

BY:



## Lisbon office market took up 34,162 m<sup>2</sup> in 1<sup>st</sup> quarter

According to Jones Lang LaSalle, the Lisbon office market took up 34,162 m<sup>2</sup> in the first quarter of 2008, a figure that corresponds to 86 deals. The Prime Zone CBD led the market in terms of office areas with 31.5% of the total area taken up which corresponds to 10,744 m<sup>2</sup>. The consultancy added that the market displayed its best performance in March, with transactions totalling 21,878 m<sup>2</sup>. With respect to the first quarter of 2007, transactions were down by 28%.

## Sonae sells land for hotel in Tróia Resort to Hagen Imobiliária

Sonae Turismo has sold a plot of land in its Tróia Resort to Empire House-Investimentos Imobiliários, SA, a company owned by Hagen Imobiliária. According to the masterplan for the Tróia peninsula, a hotel (Hotel Resort) shall be built on the site. The agreement between the two parties establishes that Hotel Resort shall be managed by an internationally-known luxury hotel chain and requires the hotel to be ready within 36 months after the issuance of building licenses by the municipality of Grândola.

## Equestrian Tourism: a business that could be worth 350M euros in Portugal

The association of tourism and horse riding could generate between 250 and 350 million every year in Portugal. The estimate was disclosed by Nuno Constantino of tourism consultants NeoTuris at the International Conference on Equestrian Tourism which took place on 17-18 May in Portugal, at the Coudelaria Real de Alter do Chão.

According to Nuno Constantino, «this new market could contribute to reduce the seasonality which is typical of resorts and would contribute to the development of the hotel industry and residential tourism». However, he remarked that «developing new facilities and infrastructures, as well as organising events promoting Portugal's image abroad will be key to the success of any strategy. The country has outstanding social and economic conditions and an ideal climate for the development of this market sector».

NeoTuris estimates that the existing 122,850 horses could generate about 24,850 jobs, as two keepers are required to look after ten horses.

## 2.000.000 sq m of aggregate leasing activity in Europe in the first quarter of 2008

Occupier demand in the first quarter of 2008 was generally weak in most of Europe, with 2 million sq m of aggregate leasing activity in the 15 key European markets; office take-up was down sharply on the last quarter, a 23% fall quarter on quarter and 12% year-on-year.

This trend was particularly evident in markets such as Frankfurt, Madrid, Paris or Lisbon, which all saw take-up decrease by over 10% q-on-q, with the weakening of demand, as a result of the generally deteriorating economic outlook and widespread occupier caution. However, on an annual basis, the take-up figures for Brussels, Amsterdam, London City and all the German markets, except Hamburg, continue to show a year-on-year growth. The European office markets no longer represent a homogenous picture, with distinct variation between the more established Western markets and those, particularly, from the Central Eastern Europe (CEE), where economic growth and office demand remain strong. Indeed, the majority of Eastern Europe showed stronger take-up during this period than a year ago and, in addition, Sofia, Bucharest and Bratislava all saw a quarter-on-quarter increase.

The Lisbon office market, as said previously, registered a downward trend of take-up during the first three months of 2008, with around 34,000 sq m of leasing activity during this period; a fall of 66% quarter-on-quarter and of 22% when compared with the same period of last year.

The Western Corridor registered the highest level of take-up during the quarter under analysis, followed by the Av. República/Saldanha Zone and by Parque das Nações. Once again, the most dynamic sectors in the leasing activity were the financial services, consultancy services and law firms.

Despite the decrease in gross take-up during this period and the uncertainty that involves economic evolution, occupier demand is expected to reach similar levels to the ones registered in 2007, with the occupation in the second half of the year of Office Park Expo, at Parque das Nações, by the Ministry of Justice, totalling around 65,000 sq m.

OFFICE TAKE-UP BY ZONE - LISBON - 1<sup>st</sup> Quarter 2008

Zone	Area / sq m
Av. Liberdade/ Saldanha	6,507
Av. República / Amoreiras	7,975
Praça Espanha / 2 <sup>a</sup> Circular	814
Historic Centre	654
Parque das Nações	6,685
Western Corridor	10,744
Other Areas	782
<b>TOTAL</b>	<b>34,161</b>



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