savills

2026 OUTLOOK

RETAIL IN THE SPOTLIGHT

Portugal Retail Market

RESEARCH

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01. PORTUGAL'S ECONOMY

Portugal recorded the third-highest year-on-year growth rate in the eurozone.

Portugal's economy significantly outperforms the European average, with the labour market at a record high

The Portuguese economy grew by 2.5% year-on-year in the second quarter of 2026, following growth of 2.4% in the first quarter, according to the Quarterly National Accounts published by INE on 31 August.

On a quarter-on-quarter basis, economic activity was virtually flat at the start of the year, growing by 0.1% following an upward revision from the initial estimate of zero growth, before accelerating to 0.8% between April and June.

Based on the latest Eurostat data available, Portugal recorded the third-highest year-on-year growth rate in the eurozone.

The year began with a succession of storms in January and February, which weighed on activity in the first quarter, followed by a severe energy shock in March and April linked to the conflict in the Middle East. The economy absorbed both shocks without disrupting its growth trajectory.

The contribution of domestic demand to year-on-year growth fell from 4.6 to 3.8 percentage points between the two quarters, mainly reflecting a slowdown in investment from 10.4% to 5.7%. By contrast, the negative contribution from net external demand narrowed from 2.3 to 1.3 percentage points, as exports of goods and services accelerated more rapidly than imports. Growth therefore became more reliant on household consumption and the recovery in exports, and less dependent on investment.

Final consumption expenditure by resident households increased by 3.7% year-on-year in volume terms in the second quarter. Growth in spending on non-durable goods and services remained at 3.1%, while expenditure on durable goods accelerated from 6.3% to 9.3%. This suggests that households did not view the energy shock as a permanent reduction in their income.

The unemployment rate stood at 5.3% in the second quarter, 0.8 percentage points below the previous quarter and 0.6 percentage points lower year-on-year. This was its lowest level since INE's data series began in 2011. Employment reached almost 5.4 million people, up 2.9% year-on-year and the highest level since the first quarter of 2011, while the number of unemployment fell by 8.7% to 300,800 people.

After starting the year at 1.9%, CPI inflation accelerated to 3.3% in May, eased to 3.0% in July and rose again to 3.3% in August, with fuel prices accounting for almost all of the increase. Harmonised inflation stood at 3.6%. The August figures are based on INE's flash estimate, with the final data due to be published on 10 September.

During the first seven months of the year, tourist accommodation recorded 46.5 million overnight stays, up 1.5%, and total revenue of €4,073.2M, up 5.3%, according to INE's flash tourism statistics. Domestic demand was the main growth driver in July, with overnight stays by residents increasing by 5.1%, compared with just 0.7% for non-residents. RevPAR (Revenue per Available Room) reached €104.3, up 1.8%, while ADR (Average Daily Rate) rose by 3.2% to €154.9. The UK remained Portugal's largest source market.

OUTLOOK

The latest *institutional forecasts* point to annual growth of between 1.7% and 2.0%.

Banco de Portugal forecasts GDP growth of 1.8% and inflation of 3.1% in 2026, according to its June Economic Bulletin.

The European Commission expects growth of 1.7% and inflation of 3.0%, based on its spring forecast published in May.

The OECD forecasts growth of 1.8% in its June Economic Outlook, while the IMF projects 1.9%, according to its April forecast. All these projections pre-date the release of the second-quarter data and the August inflation estimate.

Economic activity continues to be supported by a robust labour market, the deployment of European funds and a fiscal policy that remains expansionary.

Key downside risks include energy price developments, whose temporary nature is a central assumption across all forecasts; the rebalancing of investment following the completion of the Recovery and Resilience Plan; weaker external demand and the US tariff environment; and the possibility of a further interest rate increase by the ECB. In June, the ECB raised its key interest rates by 25 basis points, at a time when consumer credit was growing at an annual rate of 9.5%, its fastest pace since February 2020.

	CURRENT	SAME PERIOD | PREVIOUS YEAR	FORECAST 2026
GDP Quarterly	**2.5%** Q2 2026	**1.9%** Q2 2025	**1.8%**
GDP Y-o-y	**1.8%** 2026A*	**1.9%** 2025	**1.8%**
Unemployment rate Quarterly	**5.3%** Q2 2026	**5.9%** Q2 2025	**5.9%**
CPI Monthly	**3,3%*** 08/2026	**2.8%** 08/2025	**3.1%**
Consumption Y-o-y	**3.7%** Q2 2026	**3.5%** 2025	**2.0%**
Consumer Confidence Index ICC | Monthly	**-21.8** 06/2026	**-16.0** 06/2025	-
Retail Sales Index Growth (%) RSI | Monthly	**3,0%** 07/2026	**6.2%** 07/2025	-

Source: INE, Statistics Portugal (INE), Banco de Portugal *Advance

02. E-COMMERCE

E-commerce is growing in Portugal, but its share of retail remains below the European average

Portugal has a well-established and technologically mature e-commerce ecosystem

Underpinned by almost a decade of investment in digital platforms, online payments and inventory management. Internet access is widespread and online retail continues to grow steadily. However, its share of total retail remains relatively low compared with other European markets, leaving further room for growth.

According to Statista, Portuguese retail e-commerce turnover reached €5,163.57M in 2025, up 13.5% year-on-year and representing average annual growth of 12% since 2019. However, growth has not followed a linear path. The market recorded its strongest expansion in 2020, at 23%, driven by lockdown restrictions. Growth resumed in 2024, at 12.6%, following the only contraction in the series in 2023, when turnover fell by 0.8% amid weaker household purchasing power, inflation and rising interest rates.

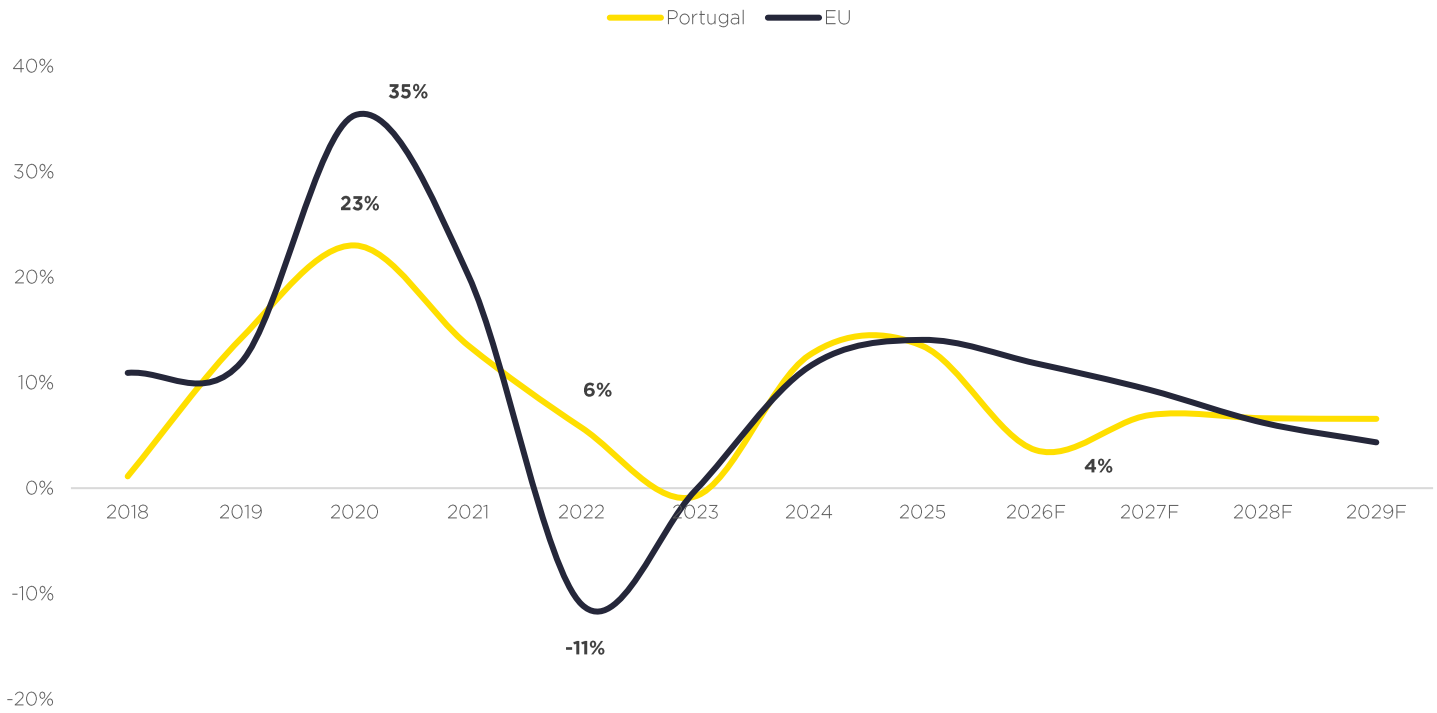
The market is projected to reach €6,622.4M by 2030, representing average annual growth of 5.1% between 2025 and 2030. This moderation suggests that Portuguese e-commerce is entering a more normalised phase of growth.

According to Mordor Intelligence, online orders in Portugal are highly concentrated geographically, with Lisbon and Porto together accounting for around 60% of total volumes in 2025. Cross-border flows are primarily linked to Spain, supported by geographical proximity, and China, reflecting access to low-cost imports.

From 1 July 2026, small consignments from China valued at less than €150 and entering the European Union ceased to benefit from the customs exemption in place since 1983 and became subject to an additional €3 charge.

This regulatory change could have a particularly significant impact on Portugal. According to Observador, the country is one of the eurozone markets to have recorded the strongest growth in spending on low-value orders from China, rising by 227% between 2022 and 2025, compared with 188% across the European Union.

EVOLUTION OF ONLINE SALES



Source: Statista

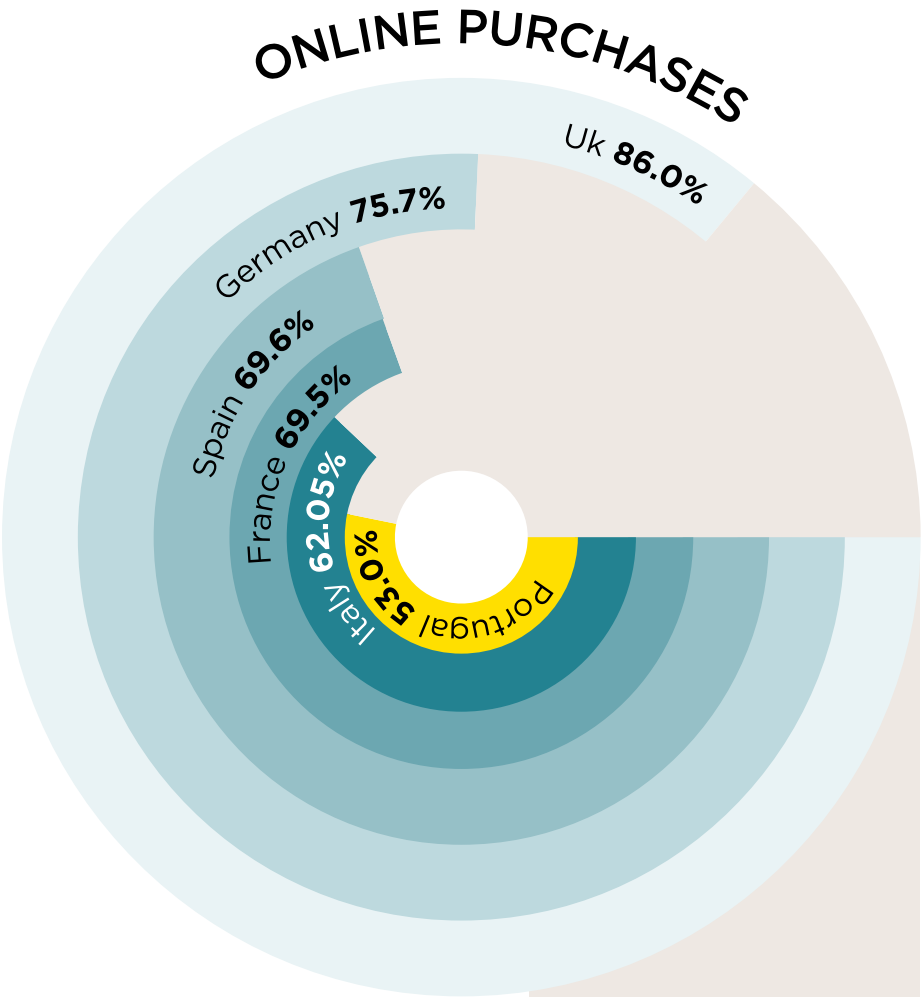
INTERNET ACCESS VS. ONLINE SHOPPING

Users & penetration

The gap between internet access and online shopping

Portugal had 4.8 million online shoppers in 2025, representing a penetration rate of 53%, compared with 2.4 million and 34.6% in 2017. Penetration is forecast to rise to 54.1% in 2026, remaining well below the EU-27 average of 66.3%.

The contrast with internet use is significant. According to ANACOM, 89.5% of the population had used the internet in the previous three months, while only 53.0% shopped online, leaving a gap of 36.5 percentage points. This pattern is not unique to Portugal, with the average gap across the EU-27 standing at 27.5 percentage points. However, Portugal's gap is almost 10 percentage points wider. The gap is particularly pronounced among people aged over 65, whose internet usage rate falls to 60.7%, compared with the European average of 79.0%, while 36.1% of this age group has never used the internet.



> The contrast with internet use *is significant.*

The Gap

The difference between **Internet Usage & Online Purchases**

53.0%
Online purchase **Portugal**

66.3%
Online purchase **Avg. EU-27**

36.5 p.p
Portugal Gap

27.5 p.p
Avg. EU-27 Gap

Source: Statista

CATEGORIES

Category breakdown

Fashion dominates online retail in Portugal

Fashion dominated Portuguese e-commerce in 2025, generating €2,204.24M and accounting for 42.5% of the total. It ranked well ahead of electronics at €715.09M, beauty and personal care at €511.82M, furniture at €428.68M and DIY at €390.82M. Fashion's share is significantly higher than in other European markets, where the category plays a less prominent role, accounting for around 24% in Germany and 19% in Spain.

