Nº19 • October / December 2022 • Quarterly

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Essential BUSINESS

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US unicorn opens in Lisbon

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Sustainable offices

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CHRIS GRAEME

Portuguese business braces for a rocky 2023

Portugal, like the rest of its major trading partners in Europe, the United Kingdom and the United States, has had, in the words of Her Late Majesty, Queen Elizabeth II an "annus horribilis' — in fact not just one, but three.

First, the cruel blow of the pandemic in 2020 and 2021, which brought business to a standstill and added to Portugal's already high public and private debt after a bumper year in 2019 in which most things commercially were going in Portugal's favour.

Then came the war in Ukraine, which disrupted energy supplies, rattled the markets and sent inflation — and interest rates as a consequence — soaring to levels not seen by the under-40s in their lifetime. Suddenly credit, which had been cheap, became more expensive for companies and families.

Last, the spectre of uncontrolled inflation reared its ugly head as raw materials, energy, fuels, and basic foodstuffs shot up in price for a country where 20% of the population are living on salaries and pensions of under €1000 per month.

Portugal's finance minister, Fernando Medina and the Governor of the Bank of Portugal, Mário Centeno have worked hard to set aside money for a rainy day and have even managed to pay off the debt that was incurred during the pandemic. Not only that, the Finance ministry is striving to bring down the national accumulated debt worth 125% of GDP and hopes to take Portugal off the podium of most indebted European countries which it shares with Greece and Italy over the next two to three years.

But even the most competent microeconomic hands cannot sugar coat a bitter macroeconomic pill. Next year will be tougher than 2022, through not as tough for Portugal as the rest of Europe according to the European Commission. Still, Portuguese companies will face a difficult year ahead with GDP down to 0.7-1.0%.

As Kristalina Georgieva, the Managing Director of the International Monetary Fund (IMF) said in late October: "The horizon has darkened significantly over the last year. "One year ago, we were recovering from COVID and we finished with over 6% global growth. And then two shocks: Omicron and Russia's war in Ukraine have not only interrupted the recovery, but reversed it".

"I am not going to sugarcoat it: 2023 will be tougher than 2022. Next winter for Europe may be even harsher than this winter," she declared.

"Why? Because European policymakers acted very swiftly to fill gas storage. If conditions remain as they are with Russia not providing gas to Europe, how is this gas storage going to be filled next year?"

But where there is difficulty, there is opportunity, and Portugal has been preparing to reduce its economic dependence on fossil fuels after already leading the way in green energy for years, while companies in sectors like tourism, construction, commercial real estate and the country's network of high tech startups have been focusing on green and sustainable projects and solutions.

This year, despite adverse winds, was a record year for Portuguese exports, a record year for Portuguese tourist numbers, and a pretty good year for commercial real estate assets. The housing market continues to boom and GDP growth for 2022 was over 6% — better than most of Portugal's European partners.

And even given the bleak outlook, the Portuguese government, companies and financial system are reasonably well equipped to face 2023. We'll have to live off the fat of the land. Let's hope there's enough to go around.

Chris Graeme, Editor

Estatuto editorial

A revista Essential Business pretende dar a conhecer à comunidade empresarial e internacional em Portugal e a quem visita o país em trabalho, para eventos profissionais ou para investimento, a realidade e atualidade sobre negócios em Portugal.

Enquanto temas relacionados com a imobiliária e o turismo são uma presença constante, a revista e os seus suportes digitais cobrem todas as áreas de negócio, incluindo a saúde, o retalho e as mais diversas indústrias.

A revista Essential Business assume o compromisso de assegurar o respeito pelos princípios deontológicos e pela ética profissional dos jornalistas, assim como pela boa-fé dos leitores.

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Essential Features

18


42


24


52


60


48

The Lisboan
Preparing students today for the future of tomorrow

Portugal's continuing allure for international relocators from China, United States, France, Brazil, Turkey and South Africa has inevitably stoked demand for quality international schools. Essential Business talks to Niall Brennan, CEO of Artemis Education, about Artemis' latest project in Lisbon – The Lisboan

TEXT **CHRIS GRAEME**
PHOTOS **ARTEMIS EDUCATION**


Niall Brennan, CEO of Artemis Education

This year, the number of overseas citizens registered as living in Portugal rose to 771,000, up by 109,000 on 2021.

The statistics from Portugal's borders and immigration agency SEF reveal the highest numbers of relocators ever, a far cry from the relatively modest numbers of 388,371 registered in 2015. Some 27.8% were Brazilian, Indian and Italian citizens, while the number of immigrants from the United States has increased 45% to 6,921.

A percentage of these are high net worth individuals (HNWIs), entrepreneurs and tech professionals who have variously settled in Portugal on a number of visas such as the Golden Visa, the D7, the Startup Visa, the Tech Visa and, for European Union nationals, the Non-Habitual Residence (NHR) regime.

And for those with young families, the first consideration is good-quality education. The Lisbon Metropolitan Area is well served with international schools, but demand is growing and the Artemis Group, which has schools around the world, is to open its first project in Portugal.

"We took the decision in 2020 to build a school in Lisbon. Demand continues to grow for international education with international curricula both domestically and as more and more international families have been drawn to the capital. The market remains capacity constrained and we feel it has further room to grow, particularly in Central Lisbon. The Lisboan will open in September 2023," says Niall Brennan, CEO of Artemis Education.

The Portuguese civil engineering and construction group Engexpor with Grupo San José has won the contract to convert the old Napolitana pasta factory building in Lisbon into The Lisboan International School.

AN AMAZING HISTORICAL LOCATION

Located in the Alcântara neighbourhood, the building had been in the hands of the Auchan Group but was acquired by Artemis Education.

The total investment involved, including the purchase of the site and buildings and the cost of the works, was €50 million. "The total investment is significant. We are here for the long term and our investment horizon reflects that," says Niall Brennan.

Architect's impressions of the Lisboan in Alcântara, Lisbon.

"We were amazed by the location and potential of the site we were offered. We felt it provided a unique opportunity to address the market for international schooling through the regeneration of a landmark building in the city centre that is fast gentrifying," he adds.

The school project will maintain the original façades of the ensemble of four buildings that comprise the former factory, which covers a 12,000m2 site in a project designed by Portuguese architect Frederico Valsassina.

The interiors of the buildings will be totally refurbished and modernised to fit the purpose of a new school. A new building is also planned.

The original industrial building, constructed in 1908 on a block framed by Rua Maria Luísa Holstein, Rua Cozinha Económica and Travessa Teixeira Júnior, was designed by the French industrial architects Vieillard & Touzet and is a fine example of Portuguese industrial architecture from the early 20th century.

In 1926, the factory was acquired by the Companhia Industrial de Portugal e Colónias, which remained in operation until 1970.

Niall says that the school will have capacity for 1200 students from ages 3-18, and "we expect to meet that capacity within 10 years. We will open every age range at The Lisboan from day one, except for those years in which students would take exams [ages 16 and 18]". Fees will range from €12,500 to €19,500.

CURRICULUM

All Artemis schools offer internationally accredited curricula. At The Lisboan, the curriculum will be a IGCSE and IB blend. This will be further enhanced with a dynamic extracurricular experience.

"The role of education is to enable our students to flourish, individually, within their communities and in the world. To achieve this, we must equip them for life in the 21st century and the core to that aim is ensuring they have the relevant foundation for the world in which they will live. This is not an add-on, but integrated into the very fabric of what we teach and how we teach and learn," Niall explains.

