

FROM WHERE

Companies'
Migration

Lisbon & Porto
Office Markets

TO WHERE?

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FROM WHERE

Undeniably a lot has changed in the last years. Corporations have shifted the way we approach hybrid and remote work schemes.

Actions towards health and safety have switched our current lifestyle and people's priorities, making employers rethink the work environment they provide to their employees.

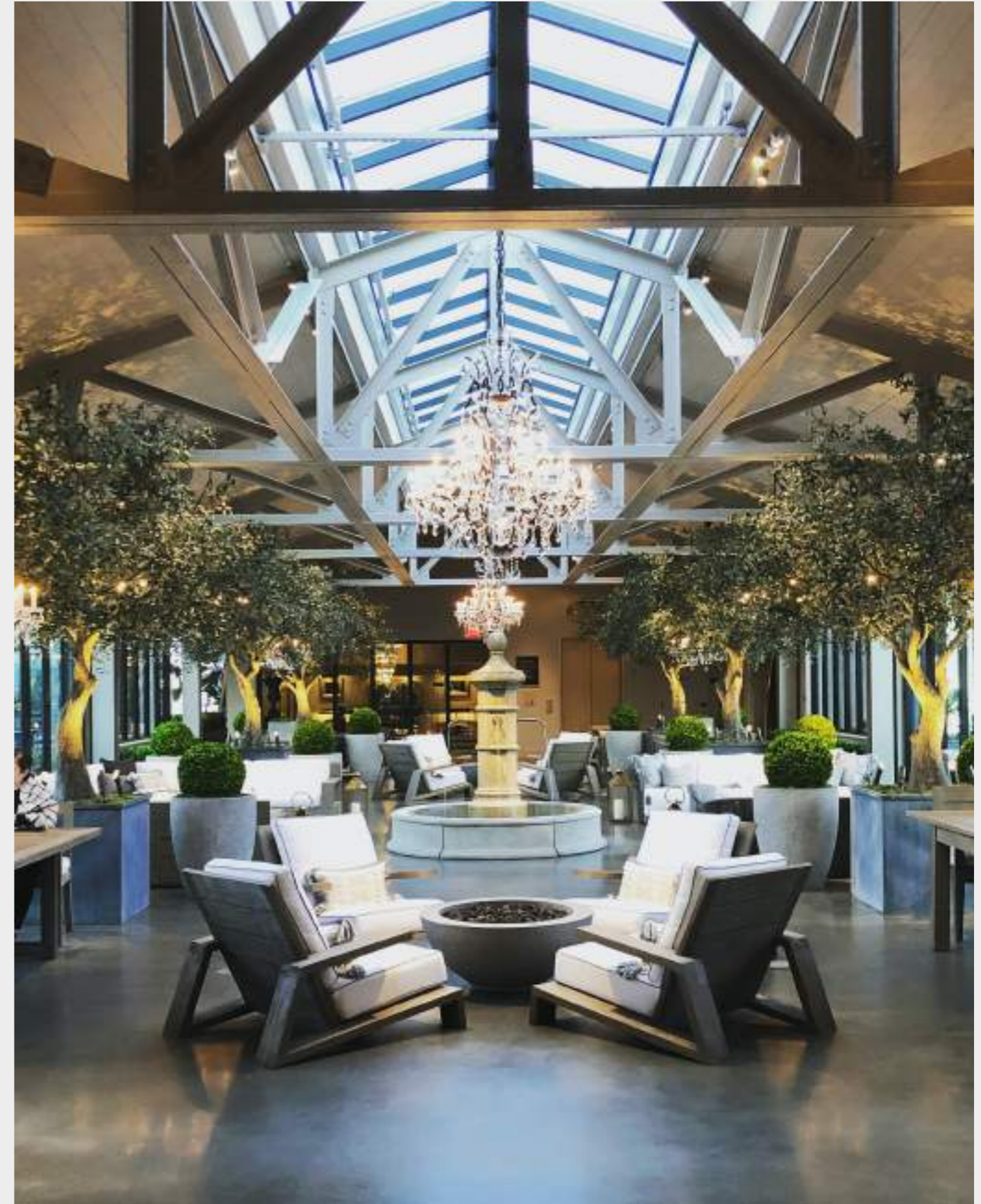
The motivation to provide attractive spaces that bring people to the office, is combined with a commitment to business expansion, cost optimization, and positioning in accordance with ESG & Sustainability policies. And if there is one lesson Covid-19 has taught us, it is that offices are unquestionably necessary for physical health and emotional well-being.

It is where most of us spend a large part of our day and with that in mind, employers are determined to provide their workers an office space that delivers better physical and mental conditions, comfortable, spacious communal areas, and a multifunctional design that improves productivity and creativity.

In addition to the pandemic, we have seen, a war burst in Europe, adding up to the already existing economic challenges. The Portuguese office market has accomplished its greatest year in 2022. It is a competitive market, so much so that many businesses have raced to pre-let their future office spaces due to scarce supply. In a market where demand exceeds quality supply levels, it's important to understand how companies move through the different office market zones when deciding to relocate, expand or open a business.



TO WHERE?



COMPANIES' MIGRATION STUDY



The main goal of Savills Companies' Migration study is to analyse the migratory movements of companies located in the Lisbon and Porto office market, during the year 2022.

Which market zones have attracted the highest volume of take-up? Which market zones have the highest loyalty rate? What is their occupation profile? These are just some of the questions our study aims to answer.

***Note:** the information provided in this paper is based on LPI (Lisbon Prime Index) and PPI (Porto Prime Index), with respect to the volume of transacted sq.m, number of deals done, destination zone, and business sectors recorded in 2022.

For this purpose, a total of 201 operations in Lisbon and 76 in Porto were analyzed*.



EACH OF THE OPERATIONS WAS QUANTIFIED IN:

1) ORIGIN ZONE

OFFICE ZONE WHERE THE COMPANY WAS PREVIOUSLY BASED

3) OCCUPIED OFFICE AREA

2) DESTINATION ZONE

MARKET AREA CHOSEN FOR NEW OFFICE OPENING

4) DEMAND REASON

5) ACTIVITY SECTOR

Portugal has a high number of STEM (Science, Technology, Engineering, Math) graduates at an exceptionally competitive price and an elevated level of English proficiency.

Portugal has been on the big companies' radar, especially the two main cities, Lisbon, and Porto. Airbus, Autodoc, BNP Paribas, Cisco, Cloudflare, EMMA, Google, IdeiaHub, Joom, Mercedes-Benz, Renault, Sixt, Teleperformance, Uber and Volkswagen are some of the big names that have established their business in Lisbon.

On the other hand, some others like Bouygues Telecom Services, Euronext, Natixis and Revolut have chosen Porto, which has been considered the third fastest growing tech hub in Europe, as their new homes, while the number of startups in the city continues to grow.

Competitive cost of living, excellent climate and security are just some of the market fundamentals that attract more and more international companies, digital nomads and foreign residents to Portugal.

Other drivers can be taken into consideration, such as competitive labour costs, access to high-quality talent coming out of Portuguese universities, the fact the Lisbon airport is only a 10 min drive to the city center, offering direct connections to the main Europeans capitals and a chance to grow their company in a competitive economic environment. Portugal and the UK also have the same time zone, which ends up being a contributing factor when it comes to setting up a business.

Furthermore, Portugal has a high number of STEM (science, technology, engineering, and math) graduates at an exceptionally competitive price and an elevated level of English proficiency.

1

Which market zones have attracted the highest volume of take-up?

2

Which market zones have the highest loyalty rate?

3

What is their occupation profile?

PORTUGAL KEY DATA

10,33
MILLION

**TOTAL
POPULATION**

542
THOUSAND

**FOREIGN
POPULATION**

6.7%

GDP 2022

2.4%

**FORECAST GDP
2023**

6.0%

**UNEMPLOYMENT
RATE 2022**

6.5%

**FORECAST
UNEMPLOYMENT
RATE 2023**

8.1%

INFLATION 2022

5.1%

**FORECAST
INFLATION 2023**

BUSINESS SERVICE CENTERS

HOME OF MORE THAN 200 BUSINESS SERVICE CENTERS

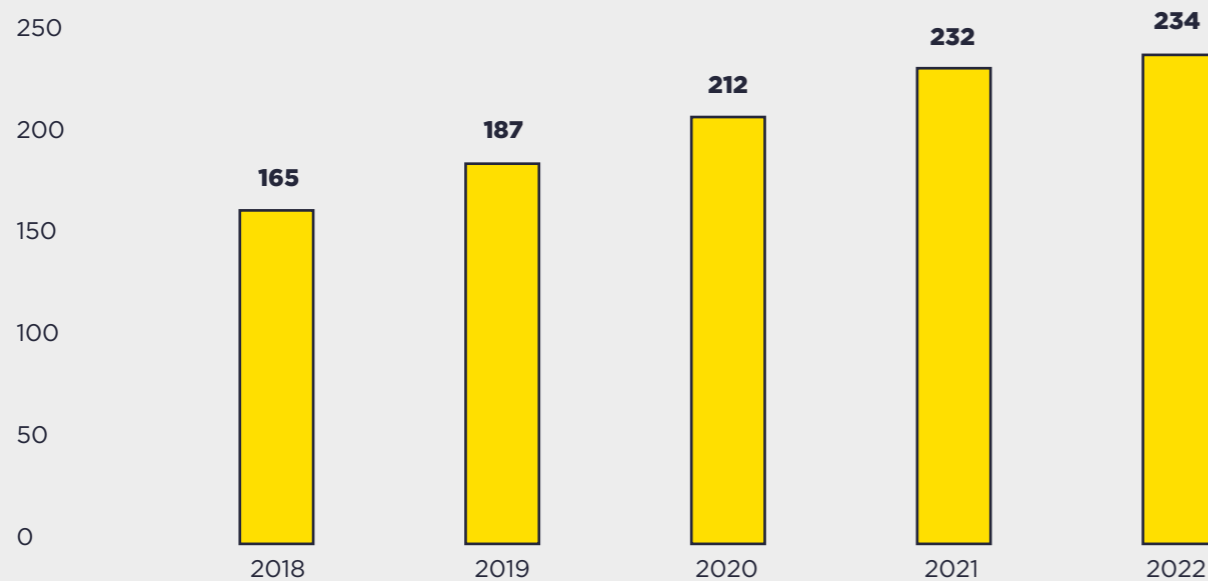
Portugal has become a hub of service centers in Europe, showing an impressive rise in the number of sites in the last years, representing a growth of 142% from 2018, with 165 units, to 2022, with 234 sets.



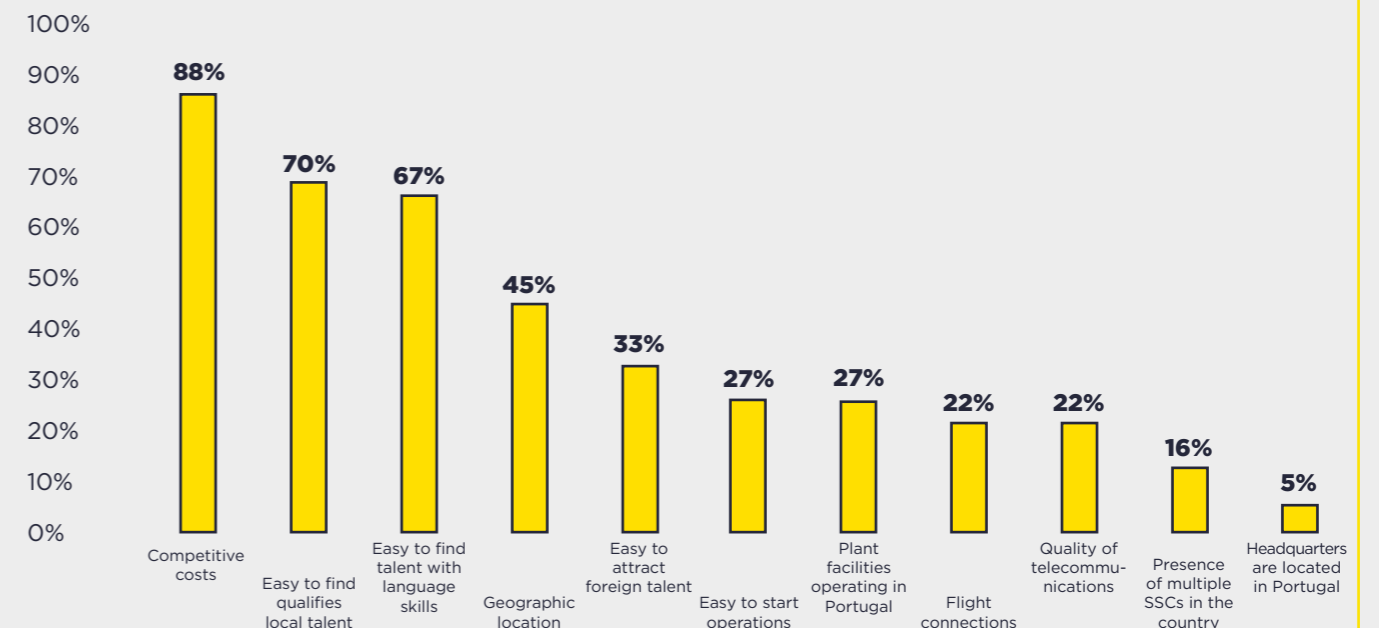
WHY PORTUGAL? AS A LOCATION FOR A SERVICE CENTERS

Choosing the right place to install your Service Center facilities is a major decision, with many factors to be taken into consideration. According to the latest AICEP study "Business Service Centers in Portugal 2022", competitive costs (88%) was the main aspects companies looked at when deciding to establish their facilities in Portugal, followed by the ease to find qualified talent (70%) and the ease to find talent with language skills (67%).