This concentration leaves the Portuguese market heavily reliant on a single category. As fashion spending is sensitive to the economic cycle, any slowdown would have a greater impact on the wider market than in other European countries.

Growth in the category is nevertheless moderating. Following a 17.1% increase in 2025, online fashion sales are forecast to grow by just 3.4% in 2026, in line with the broader market slowdown.

ONLINE MARKET SHARE

Source: Statista, Savills

The Gap

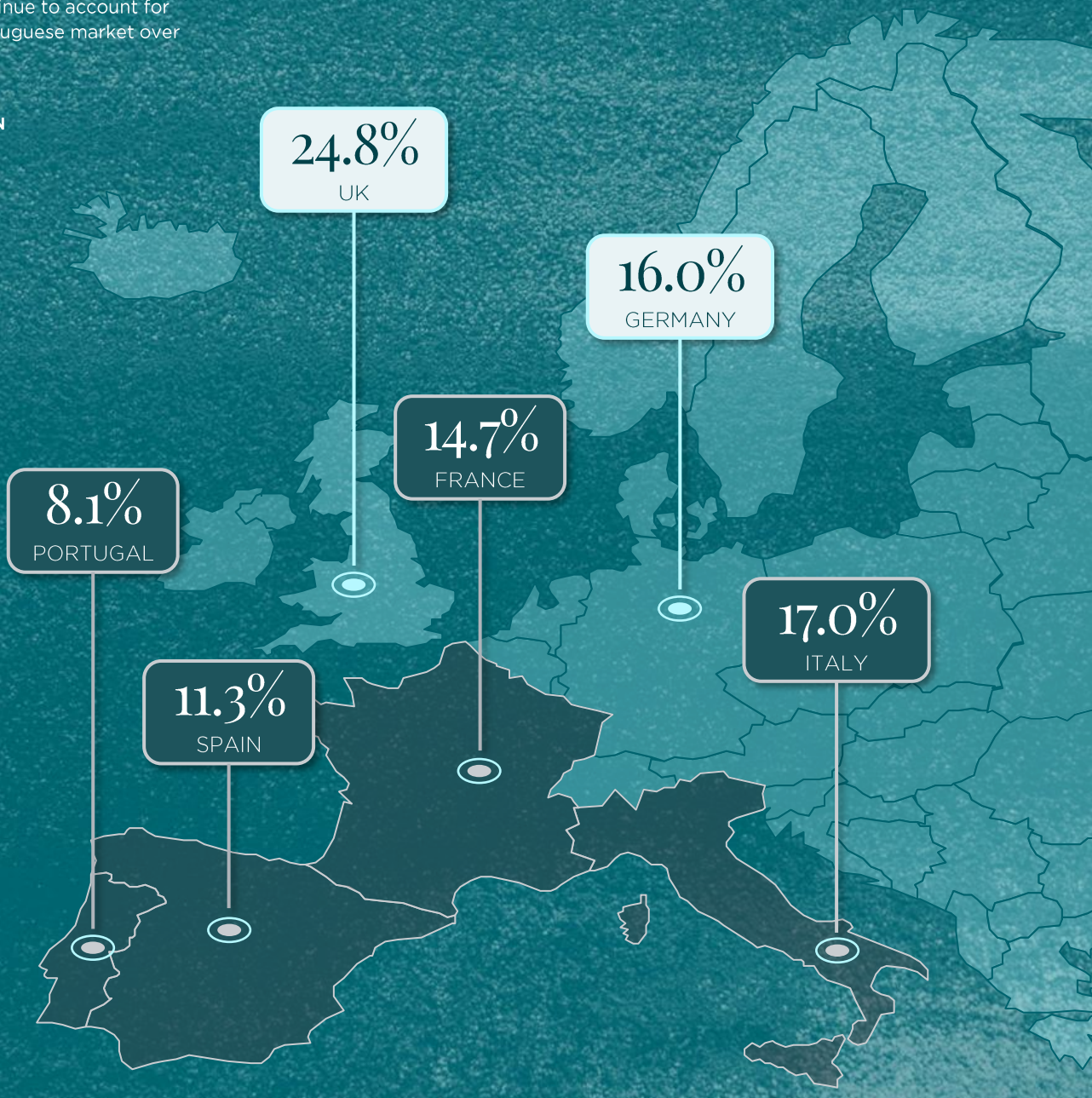
Despite its growth in recent years, e-commerce accounted for only 8.1% of total retail sales in Portugal in 2025, compared with the European average of 15.3%.

This gap is expected to persist through to 2029, when Portugal's online share is projected to reach 10.2%, compared with a European average of 18.1%. In other words, physical retail will continue to account for almost 90% of the Portuguese market over the coming years.

EUROPEAN COMPARISON
ONLINE MARKET SHARE

▲15.3%
EUROPEAN AVERAGE

▲12.1%
MEDITERRANEAN COUNTRIES AVERAGE



Source: Statista, Savills

03. SHOPPING CENTRES AND RETAIL PARKS

Portugal's next retail growth story *is already taking shape*

SALES

Sales growth outpaces footfall

The retail sector continues to perform well, supported by robust domestic demand.

The retail turnover index rose by 3.0% in 2025, although growth eased slightly compared with the previous year. In July 2026, retail sales increased by 3.0% year-on-year, up from 2.7% in June. This improvement was driven primarily by non-food products, which continued to outperform the food segment.

Shopping centre footfall declined by 0.1% in 2025, according to Sensormatic, underperforming sales. Footfall returned to growth during the first half of 2026, with a cumulative increase of 1.0% by July, despite uneven monthly performance.

Although footfall has grown more slowly than sales, the retail sector's performance in 2025 points to a gradual stabilisation in demand.

The outlook for 2026 remains moderately positive. Private consumption is expected to continue growing, albeit at a slower pace, while consumers remain affected by the cumulative impact of inflation in recent years.

Against this backdrop, tourism is emerging as the strongest driver of retail demand, particularly in Lisbon, Porto and the Algarve, supported by buoyant service exports and a steady flow of international visitors.

MARKET

Market growth shifts towards more efficient formats

Portugal's shopping centre and retail park market comprises close to 4 million sq m of gross lettable area (GLA) across 185 assets.

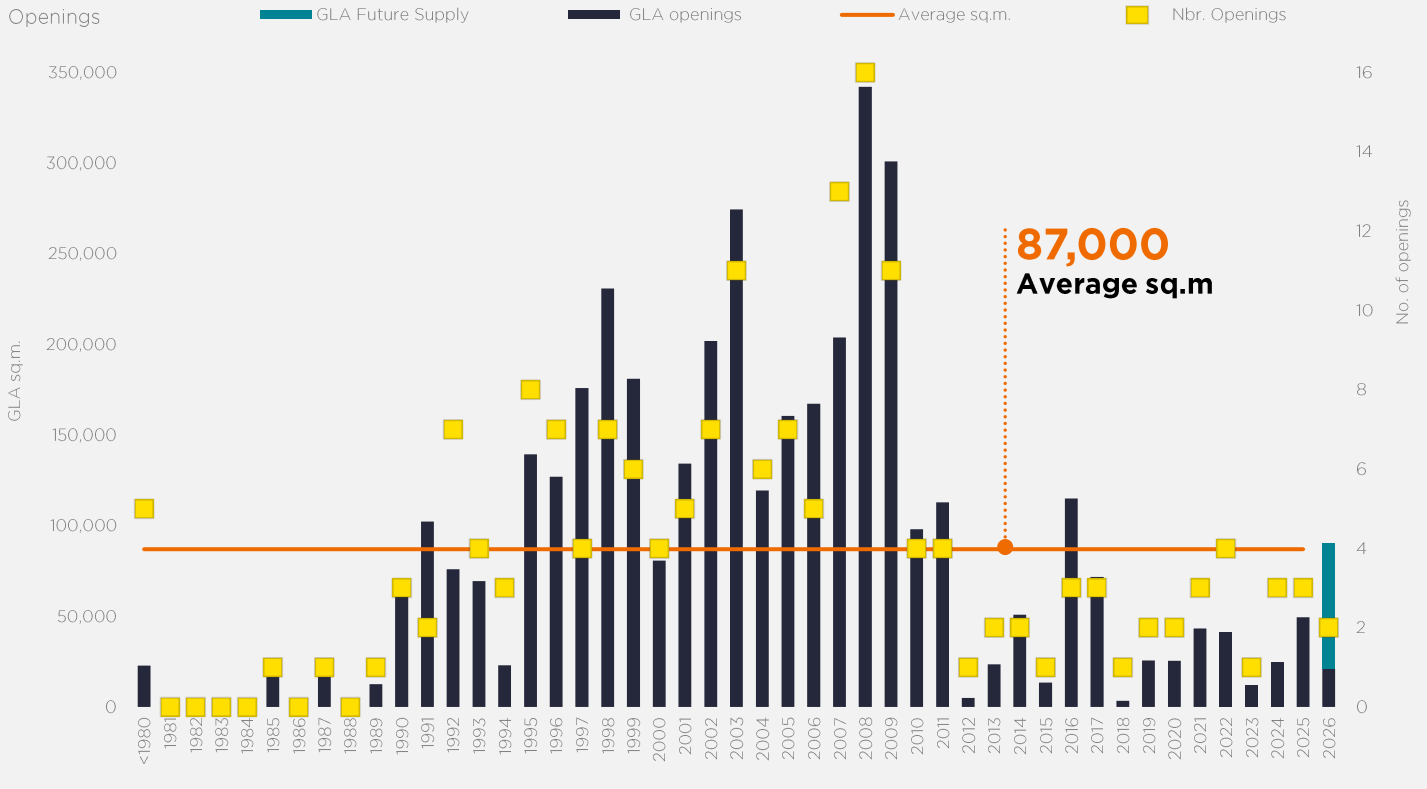
Shopping centres account for 136 assets and 83% of total GLA, while the remaining 49 retail parks represent 17%. This share is below the European average of 25% and the levels recorded in markets such as Germany at 34%, France at 25% and Spain at 21%.

The market is mature, with more than half of its floorspace located in assets that are at least 20 years old. The average asset size is 24,370 sq m for shopping centres and 13,786 sq m for retail parks.

The 2002–2009 period accounted for 46% of all GLA delivered to date, making it the market's most intensive development cycle. The year 2008 set records for both the number of openings, at 16, and newly delivered GLA, at 342,062 sq m. This expansionary cycle ended in 2010–2011 with the onset of the financial crisis. Since then, development activity has remained significantly lower, with virtually no openings in some years.

Recent development activity has a markedly different profile from the expansionary cycle of the 2000s, with a greater focus on smaller formats and retail parks rather than large shopping centres. Assets delivered during the latest cycle, most of which are retail parks, average around 12,000 sq m of GLA, compared with an average of 23,400 sq m between 2000 and 2009.

SHOPPING CENTRES AND RETAIL PARKS STOCK



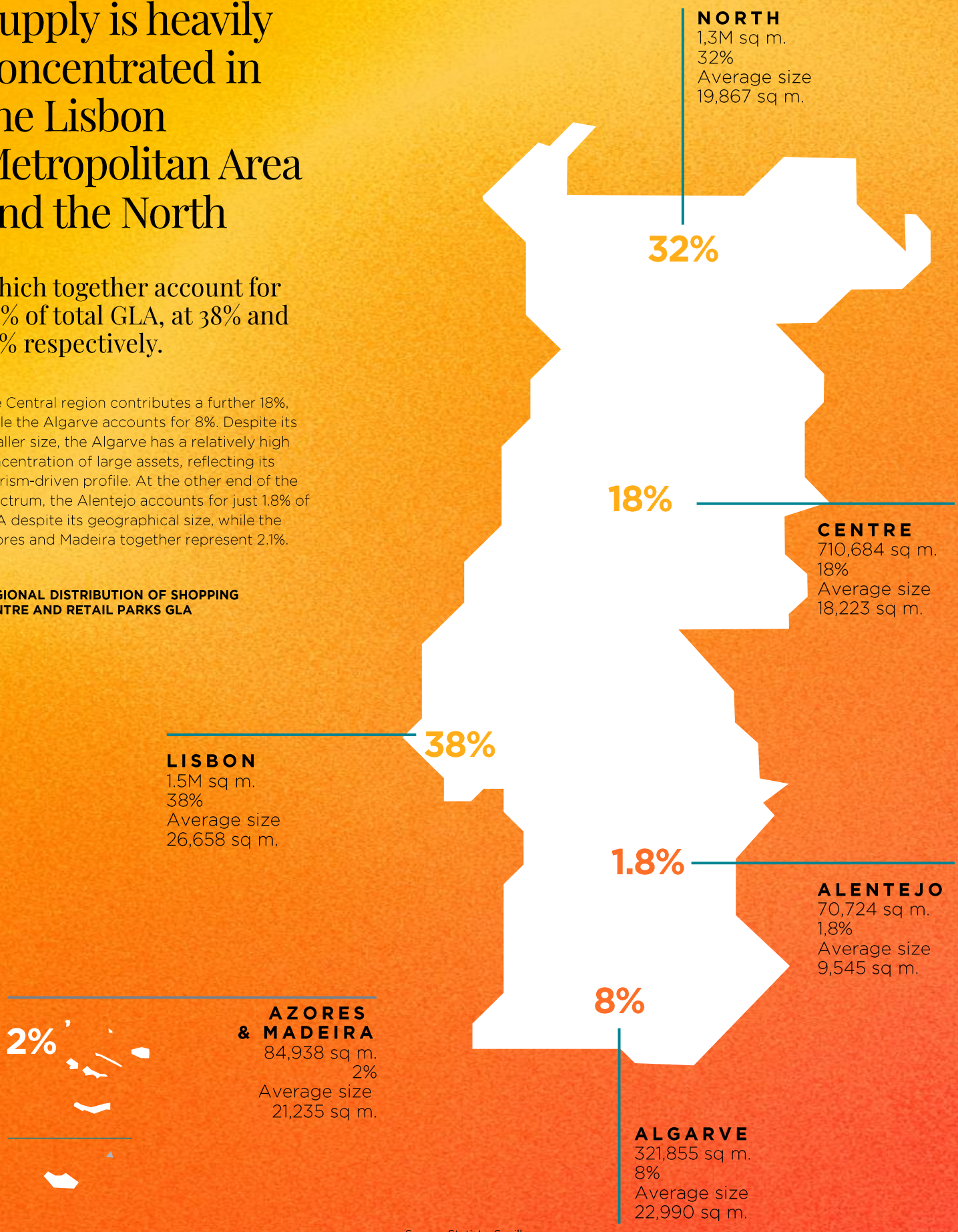
Source: APCC, Savills

Supply is heavily concentrated in the Lisbon Metropolitan Area and the North

Which together account for 70% of total GLA, at 38% and 32% respectively.

