



# Loreto 43



Prime Investment Opportunity

# EXECUTIVE SUMMARY

We are delighted to inform that Cushman & Wakefield is exclusively instructed to sell Loreto 43, a residential building located in the heart of one of Lisbon's most vibrant, sought after and historical neighborhoods - Chiado.

The property is an excellent opportunity to acquire an income-producing residential building that is currently occupied by six tenants, with room for rent revision and with an architectural project approved to easily create 5 additional new apartments.

# UNIQUE OPPORTUNITY TO ACQUIRE AN INCOME PRODUCING RESIDENTIAL BUILDING IN CHIADO



Lisbon exclusive and prime residential area of Chiado



1 floor with architectural project approved to create 5 new residential units with T1 and T2 typologies



6 floors above ground with 2 retail units on the Ground floor



Great proximity to a variety of public transport



Building that can be explored for rental purposes or for redevelopment with refurbishment of current residential units and maintaining retail on the ground floor



- Current building annual revenues: €110K
- Potential building annual revenues: €280K (with 1<sup>st</sup> floor new residential units)



Total GPA: 1,279 sqm

# CONTENTS

**1** Location

**2** The Asset

**3** The Market

**4** The Process



# 1 LOCATION

## Macro

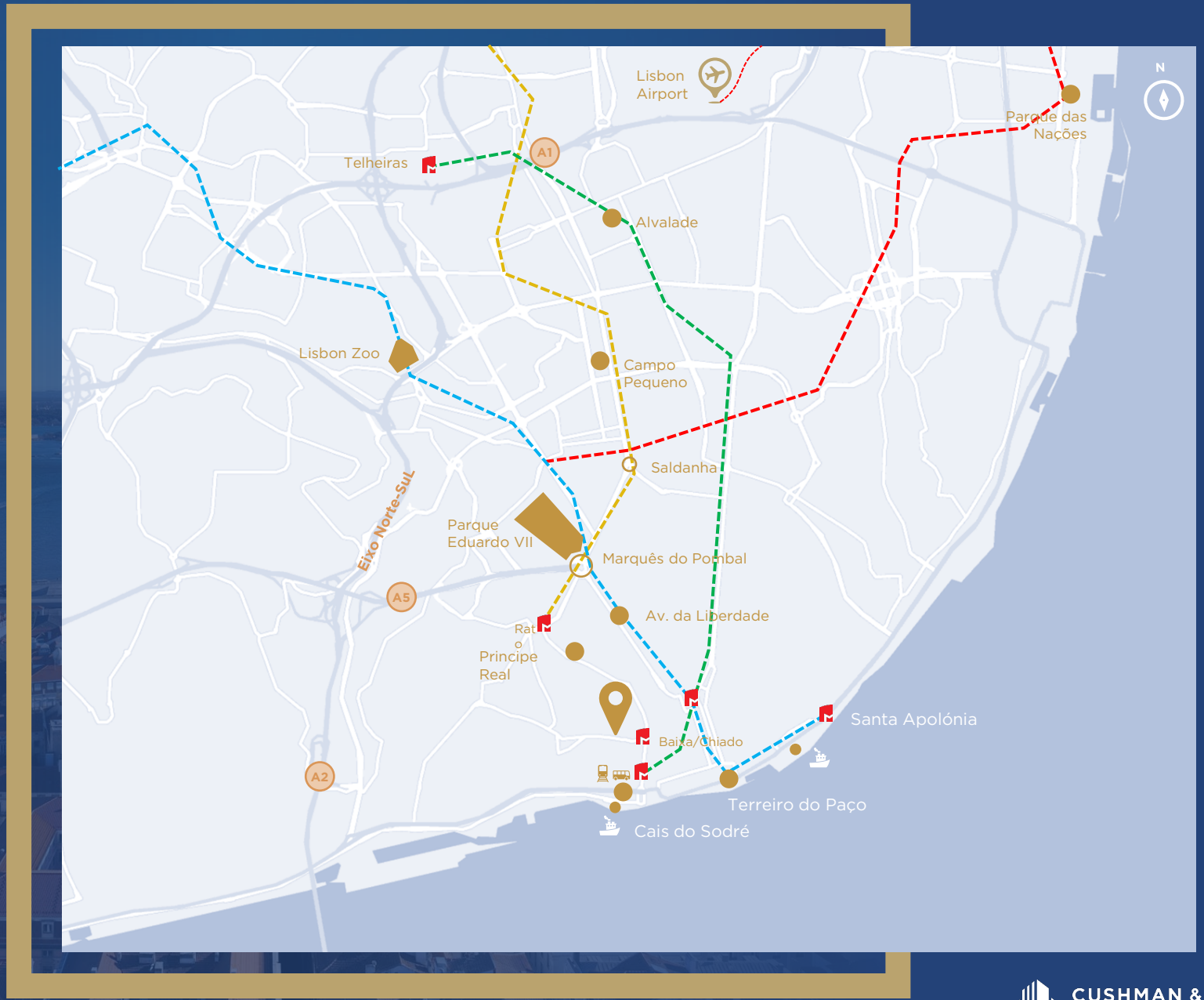
Loreto 43 is located in Chiado one of the most emblematic and trendy neighborhoods of Lisbon where tourists mix with residents in a very cosmopolitan lifestyle, influenced by high street retail, restaurants and culture.