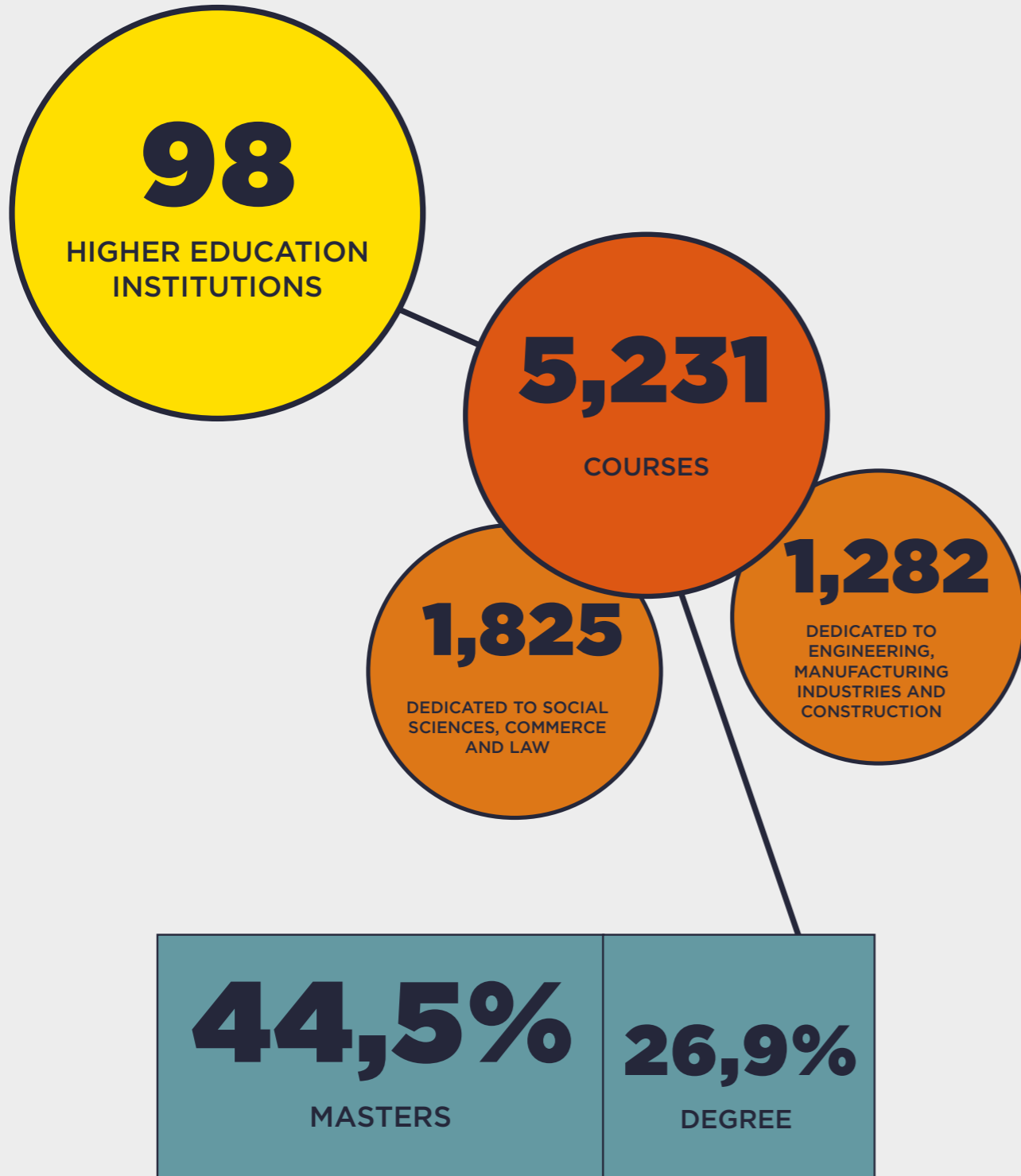
NUMBER OF SERVICE CENTERS SITES IN PORTUGAL



WHAT WERE THE MAIN REASONS TO CHOOSE PORTUGAL AS A LOCATION FOR A SERVICE CENTER?

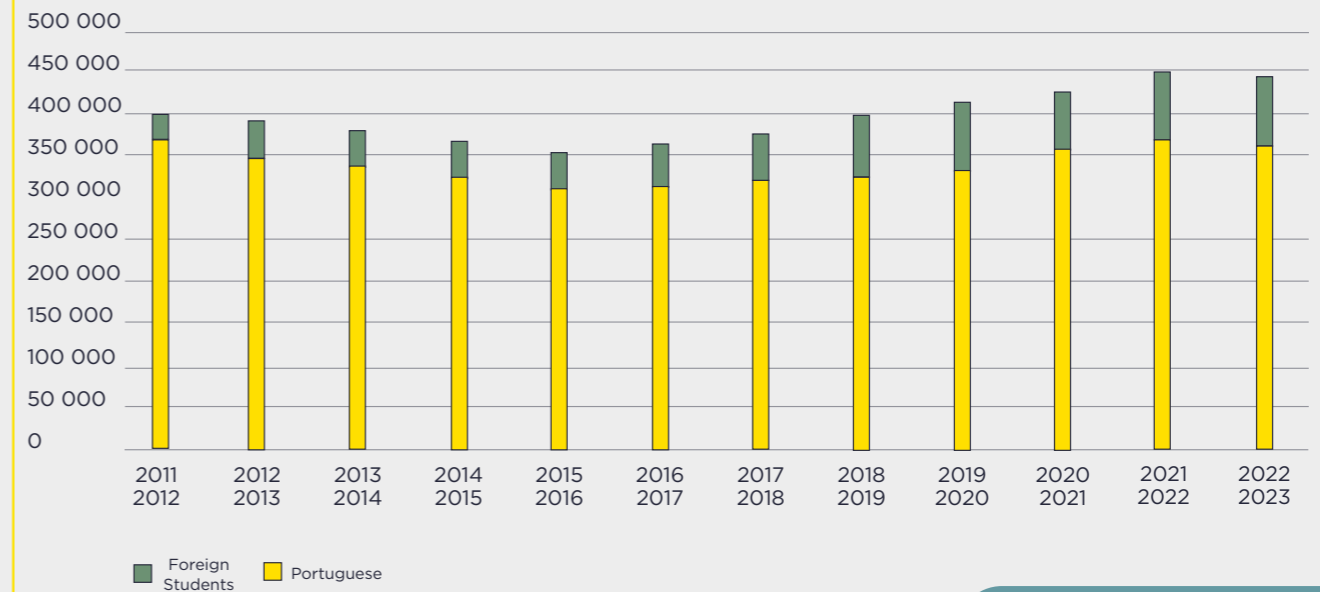


PORTUGAL TALENT



The country presents rather continuous numbers in terms of students enrolled in Portuguese universities, both international and domestic. The preliminary numbers regarding the academic year 2022-2023 amount nearly 71,000 (16%) and 361,000 (84%), respectively, with a total of 432,000 students, totally in line with last year's numbers and showing a growth of 9% compared to the academic year 2019/2020.

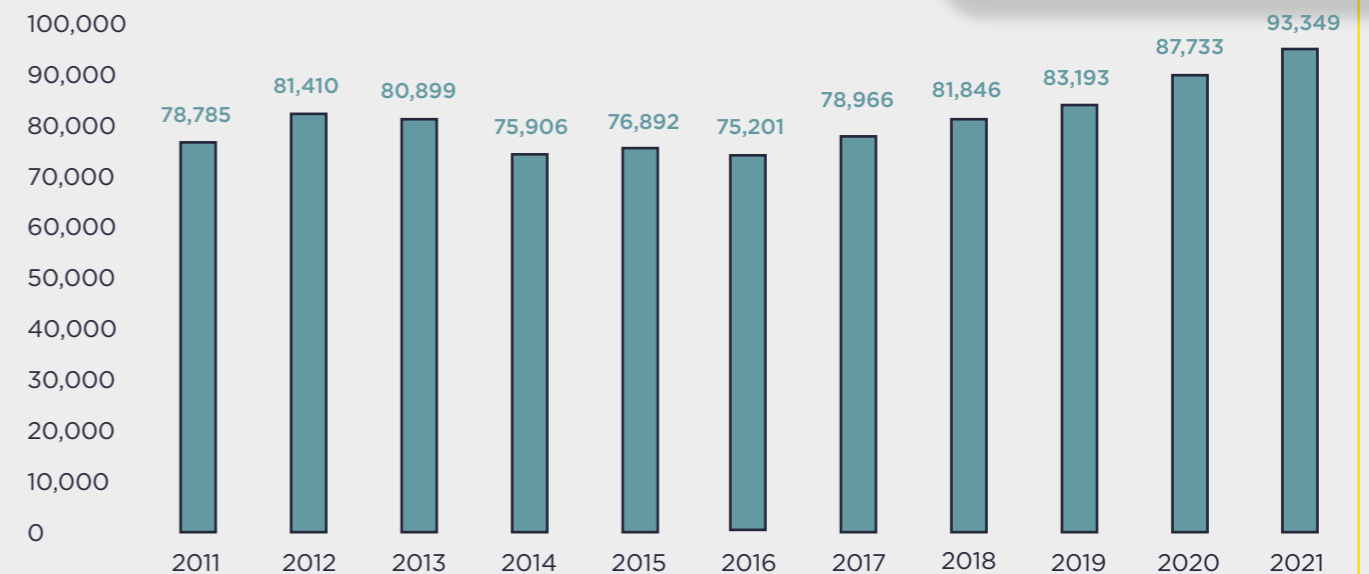
EVOLUTION OF STUDENTS ENROLLED IN PORTUGUESE UNIVERSITIES



Source: DGEEC

There has been a continual growth regarding the number of graduates since 2016, a year that accounted roughly 75,000 students. In contrast, 2021 was a year with over 93,000 degree holders, an evolution of 24%.

EVOLUTION OF GRADUATES IN HIGHER EDUCATION



Source: Pordata

COME & MEET THE BEAUTIFUL CITY OF LISBON

“

It's being lauded as Europe's answer to Silicon Valley, and with good reason: Lisbon is emerging as one of the fastest-growing tech ecosystems, and one of the most desirable locations for tech start-ups in the world. Investment in the start-up scene in Portugal's capital has grown by 30 per cent every year since 2016, double the average across the rest of Europe.

WELCOME TO THE PORTUGUESE CAPITAL: Elected one of the best cities in which to work and live in by the technology services company Cognizant's Centre For the Future of Work in 2021, Lisbon is included in the ranking of cool cities due to the fact it provides a series of attributes that offer both interesting professional development opportunities and the experience of a city with a good quality of life, in a combination of fine all year-round weather and leisure, cultural, sporting and gastronomic activities. In recent years, Lisbon has been the destination of choice for both tourists and foreigners wishing to work and reside there.

The capital city's residential market has remerged in the form of urban rehabilitation projects that have rekindled the city's prime housing market, attracting a diverse range of international nationalities that have boosted demand and placed Lisbon on the map of the most attractive destinations in which to live.

Younger foreign students and members of the workforce of many service centres set up in Portugal enjoy the best the city has to offer. The ocean, a short 20-minute drive from the city centre, and the wide and eclectic range of affordable restaurants are just some of the good reasons for Lisbon to be regarded as The Place To Be!