The Central region contributes a further 18%, while the Algarve accounts for 8%. Despite its smaller size, the Algarve has a relatively high concentration of large assets, reflecting its tourism-driven profile. At the other end of the spectrum, the Alentejo accounts for just 1.8% of GLA despite its geographical size, while the Azores and Madeira together represent 2.1%.

REGIONAL DISTRIBUTION OF SHOPPING CENTRE AND RETAIL PARKS GLA



Source: Statista, Savills

DENSITY

Density exceeds the European average, with *further growth* potential *for retail parks*

Portugal has a combined shopping centre and retail park density of 373 sq m per 1,000 inhabitants.

Above the average of 361 sq m across the main European markets. This reflects a relatively mature and well-supplied retail market.

The high level of provision suggests that value creation opportunities are now less closely linked to new development and increasingly focused on optimising existing stock, adapting assets to changing consumer patterns and consolidating dominant schemes.

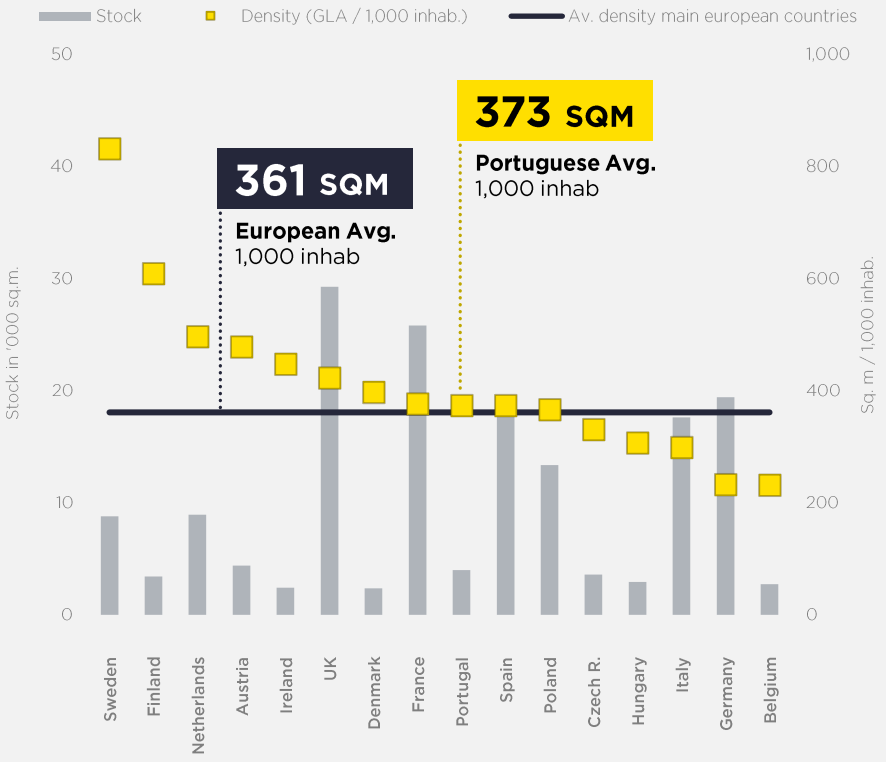
However, the picture varies significantly by format. Shopping centre density stands at 310 sq m per 1,000 inhabitants, well above the European average of 263 sq m, confirming the format's dominant and established position in Portugal. Retail parks remain considerably less developed, with a density of just 63 sq m per 1,000 inhabitants, compared with the European average of 93 sq m. Even if all planned developments are completed on schedule, retail park density would rise to only around 65 sq m of GLA per 1,000 inhabitants, remaining below the European average.

This divergence suggests that future growth in the Portuguese market could be concentrated in retail parks, the segment with the greatest relative development potential.

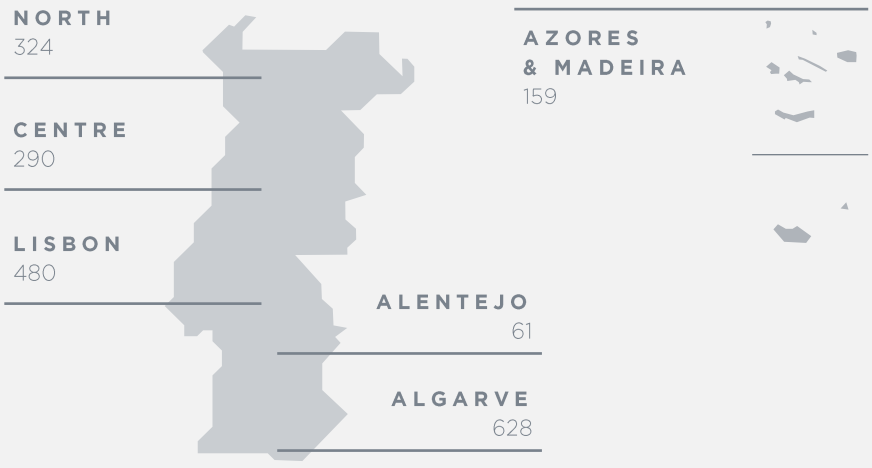
Regional variations in shopping centre and retail park density reflect different levels of market maturity. The Lisbon Metropolitan Area and the Algarve have provision levels above the national average of 373 sq m per 1,000 inhabitants, while the North, Central region, Alentejo and the islands have lower relative densities. This points to greater potential for new retail floorspace over the medium to long term.

> Portugal *slightly exceeds* the European average

EUROPEAN DENSITIES



DENSITIES BY REGION



Source: Savills

OPENINGS IN 2025

A total of 38,930 sqm of new retail floorspace was delivered in Portugal in 2025

Across three retail parks, resulting in an average scheme size of around 13,000 sq m.

GLA: 38,930 SQM

Nova Vila Retail Park in Chão das Donas, Portimão, was the largest opening, providing 23,000 sq m. Developed by Belgian firm Mitiska REIM, the scheme comprises 16 stores. Leroy Merlin is the main anchor, occupying more than 9,000 sq m, alongside Action, Tiendanimal, KiK, Rádio Popular and Hôma. The development also includes a food court within the parking area, 832 parking spaces and a petrol station.

Portimão

Surface. GLA: 23,000 sq.m.

Type. Retail Park

Developer. Mitiska REIM

Portuguese furniture, homeware and interior decoration retailer JOM opened its new Felgueiras store in 2025, marking the launch of **Retail Center Felgueiras,** a new scheme developed entirely by the group. The complex provides a total of 7,475 sq m, including 4,930 sq m of retail space, and includes brands such as Action, KiK and Midas.

Felgueiras

Surface. GLA: 4,930 sq.m.

Type. Retail Park

Developer. JOM Group

Nova Terra Felgueiras Retail Park is an 11,000 sq m development on the former Belcor textile site. Developed by Nova Terra Partners, it forms part of a mixed-use project that also includes 104 homes. Its retail offer includes Aldi, MaxMat, Rádio Popular, Espaço Casa, Fábrica dos Óculos, Colchões e Companhia, Pepco and JYSK.

Felgueiras

Surface. GLA: 11,000 sq.m.

Type. Retail Park

Developer. Nova Terra Partners

Source: Savills

PROJECTS ALREADY OPENED IN 2026

Six new retail parks

And the extension of an existing asset are scheduled for 2026, together providing 90,000 sq m of GLA.

OPENINGS: GLA. 90,000 SQM

GLA: PROJECTS OPENED IN 2026: 12,000 SQ M + 9,000 SQ M EXPANSION

Batalha Retail Park
Developed by the JOM Group, the scheme is located on Rua Mouzinho de Albuquerque in Batalha. It provides 12,000 sq m of GLA and is anchored by JOM, whose existing store has been refurbished and extended. Other occupiers include Vilanova, Tiffosi, Fábrica dos Óculos, Rádio Popular, Seaside, Espaço Casa and JYSK.

Batalha

Surface. GLA: 12,000 sq.m.

Type. Retail Park

Developer. JOM Group

Beja Jardim Retail expansion
Developed by Névoa Group, the expansion provides 9,000 sq m and accommodates eight occupiers, including Action, Normal, Opticenter, Pluricosmética, Rádio Popular, Seaside and Vila Nova.

Beja

Surface. GLA: 9,000 sq.m.

Type. Retail Park expansion

Developer. Névoa Group

PROJECTS SCHEDULED FOR 2026

Main future supply

GLA: FUTURE PROJECTS 69,000 SQ.M.

Póvoa de Varzim Retail Park
Developed by FVC Group, the scheme is located opposite Parque da Cidade. It will provide 21,000 sq m of GLA across 21 retail units, together with a petrol station and more than 500 parking spaces. Aldi will serve as the initial anchor.

Póvoa do Varzim

Surface. GLA: 21,000 sq.m.

Type. Retail Park

Developer. FVC Group

City Center Covilhã
Developed by Forumlar, the project will provide 18,000 sq m of GLA across three retail levels and will also include an eight-storey B&B hotel. Planned occupiers include Mercadona, Primark, Leroy Merlin Essencial, FNAC, Action, Hôma, JYSK, Sport Zone, Kiwoko, a pharmacy and Fábrica dos Óculos. The first phase opened in 2026 with Mercadona, while the remainder of the scheme continues to be delivered in stages. Hôma joined the scheme in May 2026.

Covilhã

Surface. GLA: 18,000 sq.m.

Type. Retail Park

Developer. Forumlar

Azores Retail Park
Sapore, part of Grupo Vigent, is developing a 15,000 sq m retail park in Ponta Delgada on the island of São Miguel, next to Hospital do Divino Espírito Santo. The scheme will provide more than 800 parking spaces and accommodate 11 occupiers, including FNAC, Fábrica dos Óculos, JYSK, Continente, Worten and Sport Zone.

Ponta Delgada

Surface. GLA: 15,000 sq.m.

Type. Retail Park

Developer. Sapore (Grupo Vigent)

Cantanhede Retail Park
This mixed-use development, which also includes residential and hotel uses, will strengthen Cantanhede's role as a retail hub between Coimbra and Figueira da Foz. Developed by Atlantic SGFII, the scheme is located next to the Expofacic exhibition grounds on the EN-234 and provides 6,000 sq m of GLA. It is fully let, with Pingo Doce, Rádio Popular, JYSK, Espaço Casa and Burger King confirmed as occupiers.

Cantanhede Retail Park

Surface. GLA: 6,000 sq.m.

Type. Retail Park

Developer. Atlantic SGFII

Source: Savills

PROJECTS 2026

In 2026 all the planned projects
will be developed under the format of a retail park

	NAME	MUNICIPALITY	DEVELOPER	CATEGORY	GLA (M^2)
Open Projects	Batalha Retail Park	Batalha	JOM	Retail Park	12,000
	Beja Jardim Retail expansion	Beja	Névoa Group	Retail Park	9,000
Total Open Projects					**21,000**
Future Projects	Retail Park Póvoa do Varzim	Póvoa do Varzim	FVC Group	Retail Park	21,000
	City Center Covilhã	Covilhã	Forumlar	Retail Park	18,000
	Azores Retail Park	Ponta Delgada	Sapore (Vigent Group)	Retail Park	15,000
	Alentejo Retail Park	Beja	JOM	Retail Park	9,000
	Cantanhede Retail Park	Cantanhede	Atlantico SGFII	Retail Park	6.000
	Total Future projects				69,000
Total Projects 2026					**90,000**

TOTAL GLA
90,000 SQM

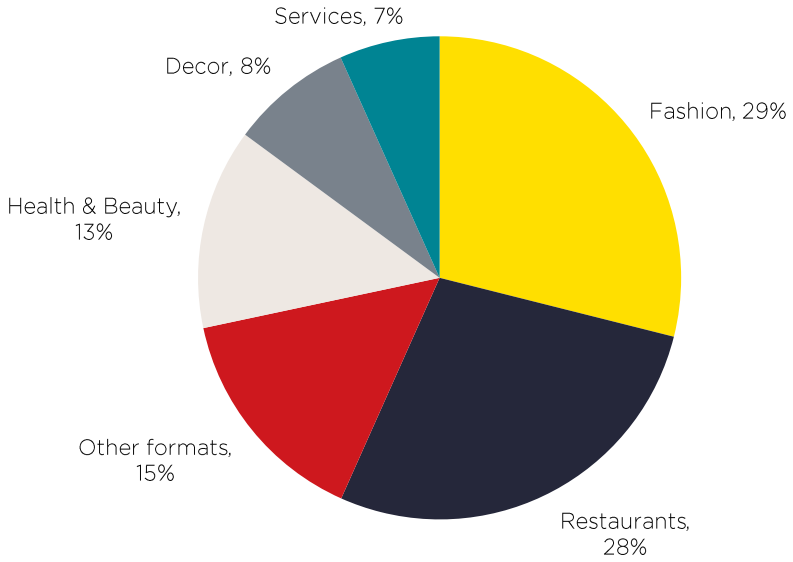
Source: Savills

04. DEMAND

Demand for space in shopping centers and retail parks remains strong

The Portuguese retail market maintained strong momentum in 2025, with Savills identifying 342 new openings across shopping centres and retail parks. Fashion and restaurants accounted for more than half of all openings, confirming their role as the main drivers of occupier expansion. Fashion and accessories led activity with 99 openings, representing 29% of the total, closely followed by restaurants, with 95 new units and a 28% share.

