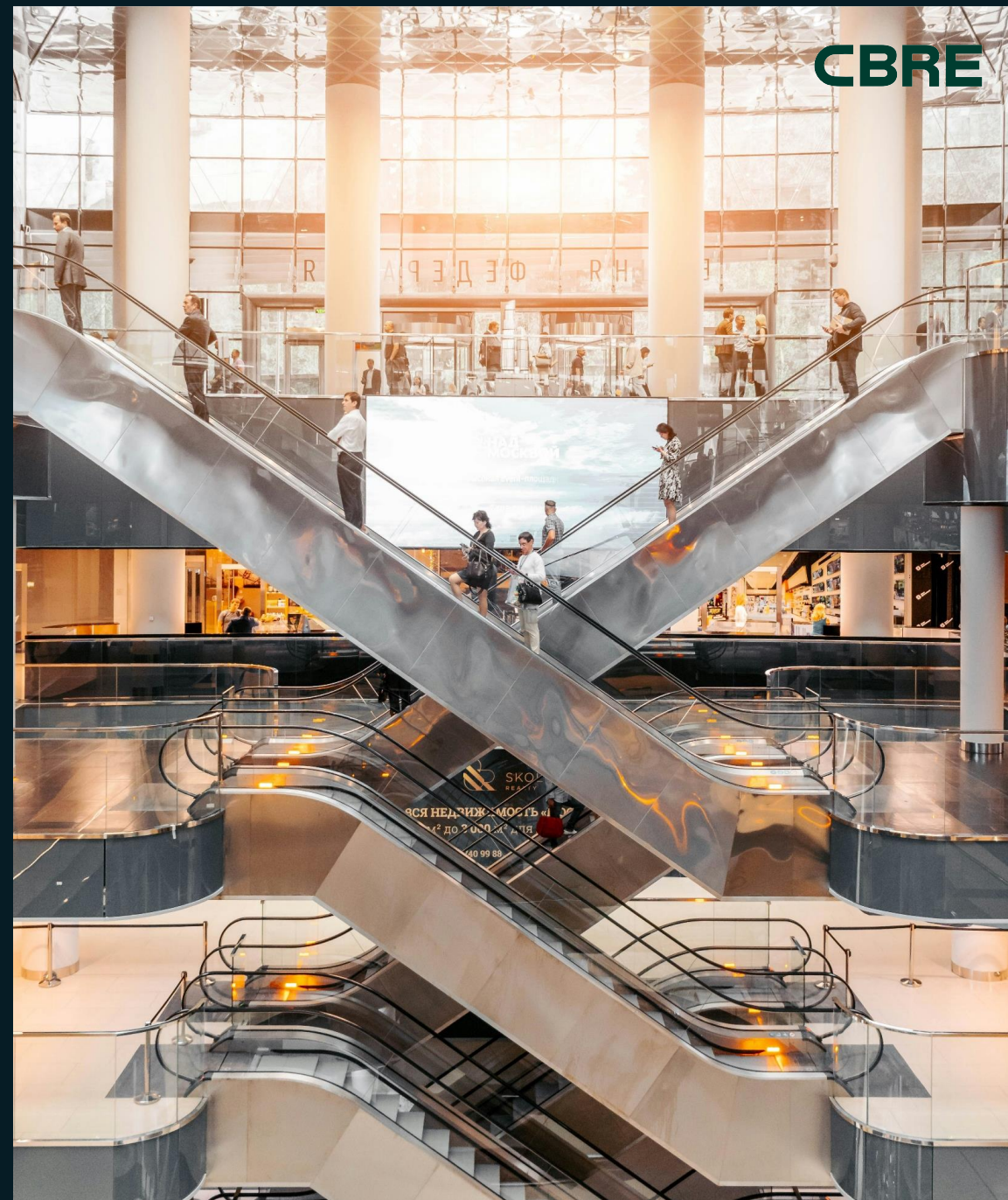


Realizing potential in Retail

PORTUGAL

CBRE RESEARCH

MAY 2025



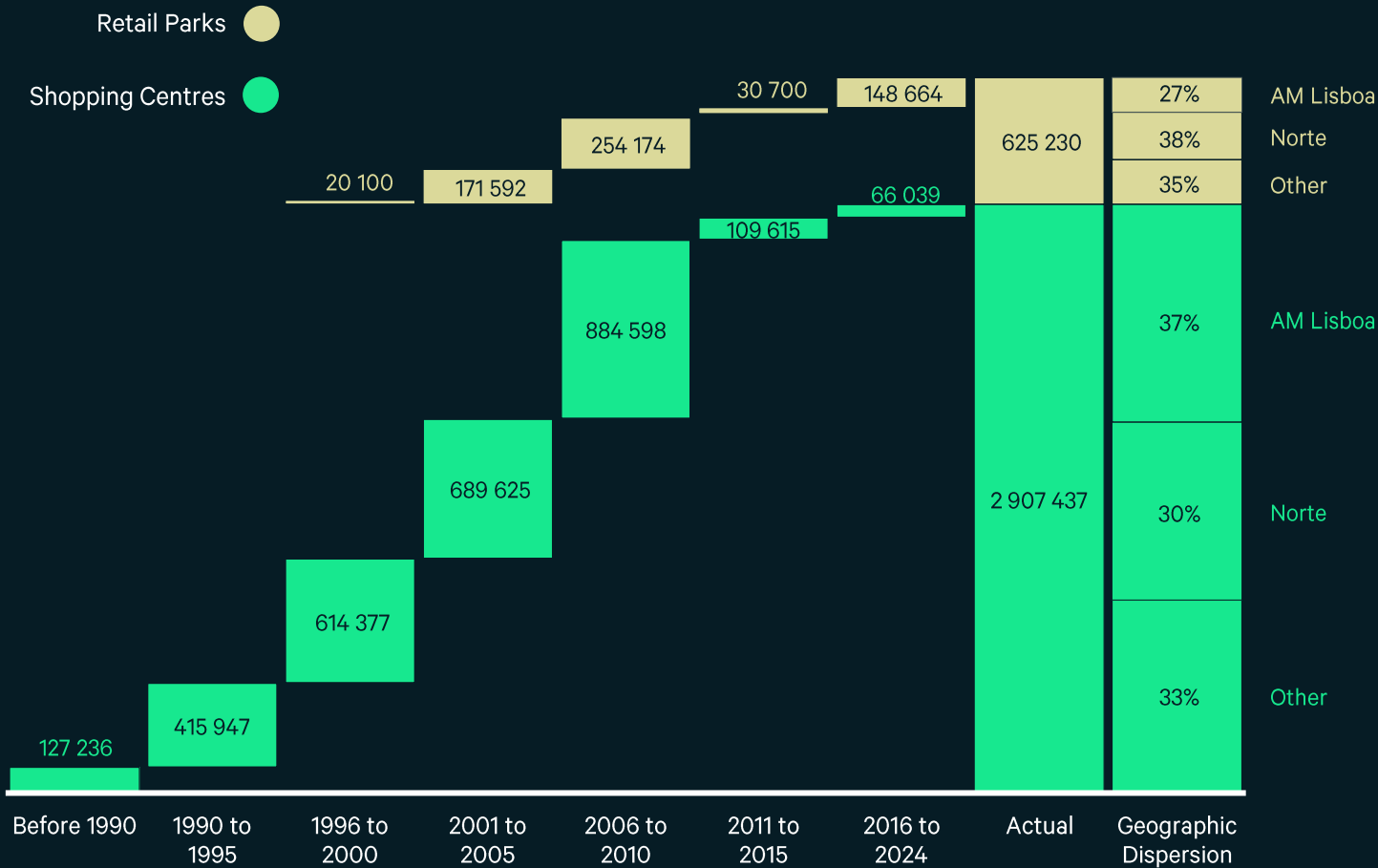
Agenda

1. **Market Overview**
2. **The particularities of e-commerce in Portugal**
3. **Leisure and F&B as an anchor for Shopping Centers**
4. **Local and touristic footfall in Lisbon and Porto Highstreet**

Retail schemes: stable stock of shopping centers, growing stock of retail parks, rising rents

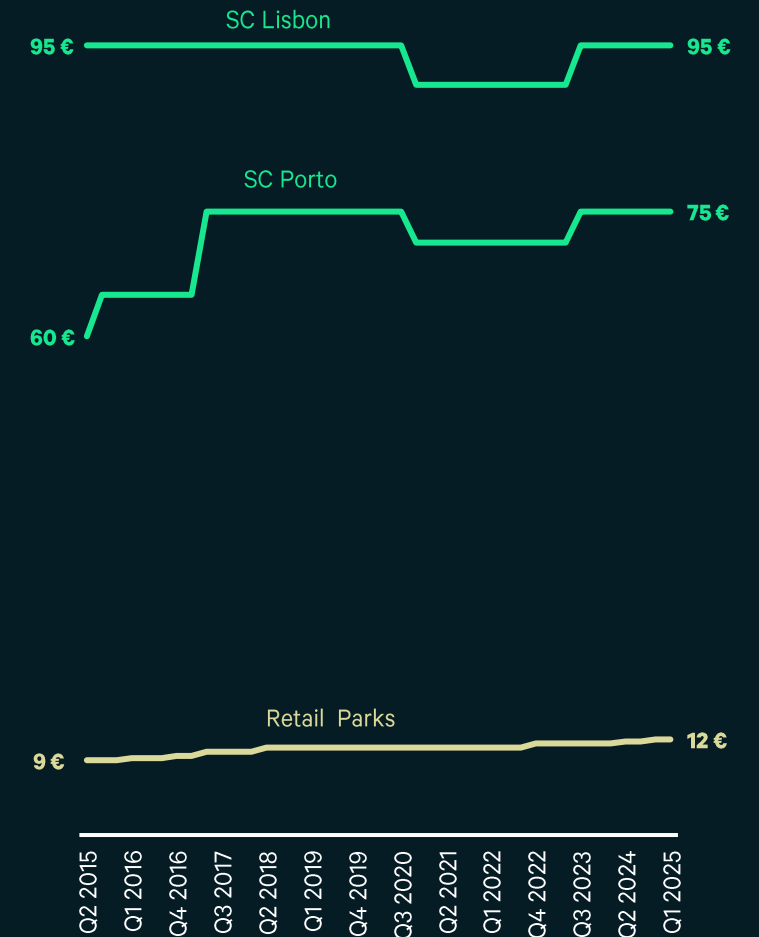
Stock addition

[sqm]



Prime Rents

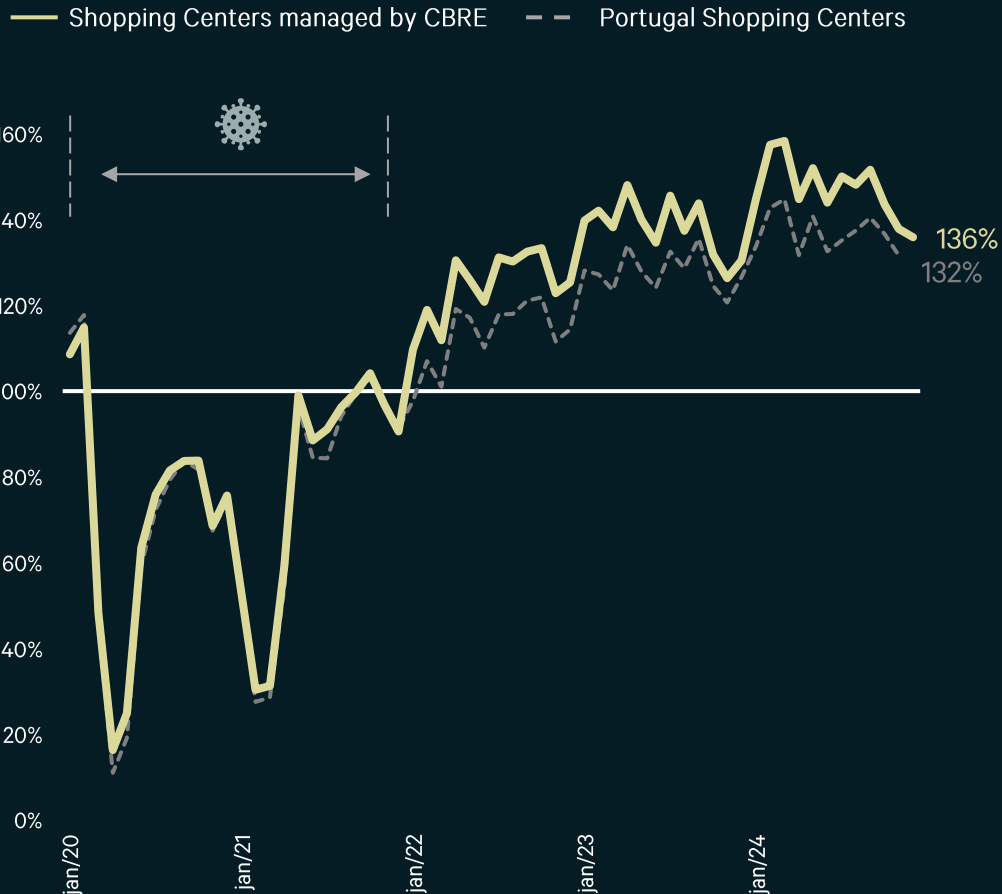
€/sqm/month



The performance of Retail schemes has been positive since COVID

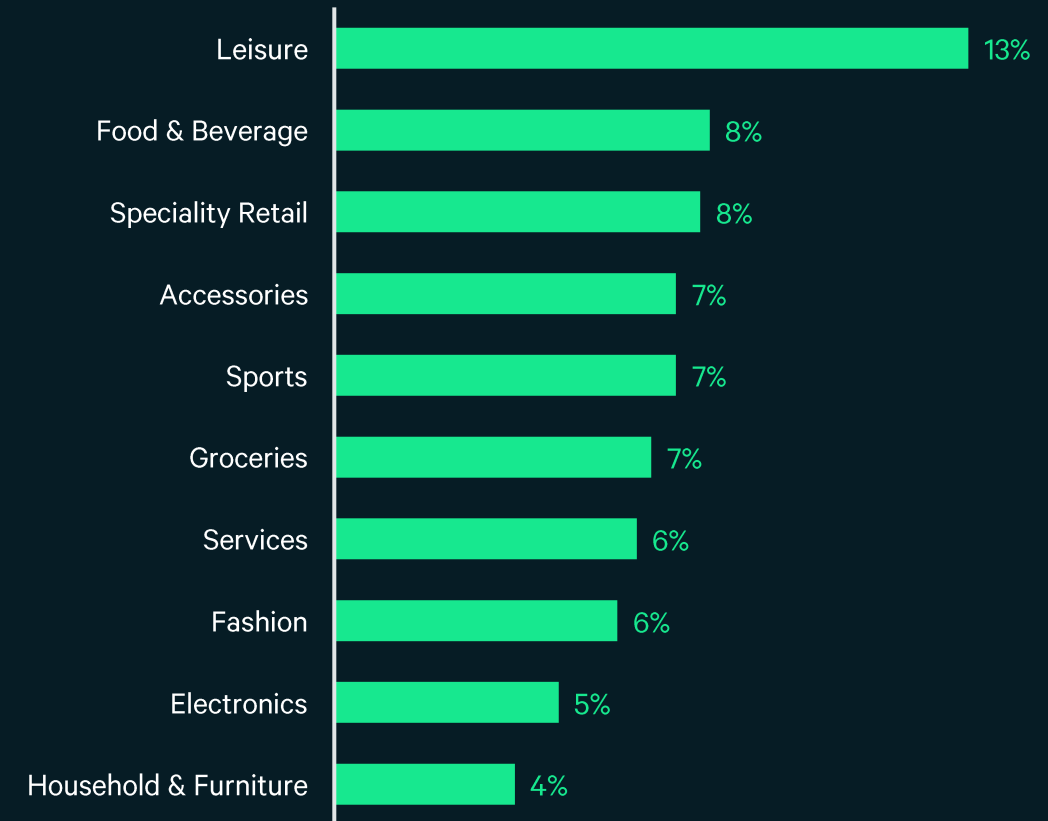
Evolution of the Like for Like Revenue Index

[100% = homologous month from 2019]



