

PORTUGAL PROPERTY TEAM

PROPERTY MARKET
INSIGHTS 2020

REAL ESTATE INVESTMENT | GOLDEN VISA PROGRAM

YOUR LOCAL EXPERTS IN REAL ESTATE MARKET

WHO WE ARE

HEADQUARTERS

CENTURY 21.

Tipy Family Projectus

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REAL ESTATE TEAM

PORTUGAL *Lisbon Office*



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With more than 20 years of experience, our Portuguese Team of Real Estate Consultants includes professionals who are specialists in the **Luxury Residential Market and Real Estate Investment in Portugal**, guaranteeing a qualified technical and commercial capacity in the selection of the best opportunities to invest in Portugal, **offering you a set of specialized and individual Services.**

We also provide all the support and consultancy in terms of **Architectural and Engineering technical services**, through our Technical Partners, as well as **legal and tax advice**, associated with Real Estate Investments, through our Legal Partners, **offering an integral accompaniment throughout the whole process of property acquisition or Investment in Portugal.**

We are also members of the **INSTITUTE for LUXURY HOME MARKETING**, which is one of the leading independent authorities on training and designation for real estate agents worldwide operating in the luxury residential market.

Our Team is part of the **CENTURY 21** Tipy Family Projectus Agency in Lisbon, which belongs to **TipyFamilyGroup** - Europe's largest C21 Agency and **Nº1** turnover Portugal and Spain in 2019, 2020 and leading 2021!