The Lisboan will offer a wide range of sport and extracurricular activities. The Artemis Experience focuses on five areas: Passion, Arts, Service, Sports, and Internship.

"Programmes such as these are a proven pathway to support our students in developing their interpersonal skills, positive relationships, and levels of accomplishment and engagement, whilst encouraging a healthy mind and body approach," says Niall.

FIRST-CLASS SPORTS FACILITIES

In terms of facilities, The Lisboan will have a 400-seat auditorium and a sports centre, which includes several multipurpose areas and a full-size sports hall. "We are also exploring a further development that will grant us more sports and multipurpose space and more outside space. These will be made available to the community outside school hour," adds the CEO.

"As a Metro school, we are currently exploring options for additional multipurpose sites and outdoor sports facilities, in addition to those we have on campus, to ensure top-class facilities for our students."

As for plans for the future, Niall Brennan explains: "We opened our first school in Doha in September 2022 and will open in Lisbon in 2023. We have an ambitious programme for development in Europe and the Middle East. We are currently working on several other sites which are yet to launch. In total, we expect to design, deliver, open and operate 20+ schools over the course of the next 10 years." ■

Essential **Technology**

US Unicorn Reltio launches in Lisbon

In October, the American cloud-based big data technology hub Reltio was the latest international company to choose Lisbon as its springboard for European expansion. Chris Graeme speaks to Anshuman ("Ansh") Kanwar, senior vice-president of technology

TEXT **CHRIS GRAEME**

Ansh Kanwar, Reltio Senior Vice-President of Technology

Reltio is one of those cutting-edge, cloud-based companies that is changing the way vast amounts of company customer-based data, from different sources and departments and over time, can be collected, sifted and accessed easily – a boon for large corporations or public entities that need to cross-reference information from different sources and have it instantly at their fingertips.

"We're using big data, and to make sense of that data, we've been able to securely put all this data in the cloud. We collect a client's customer data and clean it up [organise and update it] for any other department in that company that needs to get a detailed profile of customers to provide better service for them, or for marketing purposes, depending on the client companies – banking, insurance, luxury brands, health providers, and life sciences, etc. – and their customers' profile," explains Ansh Kanwar, Reltio's senior vice-president of technology.

A unicorn valued at an estimated US$1.7Bn, with US$100 million of annual recurring revenue, the company founded by Manish Sood, CEO and chairman, is a market leader in Cloud SaaS Master Data Management, with a platform that unifies – in real-time – core data from multiple sources into a single source of trusted information. Clean, connected, actionable data enables Reltio customers to grow revenue, increase efficiencies and manage risk.

On October 27, Reltio officially inaugurated its Lisbon headquarters in the presence of US ex-Ambassador to Portugal, George E. Glass – who did much behind the scenes to facilitate bringing the company to Portugal –, his wife, Mary Glass, Luís Rebelo de Sousa, executive board member at AICEP Portugal Global (Portugal's trade and investment bureau), and Pedro Rebelo de Sousa from SRS Advogados, whose law firm represents the unicorn's legal affairs in Portugal.

A SUSTAINABLE LONG-TERM INVESTMENT

"We chose Portugal for a sustainable long-term investment in a city that is welcoming to our global team of engineers. We started from a base of our local engineers who have been with the company a long time, but we wanted a location for our European expansion that has top universities, that understand the latest technology in computer and data sciences, and we find those conditions here," says Ansh Kanwar.

Ansh Kanwar points out that people – many of them digital nomads and tech professionals –, want to come to Portugal. "I think it has to do with the profile of Lisbon especially, and Portugal overall that has become much more tech-centric, but also the talent here, and of course the fact that Portugal has always been a welcoming culture with a growth mindset."

Kanwar explains that Reltio is a product company that builds software its customers use. The software engineers who build that software are the core of the company. "Half of our engineering team [50 staff] are in Lisbon and we intend to grow by at least double over the next three years."

These are core engineers that include software developers, technology operations and cloud experts, and Reltio's first step is establishing that core engineering framework. It also has sales-orientated leaders spread out within Europe and the company may bring its commercial capabilities to Portugal.

"We don't see the Portugal operation for just the Iberian Peninsula or Portugal; Portugal for us is the springboard for the whole of Europe and this Lisbon office is our European hub."

The company is based in the San Francisco Bay Area in the US, but has offices in Bangalore (a primary software engineering location), and Lisbon now represents its third hub.

George E. Glass, ex-US Ambassador to Portugal, Ansh Kanwar, Reltio Senior Vice-President of Technology, Rachel Mann, Chief Communications Officer, Reltio, Pedro Rebelo da Sousa, Managing Director & Founder of SRS Legal.

"WE DON'T SEE THE PORTUGAL OPERATION FOR JUST THE IBERIAN PENINSULA OR PORTUGAL; PORTUGAL FOR US IS THE SPRINGBOARD FOR THE WHOLE OF EUROPE AND THIS LISBON OFFICE IS OUR EUROPEAN HUB." ANSHUMAN ("ANSH") KANWAR, SENIOR VICE-PRESIDENT OF TECHNOLOGY.

A UNIQUE PROPOSITION

One of Reltio's unique selling points is that it is the only master data management (MDM) SaaS platform technology company built from the ground up that can use Amazon, Google and Microsoft Azure Cloud.

Retired Ambassador George E. Glass said: "It has been an interesting road working with Reltio and I thought Portugal was the perfect fit for this company which has the two main ingredients for success: its products solve problems for companies, and it operates in a disruptive and out-of-the-box way. They take big data, organise it, manage it and clean it, and this company does all of that".

Welcoming Reltio to Portugal, Luís Rebelo de Sousa, executive board member at AICEP Portugal Global, added: "These are the kinds of companies and investments we want to attract to Portugal and in line with the vision of Ambassador Glass, who had always been very supportive of building relations between the United States and Portugal, helping US companies in Portugal and US businesses in the US."

Pedro Rebelo de Sousa from SRS Advogados noted that the intervention of Ambassador Glass in strengthening business ties between the two counties during his tenure in Portugal. and facilitating the expansion of US companies like Reltio to Portugal since. had been of the utmost importance.

"When we decided to expand our global footprint and seek an office space in Europe, we determined that a location where technology and innovation is thriving was key. We chose Lisbon for Reltio's newest location, as the city is passionate about building a vibrant hub of forward-thinking businesses and technology companies," said Manish Sood, CEO, founder and chairman of Reltio.

"The opening of our Lisbon location marks an important milestone in our strategic growth plans for serving the rapidly growing need for MDM among European enterprises. It also enables us to scale and support our customers and partners around the world," he concluded. ■

US Ambassador to Portugal, Randi Charno Levine, Jeffrey E. Levine and Moderator ACL board member Eduardo Moradas.

The developer who regenerated Brooklyn's waterfront

Developer Jeffrey E. Levine is an extraordinarily successful entrepreneur in New York, one of the most difficult and competitive real estate markets in the world. He started with nothing and built an empire. Married to the United States Ambassador to Portugal Randi Charno Levine,, he addressed the American Club of Lisbon at its Real Estate MeetUP in October.

TEXT **CHRIS GRAEME**
PHOTOS **ACL**

Jeffrey Levine was one of the most creative, dynamic and innovative real estate developers in the State of New York in the 1980s and 1990s.

Through his companies Douglaston Development, Levine Builders and Clinton Management, he has developed or redeveloped literally millions of square metres, built thousands of housing units of all typologies, all of which were invariably top quality.

Levine has always said property development is a bit like surfing. The market goes in waves and you need to anticipate the wave just before it comes and then catch it on the way up.

