Prime Yield aims to be a leading company in its operating markets. The Prime Yield Group supports its business with four structural values: independence, international presence, international standards and innovation.

COMPANY
Prime Yield is a company specialized in consultancy and valuations for the property market, providing services that create value by supporting their clients’ decision making. Prime Yield is a company registered in all supervising and regulating entities of the countries where it operates and holds a certification Regulated by RICS.

With a coverage focused on Portuguese-Speaking markets, Prime Yield has offices in Angola, Brazil, Cabo Verde, Mozambique, and Portugal.

VISION
Intelligence Services for those who want to achieve excellence.

MISSION
To estimate the value of assets in an objective way and in the corresponding manner. To make informed decisions based on data about market values and valuation criteria that are adjusted to the property’s specific features.

VALUES
Commitment to the client
Competence
Innovation
Confidentiality
Independence
Trust

SERVICES
Prime Yield’s activity is organized into two integrated business areas, namely:
- Asset Valuation
- Consultancy

ASSET VALUATION
Prime Yield offers asset valuation services for all types of property both to institutional and private clients, based on multidisciplinary premises and procedures, provided by a multitask technical team that includes architects, economists, engineers and property managers.

Team Prime Yield’s comprehensive expertise and know-how allows the company to meet the needs of highly complex valuations and specific requirements.

This line of service allows the client to make informed decisions based on data about market values and valuation criteria that are adjusted to the property’s specific features.

Prime Yield’s range of activity includes:
- Tangible assets (property and movable) such as residential, offices, stores, warehouses, industrial plants, urban sites, rustic sites, property developments, machinery, and equipment.
- Intangible assets such as brands, know-how, patent or formulas.

What is the purpose of Valuations?
- Mortgage lending
- Mortgage security
- Company management
- Insurance companies’ reserves
- Asset management
- Investment analysis
- Portfolio revaluations
- Rental reviews
- Administrative Management
- Tax Consultancy
- Inheritance division

CONSULTANCY
Prime Yield consultancy services provide the client solid ground for investing in the property market. The company is prepared to support the complete development process, offering specialized consultancy services and thus providing detailed reports for analysing and selecting the most fitted scenario for each of the stages of that process.

These services include detailed analysis and assessment, comprising both qualitative and quantitative features of the business. The outcomes of these studies allow, for example, to identify over or under supply situations facing a natural demand. Considering that risks increase in the construction and marketing stages both for the developer and the investor, Prime Yield can follow up the project in the perspective of preventive monitoring, timing control and budgetary issues.

What are the consultancy services offered by Prime Yield?
- Personalized Studies
- Quantitative and Qualitative Studies
- Feasibility Studies
- Demand Studies
- Supply Studies
- Urban planning Studies
- Tenant Mix and retail
- SWOT Analysis

What are the purposes of the Consultancy Services provided by Prime Yield?
- Decision-making support
- Knowing the competition
- Assess market needs
- Keep pace of how market values evolve

RESEARCH
Prime Yield develops annual research bulletins that are available to the market and that can be further deepened according to the specific needs of a client or a project. This support area reinforces our Consultancy and Valuation areas, allowing for a constant market update and monitorization.

ORGANIZATIONAL STRUCTURE
All Prime Yield professionals understand, respect, and act in compliance with RICS’ code of conduct.

The Prime Yield universe is based on a CRM platform that aims to serve the client, allowing for ongoing control and assessment of every process’ development.

The development of reports, valuations or consultancy are processes supported by management tools integrated in an IT system available both to employees and clients through an intranet.

Prime Yield’s largest investment focuses on focused in training programmes using a D&I platform that allows all employees to keep an updated and regular knowledge base.

Prime Yield develops studies and market reports that use the property portal’s Casa Sapo shared database. This information is updated on a regular basis, thus it supports any valuation criteria at any time.

INTRANET
Prime Yield implemented an advanced software system that allows for the management and processing of all information. The Prime Yield team can access this software in which all processes are classified.

The continuous update of the database allows to permanently use a set of comparative values that are highly reliable and that ensure full objectivity in each process.
New paths, new challenges and new markets. The same trust, quality and commitment!