LISBON CITY

545 923
MILLION
POPULATION

106 971
THOUSAND
FOREIGN
POPULATION

1 703€
AVERAGE
MONTHLY
EARNINGS

5093
HAB/KM²
POPULATION
DENSITY

120 698
COMPANIES

100
KM²
AREA

262 214
THOUSAND
ACTIVE
POPULATION

240 103
THOUSAND
EMPLOYED
POPULATION

GREATER LISBON

2 869 033
MILLION
POPULATION

952
HAB/KM²
POPULATION
DENSITY

343 995
THOUSAND
FOREIGN
POPULATION

1 516€
AVERAGE
MONTHLY
EARNINGS

1 426.8
MILLION
ACTIVE
POPULATION

1 324 100
MILLION
EMPLOYED
POPULATION

107 400
THOUSAND
UNEMPLOYED
POPULATION

3 015
KM²
AREA

382 504
COMPANIES

71 432 €
MILLION
35.7% regional weight
in the country
GPD

24.9 €
THOUSAND
1.3% regional weight
in the country
GPD PER CAPITA

CITY AWARDS



European Green Capital Award 2020

European Commission



World's Leading City Destination 2018

World Travel Awards



World's Leading City Break Destination 2018

World Travel Awards



City in the Spotlight Award 2022

European Commission



Europe's Leading Cruise Destination 2020

World Travel Awards



Europe's Leading Cruise Port 2020

World Travel Awards



European Entrepreneurial Region 2015

European Committee of the Regions



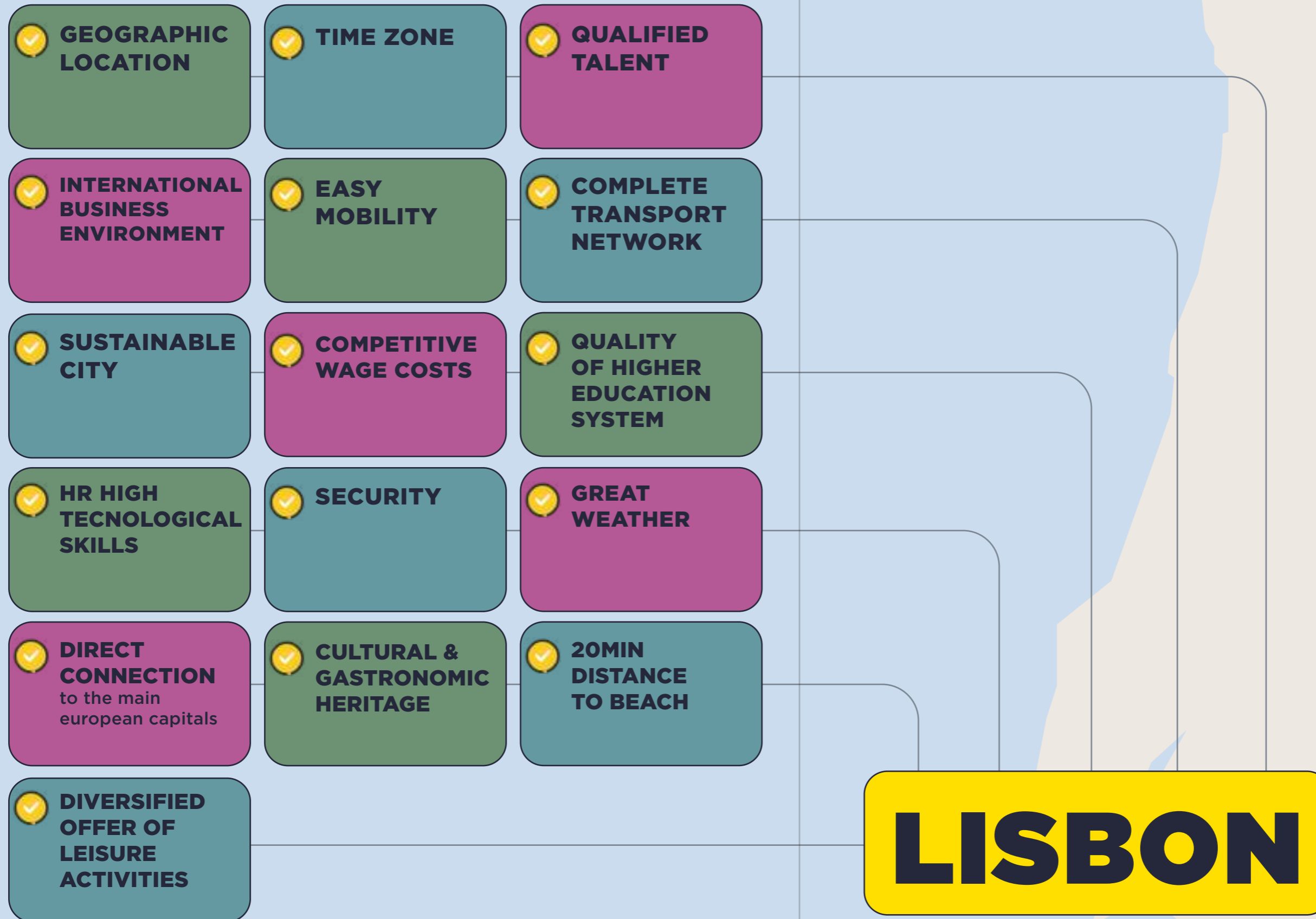
Best Coastal City Destination 2022

World Travel Awards



Best Place for Digital Nomads to Live 2023

By Digital Nomads





WHO'S IN? LISBON

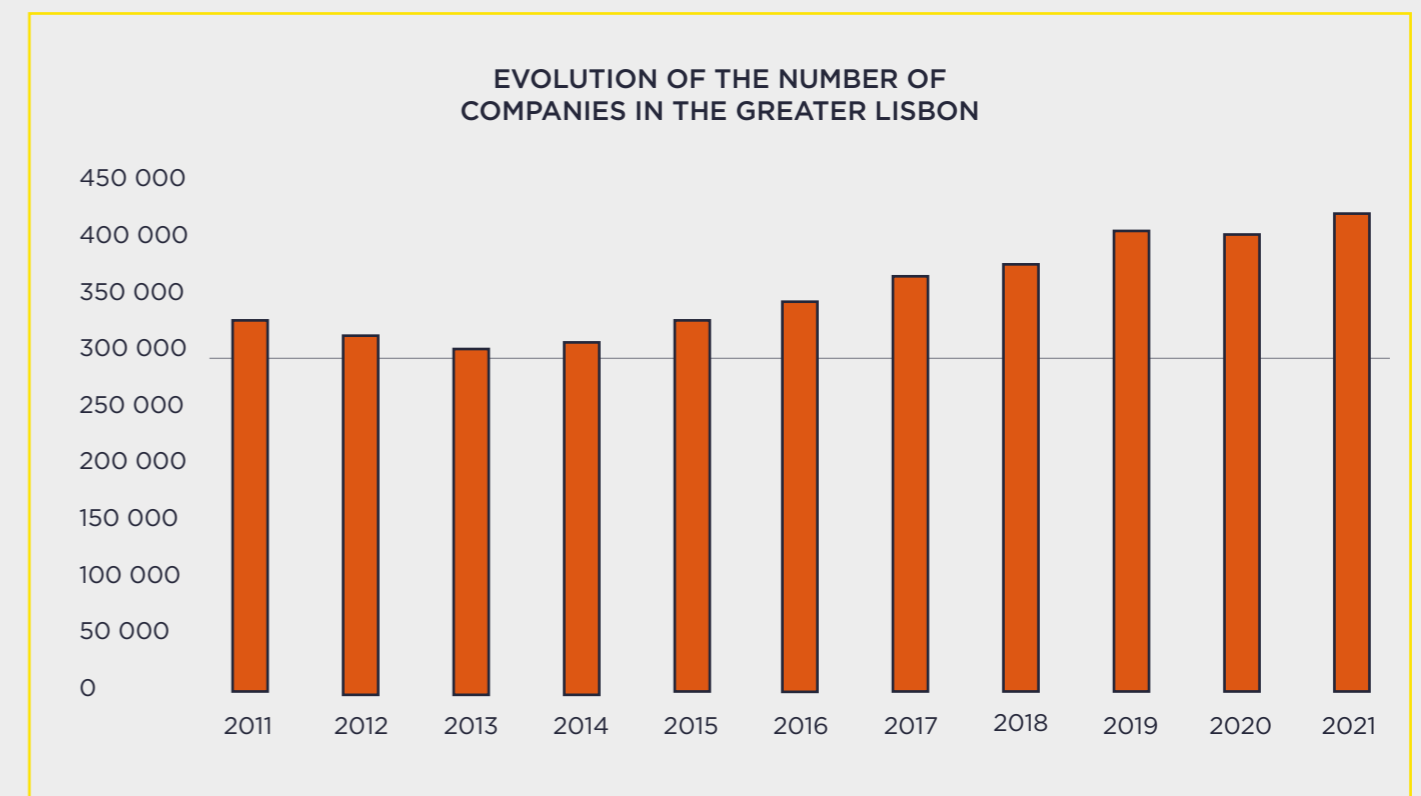
LISBON BUSINESS ENVIRONMENT

The growth exposure of the city of Lisbon to the international market, and its presentation as one of the coolest European cities to live and work, brought with it a range of international companies and of diverse nationalities, which are dedicated, in their great majority, to the technological sectors, services companies and financial services.

At the end of 2021, there were 390,857 companies in the Metropolitan Area of Lisbon, with a predominance of companies dedicated to administrative activities, support services, consultancy, scientific, technical and similar activities. On average, between the years 2011-2021, 56,000 companies were born per year in the Lisbon Metropolitan Area, with an emphasis on administrative activities and support services.



Lisbon is an important destination for Business Shared Services Centres, international tech giants, startups, incubators and stage of renowned international events that project the city every year and attract more foreign investment.



Source: INE

YEAR 2022
OVERVIEW

LISBON

OFFICE MARKET

KEY DATA

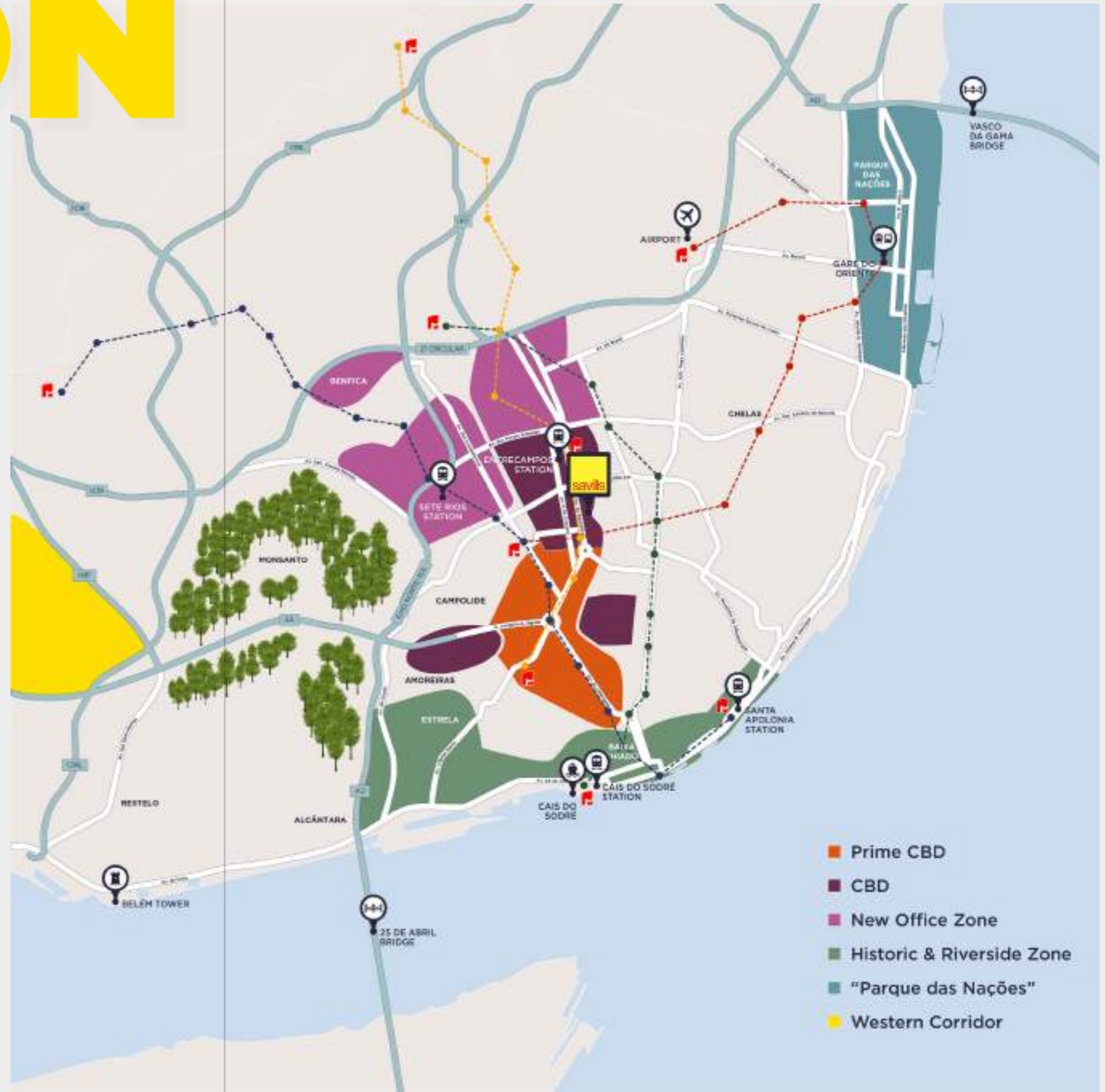
TOTAL TAKE-UP: 272,000 sq.m

STOCK: 4.4 million sq.m

VACANCY RATE: 8.14%

PRIME RENT: 26€/sq.m/month

PIPELINE 2023-2025: approx. 265,000 sq.m
(55% pre-let)



OFFICE MARKET OVERVIEW 2022

With more than 200 transactions concluded by the end of 2022, representing more than 272,000 sq.m of total take-up, the Portuguese capital has reached its record-breaking year.

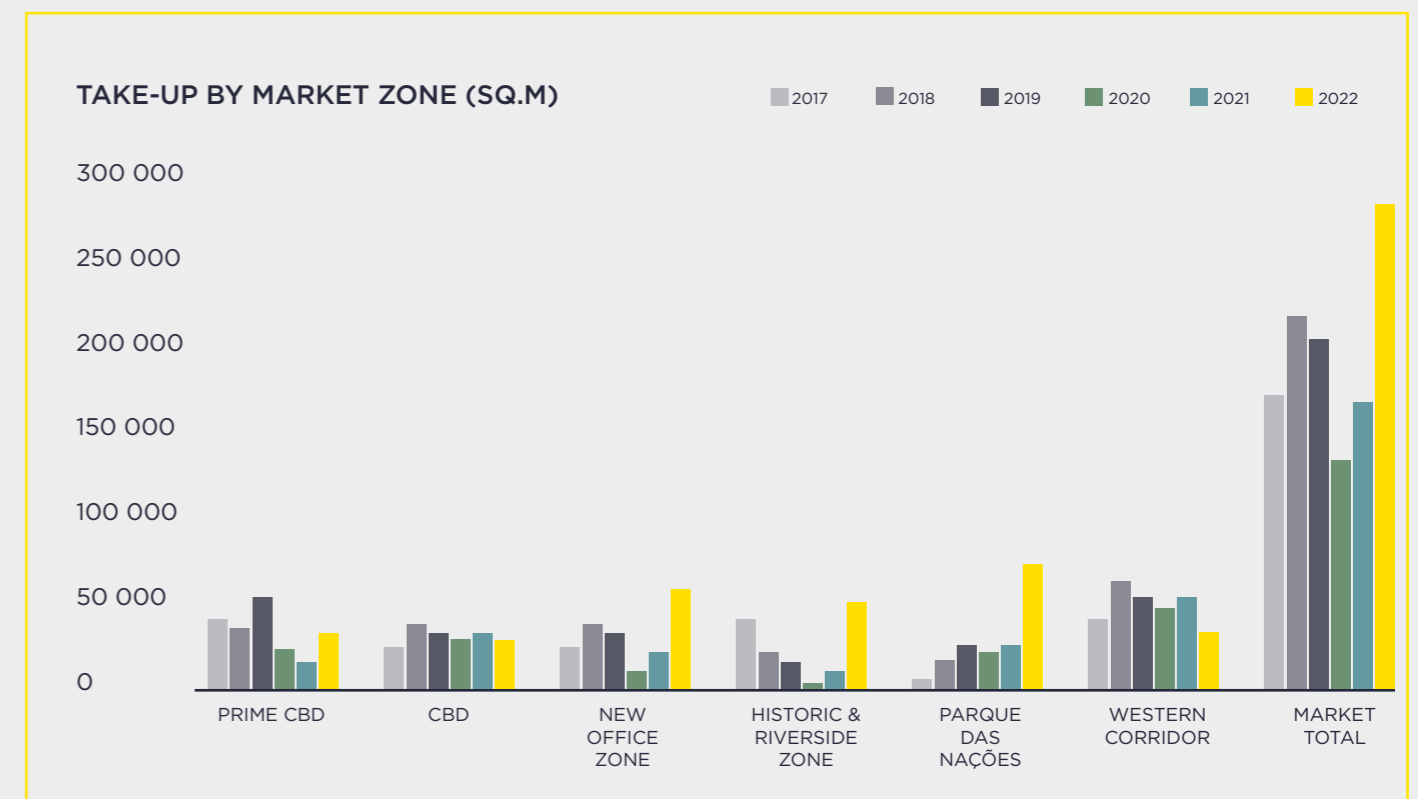


The take-up figures reflect a vastly significant increase of 68% against 2021, being the highest take-up ever registered and 43% above the average take-up of the last 5 years.

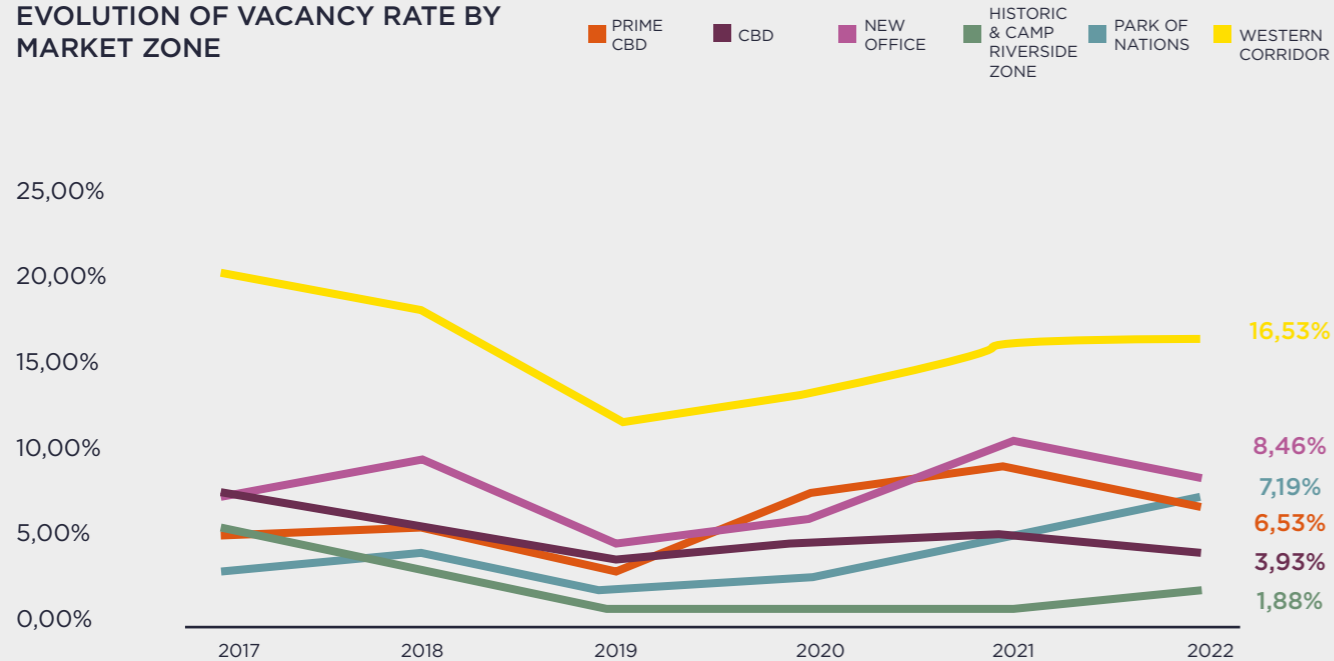
27% of them representing transactions above 1,000 sq.m and 5% above 5,000 sq.m.