Annual growth 2024 vs 2023

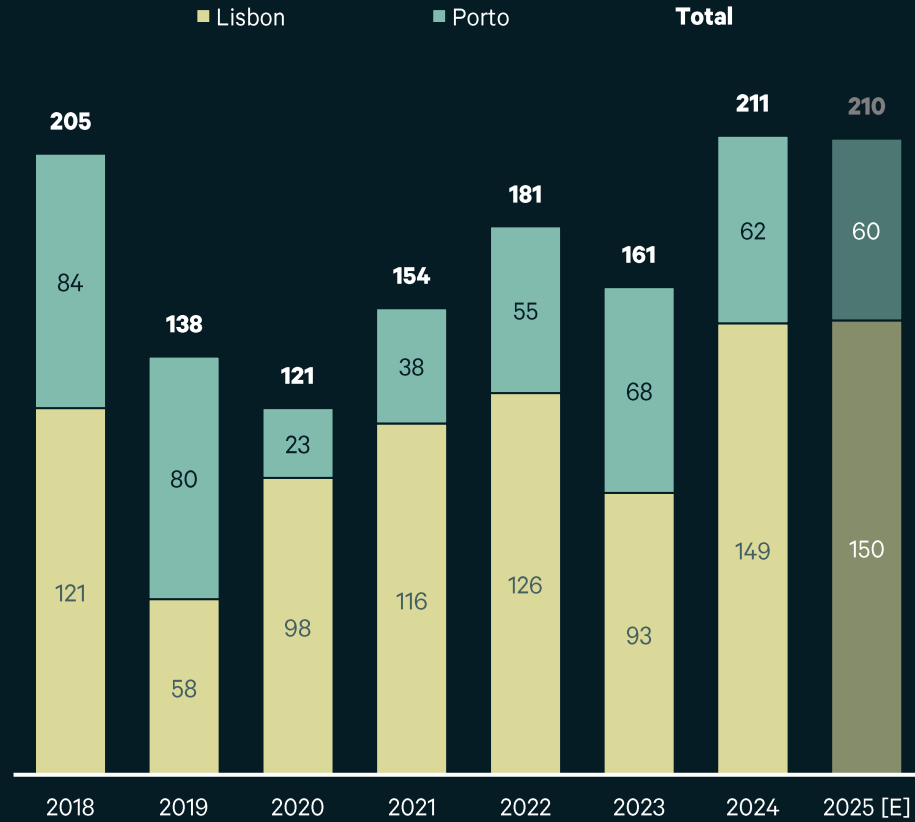
[% YoY Revenue per sqm of CBRE managed retail schemes]



High street retail: string dynamism brings up rents in Lisbon and Porto

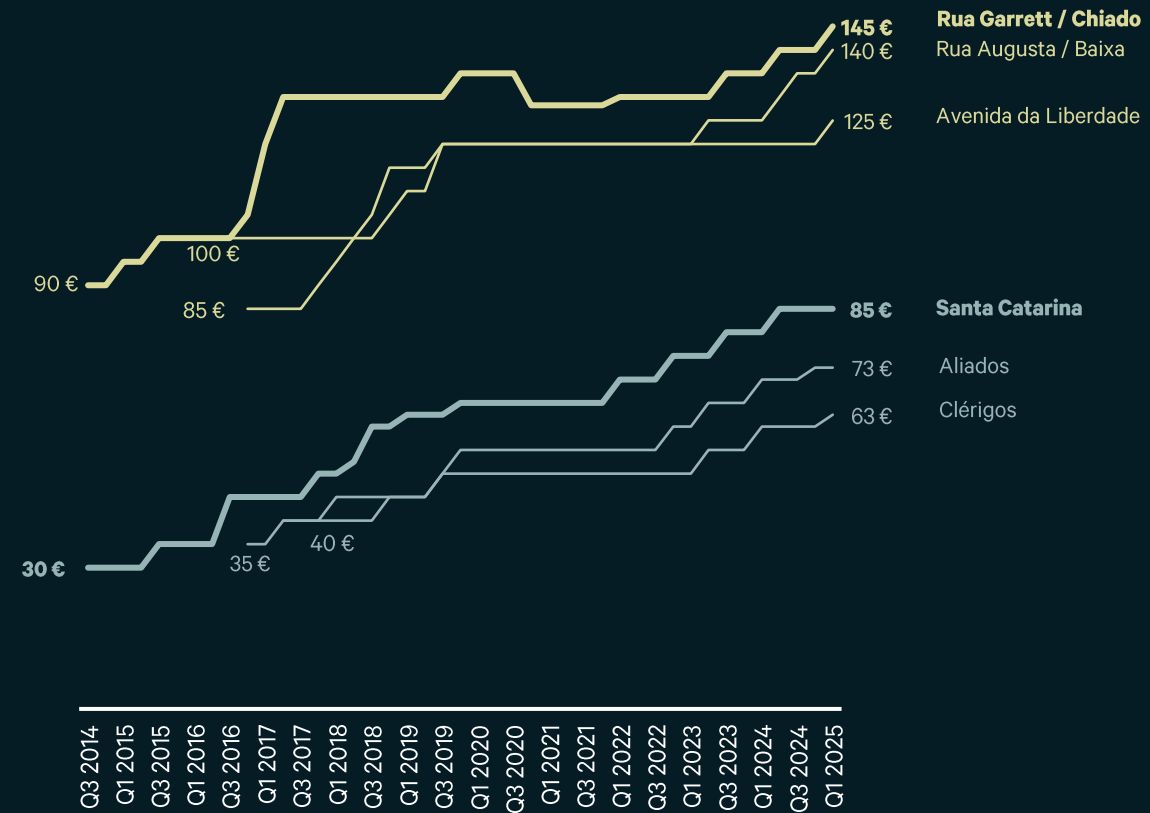
Openings per year

Lisbon and Porto main axis



HSR Prime Rents

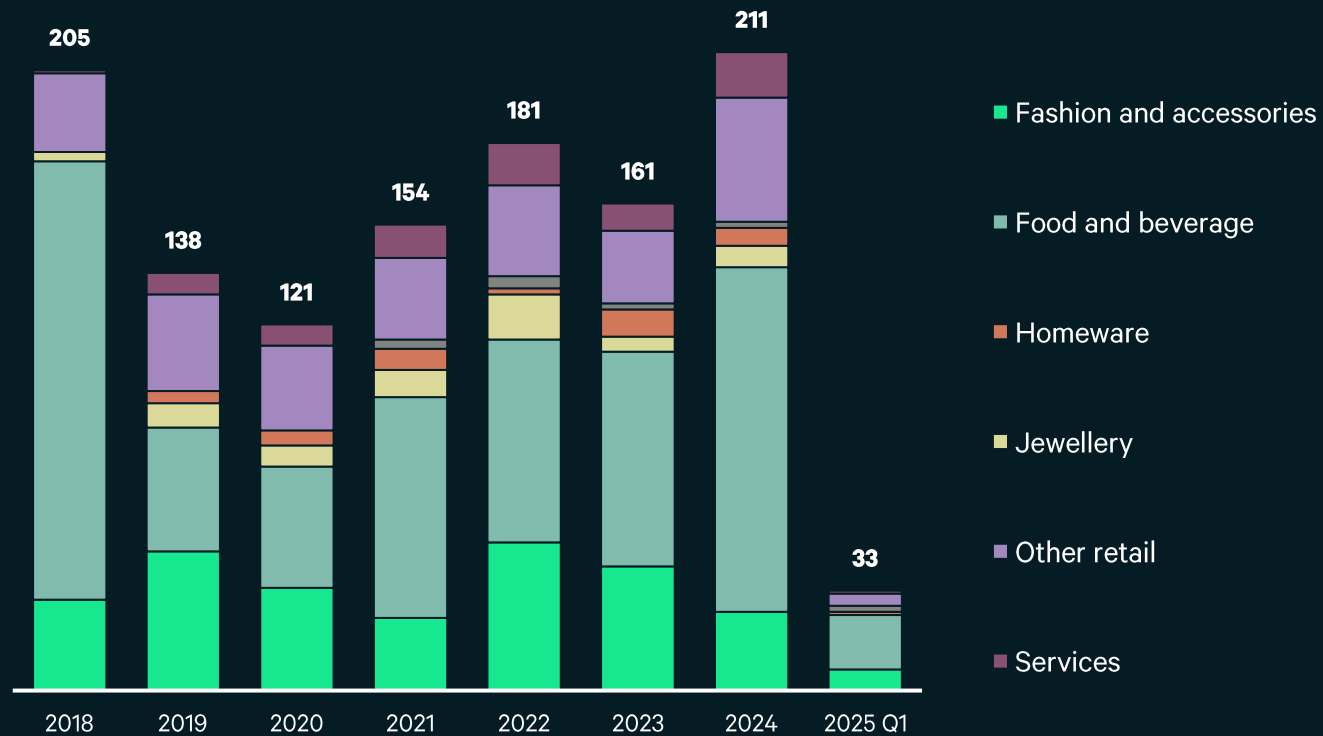
€/sqm/month



F&B has been the leading sector for eight consecutive years

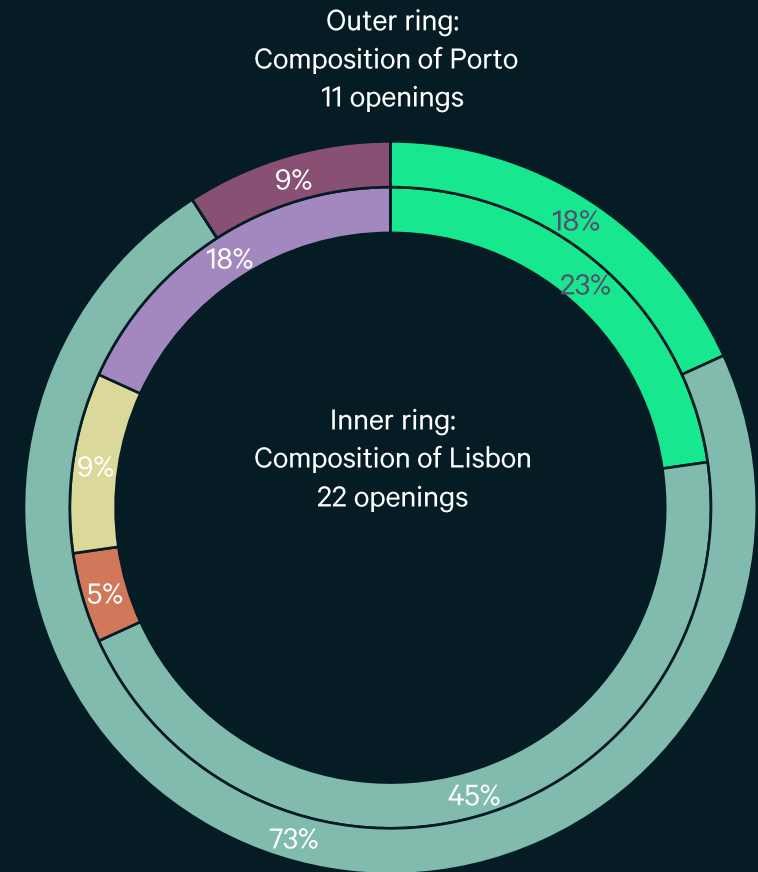
HSR Openings by sector

Lisbon and Porto Main Axis



High street retail openings in Q1 2025 by sector

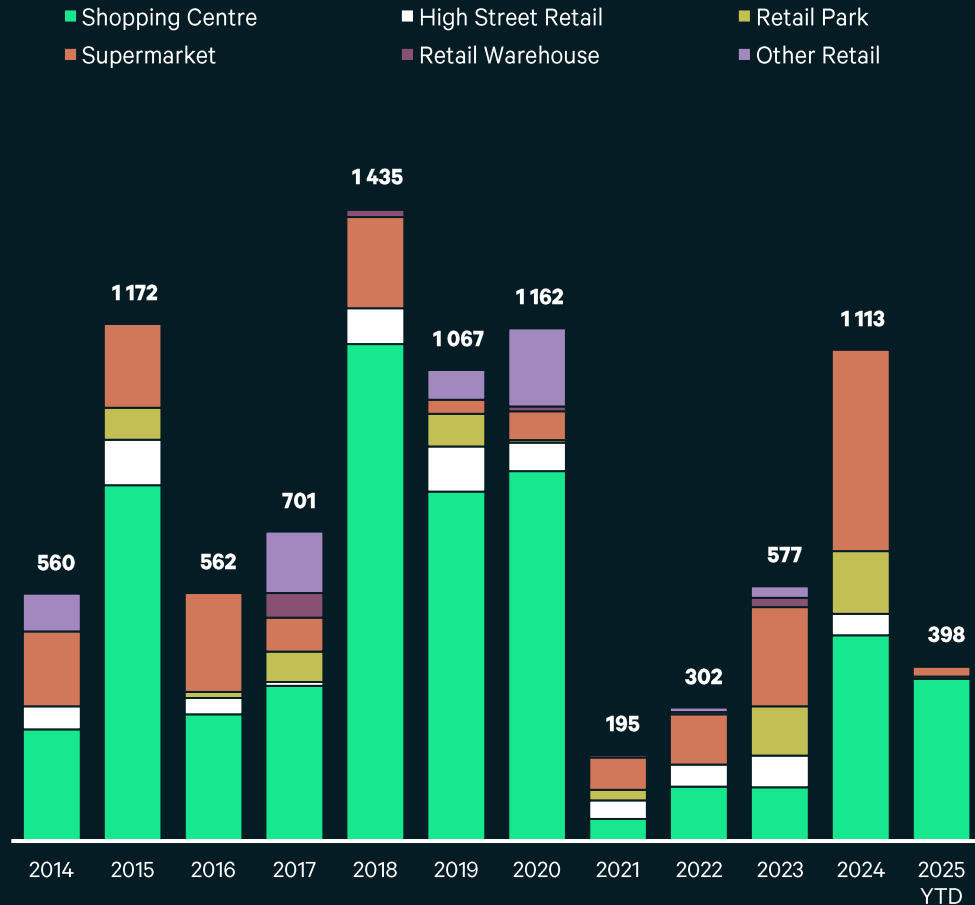
[% of total]



Retail has been a star asset class for Portuguese CRE

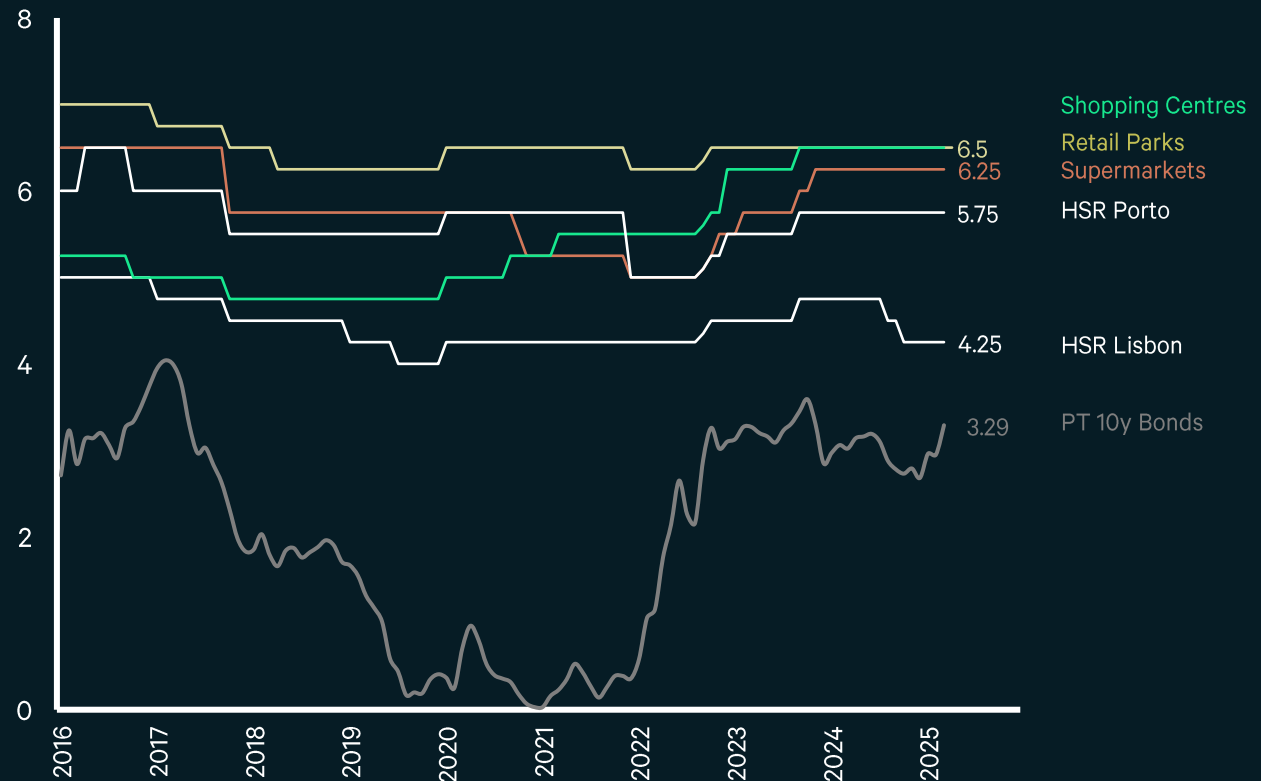
Investment Retail

[Million EUR]



Investment yields in retail

[%]



Agenda

1. Market Overview

2. The particularities of e-commerce in Portugal

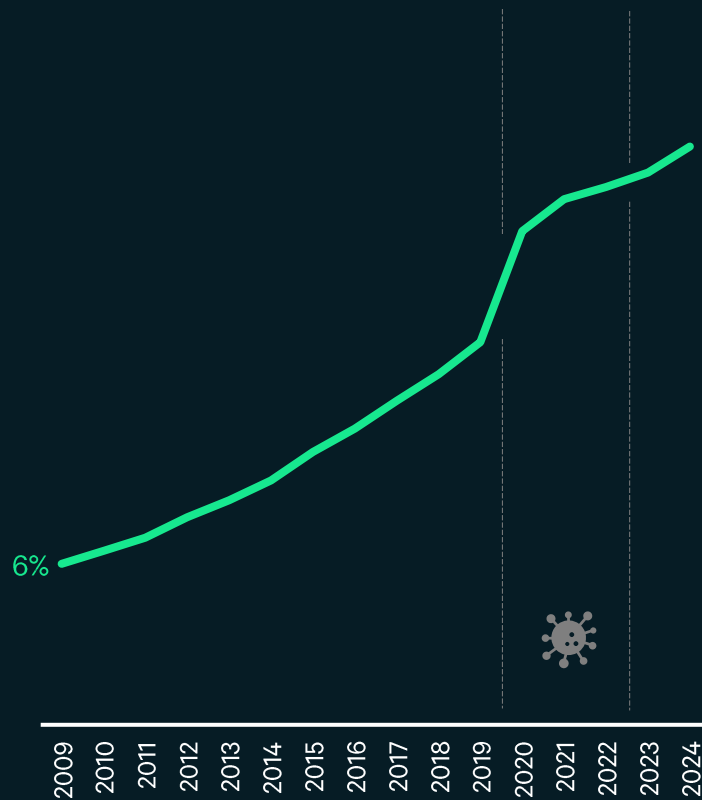
The Portuguese retail space did not undergo the e-commerce-induced consolidation seen in other markets. In Portugal, e-commerce models can act more as enablers than disruptors, and real estate deals may incorporate a share of the e-commerce upside in its formulation.