It is already been 14 years this February that Prime Yield was born, but it seems that it was only yesterday we took the first steps. The company was born inspired to be different, competent and independent, client-oriented and, at the same time, creating a relation of trust with all the stakeholders. And just like for human beings, also in corporate life DNA is something that lasts and stays forever. So, regardless of the paths we take in our several stages of growth, these are our values and will always guide us in what we do.

This serves as a kind of “reminder”, one that is never too much to remind – if you excuse the pleonasm -, especially now, when Prime Yield enters a new phase of its development. Since 20 December 2018, we are part of Gloval group and, through this operation, we are integrated into an ambitious project aimed at be a leading player, by the quality of services provided, in the markets where it operates.

Gloval group is the result of the combination of a group of companies delivering services in the areas of asset valuation, real estate consultancy and engineering (namely Valtecnic, VTH, Vt asset, Oco and Prime Yield), having a remarkable track record that translates into numbers that deserve to be highlighted: in aggregate, the group has a team of over 1,000 professionals; has performed more than 5 million valuations and has more than 70 years of accumulated experience.

Therefore, the integration of Prime Yield is a great opportunity to be part of a solid company, capitalize on and learn from its know-how, and further expand our services in other markets. Greece and Spain are, for the moment, just some of these new geographies that we are prepared to approach with you, but others will come. So, consider yourselves invited to better know the Gloval’s proposal of value, accessing here our corporate presentation.

On a final personal note, I’m pleased to leave my testimony as one of the founders of Prime Yield in order to reaffirm that it gives me great satisfaction to have reached this turning point. With the same DNA that made us born, we embrace the challenge of this new path with dedication and treading it is, in itself, especially appealing to all of us who make Prime Yield happen every day. Personally, I will assume a dual position, maintaining as Managing Director of Prime Yield and also accumulating responsibilities for the development of Gloval’s international business in the areas of valuation and real estate consultancy for investment funds.

I’m sure there will be so many upcoming opportunities for us to be in touch and surely we – both me and the entire team - will do everything so that your experience with us is even more challenging, but with the same trust as always!
Prime Yield's integration into Gloval Group is a unique opportunity to be part of a leading company, but also to capitalize and to absorb its know-how, while diversifying and expanding our range of services to new international markets.

### NEW OFFICES

<table>
<thead>
<tr>
<th></th>
<th>Prime Rent (€/sq.m/month)</th>
<th>Yield (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisbon - Prime CBD</td>
<td>21</td>
<td>4.5</td>
</tr>
<tr>
<td>Porto</td>
<td>17</td>
<td>6.5</td>
</tr>
</tbody>
</table>

### RESIDENTIAL - REHABILITATION 3-BEDROOM APARTMENTS

<table>
<thead>
<tr>
<th></th>
<th>Average price per Sq.m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisbon - Baixa/Chiado/Av. da Liberdade</td>
<td>Average price (€) 1,300,998</td>
</tr>
<tr>
<td></td>
<td>Average unit price (€/sq.m) 7,891</td>
</tr>
<tr>
<td></td>
<td>Average area (sq.m) 165</td>
</tr>
<tr>
<td>Porto - Aliados</td>
<td>Average price (€) 975,000</td>
</tr>
<tr>
<td></td>
<td>Average unit price (€/sq.m) 5,132</td>
</tr>
<tr>
<td></td>
<td>Average area (sq.m) 190</td>
</tr>
</tbody>
</table>

### RESIDENTIAL TOURISM - GOLDEN TRIANGLE, ALGARVE

<table>
<thead>
<tr>
<th></th>
<th>Average price per Sq.m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Resort - 3-bedroom Apartments</td>
<td>Average price (€) 979,860</td>
</tr>
<tr>
<td></td>
<td>Average unit price (€/sq.m) 6,999</td>
</tr>
<tr>
<td>Tourism Resort - 3-Bedroom Townhouses</td>
<td>Average price (€) 655,105</td>
</tr>
<tr>
<td></td>
<td>Average unit price (€/sq.m) 3,448</td>
</tr>
<tr>
<td>Tourism Resort - 3-Bedroom Villas</td>
<td>Average price (€) 1,321,500</td>
</tr>
<tr>
<td></td>
<td>Average unit price (€/sq.m) 4,263</td>
</tr>
</tbody>
</table>

2018 was a very dynamic year for the residential market. There’s, although, a shortage in supply, thus pushing prices up. Urban renewal is still dominating in Lisbon and Porto’s city centres, the Baixa-Chiado axis being the more expensive area, with sales values peaking at €14,000/sqm to €16,000/sqm. There is now a stronger dynamic in the supply side, with the reinforcement in new construction and in the launching of large-scale projects. The new pipeline to be launched in the market is already resulting in a less accelerated growth in the final sales price (around 9% in Lisbon in 2018, in a sign that the highest point had already been hit is the capital) and is expected to bring a price stabilization.