Fidelidade, BNP Paribas, EDP, Novo Banco were some of the companies that invested in pre-letting contracts or owner-occupier operations to secure the best spaces, tailored to their demanding needs, in the context of a market where the scarcity of quality supply prevails.

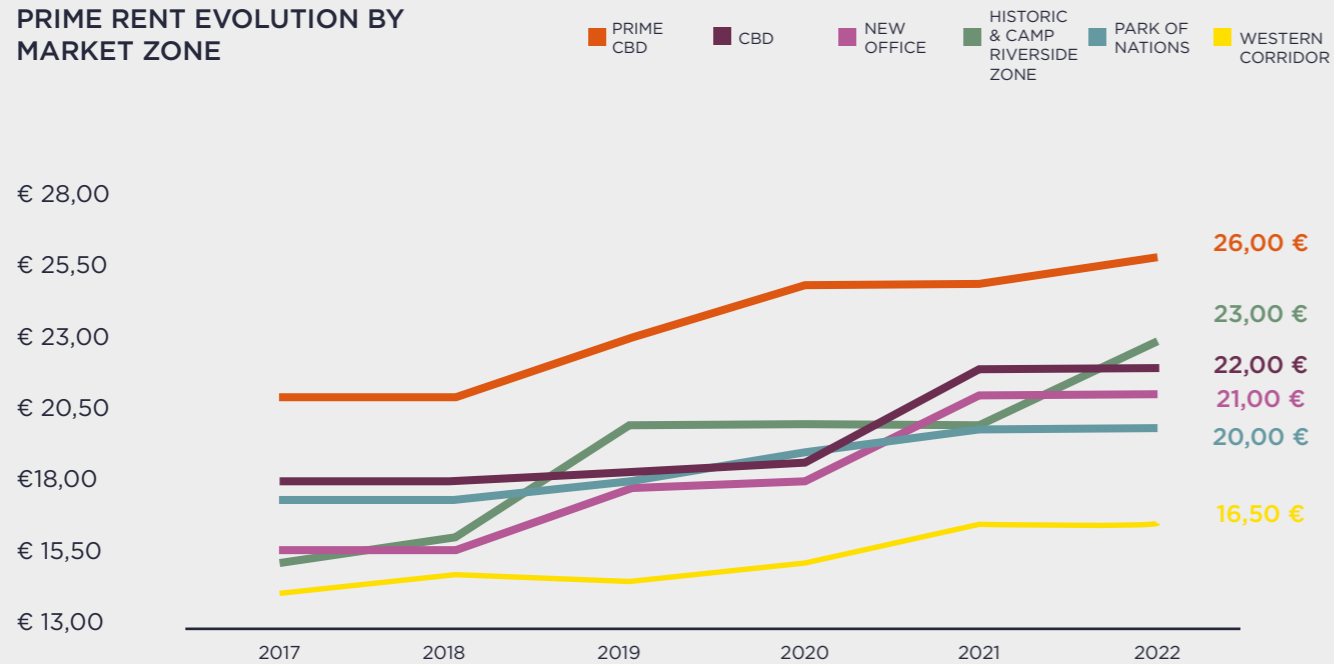
The market zones of Parque das Nações (zone 5), New Office Zone (zone 3) and Historic & Riverside Zone (zone 4), achieved their highest take-up volumes in 2022, with impressive increases compared to 2021 and the pre-pandemic period. Not coincidentally, these are the zones that comprise some of the best, high quality, office buildings in Lisbon, such as Exeo, RO51 and ALLO, respectively.



EVOLUTION OF VACANCY RATE BY MARKET ZONE



PRIME RENT EVOLUTION BY MARKET ZONE



Despite the economic challenges experienced across Europe, Lisbon continues to strongly attract international companies on an upward trajectory. Faced with a supply of quality that falls short of the high levels of demand, pre-letting operations are becoming the solution for large-scale occupiers, with demanding occupation requirements and now very much based on sustainability targets.

In 2022, pre-letting operations accounted for 46% of the total take-up volume, with a total of 11 operations and an average occupancy area of 19,000 sq.m when considering the top 5 largest operations. Worth mentioning that by the end of last year, the overall vacancy rate in the Lisbon Office Market was 8.14%.

The new projects under development at Parque das Nações have attracted major international occupiers dedicated to the financial and TMT & Utilities sectors, finding in Parque das Nações office spaces perfectly adapted to their space needs and adjusted to new working models, with a strong focus on areas dedicated to teamwork and social interaction, but also office buildings equipped with technology allowing the application and measurement of sustainable practices.

The Riverside & Historic Zone (Zone 4) is home to one of the largest projects in the market: the Allo Project, consisting of two blocks of 17,200 sq.m each. In 2022, this project was responsible for 11% of the total take-up registered in the Lisbon office market and 65% of the total take-up in the Historic & Riverside Zone.

The financial sector, but also the sectors dedicated to TMT and business services, continue to be the main pillars of demand in the Lisbon office market. A market driven by medium and large companies that, given the scarcity of modern stock for immediate occupation, are moving into pre-letting operations.

PIPELINE



ORIENTE GREEN CAMPUS

Q4 2023
ZONE 7
41,100 SQ.M



EXEO AURA

Q2 2023
ZONE 5
16,500 SQ.M
(100% OWNER OCCUPIER)

FIDELIDADE HEADQUARTERS

Q4 2023
ZONE 3
38,383 SQ.M
(100% OWNER OCCUPIER)

EDP 2

Q1 2023
ZONE 4
11,400 SQ.M
(100% OWNER OCCUPIER)



WELLBE

Q1 2025
ZONE 5
26,288 SQ.M

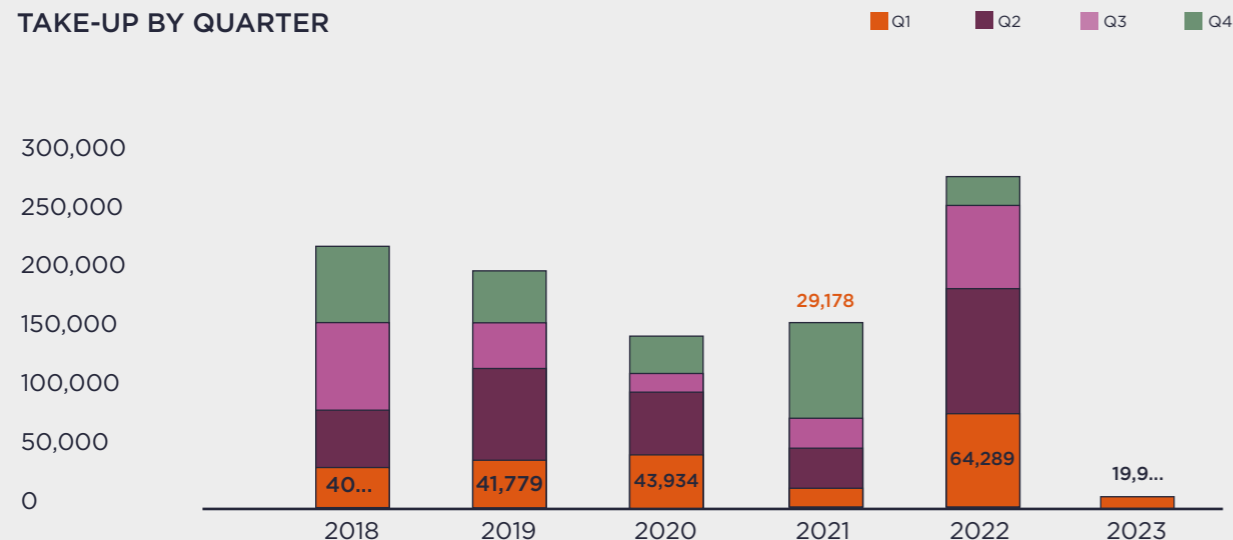
LISBON

Q1 2023
OVERVIEW

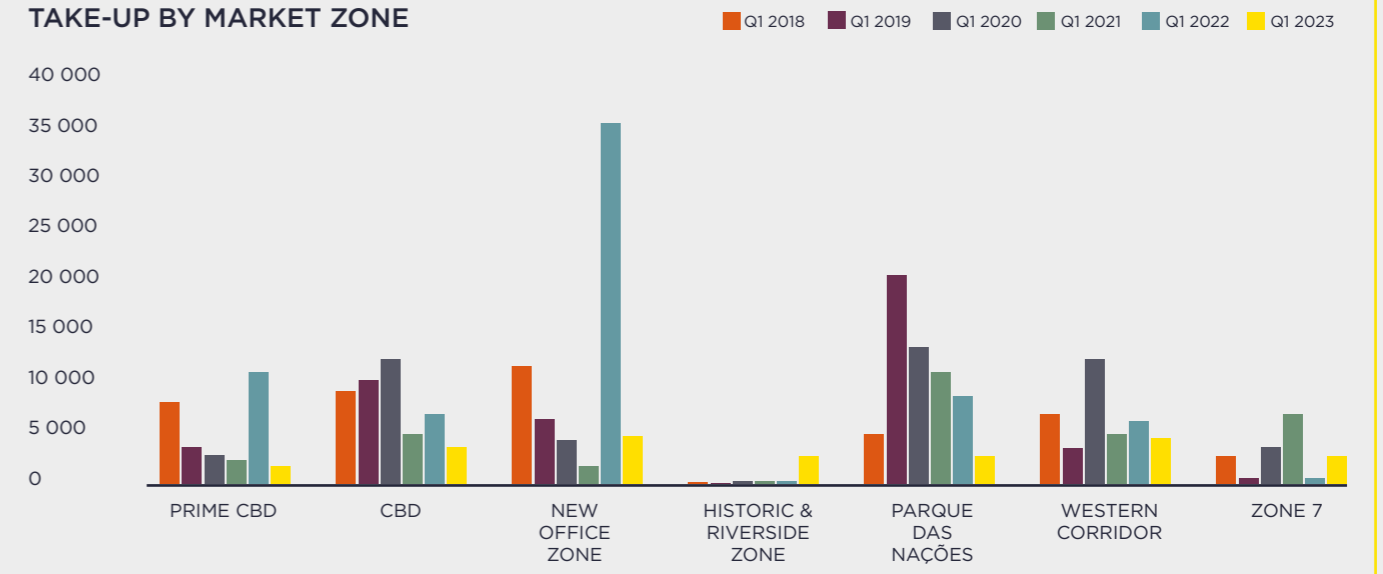
OFFICE MARKET

At the end of the 1st quarter of 2023, the Lisbon office market accounted for a total take-up volume of approximately 20 000 sq.m, which reveals a sharp fall of 69% compared to the same period in 2022.

TAKE-UP BY QUARTER



TAKE-UP BY MARKET ZONE



Source: Savills Research | LPI

When looking at the average of the previous quarters over the last 5 years, the result was also set 55% below the average of 43,900 sq.m.

When it comes to the number of closed deals, there was an increase of 20% compared to the Q1 2022. Though there was a bigger number in terms of transaction, they represent smaller areas, with an average, per operation, of 500 sq.m.

Zones 3 (New Office Zone) and 6 (West Corridor), with 3,794 sq.m and 3,729 sq.m respectively, reached the highest take-up volume during Q1 2023. Even so, the final amount transacted was not enough to avoid a year-on-year drop of around 89% and 19%, respectively.

On the other hand, **zone 4 (Historic Area & Riverside)** presented a gradual increase in terms of take-up volume, closing the first quarter with

2,840 sq.m, against only 428 sq.m closed in the Q1 2022.

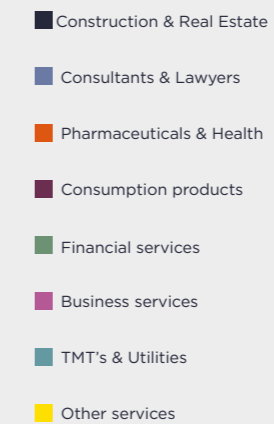
Zone 7 (Other zones) also recorded positive results, having transacted 2,000 sq.m in the first quarter of the year, a performance that has presented similar figures considering the average of the last 5 years.

The results for the 1st quarter of 2023 are to be expected and should be analyzed with the proper framework. The more accentuated drop should take into consideration the comparative base that is quite high. 2022 was the year of pre-lettings that inflated the absorption volume throughout all quarters, putting more pressure on the 2023 figures.

Demand remains high and the current scenario pressures the market to be able to release quality supply to ensure market competitiveness. Throughout this year, approximately 114,000 sq.m are expected to be completed. Out of this number, 64% is already transacted, which clearly demonstrates the dynamics of the Portuguese market.

The TMT's & Utilities sector remains at the top of the table as the most dynamic sector, having been responsible for the occupation of 5,699 sq.m. CODE FOR ALL was responsible for the largest operation of this first quarter, with a total of 2,840 sq.m in the Leap Docas building.

TAKE-UP BY BUSINESS SECTOR



Source: Savills Research | LPI

LISBON COMPANIES MIGRATION STUDY



Understanding how the business ecosystem moves in the city of Lisbon, is to open doors to a more complete understanding of the reasons that lead companies to choose one area over another. Does the centrality of the prime CBD attract more companies than the modernity of Parque das Nações?

Location, location, location has always been the motto of the real estate sector. And it remains so. But the greater scarcity of supply together with a demand that has remained very hot in recent years has boosted and given greater importance to other factors that were once relegated to second place.

The migratory movements study developed by Savills Portugal aims to answer the question: When it comes to locating, relocating or expanding their business, do companies remain loyal to the market areas where they were previously established? Are they open to new areas? And what about new companies, what is their location trend? Do they immediately bet on central areas, or do they test the waters in more secondary areas?

DO COMPANIES REMAIN LOYAL TO THE MARKET AREAS WHERE THEY WERE PREVIOUSLY ESTABLISHED?

ARE THEY OPEN TO NEW AREAS?

AND WHAT ABOUT NEW COMPANIES, WHAT IS THEIR LOCATION TREND?

DO THEY IMMEDIATELY BET ON CENTRAL AREAS, OR DO THEY TEST THE WATERS IN MORE SECONDARY AREAS?

PRIME CBD

73%

of the companies that closed office relocation operations in the Prime CBD Zone during the year 2022, were from that same zone, remaining loyal to this location in the heart of the city.

Also with a highly expressive result,

88%

of the companies that carried out area expansion decisions, chose to remain in the same market zone.

**CENTRALITY
+
CONVENIENCE**

Over the last 5 years, the Prime CBD zone was responsible for an average annual take-up volume of around 32,000 sq.m, with an average annual weight of 16% of the total take-up volume.

DESTINATION: PRIME CBD	RELOCATION	EXPANSION AREA
PRIME CBD	73 %	88 %
CBD	5 %	0 %
NEW OFFICE ZONE	2 %	12 %
HISTORIC & RIVERSIDE ZONE	4 %	0 %
PARQUE DAS NAÇÕES	9 %	0 %
WESTERN CORRIDOR	4 %	0 %
OTHER ZONES	3 %	0 %
NEW COMPANY IN LISBON	33 %	
NO INFORMATION	4 %	

CBD

The CBD zone has a lot of similarities to the Prime CBD in terms of its accessibility and centrality. It has vast selection of options regarding services and a great public transport network.

This zone is responsible for 13% of Lisbon's total take-up, amounting over 96,000 sq.m. It is known be a modern, business district in Lisbon city, that mostly attracts TMTs & Utilities companies.

