

The Savills logo, consisting of the word "savills" in a red, lowercase, sans-serif font, is positioned within a solid yellow square at the top center of the page. The background of the entire page is a dark, high-contrast photograph of a modern shopping mall interior, featuring a prominent glass-enclosed staircase and a retail store with a red "H&M" sign visible in the upper right.

savills

SPOTLIGHT

RETAIL MARKET

WHAT'S GOING ON
IN PORTUGAL?

RETAIL MARKET - PORTUGAL - H1 2026

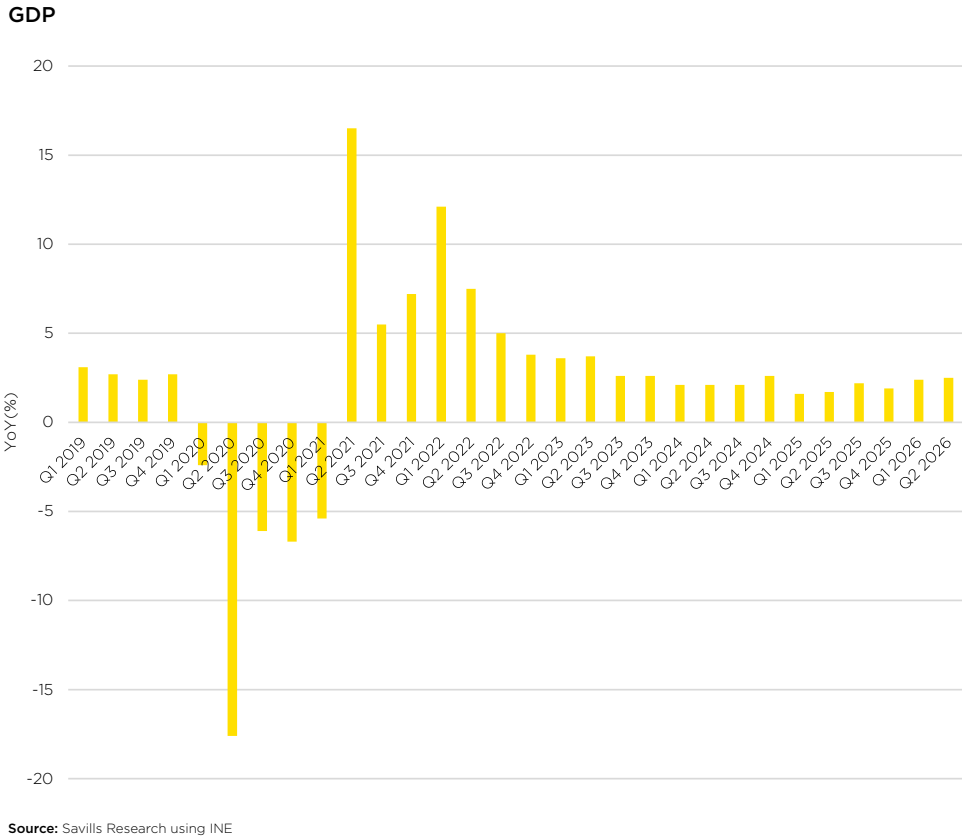
RESEARCH

Economic backdrop

Real GDP grew 2.5% year on year in the second quarter, marginally ahead of the 2.4% recorded in the first.

Output expanded 0.8% against the previous quarter, compared with 0.1% in the first. Growth was led by an acceleration in private household consumption, supported by a recovery in exports of goods and services which reduced the negative contribution from the external sector.

Headline CPI stood at 3.2% year on year in June, lifted by temporary energy base effects, while core inflation held at 2.5%.

