Agirre Newman has conducted the 7th study about companies mobility on the Lisbon office market, this time for the years 2015 and 2016 in order to identify the office areas where companies are moving into, exhaustively detailing the take up over the last two years along with the office areas where these companies are coming from.

Agirre Newman analysed more than 450 lease transactions, quantified occupied office areas, zones of origin and destination, as well as the different companies’ sectors of activity. It was also identified the operations that involved an increase in area due to organic expansion of the companies and the operations that were regarding first occupations such as start-ups.

**Lisbon Prime Index (LPI) provides information that allows to take several conclusions about Lisbon’s Office Market in 2016:**

- The office area take-up of 146,785 sq.m. in 2016 was 15% superior than 2015 (144,513 sq.m).
- There were 201 office lease transactions.
- Out of all these operations, 98 trades were regarding areas of less than 300 sq.m.
- Four office buildings were completed, resulting in 35,500 sq.m. of new office space.
- The market accounted with 4,638,921 sq.m. of office space.
- Another 6 office buildings are expected to be concluded in 2017 and 2018 raising the available space by another 57,817 sq.m.

Comparing the results from 2015 and 2016 regarding the area take-up (See Migratory Map), it was concluded the following:

- The area contracted in **Destination Zone 1** (Prime CBD) in 2016 stayed in line with 2015 regarding the same kind of origin. However, a higher origin from the same zone

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### Area Contracted

<table>
<thead>
<tr>
<th>Transactions (nº)</th>
<th>&lt; 300 SQM</th>
<th>301 - 800 SQM</th>
<th>801 - 1,500 SQM</th>
<th>1,501 - 3,000 SQM</th>
<th>3,001 - 5,000 SQM</th>
<th>&gt; 5,000 SQM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destination Zone 1</td>
<td>42%</td>
<td>41%</td>
<td>19%</td>
<td>36%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Destination Zone 2</td>
<td>8%</td>
<td>4%</td>
<td>15%</td>
<td>33%</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Destination Zone 3</td>
<td>43%</td>
<td>7%</td>
<td>19%</td>
<td>26%</td>
<td>15%</td>
<td>42%</td>
</tr>
<tr>
<td>Destination Zone 4</td>
<td>7%</td>
<td>7%</td>
<td>14%</td>
<td>19%</td>
<td>61%</td>
<td>43%</td>
</tr>
<tr>
<td>Destination Zone 5</td>
<td>43%</td>
<td>19%</td>
<td>43%</td>
<td>15%</td>
<td>55%</td>
<td>43%</td>
</tr>
<tr>
<td>Destination Zone 6</td>
<td>7%</td>
<td>7%</td>
<td>4%</td>
<td>14%</td>
<td>7%</td>
<td>43%</td>
</tr>
<tr>
<td>Destination Zone 7</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>55%</td>
</tr>
</tbody>
</table>

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The “**Migração de Empresas**” Market Study 2017 involved 458 office lease operations, with 257 in 2015 and 201 in 2016.

The analysis was conducted taking into account three distinct perspectives:

- By the number of trades - office operations in each destination zone, taking into account each of the Origin Zones and office operations in the Destination Zones broken down by the contracted area (< 300 sq.m.; 301 to 800 sq.m.; 801 to 1,500 sq.m.; 1,501 to 3,000 sq.m.; 3,001 to 5,000 sq.m. and > 5,000 sq.m.), in each of the Origin Zones;
- By area leased - area of offices contracted in each Destination Zone, taking into account each of the Origin Zones.
- By sector of activity - analysis of the office operations undertaken and the respective area contracted in each Destination Zone, for each of the 10 sectors of activity defined in the LPI (Consultants and Lawyers; State; Europe and Associations; Pharmaceuticals and Health; Other Services; Consumer Products; Service Companies; Financial Services; TMTs & Utilities and Construction and Real Estate)
was registered. Companies from Parque das Nações also represented a greater origin of transactions.

The area contracted in **Destination Zone 2** (CBD) in 2016 shows a greater origin from CBD (zone 2) being in line with 2015. It was verified an increase of companies provenient from Prime CBD. These numbers in CBD are justified by the lease of Grupo CGD for Álvaro Pais 2.

The area contracted in **Destination Zone 3** (Emerging Zone) in 2016 compared with 2015 shows a greater origin from the same zone rather than Prime CBD (zone 1) and CBD (zone 2). These numbers reflect the move by BNP Paribas to Torre Ocidente building, in Colombo, and Manpower to Torres de Lisboa.

The area contracted in **Destination Zone 4** (Secondary Zone) in 2016 stayed in line with 2015, showing a greater origin from Prime CBD. We also noted a greater origin from start-up companies.

The area contracted in **Destination Zone 5** (Parque das Nações) in 2016 stayed in line with 2015, reflecting a greater origin from the same zone. There was also a clear increase in the area contracted from companies OUT LIS and a decline of companies from CBD (zone 2).