The developer is particularly renowned for building affordable housing projects developed over a time span of 20-30 years from the late 1990s on behalf of the New York State Affordable Housing Group, which he says was beneficial for urban and community regeneration.

HUMBLE BEGINNINGS

Jeffrey E. Levine grew up in a predominantly Jewish and Italian working-class neighbourhood, and his first job was working for the parents of a neighbour.

"My father was a taxi driver and most of his friends worked in construction, and it was here I developed an early interest in development," he told a group of business leaders at the fifth Real Estate Meetup supported by the Estoril-based Brightman Group and organised by the American Club of Lisbon in October.

After graduating in architecture from The City College of New York, he at first worked for a developer and went into business aged 25 in 1979, without much capital but a good measure of what the Jewish community call 'chutzpah', and did contracting for developers that were already working on city programmes for affordable housing, such as the Vacant Building Programme* (1988-1996).

"I met a number of architects, lawyers and bankers who were impressed with my capabilities, work ethic, integrity, and they recommended that I oversee my own projects."

One of the first was the renovation of a banqueting hall that belonged to his best friend's uncle, and which he completed by working around the clock, allowing the caterers to continue working. "I survived because I learned never to make the same mistake twice, only to make new mistakes," he said.

I DID IT MY WAY

Gaining confidence and experience, he soon began to respond to RP Development** and became a 'start-to-finish' developer for projects.

"I've always believed that nobody does things to the standards you want as well as you. Each of these aspects in the process were need-based. I started out as a contractor and as I got more and more exposed, and I was bringing units to market, it was important for me that they were managed in a certain way." This was how his management company was born.

An important lesson occurred when Jeffrey approached a banker who had known him for years and asked for a loan for the new business. The banker declined by saying: "You might have grown, but it was never your name at the bottom of the cheque." From then on, he learned to borrow and leverage his own money for his own projects.

After 9/11, he embarked on the Cameo Building Project; his first market-rate residential project located in the Hell's Kitchen neighbourhood on 50th Street in Manhattan.

At the time, there was a psychology of fear in New York following the attacks, with jobs and businesses moving out, but the city bounced back and he leased the entire building for apartments, because downtown residents wanted to escape the toxicity left by the collapse of the Twin Towers.

GROUNDBREAKING PROJECTS

From there, Jeffrey Levine aggressively bought up sites on the Williamsburg and Greenpoint*** waterfronts, in Brooklyn, developing 2,500 units over 20 years, including the Edge, a 1.1 million square foot residential tower considered one of the most ambitious mixed-use waterfront developments to rise in the city.

His company did developments at the Hudson Yards (formerly freight yards and trucking parking lots). The result was the OHM project delivered in 2009.

Located on 30th Street/11th Avenue, OHM was one of the first projects built after the rezoning of West Chelsea in 2005.

The project benefitted from the acquisition of High Line**** Transfer Corridor square footage and the onsite

US Ambassador to Portugal, Randi Charno Levine, Jeffrey E. Levine and Moderator ACL board member Eduardo Moradas.

inclusionary housing bonus from the New York City Department of Housing Preservation & Development.

The OHM development offered full amenities, such as a spacious fitness centre overlooking the Hudson River, a retro arcade and an ample garden terrace adjacent to a lounge overlooking the High Line Park. There was also a landscaped sky deck with views of Manhattan and the Hudson River, with loungers for residents to enjoy. Additionally, the project featured 5,081 square feet of retail, including a food market.

People thought he was crazy because the land had been derelict, no-one lived there, there was no shopping centre, or even a High Line. These whole areas are now completely rejuvenated.

RESTORING LANDMARKS

Jeffrey is particularly proud of his restoration and renovation project in 2005 at 90 West Street on the iconic landmark the West Street Building, designed by 20th-century American architect Cass Gilbert.

The 23-storey Gothic-revival building in the financial district of Lower Manhattan, previously the Brady Building, had been erected a 100 years prior in 1905 for the West Street Improvement Corporation led by magnate Howard Carroll. It was damaged on 9/11 and the listed building was converted into renovated apartments by Levine.

Essential **Entrepreneur**

Then, in 2008-2009, the financial crash came after the collapse of Lehman. Jeffrey E. Levine says that even though rents plummeted (rents would fall again with Covid-19), interest rates also fell, so the company made more money "purely by chance" because the market was awash with cheap capital.

Since then, Jeffery E. Levine has also developed many other housing units, including senior housing in New York and Arizona. The entrepreneur says he counted the real estate developer Fred Trump as a friend and knows his famous or infamous son – depending on your view –, Donald Trump.

The company suffered during Covid-19 when leases were expiring and young people chose to vacate their premises and relocate to summer houses or rentals, or their parents' houses to work remotely.

However, once the vaccine appeared, his company saw a resurgence in rentals, with 100% take-up rate in the Hudson Yard – higher than it had ever seen before. "New York is, where rentals are concerned, absolutely coming back with a vengeance," the developer told CUNY TV.

PUBLIC-PRIVATE PARTNERSHIPS

And in the current crisis of spiralling construction material costs and supply chain problems making it hard for residential housing developers to build homes for the Portuguese middle classes, what is his advice to the sector and the Portuguese Government?

"The last thing you want is for a government to build affordable housing. I have had the privilege of renovating 2,000+ units of housing for a US$600 million New York City project for which private developers like myself, partnering with an agency, took over all responsibility for hiring the architects, engineers, setting the rents and removing all the toxic elements such as asbestos. I lived in these types of projects for part of my childhood, so it really was a personally rewarding project for me."

"New York has been at the forefront of affordable housing in the world, producing more units than all the other cities in the United States combined, because there is a commitment by the government, and the private sector is the key component," concluded Jeffrey E. Levine.

Jeffrey E. Levine has been happily married for 40 years to the current United States Ambassador to Portugal, Randi Charno Levine, a diplomat, author and cultural philanthropist who is a Trustee at the Meridian International Centre in Washington D.C and Trustee at the New Museum in New York City. They have three children and two grandchildren. years." ■

"THE LAST THING YOU WANT IS FOR A GOVERNMENT TO BUILD AFFORDABLE HOUSING. NEW YORK HAS BEEN AT THE FOREFRONT OF AFFORDABLE HOUSING IN THE WORLD, PRODUCING MORE UNITS THAN ALL THE OTHER CITIES IN THE UNITED STATES COMBINED, BECAUSE THERE IS A COMMITMENT BY THE GOVERNMENT, AND THE PRIVATE SECTOR IS THE KEY COMPONENT."

**The Vacant Building Program allowed the city to transfer the title of vacant city-owned buildings in clusters to private developers using a competitive process. Developers then received construction financing and permanent loan commitments, primarily from New York City Community Preservation Corporation (CPC), a non-profit lender funded by a consortium of commercial and savings banks. CPC also provided fixed-rate, 30-year mortgages for the properties. The city provided up to two-thirds of the rehabilitation cost at 1% interest, and this loan became a second mortgage on the property, thus making rents more affordable for tenants. Rents were set in consultation with the City's Housing Preservation and Development (HPD) to be affordable to low- and moderate-income households.*

***RP - Registered Provider - The developer manages the planning, development and sales process thereby making significant cost savings.*

****Mae West and Pat Benatar resided in Greenpoint*

*****The High Line is an elevated freight rail line transformed into a public park on Manhattan's West Side. It is owned by the City of New York, and maintained and operated by Friends of the High Line.*

Acacia Point Capital Advisors
the art of best-in-class asset management

Quinta da Fonte Business Ecosystem, Oeiras, Portugal

Since Acacia Point Capital Advisors took over the management of Quinta da Fonte office park in Oeiras in 2018, the asset has enjoyed significant investment and improvement. Essential talks to Matthew Walker, Acacia's Europe managing director

TEXT **CHRIS GRAEME**

Quinta da Fonte, the pioneering modern office park in Portugal, was an innovation and revelation when it was launched in 1993. However, between 2010 and 2018, the office park had changed little and was in need of rebranding, refurbishing and major improvements. That attention and investment came in 2018, when Acacia Point took over the management of the asset.