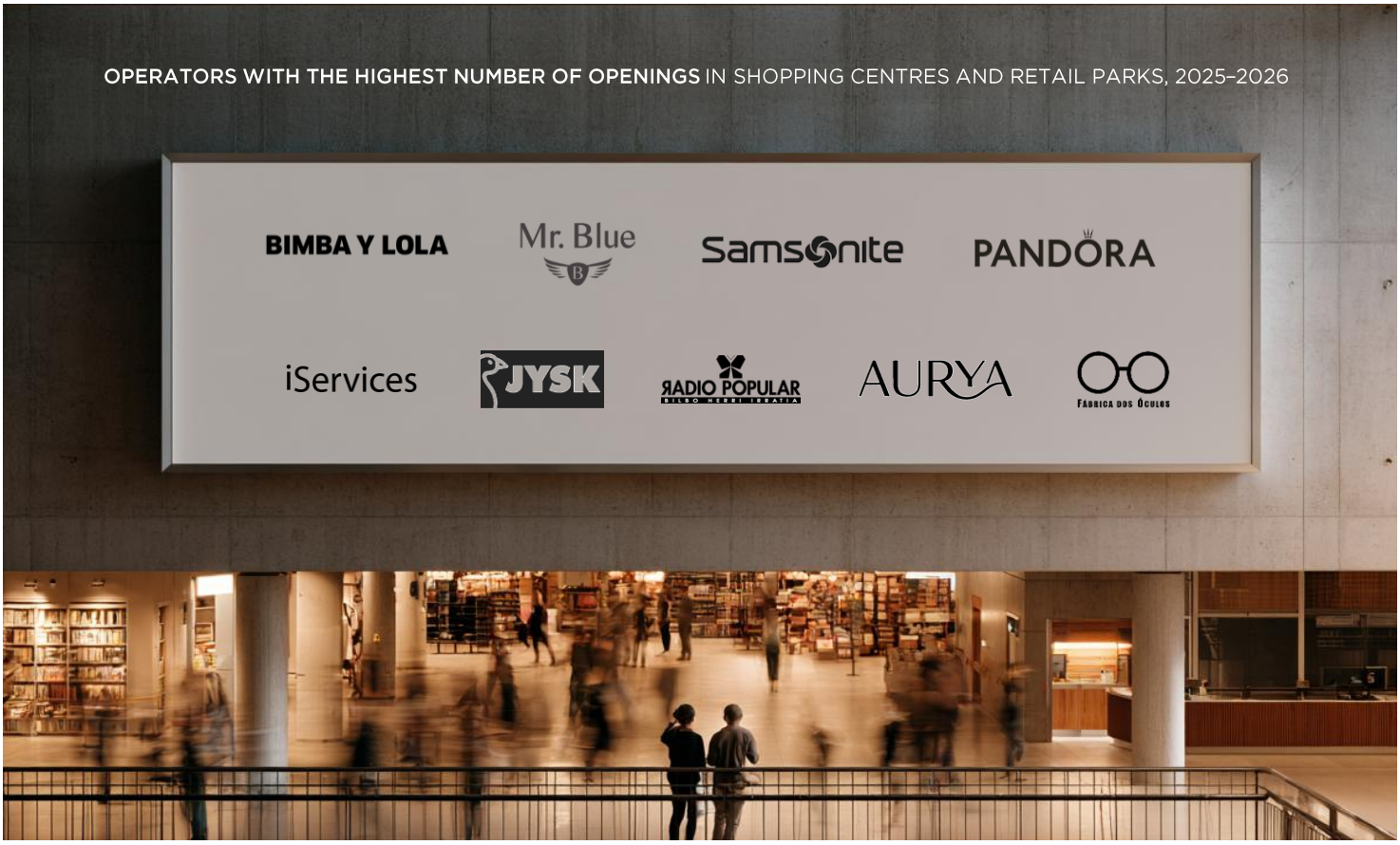
STORE OPENINGS IN SHOPPING CENTRES AND RETAIL PARKS 2025 BY ACTIVITY



Source: Savills

OUTLOOK

The strong pace of openings is expected to continue, with around 80 brands identified to date. The fashion and accessories category accounts for 27% of openings, followed by restaurants at 24%.



05. NEW ENTRANTS

Brands entering the Portuguese market

Portugal's *shopping centre* and *high street* markets

Have become particularly attractive to domestic and international operators seeking to establish their first stores in the country. This reflects the dynamism of the Portuguese retail sector and the appeal of established retail destinations.

BUCCELLATI

The Italian maison, renowned for its fine jewellery and silverware, opened its first standalone boutique in the Iberian Peninsula in 2026. Located on Avenida da Liberdade in Lisbon, the store is arranged over two floors connected by a lift.

BOTTEGA VENETA

The Italian luxury fashion house, part of the Kering Group, is opening its first standalone high street store at 224 Avenida da Liberdade. The unit, extends to approximately 200 sq m.

LORO PIANA

The brand will open its first physical store in Portugal in 2027, in the former Banco Espírito Santo headquarters on Avenida da Liberdade in Lisbon. Loro Piana will open alongside Celine, with both brands forming part of the LVMH group.

BAGATELLE

The French high-end restaurant group plans to enter Lisbon between 2026 and 2027 with an opening on Avenida da Liberdade. Its arrival will further strengthen the avenue's position as the Portuguese capital's preferred destination for leading international restaurants, leisure and luxury brands.

VICIO

The Spanish smash burger chain strengthened its international presence by opening its first physical restaurant on Rua da Escola Politécnica in Lisbon in 2026. The 30-cover venue marks the next stage in the brand's development following the success of its first Lisbon operation, launched in 2025 under a delivery and takeaway-only model.

DRUNI

The Spanish perfume and cosmetics retailer opened its first Portuguese store at Península Boutique Center in Porto in 2025. It has since expanded to La Vie Caldas in Caldas da Rainha, Braga Parque in Braga, Palácio do Gelo in Viseu, Barra Shopping in Barreiro and Almada Forum in Almada. In July 2024, Portuguese group Sonae acquired a 50% stake in the brand, with the remaining 50% retained by the Casp family, which founded Druni.

LÄDERACH

The Swiss premium chocolate brand entered Portugal through two prominent openings in 2026. It launched a dedicated space at El Corte Inglés in Lisbon and opened its first store at NorteShopping in Porto.

MANGO TEEN

The Spanish brand opened its first dedicated store for its teen line at Centro Vasco da Gama in Lisbon in 2025. The 200 sq m unit became the concept's third physical store outside Spain, almost four years after its launch. The brand subsequently opened another store at UBBO in Amadora.

LOLA CASADEMUNT

The Spanish womenswear brand opened a store of approximately 100 sq m at Amoreiras shopping centre in Lisbon in 2026, coinciding with its 45th anniversary. The company had already been present in Portugal since 2023 through three concessions at El Corte Inglés stores in Lisbon and Porto.

SMASHVILLE

The Portuguese smash burger chain opened its first physical restaurant at Atrium Saldanha shopping centre in Lisbon in 2025. The 70 sq m unit was followed by further openings at Amoreiras, Almada Forum, CascaiShopping in Cascais and Campo Novo in Porto.

AQUÍ A TUA REMODELAÇÃO

The property refurbishment specialist opened its first store in Portugal at Colombo shopping centre in Lisbon in 2025, marking the beginning of the brand's expansion in the Portuguese market.

DYSON

The British brand opened its first Portuguese store at Centro Colombo in Lisbon, strengthening its physical presence through the Dyson Demo Store format. The opening builds on the Demo Zone operated at the same centre since 2023 and at NorteShopping in Porto since 2025. These spaces allow customers to experience the brand's full range of home and personal care products.

06. HIGH STREET MARKET

Prime streets. *Global* demand.

LISBON

Source: Savills, Sensormatic

Lisbon strengthens its position as a prime market, driven by international demand

Lisbon remains Portugal's leading high street market, attracting the greatest brand interest and investment volumes and generating the strongest retail activity.

Its established retail streets, dynamic urban environment and sustained demand from tourists and local consumers reinforce its dominant position within Portugal's retail landscape.

STOCK AND MARKET CONFIGURATION

In 2026, Savills monitored 425 retail units across Lisbon's main shopping streets: Avenida da Liberdade, Praça do Rossio, Praça dos Restauradores, Rua do Carmo, Rua Garrett, Rua Augusta and the corridor comprising Rua Dom Pedro V, Praça do Príncipe Real and Rua da Escola Politécnica.

Average occupancy stands at 93.4%. To assess availability, Savills considers both vacant units and occupied premises that are expected to become available in the short term or are already being marketed.

Fashion and accessories is the largest retail category, accounting for 37% of all units, followed by restaurants at 21%.

However, the tenant mix varies considerably by location. Luxury accounts for 42% of units on Avenida da Liberdade, well above the market average of 13%. By contrast, restaurants has a similar or greater presence than fashion on Rua Augusta and along the Rua Dom Pedro V, Praça do Príncipe Real and Rua da Escola Politécnica corridor, representing 33% and 37% of units respectively.

Units below 200 sq m dominate the retail offer, particularly on Rua Augusta and in Príncipe Real, where they account for around 70% of stock.

Small units also represent more than half of the retail offer in Praça do Rossio, Rua Garrett and Rua do Carmo. Avenida da Liberdade, by contrast, has a clear concentration of mid-sized units of between 200 and 400 sq m, which form the largest segment at 42%.

EVOLUTION OF THE MAIN RETAIL STREETS

Lisbon's main shopping streets recorded 21 openings in 2026, with a further 24 scheduled for the remainder of 2026 and 2027. This level of activity reflects the market's continued momentum and strong demand for high-quality space in prime locations.

New openings are concentrated primarily in restaurants and fashion, which account for 29% and 27% of the total respectively. Small units below 200 sq m are also the most common format, representing 38% of openings completed in 2026 and those scheduled for the remainder of the year and 2027.

Domestic brands accounted for most openings completed in 2026, at 63%, while international operators are expected to lead future activity, representing 75% of scheduled openings.

International brands entering Portugal for the first time account for 46% of new openings, underlining Lisbon's growing appeal as a destination for retail expansion.

Prime rents on Lisbon's main shopping streets currently range from €60 to €145 per sq m per month. Strong demand and limited availability are expected to place further upward pressure on rents over the short to medium term.

KEY OPENINGS IN LISBON, 2026

Brand	Location	Unit size (sq m)
Buccellati	Av. Da Liberdade, 203	101-200
Max Mara Weekend	Av. da Liberdade, 49A	201-400
Bottega Veneta	Av. da Liberdade, 224	201-400
Loro Piana	Av. da Liberdade, 205*	401-700
Bagatelle	Av. da Liberdade, 227*	>701
Céline	Av. da Liberdade, 205*	>701
Parfois	Rua do Carmo, 37-39-41	401-700
Parfois	Rua Augusta, 97 - 107	201-400
Vicio	Rua da Escola Politécnica, 19	201-400
Shades Worls	Rua da Escola Politécnica, 31-33	201-400

Source: Savills. *Forthcoming opening

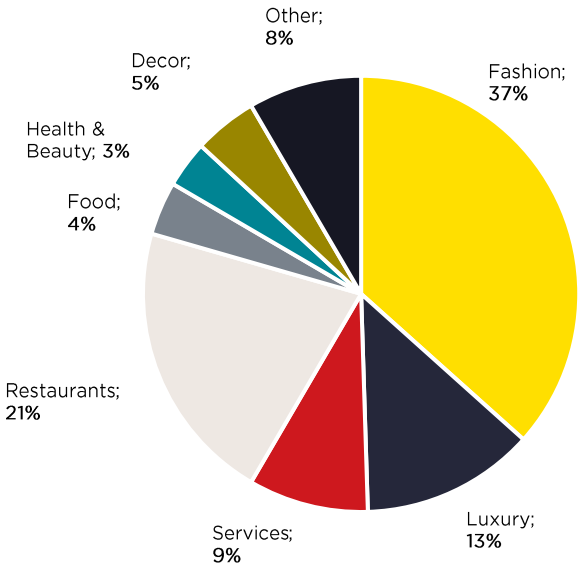
KEY INDICATORS FOR THE LISBON HIGH STREET MARKET

Prime streets	No. of units 2026	Prime rent 2026 (€/sq m/month)	Availability* 2026	Openings completed and scheduled 2026
Praça do Rossio	35	145	0.00%	1
Rua do Carmo	34	145	2.90%	7
Rua Garrett	41	145	2.40%	4
Rua Augusta	86	145	5.80%	11
Av. da Liberdade	120	125	8.30%	12
Praça dos Restauradores	22	120	9.10%	3
Rua Dom Pedro V-Praça Príncipe Real-Rua Da Escola Politécnica	85	70	10.60%	8

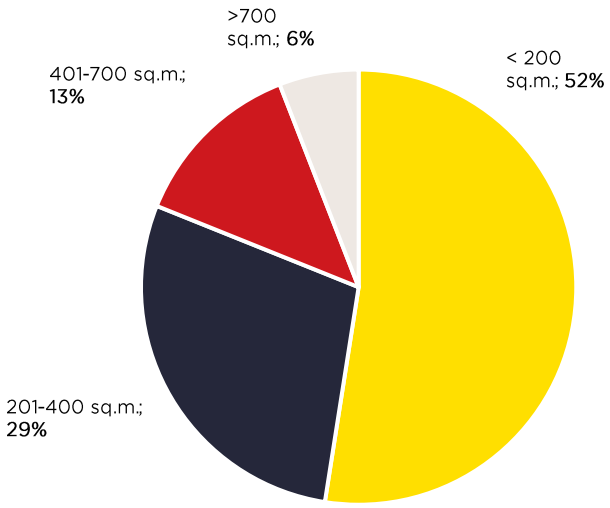
Source: Savills. *The availability rate includes both vacant units and occupied units currently available

Distribution of the high street supply in Lisbon's prime streets by activity and size

