

Portugal Outlook 2026

Executive Summary



20th of January 2026

The Portuguese economy continues to demonstrate a solid and resilient position, supported by a moderate yet sustained growth trajectory, a consistent reduction in public debt, and a reinforcement of the country's financial credibility.

The outlook for 2026 remains broadly positive, with stable financing conditions and an overall high interest of international and domestic investors. Investment volumes in commercial real estate are projected to reach approximately €2.4 billion (- 11% YoY), within a context of stable prime yields.

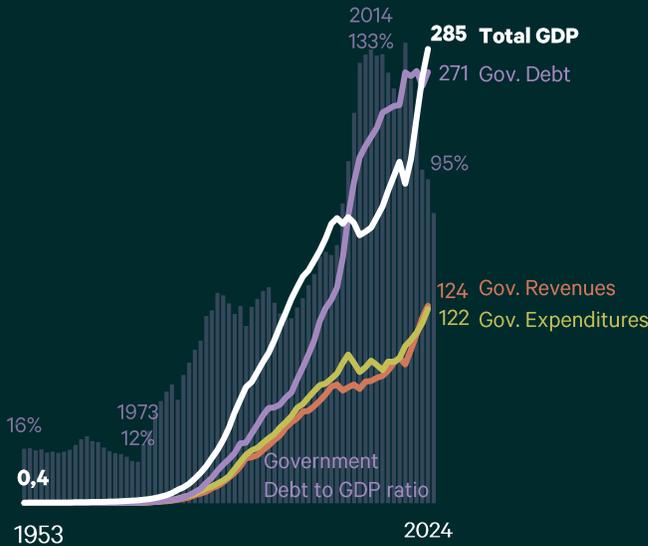
In the office occupational market, take-up is expected to remain stable in Lisbon, while in Porto it is projected to increase by 14%. In the logistics sector, take-up is anticipated to rise by 5%. The retail sector continues to record the highest prime rents on record, alongside the highest number of store openings to date. The hotel sector is expected to maintain the strong momentum observed in 2024 and 2025, underpinned by robust tourism growth and the ongoing upgrade and diversification of supply.

Macroeconomic Outlook

The Portuguese economy currently demonstrates a solid macroeconomic outlook, supported by a positive economic trajectory and recent data confirming a reduction in public debt and an improved debt-to-GDP ratio. Despite earlier negative expectations, 2025 is projected to close without a budget deficit and with public debt falling to around 88% of GDP. This progress reflects a consistent effort in fiscal consolidation, a better balance between state revenues and expenditures, and structural improvements in budgetary efficiency. In a context of reinforced financial discipline, moderate economic growth, and a resilient labor market, the country strengthens its credibility among international investors, providing a more stable macroeconomic foundation for medium-term real estate investment decisions.

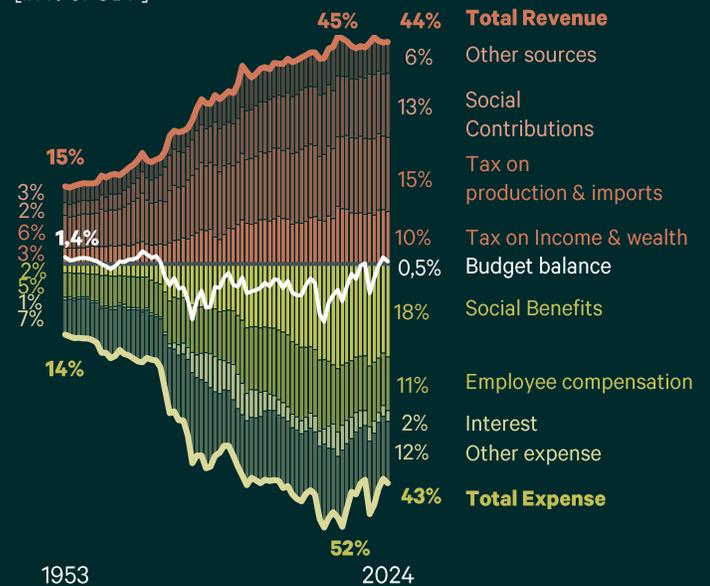
1. The Portuguese government finances

[Current EUR billion; % of total GDP]



2. Government revenues and expenditures

[in % of GDP]