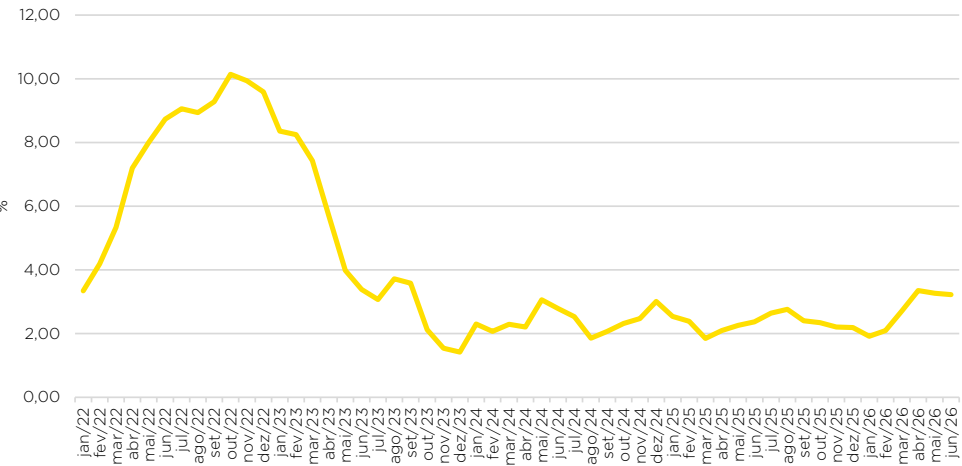


REAL GDP
Q2 2026

2.5%

YoY

EVOLUTION OF CPI



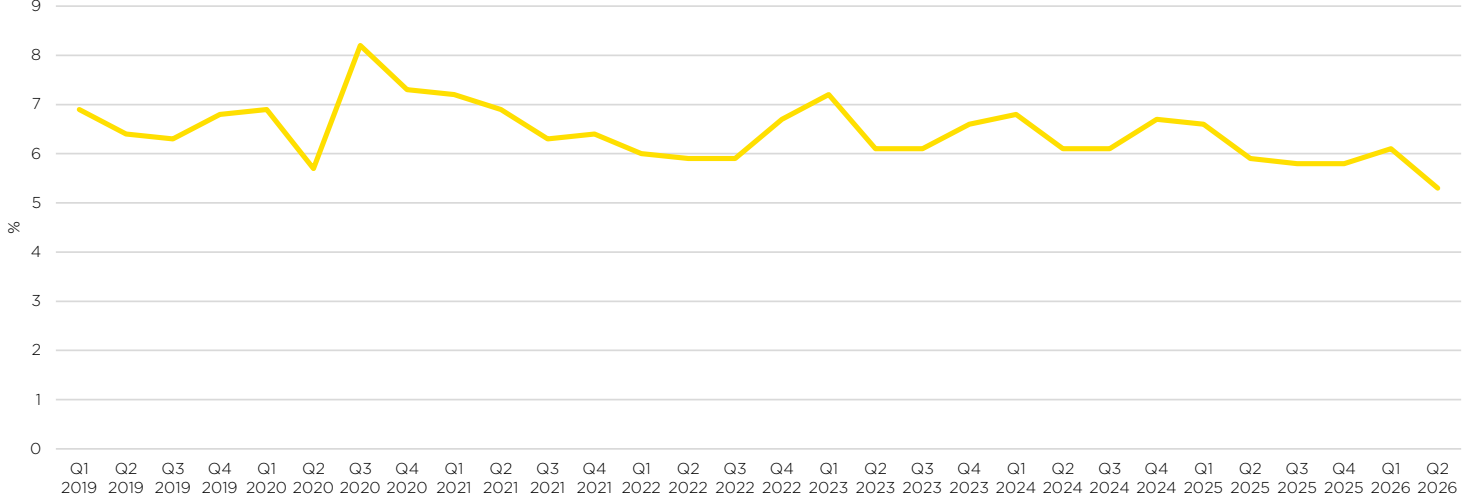
Labour market and household demand

Unemployment fell to 5.3% in the second quarter of 2026, its lowest level since 2011, while the employed population reached an all-time high of 5.4 million, up 2.9% year on year.