RETAIL SUPPLY BY ACTIVITY SECTOR

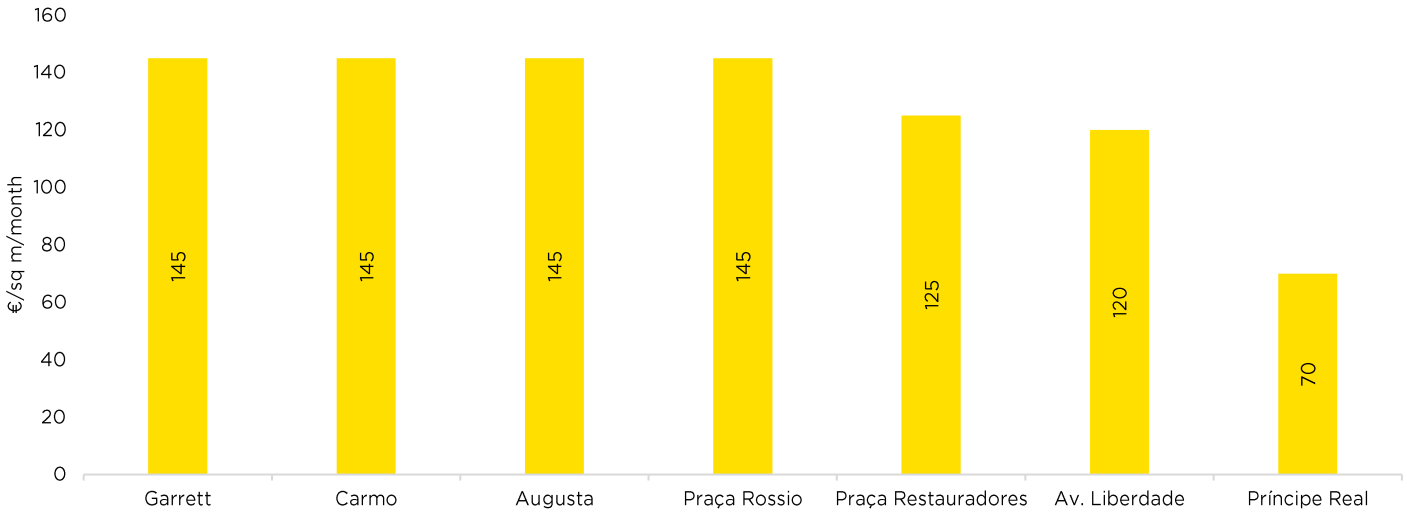


RETAIL SUPPLY BY SHOP SIZE



Source: Savills

PRIME RENTS LISBON



Source: Savills

Street	Positioning	Value proposition	Dominant retail offer	Unit size
Av. da Liberdade	Portugal's leading luxury destination.	Ability to attract high net worth domestic and international customers.	Luxury (42%); Fashion (28%)	200-400 sq m (42%)
Rua Augusta	Mass-market offer supported by high tourist and local footfall.	One of Lisbon's busiest pedestrian streets, located in the historic heart of the city, which guarantees exceptional exposure for brands.	Fashion (38%); Restaurants (33%)	<200 sq m (69%)
Rua Garrett	Diverse retail offer combining international fashion brands and landmark heritage stores.	Allows brands to join an established destination where tradition, experience and retail combine to attract a wide range of customers.	Fashion (44%); Services (17%)	<200 sq m (51%)
Rua do Carmo	Tourism-led retail offer with mass-market positioning and a high number of souvenir shops.	Combines high pedestrian footfall, tourist appeal and rapid occupier turnover, which facilitates the entry of new operators and concepts.	Fashion (44%); Souvenirs (12%)	<200 sq m (62%)
Praça do Rossio / Praça dos Restauradores	Emerging retail area benefiting from the expansion of retail activity beyond the traditional prime streets.	Provides access to some of Lisbon's largest tourist flows in a strategic location with strong retail growth potential.	Fashion (48%); Restaurants (21%)	<200 sq m (53%)
Príncipe Real	Leading urban destination for differentiated concepts, bringing together design, creativity, gastronomy and specialist retail.	Provides an authentic, aspirational environment, ideal for brands seeking to connect with local and international consumers and trend-led profiles.	Fashion (32%); Restaurants (37%)	<200 sq m (69%)

Porto consolidates its position as a *dynamic market*, supported by tourism, investment and occupier demand

The Porto Metropolitan Area comprises 17 municipalities and has a population of around 1.8 million.

Its growing prominence has been supported by inward investment, economic activity, talent attraction, tourism and business, while retaining its historic identity, entrepreneurial character and local values. Recent tourism performance continues to strengthen Porto's appeal to retailers, with more than 13 million overnight stays recorded in the North Region and over 16 million passengers passing through Francisco Sá Carneiro Airport.

STOCK AND MARKET CONFIGURATION

In 2026, Savills monitored 333 retail units across Porto's main shopping streets: Rua de Santa Catarina, Rua das Flores, Avenida dos Aliados and Rua dos Clérigos. Average occupancy stands at 96.7%. To assess availability, Savills considers both vacant units and occupied premises that are expected to become available in the short term or are already being marketed.

Fashion and accessories is the largest retail category, accounting for 31% of all units, followed by restaurants at 23%. However, each location has a distinct profile. Luxury represents 17% of units on Avenida dos Aliados and 10% on Rua dos Clérigos, both well above the market average of 5.9%. On Rua das Flores, restaurants has a greater presence than fashion, accounting for 34% of units. Rua de Santa Catarina has a particularly strong concentration of fashion occupiers, which represent 52% of units, compared with the market average of 31%.

Units below 200 sq m dominate the retail offer, particularly on Rua de Santa Catarina and Rua das Flores, where they account for more than half of the available stock.

Prime rents on Porto's main shopping streets currently range from €50 to €95 per sq m per month. Strong demand and limited availability are expected to place further upward pressure on rents over the short to medium term.

Key indicators for the Porto high street market

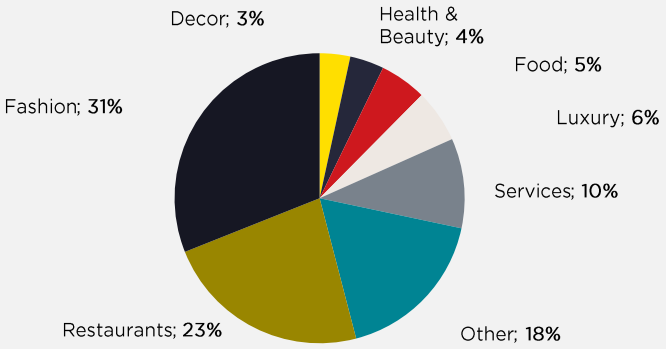
Prime streets	No. of units 2026	Prime rent 2026 (€/sq m/month)	Availability* 2026
Rua de Santa Catarina	108	95	4.6%
Rua dos Clérigos	79	60	3.8%
Rua das Flores	101	60	2.0%
Av. dos Aliados	45	50	2.2%

*The availability rate includes both vacant units and occupied units currently available

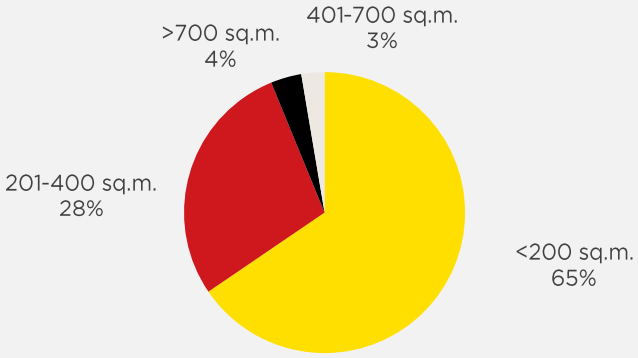
DISTRIBUTION OF THE HIGH STREET SUPPLY

In the prime streets of porto by activity and size

ACTIVITY

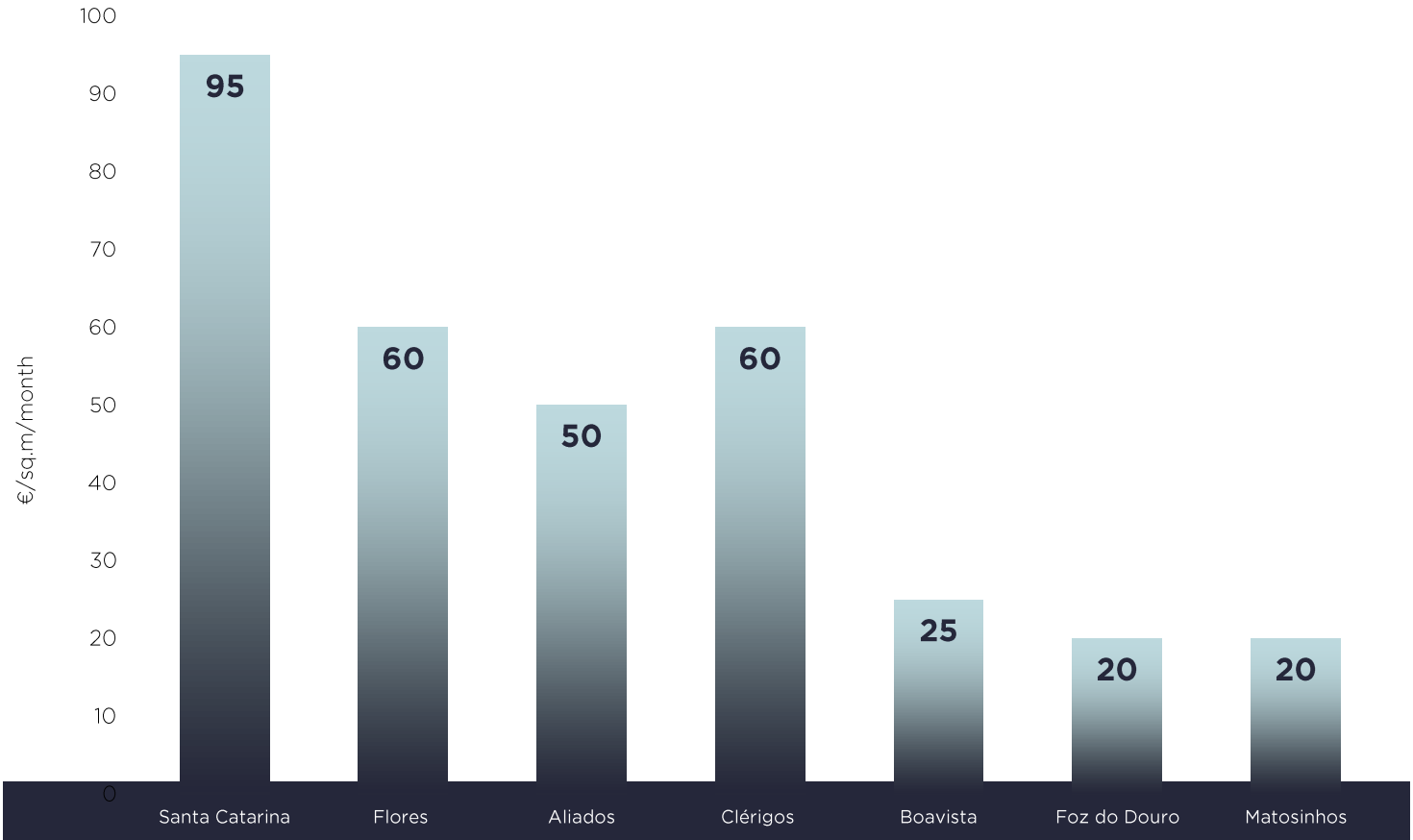


SIZE



Source: Savills

PRIME RENTS PORTO



Street / area	Positioning	Value proposition	Dominant retail offer	Dominant unit size
Santa Catarina and Bolhão	Porto's principal pedestrian street and its most established retail axis, positioning the area as a leading destination for domestic and international mass market operators.	Maximum visibility and exposure to a broad customer base of residents and tourists, supporting brand awareness and high customer volumes.	Fashion (52%); Restaurants (11%)	Buildings have narrow frontages and depths of around 25 metres, which favours whole-building lettings across several floors. Units typically provide between 150 and 250 sq m at ground-floor level, complemented by larger spaces suitable for flagship concepts.
Avenida dos Aliados	Porto's principal premium and luxury retail corridor.	The width of the avenue, its architectural setting and the refurbishment of numerous buildings give the axis the capacity to strengthen brand reputation, awareness and positioning.	Services (26%); Restaurants (20%); Luxury (17%)	Units with floorplates suited to showrooms, flagship stores and brand spaces with a significant institutional component.
Clérigos	Retail and tourist district with a distinctly lifestyle-led orientation, bringing together premium retail, leisure and restaurants.	Combines high tourist exposure with a distinctive urban experience, ideal for brands seeking to align with trends, culture and experience-led consumption.	Moda (32%); Restaurants (24%); Luxury (10%)	Smaller formats
Rua das Flores and Mouzinho	Boutique axis focused on authenticity, specialist retail and niche concepts.	Offers a distinctive, historic setting that supports brand differentiation, discovery and connection with a more selective, experience-led consumer.	Restaurants (34%)	Small and medium-sized units in refurbished historic buildings

Source: Savills

07. OPERATOR TRENDS

Smarter Stores, Bigger Ambitions

VALUE BRAND

The value brand ecosystem as a new driver of retail appeal

Growing price sensitivity has strengthened the appeal of the value model, which is becoming an established structural trend in retail and positioning Portugal as one of Europe's most dynamic markets for operator expansion.

VALUE FASHION

Value fashion fuels retail expansion in Portugal

Lefties, with close to 30 stores, Primark, with 13 and plans to reach 18 by 2027, and Kiabi, with 14, lead the segment in Portugal.

They are joined by Pepco, which entered the country with its first store in Coimbra in 2023 and now has 23 locations, as well as new entrants such as KiK and Zeeman, both of which have ambitious expansion plans for the coming years.

Alongside international chains, Portugal has several well-established value operators, including MO, formerly Modalfa, Parfois, Zippy, Sport Zone, Tiffosi and Seaside.

FROM HARD DISCOUNT TO SMART DISCOUNT

Portugal's discount model has evolved towards *smart discount*

Combining low prices with higher perceived quality.