**TRANSPORT NETWORK
+
ACCESSIBILITY**

Concerning movements due to relocation,

26%

of the businesses ended up staying within the same office area, while

39%

came from the Prime CBD zone, which is adjacent to the CBD zone.

DESTINATION: CBD	RELOCATION	EXPANSION AREA
PRIME CBD	39 %	27 %
CBD	26 %	22 %
NEW OFFICE ZONE	2 %	0 %
HISTORIC & RIVERSIDE ZONE	0 %	0 %
PARQUE DAS NAÇÕES	0 %	51 %
WESTERN CORRIDOR	8 %	0 %
OTHER ZONES	25 %	0 %
NEW COMPANY IN LISBON	13 %	
NO INFORMATION	14 %	

NEW OFFICE ZONE

This zone comprises two of the longest metro lines in the city and one of the main bus terminal and train station in Portugal, Sete Rios, providing the population with easy access to other regions of the city and the country. It is also known as contemporary business district in Lisbon.

FINANCIAL CENTRE
+
PROXIMITY TO TRANSPORT HUB
+
ACCESSIBLE BY TRAIN & METRO

The New Office Zone has mostly attracted Financial services companies and it is responsible for 135,229 sq.m transacted since 2018, representing **18%** of the total take-up. Moreover, **61%** of the companies which had been previously established their office spaces in the Historic & Riverside zone, ended up migrating to the New Office Zone over the last 5 years.

DESTINATION: NEW OFFICE ZONE	RELOCATION	EXPANSION AREA
PRIME CBD	9 %	52 %
CBD	4 %	0 %
NEW OFFICE ZONE	23 %	19 %
HISTORIC & RIVERSIDE ZONE	61 %	0 %
PARQUE DAS NAÇÕES	0 %	0 %
WESTERN CORRIDOR	0 %	0 %
OTHER ZONES	3 %	29 %
NEW COMPANY IN LISBON	4 %	
NO INFORMATION	2 %	

HISTORIC & RIVERSIDE ZONE

This office zone was born to meet the high demand for office spaces in Lisbon city, though the Historic & Riverside area presents a different concept to the traditional ones. This area has two main traits that differs from others: being surrounded by the Tagus River and offering a more laid-back atmosphere, with a strong artistic background.

In addition, the zone provides one of the most diverse public transport networks in Lisbon.

RIVERVIEW
+
CULTURE & ARTISTIC SET
+
ACCESSIBLE BY TRAIN & METRO

Santa Apolonia train station has a direct access to the north of the Portugal and Cais do Sodre provides direct connections to Cascais, though its train station and to South margin, through its ferry terminal.

The Historic & Riverside zone sums up **8%** of the Lisbon's take-up since 2018. Furthermore,

74% of all the companies previously established in this area ended up staying within the same office zone when relocating.

DESTINATION: HISTORIC & RIVERSIDE Z.	RELOCATION	EXPANSION AREA
PRIME CBD	17 %	0 %
CBD	24 %	0 %
NEW OFFICE ZONE	56 %	0 %
HISTORIC & RIVERSIDE ZONE	3 %	74 %
PARQUE DAS NAÇÕES	0 %	0 %
WESTERN CORRIDOR	0 %	0 %
OTHER ZONES	0 %	26 %
NEW COMPANY IN LISBON	0 %	
NO INFORMATION	0 %	

PARQUE DAS NAÇÕES

Parque das Nações is the Portuguese tech strand. This zone has an expressive and strong notoriety. It has gone through an extensive rehabilitation process, what resulted in one of the most modern and trendy places in the country. Located only a few minutes from the airport and with an easy access to Setúbal, through the Vasco da Gama bridge, as well as northern Portugal, through Oriente train station. In addition to being the main stage of the MICE (Meeting, Incentives, Conferences and Exhibitions) sector.

CLUSTER OF TECHNOLOGY
+
TRANSPORT NETWORK
+
ACCESSIBLE BY TRAIN & METRO

It accounted for **23%** of the region's total take-up from 2018 to 2022, with over 170,000 sq.m.

78% of the companies in the CBD area that expanded their office spaces chose Parque das Nações to welcome their new facilities.

DESTINATION: PARQUE DAS NAÇÕES	RELOCATION	EXPANSION AREA
PRIME CBD	6 %	22 %
CBD	4 %	78 %
NEW OFFICE ZONE	1 %	0 %
HISTORIC & RIVERSIDE ZONE	0 %	0 %
PARQUE DAS NAÇÕES	5 %	0 %
WESTERN CORRIDOR	0 %	0 %
OTHER ZONES	84 %	0 %
NEW COMPANY IN LISBON	9 %	
NO INFORMATION	0 %	

WESTERN CORRIDOR

Western Corridor is one of the largest zones in Lisbon area, accounting the highest take-up since 2018, with roughly 240,000 sq.m transacted, representing one third of total figures.

It has turned into a business hub in the Portuguese capital, welcoming many international companies recently. Comprised by a fair number of highways, it offers easy access to the outskirts of the country and industrial zones.

COMPETITIVE PRICES
+
MODERN BUSINESS PARKS

41% of businesses relocated in the Western Corridor came from the Prime CBD Zone and 37% remained in the Western Corridor when they decided to relocate.

59% of the firms that moved to the Western Corridor for business expansion reasons came from the Prime CBD Zone.

DESTINATION: WESTERN CORRIDOR	RELOCATION	EXPANSION AREA
PRIME CBD	41 %	59 %
CBD	7 %	0 %
NEW OFFICE ZONE	1 %	0 %
HISTORIC & RIVERSIDE ZONE	3 %	2 %
PARQUE DAS NAÇÕES	8 %	6 %
WESTERN CORRIDOR	37 %	19 %
OTHER ZONES	4 %	14 %
NEW COMPANY IN LISBON	8 %	
NO INFORMATION	5 %	

THE BUSINESS SECTORS

	CONSTRUCTION & REAL ESTATE	CONSULTANTS & LAWYERS	PHARMACEUTICALS & HEALTH	CONSUMPTION PRODUCTS	FINANCIAL SERVICES	BUSINESS SERVICES	TMT'S & UTILITIES	OTHER SEVICES	STATE, EUROPE, ASSOCIATIONS
PRIME CBD									
CBD									
NEW OFFICE ZONE									
HISTORIC & RIVERSIDE ZONE									
PARQUE DAS NAÇÕES									
WESTERN CORRIDOR									

ZONES PROFILES

ZONE 1

Prime CBD

From Avenida da Liberdade to Praça Duque de Saldanha, and it is known to be the most prestigious zone in the city. Extremely central, this area has countless green areas, such as Parque Eduardo VII. Consultants & Lawyers, Financial and Business Services sectors are the predominant sectors in this zone.

COMPANIES: BPI, KPMG, PLMJ, Cuatrecasas, CMS, Uría Menéndez, Havas, Regus, Navigator, Rio Capital, Bolt, Glovo and WeWork.

PRIME RENT: 26€/sq.m/month

STOCK: 567,964 sq.m

VACANCY RATE: 8.53%

PIPELINE 2023-2025: 3,313 sq.m

ZONE 2

CBD

This zone comprises Avenida da República, Avenida Duque de Loulé and Amoreiras. This area offers a vast selection of public transport options, access to the main roads that connect to the whole Lisbon Metropolitan area. Financial and Business Services is the predominant sector in this area.

COMPANIES: CBRE, Mastercard, Uber, Allianz, IdeaHub, Teleperformance and Grupo CGD.

PRIME RENT: 22€/sq.m/month

STOCK: 927,342 sq.m

VACANCY RATE: 4.05%

PIPELINE 2023-2025: 10,175 sq.m

ZONE 3

New Office Zone

From Campo Grande to the 2nd Ring Road, Benfica, Praça de Espanha e Sete Rios. The transaction highlight of this area was the take-up by Fidelidade of 28,000 sq.m, on Avenida Álvaro Pais.

COMPANIES: Teleperformance, ManpowerGroup, Cimpor, Intelcia, Fujitsu, Cofase, Fidelidade, Santander, Small World, Jerónimo Martins and Prime Yield.

PRIME RENT: 21€/sq.m/month

STOCK: 562,159 sq.m

VACANCY RATE: 9.47%

PIPELINE 2023-2025: 78,528 sq.m (48% owner-occupier)

ZONE 4

Historic and Riverside Zone

Along the Tagus River, this zone was created “on-demand” to meet the lack of supply in the most central areas of the Lisbon Market. It has been the site of a number of redevelopment projects in the last few years, which has brought to life new buildings designed for self-occupation, with a historical aura of this part of the city.

COMPANIES: Teleperformance, Sitel, Farfetch, Heden, Abreu Advogados, VDA, EDP and LACS

PRIME RENT: 23€/sq.m/month

STOCK: 399,431

VACANCY RATE: 2.22%

PIPELINE 2023-2025: 11,400 sq.m (100% owner-occupier)

ZONE 5

Parque das Nações

This is the perfect example of exclusive investment in real estate development, which resulted in the creation of a new premium area in the Lisbon market. This zone is marked by the significant presence of renowned technology companies, installed in buildings with modern facades and providing a wide range of services, shopping outlets and a comprehensive transport network. TMT is the predominant sector in this area.

COMPANIES: Vodafone, Microsoft, Prosegur, Epal, Randstad, Adecco, Ageas Seguros, BNP Paribas, and Tech 5.

PRIME RENT: 20€/sq.m/month

STOCK: 462,118 sq.m

VACANCY RATE: 7.30%

PIPELINE 2023-2025: 118,421 sq.m (44% pre-let / owner-occupier)

ZONE 6

Western Corridor

This zone comprises the Porto Salvo and Alfragide A5 axis. It is known for its Office Parks, namely: Lagoas Park, Alfapark, Parque Suecia, Quinta da Fonte, Tagus Park, Sintra Business Park and Arquiparque.

COMPANIES: Renault, Novo Banco, Odisseias, Accenture, Nokia, ITF Pharma, P&G and Nestlé.

PRIME RENT: 16,50€/sq.m/month

STOCK: 1,002,506 sq.m

VACANCY RATE: 19.16%

PIPELINE 2023-2025: 38,771 sq.m (100% owner-occupier)

WELCOME TO PORTO

**GREEN AREAS,
CULTURAL HERITAGE,
& A GROWING
COMMITMENT TO
MOBILITY AND
ENTREPRENEURSHIP**



Though this region counts heavily on manufacturing and commerce, Porto has been slowing following Lisbon's steps in striving to become a business centre in Europe.

Currently, the zone shows strong growing potential and has become the address of multinationals, startups and universities, proving once again the capacity and quality of the Portuguese talent. In 2022 alone, the city was able to attract around 433 million euros in direct investment, more than double that of the previous year.

According to Porto City Council, there are more than 2,250 companies headquartered in the Porto Metropolitan Area controlled by foreign owners. The leading clusters in the city include tech sectors, business services, health and life sciences, mobility, in addition to the tourism and hospitality industry.

Green areas, cultural heritage, and a growing commitment to mobility and entrepreneurship have all turned the city of Porto into a growing target for the development of modern residential projects in a market enriched by the city's historic nature.



GREATER PORTO

PORTO CITY

1 737 395
MILLION
POPULATION

57 970
THOUSAND
FOREIGN
POPULATION

1 275€
AVERAGE
MONTHLY
EARNINGS

838 176
THOUSAND
ACTIVE
POPULATION

758 016
THOUSAND
EMPLOYED
POPULATION

80 160
THOUSAND
UNEMPLOYED
POPULATION

2 040
KM²
AREA

914
HAB/KM²
POPULATION
DENSITY

221 093
COMPANIES

231 962
THOUSAND
POPULATION

18 936
THOUSAND
FOREIGN
POPULATION

1 498€
AVERAGE
MONTHLY
EARNINGS

5 165
HAB/KM²
POPULATION
DENSITY

44 595
COMPANIES

106 123
THOUSAND
ACTIVE
POPULATION

41,4
KM²
AREA

93 697
THOUSAND
EMPLOYED
POPULATION

CITY AWARDS



World's Leading City Destination 2022

World Travel Awards



Europe's Leading City Break Destination 2020

World Travel Awards



Europe's Leading City Destination 2022

World Travel Awards



Best European City of the Future (Large Cities) 2023

Financial Times



City of the Year 2022

Food and Travel Reader Awards



Best Startup-Friendly City of Europe 2018

World Business Angels Investment Forum

WHO'S

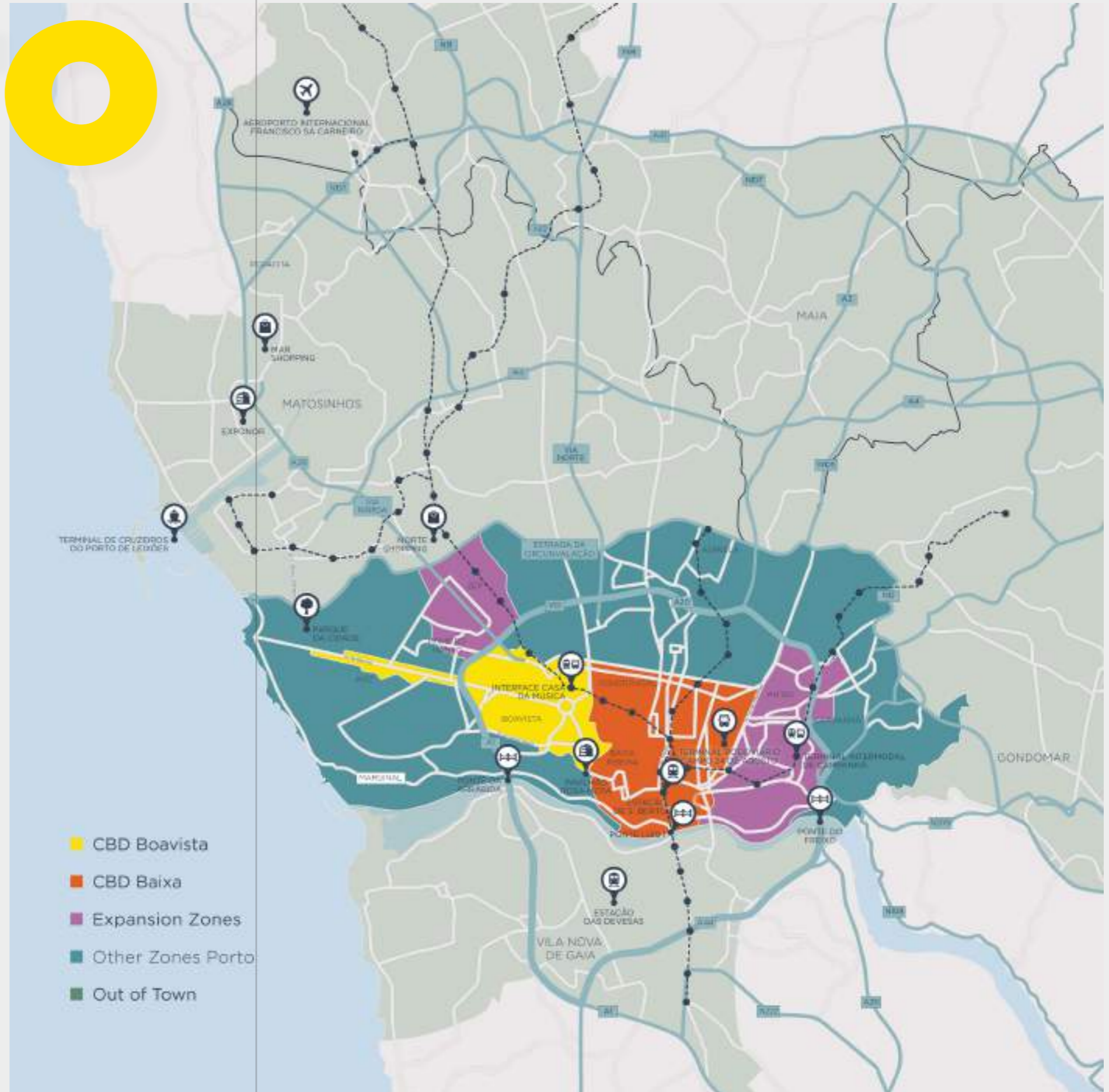
IN?