3. Leisure and F&B as an anchor for Shopping Centers

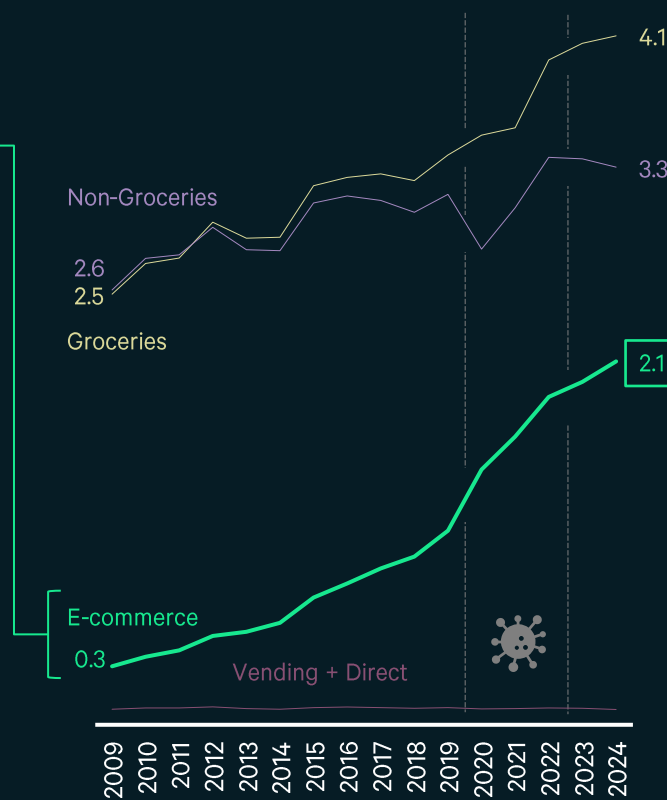
4. Local and touristic footfall in Lisbon and Porto Highstreet

E-commerce has been on the rise world-wide, delivering mainly non-grocery items.

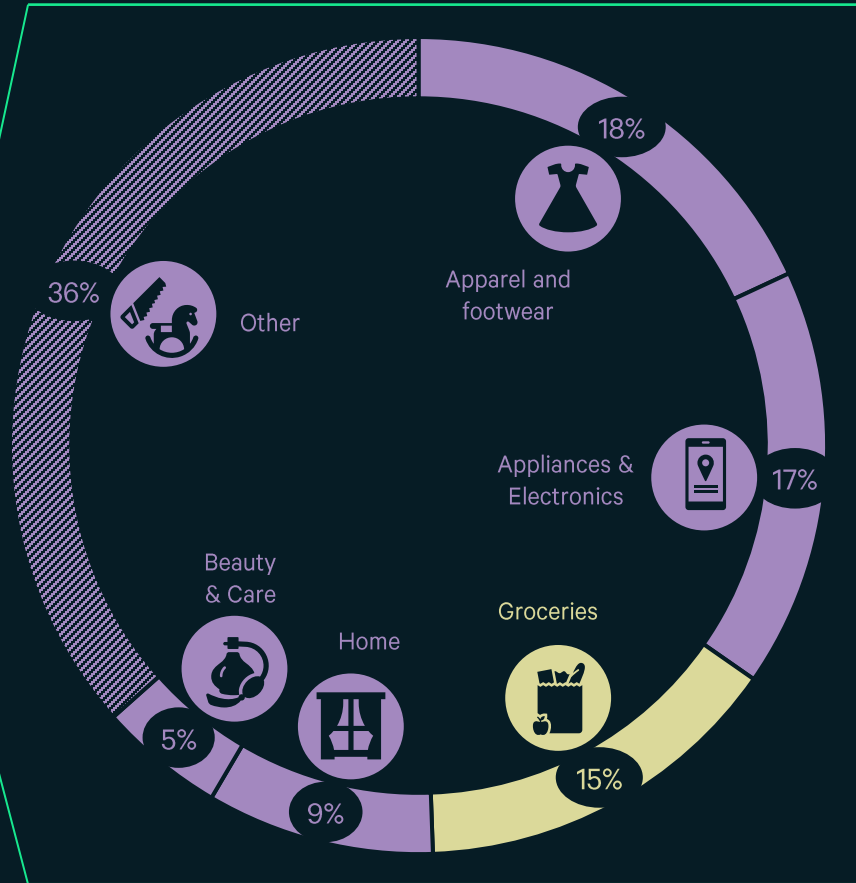
OECD E-commerce sales
[% of total retail sales]



Total Retail Revenue
[Trillion EUR]



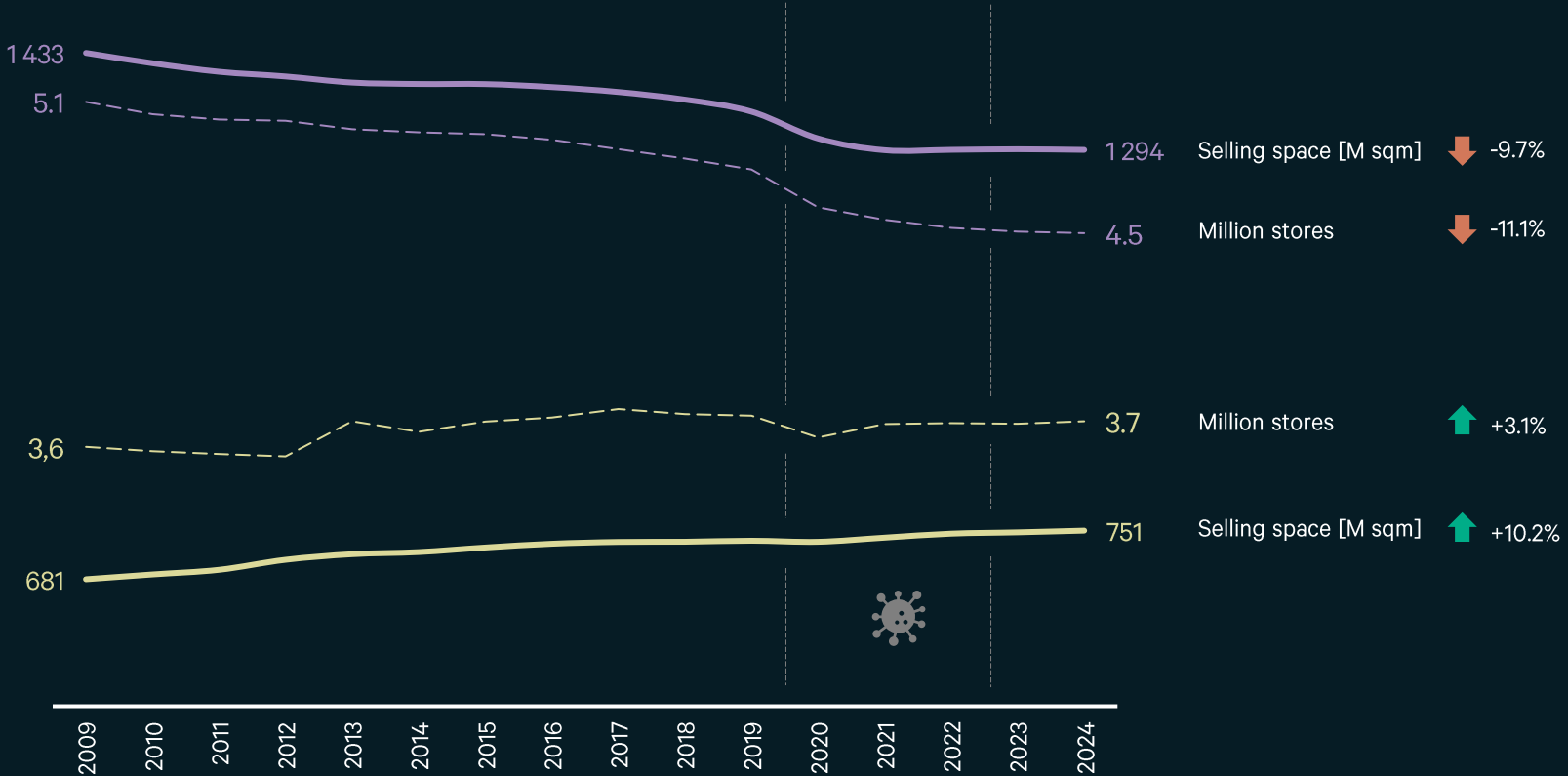
2024 E-commerce revenue break-down
[% of total OECD E-commerce revenues]



Which has globally lead to a downsize in the non-groceries sectors.

OECD shop footprint and floorspace evolution

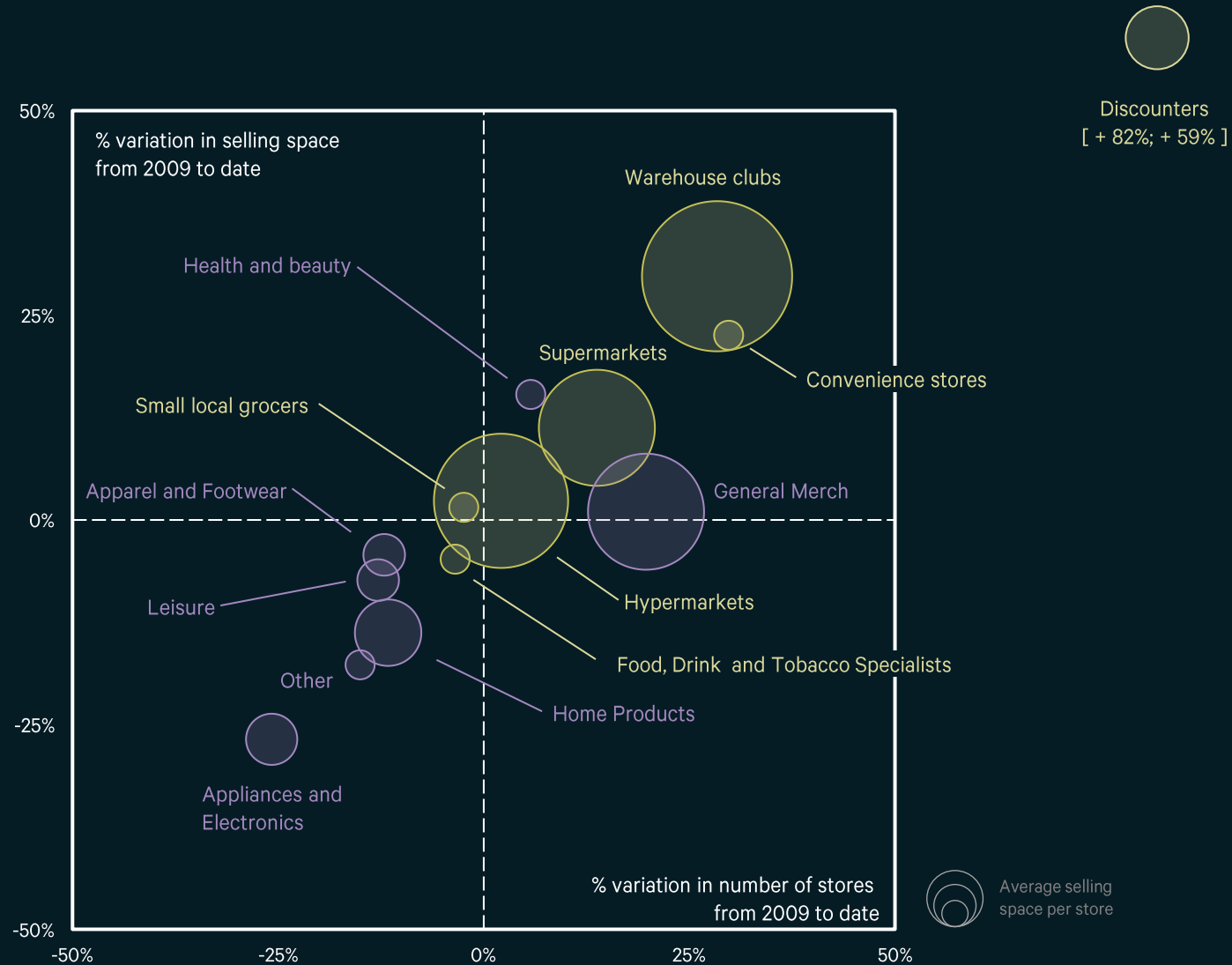
[Variation between 2009 and 2024]



But the footprint and shop space evolutions display nuances...

OECD retail footprint and floorspace evolution by category

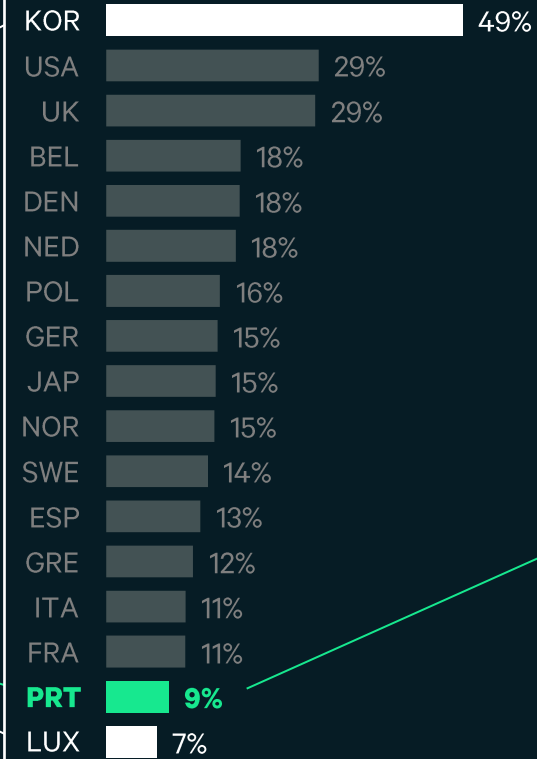
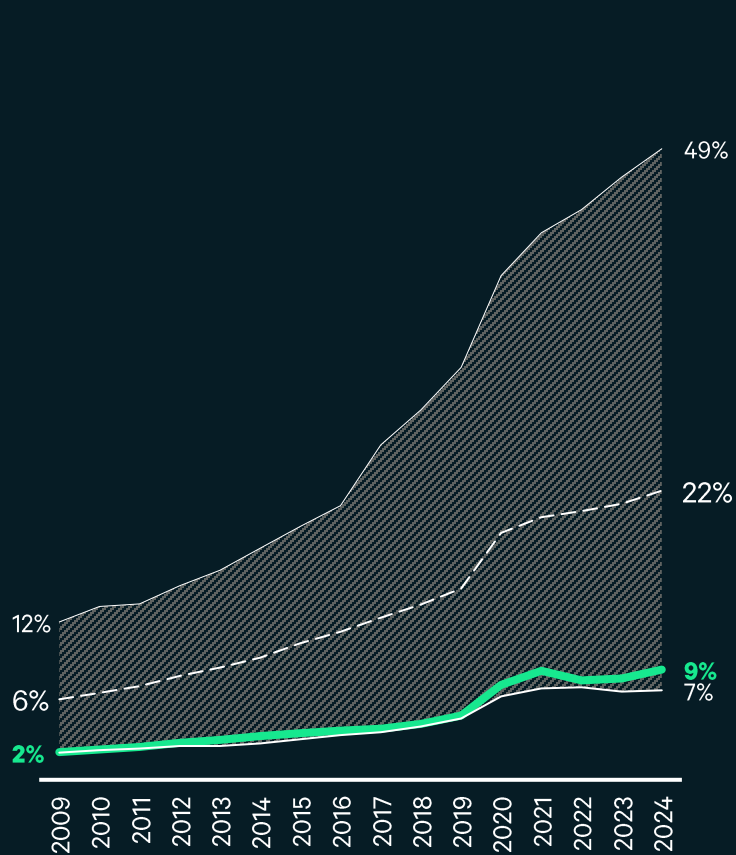
[Variation between 2009 and 2024]