WHO WE ARE

NORTH AMERICA & LATIN AMERICA REPRESENTATIVES

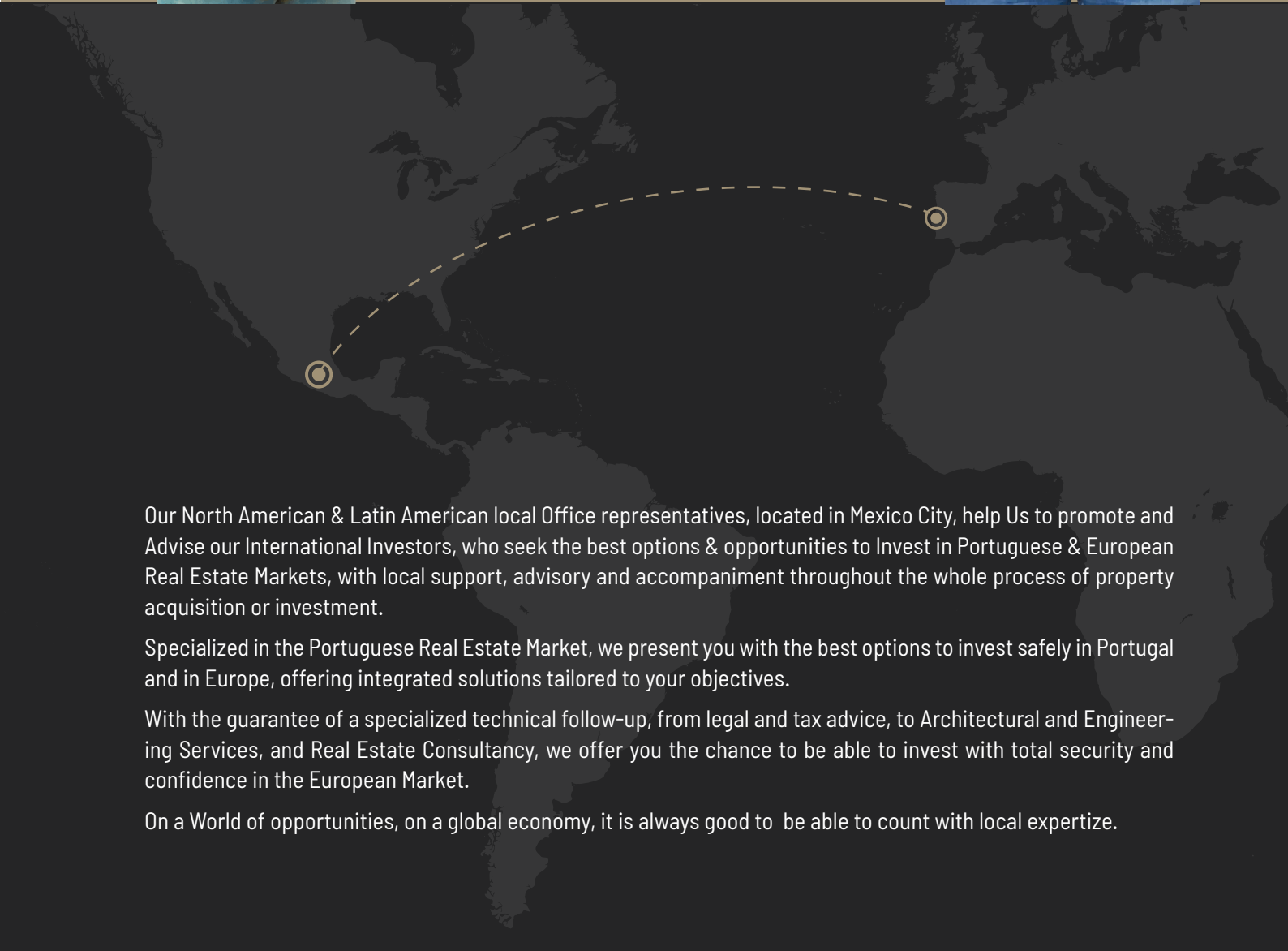


João Sá Vieira
Architect
Portfolio Management & Project Analysis

MEXICO *México City Office*



Ángel López
Business Development &
Institutional Relations



Our North American & Latin American local Office representatives, located in Mexico City, help Us to promote and Advise our International Investors, who seek the best options & opportunities to Invest in Portuguese & European Real Estate Markets, with local support, advisory and accompaniment throughout the whole process of property acquisition or investment.

Specialized in the Portuguese Real Estate Market, we present you with the best options to invest safely in Portugal and in Europe, offering integrated solutions tailored to your objectives.

With the guarantee of a specialized technical follow-up, from legal and tax advice, to Architectural and Engineering Services, and Real Estate Consultancy, we offer you the chance to be able to invest with total security and confidence in the European Market.

On a World of opportunities, on a global economy, it is always good to be able to count with local expertise.

TECHNICAL & LEGAL ADVISORY PARTNERS



Architecture & Design
Real Estate Investment;
www.homesignature.pt



Architecture & Design
www.origemarquitectos.pt



Engineering Consultancy
www.gravidade.pt



Construction works supervision
Engineering Consultancy
www.factormais.com

LEGAL & TAX CONSULTANCY



Martínez-Echevarría, Ferreira & Rivera is a professional law firm of legal services, both for consultancy and for judicial protection, with activity developed in Spain, Portugal and Turkey for companies, families and private individuals.

The current team has more than 250 professionals, which makes Martínez-Echevarría & Rivera Lawyers a modern law office, completely adapted and prepared to give a response to the most demanding requirements for companies, both national and international, operating in Spain and Portugal.

www.martinezechevarria.pt

LUXURY HOME MARKETING

*Certified
Luxury Home Marketing Specialists*

by the

**INSTITUTE for
LUXURY HOME MARKETING**

*This seal gives you confidence in selecting a real estate professional
with the training and resources necessary for working with high-end homes.*



**INSTITUTE for
LUXURY HOME
MARKETING**

TARGET LOCATION

Porto



240 000 inhabitants Porto City

1.5 million inhabitants in the Porto Region

is the second city and the fourth most populous municipality in Portugal, located in the northwest of the country and the capital of Área Metropolitana do Porto, the Norte Region and the district of Porto.

The city is considered a global gamma city. The municipality, with an area of 41.42 km², has a population of 237 591 inhabitants (2011) within its administrative boundaries, and is subdivided into seven freguesias.