The area contracted in **Destination Zone 6** (Western Corridor) in 2016 stayed in line with 2015, showing the dominance of the same zone origin. In 2016, it was also registered an increase in area contracted provenient of companies with origin in CBD (Zone 2).

The area contracted outside **Destination Zones 1 to 6** (in 2016) compared with 2015 shows a greater origin from Emerging Zone (zone 3) rather Prime CBD (zone 1) and the growth / expansion of existing companies (structural growth). These numbers are justified by the move of CML to Entrepasto Building.

### Activity Sector

<table>
<thead>
<tr>
<th>Area Contracted (sqm)</th>
<th>Destination Zone 1</th>
<th>Destination Zone 2</th>
<th>Destination Zone 3</th>
<th>Destination Zone 4</th>
<th>Destination Zone 5</th>
<th>Destination Zone 6</th>
<th>Destination Zone 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant &amp; Law</td>
<td>2%</td>
<td>5%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>State, Europe and Associations</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>Pharmaceutical &amp; Health</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
<td>0%</td>
<td>4%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Non Identified</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>8%</td>
<td>0%</td>
</tr>
<tr>
<td>Other Services</td>
<td>17%</td>
<td>3%</td>
<td>8%</td>
<td>0%</td>
<td>10%</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>2%</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Company Products</td>
<td>38%</td>
<td>49%</td>
<td>29%</td>
<td>81%</td>
<td>6%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>32%</td>
<td>15%</td>
<td>36%</td>
<td>0%</td>
<td>10%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>TMT’s &amp; Utilities</td>
<td>3%</td>
<td>18%</td>
<td>19%</td>
<td>6%</td>
<td>58%</td>
<td>43%</td>
<td>24%</td>
</tr>
<tr>
<td>Construction and Real Estate</td>
<td>0%</td>
<td>2%</td>
<td>4%</td>
<td>13%</td>
<td>2%</td>
<td>7%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Activity Sector

This study also let us come to the following conclusions about companies' migration in the Lisbon office market between 2015 and 2016.

1. **Loyalty to the same Origin**
   - In 2015, around 45% of the number of trades (corresponding to 46% of the traded area) and 46% of the number of trades (corresponding to 59% of the traded area), in 2016, took place within the same Zone.

2. **Contiguity Zone 1 (Prime CBD) / Zone 2 (CBD) / Zone 3 (Emerging Zone)**
   - There is a trend for contiguous zones in company moves in 2015 and 2016, namely concerning the Zones 1 (Prime CBD), 2 (CBD) and 3 (Emerging Zone). This may be explained by the fact that these three zones constitute a “geographic continuity” inside the city of Lisbon, where the levels of accessibility and available services are in some way comparable.

3. **Weight of the Initial Origin of the Activity**
   - Considering all transactions, 14% of the number of trades (corresponding to 8,3% of the traded area) in 2015 and 9% of the number of trades (corresponding to 3,4% of the traded area) in 2016 were start-up companies.

4. **Number of trades occurred in Destination Zones 1 and 2, with a similar Origin matrix in 2016 and 2015.**
   - Analysing all the transaction, it is possible to observe that the origin of the contracted area in destination Zone 1 and Zone 2 is quite similar in 2016 and 2015, except for the occupations of Liberdade 252 by Havas and Álvaro Pais 2 by Teleperformance.

5. **Area requirements as decision factor in the move in 2016.**
   - Approximately 53% of the office lease transactions registered in 2016 correspond to an increase in the occupied area compared with the previous occupation, i.e. more than half the number of trades were moves from smaller offices to bigger offices and/or contracting additional area at the same address.
The present study is based on the information provided by LPI index (Lisbon Prime Index), which data were used to evaluate the Lisbon office market activity for the years 2015 and 2016. The present study offers a more complete and accurate view of the office market performance, regarding the volume of sq. m traded, in comparison to previous studies. The number of recorded transactions and the Destination Office Zones corresponding to the companies’ new office space use in the region to one of the Office Zones 1-7 were considered.

For the identification of each transaction’s origin, eleven categories of sources were considered:

- Office Zones 1-7
- Out of Lisbon – companies who moved from outside the Lisbon region to one of the Office Zones 1-7
- Activity Start Up – Start-up companies whose first office is in the Destination Office Zone stated in the transactions identification
- Structural Growth – Increase of leased area through growth of the company structure, corresponding to new premises in the Destination Office Zone address for the transactions identified
- No Information – cases where it was not possible to identify the transaction’s origin, due to insufficient information regarding the corporate name of the company and/or the correct address of the Destination Office Zone

In this way, office transactions occurred in this research have been classified in Office Zones 1-7, corresponding only to those registered by LPI index, and, we believe, are representative of all transactions performed on the market outside zones 1-7.

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