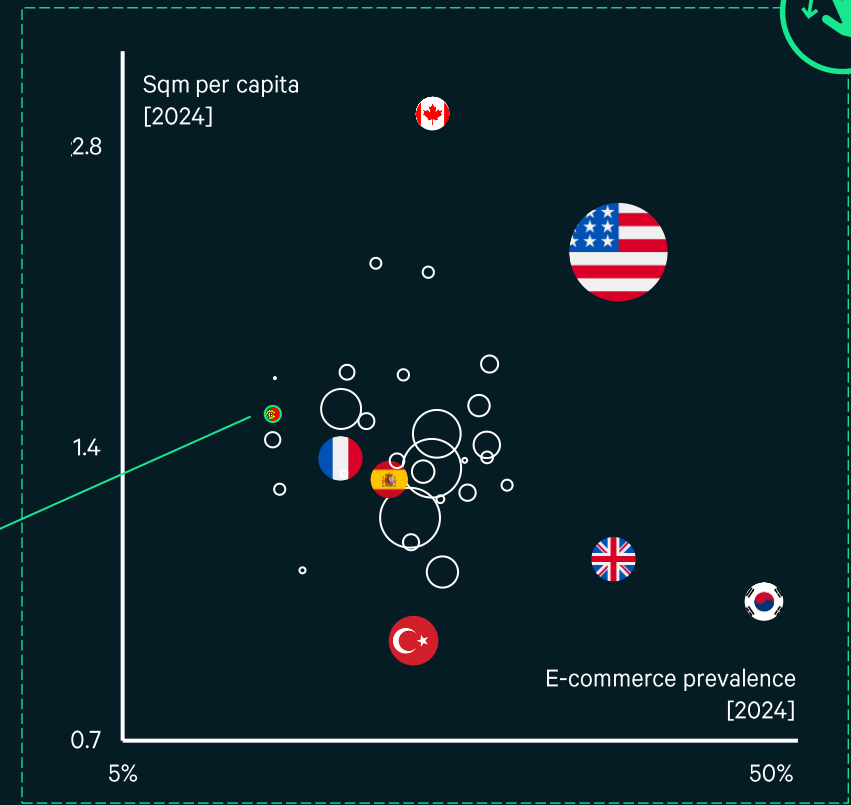
Higher e-commerce penetration doesn't necessarily equate with lower retail space...

OECD E-commerce prevalence

[% of total retail sales]



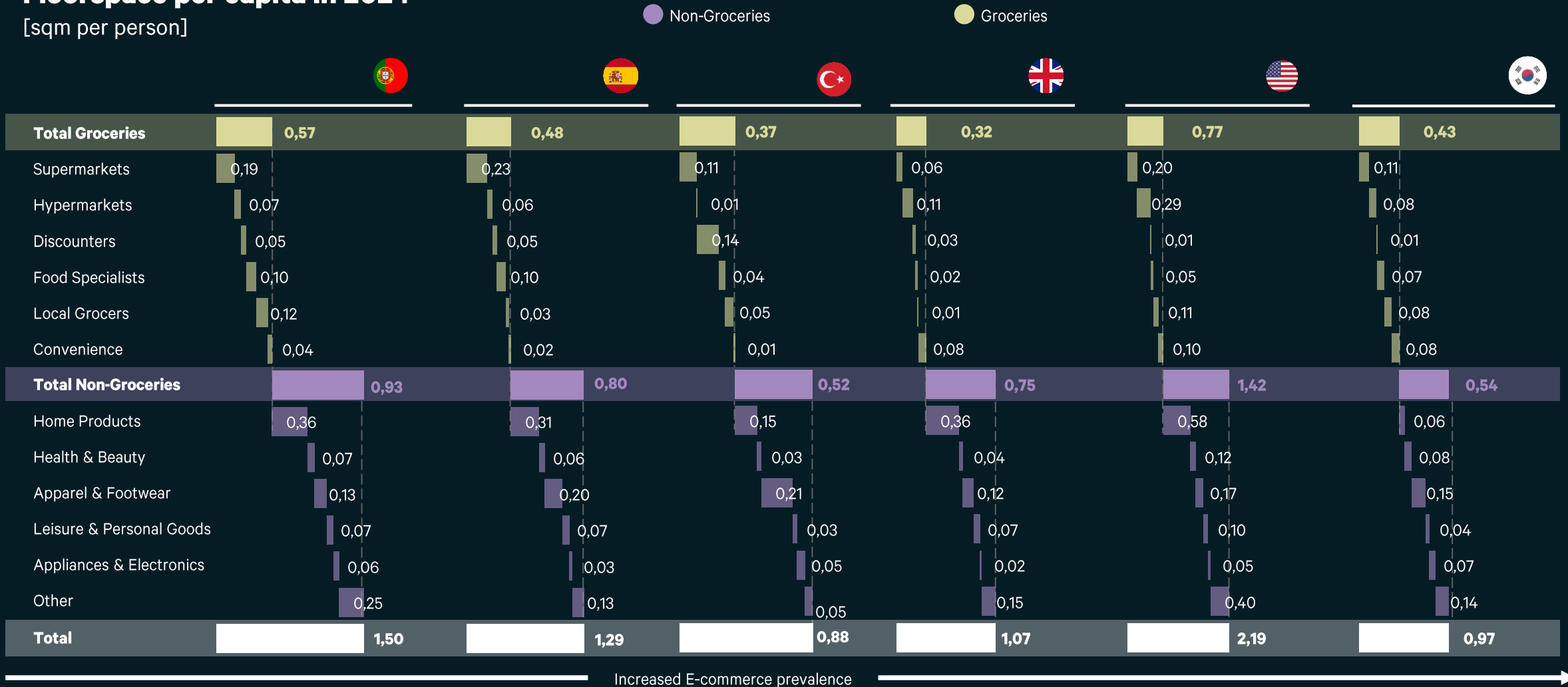
E-commerce penetration vs retail space per capita



... Because there are different settings of the urban aggregates and the retail that serves those aggregates.

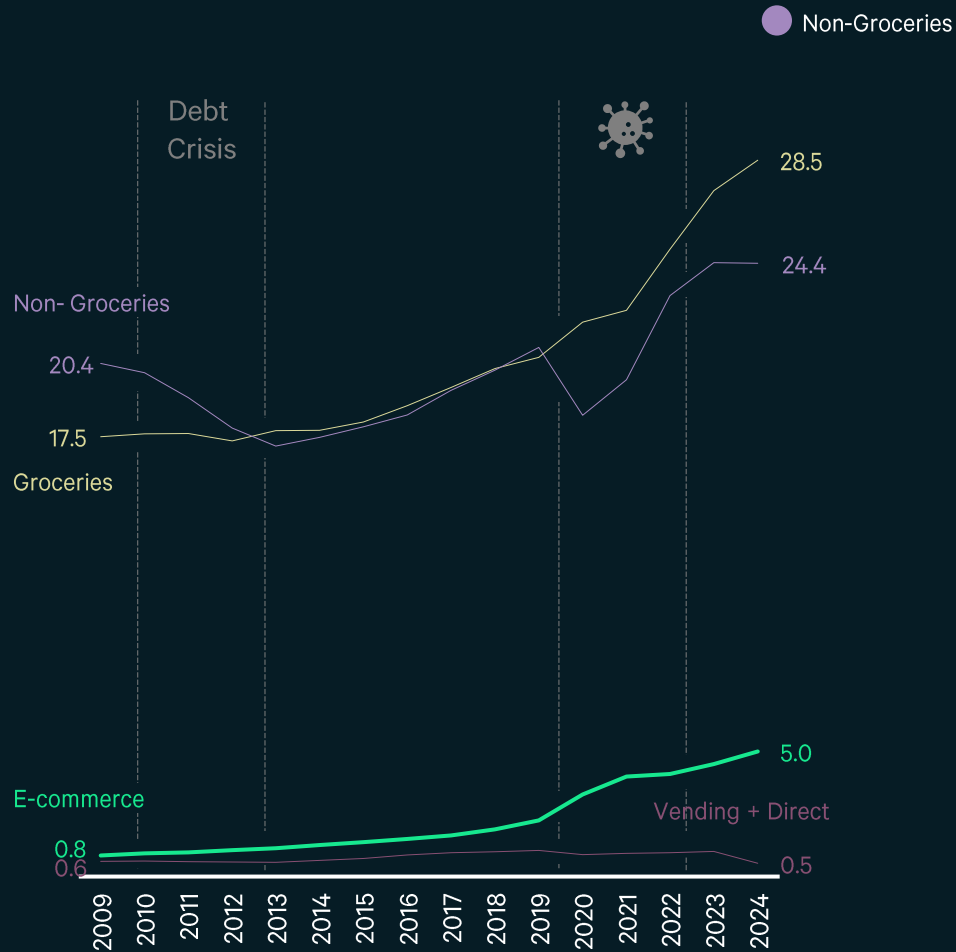
Floorspace per capita in 2024

[sqm per person]

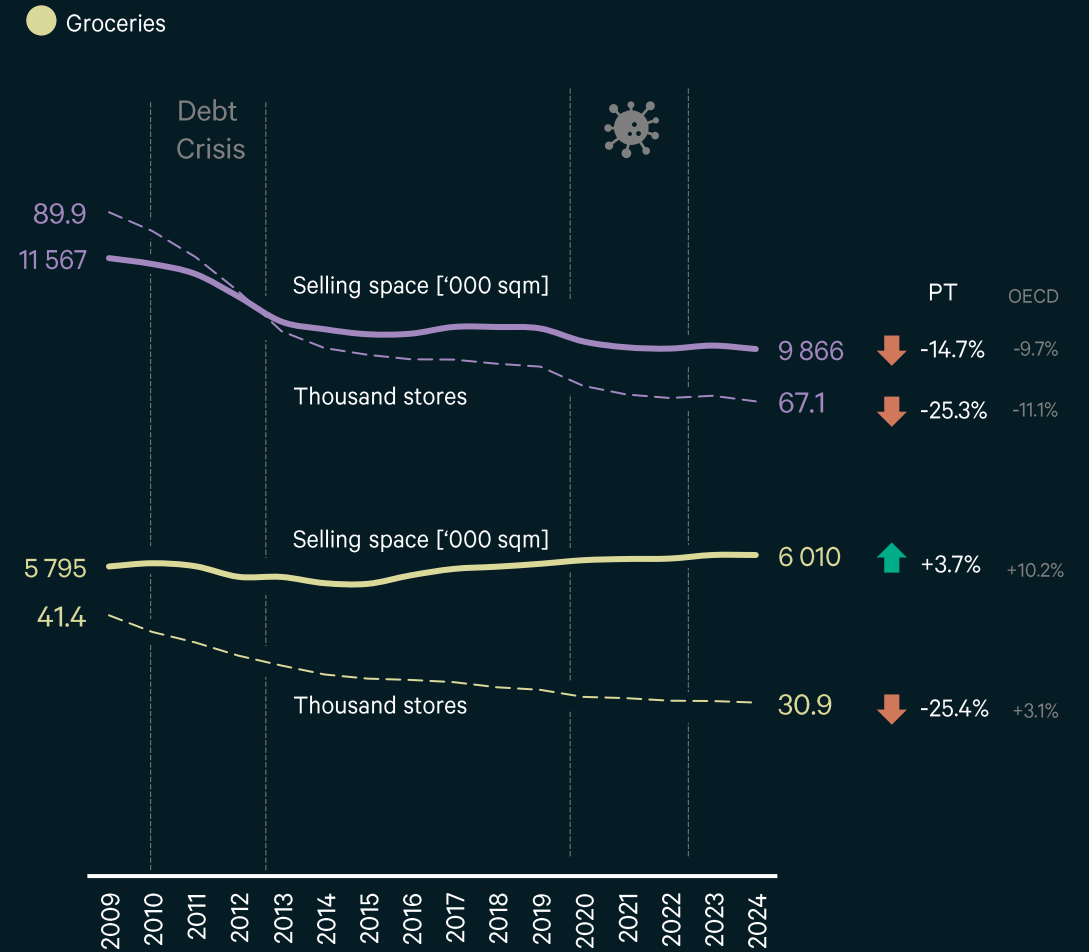


The Portuguese retail tells a different story from the global patterns

Portugal total retail sales [EUR Billion]



Portuguese shop footprint and floorspace evolution [Variation between 2009 and 2024]

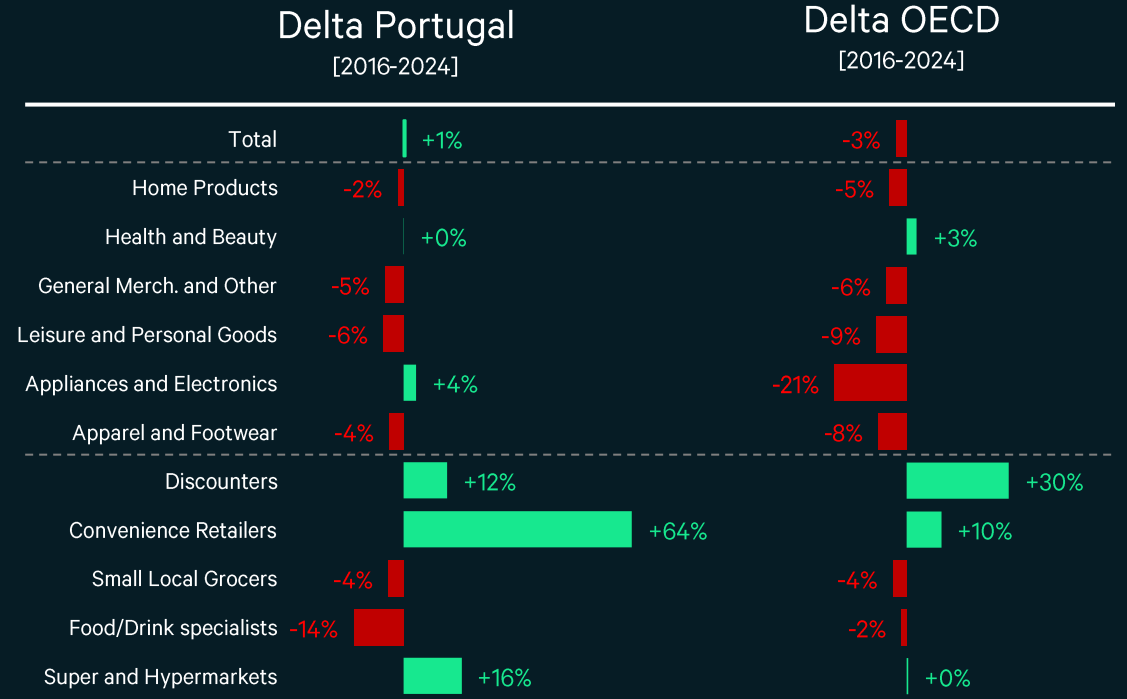
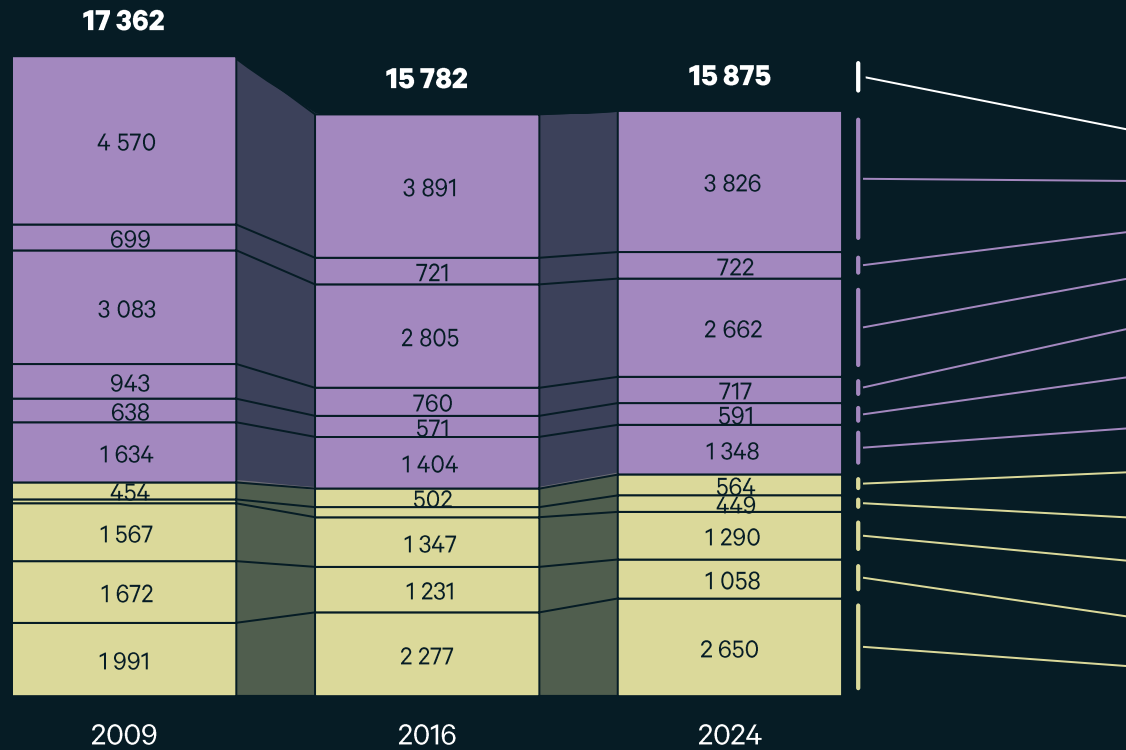


And so does the evolution of floorspace of each individual category

Floorspace by format in Portugal

[‘000 sqm]

● Non-Groceries ● Groceries



As e-commerce increases its penetration, some retail locations even increase their value

In some cases, experience shows that e-commerce boosts local retail...

