



The Water City Project

Lisbon, Portugal

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The information contained in this document is indicative and is aimed to provide potential bidders with preliminary information on the procurement process

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An architectural rendering of a modern urban waterfront development. The scene features several multi-story buildings with glass and dark facades. A large, rectangular water feature is in the foreground, surrounded by a paved promenade with trees and walkways. In the background, a city skyline and a body of water are visible under a clear blue sky.

Introduction

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Introduction

- Baía do Tejo, S.A. (“Baía do Tejo”) is a Portuguese state-owned company, created in 2009, dedicated to the promotion of the largest urban regeneration project in the Metropolitan Lisbon Area, with an Urbanization Plan approved (PUAN - Almada Nascente Urbanization Plan) that covers four different sub-unit areas designated as SUOPG 1, 2, 3 and 4.
- Baía do Tejo is seeking to attract investors for the development of “SUOPG 1 - Margueira”, hereinafter referred to as **“The Water City Project”** ⁽¹⁾, which comprises **i)** the acquisition of 464 565 sqm of land in Almada and **ii)** the assignment of the contractual positions on a Recreational Marina and on a Ferry Terminal Concession Agreements.
- For this purpose, Baía do Tejo will launch a tender in the course of 2019 with the following scope:



⁽¹⁾ In the context of PUAN, the “Water City” designation refers to all the four sub-unit areas.

Market Presentation

- The main objectives of this presentation are:
 - ✓ To provide a brief overview of the project, the expected tender and its legal framework;
 - ✓ To inform potential investors on the expected schedule of the tender process;
 - ✓ To give potential bidders an opportunity to provide relevant and expert feedback.
- The scope of information that may be shared with participants is only based on public information made available, namely in the (i) PUAN and (ii) Decree-Law 133/2017.



Portuguese Real Estate Outlook

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Tourism Market

Tourism in Portugal has been experiencing a strong growth trend, specially in Lisbon. Strategically located in the center of Portugal, Lisbon combines a huge range of **cultural** and **natural resources**. At the same time, other Portuguese regions like Porto, Sintra, Cascais and Algarve have also been a target of a strong touristic interest.

2018 Highlights - Portugal

According to Travel BI December 2018 report by *Turismo de Portugal*



Occupation Rate

65.4% | 76.4% in Lisbon ⁽¹⁾

-1.2% 2018 vs. 2017



Revenue

3.6 bn

+6.0% 2018 vs. 2017



Guests

21.1 mn | 6.2 in Lisbon ⁽¹⁾

+1.7% 2018 vs. 2017



Overnight Stays

57.6 mn | 14.3 in Lisbon ⁽¹⁾

0.0% 2018 vs. 2017



RevPar

52.5€ | 72.7 in Lisbon ⁽¹⁾

+4.5% 2018 vs. 2017

⁽¹⁾ As of December 2017 according to Travel BI 2017 report by *Turismo de Portugal*

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Portugal Awards

Portugal is currently the recipient of several travel awards, and the country's popularity is growing. Portugal includes distinctive factors such as safety, health and education, an amenable climate, the cuisine and the Portuguese hospitality, which give it enormous tourism potential.

In 2018, Portugal won 17 awards from the World Travel Awards, among them:



Residential Market

2018 Highlights

According to Portugal Market 360⁹ | Annual Publication
2018/2019 by JLL and INE Statistics Portugal

Houses Traded

≈ 182,000

+19.0% vs. 2017

Houses Traded

23.3 bn

+20.7% vs. 2017

Average Price

+8.5%

-2.7% 2018 3rd Q vs. 2017 3rd Q

1990 /
2000

The residential market in Portugal experienced a boom in the 1990s and early 2000s, with mass construction ensuing, especially on the outskirts of the major cities.

2007

The financial and economic crisis changed the portuguese residential market context. Financing became expensive and inaccessible to most Portuguese, leading to a market's activity contraction.

2013 /
2014

At the end of 2013 and throughout 2014, there was a visible recovery in the sector, particularly in the cities of Lisbon and Oporto.

Today

The residential market is currently enjoying a strong momentum, with urban regeneration as one of its main drivers.

The increase in the price of housing in the city centers leads to the development of new centralities.

