

### **Cautious, but willing to invest**

This was the overall mood of the majority of the many dozens of investors that attended the conference “*Why Iberia – Iberian Investment Briefing*”, hosted in London by Iberian Property and Real Asset Media.

Under a cautious, but calm and grave, atmosphere, this group of investors and representatives of financial markets gathered in the City of London from all over the World looked at the (many, one must admit) problems and challenges that lie ahead. The motto was unanimous: we want, desire and have capital to invest (mostly from all types of real estate assets), but caution in the current world's macroeconomic and geopolitical scenario naturally requires a larger, more careful and strict analysis of investment or financing projects (as was already happening since the 2008 financial crisis and, more recently, during the pandemic), weighing more carefully the projections for 2023 and 2024, and plainly reviewing the different risks linked to the specialty of each type of assets (each asset class poses completely different risks, which are not the same, for instance, for the residential segment as for the residential segment).

Besides that, and from the perspective of the European financial market, this economic crisis that will impact the whole world has nothing to do, specially in what the expected severity, consequences and repercussions are concerned, with the critical moments we went through recently, and particularly with the 2008 financial crisis.

And, therefore, the financial markets have the liquidity and the will to invest, these markets' pressure to allocate capital still stands, there is available funding (somewhat more expensive, though) and, on the other had, the real estate market is still worthy of the allocation of this same capital.

And what about the Portuguese real estate market? Is it still targeted? The unequivocal answer was a firm yes.

Firstly, geographically, we are the most distant country from Russia and the armed clash in Ukraine. In 2022 we had the most notorious GDP growth in the euro area. Also the perspectives of all national and European entities for Portugal point towards an economic growth, albeit softer, for 2023. We had the lowest unemployment rate of the last years and even in 2023 employment is forecast to stay at very acceptable levels. Before the whole Europe, Portugal was able to prove, as once more as a good student, that it has and holds tax discipline as a goal that must be met. Also we were one of the fastest countries in Europe to reduce public debt and finally our ratings by the world's leading investment firms are increasing steadily. And one must bear in mind tourism comeback to very interesting rates, a true boom.

Next, more recently and most relevant nowadays, in what energy is concerned, we depend very little of Russia and also in this subject we are a good European student regarding energy.

From a macro perspective, we must not forget the more than € 60B that we will receive from Europe to support the expected continuous growth of our country in 2023.

Focusing now specifically the real estate market, the fundamentals as the recipient of the European and world investment are still present, among which: a large unbalance between the supply and demand, high level of demand, obsolete building patrimony requiring refurbishment or rehabilitation, including the required adjustment to the new green rules, tourism boom, tourism segment, retail and logistics return to markets, the new dynamics and new trends, such as in the logistics and retail segments, and without forgetting the new needs and expectable changes, specially in the affordable housing market and rental market.

Therefore, there is and will be opportunities in Portugal for the next months, there capital available for our country, albeit more expensive, and so one must know where to look for it. This is my belief as I left this session in London. Caution, but no pessimism, specially that which is currently the easiest, catastrophism.