This market segment keeps an important interdependence on tourism and, in special, on the British market - that is now dominated by the uncertainty brought by Brexit. In the Algarve region, the main market in this segment, we are now seeing a widespread growth in the final sales value, which increased by 18% along 2018 for townhouses in the Golden Triangle area. From the supply side, this central area constituted by the main Algarve’s resorts is now receiving new product, and the new ongoing constructions in Vilamoura’s area will contribute to the emergence of new supply targeted to European middle class.
José Manuel Velez
Portugal

PRIME NEWS 2018-2019

of the alternative real estate sectors. of classes thanks to the emergence
to be another buoyant year thanks
new construction projects. Back
should mark the return of the large
In residential, reached about 180,000
and Porto), hitting a 10-year peak.
take-up reached 290,000 sqm (Lisbon
Regarding the property market, 2018
in 2013) and is expected to sit at 6.7%
unemployment rate continues to go
expectations. GDP grew by 2.1%
and international investors, keeping
Portugal's Economy provides a base
track record with the Socimis in Spain.
companies in Portugal and the Gloval's
expertise with fund management
value to these entities, given our
(SIGI - the Portuguese REITs), as we can add
thanks to the creation of SIGI
operating in Portugal (following
for Spanish financial entities
and, also, in portfolio revaluation
Gloval's 70 years of experience,
stage of growth and development.
the Portuguese market is gaining
Gloval, our 14 years' track record within
With Prime Yield's integration into
European middle class.
in Vilamoura's area will contribute to the emergence of new supply targeted
resorts is now receiving new product, and the new on-going constructions
increased by 18% along 2018 for townhouses in the Golden Triangle area.
we are now seeing a widespread growth in the final sales value, which
in special, on the British market - that is now dominated by the uncertainty
This market segment keeps an important interdependence on tourism and,
There is now a strong dynamic in the supply side, with the reinforce in new
construction and in the launching of large-scale projects. The new pipeline
with rents keeping the upward trend.
take up is expected to decrease due to the lack of supply, however,
in Lisbon's prime yield, standing at a minimum 4.5%. Regarding 2019,
In Porto hit €18/sqm/month, a new peak until the date. This scenario,
inexpensive area, with sales values peaking at €14,000/sqm to €16,000/sqm.
in Lisbon and Porto's city centres, the Baixa-Chiado axis being the more
These reached €21/ sqm/month in Lisbon, close to its historical peak, while
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with sales values peaking at €14,000/sqm to €16,000/sqm.
Since the beginning of the year, we are Prime Yield Angola, a new step that allows us to unify the Prime Yield brand in all the markets where it operates, at the same time as the company reinforces its investment and commitment to the Angolan market.

Due to the Economic slowdown, the office market in Luanda recorded contained take up levels, although showing some activity pick-up towards the end of the year. Prices and rents continued to decline (around -16% to -22% in the several zones), although CBD, in particular, still shows some resistance in adjusting prices (-2%), but having greater flexibility in what concerns rents (-16%). In general, there is more openness to rental adjustment as a way to secure a return on assets and minimize eventual losses of investments.

The demand led by expatriates, one of the main drivers of this market in the most dynamic years, continues to be declining. Domestic buyers remain the most active demand sector, albeit with less expression compared to last year due to the difficulty in accessing housing credit. In this scenario, average prices continued to fall, although very slightly, both in 3-bedroom apartments in Ingombota (-6%) and 3-bedroom townhouses in Talatona (-3%).

The hotel segment, despite the slight increase in activity, remains characterised by reduced occupancy rates. Average room rates have decreased both in the 3 and 4-star categories (about 45% and 13%, respectively) compared to the previous year, but still remain high-priced for the domestic consumer. To note that, in 3-star hotels, the drop can also be explained by an increase in the available supply. In 5-star hotels there was even a slight increase in average room rates, mainly due to the continued short supply of this type of units.