Lisbon

Capital of Portugal

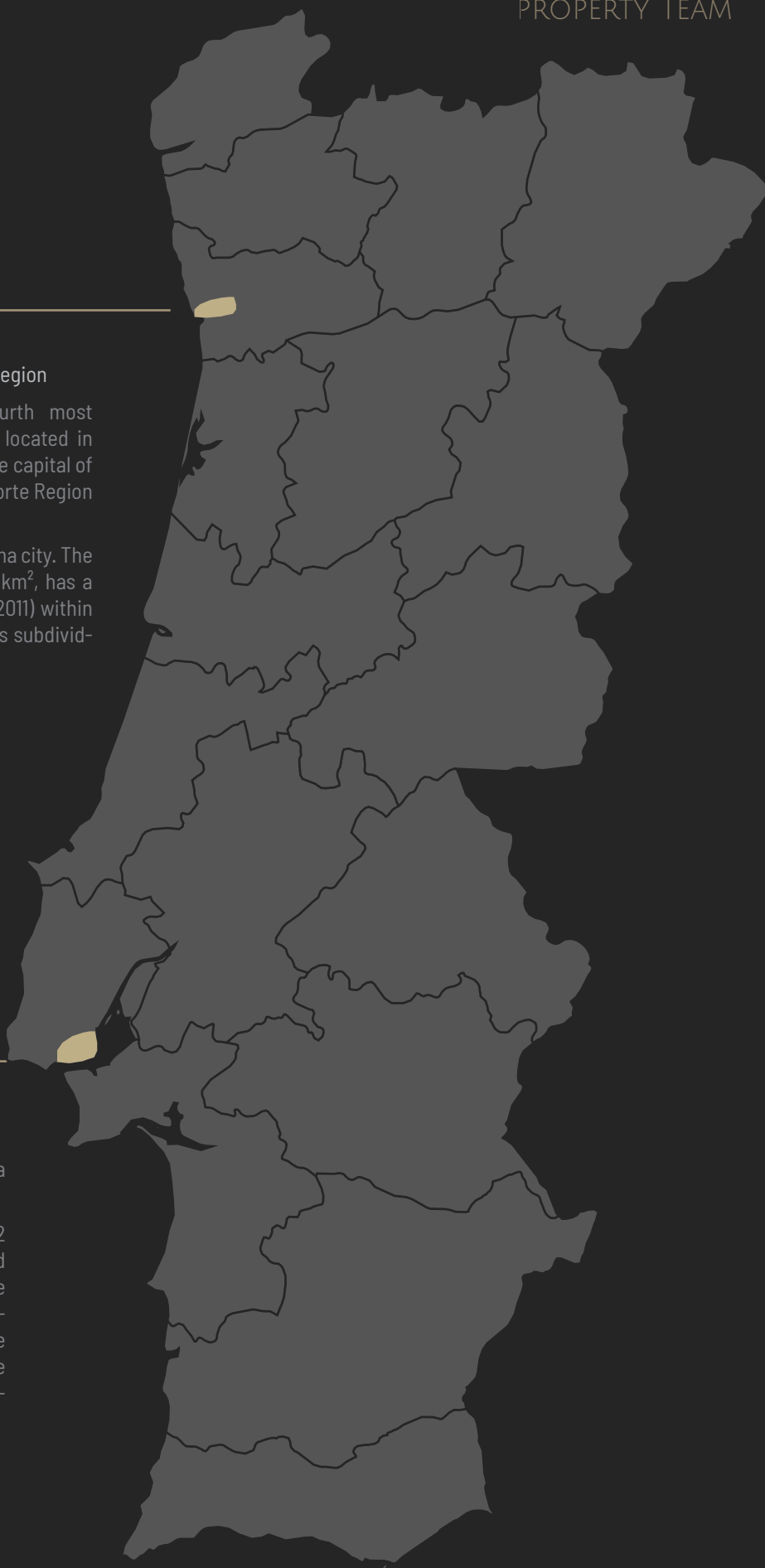


500 000 inhabitants Lisbon City

2.8 million inhabitants in the Lisbon Region

With an approximate area of 100km², it has a population of 506 892 inhabitants.

The Metropolitan Area of Lisbon is home to 2 821 697 people (2011), making it the largest and most populous metropolitan area in the country. Lisbon is the political centre of Portugal, the seat of the Government and the residence of the Head of State. It is also the westernmost capital of the European continent on the Atlantic coast.



GENERAL MARKET INSIGHTS

Source:
Investment Guide for SOCIMIs and SIGIs 2021 - PrimeYield

Portugal - Residential Market

Seeking Value - Securing long-term Investments

Portugal House Prices grew 8,6% YoY in Dec 2020, following an increase of 7,1% YoY in the previous quarter.

Portugal House Prices YoY Growth data is updated quarterly, available from Mar 2010 to Dec 2020, with an average growth rate of 5%.