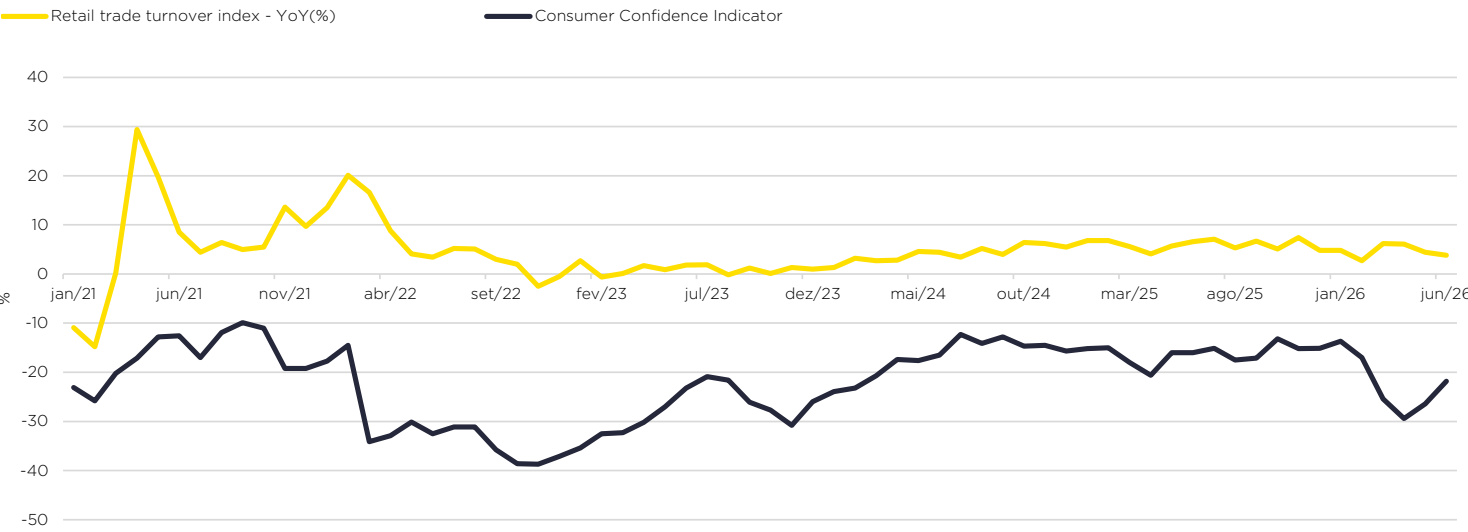
Consumer confidence fell sharply through the early months of 2026, reaching a trough of -29.4 on the back of geopolitical uncertainty and energy cost pressures - a level last seen during the inflation peak of 2022. Retail trade turnover did not follow it down. The index remained in positive territory throughout, running between 3.8% and 6.2% year on year, and confidence itself recovered to -21.8 by June.



EVOLUTION OF UNEMPLOYMENT RATE



PORTUGAL CONSUMER DATA



Supply

Portugal’s retail stock reached approximately 3.99 million sq. m across 185 schemes by mid-2026.

Two schemes opened during the period, adding 21,000 sq. m: the expansion of Beja Retail Park (9,000 sq. m) and Batalha Retail Park (12,000 sq. m). Stock has grown at an average of roughly 0.7% a year since 2019, a rate that leaves the market supply-constrained relative to demand.

DELIVERED
YTD 2026

21,000

sq. m

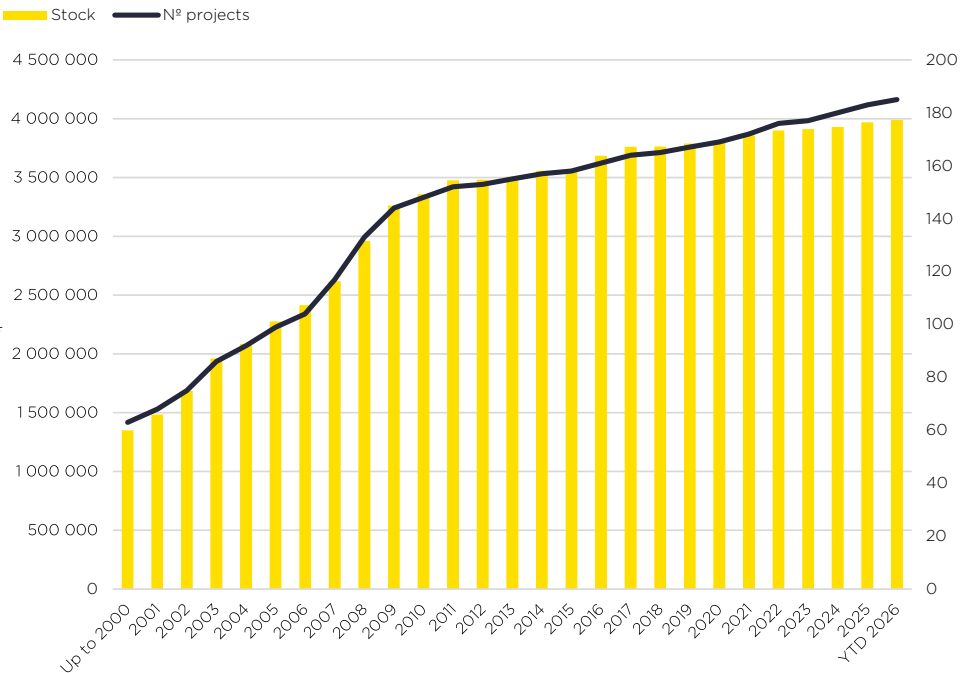
Schemes opening in 2026 average 10,500 sq. m, against an average of 21,600 sq. m across the existing stock. Every scheme delivered in 2026 sits outside the Lisbon metropolitan area, and every one is a retail park.