<table>
<thead>
<tr>
<th>NEW OFFICES</th>
<th>Average Rent and Yields</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBD</td>
<td></td>
</tr>
<tr>
<td>Average unit price (USD/sq.m)</td>
<td>5.900</td>
</tr>
<tr>
<td>Average rent (USD/sq.m/month)</td>
<td>59</td>
</tr>
<tr>
<td>Yield (%)</td>
<td>12.0</td>
</tr>
<tr>
<td>Cidade</td>
<td></td>
</tr>
<tr>
<td>Average unit price (USD/sq.m)</td>
<td>3.429</td>
</tr>
<tr>
<td>Average rent (USD/sq.m/month)</td>
<td>40</td>
</tr>
<tr>
<td>Yield (%)</td>
<td>14.0</td>
</tr>
<tr>
<td>Luanda Sul</td>
<td></td>
</tr>
<tr>
<td>Average unit price (USD/sq.m)</td>
<td>3.000</td>
</tr>
<tr>
<td>Average rent (USD/sq.m/month)</td>
<td>35</td>
</tr>
<tr>
<td>Yield (%)</td>
<td>14.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESIDENTIAL - 3-BEDROOM APARTMENTS AND TOWNHOUSES</th>
<th>Average price per Sq.m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ingombota - Apartments</td>
<td></td>
</tr>
<tr>
<td>Average price (USD)</td>
<td>870,000</td>
</tr>
<tr>
<td>Average unit price (USD/sq.m)</td>
<td>5.118</td>
</tr>
<tr>
<td>Average area (sq.m)</td>
<td>170</td>
</tr>
<tr>
<td>Luanda Sul/Talatona - Townhouses</td>
<td></td>
</tr>
<tr>
<td>Average price (USD)</td>
<td>750,000</td>
</tr>
<tr>
<td>Average unit price (USD/sq.m)</td>
<td>3.571</td>
</tr>
<tr>
<td>Average area (sq.m)</td>
<td>210</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOTEL</th>
<th>Average room rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luanda</td>
<td></td>
</tr>
<tr>
<td>3* Hotels Average room rate (USD)</td>
<td>110</td>
</tr>
<tr>
<td>4* Hotels Average room rate (USD)</td>
<td>260</td>
</tr>
<tr>
<td>5* Hotels Average room rate (USD)</td>
<td>420</td>
</tr>
<tr>
<td>Average occupancy rate (%)</td>
<td>40</td>
</tr>
</tbody>
</table>

Occasionally, in other countries where Prime Yield was present in the market, as in Portugal, it was also an opportunity for the company to carry out valuations for asset quality review (AQR) exercises concerning the main Banks.

In the Economic context, most of the estimates indicate that the country should have still been contracting in 2018, but estimates for 2019, estimates, in general, point to a 2% to 3% GDP growth.

Against this Economic backdrop, the property market remains weak. Difficulties in financing, high interest rates and exchange rate instability have had a negative effect on this market. Demand is less dynamic, resulting in a supply that outstrips take-up levels, the standby of new projects and a general fall in investment. Generating a low pace of sales, this imbalance has been negatively impacting prices and rents. Still, property continues to be seen as a safe haven investment in the face of currency devaluation.
Director as a safe haven investment

Still, property continues to be seen as an investment. Generating a low pace of activity, projects and a general fall in take-up levels, the standby of new opportunities has resulted in a supply that outstrips demand. This is evident in the office market, where difficulties in financing, high interest rates and exchange rate instability have had a negative effect on this market segment.

Against this Economic backdrop, the hotel segment, despite the slight increase in activity, remains characterized by reduced occupancy rates. Average room rates have decreased both in the 3 and 4-star categories (about 45% and 13%, respectively) compared to the previous year, but still remain high-priced assets. The demand led by expatriates, one of the main drivers of this market segment, is present in all categories, but the most dynamic years continue to be declining. Domestic buyers also play a role, although the drop can be explained by an increase in the available supply.

In the most dynamic years, continues to be declining. Domestic buyers also play a role, although the drop can be explained by an increase in the available supply. In 5-star hotels, the drop can be attributed to the continued short supply of this type of units.