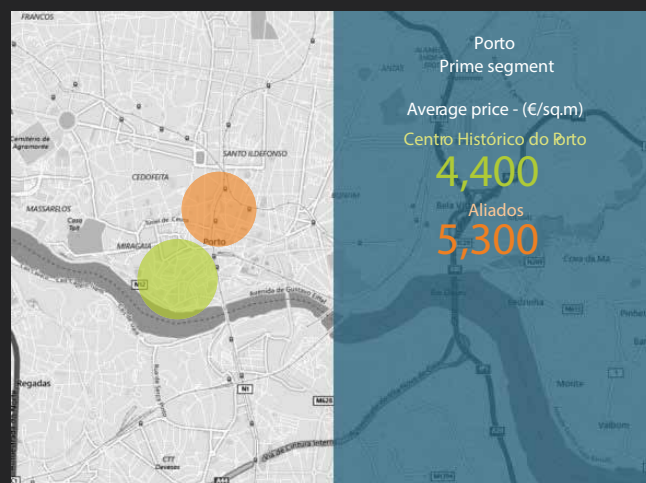
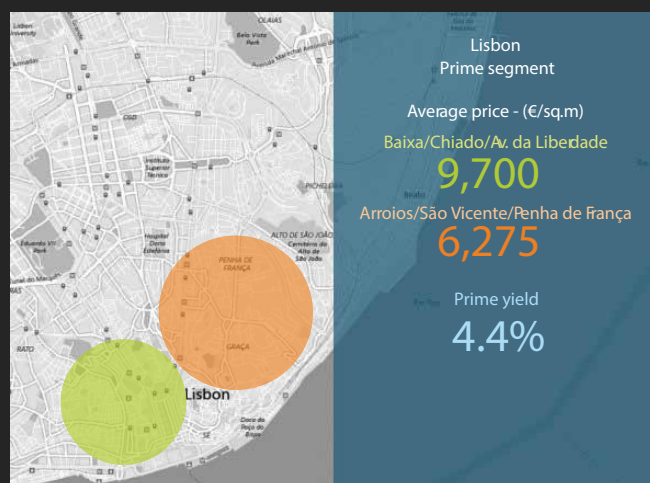
The most significant effect of the pandemic was seen in the number of dwellings sold, which decreased 5% in annual terms to 171,800 units sold in 2020.

Sales volume, on the other hand, even rose by 2% in 2020 and, contrary to the expectations of many consumers, there was not a drop in sales prices after the pandemic and year-on-year growth reached 8.4% by the end of 2020.

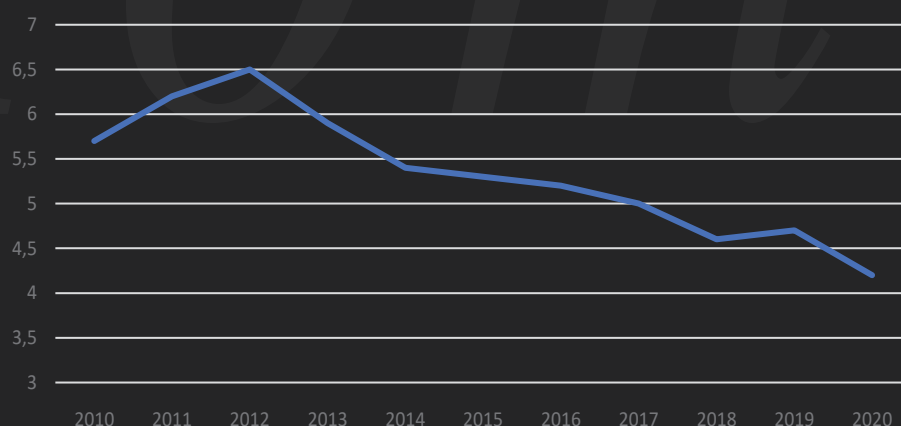
Amid this background, the mortgage granting also continued to grow (7% y-o-y to €11,4 billion) and reached a new maximum since 2008.

As for 2021, a still scarce supply of new housing should guarantee some stability in the market throughout the year.