PORTO



PORTO

OFFICE MARKET



KEY DATA

TOTAL TAKE-UP: 58,493 sq.m

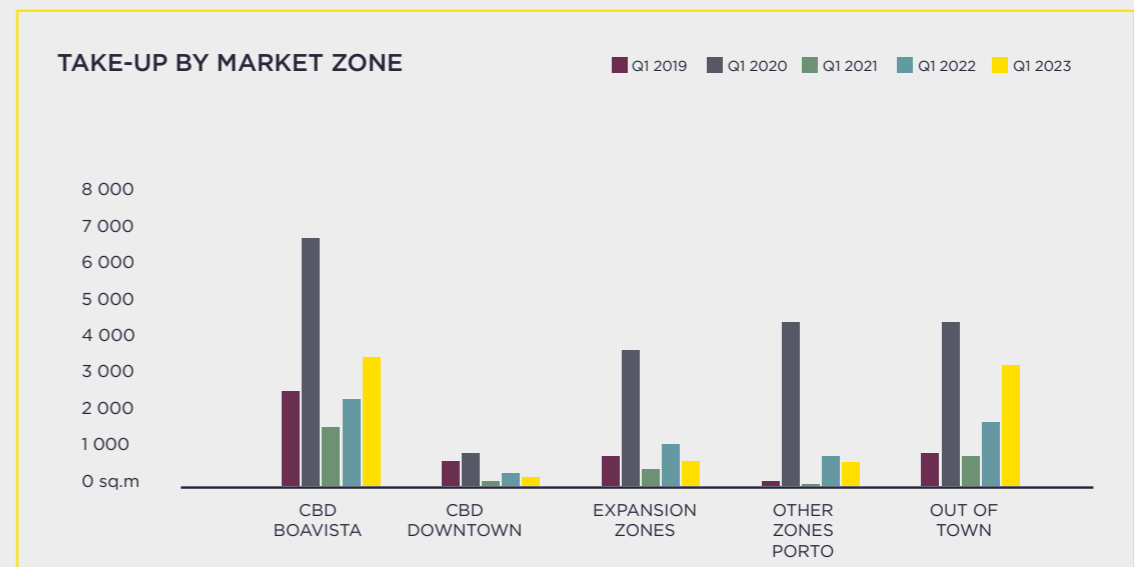
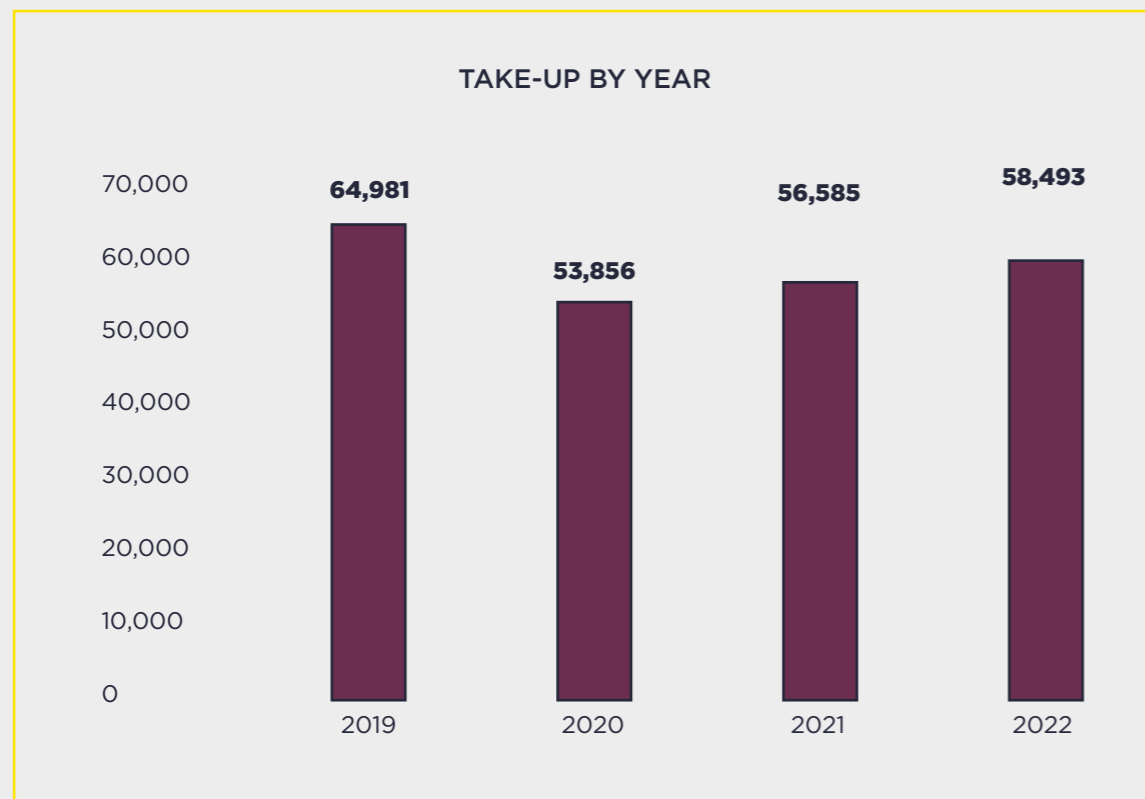
PRIME RENT: 18€/sq.m/month

PIPELINE 2023-2024: approx. 90,000 sq.m

PORTO

OFFICE MARKET

In 2022, the Porto office market registered a total take-up of 58,493 sq.m, closing the year 3% above the value observed in the previous year, but still 10% below 2019.



Source: Savills Research | LPI

The pace of recovery of the Porto Office Market has been more gradual but consistent, continuing to reaffirm the growing attractiveness of this destination, particularly for tenants in TMT sectors.

In total, 76 deals were closed, with the market recording an average area 770 sq. m., a decrease of 14% compared to 2021. The Out of Town Zones with 22,208 sq.m and the CBD Downtown with 17,933 sq.m were the best performing zones in 2022, with take-up increases of 28% and 581% respectively.



Source: Savills Research | LPI

In total, 17 deals over 1,000 sq.m were closed, accounting for an average area of around 2,100 sq.m, highly concentrated in the CBD Downtown and Out of Town areas, carried out by TMT's and Financial Services companies. IWG/Spaces, Kantar, Saltpay, Natixis and Fintru are amongst the list of international companies, which in 2022 took strategic decisions to expand their business to the city of Porto, recognizing

it as an international and very competitive destination compared to other European capitals.

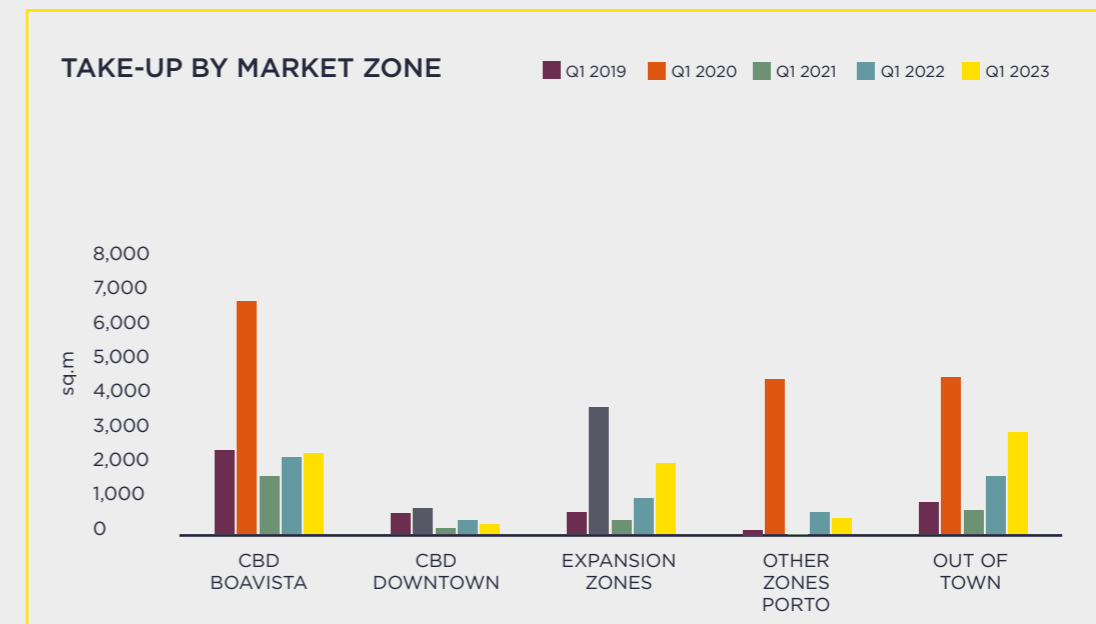
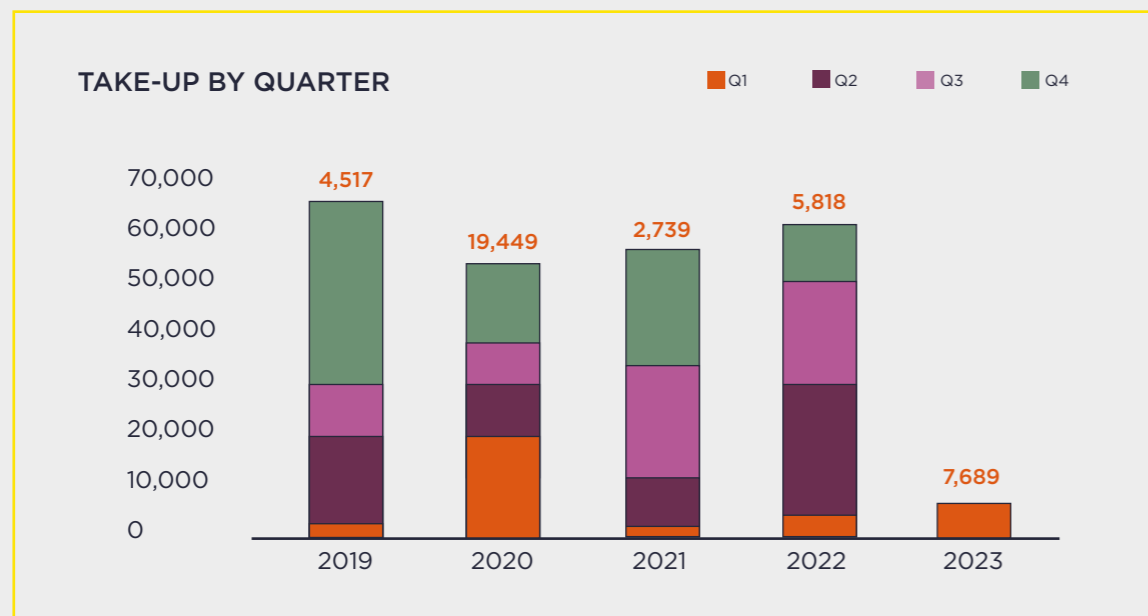
Prime rent closed at €18/sq.m, maintaining its stability. The entrance of quality pipelines in the areas bordering the city center, which offer larger and high-quality office space, is exerting greater upward pressure on rents.

PORTO

OFFICE MARKET

By the end of the 1st quarter of 2023, the Porto office market had a total take-up volume of 7,689 sq.m, representing a 32% increase against the same period of 2022 and only 5% below the average of the first quarters over the last 4 years.

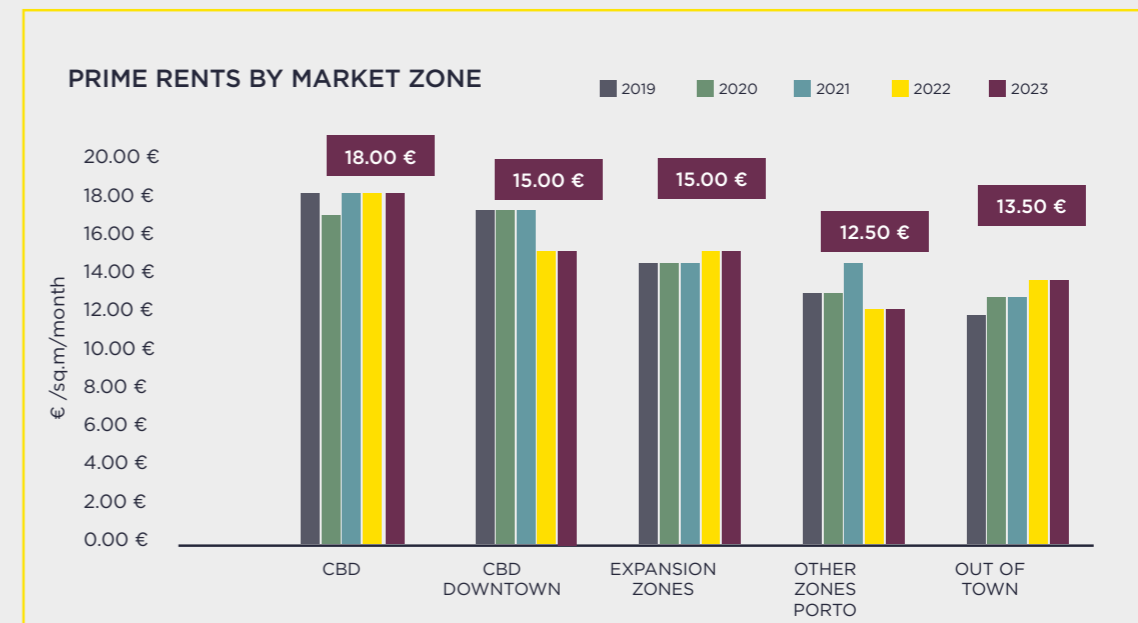
The take-up volume achieved represents the result of 13 closed deals, three of which were above 1,000 sq.m, which raised the average area of the quarter to roughly 600 sq.m.



Source: Savills Research | PPI

The Out of Town Zone recorded the best performance in the 1st quarter of 2023 with a total take-up volume of 2,924 sq.m, followed by the CBD Boavista with 2,924 sq.m.

However, the Expansion Zones was responsible for the biggest increase in terms of take-up volume, an increase of 106% compared to the same period in 2022, which results of 3 operations, reflecting a total of 2,054 sq.m.



Source: Savills Research | PPI

The market's recovery is already a given, with Porto being featured on lists of preferred business destinations for international occupiers. Over the next two years, approximately 90,000 sq.m of new projects are expected to be completed, mostly concentrated in the Out of Town zone, which will bring to the market an extraordinary degree of innovation, technology and modernity. These factors will further boost Porto's office market across borders and place it side by side with other strong European counterparts.

