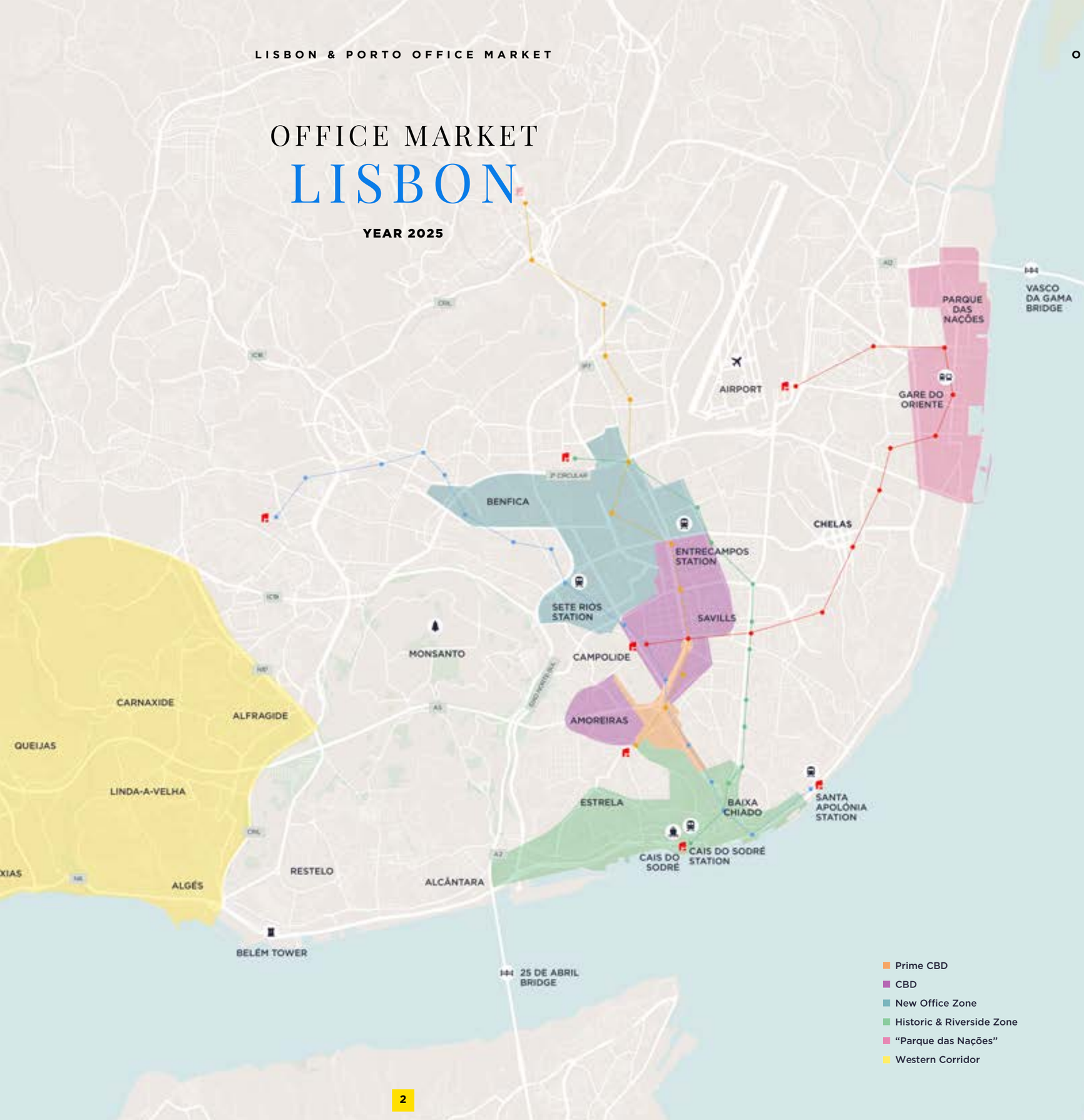
OUTLOOK 2025 & TRENDS 2026

OFFICE MARKET | PORTUGAL | 2026

RESEARCH

OFFICE MARKET
LISBON

YEAR 2025



KEY NUMBERS 2025

TOTAL MARKET STOCK
4,556,911
SQ M

GRADE A STOCK
757,476
(17% TOTAL MARKET STOCK)

DEALS DONE
54
(+17% YOY)
(Q4 2025)

DEALS DONE
169
(-4% YOY)
(YEAR 2025)

TAKE-UP (SQ M)
72,854
(+35 % YOY)
(Q4 2025)

TAKE-UP (SQ M)
204,241
(-8% YOY)
(YEAR 2025)

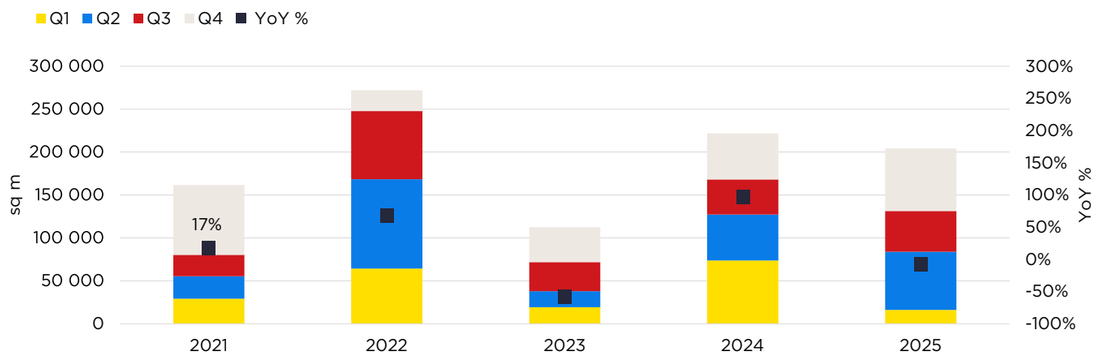
VACANCY RATE
8.36%
(+ 0,41 PP YOY)

PRIME RENT
30,00€
(€/SQ M)
(+7% YOY)

HIGHEST TAKE-UP CBD – ZONE 2
41,824
(SQ M)
(Q4 2025)

HIGHEST TAKE-UP CBD – ZONE 2
94,946
(SQ M)
(YEAR 2025)

TAKE-UP EVOLUTION



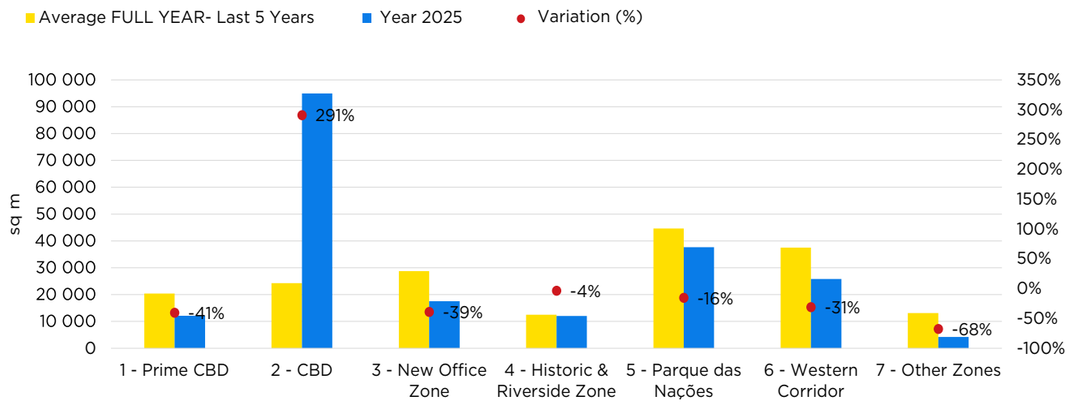
***Source:** Savills Research

In 2026, the Lisbon office market exceeded 200,000 sq m of take-up. Although annual activity registered a mild 4% contraction compared with the previous year, the market regained momentum in the final quarter. Approximately 73,000 sq m were transacted between October and December, representing a 17% uplift on the same period in 2024;

A closer analysis by market zone, benchmarked against the average take-up recorded over the past three years, shows that apart from the CBD, which registered a significant uplift in the final quarter driven by an exceptional transaction of approximately 34,000 sq m, all other zones performed below their respective historical averages.

When viewed in aggregate, the results achieved at the end of 2025 are fully aligned with the performance observed over the past three years. The market recorded only a marginal increase of 1.03%, reinforcing the view that Lisbon continues to follow a path of steady, gradual and fundamentally sound growth.

TAKE-UP PERFORMANCE BY MARKET ZONE



***Source:** Savills Research

44%

TAKE-UP INTERNATIONAL DEMAND



In 2025, market dynamics continued to be led by service-sector companies, which accounted for 23% of total take-up and recorded a substantial year-on-year increase of 149%.

The TMT sector also maintained a strong presence, securing a 17% market share, although activity in this segment declined by 7% compared with the previous year.

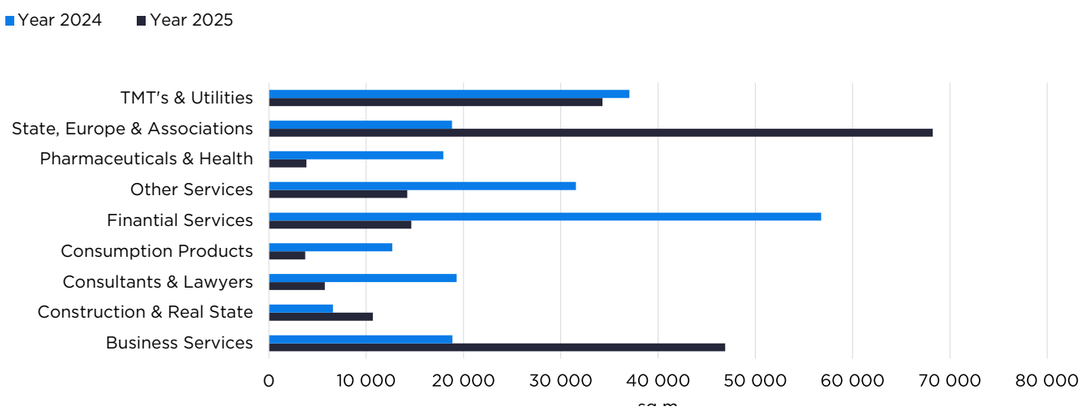
Historically, these sectors have been among the most consistent drivers of leasing activity, highlighted by sustained outsourcing dynamics and the continued expansion of multinational operations in Portugal.

The public sector, supported by two exceptional transactions, emerged as the leading contributor to take-up in 2025, representing 34% of the market and posting an extraordinary year-on-year increase of more than 200%.

FULL YEAR 2025 TOP 5 DEALS DONE | ABOVE 1,000 SQ M

Market Zone	Building	GLA(sqm)	Tenant	Business Setor	Demand Motivation
CBD	João XXI, 63	34,200	Confidencial	State, Europe & Associations	Relocations
CBD	Entrecampos 1 - Banco de Portugal Building	32,000	Banco de Portugal	State, Europe & Associations	Relocations
Parque das Nações	Oriente Green Campus	6,491	Confidencial	Business Services	Relocations
Parque das Nações	Arts Business Centre	6,336	Confidencial	TMTs & Utilities	Area expansion
CBD	Berna, 52 e Berna, 54	5,839	Confidencial	TMTs & Utilities	Relocations

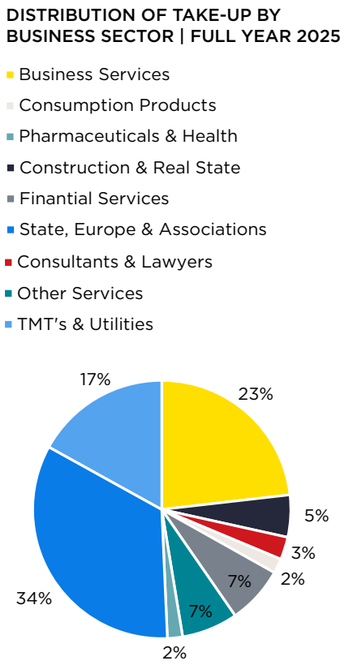
TAKE-UP BY BUSINESS SECTOR



***Source:** Savills Research



DISTRIBUTION OF TAKE-UP BY BUSINESS SECTOR | FULL YEAR 2025



***Source:** Savills Research

STOCK IS GRADE A

757,476

(SQ M)

(17% LISBON OFFICE MARKET STOCK)

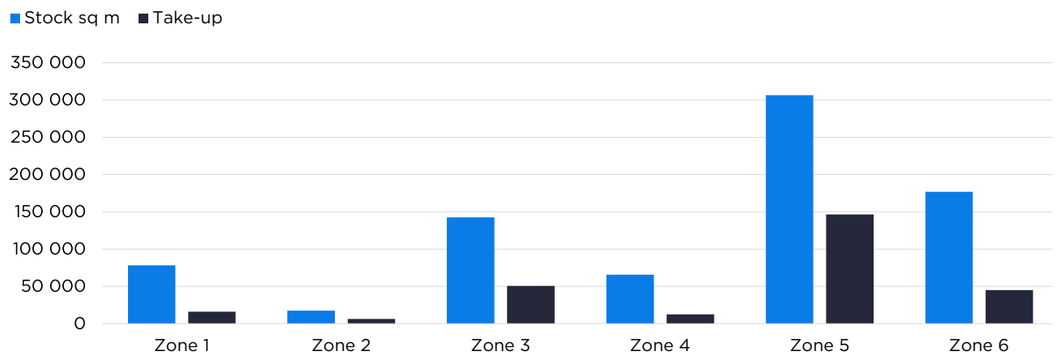
Grade A office space remains unevenly distributed across Lisbon's submarkets, with the bulk of high-quality stock concentrated in just a few areas. Zone 5 stands out, accounting for more than half of all Grade A supply. This dominance is largely the result of its newer development cycle, which contrasts sharply with the ageing stock that characterizes the core CBD in Zones 1 and 2.

This structural imbalance has been a key driver of rental growth and highlights a clear opportunity: repositioning older assets to meet the expectations of today's tenants and investors.

Over the past three years, Zone 5 has consistently posted the highest take-up of Grade A space, reinforcing its position as the submarket with the strongest availability of prime product.

The depth of activity in this zone demonstrates how supply actively unlocks demand. In contrast, lower take-up in other areas does not signal weaker occupier appetite, but rather a lack of suitable, high-quality options.

GRADE A STOCK PER MARKET ZONE



***Source:** Savills Research

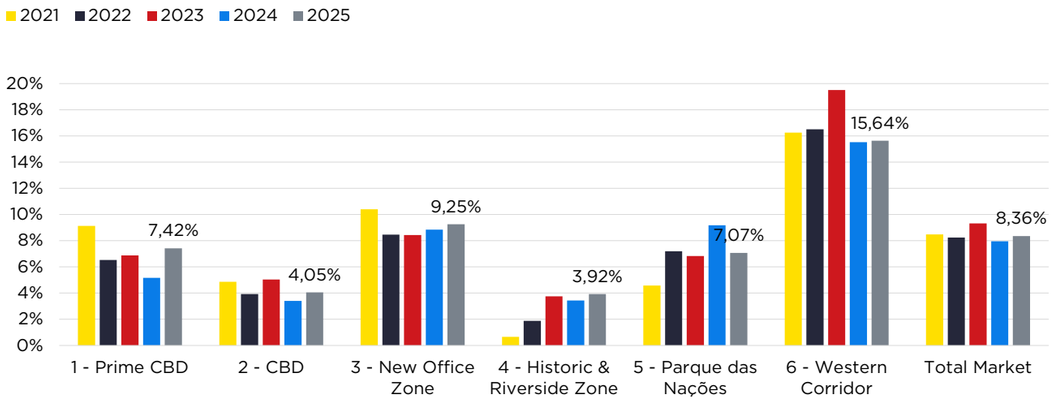


The vacancy rate closed 2025 at 8.36%, reflecting a modest year-on-year increase of 0.44 percentage points. Despite this slight rise, the current level remains well below the thresholds that would typically exert downward pressure on rents.

The market therefore continues to operate under conditions of relative scarcity, particularly within the higher-quality segment. This dynamic is even more pronounced in the central submarkets, where a marginal rise in vacancy compared with 2024 has not translated into rental softening. Instead, rental values have remained under upward pressure, driven by a persistent imbalance between supply and demand. The availability of high-quality space remains insufficient to meet active occupier requirements.

The structural shortage of prime product, especially in the city's core, continues to reinforce landlords' negotiating power.

VACANCY RATE BY MARKET ZONE



***Source:** Savills Research

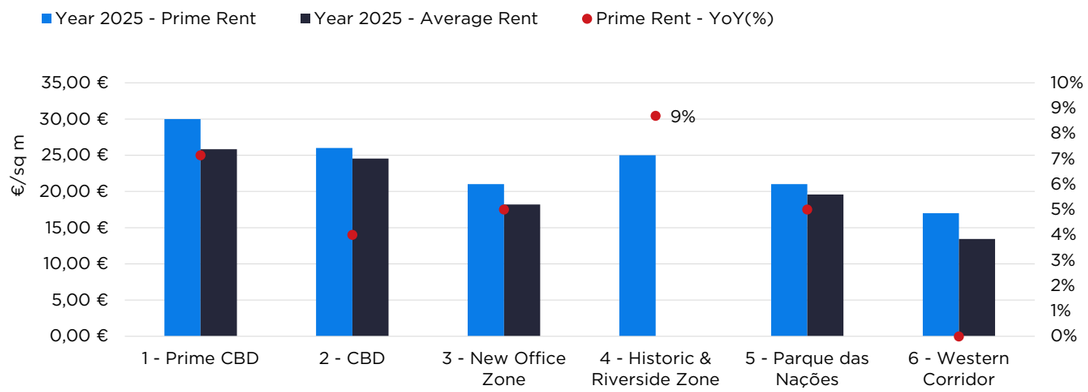
In 2025, new completions sum up just over 59,000 sq m, heavily concentrated in a small number of schemes. While these additions provide some relief, they remain insufficient to rebalance the market, particularly in the most central zones where development opportunities are structurally limited.

Taken together, these indicators point to a market where rental growth remains supported, vacancy remains contained, and the imbalance between supply and demand continues to define performance.

For investors, the message is clear: opportunities lie in repositioning ageing assets, capturing unmet demand for quality, and leveraging the structural undersupply that continues to characterize Lisbon's most sought-after submarkets.



PRIME RENT VS AVERAGE RENT 2025



***Source:** Savills Research

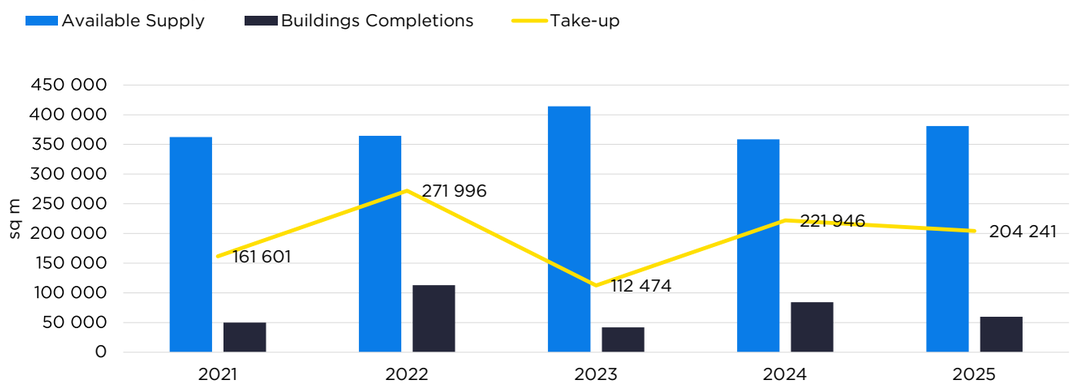
Tension is clearly visible in the prime versus average rent structure across submarkets. Prime CBD and the Historic & Riverside Zone recorded the strongest annual growth in prime rents, at 7% and 9% respectively, reinforcing the premium attached to central, supply-constrained locations.

Even in zones where vacancy edged up slightly, the lack of suitable Grade A stock continued to support rental resilience and strengthen landlords' negotiating power.

The market dynamics chart further illustrates how supply constraints shape performance. Take-up reached 204,241 sq m in 2025, a solid result and broadly aligned with the market's long-term average, despite the limited availability of prime product. The fluctuations in take-up over recent years correlate closely with the volume of high-quality space coming to market: years with more completions, such as 2022 and 2024, saw significantly higher absorption.

Market Zone	Building	GLA(sqm)	Completion
Prime CBD	Camilo Castelo Branco, 46	4,830	Q4 2025
CBD	Berna, 52	4,543	Q3 2025
CBD	Berna, 54	2,869	Q3 2025
Western Corridor	CM Oeiras	30,478	Q1 2025
Historic & Riverside	Cais, 5	5,888	Q1 2025
CBD	República 5	11,096	Q1 2025

MARKET DYNAMICS



*Source: Savills Research

Of the total pipeline exceeding 300,000 sq m, just over 200,000 sq m correspond to ground-up developments, a factor that will materially enhance the overall quality of the city's office inventory.

KEY SCHEMES

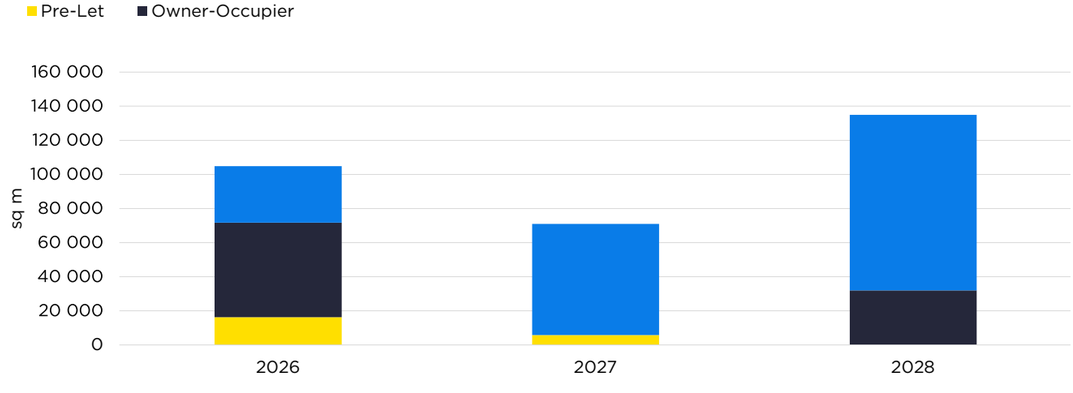
WELLBE - 100% owner-occupier
Completion: Q1 2026
Area: 26,288 sq m

Álvaro Pais - 70% pre-let
Completion: Q1 2026
Area: 40,216 sq m

Tower 3, Colombo
Completion: Q1 2027
Area: 36,215 sq m

Entrecampos Project
Completion: Q1 2028
Area: 104,682 sq m

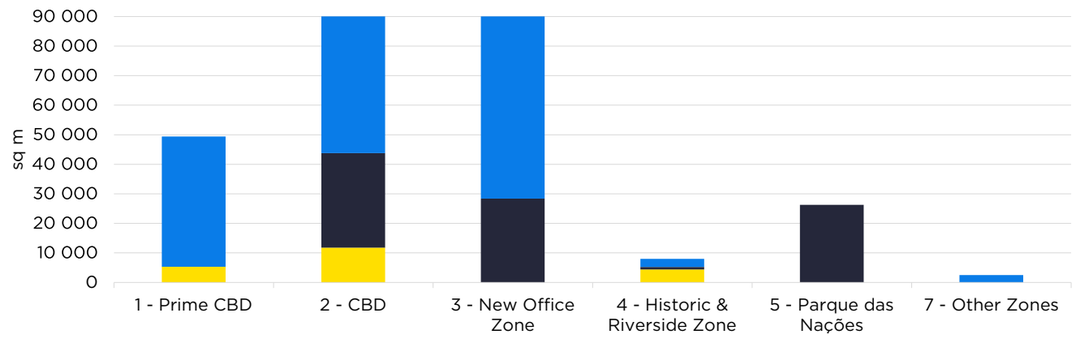
PIPELINE COMPOSITION 2026-2028



*Source: Savills Research



PIPELINE PRE-LET VS AVAILABLE 2026-2027 BY MARKET ZONE



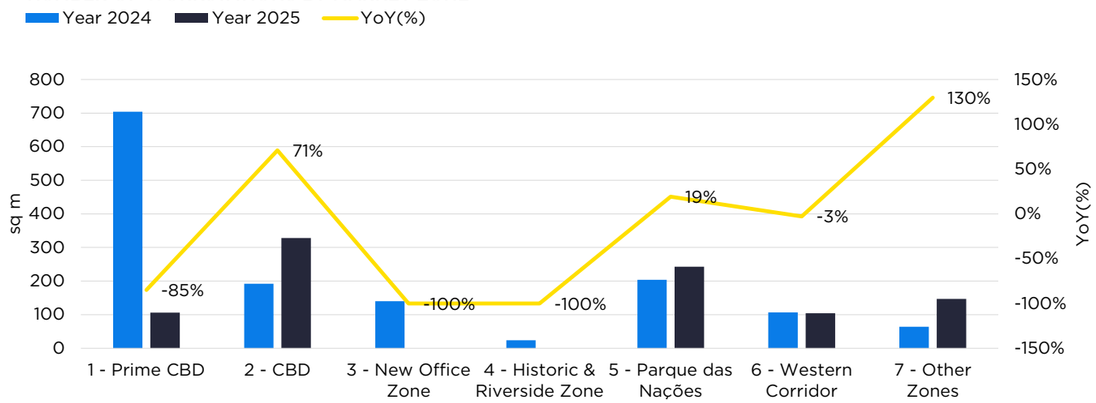
*Source: Savills Research

The development pipeline scheduled for 2026 to 2028 is set to introduce a significant volume of new office space to the Lisbon market, summing close to 310,000 sq m. In 2026 alone, approximately 100,000 sq m are expected to be delivered, of which around 68,000 sq m are already secured through pre-let agreements or owner-occupier commitments.