Lidl illustrates this shift. The retailer has modernised its stores and made its own-brand ranges a core part of its value proposition. Portugal is also the only market where Lidl operates two co-innovation centres, known as Lidlab, which involve customers in the development of new products.

Aldi is pursuing a similar strategy, while Mercadona has intensified competition in the value segment through a model built around own-brand products and logistics efficiency.

Alongside international chains, Portugal also has a strong network of domestic convenience and low-cost formats, including Amanhecer, Meu Super, Intermarché and Coviran. By contrast, Minipreço is gradually disappearing as a standalone brand following its acquisition by Auchan in 2023.

THE RISE OF VALUE HOMEWARE IN PORTUGAL

Portugal's value homeware segment *is expanding rapidly*

led by European chains such as Tedi, which has grown from its first store in Guimarães in 2022 to more than 22 locations

As well as JYSK and Action. Action entered Portugal in 2024 and has recorded the strongest relative growth, tripling its penetration from 3.5% to 10.8% on a moving annual total basis.

Domestic brands Espaço Casa and Hôma compete directly with these international operators, demonstrating that Portugal's value homeware segment is not solely the preserve of international brands.

ULTRA-LOW-COST RETAIL GAINS GROUND IN PORTUGAL

Ultra-low-cost retail has become one of the market's *most dynamic segments*

Unlike the traditional low-cost model, it is characterised by extremely low prices

Opportunistic ranges based on surplus inventory or stock imbalances, and a highly impulse-driven shopping proposition. Danish chain Normal, which opened its first Portuguese store in late 2022, is leading growth within the format. In the beauty segment, Primor leads expansion, with its penetration increasing from 5.1% to 6.6%, according to Worldpanel. Druni follows, having opened its first Portuguese store in 2025 and continued to expand across the country.

Portugal also has a well-established network of domestic operators, including Wells, which has the country's largest store network, Perfumes & Companhia and Pluricosmética.

The low-cost trend is expected not only to continue in 2026 but also to consolidate as one of the dominant forces in Portuguese retail, with the country becoming a priority market for operator expansion.

FROM VALUE TO LUXURY

From value to luxury, the other side of Portuguese retail

Portugal's luxury retail market is experiencing one of its most dynamic periods, driven by tourism and demand that significantly exceeds available supply.

Far from losing momentum, Avenida da Liberdade, Portugal's most exclusive retail street, remains highly active. Further openings in 2025 confirmed the depth of demand despite the shortage of available space.

Jewellery and watches are once again at the forefront of this activity. Chaumet and Breitling selected Lisbon for their first boutiques in Portugal, while Portuguese jeweller Rosior secured a unit at number 127. Buccellati has already opened its doors, while A. Lange & Söhne is preparing to make its debut.

High-end restaurants is also becoming an increasingly important part of the luxury experience. JNcQUOI's fourth opening on the avenue confirms this trend.

The shortage of space is driving the conversion of historic buildings into new retail supply. The former Diário de Notícias building now houses Eleventy's first store in Portugal, while Merlin Properties will redevelop the former Novo Banco headquarters in 2027, creating a 3,500 sq m office building with new retail units at ground-floor level.

RETHINKING STORE SIZE

Operators seek their optimum format

One of the most significant trends across the national retail market is the reassessment of optimum store size, with operators expanding or reducing floorspace in line with their individual requirements.

In fashion, Inditex is prioritising increasingly large formats for its principal brands while closing smaller, less productive stores. These units are designed not only to meet sales targets but also to serve as showrooms and last-mile fulfilment hubs.

In 2024, Zara opened its second-largest store worldwide in Lisbon's Rossio, providing 5,000 sq m across four floors. In Porto, it reopened its Rua de Santa Catarina store in 2022 after doubling its floorspace to 4,000 sq m.

Bershka has followed a similar strategy with its 1,100 sq m flagship on Rua Augusta, while Pull&Bear has adopted the same approach at its new stores in Almada Forum and Centro Vasco da Gama.

The beauty segment is also moving towards larger formats. Operators such as Primor are opening larger stores in leading shopping centres and prime retail locations, including Centro Colombo, UBBO and Alameda Shop&Spot. Its flagship on Rua Garrett in Lisbon further reinforces this focus on more prominent, experience-led stores.

Primark's expansion strategy in Portugal has evolved from an initial focus on large anchor stores in leading shopping centres towards a more flexible model. This combines extensions to strategic stores with smaller formats in secondary cities.

The 2,400 sq m Montijo store, which opened in 2024, is one example of this approach, followed by openings in Guimarães, Viseu, Covilhã and Castelo Branco.

Restaurant operators are also adapting store design and configuration to changing consumption habits. H3, for example, is redesigning its restaurants to incorporate self-service kiosks and collection areas for digital orders.

The refurbishment of NorteShopping in 2024 illustrates how these new services are reshaping floorspace and layout requirements across the restaurants sector.

CONVENIENCE HUB

From peripheral *retail park to convenience hub*

Small retail parks are emerging as one of the formats with the greatest growth potential in Portugal. These developments are typically located in urban or peri-urban areas and prioritise a convenience-led offer.

Schemes such as Setúbal Retail Park, Nova Terra Felgueiras Retail Park and Batalha Retail Park combine grocery, restaurants, sport and services, creating genuine convenience hubs for local residents.

Rather than operating as traditional shopping destinations, these schemes bring together an accessible offer that complements shopping centres and responds to consumers' everyday needs.

Several projects under way or being considered across the country will support the continuation of this trend. In Évora, the extension of the existing retail park will mark Mercadona's entry into the Alentejo. In the Azores, Azores Retail Park in Ponta Delgada will introduce the format to the archipelago for the first time.

In the Algarve, the Amendoal project is set to become the most ambitious scheme in southern Portugal. Other projects are also under way or being considered in Cantanhede, Covilhã and Beja.

SPANISH OPERATORS

Spanish operators increase their focus on Portugal

Portugal has become one of the main expansion destinations for Spanish operators. Geographical proximity, similar consumer habits and development potential across several segments have made the country a natural extension for many Spanish chains.

This trend has intensified in recent years and now spans fashion, homeware, restaurants, sport and grocery, reinforcing the growing integration of the Iberian retail market.

Spanish brands such as Primaprix, Blue Banana, Silbon, Nude Project and Primor have made Portugal a priority for international expansion. They are joined by established operators such as Mercadona, Ale-Hop, Tiendanimal and Inditex, which continue to expand their store networks.

NEW DRIVERS

New drivers of retail destination appeal

The role of the traditional retail anchor is evolving in Portugal. While hypermarkets and large fashion operators have historically been the main footfall generators, new developments and repositioning strategies are increasingly incorporating a broader range of uses.

Restaurants have become one of the leading drivers of destination appeal. Specialist concepts such as Honest Greens and Starbucks are expanding across Portugal, while food halls and gastronomic markets, including Time Out Market Lisboa and Mercado do Bolhão in Porto, have made dining a key point of differentiation.

Health, wellbeing and sport are also taking on a more prominent role within retail destinations. Gyms such as Fitness UP, Viva Gym and Solinca are now established occupiers in shopping centres and retail parks, alongside medical and dental clinics, opticians and veterinary centres.

This evolution reflects changing consumer behaviour. Retail assets are consequently moving towards mixed-use models that bring together retail, services and experiences to strengthen customer loyalty and increase visit frequency.

Portugal's leading repositioning projects follow the same approach. UBBO began its transformation in 2019–2020 following its rebranding from Dolce Vita Tejo, strengthening its restaurants, leisure, events and services offer.

NorteShopping completed a refurbishment and extension that modernised its façades and food court, The CookBook, and created a dedicated luxury area.

Since 2022, Centro Colombo has pursued an ongoing programme to update its tenant mix, increasing the presence of premium restaurants, fitness and specialist services. These initiatives aim to diversify the centre's sources of attraction, extend dwell times and increase visit frequency.

SUSTAINABILITY

Sustainability is no longer a *marketing exercise*

Sustainability has moved beyond a reputational consideration to become a central part of shopping centre management in Portugal.

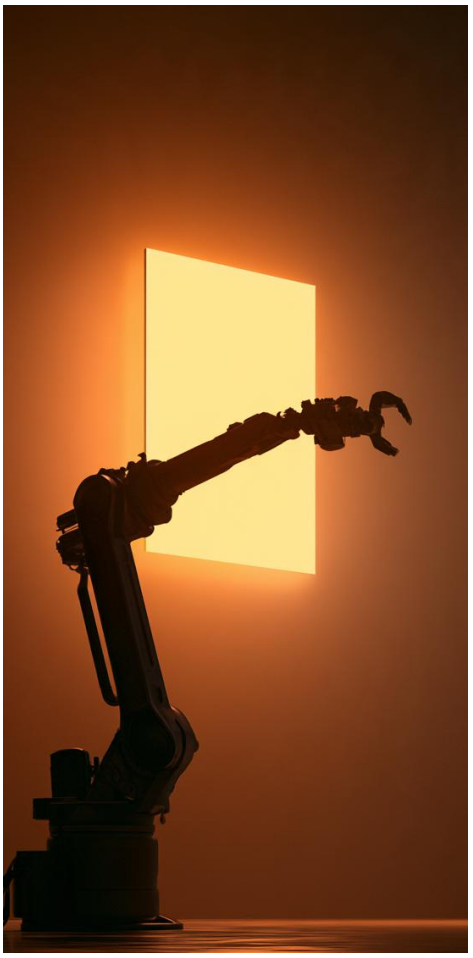
Reducing energy consumption, generating renewable energy, managing water and waste efficiently and securing environmental certifications are now embedded in the value creation strategies of leading owners.

Centro Vasco da Gama in Lisbon achieved BREEAM In-Use Outstanding certification in 2025, the highest rating under the international standard, which assesses factors including energy efficiency, water management, wellbeing, materials and building operations.

Nova Arcada in Braga installed more than 2,100 photovoltaic panels in 2025, capable of meeting around 34% of the centre's electricity consumption.

Ingka Centres, owner of MAR Shopping Algarve in Loulé and MAR Shopping Matosinhos, has set a group-wide target of achieving carbon neutrality by 2030 across its 45 centres in 15 countries. Both Portuguese assets have already secured BREEAM New Construction and BREEAM In-Use certification.

Sustainability is no longer a differentiator but a core investment and management requirement. Portuguese shopping centres are becoming more efficient, resilient and future-ready assets, with decarbonisation, resource optimisation and circular economy principles firmly embedded in their value proposition.



AI AND AUTOMATION

AI and automation are transforming retail asset management

Although the use of artificial intelligence in retail still has considerable scope for development, recent advances demonstrate the potential of these technologies to transform both asset management and the shopping centre experience.

Beyond digital channels, AI is increasingly being integrated into day-to-day operations to optimise processes, improve energy efficiency, personalise the visitor experience and support data-driven decision-making.

One of the most advanced examples is Centro Colombo in Lisbon, which launched the "Reciclar o Food Court" project in 2025 in partnership with Veolia and Sociedade Ponto Verde. The system uses AI-enabled cameras to identify waste generated by restaurant operators automatically, improve material separation and optimise recycling rates through traceability tools. Continente Bom Dia Leiria São Romão received the European Commerce Award and has become a benchmark for integrating advanced technology into the shopping experience. The store spans more than 1,200 sq m and incorporates €1.5M of technology developed by Portuguese start-up Sensei. Computer vision, AI algorithms and sensor-equipped shelves with integrated scales build each customer's virtual basket in real time. Customers simply validate and pay for their basket at the smart checkout, without scanning individual products.

> "These projects show that artificial intelligence *has moved beyond the experimental stage* to become a practical retail tool. Adoption is likely to accelerate over the coming years, both in asset management and customer engagement.

OMNICHANNEL RETAIL

Omnichannel retail as a cross-cutting *driver of transformation*

One of the main changes reshaping retail is the consolidation of the physical store as the central component of an omnichannel ecosystem.

Rather than losing relevance, the store is becoming the point where e-commerce, marketplaces and other digital channels converge. It now serves as a collection and returns hub, a brand showcase and a key point of customer interaction.

Customer data, once used solely to support loyalty, now generates *direct advertising revenue*, while physical stores are taking on logistics functions previously confined to warehouses.

08. CONSUMER TRENDS

Smarter choices, *higher* expectations, broader consumption *moments*.

SMARTER SPENDING

Smarter spending, value comes first

What is happening

Consumers have become more cautious and pragmatic. The priority is no longer simply to spend less, but to spend more carefully, with greater scrutiny and less tolerance for making the wrong choice. They want reassurance that every euro is well spent and are reluctant to pay more without a clear reason.

How purchasing behaviour is changing

The focus is shifting from price alone to confidence in making the right choice. Consumers increasingly favour propositions that combine competitive pricing with additional value and reassurance, including consistent quality and products that exceed expectations relative to their price point.

What this means for retail

The lowest price alone is no longer enough. The strongest operators deliver credible value for money. In a mature market, this means remaining price-competitive without making customers feel they are compromising on quality.

WELLBEING AND SELF-CARE

Wellbeing & self-care less talk, more routine

What is happening

Wellbeing has moved beyond aspiration to become a practical part of everyday life. Consumers are looking for small but tangible improvements, such as better sleep, taking better care of themselves, regular exercise and a balanced diet.

How purchasing behaviour is changing

Demand is growing for realistic solutions, including simple products, short routines and straightforward choices. Consumers value options that fit easily into their schedules and can be sustained over time. Expectations are also rising: if a product promises to support wellbeing, it must be convenient, easy to understand and effective.

What this means for retail

Categories and propositions that form part of consumers' daily routines are gaining ground. These include personal care, particularly basic skincare and bath and relaxation products; accessible fitness focused on consistency rather than performance; convenient food, including fresh ready-to-eat products and healthier prepared meals; sleep-related products; and experiences that enhance comfort.

THE IMPATIENT CONSUMER

The impatient consumer, zero tolerance for failure

What is happening

Consumers have come to expect fast shopping experiences for several years, but their expectations continue to rise. Convenience is no longer seen as an additional benefit; it is taken for granted. When something goes wrong, whether a delivery fails to arrive, a return process is complicated or waiting times are excessive, consumers view it not merely as an inconvenience but as a tangible cost.