Source: Investment Guide for SOCIMIs and SIGIs 2021 - PrimeYield



Residential - Historical Prime yields - Lisboa



Residential - Prime yields - Lisboa e Cascais

Date: Junho 2021

Lisboa	Price per sqm	Rent / sqm	Yields
Santo Antonio - Freguesia	5 922,00 €	16,00 €	3,24%
Misericórdia - Freguesia	5 708,00 €	16,00 €	3,36%
Avenidas Novas - Freguesia	5 583,00 €	14,00 €	3,01%
Santa Maria Maior - Freguesia	5 449,00 €	16,00 €	3,52%
Estrela - Freguesia	5 007,00 €	14,00 €	3,36%
Campo de Ourique - Freguesia	4 929,00 €	14,00 €	3,41%
Sao Vicente - Freguesia	4 624,00 €	14,00 €	3,63%
Alvalade - Freguesia	4 579,00 €	12,00 €	3,14%
Arroios - Freguesia	4 544,00 €	14,00 €	3,70%
Belem - Freguesia	4 528,00 €	13,00 €	3,45%
Parque Das Nacoes - Freguesia	4 481,00 €	14,00 €	3,75%
Areeiro - Freguesia	4 391,00 €	13,00 €	3,55%
Alcantara - Freguesia	4 154,00 €	12,00 €	3,47%
Sao Domingos De Benfca - Freguesia	4 046,00 €	12,00 €	3,56%
Campolide - Freguesia	4 000,00 €	13,00 €	3,90%
Carnide - Freguesia	3 887,00 €	12,00 €	3,70%
Penha De Franca - Freguesia	3 774,00 €	12,00 €	3,82%
Ajuda - Freguesia	3 660,00 €	12,00 €	3,93%
Lumiar - Freguesia	3 623,00 €	11,00 €	3,64%
Benfca - Freguesia	3 328,00 €	12,00 €	4,33%
Beato - Freguesia	3 267,00 €	13,00 €	4,78%
Olivais (Lisboa) - Freguesia	3 001,00 €	11,00 €	4,40%
Marvila - Freguesia	2 852,00 €	12,00 €	5,05%
Santa Clara - Freguesia	2 785,00 €	11,00 €	4,74%
Cascais	Price per sqm	Rent / sqm	Yields
Cascais e Estoril	4 060,00 €	16,00 €	4,73%
Carcavelos e Parede	3 685,00 €	12,00 €	3,91%

Portugal - Office Market

Rethinking occupation model - new trends

With the pandemic and remote work implementation, office take-up fell by 30% both in Lisbon and Porto.

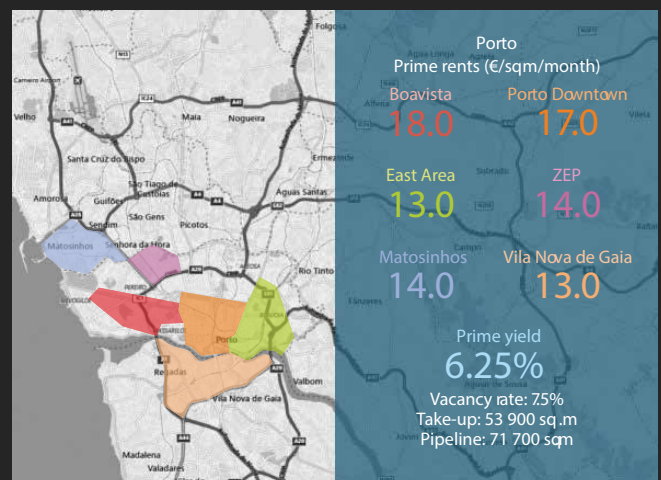
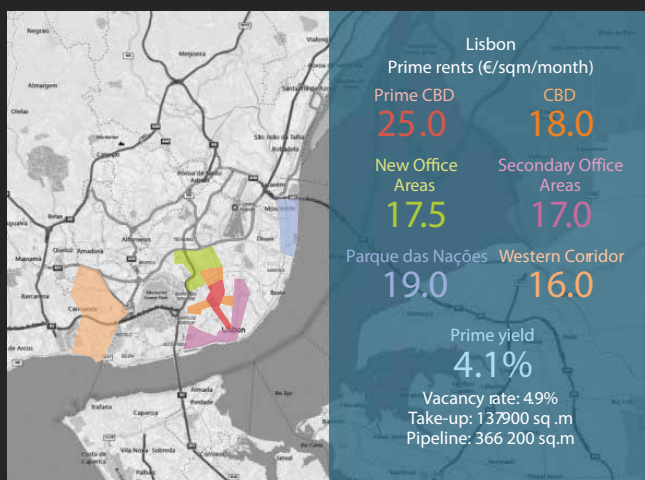
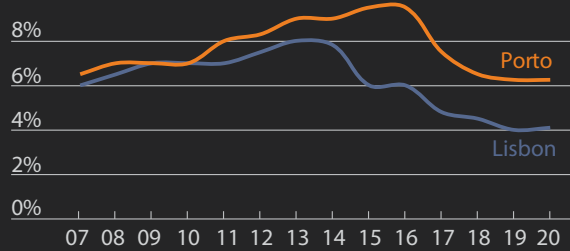
The consistency of the market, which in recent years has been faced with a lack of quality supply to meet growing demand, has allowed rents to stabilize, so this segment continues to be on investors' radar.