Residential Market

Over the last three years, Portugal has become one of the most attractive real estate investment destinations in Europe. This renewal benefited from foreign investment, driven by a combination of the following factors:

- 1 Amendments made to the urban lease law, which facilitate the sale of buildings with rents that are unsuited to the market
- 2 Programs launched to encourage and attract foreign investment, such as Tax Benefits for Non-Habitual Residents and Golden Visa
- 3 Political unrest in certain countries, namely in northern Africa, making several European consumers seek other safer destinations for their vacations
- 4 Difficult economic and political situation in several countries, such as Brazil, causing investors to diversify the location of their assets
- 5 Slackening of construction licensing laws, enabling real estate projects to be placed on the market more quickly
- 6 Large building stock in need of refurbishment and the respective implementation of tax incentives for Urban Regeneration
- 7 Greater liquidity among investors
- 8 Decrease in interest rates, making real estate returns more attractive
- 9 Lack of definition of financial markets, making real estate investment a safer option
- 10 Acknowledgement of Portugal as one of the best countries to live in, with emphasis on safety, climate, cultural and natural diversity, and a low cost of living.

Margueira | Baía do Tejo

Office Market

Stable economic growth, decrease in unemployment rates, as well as political and economic stability are some of the factors that have most contributed to make Portugal an attractive destination at a business level.

The office markets in Lisbon and Porto are the most requested by multinational companies in the fields of New Technologies, Shared-Services, Financial Services and Consultancy (i.e. Google Service Centre).

2018 Highlights - Portugal

According to Portugal Market 360° | Annual Publication 2018/2019 by JLL

206,428 sqm

Take-Up

+23.7% vs. 2017



229

Transactions



6.5%

Vacancy Rate



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An architectural rendering of a modern urban development. The scene features several multi-story buildings with glass and dark facades. A prominent building in the center has a large, abstract mural on its side. In the foreground, there is a wide, paved pedestrian walkway lined with young trees. A body of water, possibly a canal or a large pond, runs alongside the walkway. In the background, a tall, slender skyscraper and a distant cityscape are visible under a clear blue sky.

The Water City Project

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Location



Located in Almada, on the south bank of the Tagus River, the Water City Project is one of the largest urban regeneration projects in Portugal since Expo98.

Almada is one of the most populous Portuguese city with about 174,000 inhabitants, and is known for its unique geography and landmarks: 10 km of beaches, the riverside area, the historical center, the University campus (FCT with 8,000 students) and the Cristo Rei Sanctuary (with an average of 90,000 visitors per year)

The Water City Project is planned to be a new **mixed-use project** based on sustainability, environment and connectivity, with a privileged position along the river front, with great views over Lisbon and the Tagus River.

Leveraging the attractiveness of Lisbon as a city destination, the Water City has all the conditions to position itself as a distinguished project in the Lisbon Region and is planned **to be a place to work, to live in, a place of culture and knowledge, a place of leisure and tourism.**



Connectivity



- ✓ Ferryboat
- ✓ Bus
- ✓ Light Rail Station
- ✓ Train (through the “25 de Abril” bridge)
- ✓ Road Network

The Water City Project is located at a short distance to Lisbon downtown and other major tourism destinations, as well as to Hospital Garcia de Orta (4 km) and FCT University (8 km).

10 Reasons Why

- 1 Awareness and visibility of Lisbon as a major touristic and investment destination
- 2 Real Estate market general shortage of buildable land for new projects
- 3 One of the largest urban regeneration projects in Lisbon since Expo 98
- 4 Opportunity to develop a large-scale mix-use project in the Lisbon Region
- 5 Possibility to create new landmarks in a central metropolitan area
- 6 Connection between the river and the city in an unique landscape
- 7 Beautiful views overlooking the River Tagus and Lisbon
- 8 2,5 km in a straight line from Lisbon Downtown, over the river
- 9 In Almada consolidated urban area, near schools, Hospital and University
- 10 Approved Urbanization Plan with a Recreational Marina and a Ferry Terminal