The pipeline reinforces both patterns – Cantanhede Retail Park (6,000 sq. m), City Centre Covilhã (18,000 sq. m), Azores Retail Park (15,000 sq. m) and Retail Park Póvoa de Varzim (21,000 sq. m) together represent 60,000 sq. m, concentrated in secondary and regional catchments. In addition, the Alentejo Retail Center (9,000 sq. m) and the Beja Retail Park expansion (9,000 sq. m) further strengthen this trend, adding another 18,000 sq. m to the development pipeline.

Shopping centres remain dominant at 68% of floorspace, but retail parks have grown to 17%, and it is retail parks that account for essentially all near-term additions.



RETAIL STOCK AND NUMBER OF SCHEMES | PORTUGAL



Source: Savills Research

COMPOSITION OF RETAIL STOCK BY FORMAT 2026



Source: Savills Research

Investment

Retail attracted €463.9m in the first half of 2026, equivalent to 33.0% of all commercial real estate investment in Portugal.

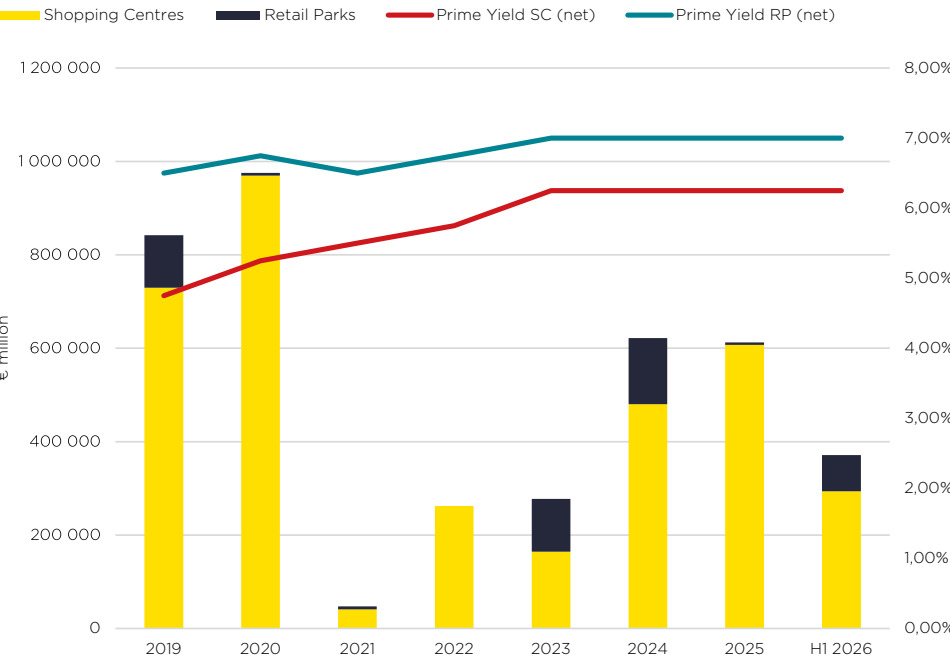
That share is almost identical to the 31.6% recorded across the whole of 2025, and the half-year volume represents 54% of the 2025 full-year total.

Shopping centres remain the volume anchor at €293.5m, or 63% of retail investment in the half and 48% of the entire 2025 shopping centre total in six months.

Retail parks returned decisively after a year in which the format was effectively absent: €78.0m in the first half against €5.5m for all of 2025, and 55% of the 2024 full-year figure. Supermarkets contributed €81.8m, matching in six months what the format typically records across a full year. High street was the one segment to move the other way, at €10.6m.



