savills

Lisbon Office Market

Where do companies want to be?

Q1 2022 Edition

Key Take-Aways

At the end of the 1st quarter of 2022, the Lisbon office market recorded a total take-up of 64,289 sqm, which represents a sharp rise of 120% compared to the same period of the previous year, and a very significant increase of 46% compared to the homologous period of 2020.

Take-up was leveraged by the owner-occupier operation of the Álvaro Pais building by Fidelidade, located in Zone 3, totalling 28,000 sqm. Even so, the market shows clear signs of recovery with a very active demand securing its position in the best projects.

Of the 45 deals closed during the 1st quarter of 2022, 17% of the GLA corresponds to the opening of New Companies in the Lisbon Region.

In the Prime CBD Zone, 91% of the area occupied by New Companies was absorbed by a flexi-space operator.

Western Corridor (69%) and Prime CBD Zone (25%) hold the highest loyalty retention rates, with companies showing a propensity to stay in the same zone when making the decision to relocate or expand their office space.

The Parque das Nações zone received new companies (52%) but also GLA from the CBD zone (32%).

In the CBD zone, 71% of the GLA occupied in the 1st quarter of 2022 came from the a flexible spaces operator, demonstrating preference for central locations, with an excellent transport network and complementary services.

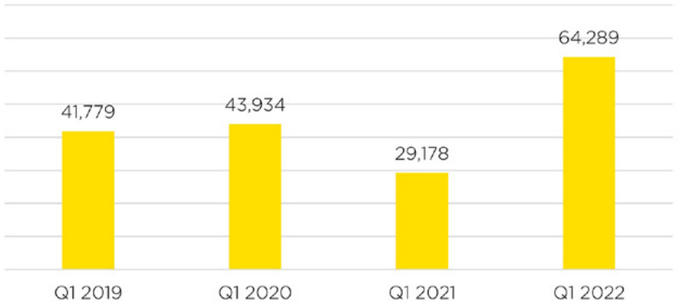
Companies Migration Analysis

From the total number of deals closed and considering only companies in the process of moving or expanding their premises, it was possible to ascertain 28 previous addresses. Of this sample, 60% of the GLA was directed to the same market area and 40% of the GLA was redirected to other market areas, different from the area of origin.

The Prime CBD zone (63%) and the Parque das Nações zone (52%) registered the highest percentages of GLA from New Companies, with the Business Services, Financial Services and Consultancy sectors leading the demand.

Lisbon Office Market: Accelerated Uphill Trajectory

Evolution of Take-up



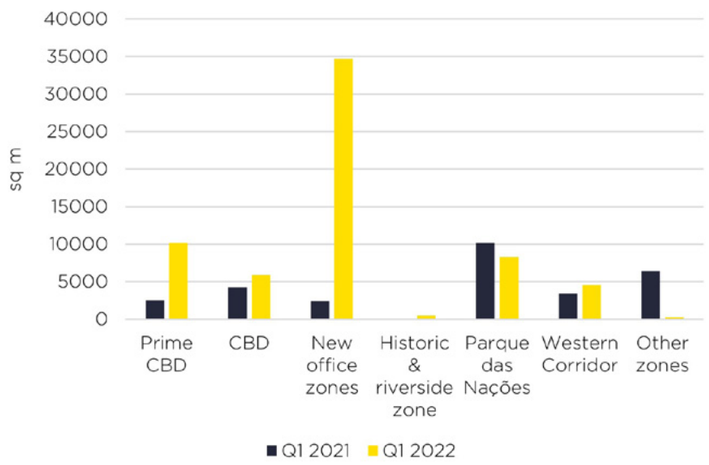
Top Market Zones Q1 2022

New offices Zone (Zone 3): 54%

Prime CBD (Zone 1): 16%

Parque das Nações (Zone 5): 13%

Evolution of Take-up by Market Zone



Top Business Sectors Q1 2022

Financial services: 47%

Business services: 18%

TMT´s & Utilities: 11%

Source: Savills | LPI

45

Total deals done Q1 2022

60%

Total companies staying in same market zone when moving or expanding

40%

Total companies moving to other market zone

17%

New companies in Lisbon Region

"Where do companies want to be?" analyzes where companies choose to go when they want to relocate, expand or open their activity in the Lisbon office market for the first time.

In the 1st quarter 2022, 45 office deals were recorded, of which 38 were analyzed and quantified in terms of:

- Origin Zone (office zone where the company was previously based);
- Destination zone (office market zone selected for new premises);
- Contracted office area (GLA);
- Main reason for hiring new office space
- Business Activity Sector.

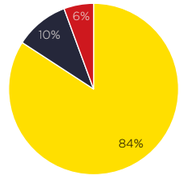
DESTINATION ZONE 7 | Other Zones

For the Other Zones (Zone 7) it was not possible to study the migration movement due to the lack of a viable sample of number of deals done.