Land Characterization

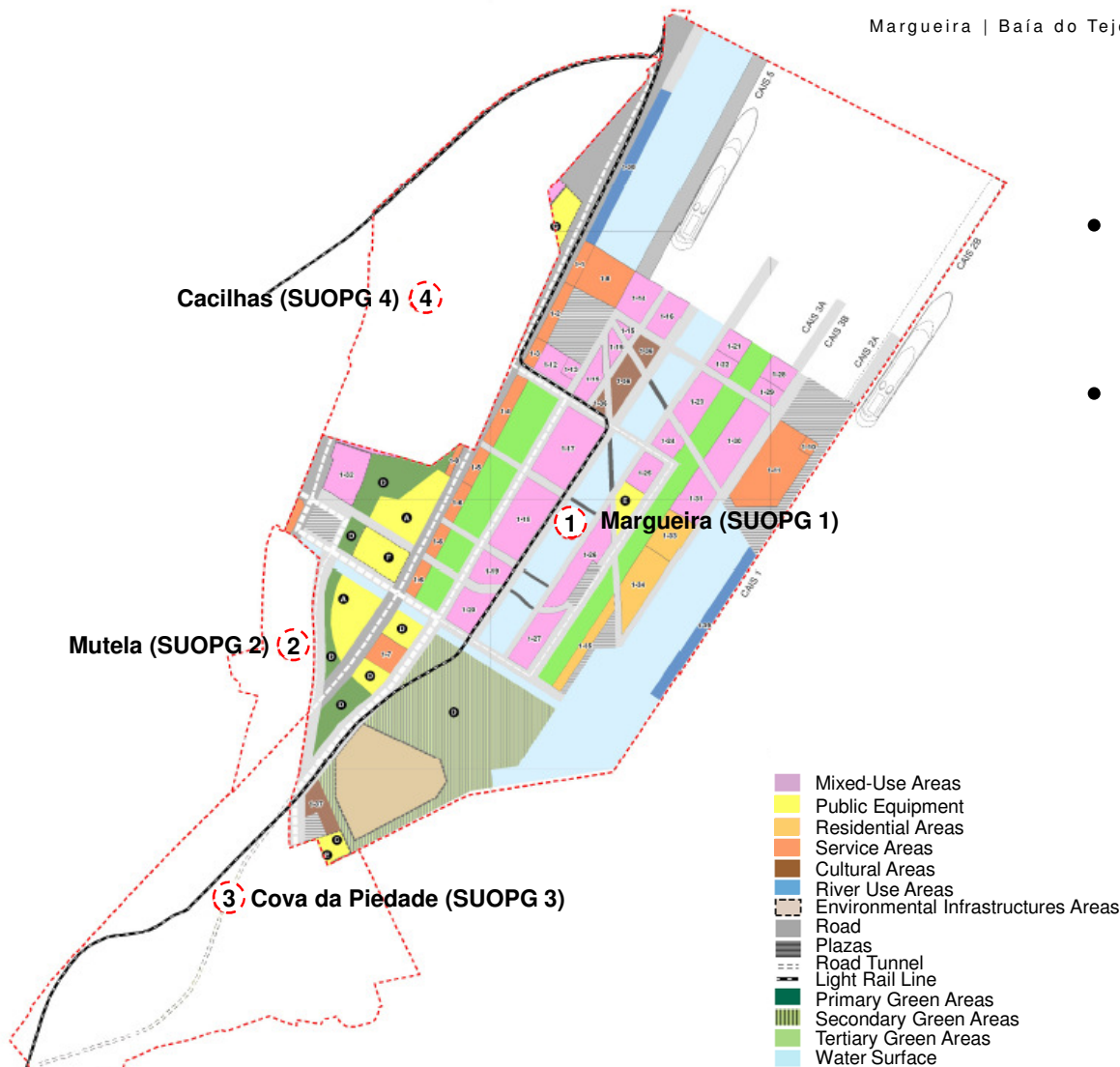
The Water City Project is foreseen in the PUAN and in the Decree-Law 133/2017 dated October 19th 2017.



	Areas (sqm)
Parcel A	402 519
Parcel B	57 746
Parcel C	4 300
Total Parcels	464 565
Marina (Concession)	37 773
Terminal (Concession)	72 959
Total	575 297