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Due to the Economic slowdown, the office market in Luanda recorded a low pace of activity, projects and a general fall in take-up levels, the standby of new opportunities has resulted in a supply that outstrips demand. This is evident in the office market, where difficulties in financing, high interest rates and exchange rate instability have had a negative effect on this market segment.

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New government, new life: Brazil breathes new air and is optimistic regarding the future. Prime Yield has diversified the range of services with a specialization in the NPL & REO market.

Despite the Economic crisis that swept the country in recent years, Prime Yield has expanded its operations in Brazil, establishing new partnerships and winning new clients, always maintaining its ethical and technical guidelines based on the highest standards of quality and accuracy. The company’s expertise in the NPL & REO market, for which it has a line of dedicated services, is one of the highlights, including the participation in international events as the “NPL EUROPE - Autumn Conference” in London.

Following the elections, in October 2018, Brazil is optimistic and Banks are now forecasting a 2019 GDP growth of 2% to 3%. The country’s recovery will be gradual, as several factors need to be aligned, including the collapse of public accounts. One can now see that “risk Brazil” has decreased and the country is once again a target for international investments. Economic recovery will be fueled by investments in the productive capacity of the country, mainly in the industry and in the property market - civil construction.

The downturn of the property market, which began in 2014, is now nearing its end and the market should return to growth, as it is showing signs such as the decreasing vacancy rate, the low volume of new construction and the low construction activity. The property market is a good indicator of the state of the Economy and its prospects are the best possible. Vacancy is declining at a headline level, and prices, which have fallen steadily in recent years, show stability and growth expectations. Construction, an important part of the property market, is one of the basis supporting the growth of the country and will be one of the segments to be encouraged by the new government.

Also driven by the positive Economic forecasts, the industrial and logistic property market has been showing signs of recovery, especially in what refers to logistic condominiums, valuing those closer to the large urban centers. The recovery is slow but solid, showing the care taken by companies in the investments aimed at their growth. Average rents in São Paulo and Rio de Janeiro presented positive evolutions, especially in the low-end levels, although vacancy rates remained high in both markets.
The property market is a good indicator of the state of the economy, as it is showing signs such as the decreasing vacancy rate, the low renting activity, the movement of the market (at a headline level) inspiring positive expectations in the medium and long term. The downturn of the property market, which began in 2014, is now nearing its end and the market should return to growth, as it is showing signs such as rising rents and average sale values for properties in top Brazilian cities.

Following the elections, in October, the country is once again a target for international investments. One can now see that "risk Brazil" has decreased and the need to be aligned, including the definition of dedicated services, is one of the highlights, including the participation in international events as the "NPL & REO market, for which it has a line of services with a specialization in the NPL & REO market.

Also driven by the positive Economic forecasts, the industrial and logistic segments to be encouraged, are already showing a positive impact on the office market, seen in the increase in the employment rate and the rise in mortgage financing. The average sale value of properties in the lower-end levels, although vacancy rates remained high in both São Paulo and Rio de Janeiro, presented positive evolutions, especially in the latter market.

In the office market, the pressure in the second half of 2017. In São Paulo and Rio de Janeiro, the average selling prices remained relatively stable and the number of dwellings sold has already grew, especially in the latter market. In São Paulo, the vacancy rate has expanded its operations in Brazil, in recent years, Prime Yield has expanded its operations in Brazil, the country in recent years, Prime Yield has expanded its operations in Brazil, the country in recent years, Prime Yield has expanded its operations in Brazil.
Property development is getting back on the track in Cabo Verde, making the agenda of investors once again, and Prime Yield is well placed to advise on these new upcoming investments.

Cabo Verde

Celestino Moreira
Director

Prime Yield continues its consolidation path in Cabo Verde's property market, delivering quality services to several entities that operate in the national financial system. In addition to this financial client's base, the areas of property investment and development have also generated an important activity for the company in 2018, namely through the delivery of consultancy services in the context of the growing dynamics of new investments in Cabo Verde.

The country's Economy continues to show a positive performance, with estimates pointing out to a GDP growth slightly above 4% in 2018. As for 2019, Economic activity is expected to further accelerate to close to 5%.