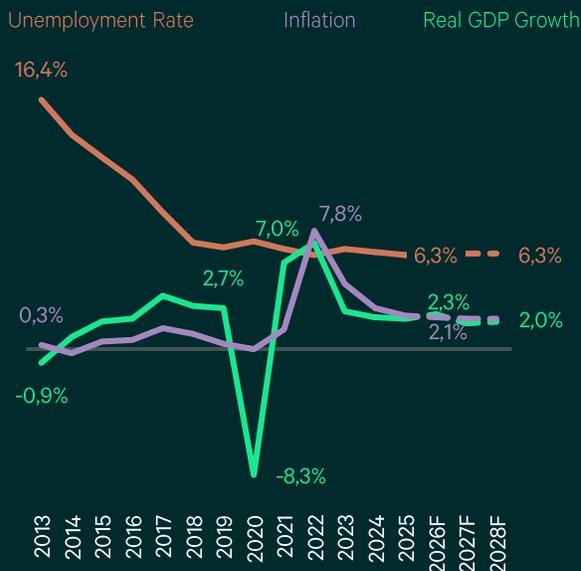
Portugal is today one of Europe's most compelling economic stories.

In 2025, GDP grew by 2.0%, marking the fifth consecutive year of expansion since the post-pandemic recovery began.

The economy remains solid in 2025, with moderately positive growth prospects through 2028, supported by domestic demand, a strong services base and sustained investor confidence.

According to the Bank of Portugal, GDP is expected to grow 2.3% in 2026, before normalising to around 1.7-1.8% up to 2028. Inflation keeps low near 2%

3. Macro Economic forecasts



4. Real GDP Growth in 2026



Capital Markets Overview

Investment Volumes

Commercial real estate investment has shown a trajectory marked by economic and financial cycles, with a significant recovery from the middle of the last decade, followed by a recent adjustment period in a context of greater macroeconomic uncertainty. At the same time, there has been an increasing diversification of invested capital, with segments such as Living, Hotels, and alternative assets gaining relevance compared to the historical weight of offices and retail, reflecting the market's adaptation to new demand dynamics and investors' risk profiles. For 2026, an investment volume of €24 billion in commercial real estate is estimated.

5. Portugal Investment Volume [Bn €]



Prime Yields

Prime yields have generally remained stable. This scenario is derived from an overall stability of the cost of capital. However, certain segments, namely offices, shopping centers, supermarkets, hypermarkets, and student housing experienced a compression of approximately 25 basis points over the year. This stability is expected to persist across most sectors in 2026.

6. Portugal Prime Yields [%]



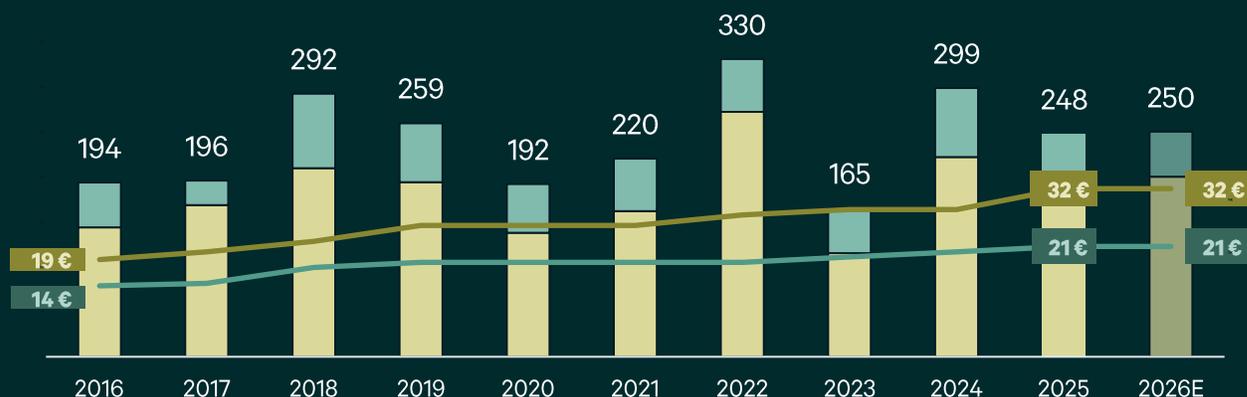
Sector fundamentals overview

Offices

Office take-up in Portugal totalled approximately 240,000 sqm, of which around 200,000 sqm were recorded in Lisbon and 40,000 sqm in Porto. For 2026, take-up in Lisbon is expected to remain broadly stable, while Porto is forecast to increase by 14%. As a result, total office take-up in Portugal is projected to reach approximately 250,000 sqm, signaling a stability in activity at the national level.