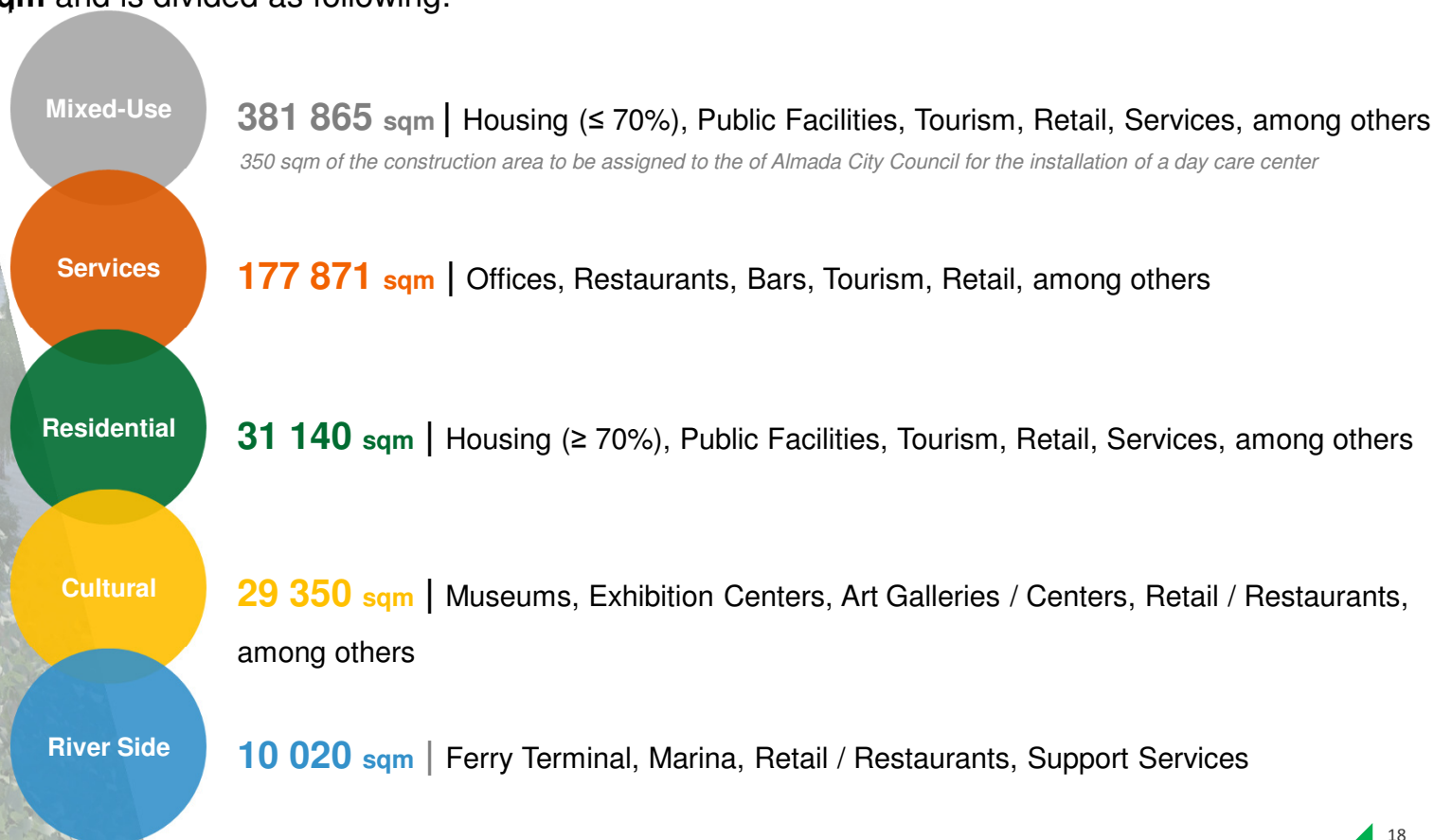
Master Plan

- The General Plan approved in 2009 defines four different sub-unit areas (SUOPG), in which Margueira (SUOPG 1) is integrated.
- The General Plan was designed by a state of the art team of international architects, led by Richard Rogers in partnership with WS Atkins and Santa-Rita Arquitetos.



Construction Areas

Margueira covers a total area of **575 297 sqm** of those **i) 464 565 sqm** regarding the areas of land (A+B+C), **ii) 72 959 sqm** regarding the Ferry Terminal and **iii) 37 773 sqm** regarding the Recreational Marina. According to PUAN, the total gross construction area is **630 246 sqm** and is divided as following:



Recreational Marina

Assignment of the Contractual Position

The PUAN includes a Recreational Marina, an equipment that will serve the demand in the South Bank of the Tagus River.

The Marina will be installed in the water plan which is located in the east side of the former Lisnave dockyard.

The excellent natural conditions, the strategic location, the beautiful sites are examples of the strong potential to attract international demand.

Reference **1-38**
Total Area **37.773 sqm**
Construction Area **6.320 sqm**
Maximum Façade Height **10 m**
Number of Floors **2**

Ferry Terminal

Assignment of the Contractual Position

Centrally located in the Lisbon Metropolitan Area and only a few minutes away from Lisbon, the PUAN includes a Ferry Terminal to be installed in the designated “dock 13”, to be implemented through a concession model as defined in Article 5 of the DL 133/2017 dated October 19th 2017.