"Between 2010 and 2018, QdF had been neglected. It suffered from fragmented ownership, traffic and parking chaos, poor management, no unified strategy and 'absent' owners unwilling to maintain or invest in their buildings. The park was at its lowest ebb and it was a great shame to observe the decline of what was once Portugal's premier business park," says Matthew Walker.

"However, it was our view that, despite its problems, fundamentally QdF was a fantastic piece of real estate. We had a deep belief that its fortunes could be resurrected if we progressively acquired the buildings from its disparate owners, then applied best-in-class asset management, invested in the buildings, landscaping and infrastructure, and reconnected with the tenants. We started acquiring buildings in 2018, and over the following two years, we purchased 15 buildings and one plot of development land from six separate sellers," he explains.

ONCE ACACIA HAD OWNERSHIP CONTROL, IT MADE TRANSFORMATIONAL CHANGES, INCLUDING:

- Articulated plans with other building owners at QdF and garnered their support to upgrade the park.
- Sought feedback via a survey of the companies and employees at QdF, to better understand their needs, which enabled them to firstly focus on the most important upgrades to create greatest satisfaction.
- Refurbishing the buildings and upgrading their mechanical and electrical infrastructure, with a focus on environmental sustainability.
- Investing heavily in the landscaping and leisure areas across the 12-hectare estate, which are a natural feature of a quinta yet had been neglected.
- Creating more restaurants, services and leisure facilities to better serve the 6,000 people that work at QdF. Today there are eight restaurants/cafes, ad hoc food vans, a Holmes Place gym, a para-pharmacy, a hairdresser, a nail/beauty salon, and a printing/copy shop.
- Actively engaging with client tenants and the personnel that work at QdF and implementing an events calendar to create a strong sense of community and togetherness. Some 2,000 people from QdF attended the 30th anniversary celebration event hosted recently, which was a roaring success.
- Eliminating the former parking and traffic problems that plagued QdF. Accessing the A5 highway from QdF now takes only minutes, and today there's ample available parking for any employee or visitor - a great relief for all.

Matthew Walker says QdF's transformation has been achieved by setting an ambitious strategy, being bold and willing to make significant financial investments into the refurbishment programme, and by having a highly competent and dedicated on-site management team. Acacia Point has 7 people stationed at QdF.

Matthew adds that both he and Luís Rocha Antunues, partner and managing director at Acacia Point Capital Advisors (Portugal), have a personal investment in the ownership of QdF. "We have extraordinary passion and a 'whatever it takes' philosophy to deliver the very best outcome for QdF, our tenant community, their employees and our co-investors."

THE IMPLICATIONS OF ESG

Matthew Walker agrees that there is demand for quality, modern offices with today's energy, water-saving and sustainable features in the Greater Lisbon Metropolitan Area.

"The integration of sustainability into an investor's real estate strategy has become critical. One of the first questions we are asked by global companies when they come to QdF is 'what is your ESG strategy'. ESG [referring to 'Environmental, Social and Governance' factors] is also a leading question from banks when financing real estate acquisitions and is a core consideration of institutional investors across the globe," he says.

And adds: "We have devised an extensive (and deliverable) ESG policy for our buildings at QdF and are well advanced with pursuing 'BREEAM Excellent' accreditation, which is a badge of assurance regarding a building's quality, performance and sustainable credentials. The certification process is very rigorous, can take more than one year to obtain and requires extensive building refurbishment to achieve the desirable 'Excellent' ranking."

Matthew points out that the good news for landlords is that the fulfilment of an ESG strategy "requires no rocket science". However, the ongoing investment of time, resources and costs are vast when retrofitting existing buildings to meet and maintain ESG compliance, and that is proving to be a high barrier for many building owners. As occupiers, lenders and investors become even more assertive on their ESG requirements, the market, he says, will progressively polarise into the distinct categories of those buildings/landlords that are 'genuinely' delivering on ESG and those that are floundering or not bothering. The economic implications of this ESG phenomenon on property owners will be immense.

"We are now harvesting results from being genuinely committed and delivering on an ESG policy. QdF is attracting and retaining the world's leading tech, pharma, engineering and financial services companies and rents are now €17/sqm/month, up from €6 to €9/sqm/month when we started to acquire the buildings back in 2018. Further, our ESG commitments enabled us to access fantastic debt refinancing terms last year, and our portfolio at QdF will be highly attractive to any ESG-focused investor in the future, thus underwriting its value."

HYBRID OFFICE MODELS

Since Covid-19, some companies have opted for a more flexible, hybrid approach regarding their employees, allowing them to work from home on some days of the week. However, that is not the case for all companies.

As Matthew explains: "Our regular interaction with the CEOs and CFOs of companies that occupy space at QdF indicates that companies prefer their staff to spend the majority of their time back in the office. The overriding feedback is that returning to the office generates greater collaboration, teamwork, community, creative interaction, and better mentoring/training of new personnel. The office also provides employees with full access to elaborate technology and ergonomic workplace furniture and gives companies greater confidence in data security and, in some instances, employee productivity.

"Clearly, there are differences between business sectors in terms of how they embrace hybrid working models. For example, tech companies tend to be more flexible: many had already embraced hybrid work models pre-Covid," he says.

Matthew points out that, to attract personnel back to the office, Acacia is seeing companies give greater consideration to the building they occupy and its internal design of space. Talent retention can be improved by providing an appealing work environment within a modern office with green/sustainable features, more casual lounge collaboration areas (not just formal conference rooms), hotel-quality bright bathrooms, and a focus on better hospitality (for example upmarket, well-provisioned breakout/lunch areas interfacing with an outdoor garden or rooftop spaces, improved coffee /snacks, and so on).

"THOSE COMPANIES THAT EXPAND, REDESIGN AND MODERNISE THEIR INTERNAL FIT-OUT AND FOCUS ON APPEALING 'GRADE A' BUILDINGS WITH STRONG SUSTAINABILITY CREDENTIALS WILL HAVE A POSITIVE INVESTMENT OUTLOOK. LESSER QUALITY OFFICE BUILDINGS THAT HAVE NOT BEEN RENOVATED AND ARE POORLY MANAGED WILL LOSE TENANTS, SUFFER FROM HIGHER VACANCY, AND BE MORE DIFFICULT TO REFINANCE OR SELL." MATTHEW WALKER, MANAGING DIRECTOR - EUROPE, ACACIA POINT CAPITAL ADVISORS.

Flexibility on daily start/finish times and hybrid working is, he adds, ingrained long term, as there is an appreciation that it can improve staff satisfaction and attract talent in a tight labour market. "If we look forward 12-24 months, I can foresee that the majority of employees will spend circa four days a week in the office (plus ad-hoc flexibility), with tech and a selection of other business sectors providing more flexibility where it's deemed to be mutually beneficial. Those companies most successful in attracting employees back to the office with least friction will have rebooted their culture, embraced sustainability and technology and adapted their workspace to make it more attractive.