Prime rents in the Porto office zone ranges from 18€ - CBD Boavista, the most expensive area in the city, to 12,50€ - Other zones Porto. CBD Boasvista, Expansion Zone and Out of Town are the ones that have shown slight increases in terms of prices in the last couple of years. CBD Downtown and Other zones Porto, on the other hand, have witnessed decreases compared to the last couple of years.

PIPELINE

METYSIS (PHASE 1 & 2)

Q2 2023
OUT OF TOWN
10,000 SQ.M
(100% OWNER OCCUPIER)

NOTO OFFICE CENTER

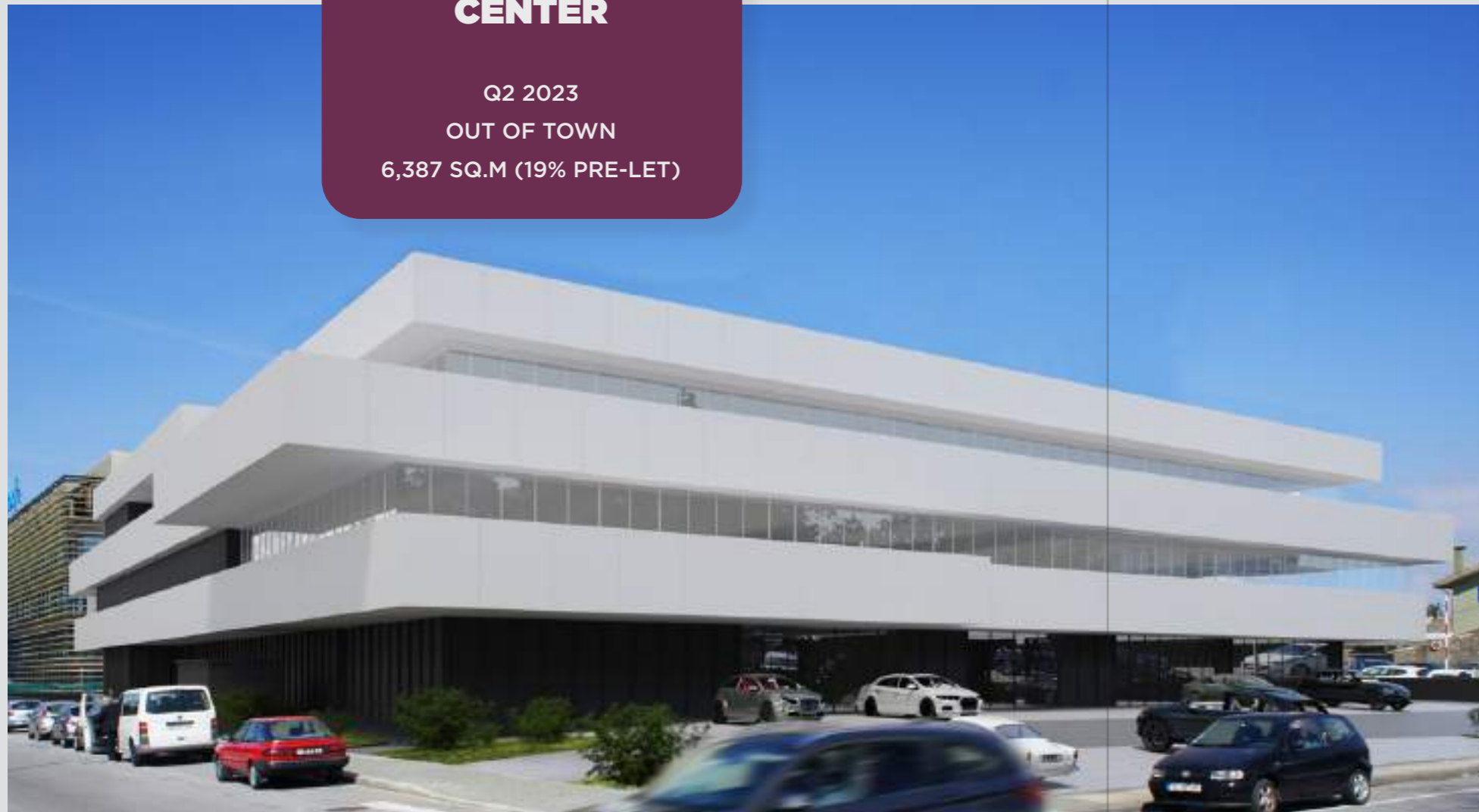
Q2 2023
OUT OF TOWN
6,387 SQ.M (19% PRE-LET)

MATADOURO CAMPANHÃ

Q4 2024
EXPANSION ZONES
11,900 SQ.M

ICON OFFICES

Q3 2023
EXPANSION ZONES
13,373 SQ.M



PORTO COMPANIES

MIGRATION

ANALYSIS



DO COMPANIES REMAIN LOYAL TO THE MARKET AREAS WHERE THEY WERE PREVIOUSLY ESTABLISHED?

ARE THEY OPEN TO NEW AREAS?

AND WHAT ABOUT NEW COMPANIES, WHAT IS THEIR LOCATION TREND?

DO THEY IMMEDIATELY BET ON CENTRAL AREAS, OR DO THEY TEST THE WATERS IN MORE SECONDARY AREAS?

CBD BOAVISTA

Boavista brings Porto city a type of business characteristic no other zone does. The popularity of CBD Boavista is so compelling that

100%

of companies which that expanded their facilities within the same area. On the other hand, when it comes to relocating, **56%**

of corporates moved to Boavista, from its neighbour zone, CBD Downtown.

**CENTRALITY
+
PRESTIGE**

Moreover, it has welcome 27% of all the new companies that first opened their premises in this office zone.

This part of the city attracts and retains businesses' loyalty due to its centrality and accessibility, with a rich public transport network.

From 2019 to 2022, the zone was responsible for 26% of the total take-up of Porto office zones.

DESTINATION: CBD BOAVISTA	RELOCATION	EXPANSION AREA
CBD BOAVISTA	20 %	100 %
CBD DOWNTOWN	56 %	0 %
EXPANSION ZONES	0 %	0 %
OTHER ZONES PORTO	2 %	0 %
OUT OF TOWN	23 %	0 %
NEW COMPANY IN PORTO	27 %	
NO INFORMATION	18 %	

CBD DOWNTOWN

This area has been going through a rehabilitation process in the last years, which brings the city centre a more contemporary aspect, while keeping its historic traits. This zone has been so popular that both companies that relocate or expand their office spaces choose to do so within the same area, with a loyalty rate of

100%

in both categories. TMT's & Utilities is the leading sector in CBD Downtown.

**CHARACTER
+
CONVENIENCE**

Much like Boavista, it attracts its residents thanks to the convenience, specially in terms of public transport and location, this zone offers.

In the last 3 years, CBD Downtown amounted 18% of the full take-up of this office zone.

DESTINATION: CBD BOAVISTA	RELOCATION	EXPANSION AREA
CBD BOAVISTA	0 %	0 %
CBD DOWNTOWN	100 %	100 %
EXPANSION ZONES	0 %	0 %
OTHER ZONES PORTO	0 %	0 %
OUT OF TOWN	9 %	0 %
NEW COMPANY IN PORTO	36 %	
NO INFORMATION	3 %	

EXPANSION ZONES

Mainly an industrial area, this zone has welcomed new office spaces recently, such as the Building Centro Campanhã. With a privileged location, especially due the Campanhã Terminal (metro and train stations, with a great accessibility to the rest of the city), highways and variety of new residential developments, this zone has primarily attracted Pharmaceuticals & Health companies.

ACCESSIBILITY
+
RENOVATED PREMISES

The Expansion Zone accounted for 14% of the total take-up from 2019 to 2022. The zone's loyalty rate when it comes companies expanding their premises amounts

79%

Though, regarding relocation movements, **66%**

of corporates that established themselves in this zone came from CBD Downtown as their new address.

DESTINATION: EXPANSION ZONES	RELOCATION	EXPANSION AREA
CBD BOAVISTA	0 %	79 %
CBD DOWNTOWN	66 %	21 %
EXPANSION ZONES	0 %	0 %
OTHER ZONES PORTO	0 %	0 %
OUT OF TOWN	34 %	0 %
NEW COMPANY IN PORTO	27 %	
NO INFORMATION	42 %	

OTHER ZONES

The second largest office zone is responsible for 9% of Porto's take up over the last 3 years. Known for its large university campus and its highways, this area comprises the rest of Porto city and has welcomed, since 2019, 49% of all the new companies that relocated to this office zone.

OUTSKIRTS OF THE CITY CENTER
+
COMPETITIVE RENT PRICES

Its prime rent tends to be slightly lower than the previous zones within Porto city, which can be a decision making. Additionally, it surrounds the central office zones, giving an extra advantage when it comes to accessibility.

43%

of the companies that relocated their offices chose to remain in this market zone and 17% came from the Boavista CBD.

49%

of the take-up in this zone in 2022 comes from new companies.

DESTINATION: OTHER ZONES	RELOCATION	EXPANSION AREA
CBD BOAVISTA	17 %	0 %
CBD DOWNTOWN	0 %	0 %
EXPANSION ZONES	0 %	0 %
OTHER ZONES PORTO	40 %	0 %
OUT OF TOWN	43 %	0 %
NEW COMPANY IN PORTO	49 %	
NO INFORMATION	0 %	

OUT OF TOWN

The largest zone comprises Porto airport. Its many highways provide such a convenient access to the rest of the country, in addition to being surrounded by the Atlantic Ocean and Douro River. Matosinhos, one of the towns located within his zone, is home to the region's harbour and many tech companies, which turns out to be the sector with the strongest presence in the zone. This area can be considered the most diverse in terms of offer, attracting companies from different segments.

INNOVATIVE PROJECTS
+
DIVERSIFIED BUSINESS ECOSYSTEM

Out of the entire Porto office zone, Out of Town is responsible for 32% of the final take-up since 2019 and 26% of the new companies' operations. In addition,

53%

of all companies previously established in the zone, opted stay in the same area when relocating, while

51%

chose to expand their facilities within the same office zone.

DESTINATION: OUT OF TOWN	RELOCATION	EXPANSION AREA
CBD BOAVISTA	14 %	28 %
CBD DOWNTOWN	21 %	0 %
EXPANSION ZONES	14 %	18 %
OTHER ZONES PORTO	0 %	3 %
OUT OF TOWN	53 %	51 %
NEW COMPANY IN PORTO	26 %	
NO INFORMATION	18 %	

THE BUSINESS SECTORS

	CONSTRUCTION & REAL ESTATE	CONSULTANTS & LAWYERS	PHARMACEUTICALS & HEALTH	CONSUMPTION PRODUCTS	FINANCIAL SERVICES	BUSINESS SERVICES	TMT'S & UTILITIES	OTHER SEVICES	STATE, EUROPE, ASSOCIATIONS
CBD BOAVISTA									
CBD DOWNTOWN									
EXPANSION ZONES									
OTHER ZONES									
OUT OF TOWN									

ZONES PROFILES

ZONE 1

CBD Boavista

Comprising the Av. da Boavista - Rotunda Mouzinho de Albuquerque axis, this is the most prestigious area in the Porto office market, home to the headquarters and branches of the banking sector, insurance companies and law firms.

COMPANIES: Concentrix, PWC, PLMJ, Ebankit, Hipoges Iberia.

PRIME RENT: 18€/sq.m/
month

PIPELINE 2023-2025: No
projects

ZONE 2

CBD Downtown

This zone comprises the Av. Dos Aliados and Rua Gonçalo Cristóvão axis, and is known as the historic, riverside area of Porto occupied by technology companies and institutional services.

COMPANIES: Natixis, Critical TechWorks, AMP, Experis, Five9, Ageas

PRIME RENT: 15€/sq.m/
month

PIPELINE 2023-2025: 9,147
sq.m (100% pre-let)

ZONE 3

Expansion Zones

Comprising the Porto Business Zone and the Av. Fernão Magalhães axis, this is an industrial area in which new office projects are being created, mostly occupied by shared services companies and digital centres.

COMPANIES: FairJourney Biologics, Foundever, Infraspark, NOS

PRIME RENT: 21€/sq.m/
month

PIPELINE 2023-2025: 25,273
sq.m

ZONE 4

Other Zones

The Polo Universitario de Asprela and Foz do Douro zone, which comprises the most prominent university and residential areas, is home to companies from the health, finance, and engineering sectors.

COMPANIES: GKN Automotive Portugal, PHC Software, Continental Engineering Services

PRIME RENT: 12,50 €/sq.m/
month

PIPELINE 2023-2025: 14,566
sq.m

ZONE 5

Out of Town

This zone is composed of the towns of Matosinhos, Maia, Gondomar and Vila Nova de Gaia, areas located along important road axes in Porto in which multinational firms and companies associated with the automobile and freight forwarding sectors are based.

COMPANIES: Revolut, Adidas, Farfetch, Mercadona, Sodexo

PRIME RENT: 13,50 €/sq.m/
month

PIPELINE 2023-2025: 40,731
sq.m (38% pre-let | owner-
occupier)

COWORKING &

FLEXIBLE

OFFICE SPACES



Coworking is a term we are all familiar with by now. It is an open-space environment where tenants pay for the space they need. It could be either through a membership program or as it goes (a day, a week, or a month, per example), which gives them access to a mix of private and communal areas. This allows businesses to expand or downsize as needed, so tenants will not be tied up to a long-term commitment. On the other hand, there are also flexible office spaces, which is any work method that falls outside of traditional work patterns. Structures such as hot desks, open offices and collaborative coworking spaces are examples of such workspaces.

With hybrid and remote working schemes becoming even more popular due to the pandemic, entrepreneurs, freelancers and business of all sectors and sizes started working remotely, leading people to seek out flexible and proper alternatives and rethink the traditional office model. Digital nomads have also played a significant role in the way we approach the Monday to Friday, 9 to 6 conventional office routine.

Nowadays both employers and employees expect their workspace to be an experience. Companies want to provide their workers with sense of community, networking and collaboration opportunities, besides boosting their creativity and increasing productivity.



The demand for coworking spaces has seen an exponential increase in the post-pandemic scenario, due to several factors such as the internationalization of Portugal as a highly attractive destination to live and work.

At the same time, as the values and culture of companies evolve, there is a noticeable shift towards flexibility and the acceptance of remote work. This growing trend towards flexibility at work has further driven the demand for coworking spaces and flexible offices, which provide an environment that promotes productivity, creativity, sharing experiences and networking. These flexible workspaces offer a range of amenities and services, meeting the needs of professionals from different sectors. Whether it's the availability of high-speed Internet, well-equipped meeting rooms or the opportunity to make contacts with like-minded people, LACS has become choice of many professionals and companies looking for an inspiring work environment."