So, there is a case for extra value of retail locations



Flagship stores have synergies with digital brand space



Retail space as a last-mile location [*ship-from-store* and *click&collect* solutions]



E-commerce last-mile revenue as 'parallel' income source for high street



If last mile operations from retail spaces are strategic for brands, there is a differential value to retail spaces that are suitable for those operations



Inclusion of e-commerce will increase the value of some retail spaces [e.g.: variable contract components; simple premium of valuable locations]

Agenda

1. Market Overview

2. The particularities of e-commerce in Portugal

3. Leisure and F&B as an anchor for Shopping Centers

There are underlying transformations happening in Leisure and F&B sectors.

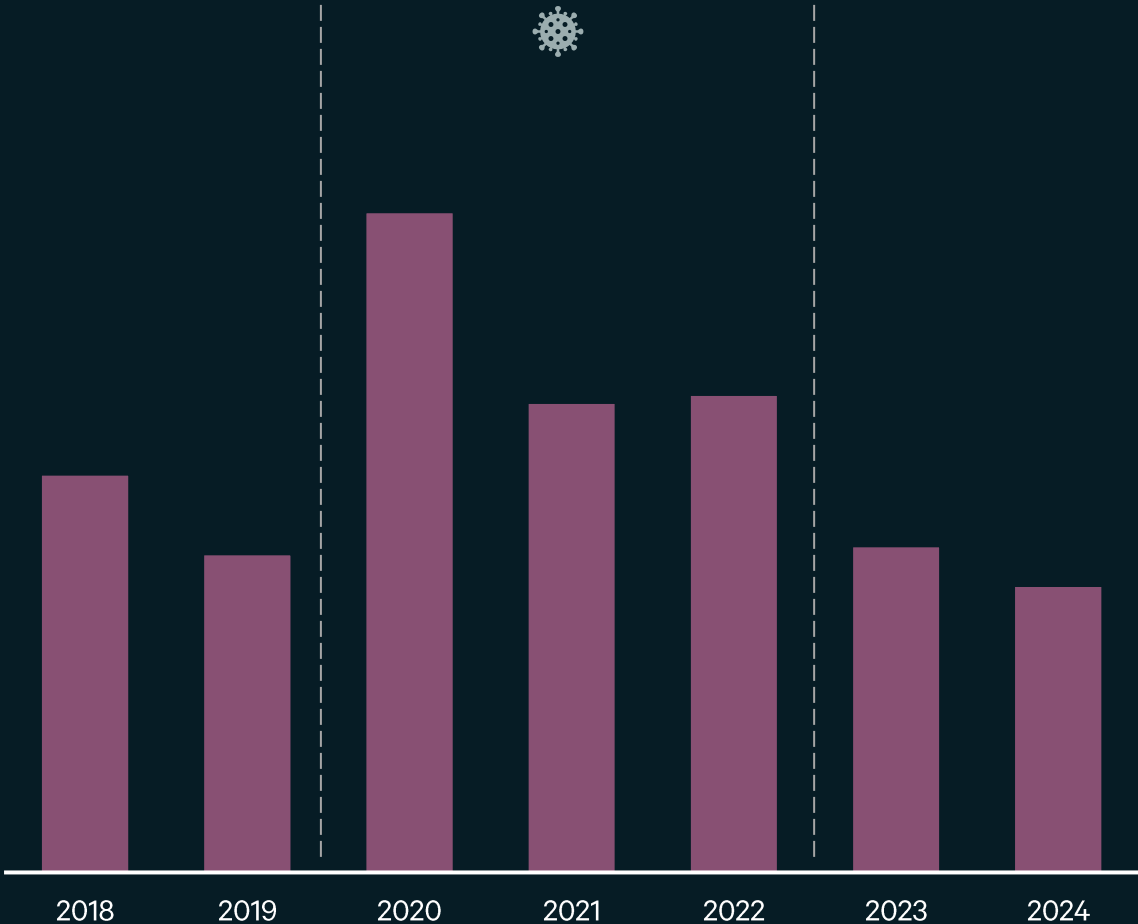
These are key spaces for attracting customers in a different shopping experience. We expect to see more attention paid to it in the coming years.

4. Local and touristic footfall in Lisbon and Porto Highstreet

As vacancy decreases, the allocation of GLA starts to become a top of mind issue for owners

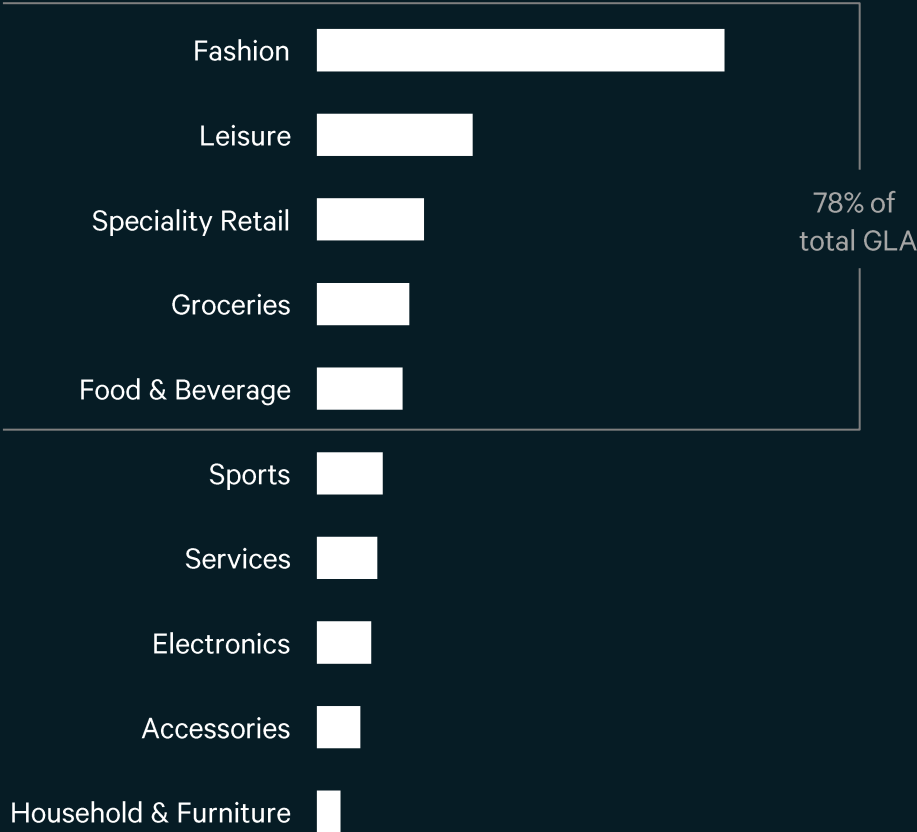
Vacancy evolution

[% of total GLA]

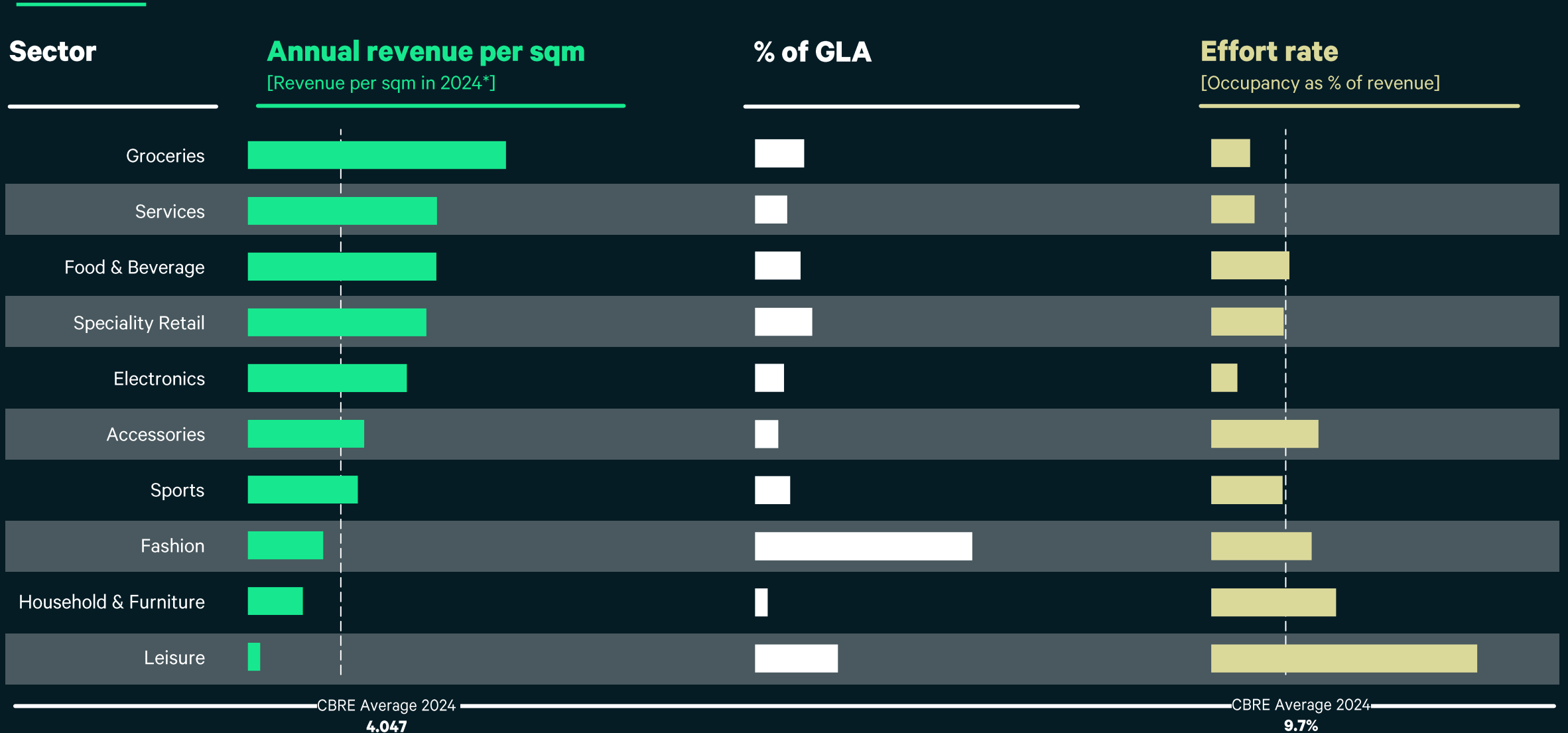


GLA allocation in 2024

[% of total GLA end of 2024]



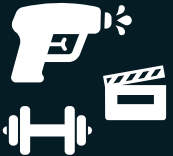
Therefore, a closer look of each sector performance brings to light the high and low performers



A transformation is underway in F&B and in Leisure



F&B, a star sector, is increasingly qualified



Leisure (especially cinema) require attention

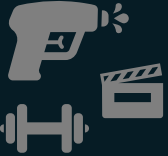
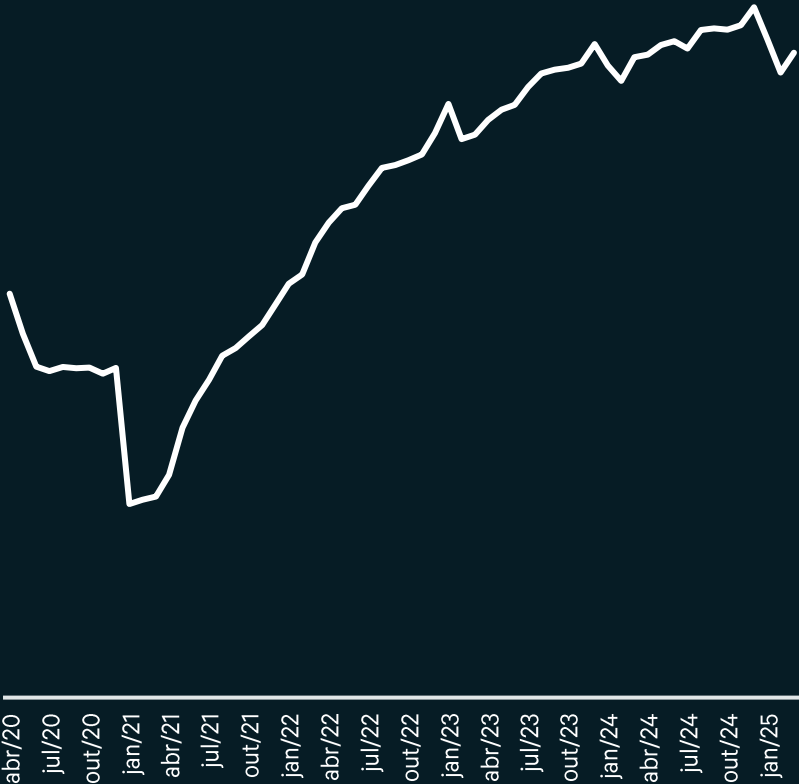
Revenues per sqm have been showing a healthy performance especially due to the growths in casual dining



F&B

Revenue per sqm of F&B

[EUR per sqm in specific month]

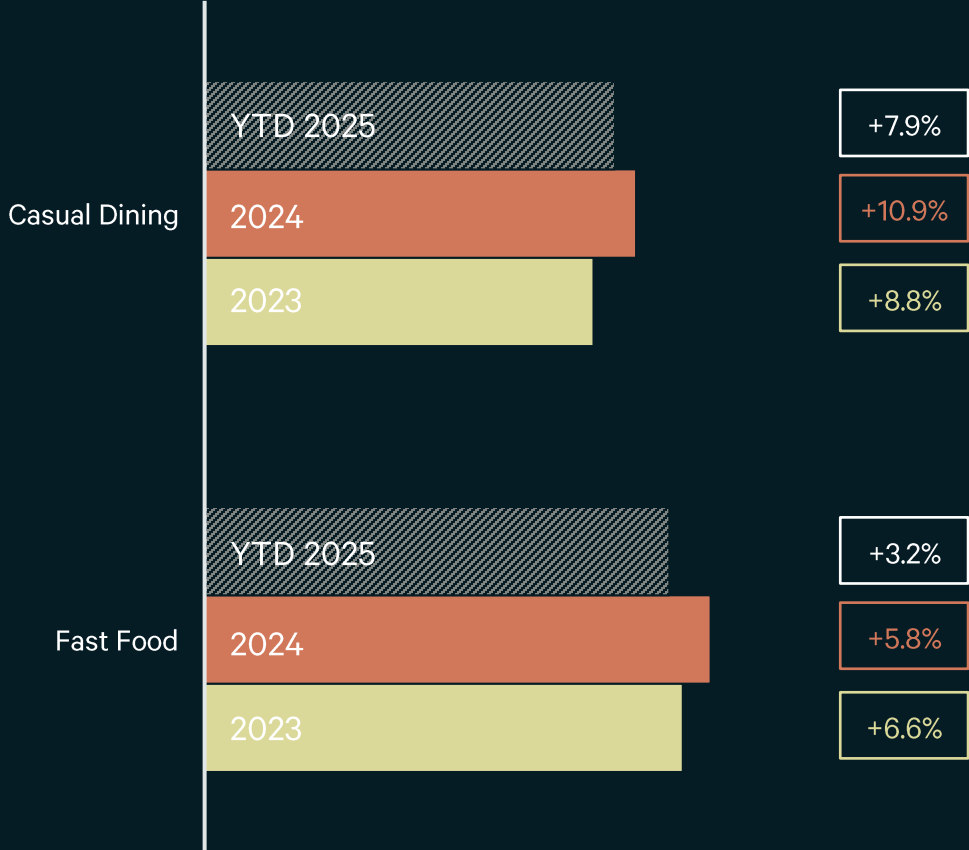


Leisure

Drill down

[EUR per sqm]