"Consequently, we are observing companies expand their office space requirements, redesigning and modernising their internal fit-out and focusing on the most appealing 'Grade-A' buildings, such as QdF with strong environmental sustainability credentials. So, the investment outlook for high-quality and well-managed office buildings remains strong.

Conversely, lesser quality office buildings that have not been renovated and are poorly managed will lose tenants, suffer from higher vacancy, and be more difficult to refinance or sell," Matthew explains.

However, Matthew concludes that in other countries there will be different dynamics that influence the outcome of returning to the office. In London, for example, where commute times can be severe and often via expensive, overcrowded and unreliable public transport in adverse weather conditions, it may prove more complex for companies to attract staff back to the office. "There's no one-size-fits-all format when it comes to the post-Covid workplace." ■

Growing greens in the middle of the city

With inflation pushing up the average supermarket shop to 15% since the pandemic, one innovative and sustainable startup – Raiz – has a sustainable answer: vertical farming.

TEXT **CHRIS GRAEME**
PHOTOS **RAIZ**

Emiliano Gutiérrez, Founder and CEO Raiz

For my grandfather, growing the family's veg on allotments at the bottom of the garden was acompletely normal horticultural pastime.

Living in rural Wiltshire, England, and bringing up a family of four during the depression and then war years of the 1930s and 1940s meant every square metre of land counted. 'Digging for Victory' was the slogan of the day, in an era before we mindlessly consumed our free time with TV and online streaming, retail therapy, cocktail bars and fitness classes.

But times are getting tough again, with soaring food inflation and a lot of urban space in and around our own homes and offices woefully underemployed.

Not anymore; welcome to Raiz, the vertical farming evolution that promotes the cultivation of high-quality and clean crops at your table year-round, which are produced in communities, for communities and by communities.

Raiz's concept is a mix of perspectives from different corners of the world, rooted in the food-energy-water nexus – three interconnected elements, whose sustainability requires integrated solutions.

The startup's founders, Emiliano Gutiérrez and Lucía Salas de la Pisa, head the project based in Lisbon's dynamic startup district of Beato. It is, for now, restricted to aromatic herbs. The aim, however, is to extend production to other parts of the city and other vegetables.

"These last few years we've seen how vulnerable supply chains are. Across the globe there have been disruptions to these long chains, implying a rising dependence on local production and this is where we can make a difference," explains Emiliano.

CROWDFUNDING CAMPAIGN

Working in close cooperation with NEAR, the first blockchain platform totally geared to carbon neutrality, Raiz has raised €130,000 of funds through a successful crowdfunding campaign and bootstrapping (building a business from scratch without attracting investment or with minimal external capital. It is a way to finance small businesses by purchasing and using resources at the owner's expense, without sharing equity or borrowing huge sums of money from banks).

Funds are raised by selling the produce and experiences to final customers; vertical farm setup fee; and farming as a service fee for corporates and B2B.

"NEAR is a leading blockchain protocol that has backed our vision to build a decentralised food system. It is highly scalable and easy to onboard web3 solutions, and is one of the first climate-neutral blockchains. NEAR is actively working within the ReFi (regenerative finance) movement. Its technology allows us to tokenise our farms and distribute value across our community," says Emiliano Gutiérrez.

"Since the CAPEX for our farms can be high for local communities and the environmental impact difficult to track, we developed this innovation to increase the access and traceability of our farms. Blockchain, digital assets and community are tools that will empower the transition to a cleaner, more transparent and distributed food system."

In addition to direct investment from NEAR through a grant of €100,000, vertical herb gardens are also being created in Non Fungible Tokens (NFTs), a way of making the process transparent for everybody.

Raiz's first blockchain integration was through utility NFTs that can be exchanged for plants, amount to an environmental impact or represent a membership of the Raiz community.

"Our first NFT collection is minted on Mintbase. As a great platform for creators to build and launch NFT projects and stores, Mintbase allowed us to deploy our first PlaNFTs (utility NFTs linked to plants and hydroponic systems).

"Our vision is to build a tokenised ecosystem for vertical farming that allows us to finance and deploy farms by aligning monetary and impact incentives with expanding the network of farms as our north star. These fungible tokens will represent fractional ownership of the network and potentially appreciate as the number of farms increases."

IDEAL CONDITIONS FOR GROWTH

It's quite impressive on a guided tour of the vertical farm when you learn that just a few containers hold 9,600 plants including watercress, edible nettles, parsley, and two types of basil.

The founders and their team of 10 from different countries and professional backgrounds carefully create the ideal conditions for herbs to grow in terms of temperature, light, and a watering system that can be controlled via a mobile phone. The water itself is enriched with nutrients and minerals through a process called eutrophication to boost plant growth, as well as using a system of vertical planters in a circular system.

The whole greenhouse operation is powered by 10 solar panels – solar batteries will soon be able to store electricity during the night and even be used by neighbouring projects within Arroz Estudios, a complex of other offices and studios shared by other startups – while a system of LEDs in the greenhouse (actually there is something quite white and space-age about it) also fosters plant growth.

Cultivation is also supported by a germination room, a kind of maternity hospital for seedlings and cuttings to be nurtured for the first two to three weeks of development.

With this bold experiment, which Emiliano calls 'community greenhouse technology' because it has a local dimension, Raiz plans to grow its business.

"We want to make use of all urban spaces that are not being used and convert them into urban vertical farms," he says.

"Our Concept Farm has a hybrid model combining natural light and LEDs, vertical farming and solar energy. What we are doing is building a network of distributed farms in underused spaces in city centres," explains Emiliano.

The expansion plan includes an equity fundraising round and the deployment of new, more efficient vertical farms on to Spain, Italy and beyond.

Vertical farming is not exactly a new concept. There are companies in Australia, the US, Far East and colder climes such as the UK that have been growing herbs such as basil, chives, coriander, dill, lavender and lemon balm for decades.

"WE ARE A USER-CENTRIC COMPANY, CONNECTING WITH OUR END CONSUMERS THROUGH EXPERIENCES AT THE FARM, TARGETED DISTRIBUTION SPOTS AND ACTIVE, EMPATHETIC COMMUNITY ENGAGEMENT." EMILIANO GUTIÉRREZ, CEO AND FOUNDER.

Emiliano says that the unique value propositions that makes Raiz innovative and unique are that they are developing a decentralised network of vertical farms that transform underused urban spaces into food production and experience hubs. Its technological integration is different for several reasons.

Through its hybrid energy model, they can save over 33% of energy compared to other vertical farms. This is key as the main issue facing the industry is energy use, both due to cost and associated emissions.

"Our crop scientists will grow nutrient- and protein-dense veggies such as peas and lupine and we are a user-centric company, connecting with our end consumers through experiences at the farm, targeted distribution spots and active, empathetic community engagement," he says.

"We are on the way to become the first company that tokenises farms and integrates them with blockchain technology, allowing us to increase both transparency of our value chain and financing opportunities for communities to fund their own farms through tokens," Emiliano concludes." ■

Essential **Startups**

RedBridge
Creating a California-Lisbon cross-border entrepreneurial community

A change in the way business is being conducted is stirring beyond Lisbon's traditional offices with suited executives. In a 19th-century mansion, like-minded international entrepreneurs with shared ideas and affinities meet — a love of Portugal, bold, creative innovation and sustainability

TEXT **CHRIS GRAEME**
PHOTOS **REDBRIDGE**

RedBridge meet-ups are not your conventional run-of-the-mill networking events. For starters, you won't see suited executives engaged in formal business babble.