In the property market, development projects are now returning, and, in this context, we can identify two major lines of action. On the one hand, the development projects targeting the internal market, which focus mainly on the island of Santiago, and especially on Cidade da Praia. This line of investments concerns mostly residential projects, but also hotel projects with identified brands, and which include anchor components such as a casino. On the other hand, a market focused on international demand, which is essentially characterized by the existence of an investor that leads the project, taking on a partnership with a reference hotel operator that assumes the management of tourist complexes, including any hotels and fractions that are built in the resorts, complexes, including any hotels and fractions that are built in the resorts.

Sal island, followed by Boavista Island, continue to be the most sought by tourists and, thus, also the main investment targets. Operators already present in the market are active, such as the Riu Hotels group, which opened a new project in Boavista; and the Oásis Atlântico group, that announced the launch of a 5-star eco resort in Tarrafal (Santiago). Furthermore, Bay of Salamansa, in S.Vicente, will have its first hotel (Hotel Melia Salamansa Bay). In addition to the hotel brands already operating in the market, other large hotel groups are expected to arrive in Cabo Verde soon. Reflecting this higher dynamics and the good prospects for residential tourism, the prices of this type of property have slightly rose in 2018 (4% in Sal island).

Valuations

<table>
<thead>
<tr>
<th>RESIDENTIAL TOURISM - NEW APARTMENTS</th>
<th>Average price per Sq.m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ilha do Sal - 1-bedroom</td>
<td></td>
</tr>
<tr>
<td>Average price (£)</td>
<td>98,721</td>
</tr>
<tr>
<td>Average unit price (£/sq.m)</td>
<td>1,567</td>
</tr>
<tr>
<td>Average area (sq.m)</td>
<td>63</td>
</tr>
<tr>
<td>Ilha do Sal - 2-bedroom</td>
<td></td>
</tr>
<tr>
<td>Average price (£)</td>
<td>115,000</td>
</tr>
<tr>
<td>Average unit price (£/sq.m)</td>
<td>1,278</td>
</tr>
<tr>
<td>Average area (sq.m)</td>
<td>90</td>
</tr>
</tbody>
</table>

RESIDENTIAL - NEW 3-BEDROOM TOWNHOUSES

<table>
<thead>
<tr>
<th>Average price per Sq.m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ilha de Santiago</td>
</tr>
<tr>
<td>Average price (£)</td>
</tr>
<tr>
<td>Average unit price (£/sq.m)</td>
</tr>
<tr>
<td>Average area (sq.m)</td>
</tr>
<tr>
<td>Ilha do Sal</td>
</tr>
<tr>
<td>Average price (£)</td>
</tr>
<tr>
<td>Average unit price (£/sq.m)</td>
</tr>
<tr>
<td>Average area (sq.m)</td>
</tr>
</tbody>
</table>

HOTEL

<table>
<thead>
<tr>
<th>Occupancy rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cabo Verde</td>
</tr>
<tr>
<td>Ilha da Boavista</td>
</tr>
<tr>
<td>Ilha do Sal</td>
</tr>
</tbody>
</table>

Overnight stays - Trend

<table>
<thead>
<tr>
<th>Cabo Verde</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,597,477</td>
</tr>
<tr>
<td>4,935,891</td>
</tr>
</tbody>
</table>

Tourism continued to grow, with tourists increasing by 6.8% to more than 766 thousand in 2018 (vs. 2017) and overnight stays growing by 7.4% to 4.9 million. Hotels continue to be the most sought-after accommodation (86.9% of the total) and UK the most important source market for national tourism (22.7% of the total number of entries) as well as the one staying longer (8.3 nights). Other international source markets include Germany (11.8%), France (10.1%), the Netherlands (10%) and Portugal (9.3%). The hotel occupancy rate was 55% in the country, with Boavista and Sal islands recording the highest rates - 80% and 61%, respectively.
A more stable political environment and the regain of credibility concerning public accounts, open positive prospects for the return of international investment to the country and Prime Yield is well placed to advise those who aim to know this market.