EVOLUTION OF INVESTMENT VOLUME AND PRIME YIELDS



Source: Savills Research

TOP TRANSACTIONS

ASSET	FORMAT	LOCATION	GLA SQ. M	SELLER	BUYER	VOLUME €M
Gaia Shopping Arrábida Shopping*	Shopping Centre	Vila Nova de Gaia	119,589	Sonae Sierra	CA Maia Capital	180
Aqua Portimão (50%)	Shopping Centre	Portimão	36,066	Generali	Klépierre	59
Retail Park Matosinhos	Retail Park	Matosinhos	33,425	Santander AM	Montepio Gestão de Ativos	50
Alameda Shop & Spot	Shopping Centre	Lisbon	38,000	DWS	Square Asset Management	49
Alta Retail Park	Retail park	Lisbon	11,000	Savills AM	Redevco	23
TOTAL			238,080			361

* Sale of shareholdings.

Source: Savills Research

Pricing
Prime yields were stable across three of the four segments. Shopping centres held at 6.25%, and retail parks at 7.00%. Grocery priced at 6.00%, 25 bps inside shopping centres and 100 bps inside retail parks. High street was the exception: at 4.25%, prime yields have tightened 75 bps from the 5.00% recorded in 2023 and 2024, restoring a 200 bps spread to shopping centres.



Shopping Centres

The second quarter confirmed a more constructive tone than the first, as the market absorbed the uncertainty generated by escalation in the Middle East.

The improvement is clearest in dominant centres, which continue to record growth in both sales and footfall, reinforced by a tourist season that began early and with intensity.

Occupier demand is more active than a year ago but also more disciplined. Expansion decisions increasingly rest on proven sales, qualified footfall, a sustainable occupancy cost ratio and the asset's capacity to generate frequency of visit. Processes that had been on hold during the first quarter were unblocked in the second, with several expansion mandates concluded. These were concentrated in categories that lift frequency and dwell time: selective food and beverage, health and beauty, sports, lifestyle, services, entertainment and convenience. Mid-market fashion, roll-out-led models, banking and telecoms were the categories releasing space.

Did you know?
Brands continue to treat shopping centres as platforms for brand exposure, customer acquisition and omnichannel fulfilment rather than as points of sale alone.

Prime shopping centre rents stood at €120/sq. m/month, having recovered from the €85 trough of late 2021 and now 20% above the 2019 level. Rental growth from here is expected to remain selective — concentrated in dominant centres where low availability, strong sales performance and sustained demand for prime units support it. In secondary assets, growth will be more limited and more dependent on incentives, landlord capital expenditure and repositioning.



High Street

Lisbon prime rent reached €145/sq. m/month in the second quarter of 2026.

The rise represents 3.6% growth year on year and leaves prime rent 9.4% below the €160 peak recorded between 2019 and 2020. Porto moved further: prime rent on Santa Catarina Street reached €90/sq. m/month, above its 2019 series high and 12.5% up year on year.

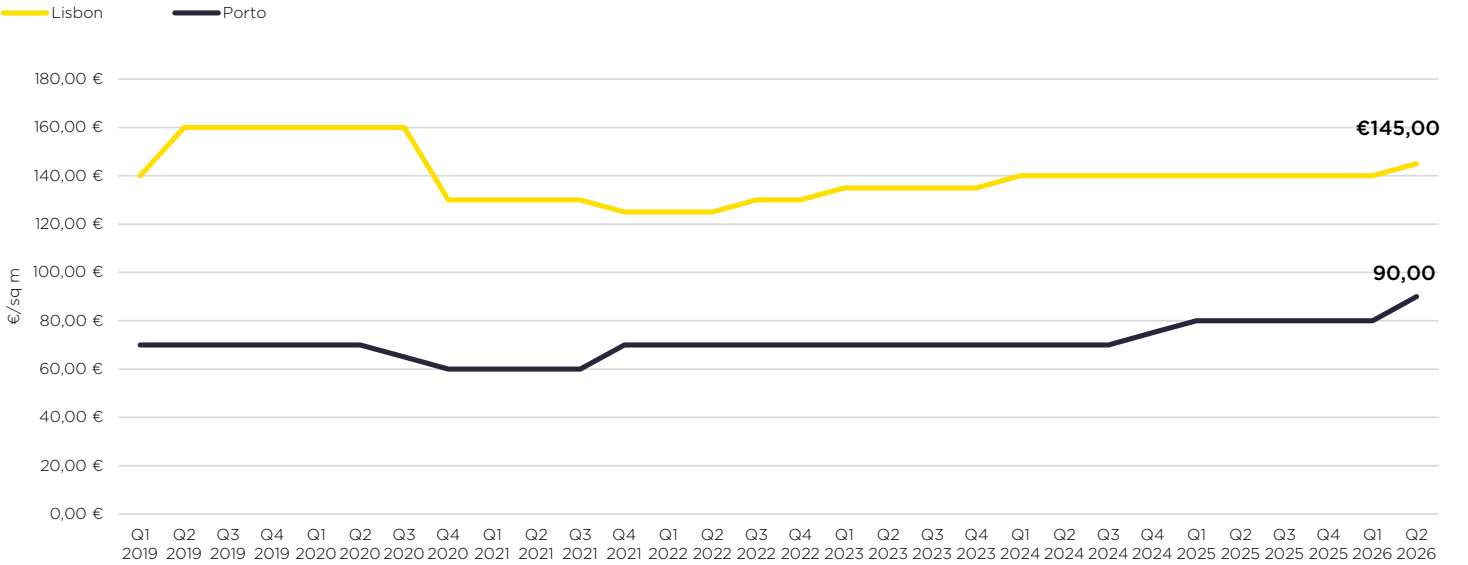
Tourism has proved resilient, with the season starting earlier and running harder than in recent years. And Portugal's positioning as a safe-haven destination for capital has fed through into occupier confidence at the prime end, particularly among luxury and aspirational brands.