In 2027, a further 71,000 sq m are projected to reach completion, with a notable concentration in the Prime CBD and CBD.

In 2028 is expected with the delivery of the Entrecampos flagship development, adding more than 100,000 sq m of new office space. Given its scale, location and strategic relevance, this project is poised to redefine the city's prime office geography, reshaping centrality and establishing a new benchmark for Grade A stock in Lisbon.

NUMBER OF WORKSTATIONS BY MARKET ZONE



***Source:** Savills Research

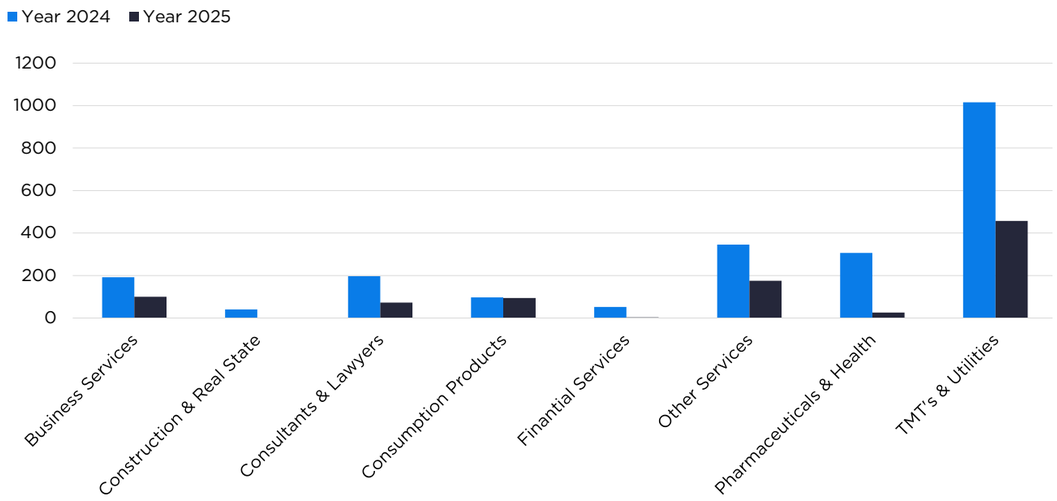


In 2025, more than 900 workstations were occupied in the Lisbon flex market, representing a 35% year-on-year decline.

Performance varied significantly across office zones: the CBD recorded a strong increase of 71%, Zone 7 (Other Zones) registered a substantial rise of 130%, and Parque das Nações posted a more moderate uplift of 19%. All remaining zones experienced more strong decreases in activity.

From a sectoral perspective, the contraction in occupational activity was broad-based and evident across almost all industries. The only exception was the consumer goods sector, which recorded a far more modest decline of just 3%.

NUMBER OF WORKSTATIONS BY BUSINESS SECTOR



***Source:** Savills Research

FLEX SPACES WORKSTATIONS

327
(-38% YOY)
Q4 2025

928
(-35% YOY)
YEAR 2025

OFFICE MARKET
PORTO

YEAR 2025

KEY NUMBERS 2025

TAKE-UP (SQ M)

43,704

(-43% YOY)
(YEAR 2025)

TAKE-UP (SQ M)

15,123

(-16% YOY)
(Q4 2025)

DEALS DONE

40

(-27% YOY)
(YEAR 2025)

DEALS DONE

17

(+31% YOY)
(Q4 2025)

HIGHEST TAKE-UP EXPANSION ZONES

19,339

(SQ M)
(YEAR 2025)

HIGHEST TAKE-UP EXPANSION ZONES

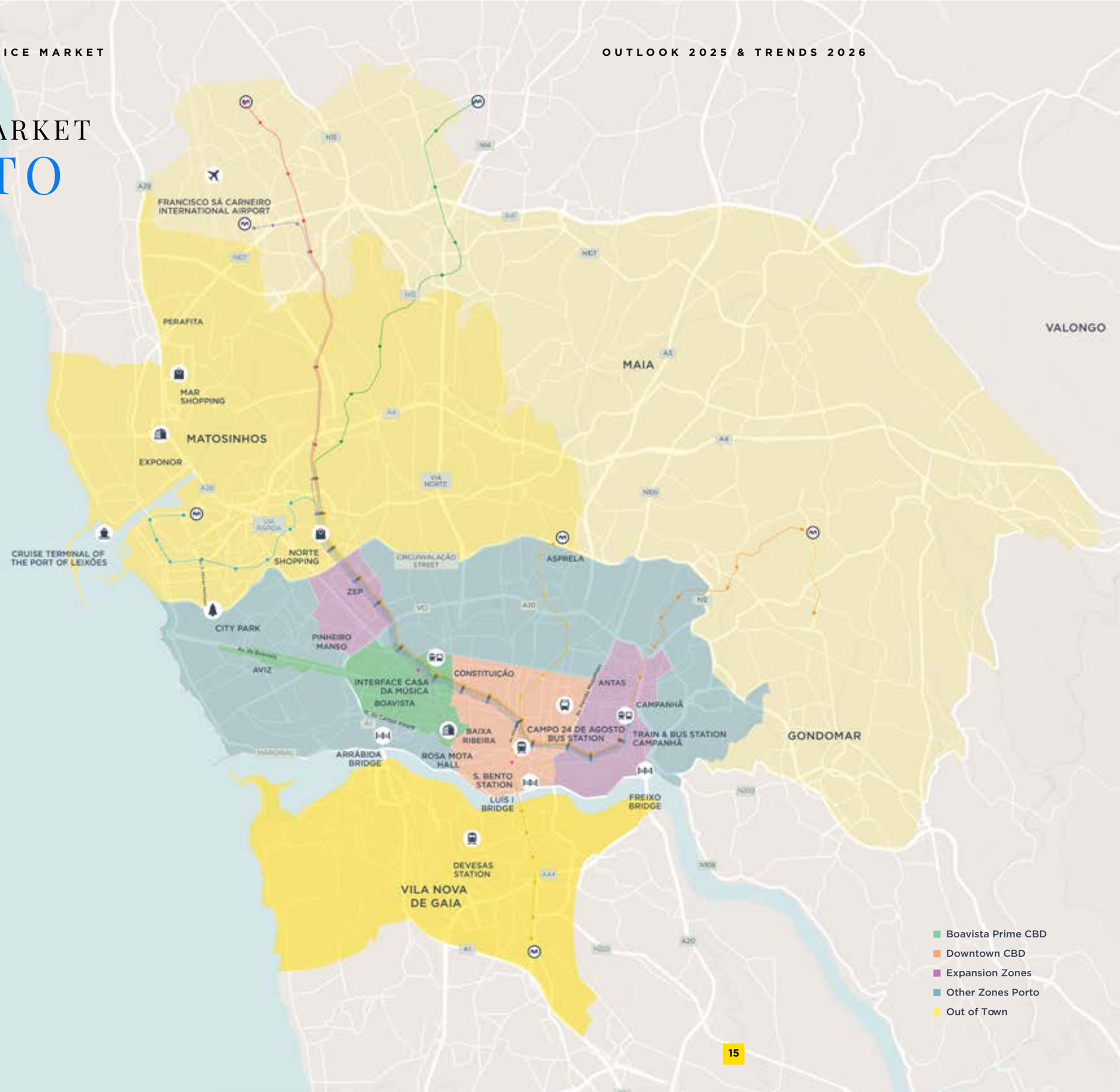
6,464

(SQ M)
(Q4 2025)

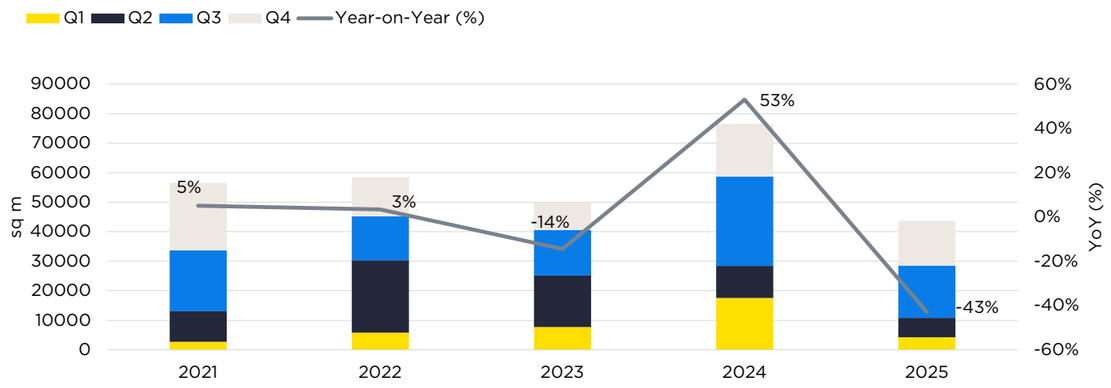
PRIME RENT

21,00€

(€/SQ M)
(0% YOY)



EVOLUTION OF TAKE-UP



***Source:** Savills Research

The Porto office market closed 2025 with a performance that reflects its own structural characteristics: a compact market, a diversified occupier base and a supply pipeline that remains modest relative to demand potential.

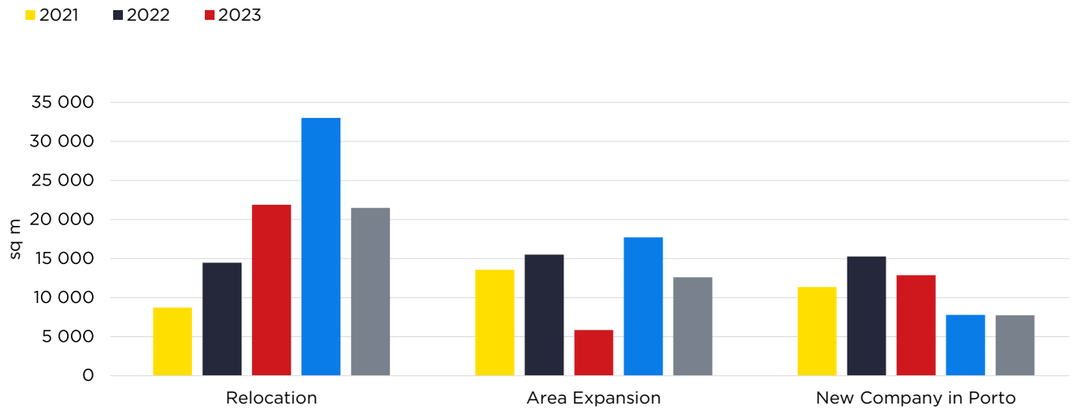
Despite the reduction in total take-up, the market remained broadly active, with 40 deals completed throughout the year, indicating that occupier demand persisted, albeit concentrated in smaller and mid-sized requirements.

The Expansion Zones continued to lead the market, capturing 19,339 sq m and reinforcing their position as the most dynamic areas for corporate occupation.

The analysis of take-up motivations provides further clarity on market behavior.

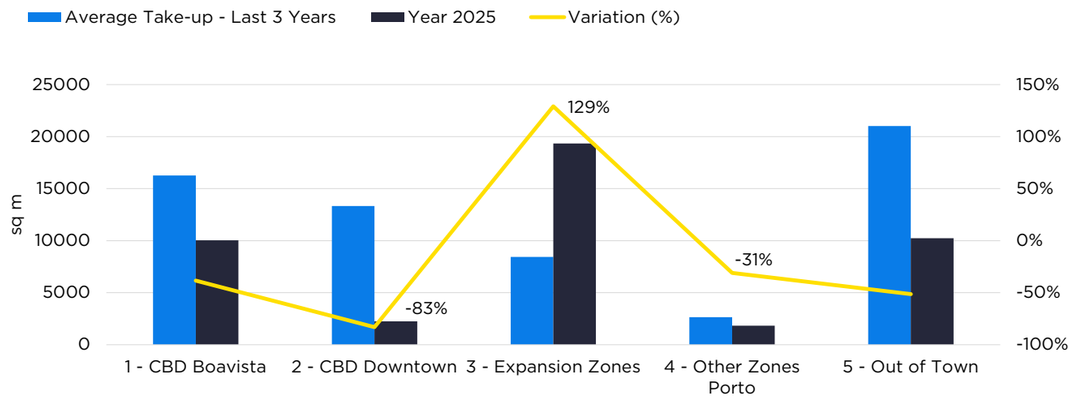
Relocations remained the dominant driver, reflecting occupiers' ongoing focus on improving space quality, operational efficiency and workplace experience. Expansion activity, which peaked in 2024, moderated in 2025 as companies adopted a more measured approach to growth. New market entries also softened slightly but continue to represent an important component of Porto's demand profile.

TAKE-UP MOTIVATION



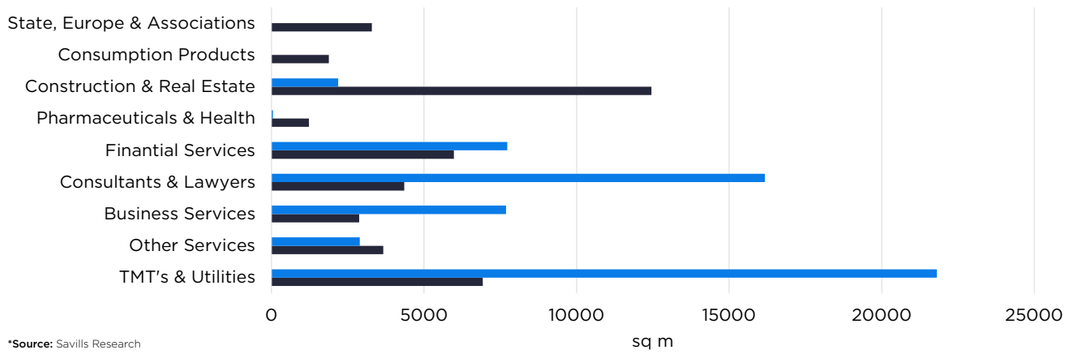
***Source:** Savills Research

TAKE-UP BY MARKET ZONE



***Source:** Savills Research

TAKE-UP BY BUSINESS SECTOR



***Source:** Savills Research



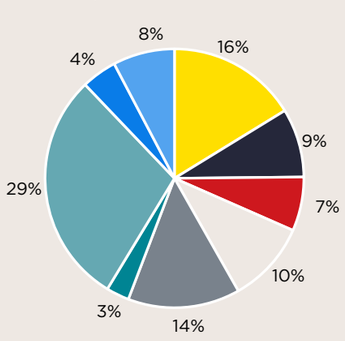
Take-up in 2025 reveals a market shaped both by the availability of modern stock and by the evolving profile of corporate demand.

The Expansion Zones emerged as the strongest performer, recording take-up levels more than double their three-year average.

The CBD Downtown registered a sharp decline relative to its historical trend, highlighting the structural limitations of this area, where ageing stock and the scarcity of large, high-quality spaces continue to constrain the materialization of demand. The CBD Boavista performed more positively, exceeding its three-year average and reinforcing its position as the city's most established prime business district, while the remaining zones showed more moderate activity.

TMTs & Utilities remained a key pillar of demand, contributing 16% of take-up and confirming Porto's continued attractiveness for technology-driven operations. Financial Services also maintained a significant presence, representing 14% of activity.

DISTRIBUTION OF TAKE-UP BY BUSINESS SECTOR | FULL YEAR 2025



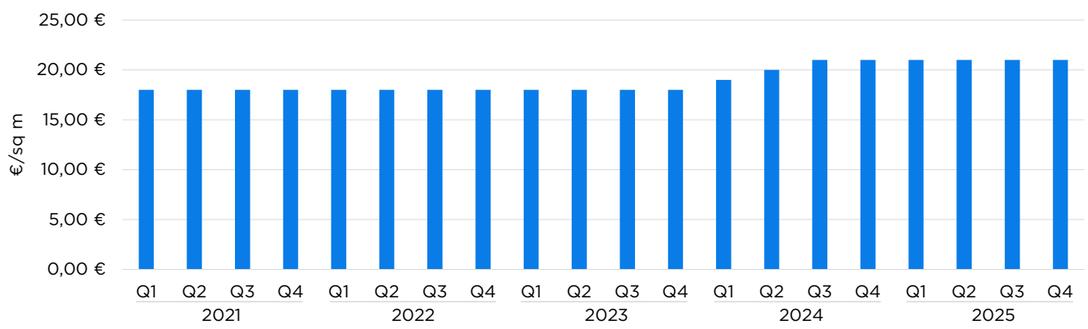
***Source:** Savills Research

Prime rents remained stable at €21/sq m/month, recording 0% year-on-year growth.

This stability reflects a balanced interaction between demand and supply: while the availability of high-quality space in the most central zones remains limited, the more moderate pace of take-up in 2025 helped maintain rental equilibrium.

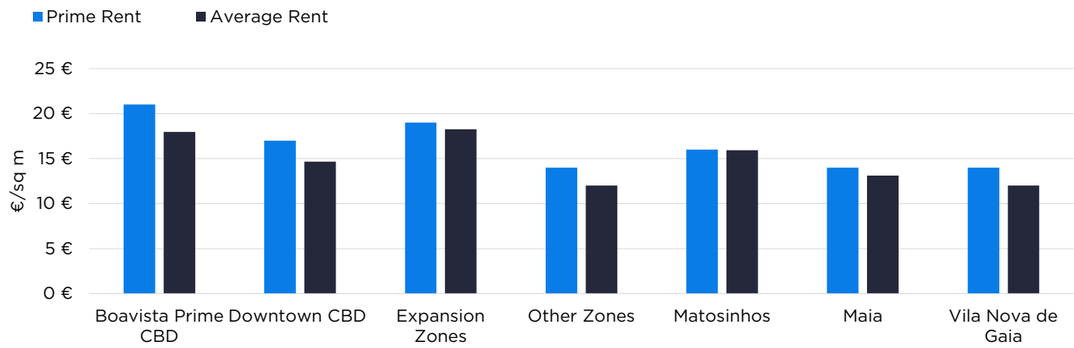
The city's rental structure continues to be shaped by the scarcity of modern stock in the Boavista Prime CBD and Downtown CBD, which supports rental resilience even in periods of softer demand.

PORTO EVOLUTION OF PRIME RENT



***Source:** Savills Research

PRIME RENT VS AVERAGE RENT - YEAR 2025



***Source:** Savills Research

The Porto market continues to show active demand, yet its ability to translate into completed transactions remains closely tied to the availability of appropriate stock. In locations where modern, flexible and efficient buildings are present, absorption strengthens rapidly. Where such options are lacking, demand tends to remain dormant rather than diminished.

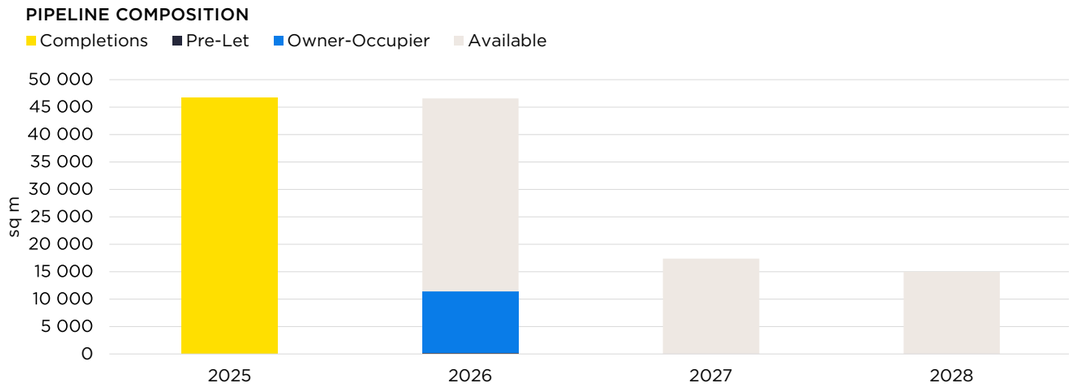
A further aspect influencing occupier decision-making in Porto is the limited availability of landlord-funded fit-out contributions. Many landlords in the market do not typically provide such incentives, which can pose challenges for occupiers with internationally centralized decision-making structures and tightly defined business plans, where cost-certainty and pre-approved investment frameworks are essential.

However, this is increasingly becoming an area where landlords are showing greater awareness, and market practice is gradually evolving as owners recognize the competitive advantage that more flexible contribution models can offer.

YEAR 2025 - TOP DEALS DONE | ABOVE 500 SQ M

Market Zone	Building	GLA(sqm)	Tenant	Business Setor	Demand Motivation
Expansion Zones	M-ODU	8,676	Mota Engil	Construction & Real Estate	Relocations
Out of Town	Menéres 612	3,450	Confidencial	Consultants & Lawyers	Area Expansion
Expansion Zones	Viva Offices	3,341	Confidencial	Finantial Services	New Company in Porto
Out of Town	BUZ	1,600	DaHouse	Business Services	Area expansion
CBD Boavista	BLO - Bessa Leite	1,327	AESE	Other services	Relocations

PIPELINE COMPOSITION



***Source:** Savills Research

Between 2026 and 2028, Porto is expected to see the delivery of eight office projects, in a total of approximately 79,000 sq m.

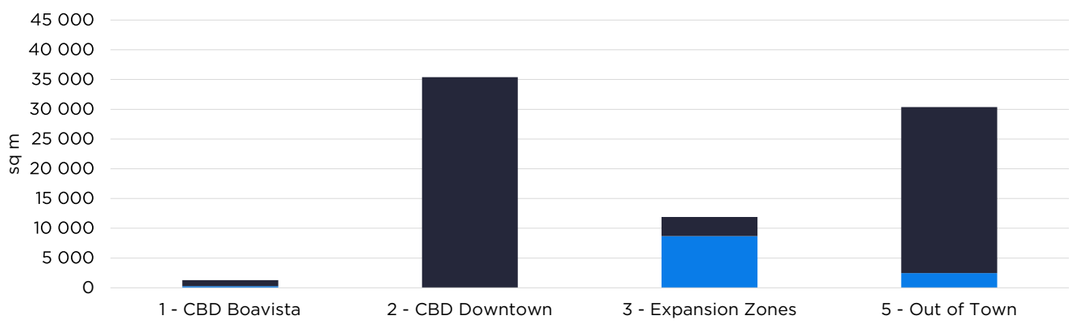
Of the total new space, around 67,000 sq m remain available, while the remaining area has already been secured through owner-occupier transactions. A portion of the available space is currently under negotiation;

The largest scheme in the pipeline is Fernão Magalhães 127, offering 17,377 sq m, developed by Avenue. Situated in Zone 2: CBD Downtown. Completion is expected in the fourth quarter of 2027, adding further prime-quality space to the city's core office districts.

Another relevant addition to the market is project HOP, developed by Tikehau Capital and Quest Capital, also situated in Zone 2: CBD Downtown. Completion is expected in Q3 2026, adding further prime-quality space to the city's core office districts.

The openings table for 2028 accounts for the HillCrown project, which comprises 15,000 sq m.

PIPELINE COMPOSITION BY MARKET ZONE 2026-2028



***Source:** Savills Research



FLEXIBLE WORKSPACES
ONE MARKET, MANY JOURNEYS

Flexible workspaces now cater to a wide range of occupiers.

While their original target audience was primarily start-ups, today we also see workstations being occupied by multinational companies seeking more agile and financially flexible occupancy models.

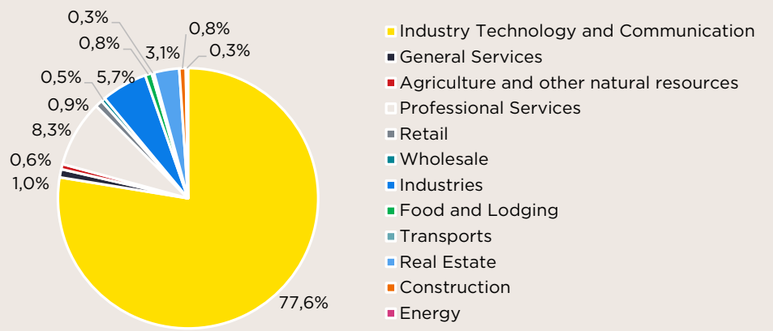
Often, these companies are entering the Portuguese market for the first time and use flexible spaces to test their business model and scale their teams in a more adaptable environment. They also benefit from amenities that foster networking and collaboration, making flexible offices not just a space solution, but a strategic launchpad.

The ecosystem occupying flexible workstations is highly diverse and continuously expanding. As different models of flexible spaces, such as coworking hubs, become increasingly sophisticated in the services and amenities they offer, they are evolving into a competitive alternative to traditional office formats.