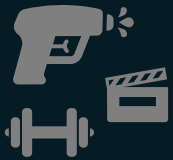
Growth [% YoY]



Three main patterns stand out in the F&B sector



F&B



Leisure

Diversified offer



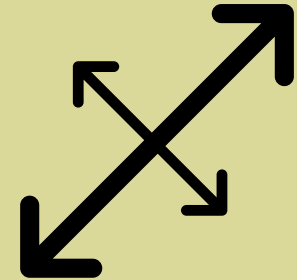
The offers now cover a wide variety of F&B options to the consumer from fast food to Italian or from Brazilian rodízio to Ramen

Sit-space options



Besides the qualification of food courts in shopping centers, brands are also offered the option of having in-store sitting, for experience purposes

Expanded spaces

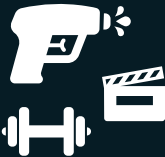


The designated space for F&B has increased in latest years, not only for kitchen and selling space, but also for eating space. We expect this trend to continue

The Portuguese leisure pattern shows a different story from the Spanish experience



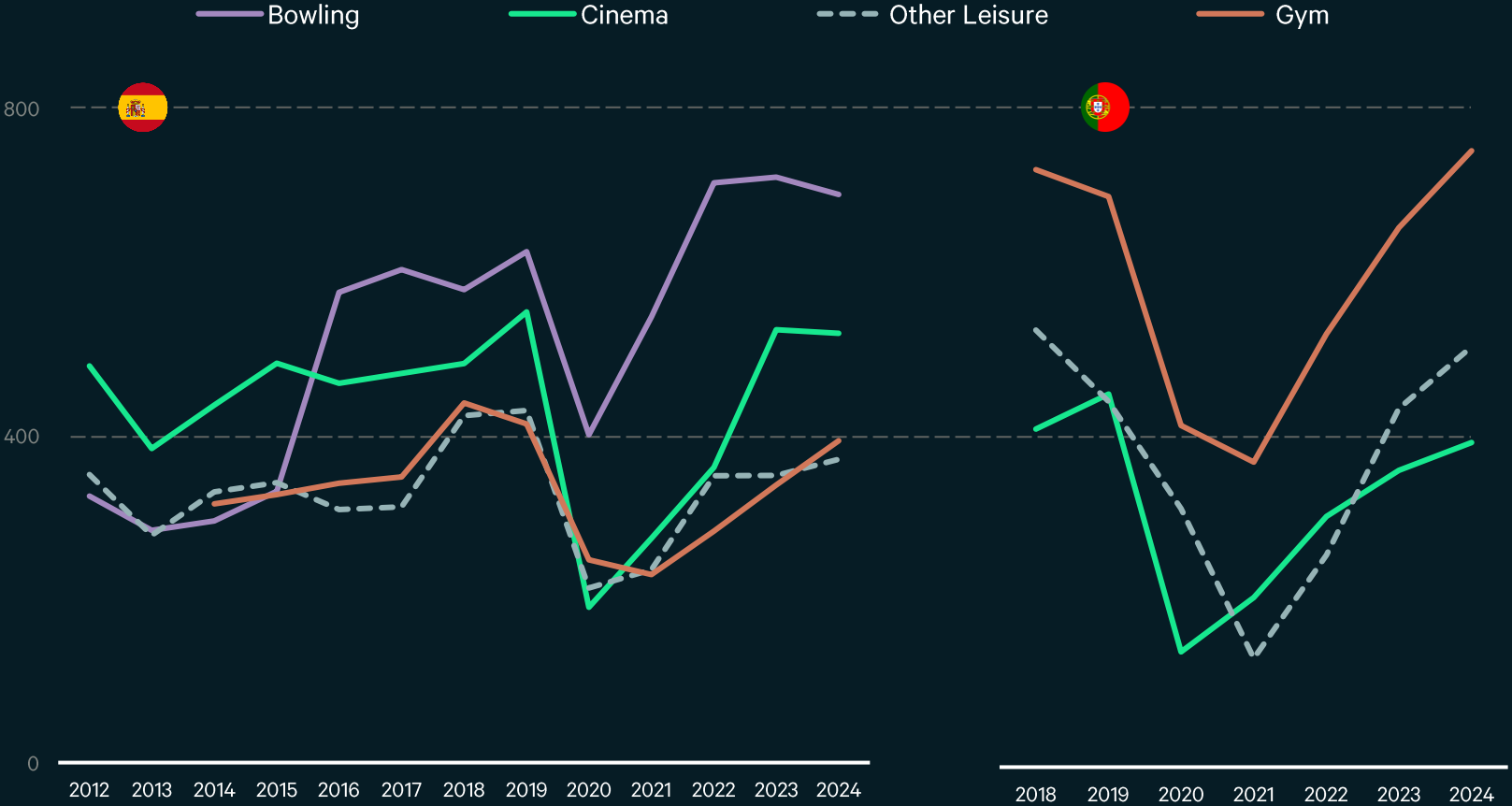
F&B



Leisure

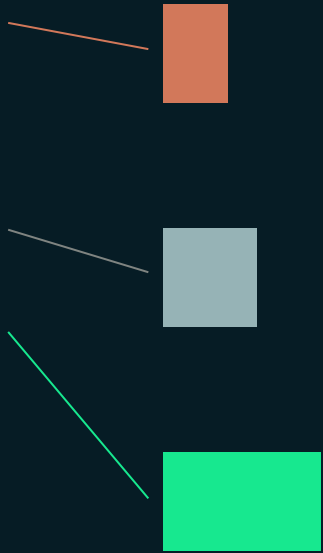
Revenue per sqm of Leisure

[EUR per sqm; Portugal and Spain]



GLA allocation

[% of GLA sqm; Portugal]



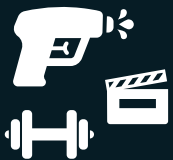
Cinema, the lowest revenue category does not seem to show bright prospects

Evolution of Box Office and attendance

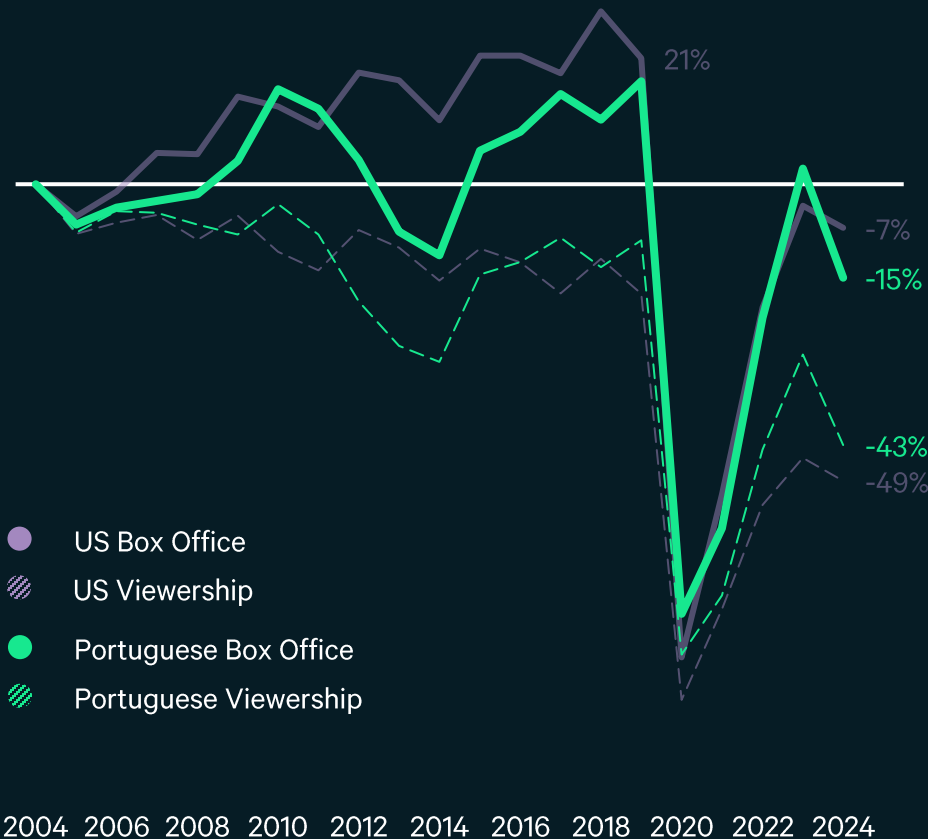
[2004 = 0%]



F&B



Leisure



3 convergent causes for the negative prospects

Home entertainment offers have induced a decrease in viewership in the Western hemisphere before streaming platforms existed.

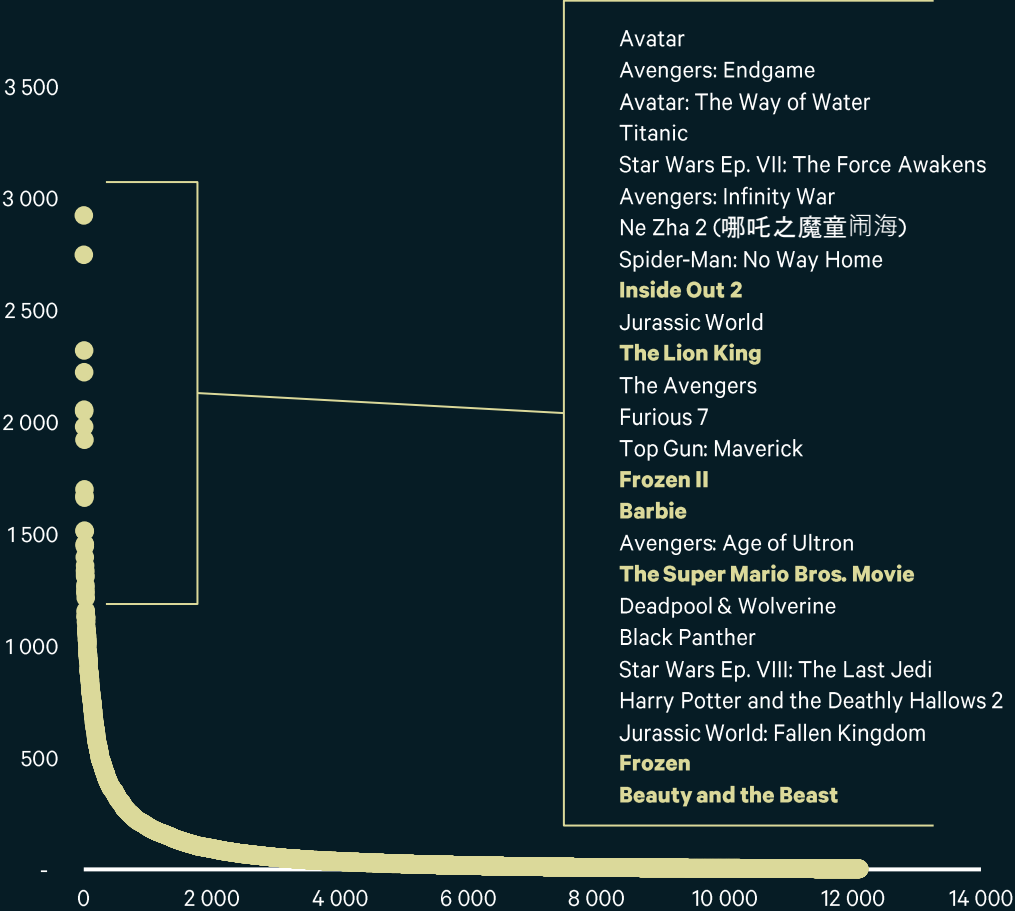
Increasing penetration of streaming is globally substituting the share of “eyeball time” by capturing a growing audience with new releases, which competes directly and indirectly with cinema going habits.

In Portugal, the **significant weight of family-oriented titles** in overall box office decreases the prospects, given the decades long low birth rates.

The Portuguese box office is significantly based on the family going experience

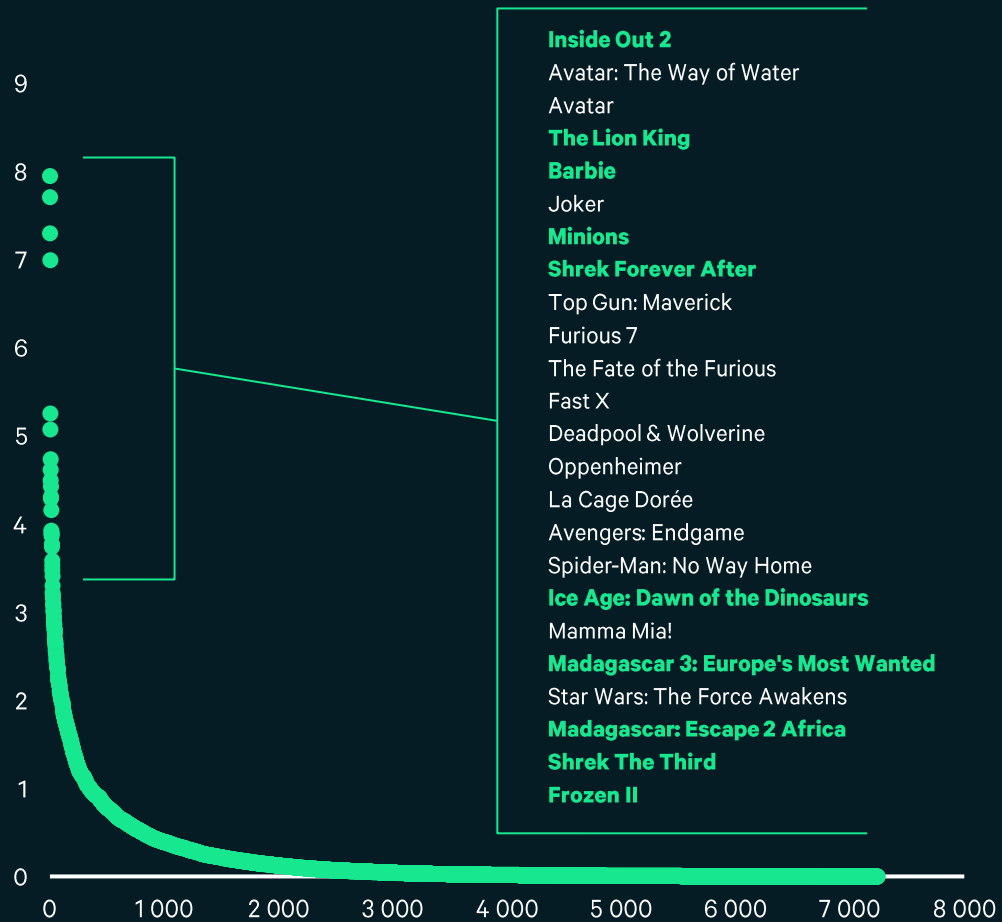
Worldwide total box office rank of all time

[USD million]



Portuguese box office rank of all time

[EUR million]

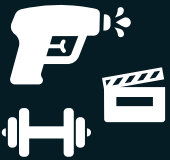


What can be done to improve the performance of the significant GLA destined to leisure...

Possible space conversion to add to experience



F&B



Leisure

Re-purpose the area to F&B activity



With link to
cinema space

Without link to
cinema space

Re-purpose to other leisure activities



Arcade

Trampolines

(...)

Agenda

1. Market Overview
2. The particularities of e-commerce in Portugal
3. Leisure and F&B as an anchor for Shopping Centers
4. Local and touristic footfall in Lisbon and Porto Highstreet

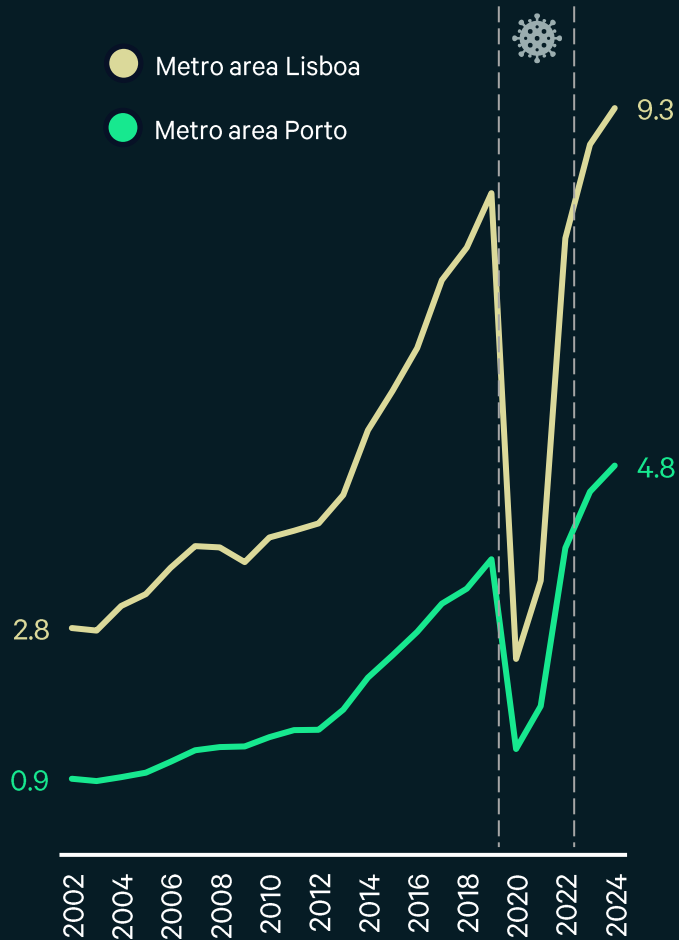
Tourism has a significant impact on Lisbon and Porto's main high street axis.