Instead, there is live music, a bar serving beers and wines, and some of Lisbon's most alternative entrepreneurs, casually dressed, chatting with counterparts from across the pond in the United States, particularly California.

These entrepreneurs have several things in common; the ones from the US have relocated or branched out to Portugal realising that the Portuguese, with their laid-back, out-of-the-box thinking, can teach them a thing or two about actually living – working to live, and not living to work.

Second, as their own country becomes ever-more politically and socially divided, these US entrepreneurs have come to value the certain quiet modesty that the Portuguese naturally have, their fine food and wines, and calm society, far removed from gun law issues, school shootouts, and political turmoil with court cases over the storming of the Capitol building.

RedBridge events, which take place at the palace on Lisbon's Rua Vítor Cordon, typically begin with relaxed networking cocktail garden parties, with a glass of vinho verde or beer, exchanging contacts and ideas.

The events are held in the same building as Funnyhow – an innovative and unconventional brand advertising agency with top-drawer clients like Tanqueray, Lipton, Heineken, Sagres, Durex, Uber and EDP –, founded by Hugo Antonelo who, with author Jonathan Littman, founder of publishing company Snowball Narrative, came up with the idea.

Involving a top-calibre lineup of self-starting entrepreneurs, all passionate about what they do and all committed to initiating change on environmental stability issues, the October meet-up was also timely, as Portugal's President Marcelo Rebelo de Sousa had been visiting Portuguese companies, entrepreneurs and community figures in San Francisco the previous week (September 27), handing out honours to figures like Vasco Morais, an entrepreneur and developer of various projects that have helped to foster closer ties between Portugal and the United States.

The RedBridge event included Benjamin Joffe, a French native now living in Portugal and partner in SOSV, a $1.38Bn climate and tech fund that has made 200 investments in climate tech, and who curated the SOSV Climate Tech Summit in October, and Bárbara Leão de Carvalho, PhD from Lisbon, who is focused on systemic change in Portugal.

Also, Emiliano Gutiérrez, a native of Mexico, who launched the first Raiz Vertical farm this summer in Lisbon to feed city dwellers, combining clean energy, natural and LED light, recirculated water, and minimal transport, and Nathan Hadlock, who left San Francisco for Lisbon as lockdown hit mid-March 2020, then created Pela Terra, Portugal's first sustainable agriculture Golden Visa-eligible fund with US$25 million already raised.

Jonathan Littman says Americans, particularly Californians, love Portugal because of the 'good life' (a boa vida), living by the sea, the ease of making true friends, the entrepreneurial thirst of the Portuguese, and the feeling of being in the 'California of Europe'.

"I met with Hugo Antonelo of Funnyhow in 2021 and we were looking at this famous red 25 Abril bridge – we have an almost identical one in San Francisco – and he asked me: 'John, what do you

"PORTUGAL NOW HAS SEVEN UNICORNS AND MOST OF THEM ARE CONNECTED WITH CALIFORNIA AND SILICON VALLEY, SO CHANGES HAD ALREADY BEEN HAPPENING IN PORTUGAL'S DEVELOPMENT AS A MAJOR STARTUP DESTINATION AND INNOVATION HUB." HUGO ANTONELO, CO-FOUNDER REDBRIDGE LISBON AND CEO FUNNYHOW.

RedBridge hold regular network meetings in the informal garden setting at the Palácio Chiado on Rua Cordon, Lisbon.

Essential **Startups**

Nathan Hadlock (Pela Terra), Bárbara Leão de Carvalho (Climate Researcher, Universidade Nova), Benjamin Joffe, (SOSV Fund) and Jonathan Littman (RedBridge, Founder)

want to do with your life?' And we decided to create this community which is becoming a club made up of cross-border California-Portugal creative and sustainably minded entrepreneurs."

Jonathan rose to fame in Portugal after his article 'The New California Dream in Portugal' appeared in the Los Angeles Magazine, notching up over 200,000 views and counting.

The author of best-selling books on innovation, such as The Art of Innovation and Ten Faces of Innovation, says their aim is to connect Californian and international entrepreneurs with Portuguese startups and entrepreneurs.

SIMILAR LIFESTYLES

"Portugal now has seven unicorns and most of them are connected with California and Silicon Valley, so changes had already been happening in Portugal's development as a major startup destination and innovation hub," says Hugo Antonelo of Funnyhow.

"There are also several similarities between Portugal and California; the surfing, the beach lifestyle, and so there is more than work that connects people from California with Lisbon in particular and Portugal as a whole."

"Companies are people and we are thinking about people first. I opened my office in San Francisco in 2019, I met Jonathan and agreed there was a movement after the pandemic of people coming to Portugal from California, and Portuguese moving there. Jonathan and I were two such examples," he explains, adding that TAP's direct flights to San Francisco was also a boon.

"AMERICANS, PARTICULARLY CALIFORNIANS, LOVE PORTUGAL BECAUSE OF THE 'GOOD LIFE' (A BOA VIDA), LIVING BY THE SEA, THE EASE OF MAKING TRUE FRIENDS, THE ENTREPRENEURIAL THIRST OF THE PORTUGUESE, AND THE FEELING OF BEING IN THE 'CALIFORNIA OF EUROPE'." JONATHAN LITTMAN, CO-FOUNDER REDBRIDGE.

When the pair realised the momentum, they thought creating a club for the community of entrepreneurs that had links to both countries was a great idea to "break the ex-pat bubble".

"We wanted to help this California community to break out of that bubble and meet Portuguese entrepreneurs, talent and investors, and create a mix of those two worlds," continues Hugo Antonelo.

Nathan Hadlock, also one of the founders of RedBridge, who is an advisor to the Golden Visa fund Pela Terra, is examining creating sustainable farmland in Portugal.

"We're working towards solving agricultural problems here in Portugal, particularly issues with soil. Conventional agriculture that has lasted hundreds of years has completely exhausted this critical part of the system. In our project, we work with operators to change their practices and focus more on soil – meaning cover crops, animal grazing and organic amendments."

Nathan has been living in Portugal for two and a half years, his first time based out of the US. "I am seeing this country through the eyes of an immigrant. I always wondered why all the most successful companies in the US were founded by immigrants, and how they could see opportunities and problems that I didn't. Now I am experiencing this for the first time."

"It's really exciting here in Portugal; everywhere I look I see business opportunities and for Americans, specifically those from San Francisco, where a lot of the technology and business and funding models are cutting-edge, it's good to share that knowledge here in Portugal.

"However," concludes Nathan, "Americans often miss the point and see things in a very extractive way, whereas the Portuguese really value people and putting back. We should be creating companies and products that make life better, rather than just monopolise your time even more and get you to buy things".

Past RedBridge events have featured self-starting entrepreneurs such as Hélène Guillaume Pabis, whose fierce passion for a wild, outdoor lifestyle led her to create her Wild.AI app, Lisbon AI innovator João Graça of Unbabel, who spoke honestly about how he initially resisted flying to San Francisco for what became the Y Combinator of a lifetime; and Maria Girão Sá of Ethical Legend, who studied innovation but found herself stuck in a career were "I was giving away my time" before creating scarves crafted from plastic bottles.

Jonathan Littman says that California has been struggling to recover from an existential crisis as a state that many of its own residents believe is in decline. Portugal offers a second chance to live the California good life enjoyed in the past. "I expect we'll see lots more seeking culture, waves and tech opportunity to turn up in Lisbon and Porto." ■

Hugo Antonelo, Co-Founder RedBridge

Nathan Hadlock, Founder Pela Terra, Portugal's first Sustainable Agriculture Golden Visa fund

Fernando Medina
Dealing with a perfect storm

Portugal's Minister of Finance is facing a perfect storm, none of it his Government's making. But how do you walk a tightrope between protecting business and families and reducing the country's deficit?