In recent years, coworking and flexible office operators have occupied over 25,000 sqm in Lisbon's office market. Leading names such as Regus, LACS, MALEO and Spaces have helped shape the landscape, setting a high-quality benchmark for the sector.

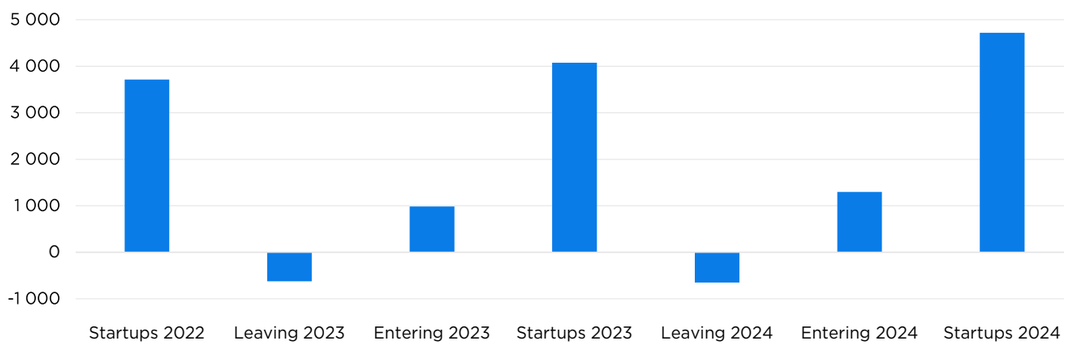
There are 4,719 startups in Portugal in 2024, 16% more than in the previous year, representing an aggregate turnover of 2.6 billion euros, 1.5 million euros in exports and more than 26,000 jobs in Portugal. What's more, over two thirds of these startups have been founded in the past five years, showcasing the rapid growth of the Portuguese ecosystem.

% OF STARTUPS BY INDUSTRY SECTOR IN PORTUGAL

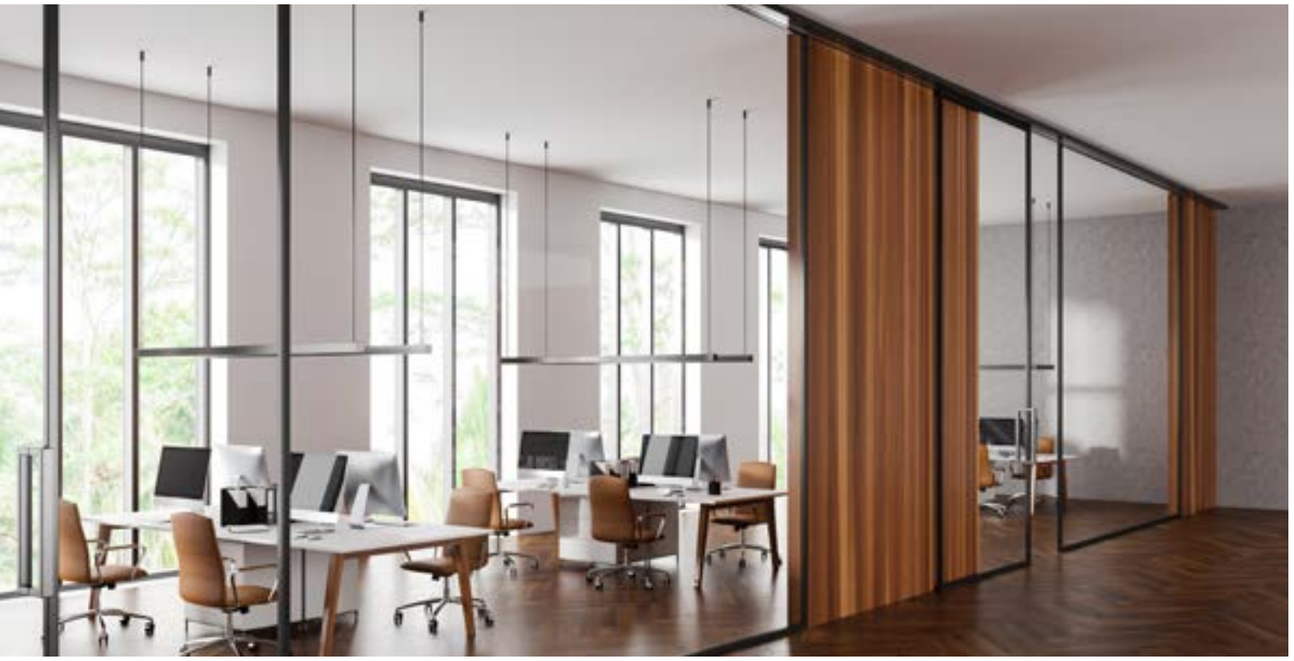


*Source: Savills Research

NUMBER OF STARTUPS IN PORTUGAL



*Source: Savills Research



QUANTIFYING THE POTENTIAL

ADVANTAGES

- Greater flexibility in lease terms and workspace use;
- Enhanced networking opportunities and peer collaboration;
- Cost efficiency through shared resources and scalable plans;
- Inspiring and dynamic environments that boost creativity and motivation;
- Companies avoid upfront capital expenditure on office design and fit-out, preserving liquidity and reducing financial risk;
- Unlike traditional leases, coworking agreements are recorded under services rather than liabilities.This positively impacts company valuation, as no debt is added tothe balance sheet. This advantage is increasingly relevant in sectorssuch as technology, gaming, and other fast-growth industries.

Access to amenities and services usually unavailable in traditional offices

Lisbon Stock

CAGR (2018 – 2025) 26%

COWORKS +100

SQ M +150,000

WORKSTATIONS +16,000

*Source: Savills Research

Porto Stock

CAGR (2018 – 2025) 20%

COWORKS +40

SQ M +40,000

WORKSTATIONS +4,000

TYPICAL AMENITIES

While they vary significantly by operator, most coworking and flexible workspaces provide:

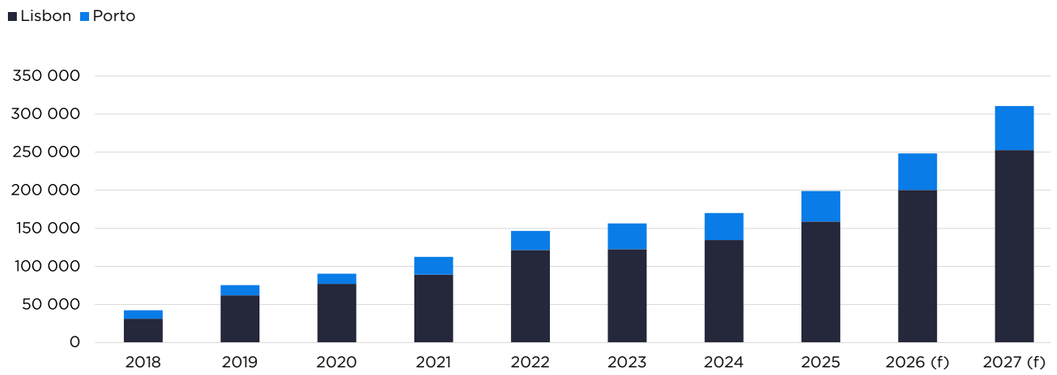
- Fully fitted-out office space (plug-and-play);
- Cleaning and maintenance services;
- 24/7 security and access;
- On-site coffee shop, bar or lounge;
- Meeting rooms of different sizes;
- Event spaces or auditoriums.

Some spaces further differentiate themselves with premium services such as:

- Exclusive community events;
- Well-being offers (yoga or fitness classes, meditation sessions);
- Shower and locker facilities;
- Sustainability initiatives (green certifications, eco-friendly design).



COWORKING SPACE STOCK IN LISBON AND PORTO



Source: Savills Research

Stock: The areas presented are indicative estimates of average occupancy per coworking space. Where available, stock figures were based on publicly disclosed information regarding the total area occupied by each operator. In the absence of such data, estimates were derived from the number of workstations provided, assuming a standard density of 12 square metres per workstation. This figure includes shared facilities such as meeting rooms, lounge areas, kitchenettes, and reception zones. These estimates are not official measurements and should be interpreted as approximate values.

FEATURES
OVERVIEW

What Most Coworking Spaces in Lisbon and Porto Offer as Standard?

HOT DESK
94%

DEDICATED DESK
85%

PRIVATE OFFICE
80%

MEETING ROOMS
90%

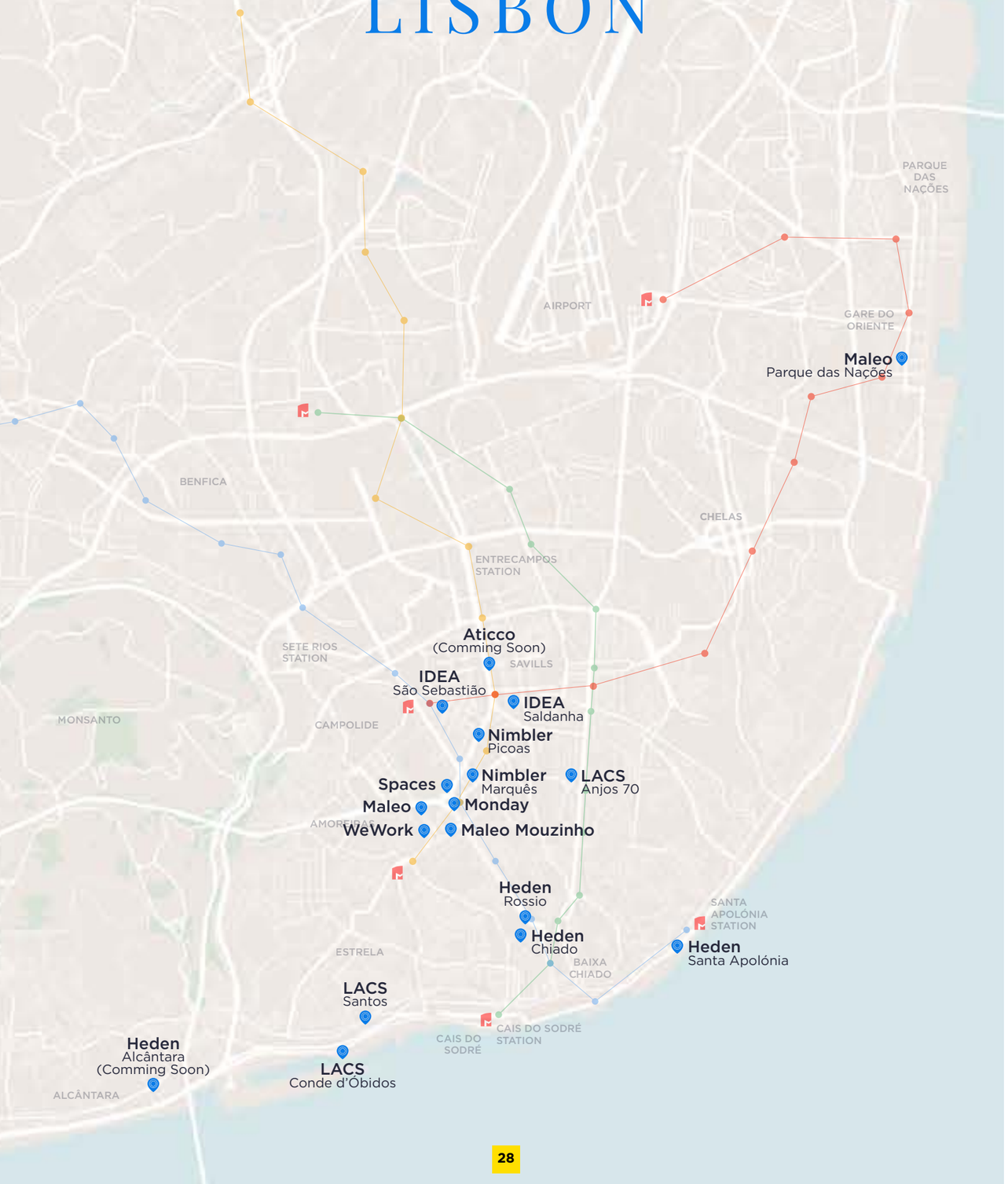
VIRTUAL OFFICE
68%

AVERAGE PRICE PER MONTH (€)
300-700
PER WS IN PRIVATE OFFICES

€168
HOT DESK

€213
DEDICATED DESK

COWORKING SPACES
LISBON



COWORKING SPACES
PORTO



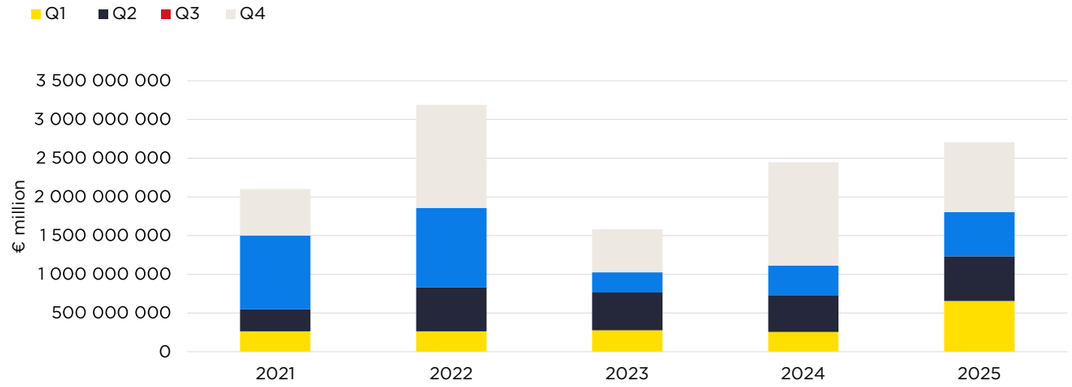
CAPITAL MARKETS
WHAT´S GOING ON IN PORTUGAL?



Overall sentiment is positive, with investors active in the market but maintaining a highly selective approach.

Capital continues to concentrate on development-driven strategies, value-add opportunities, and core assets offering resilient fundamentals.

TOTAL INVESTMENT VOLUME COMMERCIAL REAL ESTATE



Source: Savills Research

€902M
(-32% Q4 2024)
Q4 2025

€2.70M
(+11% YOY)
FULL YEAR 2025

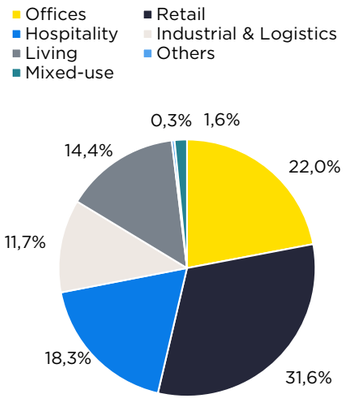
The Portuguese real estate investment market closed 2025 with a solid performance and a clear continuation of its recovery path;

Total investment reached €2.7 bn, an 11% increase compared with 2024 and 13% above the three-year average, benefiting from stronger investor confidence.

The average deal size increased by 5%, reaching €32 million; Market activity strengthened in the final quarter: Q4 totaled €902 million, the most active period of the year, although still 32% below the exceptionally strong Q4 2024;

Investor demand for well-located, high-quality assets remains firm across all sectors, supported by a steady improvement in market confidence.

INVESTMENT VOLUME BY SECTOR YEAR 2025



Source: Savills Research

Capital deployment remained diversified, proving investor´s appetite for core sectors and the gradual interest for operational and alternative real estate.

Retail recorded a positive year, supported by shopping centres, which posted a 26% year-on-year increase. However, this performance was largely driven by the completion of exceptional transactions, including the acquisition of the entire NorteShopping asset by the Sierra Prime Fund, managed by Sonae Sierra - an operation estimated at over €300 million, which significantly boosted this segment's results in 2025;

Offices saw a 92% year-on-year rise, driven by key transactions, such as the office building Lumnia in Parque das Nações, highlighting the strong appetite for office core assets;

Hospitality maintained stable investment levels, supported by solid tourism fundamentals and consistent operating performance;

Logistics was the strongest performer, with a 114% year-on-year increase, expanding its share of total investment. Demand remained high, supported by structural drivers and limited availability of prime stock;

Portfolio transactions represented 22% of total volume, indicating sustained interest in scale and operational efficiency. Lisbon and Porto captured 65% of all transactions, maintaining their dominance as the country's main investment hubs;

Although still modest in annual terms, 2025 also recorded activity in alternative segments such as gyms, schools, and data centres, pointing to a gradual broadening of investor strategies.

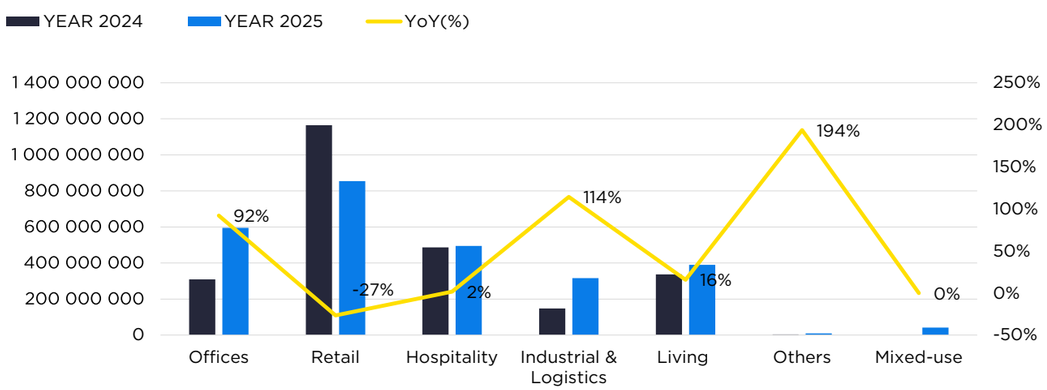
+13%

INVESTMENT VOLUME 3 YEARS AVERAGE

€32M

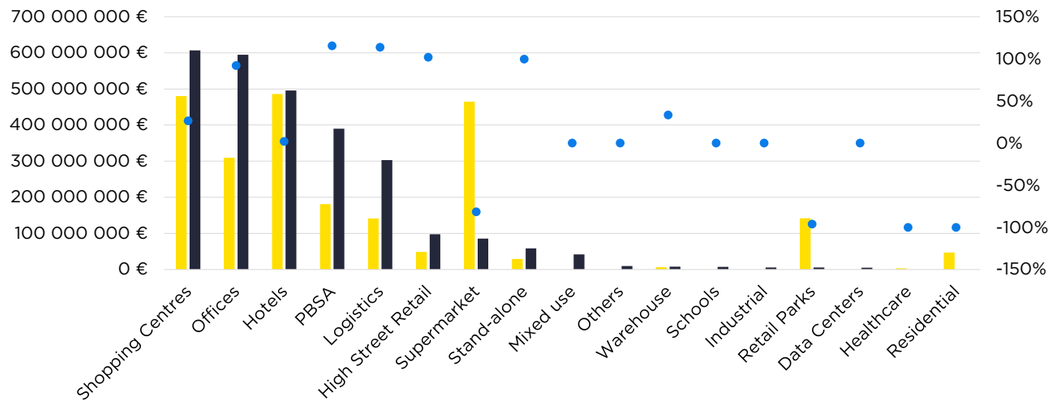
(+5% YOY) YEAR 2025 | AVERAGE DEAL SIZE

INVESTMENT VOLUME BY SECTOR



Source: Savills Research

DISTRIBUTION OF INVESTMENT VOLUME BY ASSET CLASS



Source: Savills Research



INVESTMENT YEAR 2025 | PORTUGAL
OFFICE MARKET



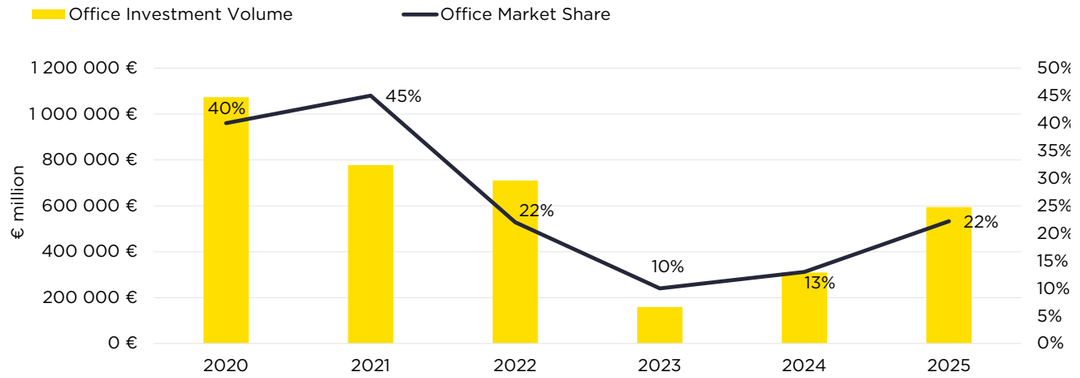
OFFICE MARKET FUNDAMENTALS

- Offices remain a core institutional asset class, offering stable income and long-term resilience;
- ESG is now a non-negotiable driver of tenant and investor decisions: energy efficiency, certifications, and wellbeing features are essential;
- Growing gap between Grade A, ESG-compliant offices and outdated stock with limited tenant appeal;
- Hybrid work is reshaping demand but not eliminating it. Occupiers prioritize flight-to-quality, seeking modern, energy-efficient and flexible layouts;
- Opportunity for refurbishment and repositioning of obsolete buildings into Grade A, ESG-aligned offices;
- Increasing focus on mixed-use schemes integrating offices with retail, residential, and amenities;
- Increasing integration of flexible workspace within traditional office portfolios.

YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	GLA(sqm)	Seller	Buyer	Investment Volume (€M)
Q1 2025	Ramalho Ortigão 51 New Office Zone	11,456	Incus Capital	BPI Fomento	Confidential
Q4 2025	Exeo Lumnia Parque Das Nações	27,600	Avenue	Arié Group	Confidential
Q4 2025	Oriente Tower New Office Zone	27,600	Union Investments	Sonae Sierra + Bankinter	€80m - €90m
Q4 2025	Allianz Castilho CBD	8,205	Allianz Portugal	Confidential	Confidential

OFFICE INVESTMENT MARKET



Source: Savills Research

savills

OUTLOOK 2025 & TRENDS 2026

INDUSTRIAL & LOGISTICS MARKET | PORTUGAL | 2026



RESEARCH

YEAR 2025 INDUSTRIAL & LOGISTICS

Portugal's logistics stock reached 4.9 million sq m at the end of 2025, remaining undersupplied despite ongoing development activity.

Total industrial & logistics take-up stood at 492,049 sq m, representing a 36% year-on-year decline, as occupiers continued to face limited availability of modern space in key locations.

The vacancy rate remained exceptionally low at 3.02%, reinforcing the persistent supply-demand imbalance.

Within the logistics segment specifically, occupational transactions sum up 323,000 sq m, a 23% decrease year-on-year.

Pre-let activity accounted for 26% of all take-up, observing an 18% annual reduction, yet still highlighting the ongoing need for forward-commitments in a market where Grade A options remain scarce.

Despite the slowdown in headline volumes, the underlying fundamentals remain solid, supported by drivers such as e-commerce expansion, supply-chain optimization and sustained demand for high-specification, energy-efficient facilities.

LOGISTICS STOCK 4.9M SQM

I&L TAKE-UP YEAR 2025

492,049

SQ M
(-36% YOY)

VACANCY RATE

3.02%

LOGISTICS TAKE-UP YEAR 2025

323,046

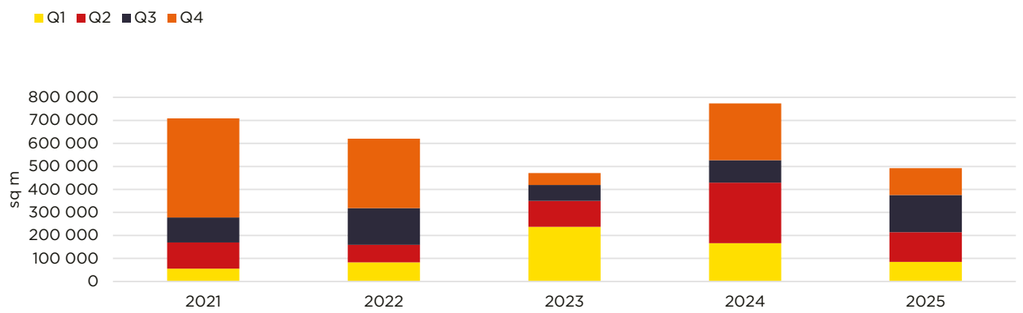
SQ M
(-23% YOY)

LOGISTICS PRE-LET TAKE-UP YEAR 2025

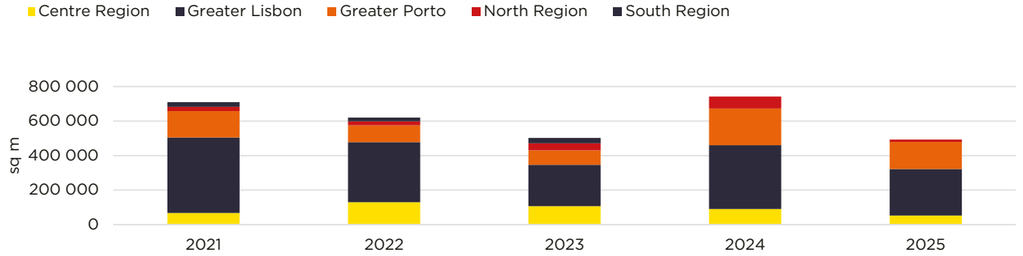
26%

(-18% YOY)

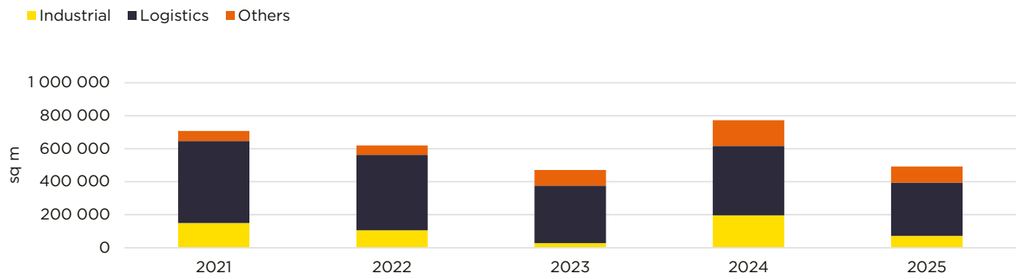
PORTUGAL I&L TAKE-UP



EVOLUTION OF TAKE-UP BY REGION



I&L TAKE-UP BY ASSET TYPE



***Source:** Savills Research

I&L MARKET
GREATER LISBON

YEAR 2025

In Greater Lisbon, the logistics stock closed the year at 3.5 million sq m.