We've conducted an analysis on the nuances of local and touristic footfall patterns to uncover the reasons behind the latest years' high street retail dynamics.

Tourism has been a driving force to Lisbon and Porto city dynamics

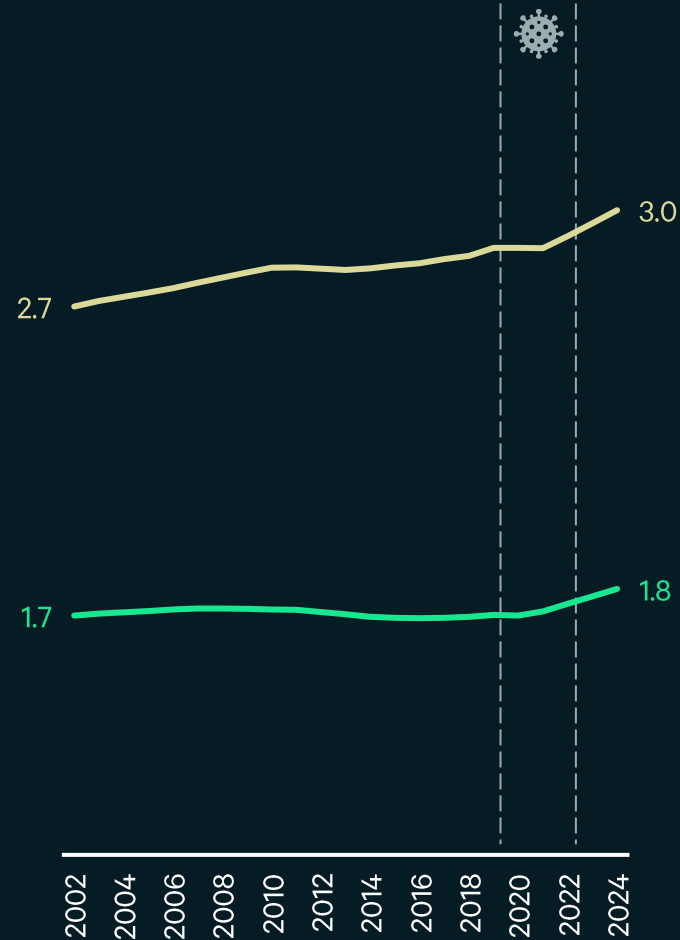
Number of guests per year

[Million guests]



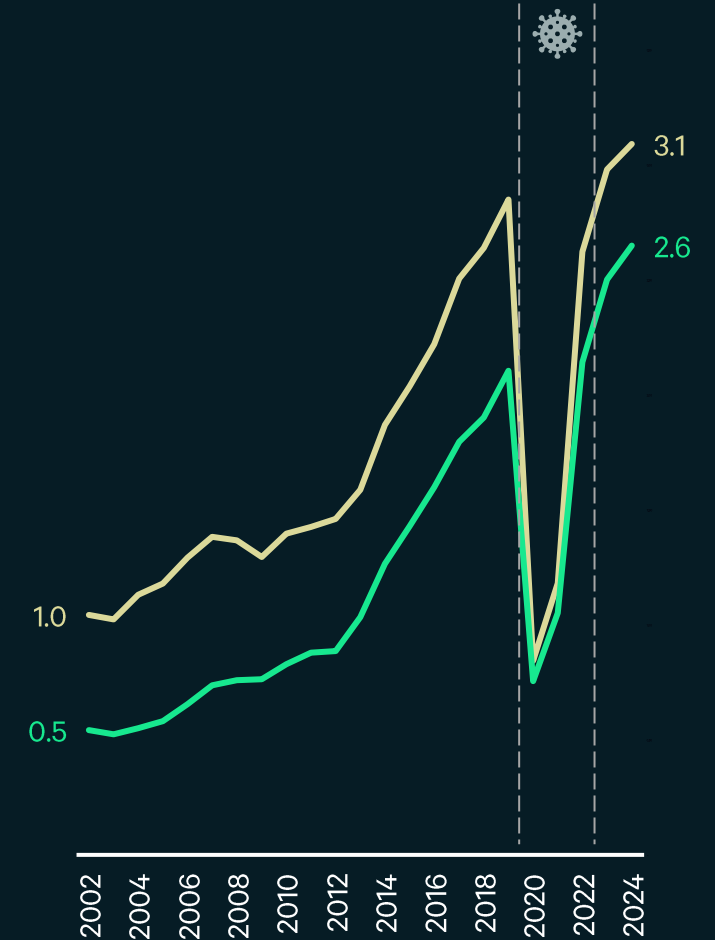
Resident population

[Million people; annual estimates]



Touristic load

[Guests per person]



And the central areas of Lisbon and Porto exhibit a disproportionately high touristic density

Number of guests per year

[Thousand guests 2024]



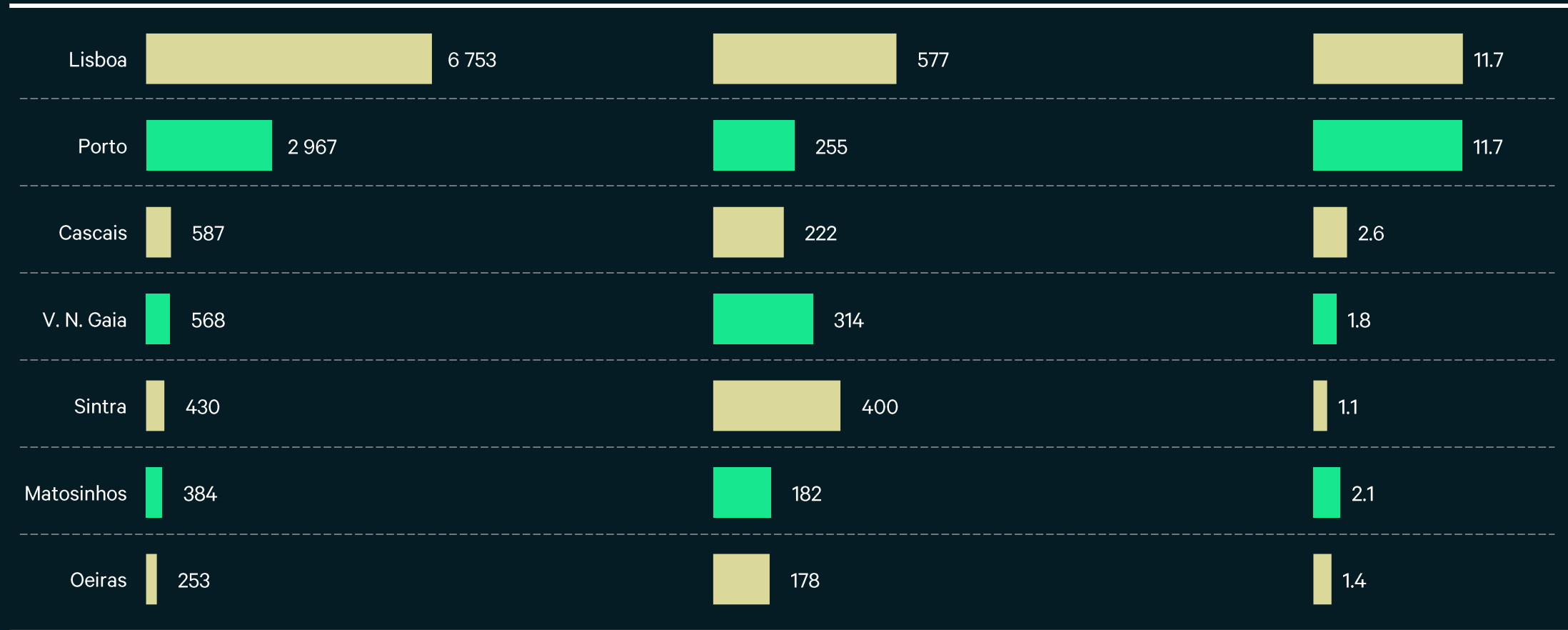
Resident population

[Thousand people; annual estimate 2024]



Touristic load

[Guests per person]



And the central areas of Lisbon and Porto exhibit a disproportionately high touristic density

Number of guests per year

[Thousand guests 2024]



Resident population

[Thousand people; annual estimate 2024]



Touristic load

[Guests per person]



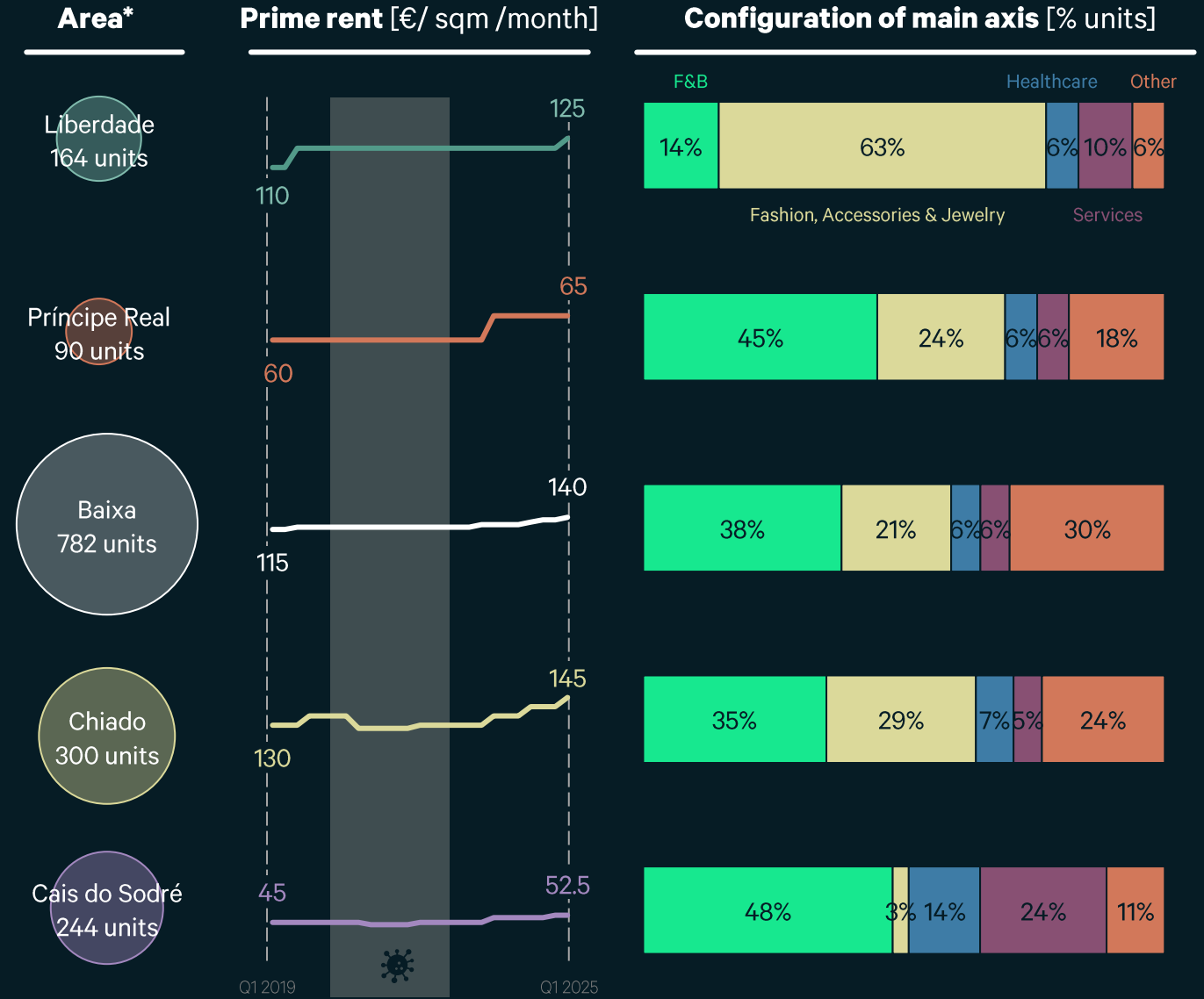
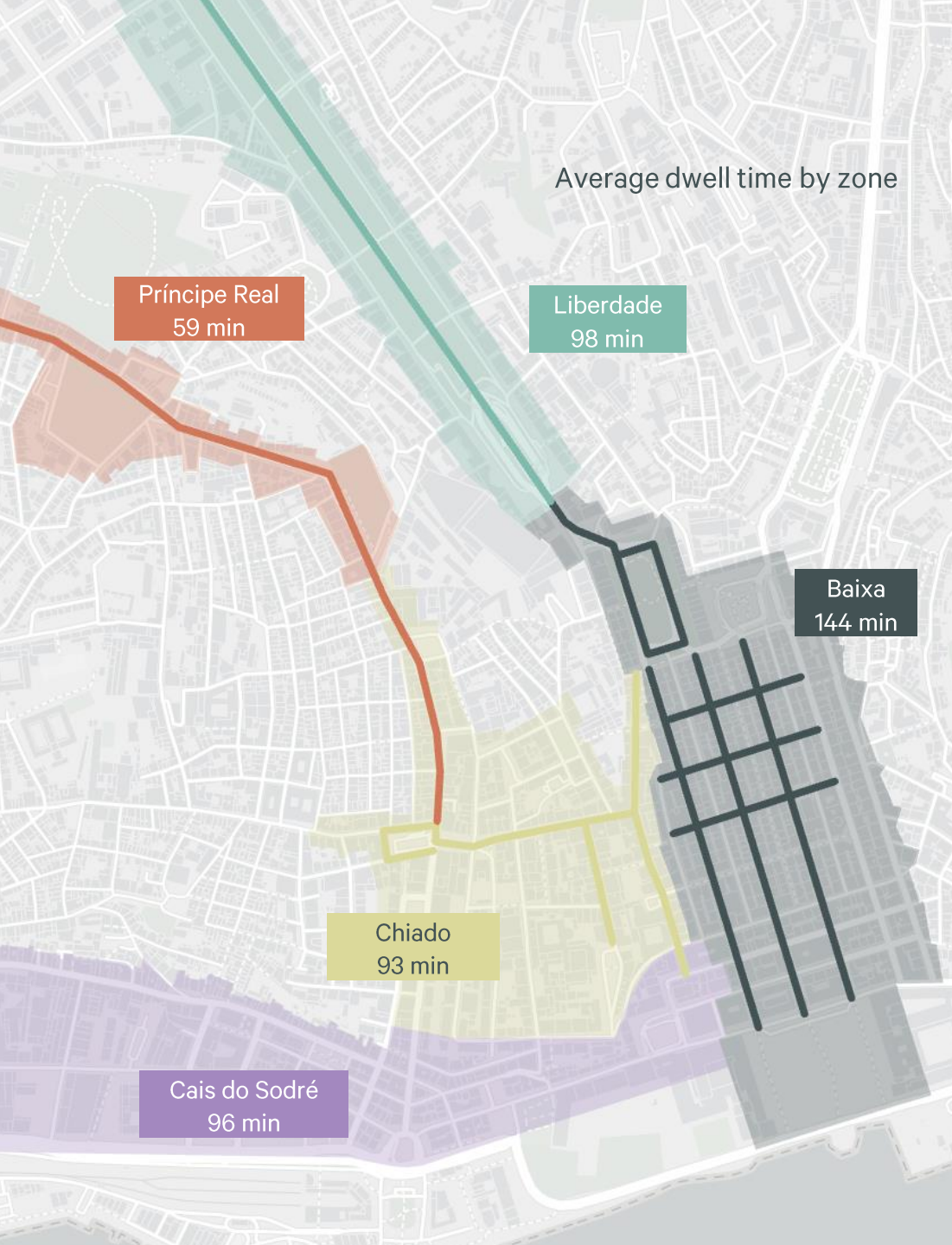
How does the footfall behave?