Occupier demand in the half was led by fashion and accessories, non-food discount, convenience food and fitness. Food and beverage, banking and telecoms, and home and decoration were more cautious.

Did you know?
Investment volumes tell a different story from rents: €10.6m transacted in the first half against €97.9m across 2025, a record year for the segment. The contrast is a function of stock availability rather than appetite.



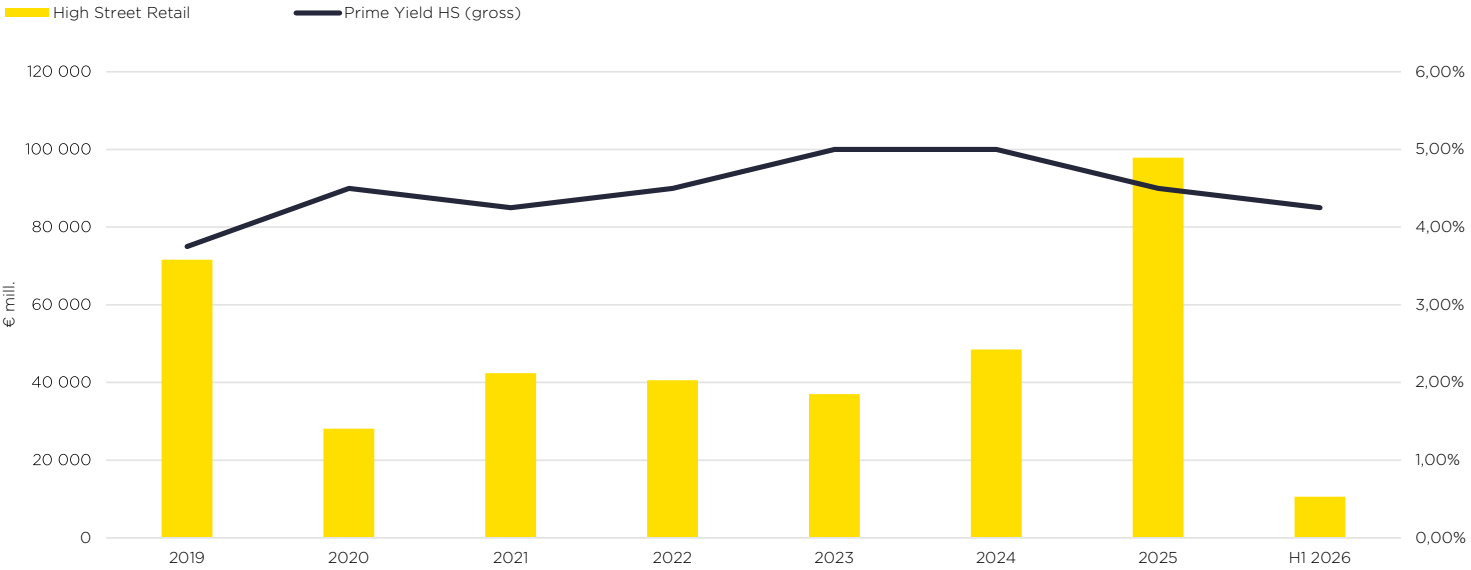
HIGH STREET PRIME RENTS | LISBON & PORTO



Source: Savills Research using INE



EVOLUTION OF INVESTMENT VOLUME AND PRIME YIELDS



Source: Savills Research using INE



Retail Parks

Retail parks were the clearest change of direction in the half. Investment reached €78.0m against €5.5m for the whole of 2025 and 55% of the 2024 full-year total, delivered through two transactions: Retail Park Matosinhos (€50m, Santander AM to Montepio Gestão de Ativos) and Alta Retail Park (€23m, Savills AM to Redevco).