For 2021, the market will continue to benefit from supply limitations at a time when, faced with the uncertainty of the evolution of the pandemic, many companies tend to rethink their occupation model.

However, many occupiers also concluded that offices are fundamental for productivity. It is to expect that the year will be marked by the improvement of the current offices instead of investing heavily in new spaces.

Source: Investment Guide for SOCIMIs and SIGIs 2021 - PrimeYield

Prime yields evolution



Portugal - Industrial & Logistics Market

E-commerce boosting logistics

The boom of e-commerce during the pandemic resulted in a greater demand for spaces adapted to new operations, making industrial and logistics real estate one of the most resilient.

The existing supply is, however, still limited, as speculative development has been almost non-existent over the last few years.

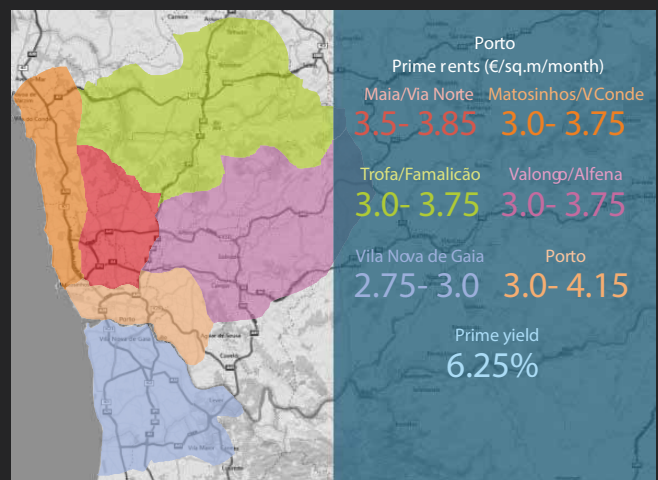
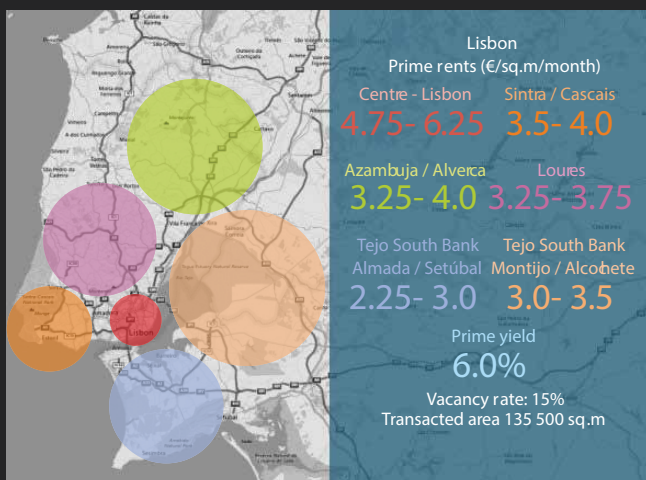
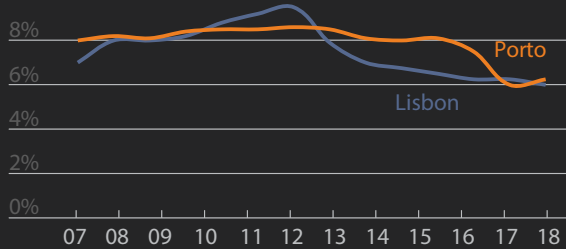
Thus, greater growth in occupational activity has been held back by this unbalance, keeping prime rents stable.

This should be a sector where development will focus over the next few years, with new quality projects coming into the market, positively impacting take-up and rents.

The expected higher occupancy buoyancy will increase investors' interest in this segment.

Source: Investment Guide for SOCIMIs and SIGIs 2021 - PrimeYield

Prime yields evolution



Portugal - Retail Market

Paradigm shift in the face of new consumer trends





Retail was one of the hardest hit sectors by the pandemic, with sales suffering notable losses due to both lockdown periods and customer inflow restrictions.

Both high street retail and shopping centers were affected, with food, DIY, convenience and proximity retail being the exceptions to the downturn and therefore remaining a target for investors.