NEW OFFICES

<table>
<thead>
<tr>
<th>Location</th>
<th>Average unit price (USD/sq.m)</th>
<th>Average rent (USD/sq.m/month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bairro Central C</td>
<td>2.606</td>
<td>23</td>
</tr>
<tr>
<td>Polana Cimento A</td>
<td>2.430</td>
<td>18</td>
</tr>
</tbody>
</table>

2018 was a year of contraction for the office market, but 2019 is expected to experience a slight recovery. Nevertheless, the market environment remains very similar to that of the previous year, in particular concerning factors such as the new projects that are still oversized for the current demand, the migration of large companies to their own buildings and the migration of small businesses to residential properties. The situation led to a 10% decrease in rents in the Polana Cimento A zone and a 14% fall in the Bairro Central C area. Yields remained relatively stable between 9% and 11%.

RESIDENTIAL - 3-BEDROOM APARTMENTS AND TOWNHOUSES

<table>
<thead>
<tr>
<th>Location</th>
<th>Average price (USD)</th>
<th>Average unit price (USD/sq.m)</th>
<th>Average area (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polana Cimento - Apartments</td>
<td>413.226</td>
<td>2.087</td>
<td>198</td>
</tr>
<tr>
<td>Sommerschield - Townhouses</td>
<td>422.835</td>
<td>1.913</td>
<td>221</td>
</tr>
</tbody>
</table>

The end of 2018 saw a slow start of some residential projects in the prime areas of Maputo. However, most of the projects planned for the Maputo’s Ring Road area are still in standby, except in the Vila Alice area, where buoyancy is evident. Transactions during 2018 were very subdued, with housing values continuing to decline, falling by 16% in Polana Cimento and 4% in Sommerschield. The middle and lower classes continue to take refuge in self-construction because there are no projects adapted to their income.

HOTEL

<table>
<thead>
<tr>
<th>Location</th>
<th>3* Hotels Average room rate (USD)</th>
<th>4* Hotels Average room rate (USD)</th>
<th>5* Hotels Average room rate (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maputo</td>
<td>93</td>
<td>162</td>
<td>220</td>
</tr>
</tbody>
</table>

As in previous years, corporate tourism continues to be the main driver for hotel occupancy in Maputo. While the 3 and 4-star hotel room rates saw a rise (of respectively 32% and 11%) mainly as a way of reflecting rising costs and even in the face of declining demand, 5-star hotels showed a slight downward (-4%) in the average daily rate. Confidence in the future is reflected, however, in the opening of 4 hotels over 2018 (2 of which are from international operators), bringing approximately 370 new rooms to meet the demand of tourists and executives. There are also 2 international chains looking for partner to open units in the medium term (2 years).
The hotel market recorded the upper-middle and upper classes in prime areas, such as Polana, where large-scale residential projects are located. This development signifies the ongoing construction works usually involved in the expansion of the city’s infrastructure. Watching the movement of construction projects in Maputo, one can observe the beginning of new developments, although very slightly, we are already seeing the return of active players and, to a certain extent, a positive sentiment, pointing out the recovery of the tourism market.

Nevertheless, there's a positive note. It is estimated that construction activity in 2019 will reach levels similar to 2014 or 2015, and the current year for GDP, reversing the course of the economic slowdown, although not at the pace witnessed in 2013, 2014, and 2015. The take-off of the so-called mega-projects, which has seemed now to be closer and closer, has been a significant development in the real estate market and points to a promising future for property development in Mozambique. The return of active players and the optimism in the market indicate a potential for growth and investment in the property sector.

In terms of the residential market, the 3 and 4-star hotel room rates show signs of reactivation and Prime Yield, which is increasingly sought by players interested in the Mozambican property market and its opportunities. Domestic investment shows signs of recovery, and the migration of large companies to their own buildings and the opening of new office projects in prime locations, such as Polana Cimento, Polana Cimento A and the Ring Road area, are still in standby, except in the Vila Alice area, where the growth is evident.

The office market experienced a year of contraction for 2018, but 2019 is expected to be a turning point with a slower rate of deceleration, although not at the same level as 2013, 2014, and 2015. The migration of small businesses to residential properties and the demand for new office spaces are expected to drive the market forward.

As in previous years, corporate tourism continues to be the main driver of international investment to Mozambique, and the migration of large companies to their own buildings and the opening of new office projects in prime locations are still expected to drive the market forward. The increase in the number of 5-star hotels in Maputo, with a rise in room rates, is a positive sign for the tourism sector, indicating a potential for growth and investment in the property sector.
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