For the first time, Lisbon's highest rent is established in the Historic Zone and riverfront area, at €32 per square meter, and is expected to remain stable. Nevertheless, the remaining locations may experience an upward adjustments supported by the forthcoming development pipeline. In Porto, prime rents are also projected to remain stable, given the absence of available Grade A product in CBD Boavista, while remaining areas could register growth as new supply enters the market.

7. Portugal Offices take-up and Prime Rents ● Lisbon ● Porto — Lisbon Max Rent — Porto Prime Rent
[’000 sqm; €/sqm/month]



Logistics

In 2025, logistics take-up was only held back by delays in the completion of certain lease agreements. Take-up for 2026 is projected to reach approximately 380,000 sqm. Prime Rents of central logistic zones are steady at all-time-highs, but further growth is constrained by the lack of new projects coming to market. Conversely, there is a clear upward trend in prime rents across emerging locations, driven by increasing demand for alternative locations outside the main logistics hubs.

8. Portugal Logistics take-up and Prime Rents ● Lisbon ● Porto
[’000 sqm; €/sqm/month]



Sector fundamentals overview

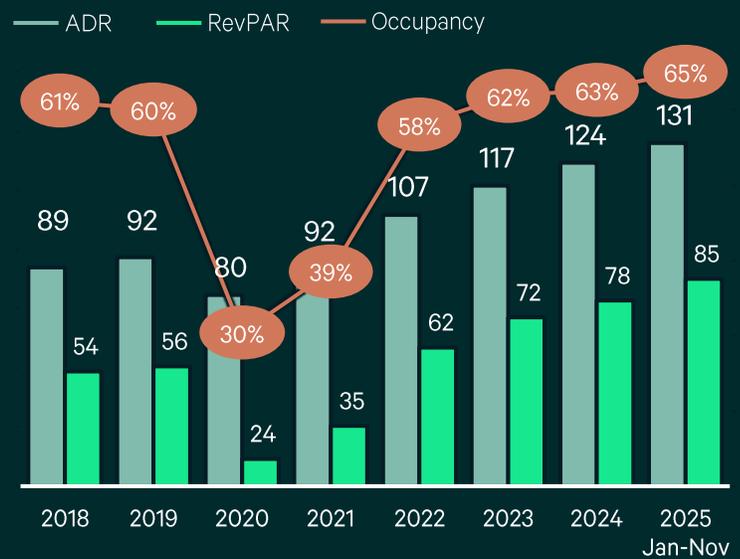
Hotels

The hotel sector has shown a strong growth trajectory, driven by the significant increase in both domestic and international tourism. Between 2004 and 2024, the total number of tourists nearly tripled, rising from 10.9 million to 31.6 million, with international tourism standing out, having grown by 95% over the last decade. The ongoing upgrading and qualification of the tourism offer have supported the strengthening of fundamentals associated with the assets' top-line performance. This increase reflects the destination's attractiveness and the consolidation of its tourism infrastructure. By November 2025, the fundamentals indicate a continuation of this positive trend.

9. Number of tourists
[per year, in millions]



10. RevPAR, ADR, and Occupancy Rate
[% of total tourists per year]



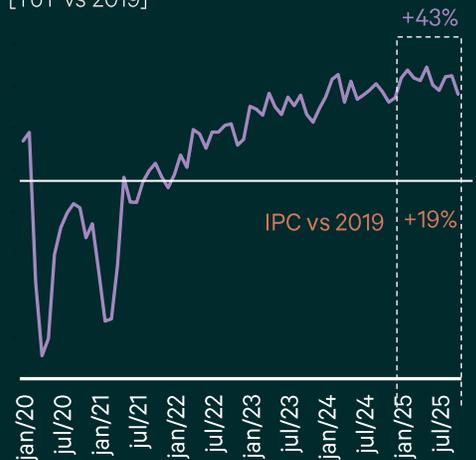
Retail

The retail segment in Portugal has shown remarkable dynamism, reflected in historically high prime rents in High Street Retail, driven by sustained demand for prime locations. At the same time, shopping centers have recorded all-time highs in footfall and sales, surpassing 2019 levels, highlighting the recovery and strengthening of physical retail consumption. This performance confirms the sector's resilience and reinforces the attractiveness of the national market for operators and investors.