DESTINATION ZONE 3 | New Office Zone

ORIGIN ZONE	Q1 2022
1	81%
2	8%
3	11%
4	0%
5	0%
6	0%
7	0%

% Take-up by Business Sector

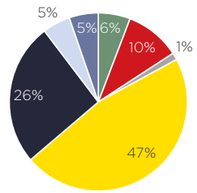


- Finantial services
- TMT´s & Utilities
- State, Europe & Assocations

DESTINATION ZONE 5 | *Parque das Nações*

ORIGIN ZONE	Q1 2022
1	0%
2	32%
3	5%
4	0%
5	1%
6	0%
7	0%
NEW COMPANIES IN LISBON REGION	52%
FLEXIBLE OFFICE SPACES - EXPANSION AREA	7%
NO INFORMATION OF PREVIOUS ADRESS	3%

% Take-up by Business Sector

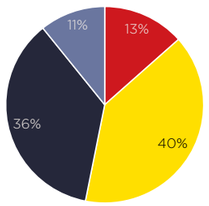


- Pharmaceuticals & Health
- Business services
- Construction & Real Estate
- Other services
- TMT´s & Utilities
- Consultants & Lawyers
- Finantial services

DESTINATION ZONE 6 | Western Corridor

ORIGIN ZONE	Q1 2022
1	0%
2	0%
3	0%
4	0%
5	0%
6	69%
7	12%
NEW COMPANIES IN LISBON REGION	11%
FLEXIBLE OFFICE SPACES - EXPANSION AREA	0%
NO INFORMATION OF PREVIOUS ADRESS	8%

% Take-up by Business Sector

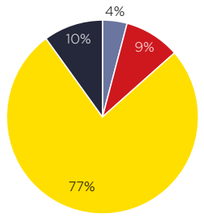


- Construction & Real Estate
- Other services
- Pharmaceutical & Health
- TMT´s & Utilites

DESTINATION ZONE 2 | CBD

ORIGIN ZONE	Q1 2022
1	0%
2	9%
3	0%
4	0%
5	0%
6	0%
7	0%
NEW COMPANIES IN LISBON REGION	4%
FLEXIBLE OFFICE SPACES - EXPANSION AREA	71%
NO INFORMATION OF PREVIOUS ADRESS	16%

% Take-up by Business Sector



- Consultants & Lawyers
- State, Europe & Assocations
- Business services
- TMT´s & Utilities

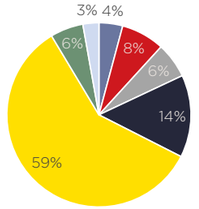
DESTINATION ZONE 4 | Historic & Riverside Zone

For the Historic & Riverside Zone (Zone 4) it was not possible to study the migration movement due to the lack of a viable sample of number of deals done.

DESTINATION ZONE 1 | Prime CBD

ORIGIN ZONE	Q1 2022
1	25%
2	4%
3	0%
4	2%
5	0%
6	0%
7	0%
NEW COMPANIES IN LISBON REGION	63%
NO INFORMATION OF PREVIOUS ADRESS	6%

% Take-up by Business Sector



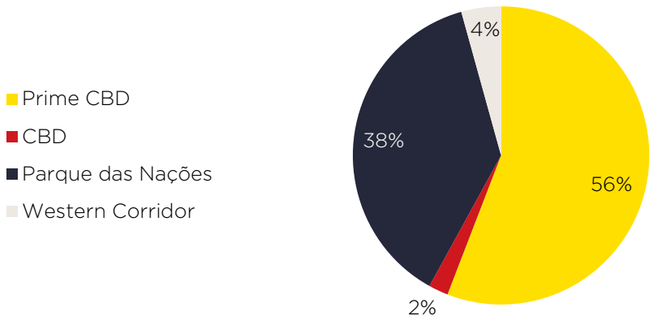
- Real Estate & Construction
- Consultants & Lawyers
- Other services
- Consumption Products
- Business services
- Finantial services
- TMT´s & Utilities

Migratory Analysis Q1 2022

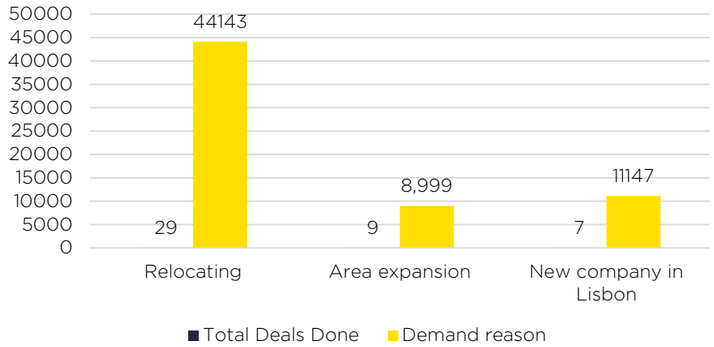
- Prime CBD
- CBD
- New Office Zone
- Historic & Riverside Zone
- *Parque das Nações*
- Western Corridor
- Other Zones

Migratory Movements Q1 2022

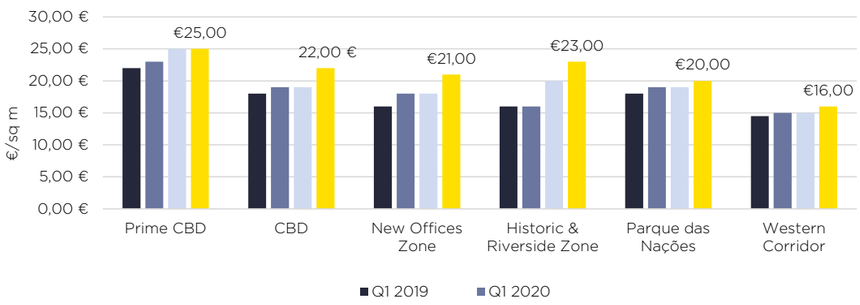
Where are New Companies in Lisbon settling?



Demand Reason



Evolution of Prime Rents



Source: Savills | LPI

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