Reference **1-39**

Total Area **72.959 sqm**

Construction Area **3.700 sqm**

Maximum Façade Height **10 m**

Number of Floors **2**

Legal Framework

All urban operations involving The Water City Project, particularly the “SUOPG 1 – Margueira”, are subject to the following legal documents:

PUAN

Published in D.R., 2ª série, n.º 218 – 10/11/2009

Composed of:

- Regulations
- Zoning Plan, 1: 5000 scale
- Conditioning Plan, 1: 5000 scale

Including:

- Summary Report
- Environmental Report
- Execution Program and Financing Plan
- Basic Studies Report
- Reports 5 and 6 of the Environmental, Geological and Geotechnical Characterization Study
- Sectoral Strategy Report
- Urban Design Guide
- Acoustic Study

Decree-Law 133/2017

Published in D.R., 1.ª série, n.º 202 – 19/10/2017

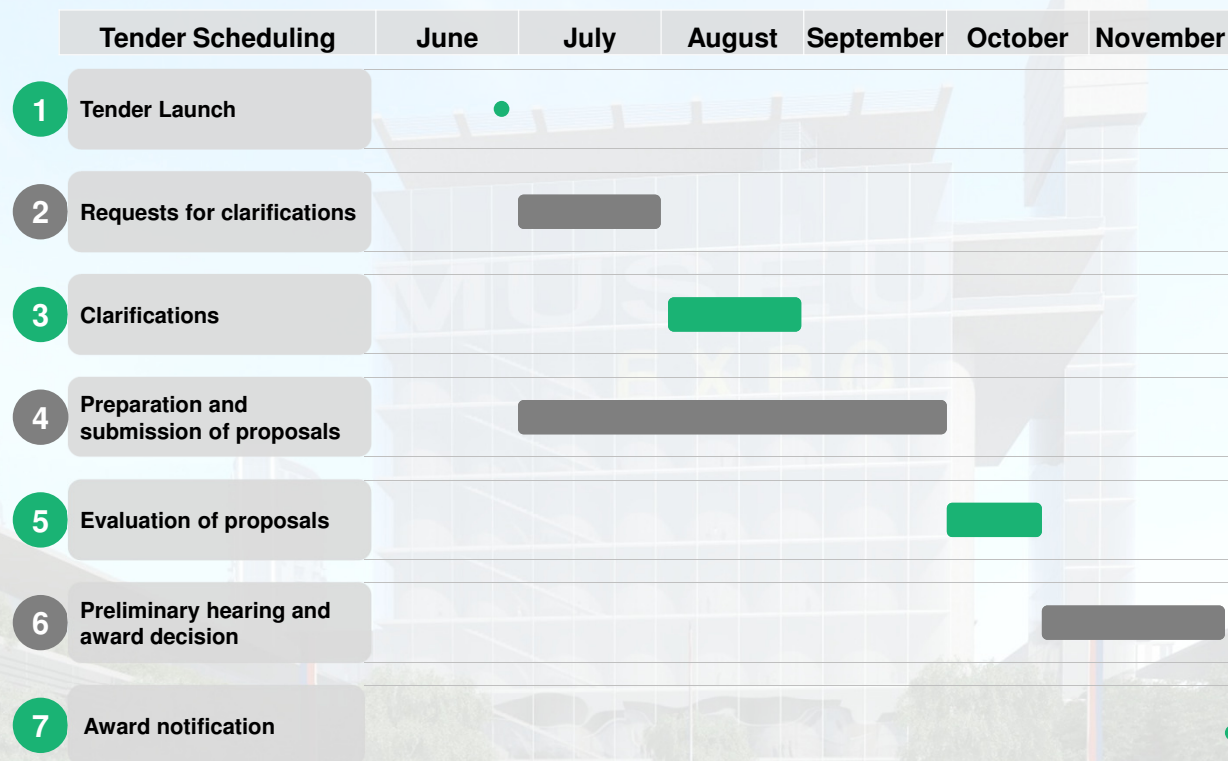
- Creates the conditions for the implementation of the Water City Project:
 - ✓ Some lands of Margueira are removed from the public domain
 - ✓ Some lands of Margueira (Dock 13 and Marina), which remain in the public domain, are made available for private use

An architectural rendering of a modern urban waterfront development. The scene features several multi-story buildings with glass and metal facades. A large, rectangular water feature with a central island and walkways is prominent in the foreground. The area is landscaped with numerous trees and paved walkways. In the background, a city skyline and a body of water with a ship are visible under a clear blue sky.

Procurement Indicative Timescale

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Procurement Indicative Timescale



An architectural rendering of a modern urban waterfront development. The scene features several multi-story buildings with glass and dark facades. A large, rectangular water feature with a central island and walkways is prominent. The area is landscaped with numerous trees and paved walkways. In the background, a city skyline and a body of water are visible under a clear blue sky. The text "Thank you" is overlaid in the center.

Thank you

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