How purchasing behaviour is changing

Consumers now approach shopping with an app-like mindset, expecting clarity, speed and reliability. They want a frictionless experience at every stage, from finding a product to receiving, collecting or returning it. Purchasing decisions are no longer based solely on what to buy, but also on the level of inconvenience involved.

What this means for retail

Convenience is no longer a competitive advantage; it is a minimum expectation. The differentiator lies in making the purchasing process efficient, predictable and free from surprises. Retailers that remove micro-frictions are best placed to succeed by providing clear information, reliable availability, on-time fulfilment, seamless collection, straightforward returns and effective customer service.

OUT-OF-HOME

Out-of-home consumption gains momentum

What is happening

Although most food and beverage consumption still takes place at home, out-of-home consumption is growing considerably faster, at 9%, compared with 1.5% for in-home consumption.

How purchasing behaviour is changing

Consumers are increasingly seeking solutions tailored to specific consumption occasions, including convenient breakfasts, quick weekday lunches, snacks between meals and dining experiences linked to leisure. Purchasing decisions are becoming more closely tied to context and immediacy, driving demand for ready-to-consume products and services.

What this means for retail

Operators able to capture out-of-home consumption occasions are gaining relevance, from organised food and beverage concepts and quick-service restaurants (QSR) to supermarkets offering prepared food. For retail assets, combining shopping, leisure and restaurants is becoming a key differentiator, helping to increase visit frequency and extend dwell time.

09. RENTS

Prime Space, *Premium* Rents

SHOPPING CENTRE

Prime shopping centre rents consolidate their recovery in a mature market

Prime shopping centre rents stood at €120 per sq m per month in the first quarter of 2026, unchanged since 2024 and 26% above the 2017 level. Rents are now at their highest level in the past decade, confirming a full recovery from the pandemic-related correction, when they fell to a series low of €85 per sq m per month in 2021.

Recent performance reflects the maturity of Portugal's shopping centre market, with supply remaining broadly stable since 2019 and total stock increasing by just 5% since 2015.

The limited availability of high-quality space has strengthened the position of dominant assets. At the same time, the recovery in consumption, gradual improvement in sales and footfall and high occupancy levels have maintained upward pressure on rents in the best locations.

RETAIL PARK

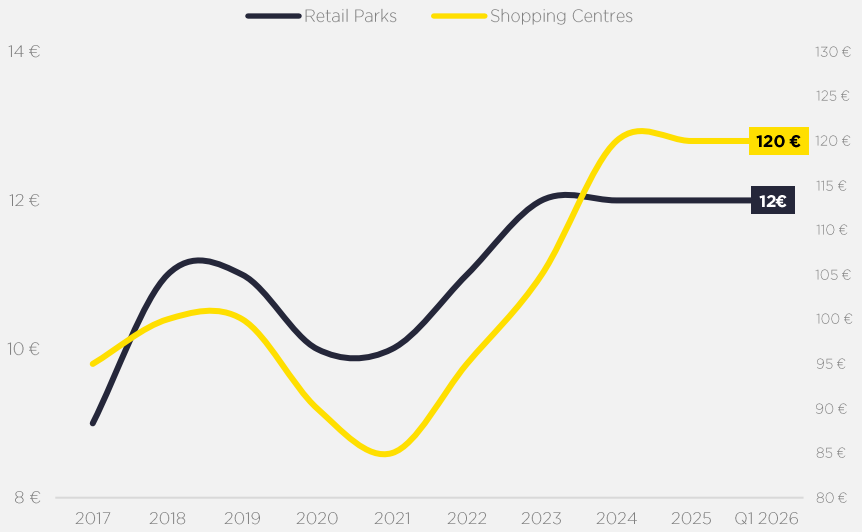
Retail park expansion has not constrained prime rental growth

Prime retail park rents stood at €12 per sq m per month in the first quarter of 2026, unchanged since 2023 and 33% above the 2017 level, despite the strong expansion in stock over the period.

Performance over the period demonstrates the Portuguese retail park market's capacity to absorb new supply. Unlike shopping centres, sustained growth in floorspace has not constrained prime rental growth. Following the correction in 2020, when rents fell to €9.5 per sq m per month as a result of Covid-19, the format regained momentum rapidly, reaching €11 per sq m per month in 2022 and €12 per sq m per month in 2023, where it has remained through to 2026.

This performance reflects the format's structural consolidation within the Portuguese market. Resilient essential spending, the strong presence of grocery, homeware, discount and convenience operators, together with the format's operational efficiency and accessibility, have supported robust occupier demand even in a more challenging economic environment.

PRIME SHOPPING CENTRES AND RETAIL PARKS RENTS



Source: Savills

Maximum achievable rent for shopping centres and retail parks in prime locations.

HIGH STREET

High Street locations remain resilient in Lisbon and Porto

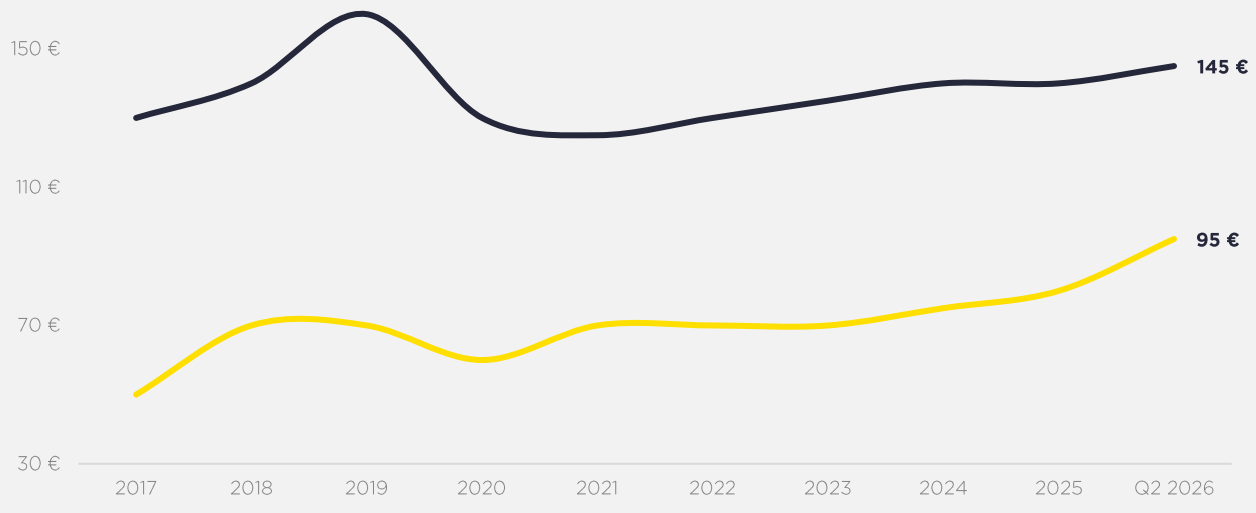
The high street market continues to follow a different trajectory from other retail formats, particularly in Lisbon and Porto, where rental performance is more closely linked to prime positioning, the recovery in tourism and the transformation of the main retail streets.

In Lisbon, prime rents stand at €145 per sq m per month, 12% above the 2017 level, although still below the peak of €160 per sq m per month recorded in 2019. This represents a significant, albeit incomplete, recovery from the pandemic-related correction, when rents fell to a series low of €125 per sq m per month in 2021.

Porto has recorded stronger growth in relative terms. Prime rents reached €95 per sq m per month in 2026, representing a 19% year-on-year increase and a level 58% above that recorded in 2017. Rents rose from €50 per sq m per month in 2017 to €70 per sq m per month in 2018, before remaining broadly stable at that level until 2023.

The renewed growth recorded between 2024 and 2026 confirms the market's increasing maturity, the improvement in Porto's retail positioning and growing occupier interest in its most established locations.

PRIME HIGH STREET RENTS



Source: Savills
Average prime rent achievable for commercial premises of at least ≥100 sq.m. in the main commercial hub

10. INVESTMENT MARKET

Investor appetite for retail assets continues to strengthen.

TRANSACTIONS & DEMAND

Smaller transactions, but solid underlying demand

Although geopolitical uncertainty has delayed investment decisions, it has not materially altered the sector's underlying fundamentals. Investors remain focused on assets and segments offering resilient income, value creation potential and long-term structural growth.

Investment in Portugal's retail sector totalled €855M in 2025, down 27% year-on-year. This decline largely reflects the exceptional performance recorded in 2024, when four major transactions exceeding €100M accounted for around 64% of total investment volume.

Despite this correction, 2025 was the second-strongest year since 2021, behind only the 2024 peak, and stood 32% above the five-year average.

Approximately €448M was transacted during the first nine months of 2026, with shopping centres accounting for around 62% of total retail investment.

Activity fell by 25% year-on-year during the first half of 2026, mainly due to the exceptional acquisition of NorteShopping in 2025 for an estimated €340M.

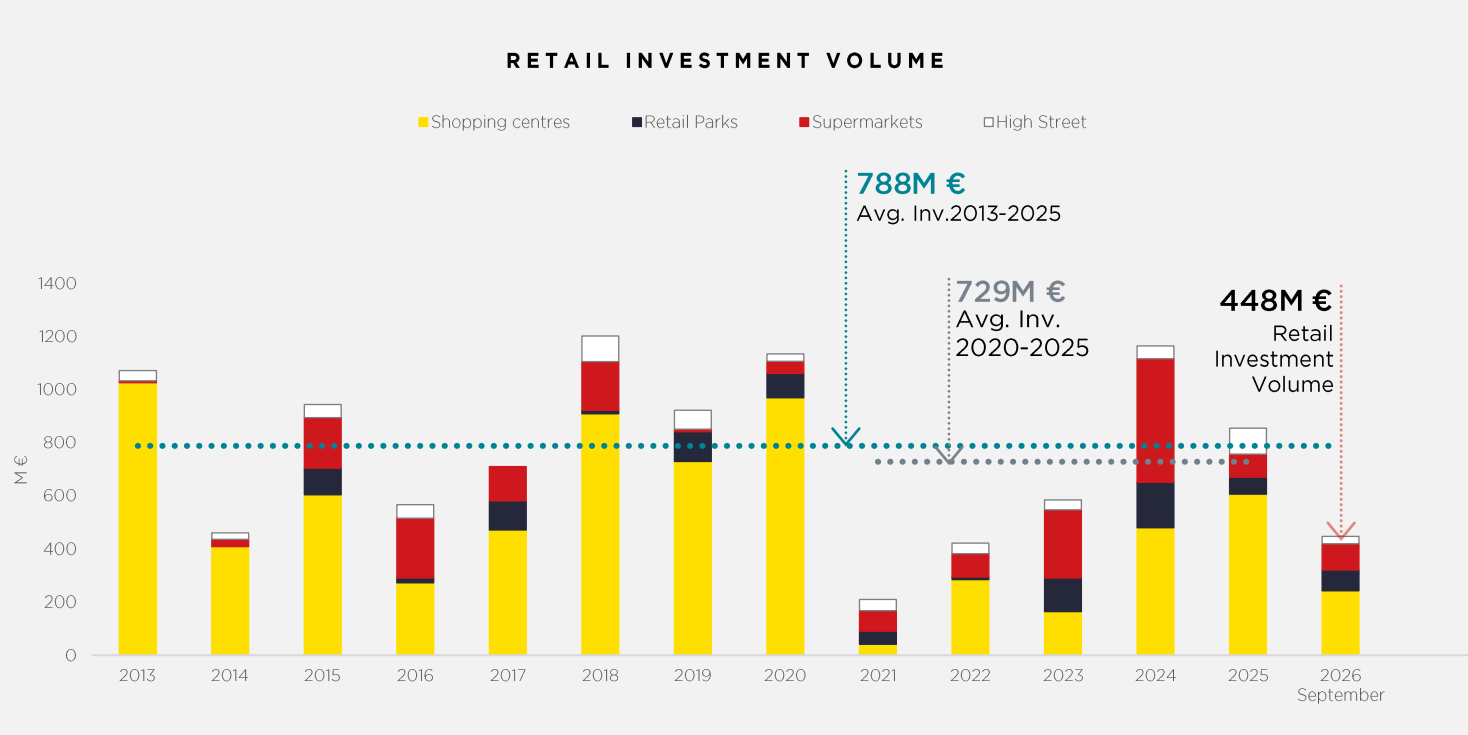
Following a 2024 dominated by major portfolio transactions, activity moderated significantly in 2025. Both investment volumes and transaction numbers recovered in 2026, although average deal size remained well below the levels recorded in 2024.

Developers and domestic investors drove investment activity in 2025, accounting for 40% and 51% of total volume respectively.

This was supported by Sonae Sierra's acquisition of NorteShopping.

Banks led the market in 2026, accounting for 50% of investment. By source of capital, domestic investors dominated activity, representing 69% of total transaction volume.

Funds were the second-most active investor group in both 2025 and the first half of 2026, accounting for around 25% of total investment in each period.



Source: Savills
*Excluding corporate transactions, bank branches and owner occupancy.

KEY INVESTMENT TRANSACTIONS 2025-2026

Year	Asset	Volume (€M)	Location	GLA (sq m)	Seller	Purchaser
2026	Gaia Shopping and Arrábida Shopping	180	V.N. Gaia	119,400	Sonae Sierra	CA Maia Capital
2026	Forum Algarve	130	Faro	27,400	Commerz Real	Alfana Investment Management
2026	50% Aqua Portimão SC	59	Portimão	36,066	Generali Group	Klepierre
2026	Matosinhos RP	45-50	Matosinhos	33,425	Santander AM	Montepio Gestão de Ativos
2025	NorteShopping SC	340 (estim.)	Matosinhos	89,151	TIAA Group	Sonae Sierra
2025	Nosso Shopping SC	79	Vila Real	22,720	DWS	Catterton
2025	Forum Madeira SC	62	Funchal	21,472	DWS	Castellana Properties
2025	Alegro Setúbal SC	55-65	Setúbal	27,000	APFC	Tiekenveen (Group ELO)

*The investment was completed through a corporate transaction involving the Gaia Shopping and Arrábida Shopping

Source: Savills

SHOPPING CENTRES

Shopping centres consolidated their position as the leading investment segment in 2025

With volumes approaching €607M, 26% above the previous year. The segment accounted for 71% of total retail investment, well above the 35% average recorded in 2023 and 2024.