11. High Street Retail Openings and Prime Rents
[Number of openings; €/sqm/month]



12. Sales index Evolution
[YoY vs 2019]

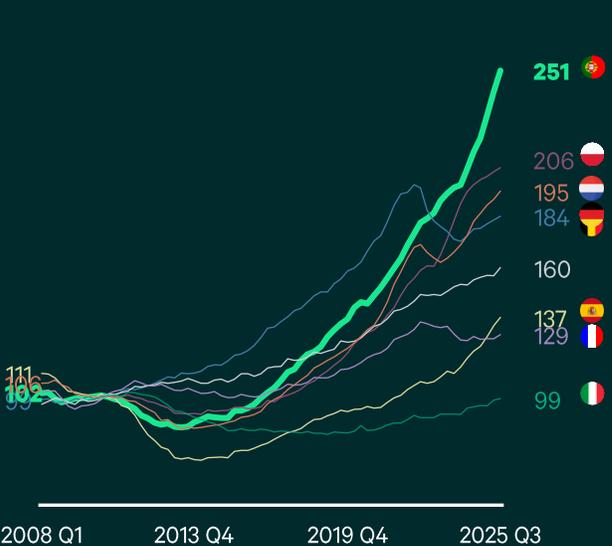


Sector fundamentals overview

Living

Portugal's residential market continues to face structural pressures, reflected in rapidly rising prices and the inefficient use of existing housing. Despite strong demand, a significant share of the national housing stock, nearly 1.8 million dwellings, remains vacant or used seasonal. In a European context, Portugal stands out as one of the countries with the highest growth in housing price indices, reflecting a persistent mismatch between supply and demand and housing market inefficiencies. Based on the results from the first three quarters of 2025, the year is expected to conclude with a record volume of residential transactions. CBRE will soon launch an in-depth study on the residential market in Portugal, offering updated insights into key dynamics, trends, and opportunities.

13. House Price Index Benchmarking
[2010 = 100]



14. Vacant and seasonal stock in key municipalities
[% of total stock]

| Municipality | Seasonal (%) | Vacant (%) | Total Stock |
|------------------|--------------|------------|-------------|
| Castelo Branco | 30% | 13% | 39,618 |
| Guarda | 30% | 12% | 28,416 |
| Vila Real | 26% | 10% | 30,819 |
| Beja | 18% | 15% | 20,166 |
| Viana do Castelo | 22% | 10% | 49,171 |
| Viseu | 19% | 12% | 56,641 |
| Leiria | 15% | 11% | 70,307 |
| Coimbra | 7% | 19% | 81,872 |
| Faro | 14% | 13% | 38,638 |
| Évora | 11% | 14% | 29,755 |
| Aveiro | 11% | 11% | 42,182 |
| Lisbon MA | 10% | 11% | 1,496,902 |
| Braga | 10% | 9% | 88,623 |
| Porto MA | 9% | 10% | 836,291 |

Portugal: Seasonal 18,5%, Vacant 12%

15. Value of residential real estate transactions
[Values in billions of EUR]



Sector fundamentals overview

Alternatives

Data Center

Data centers are a critical component of digital and economic infrastructure, driven by the exponential growth in data consumption, cloud computing, artificial intelligence and digital services. This structural increase in demand is reinforcing the strategic importance of secure, scalable and energy-efficient facilities, while also intensifying competition for power availability and suitable locations. In 2026, the market is expected to be marked by a major data center transaction, with a value in the order of €120 million, reinforcing investor confidence and the sector's growing relevance within the national real estate investment landscape.

Agribusiness

Agribusiness assumes an increasing strategic relevance within a global context marked by sustained population growth, rising food demand and a progressive reduction in available productive land. Structural constraints on arable land, combined with climate change and resource scarcity, are reinforcing the importance of efficiency, scale and technological innovation in agricultural production.

Some key Portuguese agricultural areas, such as Alqueva, stand out as global points of interest, providing a stable and competitive irrigation infrastructure that supports high-value crops, enhances productivity and mitigates climate-related risks, positioning Portugal as a credible and resilient agribusiness platform within Southern Europe.

Reference List

Figure 1 – Banco de Portugal | Figure 2 – Séries Longas da Economia Portuguesa (SLEP) Banco de Portugal | Figure 3 - Banco de Portugal | Figure 4 – IMF | Figure 5 - CBRE Research | Figure 6 – CBRE Research | Figure 7 – CBRE Research | Figure 8 – CBRE Research | Figure 9 – INE Portugal | Figure 10 – INE Portugal | Figure 11 – CBRE Research | Figure 12 - Associação Portuguesa dos Centros Comerciais (APCC) | Figure 13 – Eurostat | Figure 14 - INE Portugal | Figure 15 – INE Portugal

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