Total industrial & logistics take-up reached 269,611 sq m, a 27% year-on-year decline. Of this total, 167,747 sq m corresponded to logistics operations, underscoring the segment's continued dominance within the region.

The vacancy rate stood at just 2.76%, a highly residual level that continues to exert upward pressure on prime rents

Approximately 75,000 sq m of new supply was delivered during the year.

This included the expansion of LogPlace Azambuja, the completion of Phase II of Plataforma Logística Lisboa Norte in the prime corridor and the delivery of VGP Montijo in the Montijo–Alcochete axis.

Despite these additions, new stock remains insufficient to ease structural supply constraints in the region.

LOGISTICS STOCK **3.5M SQM**

I&L TAKE-UP YEAR 2025

269,611

SQ M
(-27% YOY)

LOGISTICS TAKE-UP YEAR 2025

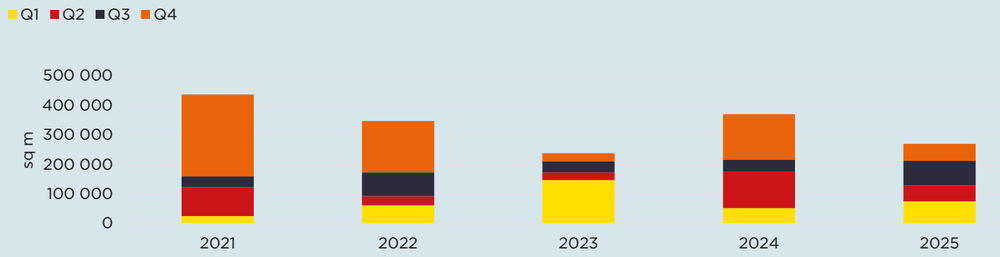
161,747

SQ M
(-48% PP YOY)

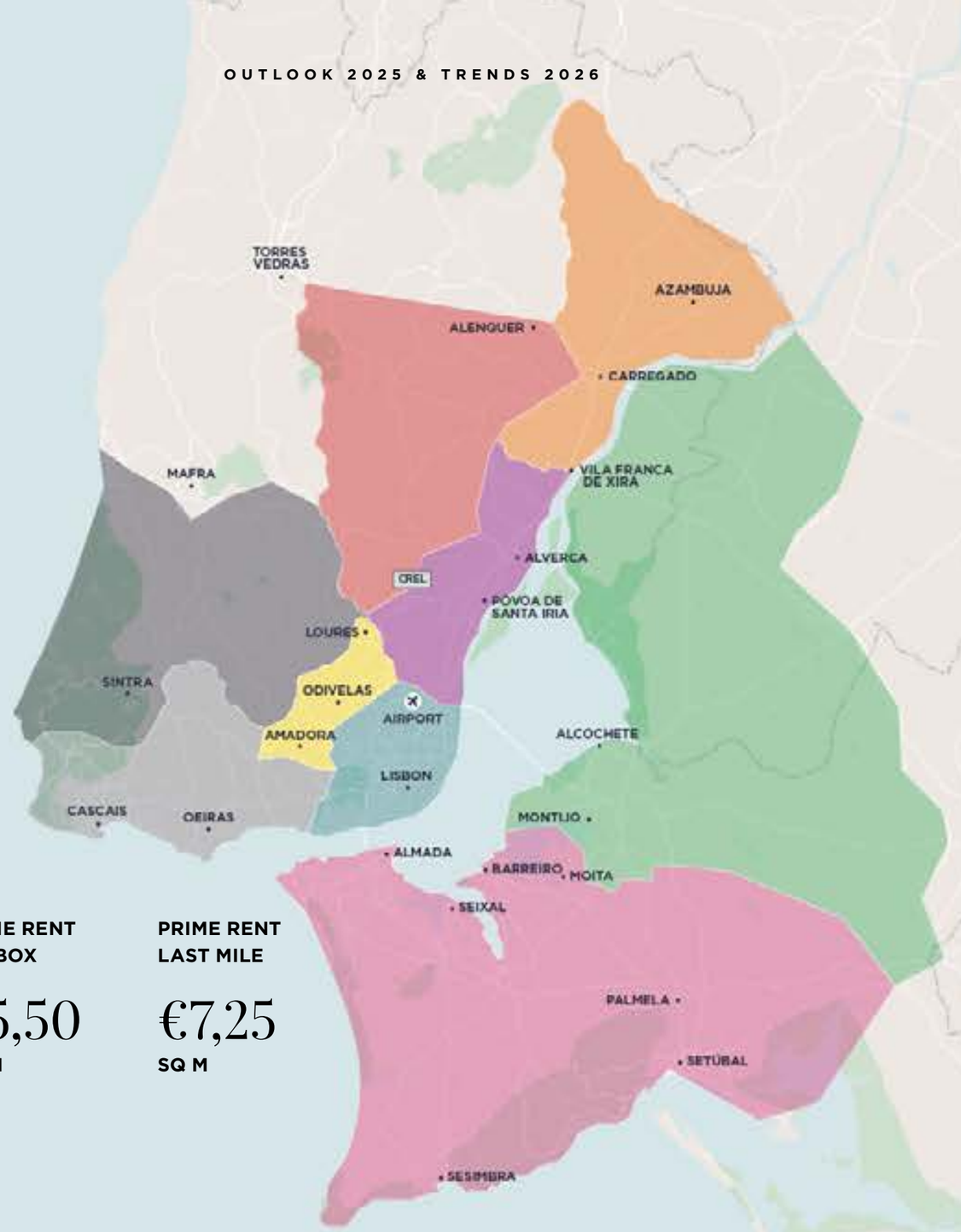
VACANCY RATE

2.76%

GREATER LISBON I&L TOTAL TAKE-UP



*Source: Savills Research



PRIME RENT BIG BOX

€5,50

SQ M

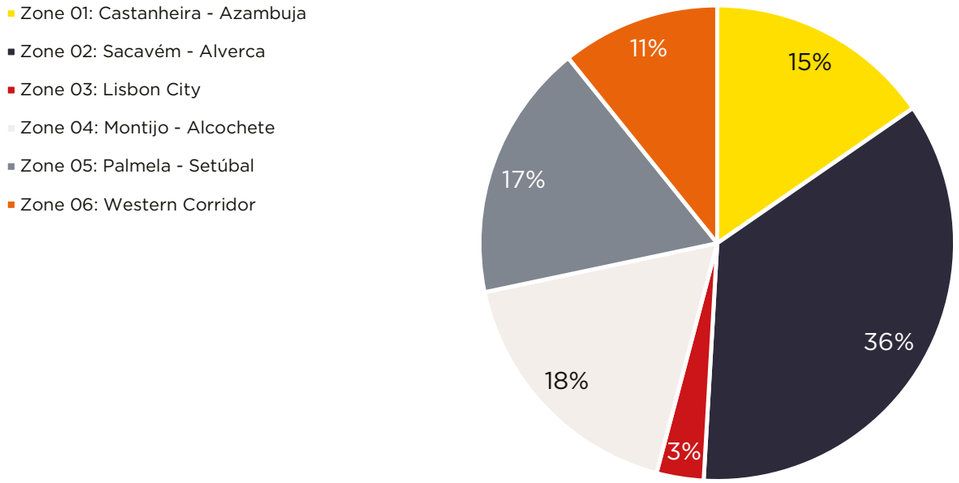
PRIME RENT LAST MILE

€7,25

SQ M

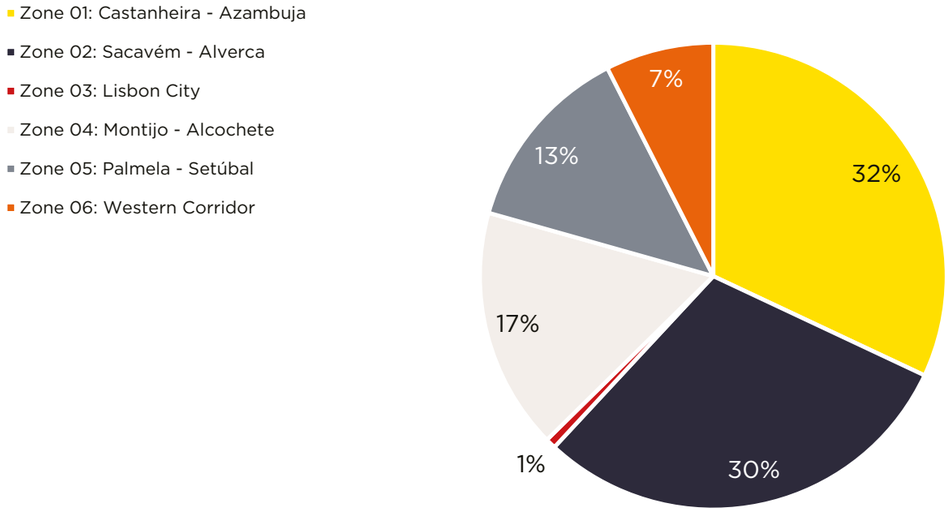
- Zone 1 - Castanheira | Azambuja
- Zone 2 - Sacavém | Alverca
- Zone 3 - Lisbon City
- Zone 4 - Montijo | Alcochete
- Zone 5 - Palmela | Setúbal
- Zone 6 - Amadora | Odivelas
- Zone 7 - Sintra North
- Zone 8 - CREL North
- Zone 9 - Oeiras | Cascais

GREATER LISBON TAKE-UP 2025



***Source:** Savills Research

STOCK DISTRIBUTION BY MARKET ZONE



***Source:** Savills Research

Market activity in Greater Lisbon was led by Zone 2: Sacavém–Alverca, which recorded the strongest performance of the year with 95,796 sq m of take-up. This was followed by Zone 4: Montijo–Alcochete with 47,401 sq m, and Zone 5: Palmela–Setúbal with 47,258 sq m.

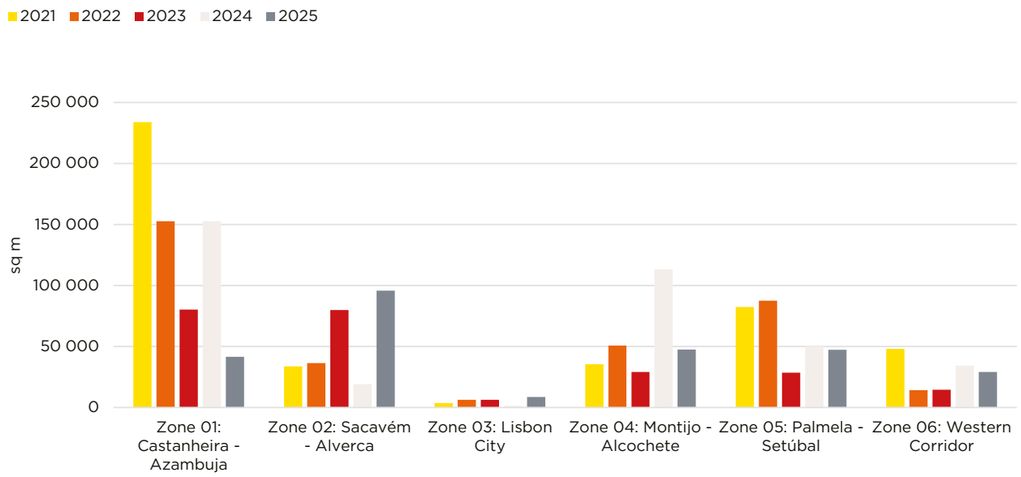
Zone 2's outperformance was largely driven by expansion decisions from 3PL and Manufacturing & Industrial occupiers. Four transactions exceeded 15,000 sq m, all involving warehouses and big-box logistics assets.

The prime corridor (Castanheira – Azambuja) has continued to record a more pronounced year-on-year decline in take-up, reflecting the limitations of a market operating at full capacity. With a vacancy rate of 0%, the volume of transactions completed falls well below the level of active demand, placing sustained pressure on this highly sought-after zone.



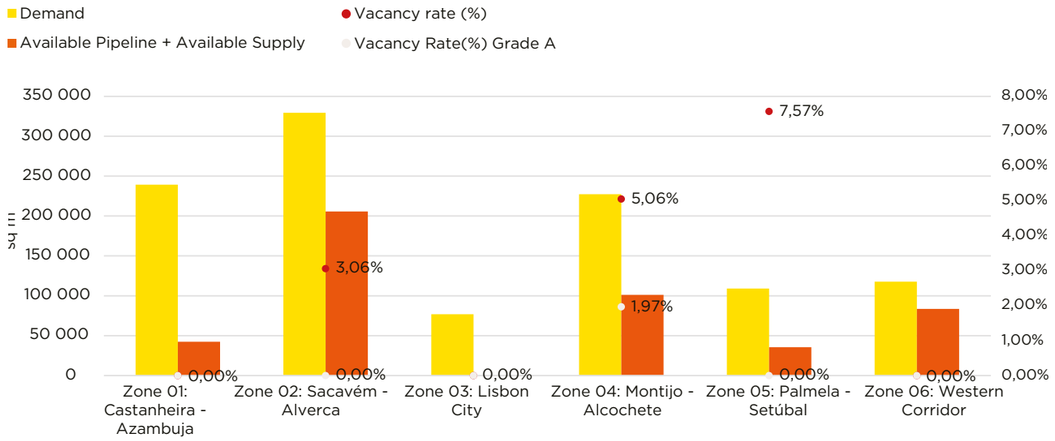
In terms of stock distribution, Castanheira–Azambuja and Sacavém–Alverca together account for more than 60% of Greater Lisbon's logistics stock.

GREATER LISBON I&L TAKE-UP BY MARKET ZONE



***Source:** Savills Research

GREATER LISBON MARKET DYNAMICS



***Source:** Savills Research



Demand continues to exceed the availability of logistics space across all Greater Lisbon corridors, highlighting persistent imbalance;

The supply gap is particularly high in Zone 1: Castanheira–Azambuja and along the Montijo–Alcochete axis, where development capacity remains constrained;

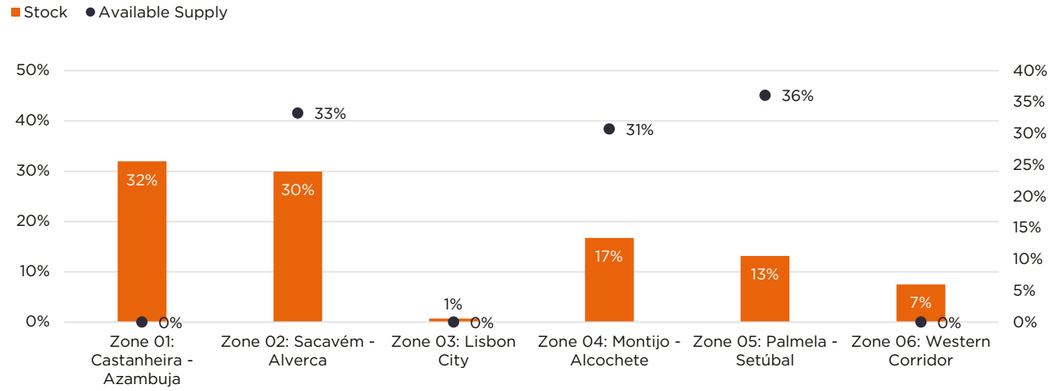
Over the next two years, the projected pipeline totals just over 360,000 sq m, a volume that falls significantly short of the levels of demand consistently recorded in the region;

Across the broader Greater Lisbon market, Grade A supply is effectively non-existent, and vacancy rates remain exceptionally low or, in some corridors, virtually at zero, further intensifying competition for quality and well-located space.

DEMAND YEAR-END 2025

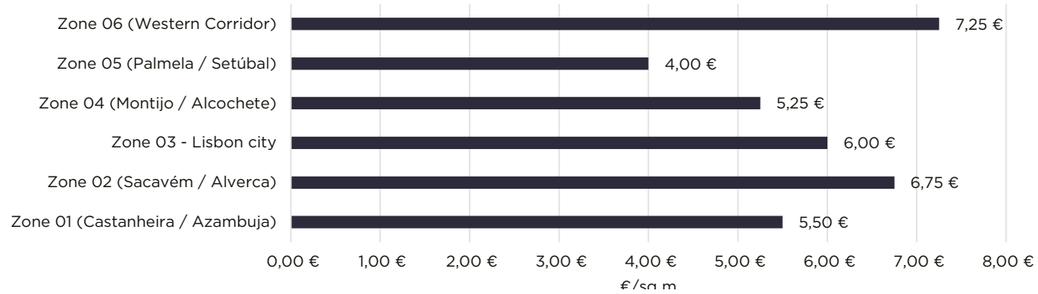
APROX. 1M SQ M

DISTRIBUTION OF STOCK AND AVAILABLE SUPPLY BY MARKET ZONE YEAR 2025



***Source:** Savills Research

PRIME RENT BY MARKET ZONE



***Source:** Savills Research



By the close of 2025, logistics demand across Greater Lisbon had surpassed one million sq m, reflecting another year of steady expansion and confirming the sector's strong operational momentum. The Sacavém–Alverca corridor has firmly positioned itself, attracting the highest concentration of demand activity;

Castanheira–Azambuja accounted for 22% of demand, supported by strong occupier interest and a development pipeline that continues to attract large-scale operations;

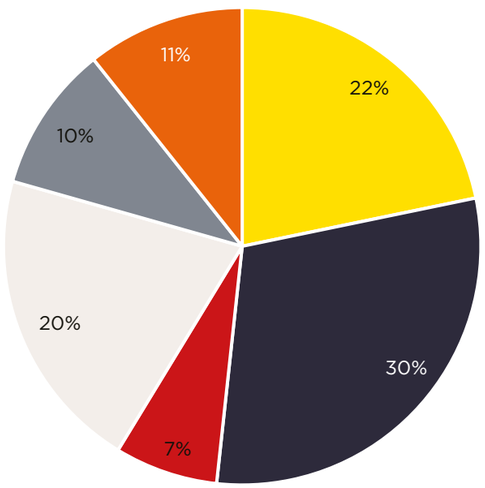
Montijo–Alcochete captured 20% of total demand, reflecting its growing relevance as an location with improving accessibility and modern stock.





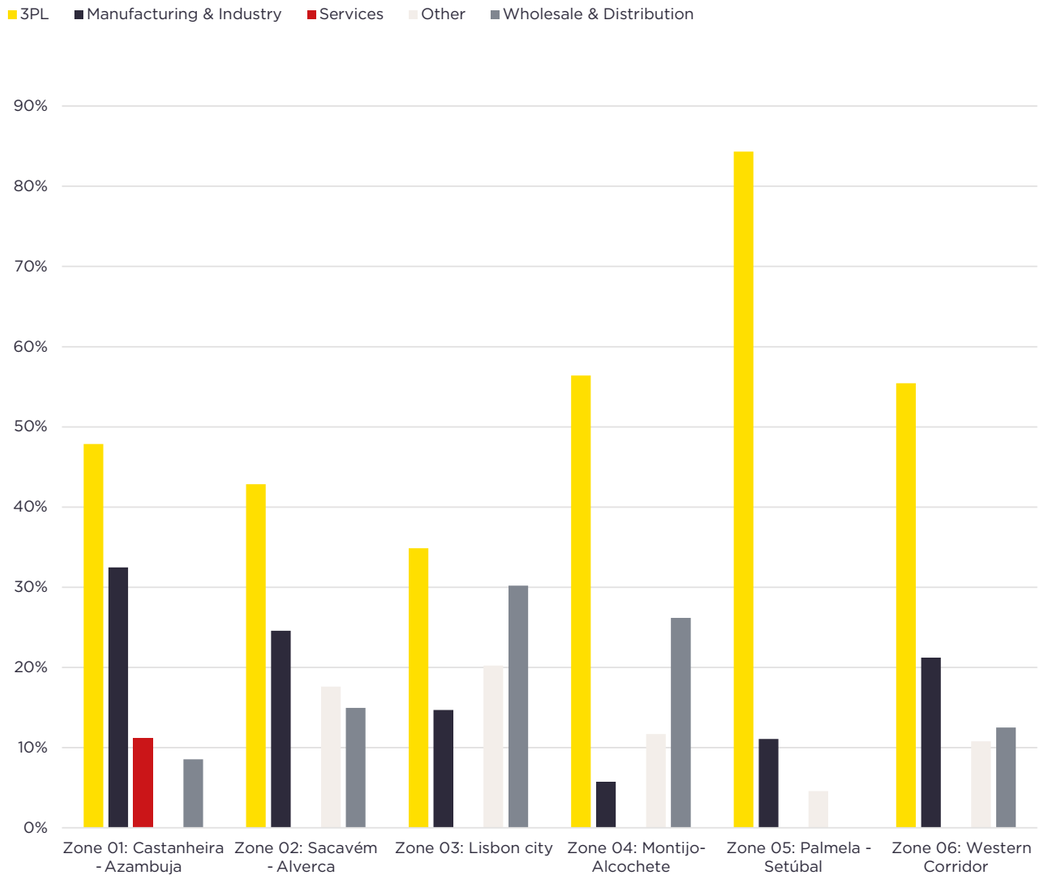
DEMAND BY MARKET ZONE

- Zone 01: Castanheira - Azambuja
- Zone 02: Sacavém - Alverca
- Zone 03: Lisbon City
- Zone 04: Montijo - Alcochete
- Zone 05: Palmela - Setúbal
- Zone 06: Western Corridor



***Source:** Savills Research

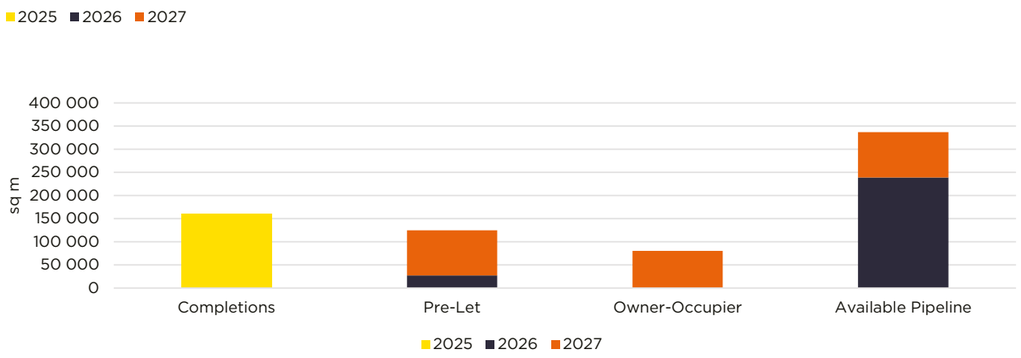
DEMAND BY ACTIVITY SECTORS



***Source:** Savills Research

3PL operators remained the dominant source of demand, reflecting ongoing expansion in e-commerce fulfilment and outsourced logistics solutions.

GREATER LISBON PIPELINE



***Source:** Savills Research

Over the next two years, the development pipeline comprises around 14 projects, summing up more than 360,000 sq m.

Approximately 34% of this volume is already secured through pre-let agreements.

Pipeline activity is heavily concentrated in the prime Castanheira–Azambuja corridor. Leading the upcoming deliveries is the third phase of Plataforma Logística Lisboa Norte, set to add 97,000 sq m of new Grade A space to the market.





YEAR 2025 - TOP DEALS DONE | ABOVE 10,000 SQ M

Market Zone	Building	Type of Asset	Area (sq m)	Tenant	Demand Motivation
Zone 02: Sacavém Alverca	Quinta da Velha	Warehouse	17,37	Confidencial	Area expansion
Zone 02: Sacavém Alverca	Adarse	Warehouse	16,795	Worten	Area expansion
Zone 04: Montijo Alcochete	Benavente	Heavy Industry	15,7	HyChem	Area expansion
Zone 02: Sacavém Alverca	Vialonga	Logístics - Big Box	15,509	ONTIME Logística Integral	Area expansion
Zone 02: Sacavém Alverca	Projecto Alegre S. João da Talha	Logistics	15,5	Tesla	New company in Portugal

***Source:** Savills Research

I&L MARKET
GREATER PORTO & NORTH REGION

YEAR 2025

The Porto logistics market closed 2025 with a stock of around 1.3 million sq m.

