

# International Real Estate Scope

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## Lisbon, Portugal



**Lisbon and its Commercial Real Estate Market are unique in many respects. Did You Know...**

- Lisbon, the capital and the largest city of Portugal, is one of the major financial and economic centers of the Iberian Peninsula. The Metropolitan area of Lisbon is one of the fastest growing cities among urban areas in Europe, and its population could reach to around 4.5 million by 2050, according to estimates of the United Nations.
- Lisbon is recognized as the city with the highest living standard in Portugal. The city is rich in architecture, with modern and post-modern constructions located all over its area. The city center is being considered for UNESCO World Heritage Site status.
- Lisbon is the most affluent region in Portugal. It produces 45% of the country's GDP and its GDP per capita is above the European Union's. The economy of Lisbon is based primarily on the service industry, which is mainly located on the south bank of the Tagus River. The majority of the multinationals in Portugal are headquartered in the Greater Lisbon area.
- It is estimated that 1 million people enter Lisbon every day from the suburbs. The majority of the working and student population use Lisbon's public transport network, which is very reliable and extensive. The city is well connected to the suburbs and the rest of Portugal by an extensive motorway networks. The city is also served by the Portela Airport, located within the city limits.
- Portugal imports mainly from members of the European Union such as Spain, France, Germany, and the United Kingdom. About 77% of Portugal products are exported within the European Union. Their main export partners are Germany, Spain, and France.
- The office market in Lisbon has been very active in the past twelve months. Local and foreign companies have continued to show interest on new and prime office space. The same trend is expected to continue in the next 18 months, with open space as the most demanded.
- Absorption has increased by 34.5% as compared to 2Q 2006, and vacancy levels, especially in the prime CBD zone, have decreased. New space completed during the first half of the year was 491,921 square feet, but 1.18 million square feet were absorbed. The overall vacancy rate fell from 11.4% in 4Q 2006 to 9.32% at the end of 2Q 2007.
- The market as a whole is going through an expansion phase; as a result, future supply in some districts will be limited. About 873,620 square feet are expected to be added to the market over the rest of the year and 1.19 million square feet in 2008. The current office stock in Lisbon totals nearly 45 million square feet.



### Lisbon

City Population	565,000
Metro Population	2.8 million
City Area	33 mi <sup>2</sup>
Av. Ann. Temp.	63 °F
Av. Ann. Rainfall	28 inches

### Portugal

Population	10.6 million
Nation's GDP	\$210 billion
Real GDP Growth	2.1%
Inflation Rate	2.5%
Unemployment Rate	7.6%
Labor Force	5.58 million
Literacy Rate	93.3%
Exchange Rate	1EUR = \$1.408

### Average Rents 2Q 2007 (USD/Sq Ft/Month)

Office	Rent	Vacancy
Prime CBD	\$2.35	9.2%
CBD	\$1.93	7.8%
New Office areas	\$2.11	7.6%
SBD	\$1.22	6.2%
Parque das Nacoes	\$2.07	16.3%
Western Corridor	\$1.54	17.7%



For further information on doing business in this market, please contact:

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