Growing investor interest is underpinned by the segment's strong operational performance, with sustained growth in sales and footfall. Given the limited availability of prime assets, capital has focused primarily on value-add and opportunistic opportunities. These assets offer scope to create value through repositioning, refurbishment, improved management or higher occupancy, with the aim of optimising income and maximising returns.

One of the most significant transactions in 2026 was Spanish fund Alfana's acquisition of Forum Algarve in Faro for approximately €130M. The transaction highlights investor demand for established shopping centres with resilient fundamentals and the ability to generate stable rental income.

It also demonstrates that demand is extending beyond Lisbon and Porto into regional markets supported by robust fundamentals, local consumption and tourism.

GROCERY

Investment in the grocery sector totalled €86M in 2025, below the five-year average due to the exceptional peaks recorded in 2023 and 2024

Recent activity suggests a normalisation of the market, with volumes returning to the levels recorded in 2021 and 2022, at around €100M.

The segment accounted for 10% of total retail investment in 2025, a lower share than in previous years due to the significant increase in shopping centre investment.

Nevertheless, the market offers a broad range of investment opportunities and continues to attract strong investor interest. Stable income streams, the essential nature of grocery retail and the financial strength of the leading supermarket chains reinforce the sector's position as a defensive and resilient asset class, even in challenging economic conditions. This makes it particularly well suited to core strategies.

Family offices are also showing growing interest and beginning to play a more prominent role alongside the funds and institutional investors traditionally active in the segment.

Key transactions in 2025 and 2026 included the acquisition of a portfolio of six supermarkets for between €30M and €40M.

RETAIL WAREHOUSE MARKET

Investment in retail parks and standalone retail warehouses totalled €64M in 2025

Remaining below the five-year average due to the exceptional peaks recorded in 2023 and 2024.

Strong shopping centre activity reduced the segment's share of total retail investment to 7% in 2025, compared with an average of 18% over the previous two years.

Investment activity accelerated significantly in 2026, with transaction volume during the first half of the year already 22% above the total recorded for the whole of 202By asset type, Standalone retail warehouses accounted for 90% of investment in the segment in 2025, while retail parks represented 17% of total retail investment in the first half of 2026.

A landmark transaction in 2026 was Montepio Gestão de Ativos' acquisition of Matosinhos Retail Park for an estimated €45M-€50M, highlighting renewed investor interest in the format.

HIGH STREET

High street assets accounted for 11% of total retail investment in 2025, reaching €98M

This represented a 102% year-on-year increase and an 84% rise compared with the five-year average

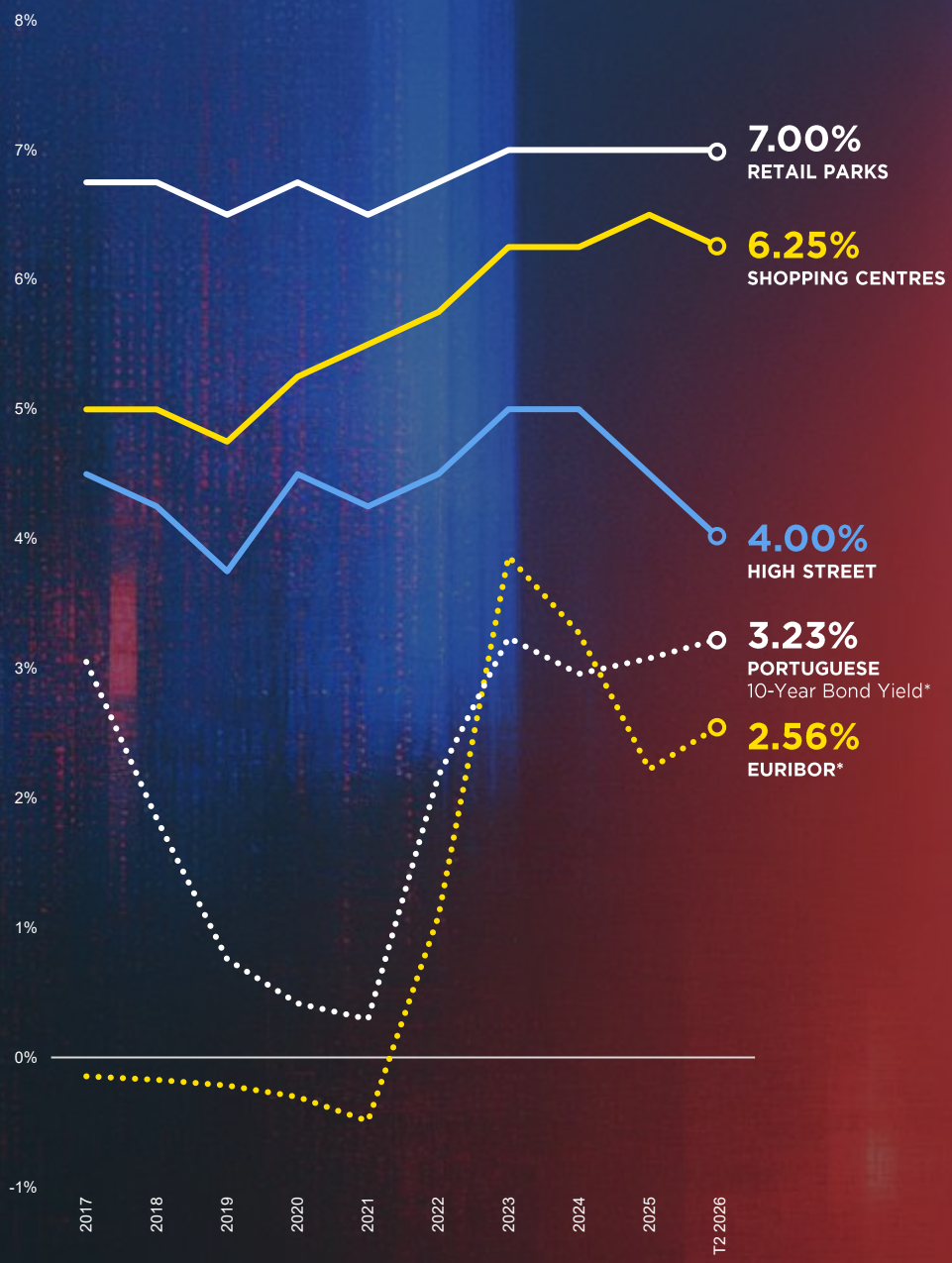
These figures confirm that prime retail locations continue to attract investors seeking stability and liquidity.

Key transactions included Square Asset Management's acquisition of the ground-floor retail units at the Bonjardim building in Porto for between €20M and €25M, as well as the acquisition of a retail unit on Rua Augusta in Lisbon. Both transactions were completed in 2025. Lisbon attracted the majority of investment, accounting for approximately 64% of the total.

YIELDS

Stable yields in an *increasingly selective market*

Portugal's mature retail market is characterised by established operators and stabilised assets, limited availability of prime opportunities, solid demand and positive shopping centre sales and footfall indicators. These fundamentals have supported a significant increase in investor confidence and interest in the sector.



Source: Banco de Portugal, Savills *Quarterly average

Growing investor appetite, combined with improved financing conditions following lower interest rates and greater support from the banking sector, has driven yield compression.

Retail park and supermarket yields began to compress in 2024. Prime retail park yields currently stand at around 7.00%, while supermarket yields range between 5.50% and 6%. This adjustment primarily reflects lower interest rates and improved financing conditions, with these assets remaining among the most sought-after by investors, alongside shopping centres.

In the shopping centre segment, the shortage of prime product and significant increase in demand for established assets have compressed yields across both prime and secondary properties. This demand is underpinned by strong tenant covenants, asset refurbishment and the resulting rental growth.

Prime high street yields have also compressed and currently stand at 4.00% on Lisbon's main shopping streets. In established tourism-led locations such as Avenida da Liberdade, Baixa-Chiado and Rua de Santa Catarina in Porto, limited supply and strong demand from both institutional and private investors continue to place downward pressure on yields.

Overall, yield performance reflects increasing convergence across segments, with the gap between prime and secondary assets narrowing in line with trends already evident in other European markets.

Portuguese retail yields generally range from 4.00% for prime high street assets to 7.00% for retail parks and secondary assets, depending on asset quality, location, operator covenant strength and lease terms. The entry of institutional capital, alongside traditional private investors and family offices, has also supported the completion of larger transactions.

Long-term sovereign bond yields have risen by around 25 basis points across most European markets since the beginning of the second quarter, renewing inflation concerns and increasing the discount rates applied to valuations. Further yield compression is therefore likely to be delayed, making consolidation the more realistic scenario for 2026.

Financing remains widely available for high-quality assets, although lenders are placing greater emphasis on long-term income security and disciplined capital allocation. Retail yields in Portugal are therefore expected to remain broadly stable across most segments during the remainder of 2026.

11. OUTLOOK

Portugal's resident population is expected to *continue growing,* driven primarily by immigration.

The population has already reached close to 11.4 million, expanding the working-age population and supporting a structural increase in consumer demand.

At the same time, *retail stock is expected to grow*

Only modestly over the short to medium term, as new development remains limited and is concentrated primarily in retail parks.

The resulting imbalance between stable supply and rising demand should support growth in sales, footfall and rents across prime and dominant assets, further strengthening investor confidence in the retail sector.

Since 2021, shopping centre investment in Portugal has focused on smaller transactions at higher yields than those recorded before the pandemic. However, a change in direction began to emerge in 2025, with larger transactions completing at lower yields.

This trend is expected to continue during the second half of 2026 and into 2027, supported by the entry of core institutional capital targeting dominant, established assets. This contrasts with previous years, when core-plus, value-add and opportunistic capital predominated, focusing on smaller shopping centres with repositioning potential.

The arrival of new capital is expected to broaden the potential buyer base significantly and bring new participants into the investment market.

Against the current backdrop of international economic and political uncertainty, investor interest in retail parks is expected to strengthen further. This asset class has historically demonstrated considerable resilience during comparable periods, reinforcing its appeal in the current environment. Retail parks also continue to account for the vast majority of new retail supply under development in Portugal.

Although private investors continue to play a leading role in high street investment, institutional capital is also showing renewed interest in the Portuguese market. Occupier demand for high-quality space in prime locations is expected to remain strong against a backdrop of very low vacancy. This should continue to support sustained rental growth and reinforce the segment's appeal.

In the supermarket sector, *private capital* is expected to remain a *key driver of investment* activity

Institutional capital is likely to remain more selective, focusing on large portfolios amid higher return requirements and limited product availability.

Despite a weaker-than-expected first half of 2026, the medium-term outlook remains positive. Several transactions were postponed and remain in progress, which should support a broader recovery in investment activity.

Capital remains available, although its deployment is likely to become more selective as investors assess the geopolitical environment more cautiously. Strong occupancy fundamentals, limited supply and resilient rental growth continue to support the investment case for Portuguese retail, in line with other asset classes benefiting from structural trends, such as residential.

Unless geopolitical conditions deteriorate significantly, transaction volumes are expected to recover during the second half of 2026. Yields will remain closely correlated with interest rate movements.

In the shopping centre segment, however, the growing number of potential buyers could intensify competition for assets and drive further yield compression, irrespective of interest rate movements.

Key market takeaways

1 **Portugal continues to outperform the eurozone, with GDP growth of 2.5% year-on-year in the second quarter of 2026, compared with 0.8% across the eurozone.** This performance is underpinned by domestic demand, a robust labour market and strong tourism activity.

2 **Physical retail will continue to dominate the Portuguese market over the next decade.** E-commerce accounted for 8.1% of total retail sales in 2025, compared with the European average of 15.3%, and its share is projected to reach just 10.2% by 2029.

3 **Sales and footfall continue to perform positively.** Following a year in which sales growth outpaced footfall in 2025, shopping centre visits have maintained an upward trend, supported by resilient consumption and tourism. However, sales continue to grow faster than footfall.

4 **Retail park provision remains limited, at 63 sq m per 1,000 inhabitants, compared with the European average of 93 sq m.** By contrast, shopping centre density already exceeds the European average, at 310 sq m per 1,000 inhabitants versus 263 sq m. This explains why retail parks account for virtually all planned new supply. Even if every project is delivered on schedule, density would rise to only 65 sq m per 1,000 inhabitants.

5 **The development pipeline confirms continued developer confidence in the market.** Six new retail parks and the extension of an existing asset are scheduled for 2026, together providing close to 90,000 sq m of GLA and accounting for virtually all new retail supply in Portugal.

6 **Occupier demand remains strong. Fashion and restaurants continue to lead opening activity,** while Portugal is consolidating its position as a priority expansion market for domestic and international operators. Savills identified 342 openings in 2025, with activity expected to remain high in 2026, again led by fashion and restaurants.

7 **Portuguese retail is becoming increasingly polarised between value and luxury.** While operators such as Pepco, Action, Normal and Primor continue to expand, demand on Avenida da Liberdade significantly exceeds available supply, attracting new brands including Buccellati, Loro Piana and Celine.

8 **Lisbon and Porto are strengthening their positions as Portugal's leading retail destinations,** supported by strong tourism, the arrival of new international brands and increasingly limited availability of prime space.

9 **Prime rents continue to rise across all formats.** Shopping centre rents have reached €120 per sq m per month and retail park rents €12 per sq m per month, both record highs, while prime rents stand at €145 per sq m per month in Lisbon and €95 per sq m per month in Porto.

10 **Retail investment continues to be underpinned by solid fundamentals.** The shortage of prime product, the stable operational performance of dominant assets and growing institutional investor interest support a positive outlook. The market is well positioned for the remainder of 2026, having recorded close to €448M of transactions during the first nine months of the year.

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