The vacancy rate reached 3.71%, a slight year-on-year increase of 2.75 percentage points, yet still indicative of a market where available space remains limited.

Total industrial & logistics take-up amounted to 157,000 sq m, representing a 26% decline compared with the previous year. Even so, the logistics segment strengthened its position within overall activity: logistics transactions accounted for 72% of total take-up, a 65% increase on 2024, pushed by the region's rising importance for occupiers seeking to support expanding operational decisions.

Combined with the upcoming pipeline and the continued expansion of logistics activity across the Porto metropolitan area the market remains on a clear upward trajectory.

LOGISTICS STOCK **1.3M SQM**

I&L TAKE-UP GREATER PORTO YEAR 2025

157,005

SQ M
(-26% YOY)

LOGISTICS TAKE-UP GREATER PORTO YEAR 2025

72%

(+65% YOY)

VACANCY RATE

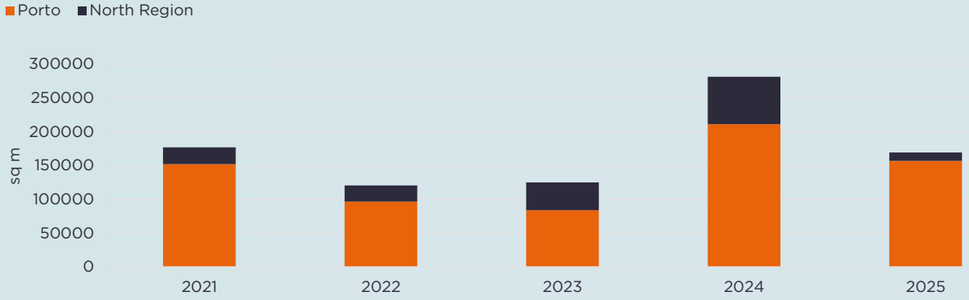
3.71%

PRIME RENT

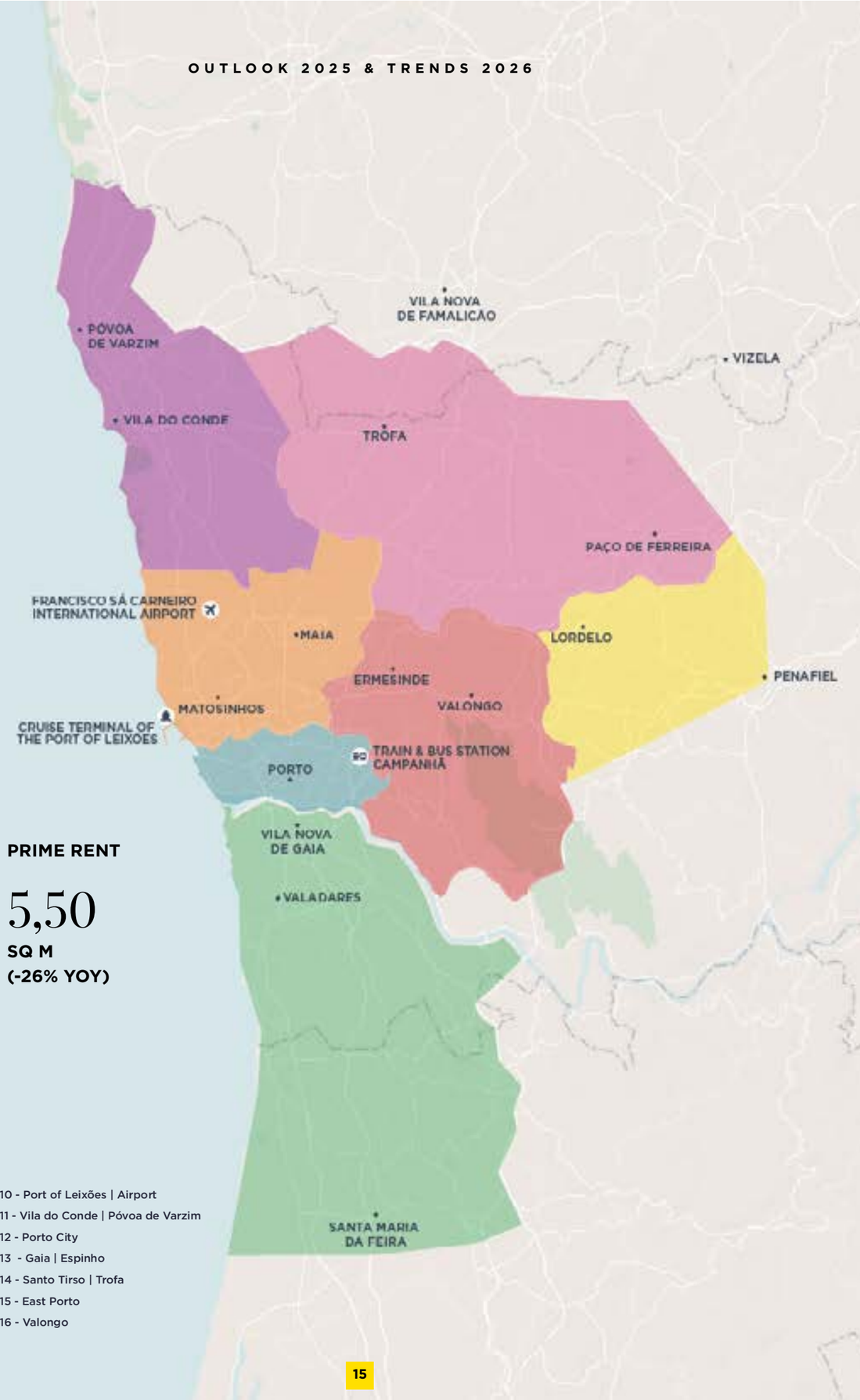
5,50

SQ M
(-26% YOY)

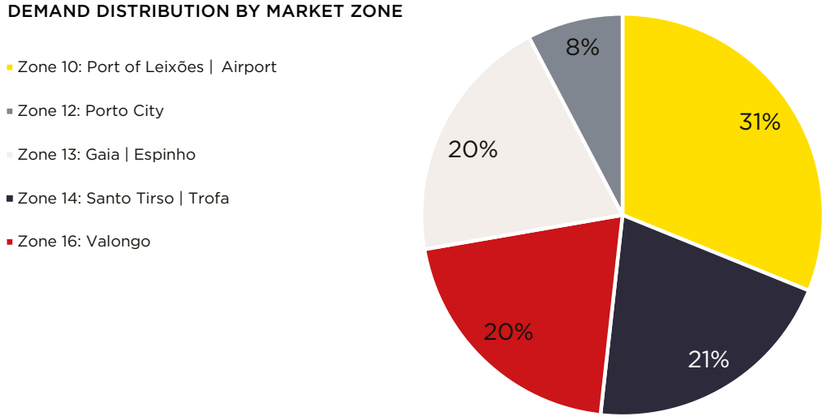
GREATER PORTO & NORTH REGION I&L TOTAL TAKE-UP



*Source: Savills Research

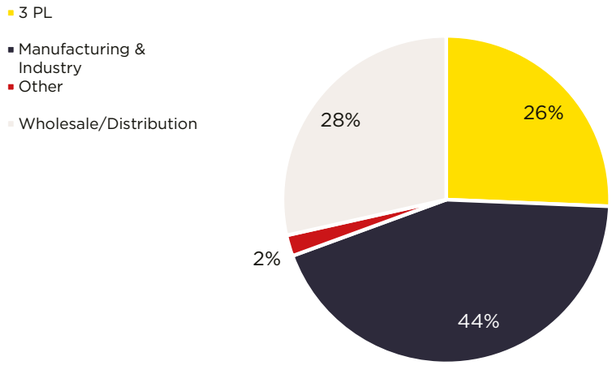


DEMAND DISTRIBUTION BY MARKET ZONE



***Source:** Savills Research

DEMAND DISTRIBUTION BY SECTOR



LOGISTIC DEMAND 2025

>500,000 SQ M

***Source:** Savills Research

YEAR 2025 - TOP LEASING DEALS | ABOVE 10,000 SQ M

Market Zone	Type of Asset	Area (sq m)	Tenant	Demand Motivation
Zone 13: Gaia - Espinho	Logistics	57,291	Confidential	Area expansion
Zone 14: Santo Tirso - Trofa	Logistics	17,645	Confidencial	Area expansion
Zone 10: Porto de Leixões Aeroporto	Industrial Unit	10,613	Confidential	Area expansion
Zone 13: Gaia - Espinho	Logistics	10,412	Torrestir	Area expansion
Zone 17: North Region	Warehouse	9,500	Cortizo	Relocation

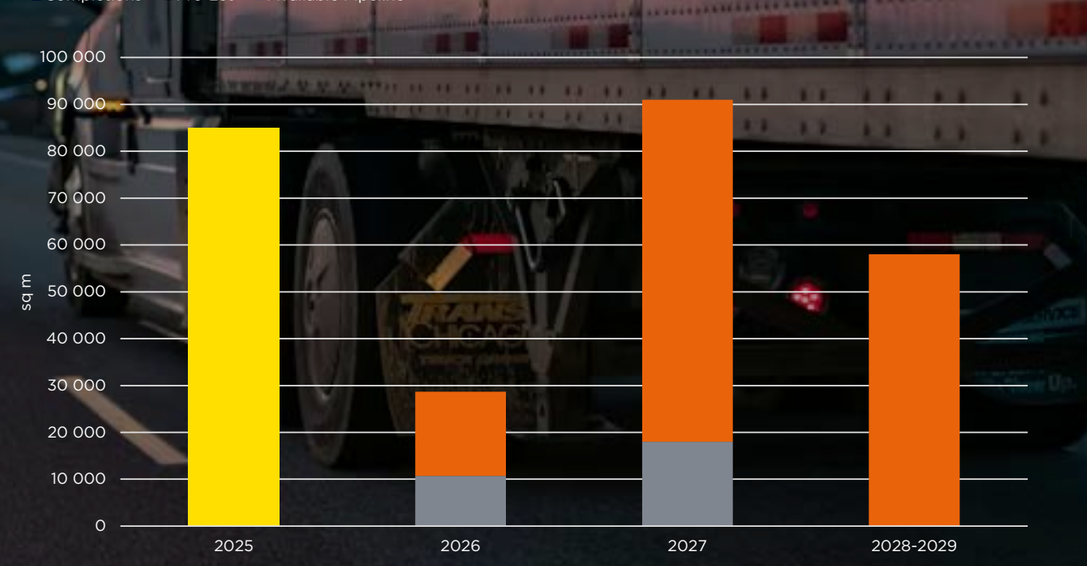
***Source:** Savills Research

Across the Northern and Porto region, the development pipeline for 2026–2029 includes six projects, adding more than 175,000 sq m of new logistics space. Around 16% of this future supply is already secured through pre-let agreements

A key addition will be VGP Famalicão, which will deliver over 50,000 sq m and strengthen the region's capacity to accommodate large and high-specification requirements.

The Porto metropolitan area has been experiencing a clear rise in logistics activity, driven by the region's growing importance as a strategic hub for both national and cross-border flows. This increase in demand continues to place pressure on available space, underlining the relevance of the upcoming pipeline in meeting future occupational needs.

GREATER PORTO PIPELINE



***Source:** Savills Research

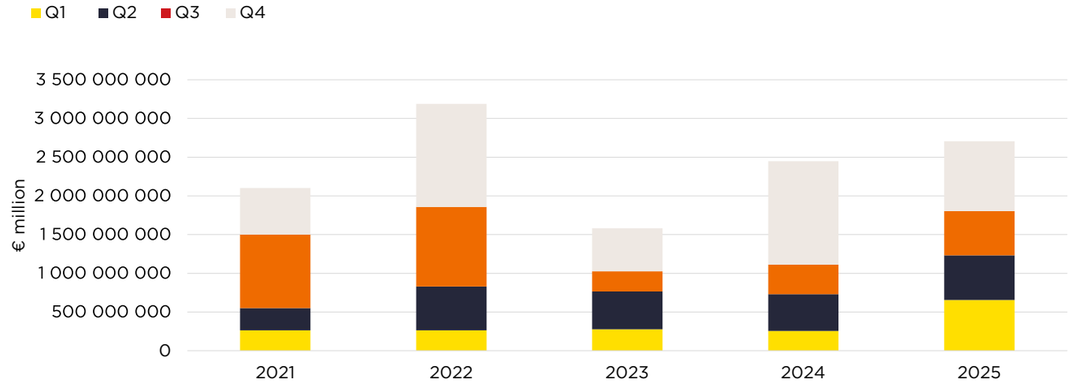
CAPITAL MARKETS
WHAT´S GOING ON IN PORTUGAL?



Overall sentiment is positive, with investors active in the market but maintaining a highly selective approach.

Capital continues to concentrate on development-driven strategies, value-add opportunities, and core assets offering resilient fundamentals.

TOTAL INVESTMENT VOLUME COMMERCIAL REAL ESTATE



Source: Savills Research

€902M

(-32% Q4 2024)
Q4 2025

€2.70M

(+11% YOY)
FULL YEAR 2025

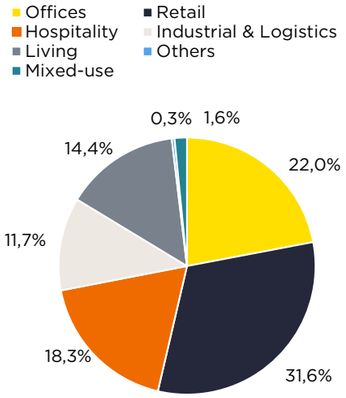
The Portuguese real estate investment market closed 2025 with a solid performance and a clear continuation of its recovery path;

Total investment reached €2.7 bn, an 11% increase compared with 2024 and 13% above the three-year average, benefiting from stronger investor confidence.

The average deal size increased by 5%, reaching €32 million; Market activity strengthened in the final quarter: Q4 totaled €902 million, the most active period of the year, although still 32% below the exceptionally strong Q4 2024;

Investor demand for well-located, high-quality assets remains firm across all sectors, supported by a steady improvement in market confidence.

INVESTMENT VOLUME BY SECTOR YEAR 2025



Source: Savills Research

Capital deployment remained diversified, proving investor´s appetite for core sectors and the gradual interest for operational and alternative real estate.

Retail recorded a positive year, supported by shopping centres, which posted a 26% year-on-year increase. However, this performance was largely driven by the completion of exceptional transactions, including the acquisition of the entire NorteShopping asset by the Sierra Prime Fund, managed by Sonae Sierra - an operation estimated at over €300 million, which significantly boosted this segment's results in 2025;

Offices saw a 92% year-on-year rise, driven by key transactions, such as the office building Lumnia in Parque das Nações, highlighting the strong appetite for office core assets;

Hospitality maintained stable investment levels, supported by solid tourism fundamentals and consistent operating performance;

Logistics was the strongest performer, with a 114% year-on-year increase, expanding its share of total investment. Demand remained high, supported by structural drivers and limited availability of prime stock;

Portfolio transactions represented 22% of total volume, indicating sustained interest in scale and operational efficiency. Lisbon and Porto captured 65% of all transactions, maintaining their dominance as the country's main investment hubs;

Although still modest in annual terms, 2025 also recorded activity in alternative segments such as gyms, schools, and data centres, pointing to a gradual broadening of investor strategies.

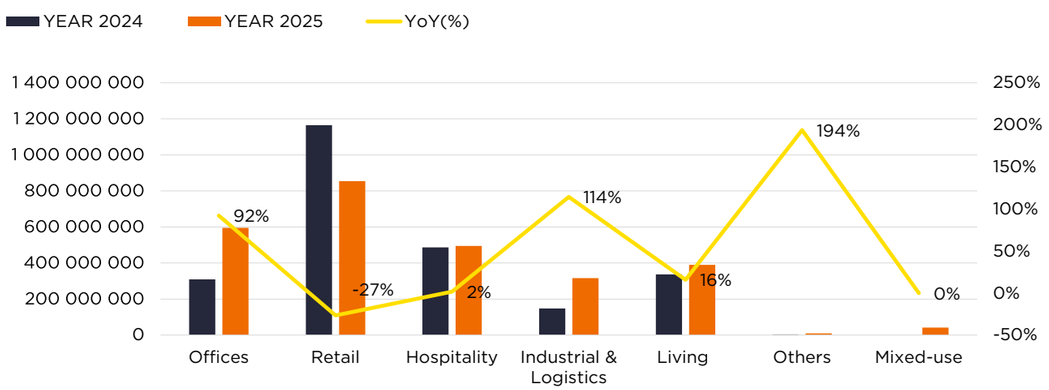
+13%

INVESTMENT VOLUME 3 YEARS AVERAGE

€32M

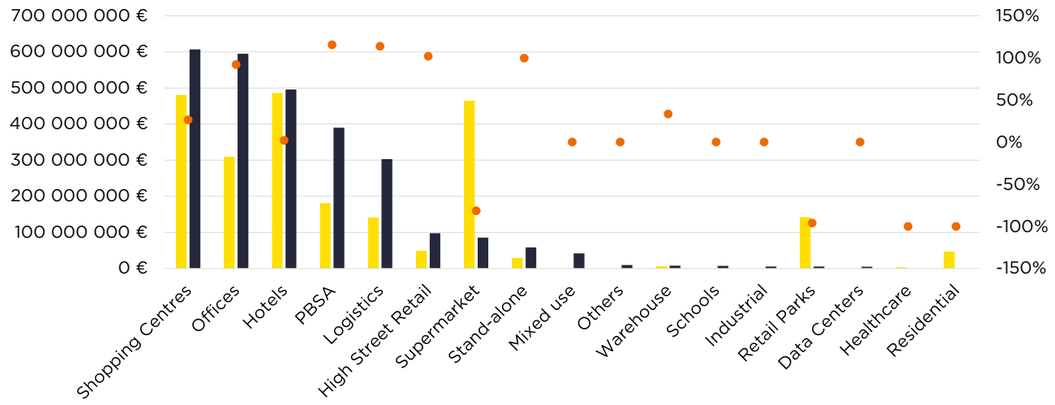
(+5% YOY) YEAR 2025 | AVERAGE DEAL SIZE

INVESTMENT VOLUME BY SECTOR



Source: Savills Research

DISTRIBUTION OF INVESTMENT VOLUME BY ASSET CLASS



Source: Savills Research



INVESTMENT YEAR 2025 | PORTUGAL
I&L MARKET

LOGISTICS MARKET STOCK
4.9M
(SQM)

VACANCY RATE
3.02%

PRIME RENT
€5,50
€/SQM
(+5% YOY)

PRIME YIELD
5.50%
(YOY STABLE)

TAKE-UP
492,049
SQ M (-36% YOY)
YEAR 2025

60%
LOGISTICS DEMAND

LOGISTICS MARKET FUNDAMENTALS

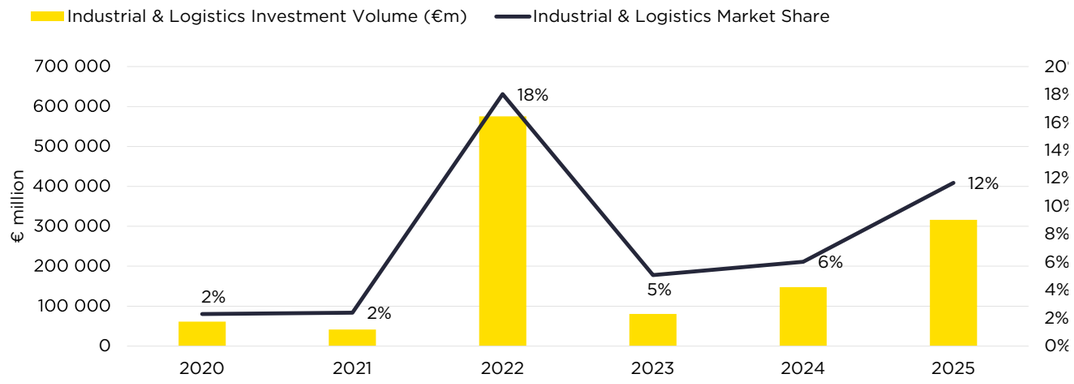
- Logistics sector is undergoing significant transformation and expansion, driven by e-commerce, nearshoring, and supply-chain optimization;
- Strong concentration of activity in Greater Lisbon and Greater Porto, the country's two dominant logistics corridors, fueled by supply chain modernization;
- Occupiers prioritize modern, high-spec warehouses with strong ESG credentials and efficient layouts;
- Strong appetite for core and core-plus assets, with increasing interest in value-add opportunities due to supply shortages;
- Rental growth expected to continue due to structural supply-demand imbalance;
- Potential for last-mile logistics in Lisbon and Porto, driven by urban densification and e-commerce penetration;
- Nearshoring trends and supply-chain resilience strategies support long-term demand stability.

YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	GLA(sqm)	Seller	Buyer	Investment Volume (€M)
Q2 2025	EIPA II Azambuja	52,600	DWS	Corum AM	€30m - €40m
Q2 2025	Quinta do Barrão Montijo	56,290	Confidential	Confidential	Confidential
Q4 2025	Axis Portfolio	57,756	Blackstone	Montepio Gestão de Ativos	€40m- €50m
Q4 2025	Ecologis Portfolio	160,000	Europi Property Group	Incus Capital	Confidential

***Source:** Savills Research

INDUSTRIAL & LOGISTICS INVESTMENT MARKET



Source: Savills Research

savills

OUTLOOK 2025 & TRENDS 2026

RETAIL MARKET | PORTUGAL | 2026



RESEARCH

YEAR 2025 | RETAIL MARKET
PORTUGAL

On a year-on-year basis, retail trade volume increased by 1.4% in the Euro Area and by 1.7% in the EU27 in December 2025.

In Portugal, retail trade recorded a year-on-year rise of 3.1%, following an increase of 6.6% in the previous month.

Over the whole of 2025, the retail trade turnover index grew by 3.0%, which is 0.6 percentage points below the rate observed in 2024.

Confidence strengthened gradually through 2025 as inflation eased and labour market conditions became more stable, creating a more supportive backdrop for retail activity.

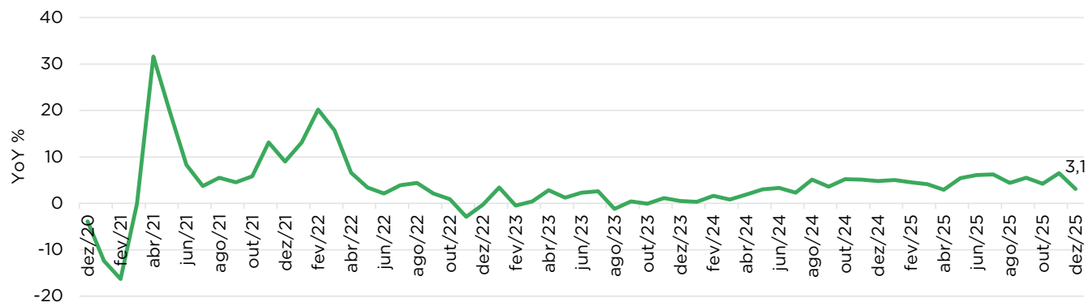
Although the index showed signs of improvement towards the end of 2025, Portuguese households remain cautious about the outlook for the national economy and their expectations for their own financial situation are still relatively subdued.

E-commerce revenue in Portugal has been rising steadily, moving from just over €3.5 billion in 2020 to a projected €7 billion by 2029, according to Statista's long-term outlook.

The share of consumers buying online has also grown consistently, with penetration increasing from around 25% to nearly 40% over the same period.

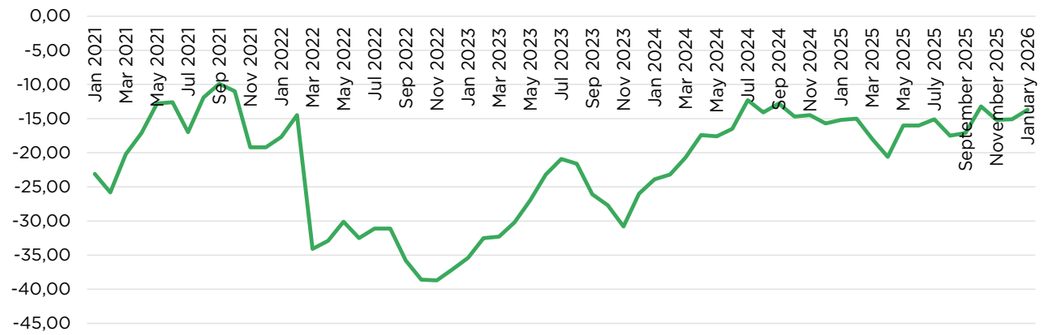
The rise in online shopping reflects a shift in everyday consumer habits. Improvements in logistics, payment systems and digital platforms have made e-commerce easier and more reliable, while retailers increasingly adapt through omnichannel strategies and stronger last-mile capabilities.