The extension of mobility restrictions and confinement measures will determine the future of many businesses in a sector where a paradigm shift is imposing itself in the face of new consumer trends.

E-commerce is here to stay, and physical shops will have to reinvent themselves to attract consumers, providing them with more than just the convenience of shopping.

Source: Investment Guide for SOCIMIs and SIGIs 2021 - PrimeYield

Format	Location	Prime rents (€/sq.m/month)
 Shopping Centres	Portugal	105
 Retail Parks	Portugal	11
 High street retail	Lisbon Avenida da Liberdade Chiado	130
 High street retail	Porto Rua Santa Catarina	75
Prime yield (High street)		4.25%

Portugal - Hotel Market

Temporary standstill - near future recovery

Tourism came to a virtual standstill with the pandemic.





The Summer brought some revival to activity, but it was only temporary, and the accumulated falls confirmed the worst year ever for the sector.

Generally, almost all indicators of occupancy and performance fell between 60 and 70%.

In terms of investment, the year began very actively, with more than 90% of the annual amount transacted in the 1st quarter, but activity practically frozen after the outbreak of Covid-19.

A long path of recovery is expected in order to reach pre-Covid levels, but there is also the conviction that Portugal will continue to be one of the most attractive tourist destinations, attracting operators and investors.

Source: Investment Guide for SOCIMIs and SIGIs 2021 - PrimeYield

Format	2020	Change rate 20/19
 Overnights stays (thousands)	26 000.0	-63.0%
National	13 600.0	-36.0%
International	12 300.0	-75.0%
 Guests (thousands)	10 500.0	-61.3%
National	6 500.0	-39.0%
International	4 000.0	-76.0%
 RevPar (€)	23.64	-52.0%
 Occupancy rate per room	26.3%	-39.1%

Source: INE Turismo de Portugal

Portugal - Investment

Portugal continues to be targeted by international capital

Investors may want to “wait and see” in the first months of 2021, following the period of a new lockdown, but there’s still a lot of liquidity for investing in real estate.

Portugal continues to be targeted by international capital and domestic investors are increasingly active. Investment activity is expected to resume strongly in the second half of the year.

The office segment will continue to interest investors and logistics will also catch their increasing attention.

Built-to-rent is a segment starting to emerge in investment roadmaps.

In 2020, despite being a year almost completely under the pandemic effect, investment volumes hit €2,8 billion, the third best year ever.

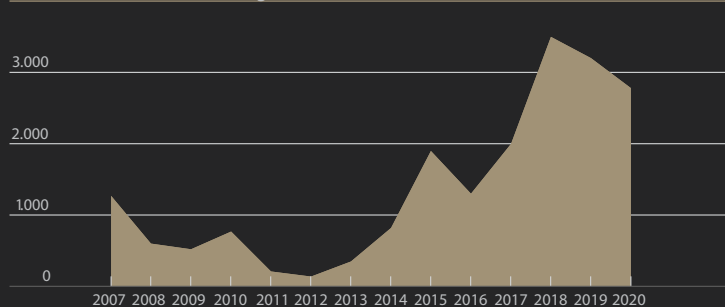
2021 is expected to at least equal this volume.

Source: Investment Guide for SOCIMIs and SIGIs 2021 - PrimeYield

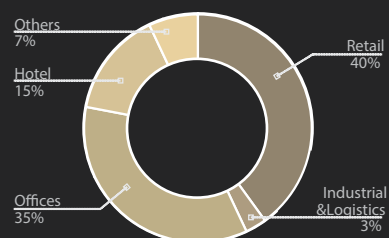
Prime Yields by segment



Investment Volumes in Portugal



Investment by segment (2020)



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Portugal - Property Market

The numbers in a glance



Residential

↘ -5.3%

Residential sales in Portugal
(171800, 2020)



Offices Lisbon

↘ -26.8%

Take-up
(142,000 sq.m, 2020)



Offices Porto

↘ -17.1%

Take-up
(53,900 sq.m, 2020)



Industrial&Logistics

↔ 0%

Prime rent
(4.75 -6.25€/sq.m/month,
2020)



Retail

↔ 0%

Retail prime ent (High street)
(130€/sq.m/month, 2020)



Hotel

↘ -52.0%

RevPar
(26,64 €, 2020)



Investment

↘ -13.1%

Volume of investment
(2.8 billion euros, 2020)