The format is also the only one adding stock. All 2026 openings and the entire near-term pipeline are retail parks, concentrated outside the Lisbon metropolitan area. Prime rents stood at €12/sq. m/month, unchanged since 2023 and 14% above the 2019 level, while prime yields held at 7.00%, the widest in the retail spectrum and 100 bps outside grocery.



Grocery

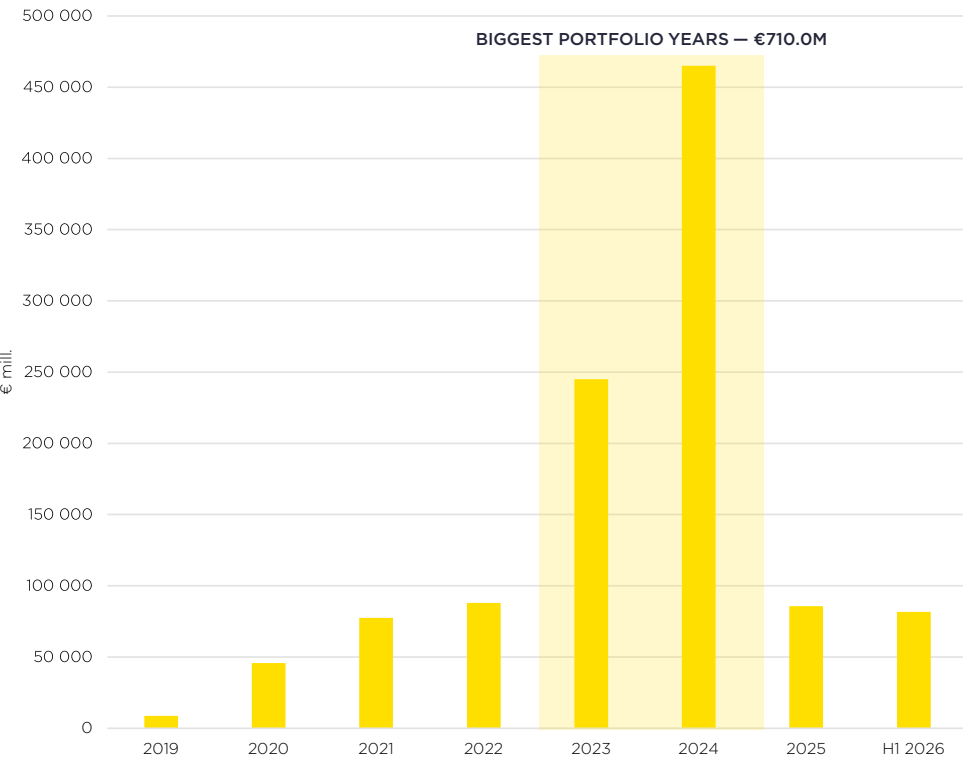
Supermarkets recorded €81.8m of investment in the first half, 17.6% of all retail investment in the period.

Cumulative investment in supermarkets since 2019 amounts to €1.10bn, but two thirds of that, €710.0m, was transacted in 2023 and 2024 alone, through large portfolio acquisitions. Excluding those two years, the format runs at €78m to €88m annually. The first half of 2026 has matched a normal full year in half the time.

Did you know?

At 6.00%, grocery is the tightest of the non-high-street segments, 25 bps inside shopping centres and 100 bps inside retail parks.

SUPERMARKET INVESTMENT VOLUME



Source: Savills Research

INVESTORS KEY-TAKEAWAYS

01

In dominant centres, rents are expected to continue growing selectively, supported by low availability, strong sales performance and sustained demand for prime units;

02

In secondary assets, rental growth will be more limited and more dependent on incentives, landlord capital expenditure and repositioning;

03

Prime yields are expected to remain broadly stable, with any compression confined to prime assets.





Savills Research

We're a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors.

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