RETAIL TRADE TURNOVER INDEX



Source: Bank of Portugal | (1) Retail Trade Turnover Index (2015=100)

CONSUMER CONFIDENCE INDICATOR

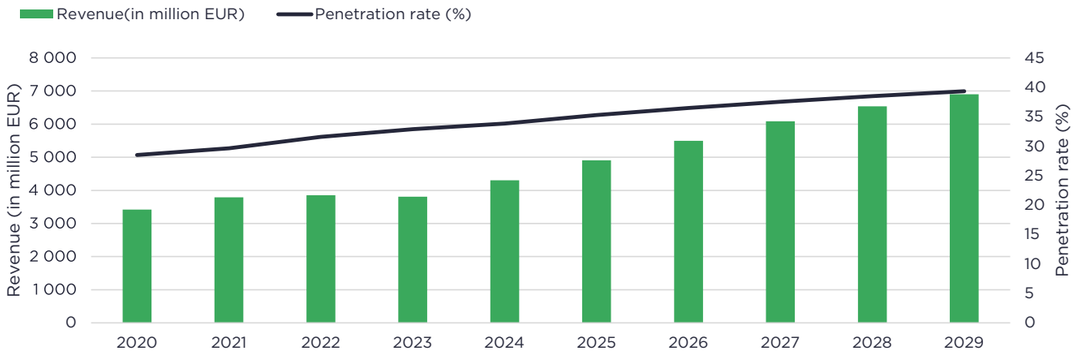


Source: Bank of Portugal

2

3

E-COMMERCE IN PORTUGAL | REVENUE VS PENETRATION RATE



Source: STATISTA

Over the past year, demand in the retail leasing market has held up well, even as the supply side remained broadly unchanged, with no significant new shopping centre openings.

Fashion continues to set the pace, consistently driving the highest levels of take-up, while food & beverage remains a key engine of leasing activity.

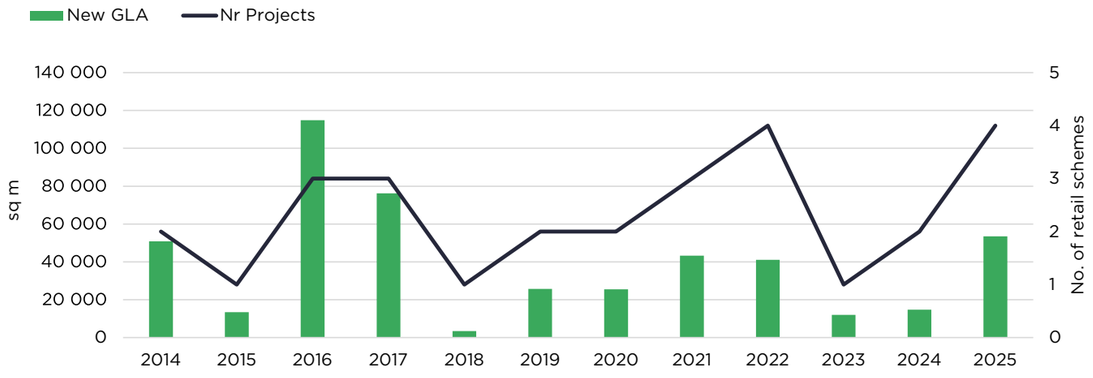
Alongside these two anchors, categories such as F&B, leisure and services are playing a growing role in extending dwell time and encouraging more frequent visits.

A new wave of leisure and experience-led concepts is beginning to make its way into Portuguese shopping centres, with some laser well-known brands actively seeking space.

This shift is happening even as the cinema segment navigates a more delicate phase, highlighting how operators are diversifying their offer to keep destinations relevant.

Service-based tenants, from beauty, wellness to fitness and everyday convenience services, continue to be cited as reliable growth areas. Their steady expansion reflects changing consumer habits and the increasing importance of practical, experience-driven uses within retail destinations.

EVOLUTION OF NEW GLA AND NUMBER OF RETAIL SCHEMES



Source: Savills Research

4.1 M

***TOTAL RETAIL STOCK (SQ.M)**

66%

GLA SHOPPING CENTERS

*** Does not include GLA from high-street stores**



COMPLETIONS 2025

- Nova Terra Felgueiras Retail Park
- Nova Vila Retail Park
- Retail Center Felgueiras
- Retail Park Felgueiras

New Area: 53,475 sq m

MAIN PIPELINE

- Retail Park Póvoa do Varzim
- City Center Covilhã
- Azores Retail Park
- Beja Retail Park

Expected Area: 61,000 sq m

Source: Savills Research

YEAR 2025 | RETAIL MARKET

SHOPPING CENTRES

Occupier activity is being driven by a mix of expansion and right-sizing, especially among major international brands.

Demand for larger stores is rising as physical retail takes on a bigger role in supporting online sales, yet the scarcity of big units is forcing some retailers to adapt their concepts to smaller spaces or compete more intensely for the limited options available.

Food & beverage, fitness, health and beauty remain among the most active categories, alongside value fashion and major international players such as Inditex and Primark.

Several Spanish brands are also preparing to enter the Portuguese market. Many of these retailers require very specific unit sizes and layouts to introduce their latest global concepts, which leaves shopping centres with limited flexibility.

Large-box tenants such as hypermarkets, cinemas and some electronics retailers are likely to continue right-sizing to control costs.
For shopping centres, this reinforces the need to strengthen daily-needs and value offers, use F&B and leisure to extend dwell time, and grow service-based tenants that drive repeat visits.

Oversized units will increasingly be broken up or re-tenanted with leisure or high-performing service concepts.



RETAIL IN SHOPPING CENTRES

WHAT'S AHEAD FOR 2026

Vacancy is expected to remain very low, with occupancy close to historic highs.

Prime rental levels should remain firm, supported by sustained demand.

International retailers will continue to seek well-sized units that match their latest store formats.

Absorption will stay strong but selective, driven by strategic expansions rather than broad tenant rotation.

Overall occupancy is likely to stay stable, with limited unexpected turnover.

Footfall is set to keep rising, supported by experiential, convenience-led and omnichannel retail strategies.

Shopping-centre rents stayed stable in 2025, now above pre-pandemic levels, supported by strong footfall and limited available space. With demand exceeding supply, landlords hold the advantage and brands prioritise securing the right unit over rent levels.

Retail parks also continue to perform well, driven by convenience, easy access and strong traffic flows, attracting a broad mix of retailers.

Footfall in shopping centres increased in 2025, lifting sales by 4.9% year-on-year. Beyond the higher visitor numbers, conversion rates improved, showing that visits were more purposeful and shoppers more inclined to buy.

Consumer behavior is shifting toward a blend of mission and experience: quick convenience trips alongside activities that online retail cannot replace. Shoppers remain highly promotion-driven and more demanding on quality and value, making the overall journey more experience-led and centered on comfort and convenience.

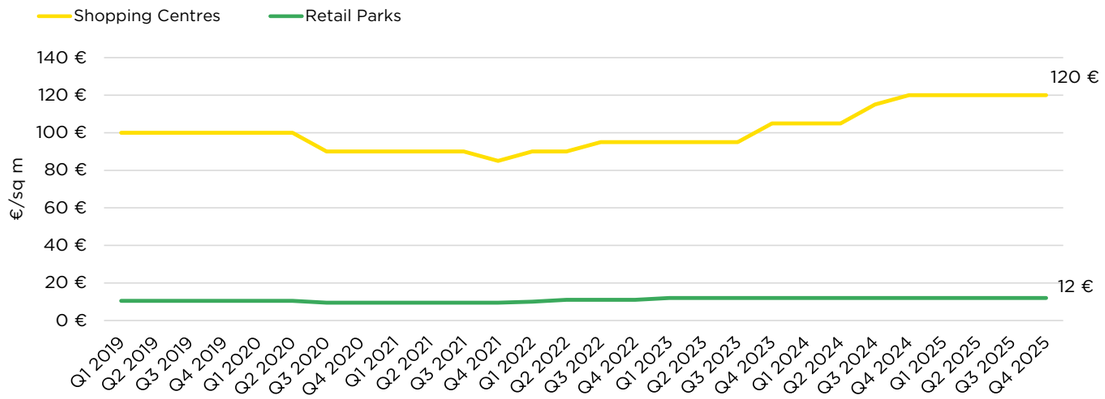
Centres with strong food & beverage and leisure anchors achieve longer dwell times, stronger evening and weekend trade, and better leasing momentum for nearby fashion. Sales growth outpacing footfall, as seen in APCC H1 2025 (+4.9% sales vs +1.6% footfall), reflects higher conversion, larger baskets and a more effective category mix, especially in food-led and value-led segments.

Consumers increasingly research online but still complete many purchases in-store, driven by immediacy and product availability.





RETAIL SCHEMES IN PORTUGAL | PRIME RENTS



Source: Savills Research

Shopping-centre occupancy remains exceptionally high at around 98%, keeping prime rents stable and giving landlords strong leverage in negotiations.

With demand still exceeding available space, operators face pressure to meet market rental expectations, and access to the “right” unit often matters more than the rent itself for leading brands.

Retention strategies focus on protecting key anchors and high-performing tenants, while ensuring long-term alignment between the asset’s positioning and occupier needs.

Tenants hold more negotiating power in older or secondary assets, especially where capex is required to stay competitive with upgraded prime centres.

Retention efforts increasingly rely on tailored renewals for best-in-class brands and targeted investment in placemaking, from food courts to leisure areas and refurbishments, to defend market share.

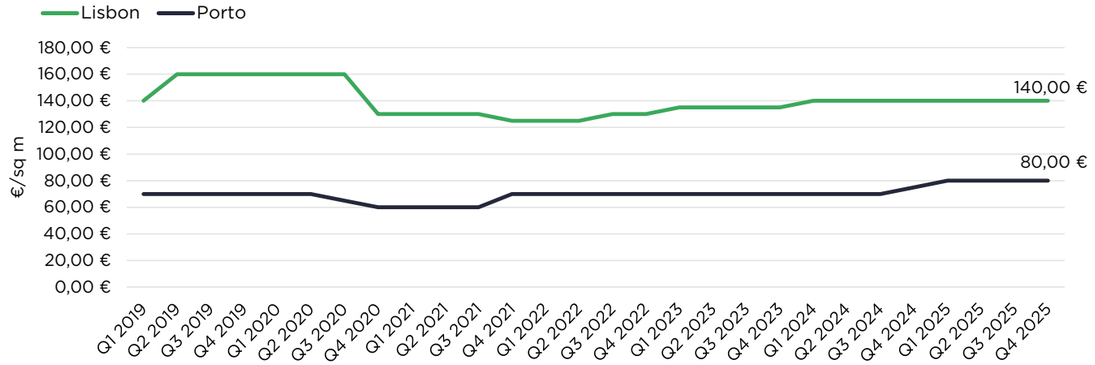
YEAR 2025 | RETAIL MARKET
HIGH STREETS

HIGH STREET | LISBON (€/SQ M)	
Garrett & Carmo Streets	€140
Augusta Street	€135
Avenida da Liberdade	€125
Boavista & São Paulo Streets	€70
Príncipe Real	€70

HIGH STREET | PORTO (€/SQ M)	
Santa Catarina	€80
Flores Street	€70
Aliados	€50
Clérigos Street	€40
Boavista	€25
Foz do Douro	€20
Matosinhos	€15

PORTUGAL (€/SQ M)	
Shopping Centers	€120
Retail Parks	€12

HIGH STREET RETAIL | PRIME RENTS



Source: Savills Research

Prime high streets in Portugal remain supply-constrained, with vacancy levels in Lisbon's leading retail corridors at historic lows.

Units that reach the market are taken up rapidly by both international and domestic brands, reinforcing landlords' ability to sustain and gradually increase rents. The scarcity of quality stock continues to be the defining feature of this segment, shaping both pricing and occupier behavior.

Tourism remains a critical driver of performance. Portugal continues to record exceptional visitor numbers, and central high streets have become some of the most commercially resilient retail environments in the country.

Strong footfall, combined with the full recovery of post-pandemic economic activity, has strengthened retailers' willingness to secure well-located units.

Gym and fitness operators continue to expand steadily, strengthening their proximity-based relationship with customers through the rollout of neighborhood-focused and convenience-driven gym concepts.

Demographic ageing is reshaping demand patterns, increasing the relevance of healthcare services and strengthening the role of proximity retail in meeting everyday needs.

Immigration is supporting additional growth in F&B, neighborhood retail and food distribution, both through higher consumption volumes and the diversification of concepts and operators.

Demand is particularly strong across the food and fashion categories, where brands prioritize visibility and proximity to high-traffic areas.

The luxury segment has maintained its momentum. Major international brands continue to pursue strategic positioning in Portugal, but expansion remains constrained by the limited availability of suitably sized, high-specification units. This imbalance between ambition and supply is reinforcing competition for prime space and supporting rental uplift.

Physical stores continue to play a central role in the customer journey, acting as both a sales channel and a brand-building platform that complements online activity. As a result, brands are willing to pay a premium for units that deliver strong visibility and the capacity to create immersive in-store experiences.

Given the scarcity of quality product, landlords retain a clear advantage in negotiations. "Product is king" remains an accurate description of the market: well-located, well-designed units command immediate attention and competitive bidding.

INVESTMENT YEAR 2025 | PORTUGAL
RETAIL MARKET

TOTAL RETAIL STOCK

4.0M

(SQM)*

DENSITY SHOPPING CENTER

260

(SQM/ 1,000 INHABITANTS)

* (TOTAL COMMERCIAL AREA, NOT INCLUDING THE HIGH-STREET RETAIL SEGMENT)

2025 OPENINGS

RETAIL PARKS

4

NEW GLA

~54,000

(SQM)

PIPELINE 2026-2027

RETAIL PARKS

5

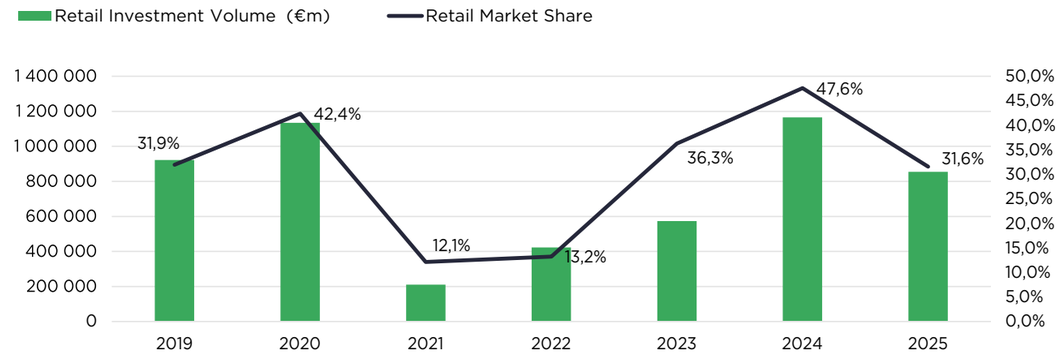
NEW GLA

67.000

(SQM)

RENTS & YIELDS	PRIME RENT (€/sq m)	PRIME YIELD (%)
Shopping Centers	€140	6.25%
Retail Parks	€12	7.00%
High Street Retail		4.25%
Av. Liberdade	€ 125	
Garrett & Carmo Streets	€ 140	

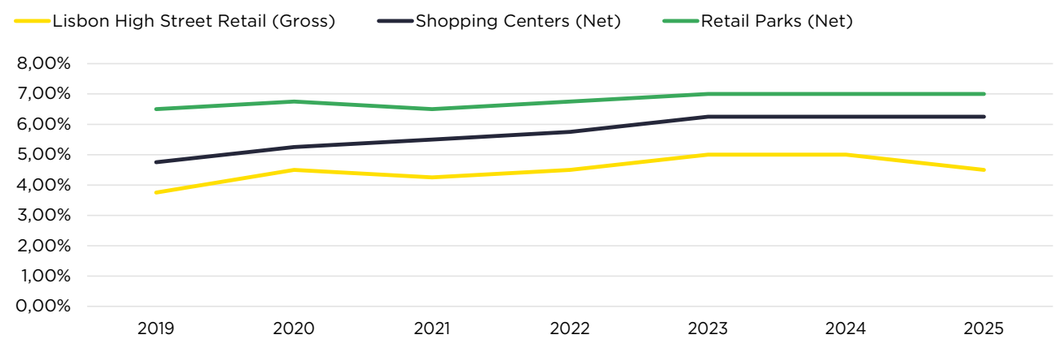
RETAIL INVESTMENT MARKET



YEAR 2025 - TOP INVESTMENT TRANSACTONS

Year | Quarter	Building	GLA(sqm)	Seller	Buyer	Investment Volume (€M)
Q1 2025	NorteShopping	89,151	TIIA Group	Sierra Prime	€300M - €350M
Q2 2025	Nosso Shopping	22,720	DWS	L Catterton	€79M
Q2 2025	Forum Madeira	21,472	DWS	Castella Properties	€62M
Q4 2025	Alegro Setúbal	27,000	Tiekenveen	Ceetrus	€60M - €70M

EVOLUTION OF PRIME YIELDS



Source: Savills Research

savills

OUTLOOK 2025 & TRENDS 2026

RESIDENTIAL MARKET | PORTUGAL | 2026



RESEARCH

YEAR 2025 | RESIDENTIAL MARKET
PORTUGAL

New housing construction costs increased by 4% in 2025, driven primarily by labour expenses. Although this represents continued upward pressure on the sector, the overall pace of growth has moderated compared with the previous year.

Labour costs recorded the most significant rise, increasing by 7.7% over the year. Despite remaining the main contributor to overall cost inflation, this figure reflects a slowdown relative to 2024.

Construction materials registered a more modest annual increase of 0.9%.

Banks issued €23.3 billion in mortgage lending in 2025.

The total represents an increase of €5.9 billion compared with 2024.It is the highest annual figure recorded since 2014, reinforcing the exceptional nature of the 2025 result.

Growth was driven primarily by lending to young borrowers aged up to 35, who accounted for 60% of new loans for primary residence purchases.

The average interest rate on new mortgage agreements rose to 2.84% in December 2025, following ten consecutive months of declines.

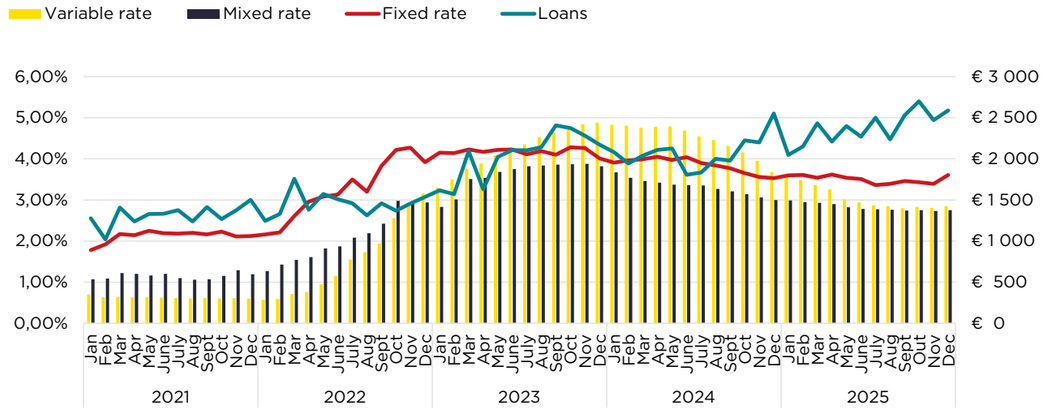


CONSTRUCTION COSTS



Source: Savills Research using INE

LOANS GRANTED VS INTEREST RATE



Source: Savills Research using INE

A total of 163,000 homes were sold in Portugal in 2025, representing a 9% increase compared with 2024.

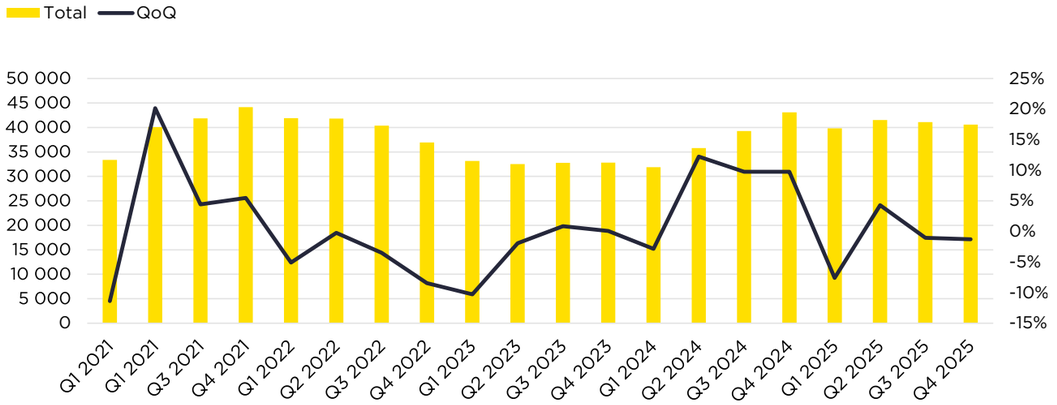
The market's momentum was further supported by a surge in mortgage demand among younger buyers, who benefit from enhanced tax incentives.

These incentives form part of a government policy package aimed at addressing the national housing crisis and encouraging home ownership.

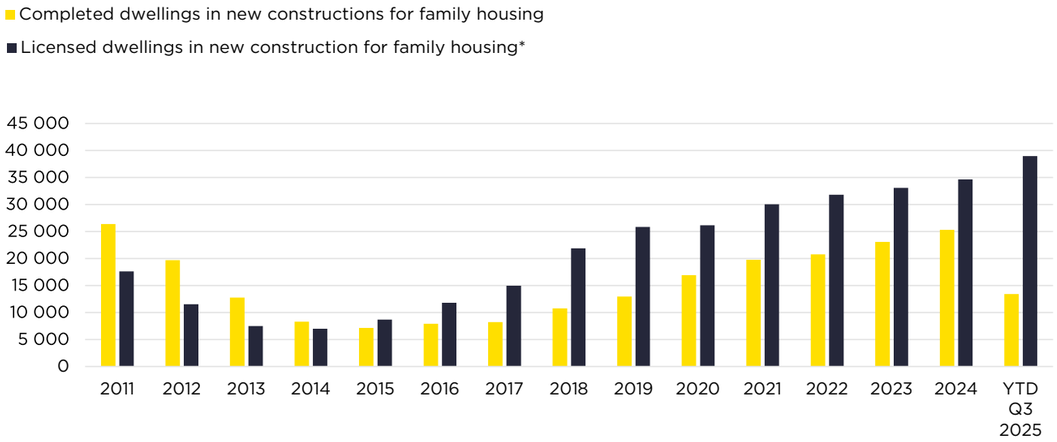
Relative to the average of the past five years, the market closed 2025 with a performance 11% above the five-year annual average, reaffirming the healthy state of the sector.

On the development side, the imbalance between supply and demand persists, continuing to exert pressure on availability and pricing. Although planning approvals for new construction have shown steady and growth, the number of completed projects has not kept pace, widening the structural gap in supply.

HOUSES SOLD IN PORTUGAL



ANNUAL LICENSED AND COMPLETED DWELLINGS



Source: Savills Research using INE

YEAR 2025

163,001

HOUSES SOLD | +9% YOY

22,469

NEW UNITS | +20% YOY

TOTAL SALES

+ 11%

5Y AVERAGE

NEW UNITS

+ 58%

5Y AVERAGE

Source: Savills analysing SIR

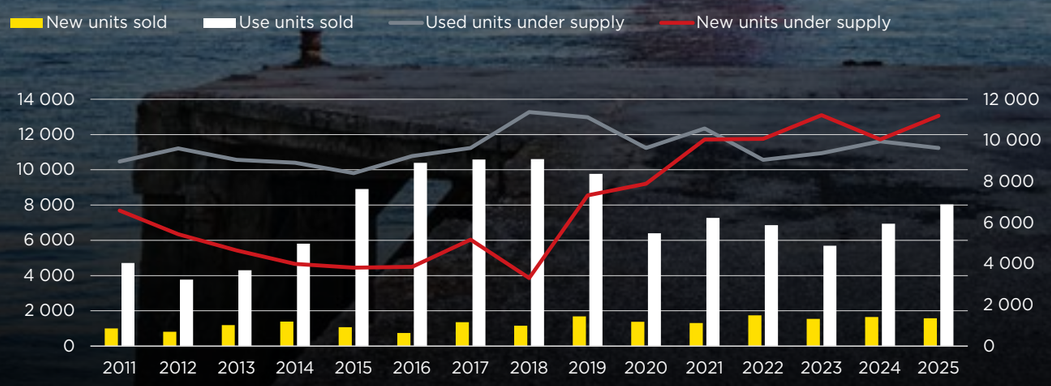


SALES RESIDENTIAL MARKET
LISBON

TOTAL UNITS SOLD
9,613
UNITS | YOY= + 11%

TOTAL UNITS SUPPLY
22,435
UNITS | YOY= + 4%

LISBON MARKET DYNAMICS



Source: Savills analysing SIR

Lisbon's residential market continued to show strong momentum in 2025, with 9,613 units sold, reflecting an 11% year-on-year increase.