Martim Botton, LACS CEO

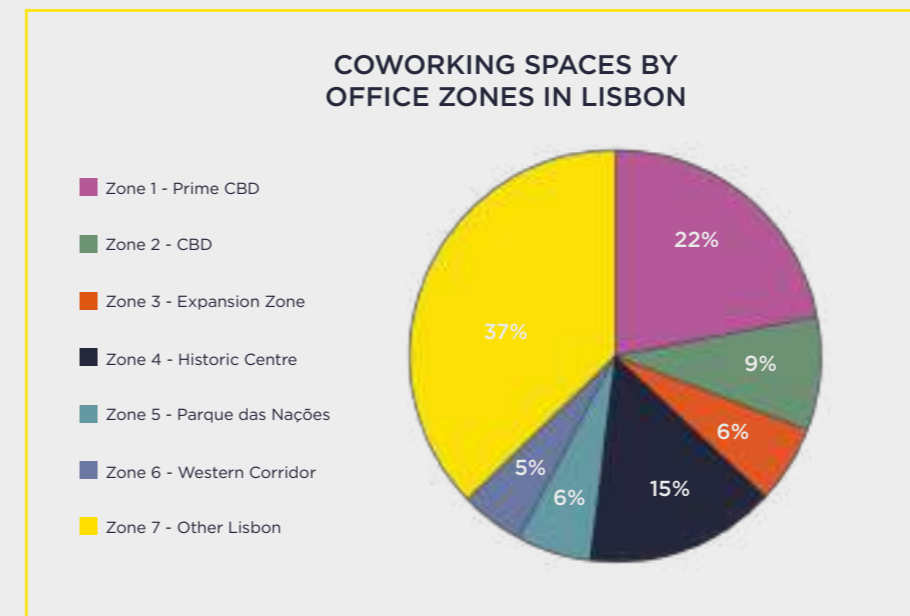
LISBON

A Savills study, in partnership with Workthere, has stated that in the next 10 years, 20% of all the office stock in Europe will become flexible workspaces. Lisbon ranks 3rd place when it comes the most active markets in terms of demand, which only shows traditional work methods have slowly been replaced for better and more efficient work schemes, that grant employees more flexibility and freedom.

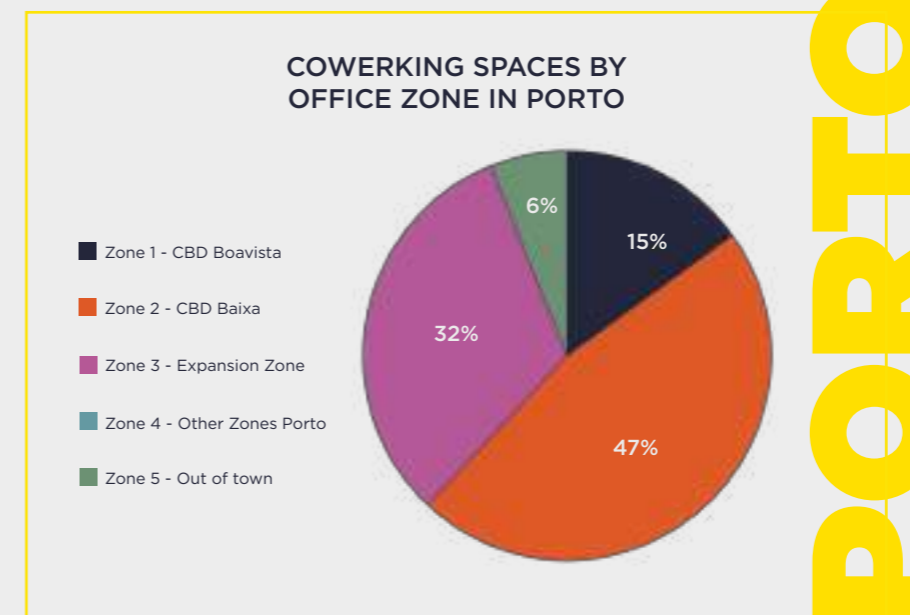
Having become a tech hub, Lisbon city has a vast range of coworking spaces, with approximately 125 units spread across the city, offering different features for

all needs and tastes. Just the Prime CBD office zone alone, which comprises Avenida da Liberdade, offers 30 of some of the best around. The Historic and Riverside Zone has become extremely popular in the last years, having arisen thanks to the city's expansion and need for additional office spaces, with 22 unique spaces located relatively close to the Tagus River.

Some of the biggest names in the market in Lisbon city are Regus Coworking, Sítio, Maleo, LEAP and WeWork, offering a range of different features that match different needs.



Source: Savills Research



PORTO

Porto might have a smaller offer when it comes to coworking spaces, but it certainly does not disappoint. Among 47 top-notch spaces, Regus, Porto i/o and Sítio are some of the largest chains of shared workspaces in the city. Spaces Avenida Meneses, for example, is opening its doors in 2024, in Matosinhos. Counting with 8,5000 sq.m and a great location (15 from the airport and 2 minutes from Matosinhos Beach) this is set to be the biggest coworking space in the country.

HUMAN TALENT



Managing talents is the key to maximize profits. We all know by now employees perform at their best when their work is meaningful, fulfilling and they can be their most authentic version. At the end of the day, we all want to thrive.

It is a fact nowadays people are more willing to change jobs more regularly than ever before and companies have actively been trying to offer their employees more work fulfilment and a better, healthier work-life balance as a mean to captivate workers. Organisations have been trying to find resources to boost people's talents and skills, which is less expensive than hiring external labour. It is essential that both employers and employees' needs are to be met. Companies aim to profit and create more businesses,

while workers want to expand their skillset and aptitudes and have more flexibility when it comes to working environments.

Captivating employees is one of the biggest challenges a company can face. In such a progressively active and globalised environment, having the right strategies to improve competitiveness and attract the best talent is a must. Creating a workforce culture that supports and embraces constant development sends workers a message that they are believed to have potential and value, therefore increasing levels of engagement and commitment. Furthermore, recognition and rewarding play just as an important part in managing talent, giving an extraordinarily strong idea of how people fit into a company's goals and mission.



PORTUGAL ON THE ROUTE OF TALENT



Tiago Henriques
Executive Manager, Michael Page



Portugal is clearly a very attractive country and dedicated to receiving service provider companies. Seen as a safe haven, it has gained, in recent years, a solid position on the radar of investors who look at Portugal as an opportunity. Excellent weather, good food, quality of life and safety are just some of the many factors that put Portugal, and more particularly Lisbon and Porto, on the route of international companies and investors.

Companies have been looking for Portuguese talent to supply the demand in the sectors of industry, finance and especially in technology. To the Portuguese talent, are now joined by thousands of digital nomads dedicated to the remote work, that allows them to work from anywhere in the world and Portugal has benefited from this new trend, like no other country in Europe.

Remote work is not a new concept though. Many companies, especially those dedicated to the technology sector, were already quite familiar with home office. The pandemic was only an accelerator, that spread this concept to those whose activity was also doable from home.

But one thing is certain: Remote work divides opinions. For some, it means higher productivity. For others, it is responsible for the loss of identity, of connection between teams, thus jeopardizing the productivity of the company.

We have mostly gone from 100% at home, during the pandemic, to a hybrid system. A transition that for many was abrupt, that required companies and their employees to readapt. Never has the term flexibility been so used. And we are not just talking about the hype of flexible spaces, with attractive designs, that promotes collaborative work. We are now also talking about human talent that now requires flexibility, mobility, and work life balance.

Portugal produces high quality talent, at interesting and competitive prices. There are several universities on the top best of the world here, that make a great effort to train people to become excellent. There are also several companies that have been creating partnerships with universities, aiming at finding and developing cvs that are more in line with companies' real needs and daily challenges.

It is important to remember that there are much more than the big cities, meaning that, investing only in Lisbon and Porto may not be the solution. In such places, the price of real estate continues to rise and there is a great dispute for talent. I am not surprised that companies are now choosing to explore smaller cities, for example. For a company that already has operations here, looking outside of Lisbon and Porto makes sense.

ESG & SUSTAINABILITY

Investors have a big challenge ahead: to produce returns and to advance the low-carbon transition.

40% of CO2 emissions in the world come from the real estate industry, with **30%** representing the construction sector and the other **70%** coming from building operations, such as maintenance, plumbing, electricity and HVAC (heating, ventilation and air conditioning). Just lighting itself can reach up to 40% of a commercial property power consumption.

Properties buyers and tenants have started to demand changes and expect property owners to make investments to meet the new eco-friendly standards, making it noticeably clear that whoever does not adapt to it, will be left out of the market with a non-profitable property.

The European Union intends to decarbonize the building sector by 2050. Renewable energy, rising carbon prices and energy efficient buildings are some of the steps to achieve net zero carbon footprint. A study made by the Bank of England, in April 2021, has stated that high

CO2 emitting properties have seen a significant reduction in their value and investors' interest, showing concerns when it comes to high maintenance costs, thus, these types of assets demonstrate a lower level of attractiveness due to the lack of effort from property owners to keep up with the new sustainability standards and certifications.



ESG

STANDS FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE.



It works as a metric system that evaluates the performance of companies in these areas, being one of the main criteria investors take into consideration when investing their money.



1

Environmental issues regard energy usage, waste, corporate climate policies, recycling, pollution, and natural resource conservation.

2

Social reflects how companies manage health and safety issues, their relationship with employees, suppliers and customers, fair labour practices, policies against sexual misconduct and how diversity is encouraged

3

Governance refers to corporate management policies within a company, including tax strategy, compensation, leadership, rights of partners and shareholders, and ethical behaviour.

At present, investors have chosen to invest in socially responsible, sustainable, and profitable companies, as they consider that they are better prepared to face social, environmental, and economic risks and create long-term shareholder value.

A study made by Architecture 2030, a non-profit, research organisation, which's "mission is to rapidly transform the built environment from the major contributor of greenhouse gas emissions to a central solution to the climate crisis", has stated that by 2040, 2/3 of the world's building stock will be buildings that already exist today. Furthermore, the global building floor area is expected to double by 2060, which means

adding 230 billion sq.m of new floor area to the already existing stock, the equivalent of adding an entire New York City to the world every month, for 40 years. It is crucial for investors to make cohesive decisions, as the assets built, and the materials used to construct them will have significant impacts on the real estate market's future carbon emissions. Buildings that are energy efficient can also help to reduce energy and water bills and increase their durability.

LISBON

Lisbon has been a clear example of a city that has been actively taking steps towards sustainability. The Portuguese capital has won the European Green Capital Award for 2020. This prestigious title was awarded by the EU Commissioner for Environment, Maritime Affairs and Fisheries, Karmenu Vella, at an awards ceremony in Nijmegen, the Netherlands – the current European Green Capital. The committee believed Lisbon, which started its sustainability journey during an economic crisis, could be an inspiring role model for other cities across the EU, “demonstrating clearly that sustainability and economic growth go hand in hand.”

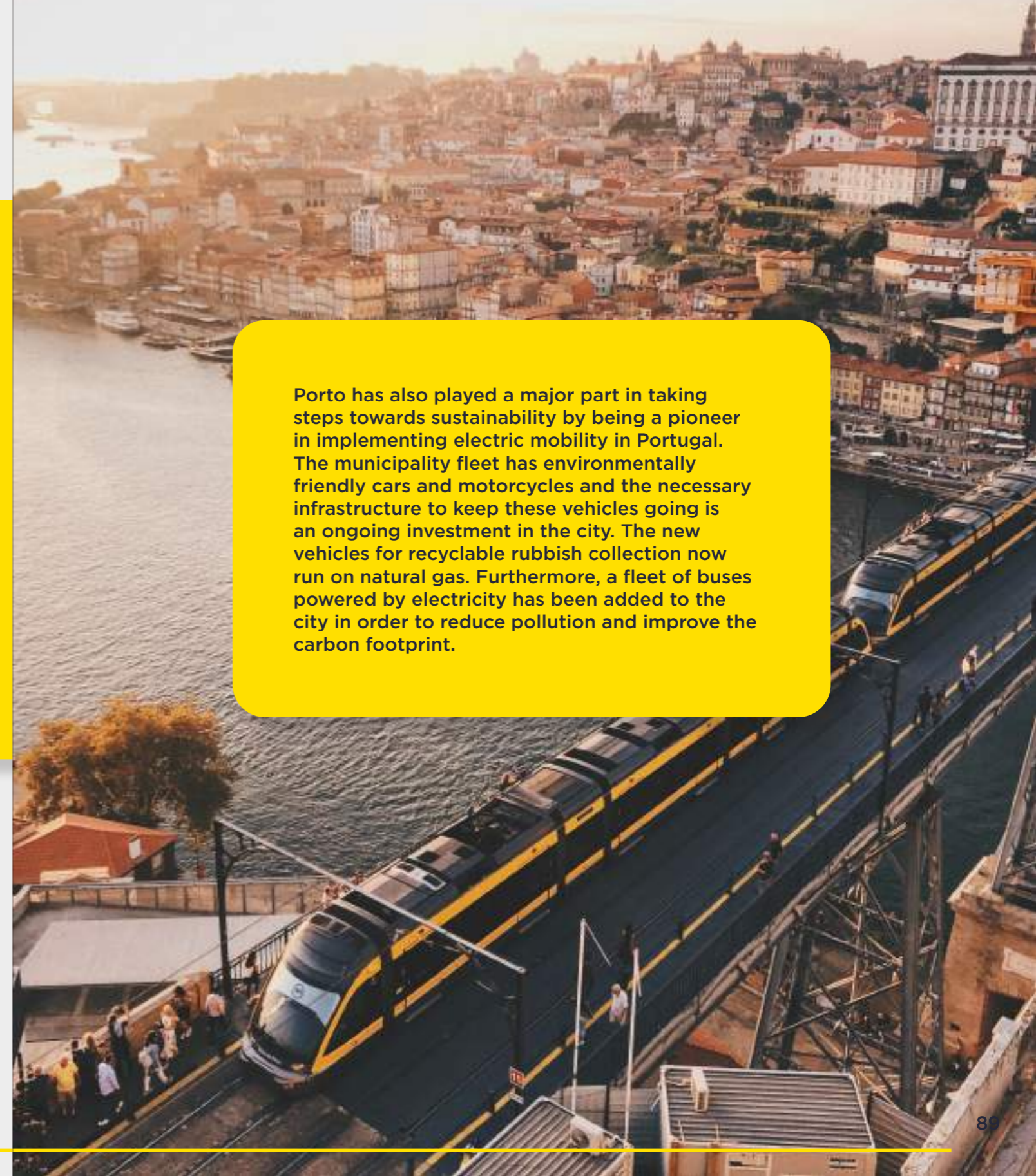
In addition, Lisbon offers a range of sustainable means of mobility that allow its residents and visitors to move around easily. By foot, bicycle, electric scooter, public transport or shared vehicles, the range of possibilities is gradually growing within a global framework of sustainable development. The city has been actively taking measures in order to keep up with other green capitals, such as:

- Since 2008, Lisbon has been cleaning up the Tagus Estuary with the help of substantial investment from EU Cohesion and Structural Funds.
- It has one of the world’s largest networks of electric vehicle charging points, while 39% of the municipal car fleet is electric.
- Lisbon achieved a twenty eight percent reduction in energy consumption between 2012 and 2017.
- In 2019, the city established a bike-sharing scheme in which, with the city’s hills in mind, two-thirds of the bikes were electric
- There was a fifty percent reduction in water consumption by the municipality since 2013.



PORTO

Porto has also played a major part in taking steps towards sustainability by being a pioneer in implementing electric mobility in Portugal. The municipality fleet has environmentally friendly cars and motorcycles and the necessary infrastructure to keep these vehicles going is an ongoing investment in the city. The new vehicles for recyclable rubbish collection now run on natural gas. Furthermore, a fleet of buses powered by electricity has been added to the city in order to reduce pollution and improve the carbon footprint.



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