We've tracked **+3 million mobile devices**
in Lisbon and Porto
from Q1 2023 to Q1 2025 to
analyse the local and touristic footfall patterns

Local traffic is more “pragmatic” than touristic traffic and some areas emerge as predominantly local or touristic

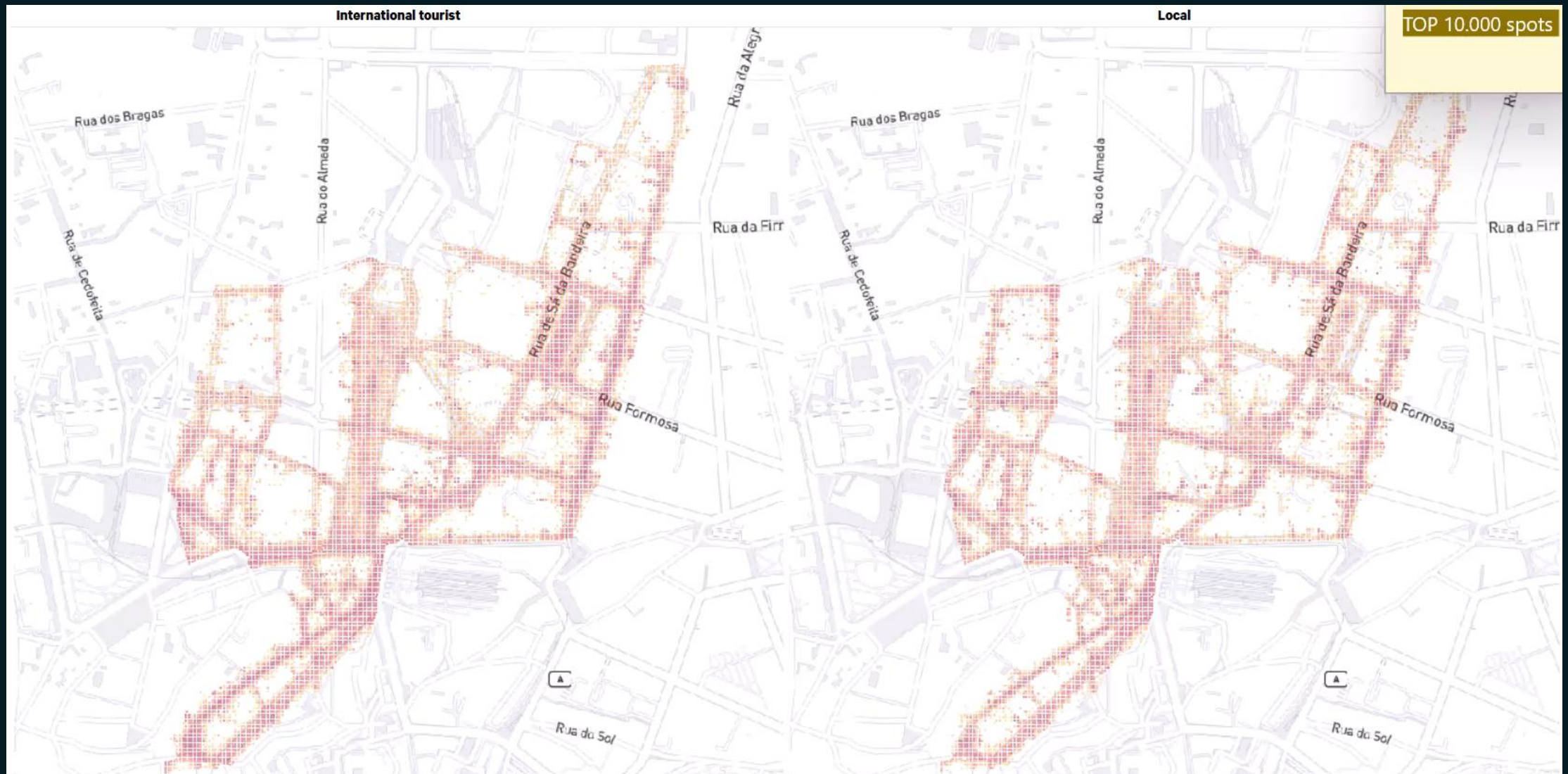


An overview of Lisbon prime areas' offering

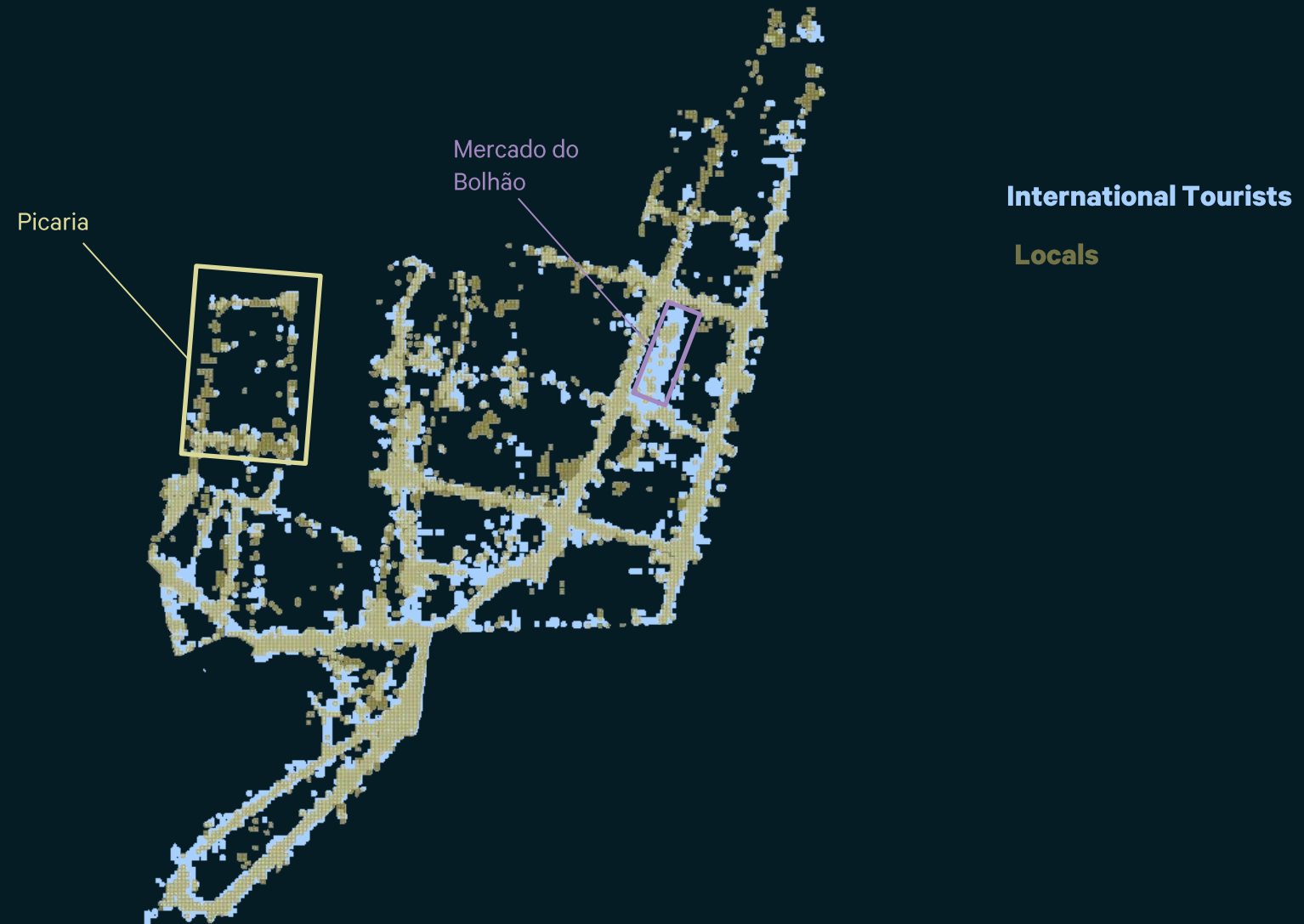


Source: CBRE Calibrate tool; CBRE Research | Note(*): number of units tracked covers only the main axis of the area

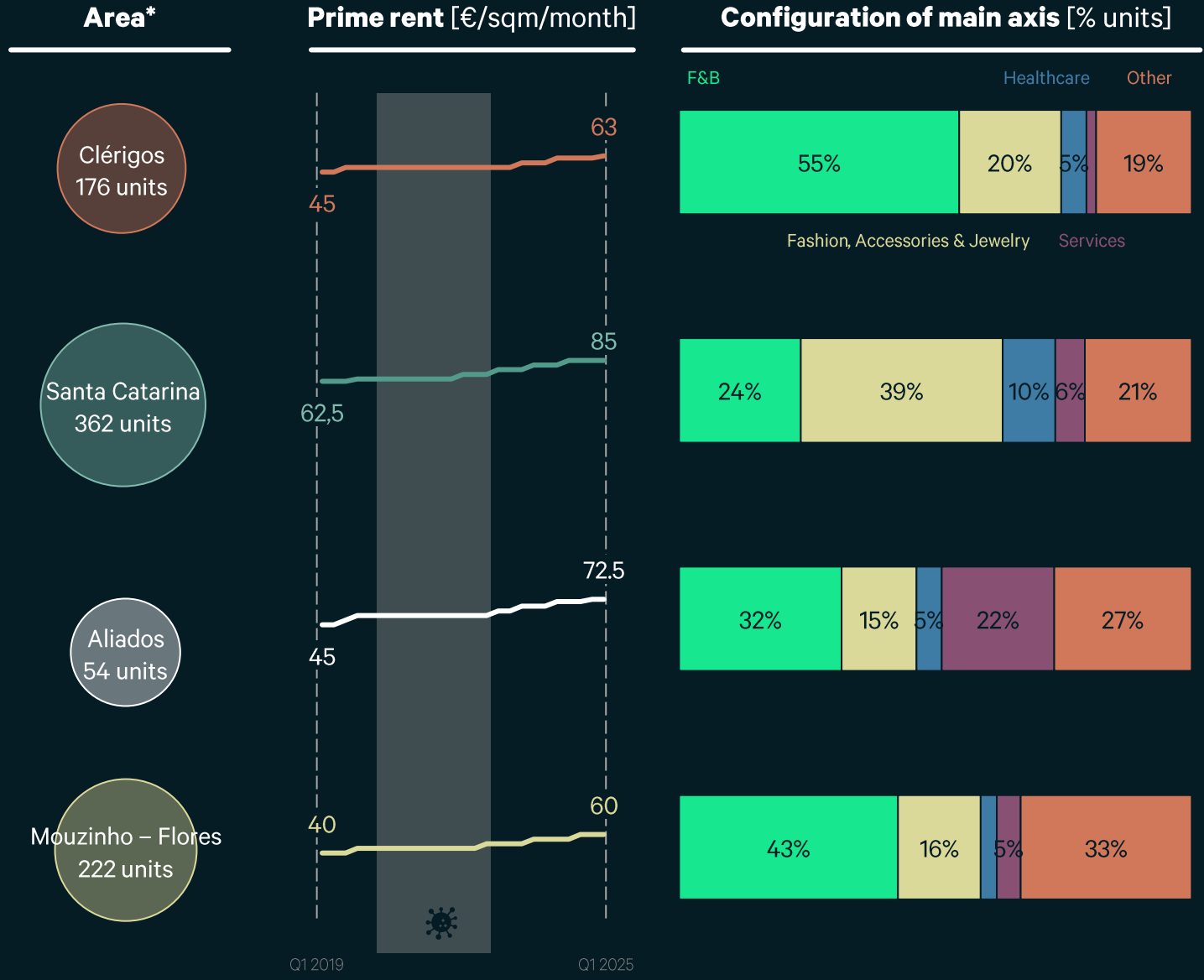
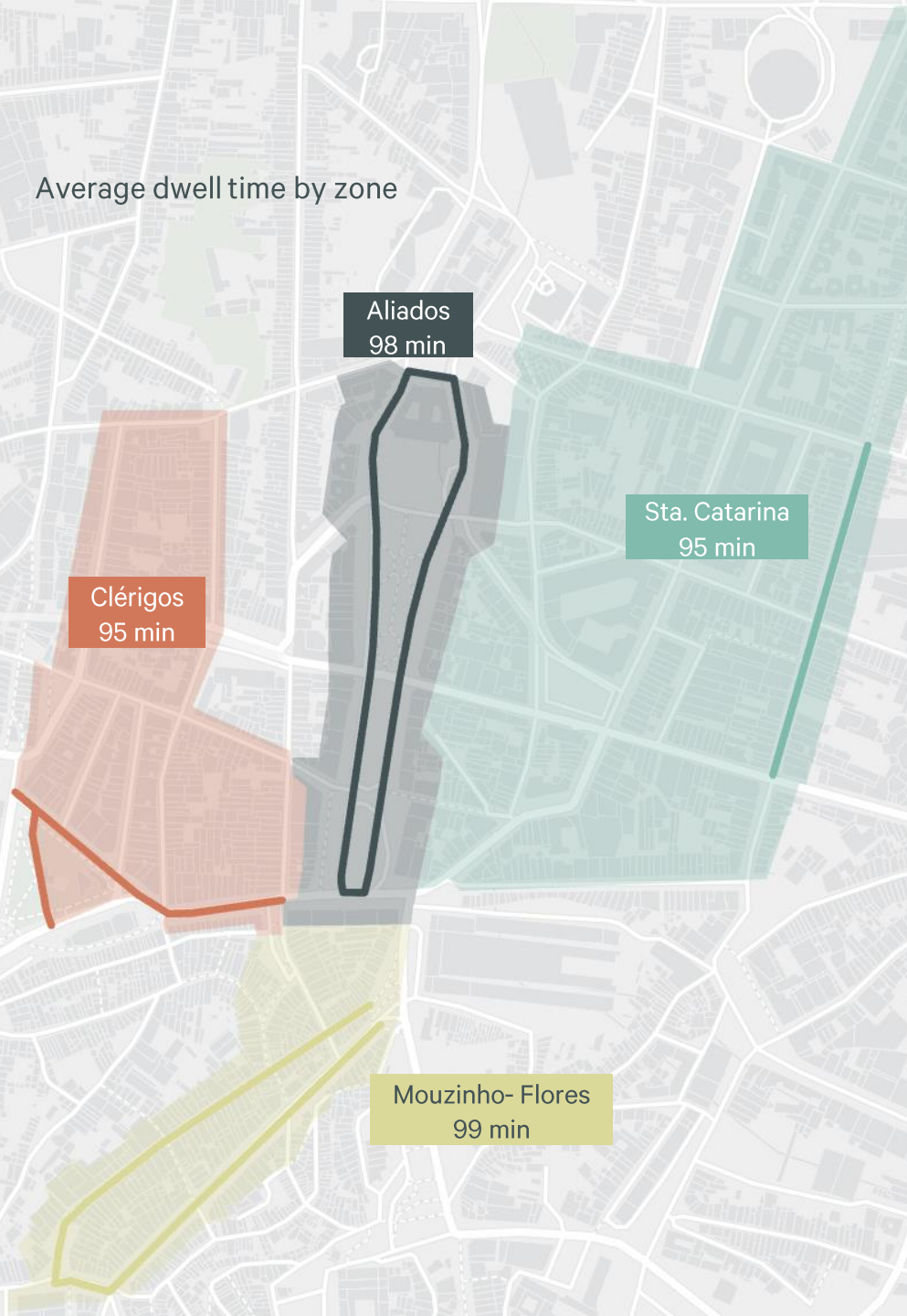
The touristic and local footfall appear the same but show nuances...



Local traffic is more “pragmatic” than touristic traffic and some areas emerge as predominantly local or touristic

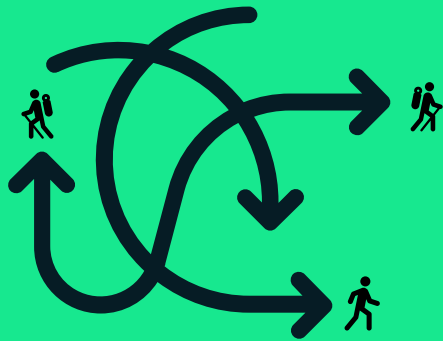


An overview of Porto prime areas' offering



Source: CBRE Calibrate tool; CBRE Research | Note(*) : number of units tracked covers only the main axis of the area

Local and touristic footfalls interact and adapt



- Downtowns are not “tourist only areas”
- However, locals tend to avoid some touristic hotspots and gravitate towards less touristic zones
- Local footfall is more pragmatic when coming to the touristic hotspots

Offer adapts to the touristic and local demands



- Predominant types of retail emerge naturally from the touristic demand experience
- Retail gets increasingly qualified with time as touristic demands shift
- Some zones have specific offers (especially F&B) to cater to local footfall

Contacts

Carlos Récio

Head of Retail Portugal

carlos.recio@cbre.com

Gonçalo Duarte

Director of A&T Retail

goncalo.duarte@cbre.com

Ana Jaca

Associate Director of A&T Retail

ana.jaca@cbre.com

Igor Borrego

Head of Capital Markets

igor.borrego@cbre.com

José Hermozilha

Head of Investment Properties

jose.hermozilha@cbre.com

José Maria Moutinho

Head of Research Portugal

jose.moutinho@cbre.com

João Amoedo

Research Analyst

joao.amoedo@cbre.com

© Copyright 2025. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.