TEXT **CHRIS GRAEME**
PHOTO **JOAQUIM MORGADO**

Fernando Medina is caught between a rock and a hard place. On the one hand, he wants to cushion Portuguese families and companies against the worst effects of the current energy and inflation crises. On the other, his Government cannot spend money it doesn't have and maintain its debt reduction target of 120% of GDP.

The challenge of maintaining this delicate balancing act was conveyed at a lunch to members of the International Club of Portugal at Lisbon's Sheraton Hotel & Spa in October.

Giving an overview of the State Budget and economic prospects for 2023, the Portuguese Finance Minister focused on four key points, all external factors on the international scene over which Portugal has little or no control, with six aspects coming together simultaneously to create the perfect economic storm.

Fernando Medina, Minister of Finances

A PERFECT STORM

First, the war in Ukraine and its effects of reducing confidence, investment, changes in production, inflation, and a deglobalisation of part of the world's production.

Second, the energy crisis, which is forcing countries like Germany to change their energy production to nuclear in order to meet supply, and a reorganisation of the industrial economy as a consequence.

Third, a change in trading patterns with a deglobalisation of production or near-shoring, which had already started before the Covid-19 pandemic and the war but was now accelerating.

Fourth, inflation (around 10.6%) in energy, foodstuffs, raw materials and components that has now spread throughout the economy and society.

Fifth, government measures to counter rising interest rates, combat imported inflation and, with the help of the banking sector and social partners, cushion society against the worst of these effects.

Sixth, the recession that has begun in Europe and spread to the UK (the latter announced on November 17), again caused by an existential crisis as a result of Russian actions in Ukraine.

"Portugal is fortunate to be at the far westerly end of Europe, the furthest away from the conflict. With a strong capacity to attract investment and enjoying low unemployment rates before the pandemic, it has maintained investment in 2021/2022 and is attracting companies as a result of de-industrialisation in Asia and Eastern Europe, displaying strength and resilience," said Fernando Medina.

SHIELDING COMPANIES AND FAMILIES

But how far can any government shield its economic sectors, companies and citizens from the impacts of this six-factor perfect storm?

"IT IS NOT REASONABLE TO FUEL THE IDEA THAT ALL CAN BE PROTECTED GIVEN AN INFLATION CRISIS OF THIS MAGNITUDE AND SPEND ADDITIONAL MONEY BEFORE WE HAVE THE RESOURCES TO DO SO, OTHERWISE WE CAN'T SUPPORT OUR POLICY OF GETTING OUR PUBLIC DEBT DOWN." FERNANDO MEDINA, MINISTER OF FINANCE.

Take the tourism sector, for example, one of the core parts of Portugal's economy, representing 15% of its GDP. A group of hoteliers and hospitality sector leaders at the annual AHRESP Congress (the hotel, restaurant and catering association of Portugal) lamented that raw material costs were up 50%.

AHRESP reported the results of a survey carried out in September and October, both for restaurants and bars and tourist accommodation, which concluded that the "consequences of inflation are increasingly worrying for the sustainability of businesses".

The report added that shortage of essential products is also already being felt for 73% of restaurants and 26% of accommodation companies.

The Secretary of State for Tourism, Rita Marques, admitted at the same conference that support funding for companies to meet spiralling energy bills (€3Bn) was not sufficient and should have been 10, 20 or even 30% higher, given that some extremely energy-reliant companies were facing bills of up to 300% higher this winter.

It was a question that Essential Business put to Fernando Medina, to which he replied: "It would be an error for the Government to convey the idea that because of the crisis, any government can protect everyone.

"It is not reasonable to fuel the idea that all can be protected given an inflation crisis of this size," he said.

In the current context, it is important, he said, to have "balanced spending": "We should not spend money before we have the necessary resources to do so, because when you draw up financial support packages, you can't then make [additional] expenses before you have the resources. If you go and do that then the Government can't support the policy that it has been defending of getting the public deficit down," he said.

REDUCING PUBLIC DEBT

One of the central economic planks of Portugal's current budgetary policy is to reduce Portugal's public debt which, by the end of August, had fallen back to 126.7% of GDP, placing the country in third place in terms of European Union countries that had most reduced their levels of public indebtedness in 2022.

"In 2022, we will have a debt that is less than we had at the start of the pandemic, and we will be one of the few countries to have achieved this," said the Minister, stressing that the goal for this year and the next few years was to "remove Portugal from the podium of most indebted countries" and place it among the ranks of the large economies like France (98.1% of GDP) in terms of debt to GDP.

"W want to achieve a significant public debt reduction by the end of the year to 120% of GDP so we are not on the podium with Greece and Italy," said the Minister of Finance, adding that this would strengthen Portugal's credibility overseas, particularly in the international lending markets.

Fernando Medina also announced – and largely delivered – a €125 payment for over 500,000 families, transferred to bank accounts, to offset higher consumer energy bills.

MORTGAGE HELP

On the issue of high mortgage repayments following the European Central Bank's decision to increase interest rates to 2%, with Euribor expected to rise between 2% and 2.5% by the end of 2022, Fernando Medina said that measures designed to help families suffering the effects of higher monthly mortgage repayments would enable them to negotiate "a solution to reduce the burden with the banks".

Announced in November, the three measures are: the reevaluation of mortgage servicing costs, a freeze on interest repayments, and a reduction in tax paid at source for 2023.

The Minister also referred to some statistics, pointing out that 90% of mortgages had monthly repayments of between €270 and €400.

Fernando Medina also said the agreement reached with social partners (trade unions and other associations) regarding rent freezes to further avoid a spiral of inflation was important and of value.

"The agreement reached with social partners is important from the perspective of stabilising rents on the one hand, and providing an anchor to avoid a spiral of inflation on the other, as well as assuring salary growth in the production market in the medium term," he concluded. ■

Essential **Leadership**

Panel: 'The change necessary to reestablish the political and world order':
Pic L-R: António Saraiva, President of the Enterprise Confederation of Portugal (CIP), Helena Ferro de Gouveia, board member at Global Media Group, Felipe Pathé Duarte, Professor and researcher, NOVA School of Law, Ana Gomes, lawyer and ex-diplomat and ex-Portuguese MP, and Aline Gallasch-Hall de Beuvink, CNN commentator, former Lisbon Municipal Council Deputy and Vice President of the Popular Monarchist Party of Portugal.

Harnessing digital in our favour

Advances in digital technology meant that millions could work from home and not lose their jobs during Covid-19. But digital opportunities also present challenges for companies. Chris Graeme reports from the Leadership Summit Portugal 2022 in Estoril.

TEXT **CHRIS GRAEME**

The opportunities brought by digital technology were patently obvious during the Covid-19 pandemic, when employees from technology companies to educational establishments were able to continue working and hold meetings or classes thanks to digital platforms like Zoom, Cisco Webex, Microsoft Teams and Google Meet.

But there has been a downside to digital transformation: an increase in cyberattack crimes and compromised data protection are just two areas creating challenges for companies.

At the Leadership Summit Portugal 2022, which took place at the Estoril Casino on October 12, 2022, these dilemmas of the digital world were the basis of the debate 'Act now for digital - How to put the digital world at our service and not against us?'.