The area evokes the bourgeois charm of the 19th century in which it developed, featuring museums, theaters and numerous buildings with enormous heritage value.

The proximity to the most important tourist attractions, combined with the strong public transportation connectivity and services turns this location into one of the most sought-after by real estate investors and occupiers/operators.



- Metro - Green Line: Cais do Sodré - Telheiras
- Metro - Blue Line: Santa Apolónia - Reboleira
- Metro - Yellow Line: Rato - Odivelas
- Metro - Red Line: Alameda - Oriente
- Railway: Cais do Sodré - Cascais
- Metro station
- Train station
- Boat terminal






# 1 LOCATION


Micro






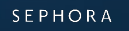




## Distances

-  Metro Station (Baixa-Chiado)  
250 m | 2 min
-  Cais do Sodré (Train station)  
750 m | 10 min
-  Airport  
10 km | 25 min by car

-  Garden
-  Train station
-  Point of Interest
-  Bus stop
-  Metro station
-  Ferry station
-  Hotel
-  Metro - Green Line  
Cais do Sodré - Telheiras
-  Metro - Blue Line  
Santa Apolónia - Reboleira
-  Railway  
Cais do Sodré - Cascais

 Garret Street



- 
- 
- 
- 
- 
- 
- 
- 

# 2 THE ASSET

## Areas

 Licensing approved for the 1<sup>st</sup> floor to develop 5 residential units

 The retail area enjoys direct access from the street

Use	State	GPA (sqm)		Floor
Non Residential	Vacant	63		5° Dir
Residential	Occupied	69		5° Esq
Residential	Occupied	196		4
Residential	Occupied	196		3
Residential	Occupied	196		2
Residential	Vacant	307		1
Retail	Occupied	212		Ground Floor Retail 45
Retail	Occupied	40		Ground Floor Retail 43
		<b>1,279</b>		

# 2 THE ASSET

## Building and 1st Floor Plan

Currently the 1<sup>st</sup> floor is vacant and has a total GPA of 307sqm. Having been used as a hostel in the past, it currently has licensing approved to develop 5 independent residential units.

As the land is slightly sloped, one of these units will occupy part of the ground floor and has direct access through a courtyard.

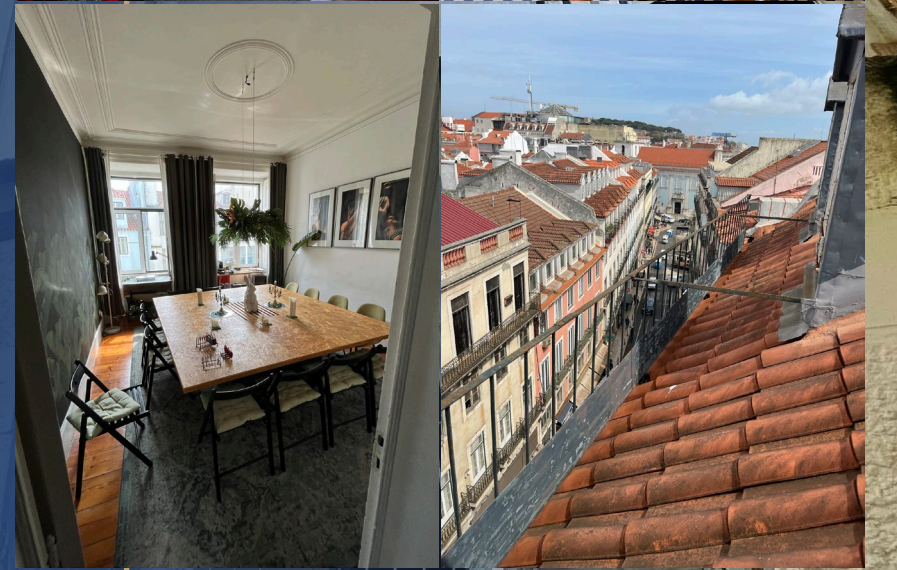
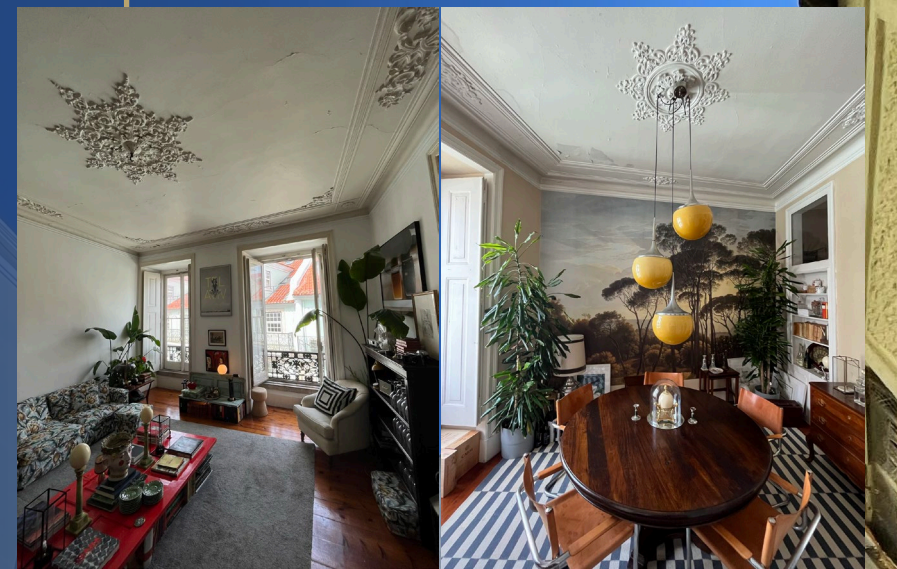
The building had several maintenance and refurbishment works done through the years and under "Recria" program in 2007, namely:

- Improvement of the front and back façades
- Totally new rooftop with new thermic and acoustic isolation
- New main water duct
- Electricity, gas and sewage refurbishments
- Residential units refurbished.



Ground floor

Floor Type





# 3

# THE MARKET

## Residential Market – Brief Overview

The residential market in Portugal has been **very dynamic** over the last ten years, with constant **price increases** both in the mid-market and in the **premium and luxury segments**, and demand levels consistently outweighing supply.

The Portuguese residential market is completely dominated by build to sell assets. This was even more evident over the last few years, in a very low interest rate environment. For this reason, developers were not motivated to build to rent. Additionally, neither developers nor banks have relevant experience in build to rent projects. The sale of residential units to overseas buyers also increased over recent years, helping to strengthen the sales market.

On the other hand, a professional rental market does not exist. The main reason for this is that rents were frozen for several decades up to 2012 and tenants were over protected by the State. Unlike what has been happening throughout Europe, what we still see in Portugal today is a very limited and fragmented rental market, made up of scattered apartments held by private landlords and families that do not provide professional and efficient management.

The significant increase in construction costs, rising interest rates, growing inflation and the very low levels of new construction of the last few years are clearly leading to a change in occupiers' attitude and a shift from the buying perspective to the renting perspective in Portugal. This has become more evident over Q1 2023. As a result, the strain on the rental market has increased significantly.



## 3

## THE MARKET

## Residential Market – Brief Overview

The unbalance between supply and demand keeps increasing and rents are rising steadily across the market. Also, a recent government program, which is about to be put into place, will encourage long term rental through tax reductions versus short term rental, further boosting demand for long term rentals.

In the current context, it is highly likely that the market will go through a significant change in the short to medium term with more and more people opting to rent and, potentially, with the first BTR projects to be developed as a direct response to the growing need for structured, good quality and professionally managed supply.

According to official data, rents have increased by approximately 40% over the last ten years in Portugal and the increase has been steeper over the last 18 months. The highest growth has been registered in Lisbon, as the capital city and main touristic and economic center.

This increase has also been intensified by the steady growth of overseas occupiers, with a much higher purchasing power and who can afford higher rents than the local population. Much of the high-end demand that we see in the market is not currently finding adequate supply, as much of the available stock is of lower quality, not professionally managed and does not provide ancillary services and amenities.



# 3 THE MARKET

## Residential Market – average prices

Evolution of the Average **Sales Price** per Sqm in Chiado



Evolution of the Average **Rental Price** per Sqm in Chiado



Sources: Cushman & Wakefield / Confidencial Imobiliário

# 4 THE PROCESS

Cushman & Wakefield have been retained by the vendor on an exclusive basis to undertake a structured sales process. The vendor is accepting offers for this opportunity considering that:

- The transaction shall only be considered as an asset deal
- The asset is sold as is
- Nonbinding offers for the property should be addressed to C&W via e-mail to the attention of the contacts presented in the following page.

The non-binding offer should be signed by a representative of the Bidder, with the appropriate power to do so, and should address, at least, the items listed below:

- Identification of the buyer and track record
- Identification of internal transaction team, external advisors and any other party intending to work on this project
- Confirmation of any internal approvals required to complete the acquisition
- Confirmation of whether and how the acquisition will be financed
- Payment conditions
- Confirmation of time required for completion (including due diligence).

For more information,  
please **contact:**

Ana Gomes

PARTNER | CAPITAL MARKETS

T: +351 916 183 142

ana.gomes@cushwake.com

Sebastião Madeira

CONSULTANT | CAPITAL MARKETS

T: +351 934 400 003

sebastiao.madeira@cushwake.com

Ana Magalhães

CONSULTANT | CAPITAL MARKETS

T: +351 933 265 013

ana.magalhaes@cushwake.com



Loreto 43



#### Disclaimer

No warranty or representation, express or implied, is made to the accuracy of the information contained herein, and the same is submitted subject to errors or omissions, change of values or other conditions, withdrawal without notice, and to any special listing conditions imposed by the client.

This document is provided merely as a general guide to the property. It is not and shall not therefore become part of any offer or contract. Nothing in this document shall be deemed to be a statement that the Property is in good condition or that any services or facilities are in working order.