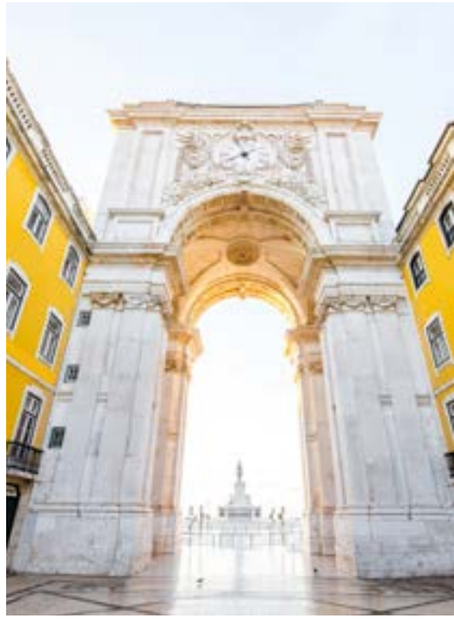
Total supply reached 22,435 units, a 4% rise compared with the previous year, although demand continues to outpace available stock.

Over the past five years, the market has recorded steady expansion, with new units sold growing at a 4% CAGR and new units under supply increasing at a 2% CAGR.

Asking prices for new units maintained an upward trajectory, with the average price reaching €8,191 in 2025.

The premium segment remains particularly dynamic: the 25% most expensive units averaged €8,200, while the top 5% reached €13,312.

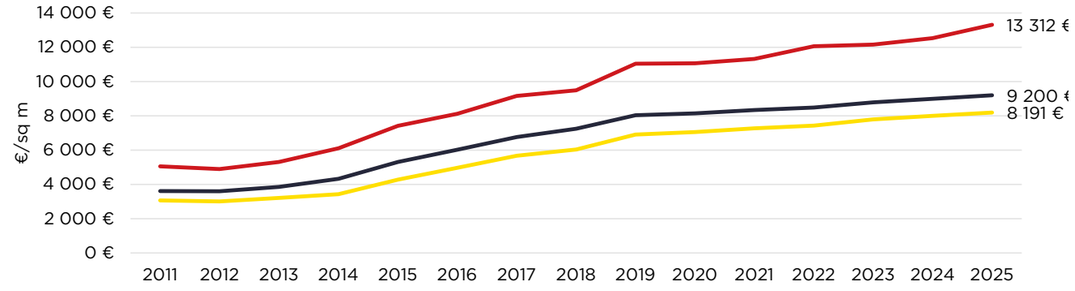
Price growth has been consistent, with a 2% CAGR for the average asking price and 3% CAGR for the top 5% segment, highlighting sustained demand for high-end properties.



CAGR 5Y

4%	2%	+2%	+3%
SOLD NEW UNITS	**NEW UNITS UNDER SUPPLY**	**ASKING PRICE AVERAGE**	**5% ASKING PRICE MOST EXPENSIVE**

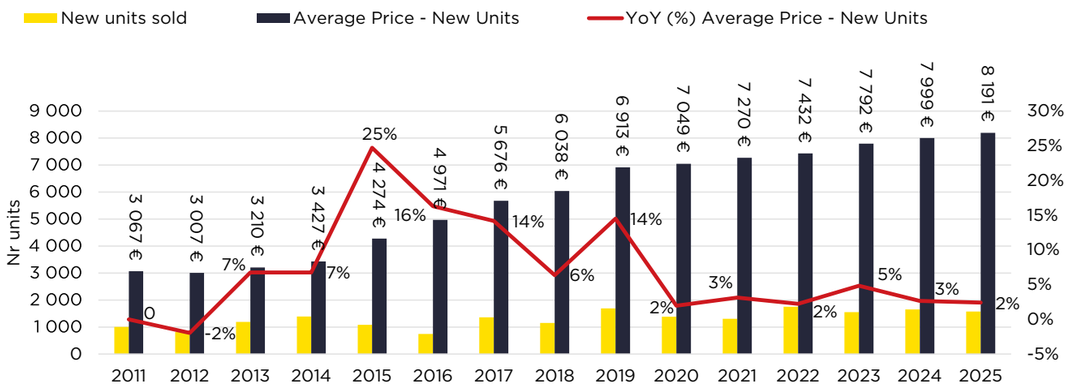
LISBON CITY | EVOLUTION OF ASKING PRICE – NEW UNITS



Source: Savills analysing SIR

SALES RESIDENTIAL MARKET
NEW UNITS

LISBON CITY | NEW UNITS SOLD VS EVOLUTION OF AVERAGE PRICE



LISBON MUNICIPALITY PIPELINE 2026 - 2027

47	2,385	8,357
PROJECTS	**UNITS**	**€/SQ M (AVERAGE ASKING PRICE)**

Source: Savills analysing SIR



Lisbon's new-build residential market shows continuous strength, supported by a combination of high-demand, easing interest rates and a new wave of younger buyers taking advantage of government incentives for home ownership.

Sales volumes have remained consistently high, with the city recording more than 9,600 units sold across the residential market and maintaining a stable pipeline of new developments, even though supply continues to lag demand in the most central areas.

Price evolution has been one of the defining features of Lisbon's market. Average asking prices for new units rose from around €3,067 in 2011 to €8,191 in 2025, reflecting more than a decade of sustained appreciation driven by strong international demand, urban regeneration and a shortage of new housing in prime locations. After 2020, price growth became more moderate but remained firmly positive, stabilizing at around 5% per year.

The financing environment played a crucial role in shaping demand. Between 2022 and 2024, rising interest rates created some pressure on affordability, but the market proved more resilient than expected. This resilience was largely supported by government measures aimed at easing access to credit for younger households, including tax incentives and more favourable mortgage conditions.

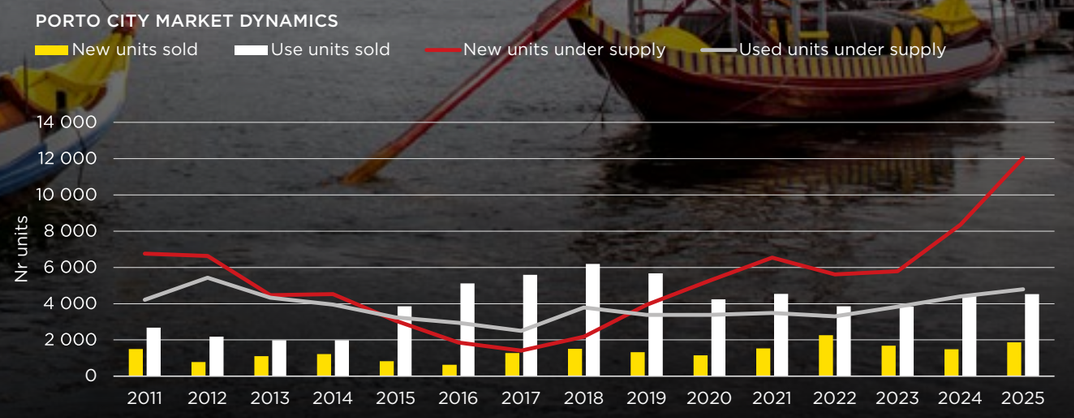
These policies encouraged a significant number of first-time buyers to enter the market earlier than they otherwise would have, helping sustain transaction levels even during periods of higher borrowing costs. By 2025, with interest rates beginning to ease and incentives still in place, Lisbon's new-build segment continued to show strong momentum. Demand remains high, supply remains constrained, and pricing continues to be supported by the city's ongoing appeal of new quality developments.

SALES RESIDENTIAL MARKET
PORTO

TOTAL UNITS SOLD
6,387
UNITS | YOY= + 7%

TOTAL UNITS SUPPLY
16,834
UNITS | YOY= + 32%

PORTO CITY MARKET DYNAMICS



Source: Savills analysing SIR

Porto's residential market recorded 6,387 units sold in 2025, reflecting a 7% year-on-year increase;

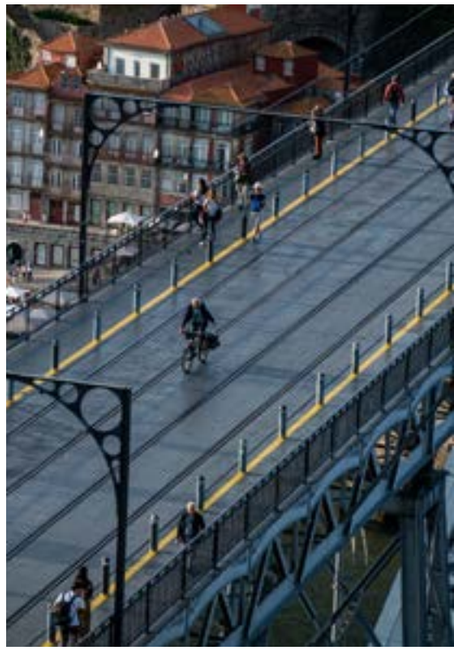
Total supply rose sharply to 16,834 units, a 32% annual increase, driven largely by a significant expansion in the pipeline of new developments;

Over the past five years, the market has shown strong growth, with new units sold increasing at a 4% CAGR and new units under supply rising at a strong 13% CAGR.

Asking prices for new units continued their upward trajectory, with the average price reaching €5,205 per sq m in 2025.

The premium segment remains particularly dynamic: the 25% most expensive units averaged €8,066 per sq m, while the top 5% reached €9,801 per sq m. Price growth has been well-supported, with a 6% CAGR for the average asking price and 7% CAGR for the top 5% segment, highlighting high demand for higher-end properties.

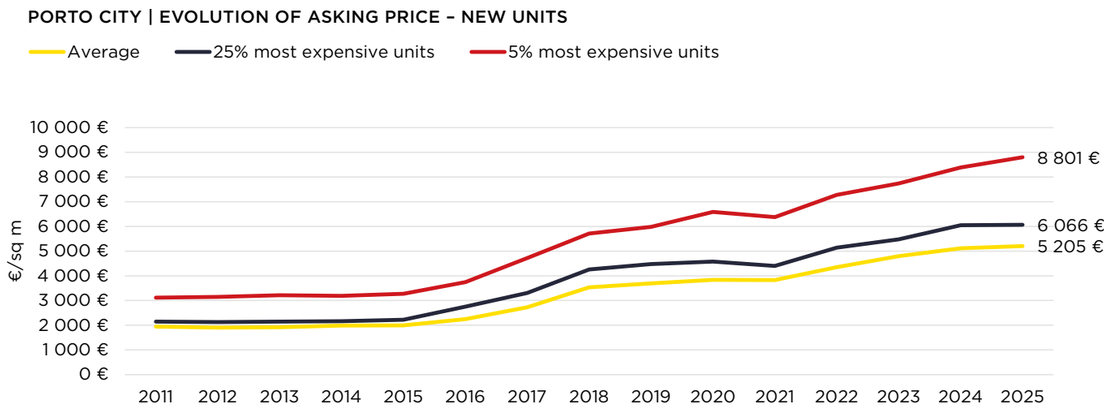
Overall, Porto's market continues to demonstrate strong demand fundamentals, rising price levels and a rapidly expanding supply pipeline.



CAGR 5Y

4%	13%	+6%	+7%
SOLD NEW UNITS	**NEW UNITS UNDER SUPPLY**	**ASKING PRICE AVERAGE**	**5% ASKING PRICE MOST EXPENSIVE**

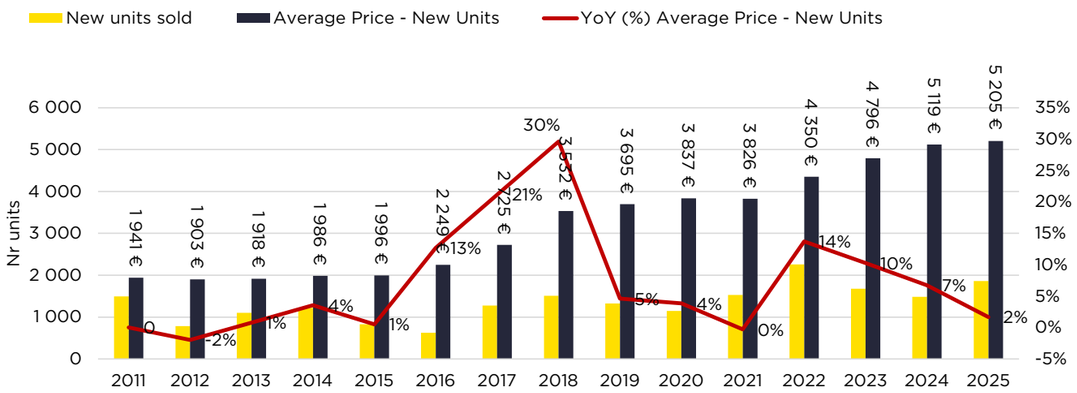
PORTO CITY | EVOLUTION OF ASKING PRICE – NEW UNITS



Source: Savills Analysing Travel BI

SALES RESIDENTIAL MARKET
NEW UNITS

PORTO CITY | NEW UNITS SOLD VS EVOLUTION OF AVERAGE PRICE



Source: Savills analysing SIR

Porto's new-build residential market in 2025 was shaped by an expansion in supply and a steady level of demand. The city registered 6,387 residential units sold, a 7% increase compared with 2024, while total available stock rose to 16,834 units, a 32% year-on-year rise.

National incentives supporting home purchases played an important role in maintaining activity. These measures, particularly those aimed at younger buyers, helped offset the impact of higher interest rates between 2022 and 2024. Porto's relative affordability compared with other major urban centres also contributed to a stable flow of transactions, even as borrowing conditions tightened.

The increase in new-build supply has broadened the range of available housing, both in terms of location and typology, allowing the market to respond to different segments of demand. Although the city of Porto continues to attract strong demand, surrounding municipalities such as Matosinhos, Maia and Vila Nova de Gaia have gained prominence. These areas have attracted families, young professionals and investors seeking more space, better value for money and good transport connections.

Competitive pricing, modern infrastructure and ongoing urban regeneration projects have strengthened their appeal and supported consistent demand throughout 2025.

Porto has also seen growing interest from international buyers, particularly from the United States, Brazil and France. These households and investors typically look for mid- to high-end properties, as well as smaller units in central areas for rental investment.

By the end of 2025, housing prices across Greater Porto continued to rise at a consistent pace, supported by strong demand and an increasingly diversified supply. The combination of a growing development pipeline, active domestic demand, international interest and government incentives has positioned Porto as one of the most dynamic residential markets in the country.



RENTAL RESIDENTIAL MARKET
LISBON & PORTO

Greater Lisbon recorded 7,649 rented units in 2025, a level aligned with recent years and reflecting a market that continues to absorb available stock despite affordability pressures.

Rental prices reached an average of €18.1/sq m, continuing the upward trend driven by limited central supply and strong demand from young adults, families and international workers. Supply constraints persisted in central neighborhoods, while peripheral areas with improved transport links and services absorbed part of the demand.

The rental market remained a key alternative for households unable to access home ownership. Even as financing conditions began to ease in 2025, rental demand stayed high, as the gap between purchasing power and sale prices remains significant for many households.

The rental market in Greater Porto is being shaped by the current momentum in home-buying, yet the structural shortage of rental supply prevents any significant downward adjustment in rents.

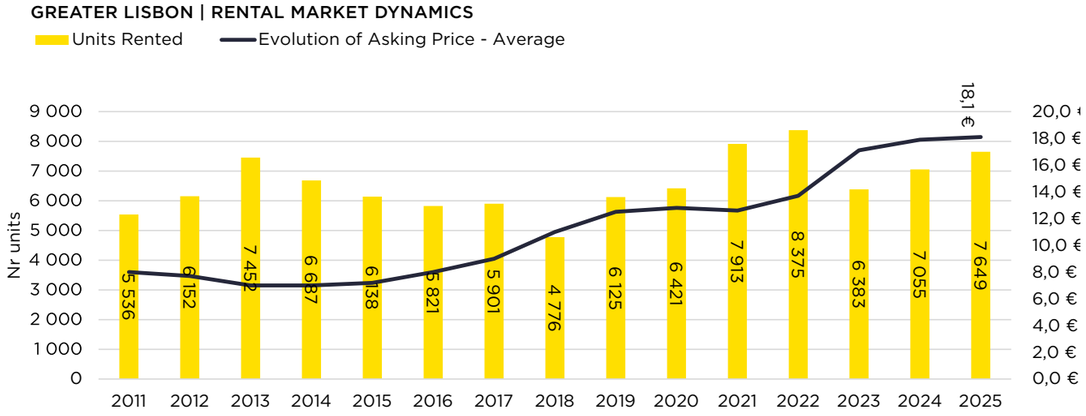
Greater Porto registered 1,591 rented units in 2025 with average asking rents reaching €15/sq.m, continuing the gradual price increases observed over the past decade as the region gains residential and economic relevance.

Demand remains very strong among households unable to secure mortgage financing, as well as among immigrant communities, digital nomads and expatriates.

The continued rise in rental prices reflects a supply that is not keeping pace with demand, the confidence of investors and the consolidation of Greater Porto as a key residential market in Portugal, offering diversified and attractive investment opportunities.

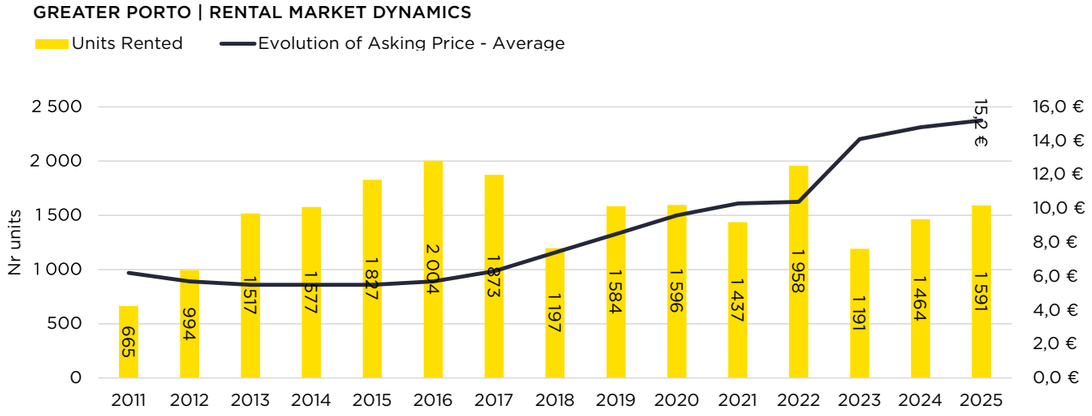


GREATER LISBON | RENTAL MARKET DYNAMICS



Source: Savills analysing SIR

GREATER PORTO | RENTAL MARKET DYNAMICS



Source: Savills analysing SIR

savills

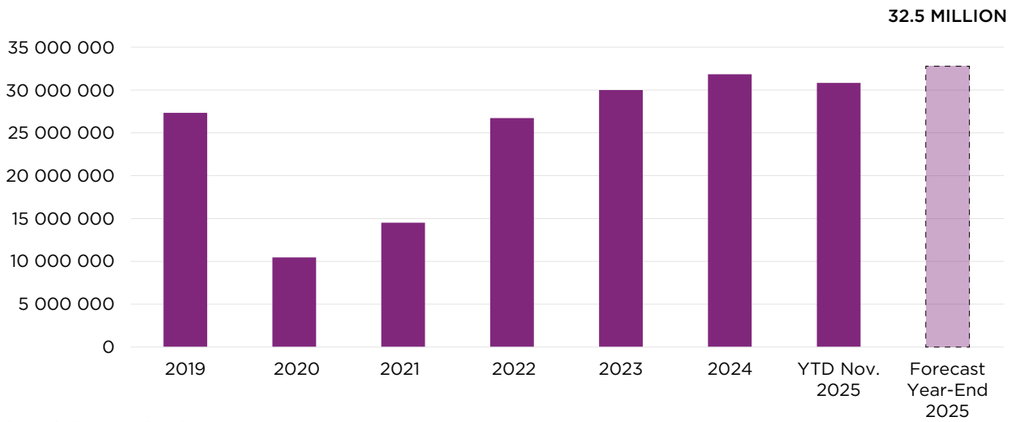
OUTLOOK 2025 & TRENDS 2026

TOURISM MARKET | PORTUGAL | 2026



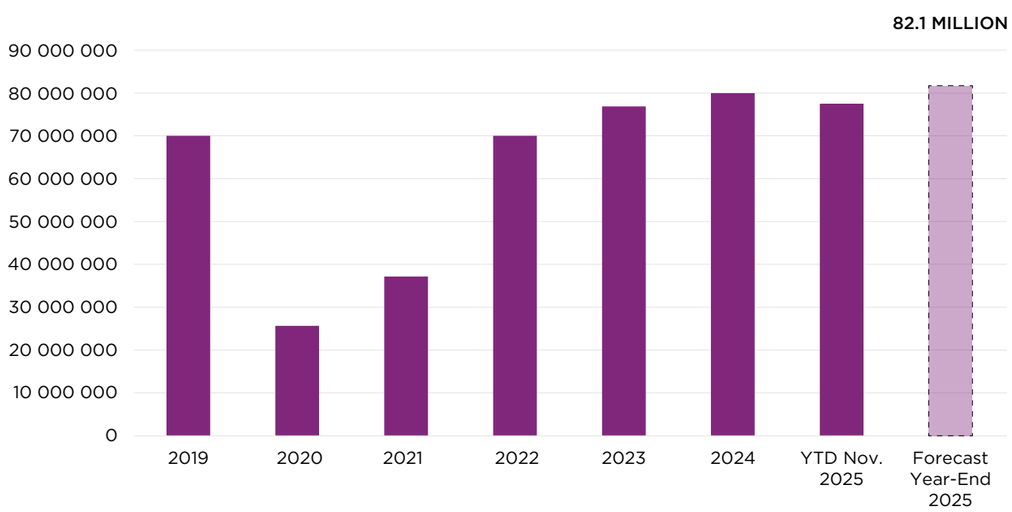
RESEARCH

GUESTS



Source: Savills Analysing Travel BI

OVERNIGHT STAYS



Portugal's reputation as a safe and attractive destination remains a key competitive advantage. Investor appetite for the Portuguese hospitality sector remains strong, supported by sustained interest from international capital, particularly from investors prioritizing Southern Europe and the Iberian Peninsula.

Strong fundamentals in Portugal's key tourism markets continue to support long-term investment potential with growing demand for differentiated hospitality concepts and value-add repositioning strategies.

Lisbon, Porto and the Algarve remain the core destinations for hospitality investment, driven by strong demand fundamentals and international visibility. Secondary locations and the islands attract selective interest, but international capital continues to prioritize the main three markets

Cumulative Value January to November

PORTUGAL	Value 2025	Var. 25/24 (%)
Disembarket Passengers (International)	28,206.6	5.1 %
Disembarked Passengers (National)	5,280.7	2.6 %
Arrivals at Hotels (000)	**30,591.0**	**2.9 %**
Domestic	11,789.1	4.5 %
International	18,802.0	1.9 %
Hotels, Vilages and Apartments	24,297.8	3.2 %
Overnight stays (000)	**77,825.1**	
Domestic	23,478.8	5.4 %
International	54,346.3	0.8 %
Hotels, Vilages and Apartments	63,188.6	2.3 %

Source: Savills Analysing Travel BI



YEAR 2025 | TOURISM MARKET
PORTUGAL

TOP 10 OPENINGS | YEAR 2025

Hotel	Region	Category	Rooms
PortoBay Blue Ocean	Albufeira	4*	348
The Social Hub	Porto	4*	271
Victoria Gold Resort & SPA	Vilamoura	5*	260
Algarve Marriott Salgados Gold Resort	Abufeira	5*	228
Moxy Alfragide Lisboa	Lisboa	3*	218
ME Lisbon	Lisboa	5*	213
Editory by the Sea Lagos	Lagos	5*	204
Holiday Inn Albufeira	Albufeira	4*	193
Holiday Inn Express & Suites Principe Real	Lisbon	3*	184
Tivoli Kopke Porto Gaia Hotel	V. N. Gaia	5*	150

Source: Savills Research

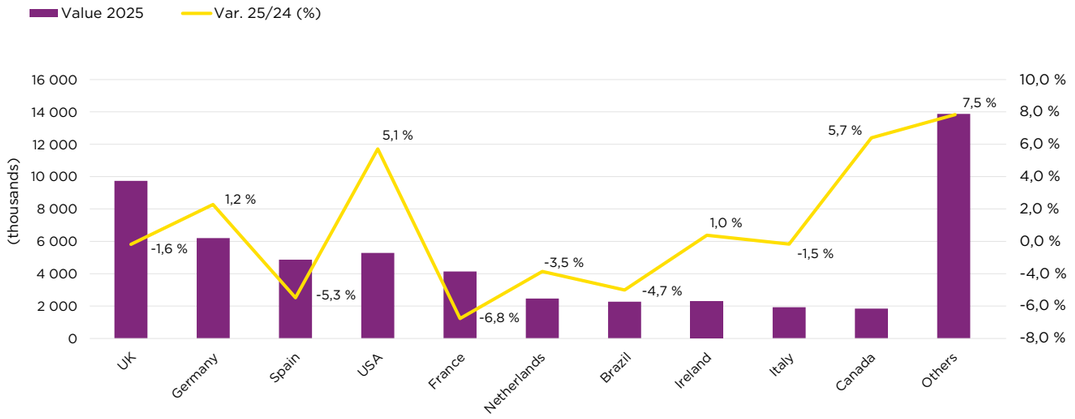
OCCUPANCY RATE (%)
53.9%
HOTELS BED

OCCUPANCY RATE (%)
67.9%
HOTELS ROOMS

REVPAR (€)
84.7
HOTELS

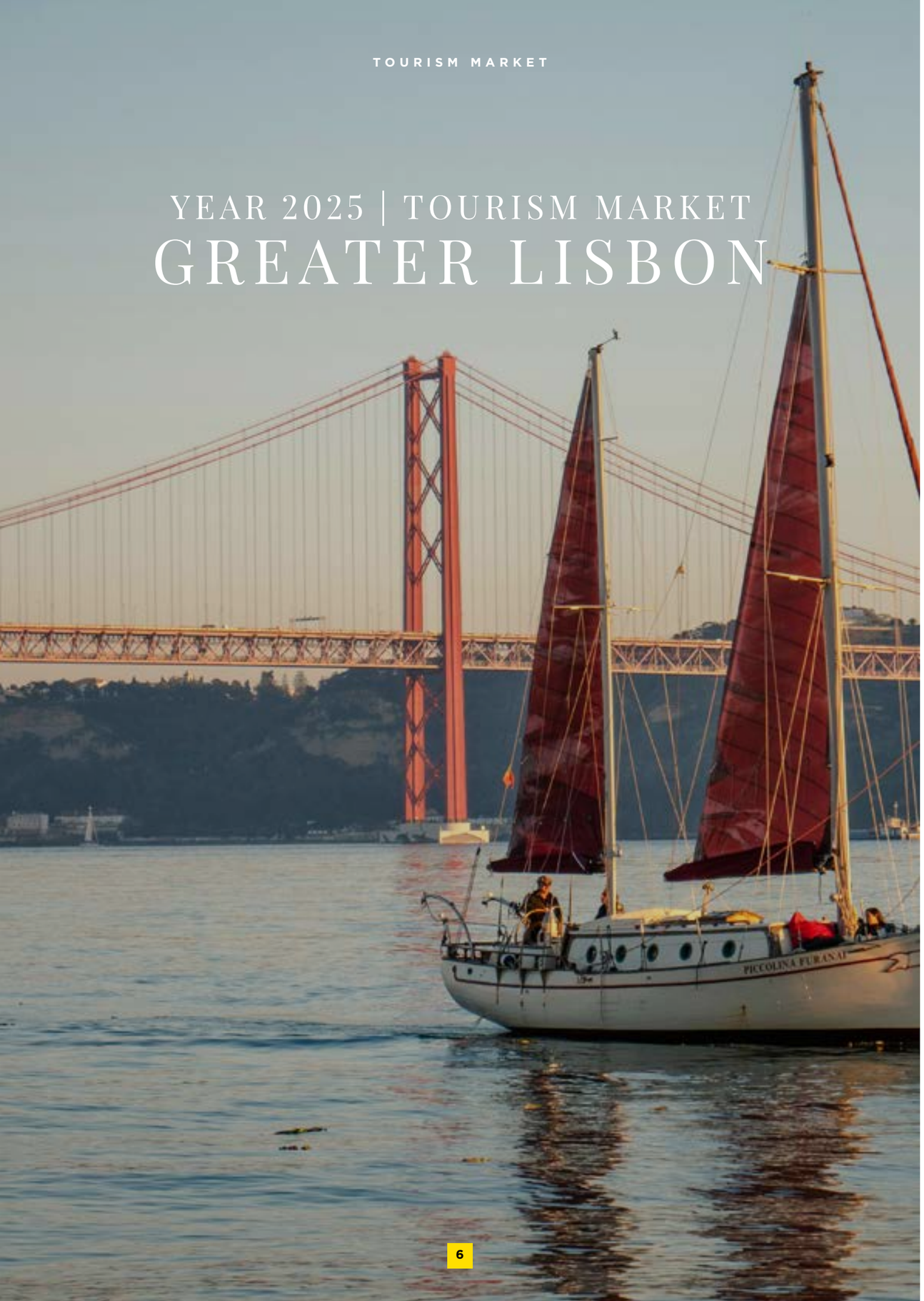


PORTUGAL INTERNATIONAL OVERNIGHT STAYS



Source: Savills Analysing Travel BI

YEAR 2025 | TOURISM MARKET
GREATER LISBON



OCCUPANCY RATE (%)
58.0%
HOTELS BED

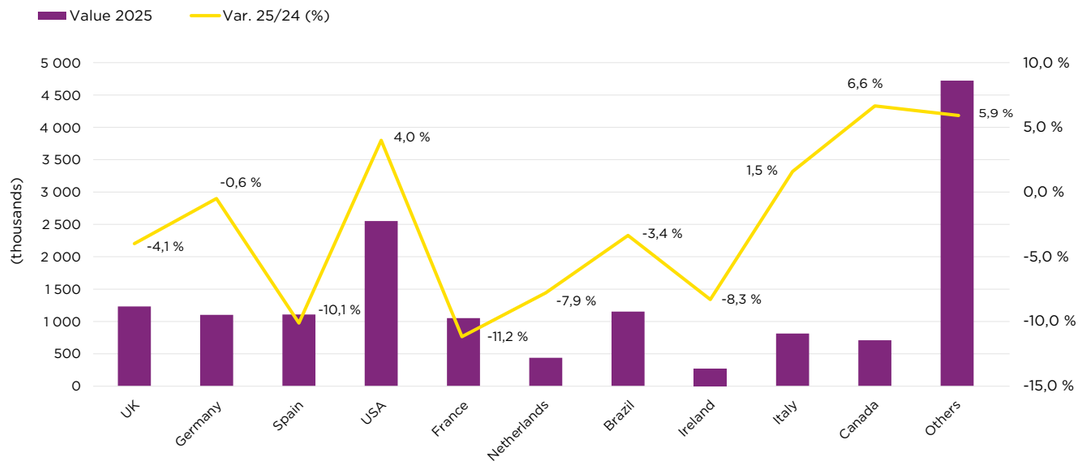
OCCUPANCY RATE (%)
75.1%
HOTELS ROOMS

REVPAR (€)
117.9
HOTELS

Cumulative Value January to November

GREATER LISBON	Value 2025	Var. 25/24 (%)
Disembarket Passengers (International)	14,916.2	3.2 %
Disembarked Passengers (National)	1,869.4	0.2 %
Guests (thousands)	8,144.1	2.4 %
Domestic	1,903.9	6.0 %
International	6,240.3	1.4 %
Hotels, Vilages and Apartments	6,638.7	3.6 %
Overnight stays (thousands)	18,412.4	0.8 %
Domestic	3,338.7	4.7 %
International	15,073.8	0.0 %
Hotels, Vilages and Apartments	14,954.6	1.7 %

GREATER LISBON INTERNATIONAL OVERNIGHT STAYS



Source: Savills Analysing Travel BI

YEAR 2025 | TOURISM MARKET
NORTH REGION

OCCUPANCY RATE (%)
51.7%
HOTELS BED

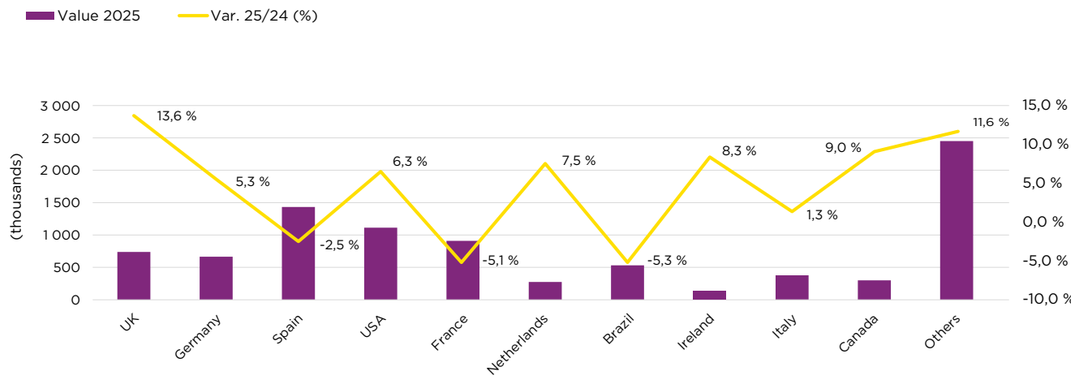
OCCUPANCY RATE (%)
64.5%
HOTELS ROOMS

REVPAR (€)
70.3
HOTELS

Cumulative Value January to November

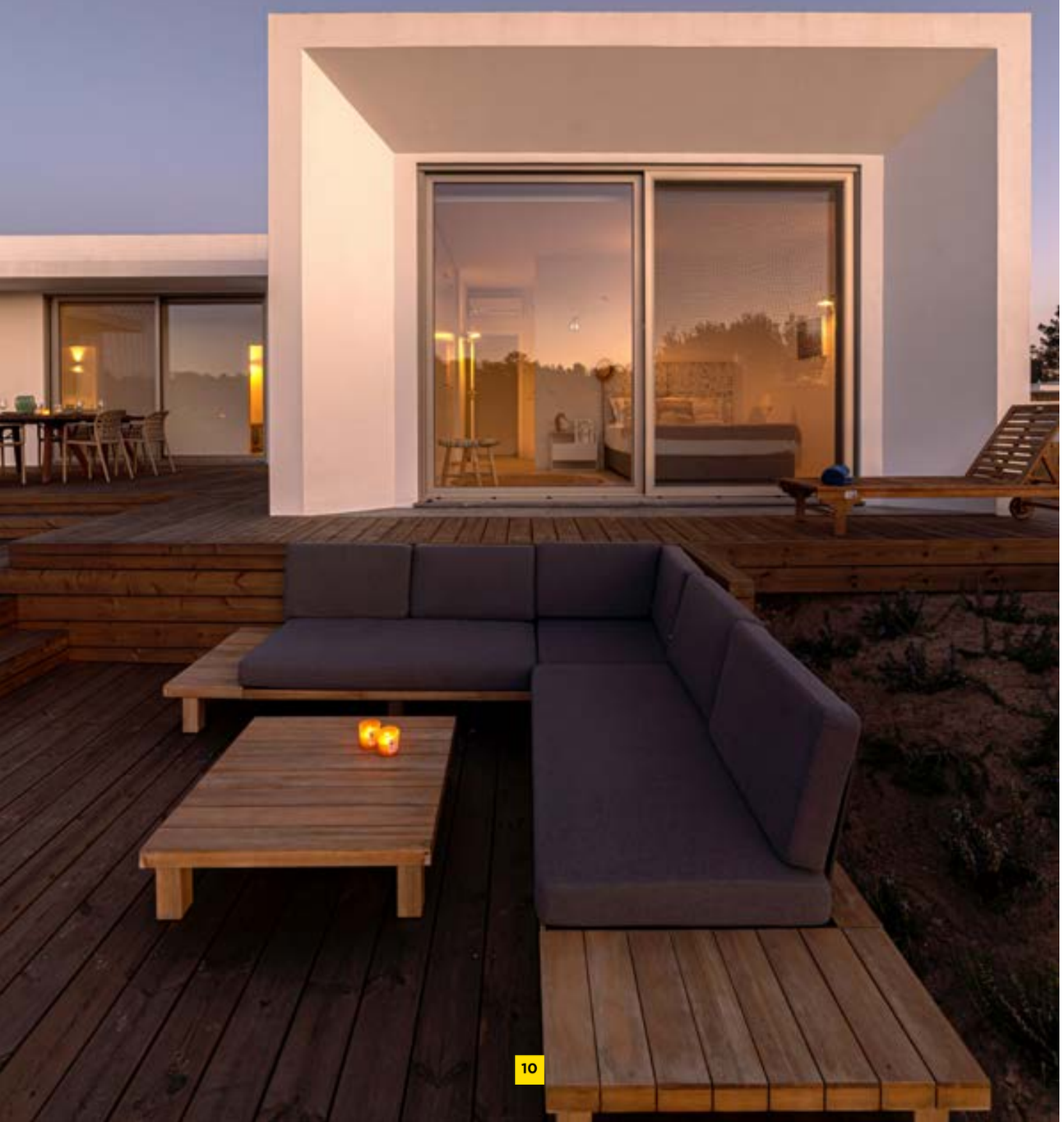
NORTH REGION	Value 2025	Var. 25/24 (%)
Disembarket Passengers (International)	6.820,4	6,6%
Disembarked Passengers (National)	1.000,9	2.0 %
Guests (000)	7.182,6	3.6 %
Domestic	3.101,3	3.7 %
International	4.081,4	3.5 %
Hotels, Vilages and Apartments	5.557,3	4.3 %
Overnight stays (000)	13.860,7	4.5 %
Domestic	5.017,9	4.4 %
International	8.842,7	4.5 %
Hotels, Vilages and Apartments	10.593,5	5.5 %

NORTH REGION INTERNATIONAL OVERNIGHT STAYS



Source: Savills Analysing Travel BI

YEAR 2025 | TOURISM MARKET
ALENTEJO



OCCUPANCY RATE (%)
44.4%
HOTELS BED

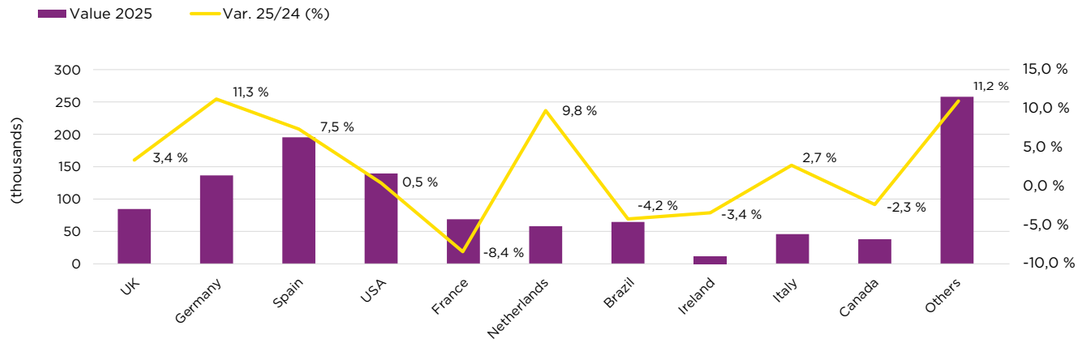
OCCUPANCY RATE (%)
60.1%
HOTELS ROOMS

REVPAR (€)
66.00
HOTELS

Cumulative Value January to November

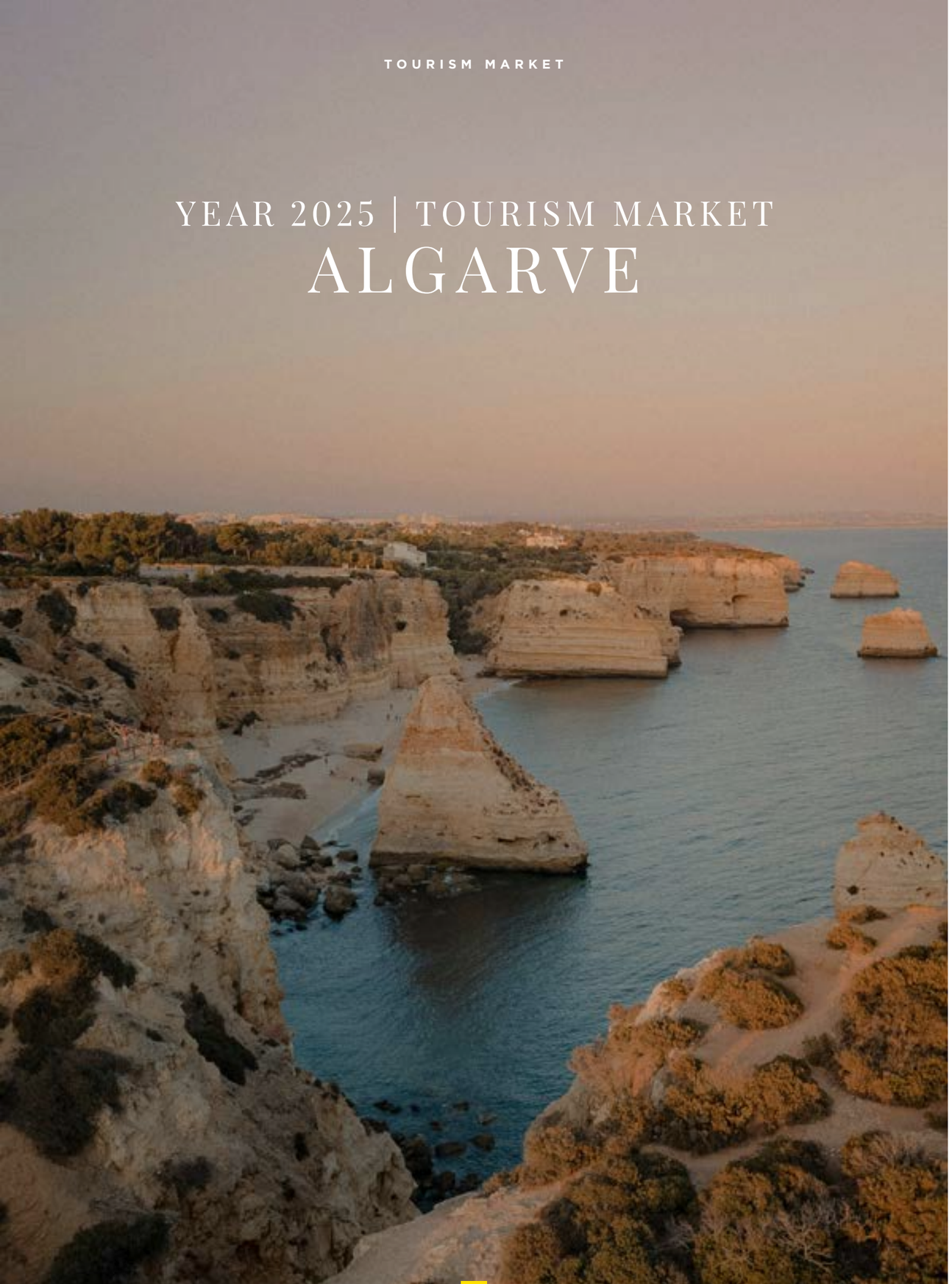
ALENTEJO REGION	Value 2025	Var. 25/24 (%)
Guests (thousands)	1.676,0	4.4 %
Domestic	1.118,5	4.7 %
International	557,5	3.8 %
Hotels	1.078,6	3.4 %
Overnight stays (000)	3.298,2	6.5 %
Domestic	2.192,5	7.2 %
International	1.105,7	5.0 %
Hotels	2. 072,4	5.6 %

ALENTEJO REGION INTERNATIONAL OVERNIGHT STAYS



Source: Savills Analysing Travel BI

YEAR 2025 | TOURISM MARKET
ALGARVE



OCCUPANCY RATE (%)
55.6%
HOTELS BED

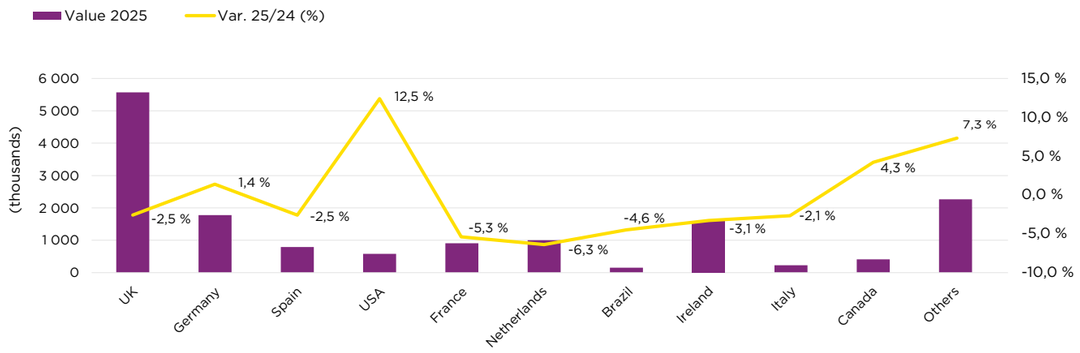
OCCUPANCY RATE (%)
68.0%
HOTELS ROOMS

REVPAR (€)
87.1
HOTELS

Cumulative Value January to November

ALGARVE REGION	Value 2025	Var. 25/24 (%)
Guests (thousands)	5.149,6	1.7 %
Domestic	1.403,0	2.2 %
International	3.746,6	1.5 %
Hotels, Vilages and Apartments	4.363,8	1.4 %
Overnight stays (thousands)	20.169,6	0.3 %
Domestic	4.652,5	3.2 %
International	15.517,1	-0,5 %
Hotels, Vilages and Apartments	17.834,5	-0,1 %

ALGARVE REGION INTERNATIONAL OVERNIGHT STAYS



Source: Savills Analysing Travel BI

TOURISM MARKET PORTUGAL 2025

During 2025, the hospitality sector recorded a total investment volume of €494 million, arising from the completion of eleven transactions.

These included the acquisition of Hotel Miragem for €125 million by the joint venture ARD with Ibervalles from GFC Hotels and the sale of the Anantara Vilamoura Algarve Resort, estimated at €75 million, transacted by Minor International to Arrow Global.

Compared with the same period in 2024, the transacted investment volume increased by 2%.

Cross-border capital continues to dominate, with 90% of transactions being closed by international investors.

On average, over the past three years, cross-border capital has accounted for 80% of the investment volume allocated to the hospitality sector. This underlines the attractiveness, solid performance, and competitiveness of the Portuguese market within this segment.

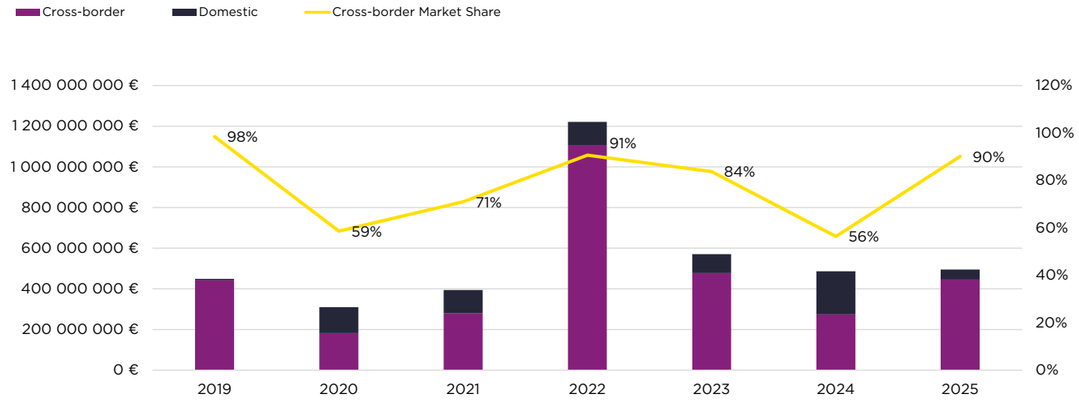
The Algarve and the Greater Lisbon region remain the destinations attracting the highest levels of investment capital in the hospitality sector, followed by Porto and the Northern region.

Real estate funds and asset management firms remain at the forefront of investors with the largest market share. Of the eight transactions completed by the end of the third quarter of 2025, five were carried out by this category of investors, headquartered in Spain, France and the United Kingdom.

2025 TOP HOSPITALITY TRANSACTIONS

Hotel	Seller	Buyer	Beds	Estimated Investment Volume	Price per Key
Anantara Vilamoura Algarve Resort	Minor International	Arrow	280	€75 000 000M	€267.900
Douro Royal Valley Hotel & SPA Douro Palace Hotel Resort & SPA	JASE Empreendimentos Turísticos	Explorer Investments	144	€40 000 000M	€277.778
Hotel Miragem	GFC Hotels	JV - ARD + Ibervalles	192	€125 000 000M	€651.042
Hilton Porto Gaia	Davidson Kepner	JV Extendam Société Anonyme + HCI Douro UK Holding	194	€40 000 000M - €50 000 000M	

CROSS-BORDER VS DOMESTIC HOSPITALITY INVESTMENT VOLUME



Source: Savills Analysing Travel BI

Portugal remains perceived as a "hot" market compared with European peers, although investor expectations around pricing often exceed market reality.

The imbalance between strong demand and limited supply of core+ opportunities continues to create misalignment between pricing expectations and achievable transaction values.

Core+ and value-add strategies dominate investor interest, with a focus on centrally located underperforming assets offering operational uplift, CAPEX repositioning and attractive exit potential.

The availability of suitable product remains limited, meaning that investment intentions may not fully translate into transaction volumes unless new opportunities emerge.

Persistent scarcity may push some investors towards more opportunistic strategies if core+ stock remains constrained. Despite strong appetite, investors are increasingly cautious due to macroeconomic and geopolitical uncertainty, regulatory volatility and global instability, which may lengthen decision-making timelines.

Licensing: Lengthy and complex permitting processes remain a barrier, particularly for international capital seeking to minimize exposure to local bureaucracy.

Financing, construction costs and labour availability also continue to influence feasibility and timelines.

EU regulatory requirements and investor-level reporting obligations are elevating the importance of ESG compliance.

Increasing collaboration between developers/construction groups and hotel operators (e.g., direct development-operator partnerships) is emerging as a relevant trend, although not widely publicized.

Savills Research

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