It was a question debated by Cristina Rodrigues, CEO of Capgemini, Abel Aguiar, executive director and board member at Microsoft Portugal, and Carlos Santos, CTO of Zome, in a conversation moderated by Pedro Duarte, president of the Strategic Board for the Digital Economy at the Confederation of Portuguese Business (CIP).

"The new generations – Z and Millennials –, who have recently or are now entering the work market, and who think in a different way, have made leaps and bounds in the way that they work, partly because of remote working.

"The market has changed demand, and supply is now global. We are recruiting people who don't have to be in Portugal, but on the other hand we do have people that relocate," he said.

One of the problems of the current employment market is being able to attract and retain talent. Employees no longer just look at a good salary as a decisive factor to stay with an organisation or not, as had been witnessed in Portugal with the Great Resignation, which particularly affected the hospitality sector.

This problem became even more complex with the introduction of working from home or remote working, which made the market global, thereby multiplying job offers and also raising the bar in terms of job candidate expectations.

DIGITAL DEVELOPMENT AND BUSINESS OPPORTUNITIES

Buying or renting a house after the client has only seen it virtually, as was the case during the Covid-19 pandemic, can be a risky business for an estate agency with a strong emphasis on a digital platform.

But that is exactly what Zome successfully did when it introduced this new model of digital property viewing developed during the pandemic.

"We had to grasp how a company like us, which already had a flexible model of operation, would manage teams of estate agents and deal with house hunters and homebuyers, and we did this through technology," said CTO Carlos Santos.

"People became our priority and this priority was facilitated by mobile phones, Teams, or other technological tools that we were using constantly," added the CTO of Zome, which was founded in 2019 following the merger of KW Business and KW Prime, explaining how they managed to maintain links with clients in a business in which people and interpersonal relationships are so vital.

CHALLENGES OF TECHNOLOGY

The CEO of Capgemini, Cristina Rodrigues, said that it, alongside other Portuguese companies, was having to deal with countless cybersecurity problems on a weekly basis. "It's a problem and we have to deal with it.

"Capgemini employs 4,000 people in Portugal who deal with clients and have to protect client confidentiality and data protection," said the CEO of the company that is a global leader in consulting, technology services and digital transformation.

Rodrigues said that technology is a "service for all", but sometimes also poses a risk, compromising organisations and people.

Therefore, it was essential that organisations provided training so that staff members were aware of possible cyberattacks, identify threats and avoid them.

At the end of the day, the panel agreed that technology should work in our favour, but investing in people first was of paramount importance.

REESTABLISHING POLITICAL AND ECONOMIC ORDER

According to the panel 'Reestablishing political and economic order' moderated by Professor Aline Hall de Beuvink, university professor at Universidade Autónoma with the president of the Confederation of Industrial Enterprises of Portugal, António Saraiva; Helena Ferro de Gouveia, board member at Global Media Group and Lusa and CNN commentator; ex-diplomat and lawyer Ana Gomes; and researcher and professor at Universidade NOVA School of Law, Professor Felipe Pathé Duarte, a "new European order needs to be established both politically and economically".

António Saraiva said that Europe had placed its manufacturing capacity in the hands of China, its energy in the hands of Russia, and its defence in the hands of the United States, and this now needed to change.

"The EU has to create a more independent strategy, speed up decision-making, and reduce installed bureaucracy. In fact, the decision-making process is not adequate or in step with the times in which we live. We have to reposition Europe regarding this perverse geo-political game by reinventing, rethinking, restructuring and reindustrialising, and create a rapid and profound transformation in decision-making."

Ana Gomes said that Europe and the West had thought it had created a new political order with the fall of the Berlin Wall, but that had not happened. There were, she said, three steps that had to be taken: first, win the war in Ukraine, because "if Russia wins, Europe will be different".

Second, Europe needed a strategy for independence for industry and energy, with less reliance on China and Russia.

Third, the United Nations needed to be reformed with new international rules, covering the right to veto and human rights, while economic institutions such as the World Bank could not be so dependent on large financial donations from the oligarchs around the world.

The EU needed to show more cohesion and solidarity with a policy that is "all for all"; one where Russia was not ostracised, said Helena Ferro de Gouveia, who thought this could be done through a policy of closer and interdependent trade links.

"Hindsight is a wonderful thing, but we are partly responsible for the situation in which we find ourselves today regarding Russia, and we need [after the war] to bring Russia into the fold of democratic nations through inter-dependence," adding that Europe would go through a "seismic shift" in terms of policy towards the new order that reflected this new reality.

However, Felipe Pathé Duarte believed Europe and the West were "naive" regarding their relationship with Russia.

"Since 2007, Vladimir Putin has been very clear about his plans. Up until then, Russia was seen as a partner with NATO. This was followed by cyberattacks against Estonia that year, the invasion of Georgia in 2008, the annexation of Crimea in 2014, and the invasion of Ukraine in 2022," he said.

"What we have been witnessing is a kind of scene from the film Grand Hotel, with Putin pushing at various doors to see which one was open, and the West has left these doors open for him to enter, thinking we could include the Putin regime in the Western sphere without thinking of the consequences." ■

PSQ Life Coach
A roadmap for life

Life coaching has been a popular concept in the US and the UK for years, but has only recently become known in Portugal. Essential Business talks to Pedro Quaresma of PQS Life Coach about how it can improve life at work and at home

TEXT **CHRIS GRAEME**

Pedro Quaresma, PQS Life Coach

In the US, UK and much of Western Europe, people don't bat an eyelid at the thought of visiting analysts or counsellors. Yet in Portugal, these concepts are almost alien.

Traditionally, if you had a problem, you spoke to the local priest; if you felt lost in your career you might look up one of your university professors, and if you had an emotional or psychological issue, you'd turn to your best friend or the family. Heavens forbid you'd go and speak to a complete stranger about such personal issues!

"As a conservative society, personal counselling and coaching are still not fully recognised in Portugal. I'd even go as far as to say that with the exception of Brazil, it is not widely practised in most Latin countries," says life coach Pedro Quaresma.

A coach, he says, is subject to rules and bound by confidentiality. Moreover, they are trained to listen more than speak. They are also prepared to ask key questions so that the coached (the client) is helped to find their own answers.

Pedro says that sharing such personal issues (with the exception of the priest who is also bound by confidentiality at the confessionary, friends or family) doesn't happen in Portugal. Which is why it is important to have agency and own your life, but also realise that none of the situations you face are any less valid than others.

"In countries with more evolved attitudes to therapy, it is seen as something normal. People see a counsellor, coach, psychologist or psychiatrist with the same ease as they would a cardiologist, chiropractor or any other health specialist," he says.

And explains: "This is because people view happiness and well-being in a different way. We understand that being emotionally happy is just as important, if not more, as being physically fit. In Portugal there is still a deep-seated negative opinion about those who visit mental or emotional health professionals. They are viewed as 'crazies' or 'imbalanced'. Sometimes we need to just be heard without being judged. There needs to be a change in perception about emotional, psychological and psychiatric issues, whether in the workplace or at home."

HAPPINESS AND COMMUINICATION

Pedro Quaresma focuses on happiness and communication in his work. He has an internationally recognised certificate in coaching and has done many workshops and talks in sales-based companies where he teaches people how to communicate and recognise signals and cues.

"Life coaching is fascinating because you can listen and observe so much, and help people find the tools they need to reach their goals. I have coached some cases and have achieved total success, while others were more challenging," he admits. "I have helped couples to be more fulfilled, and families to find ways to better communicate with each other. It is very satisfying when you know that you have contributed to them becoming happier," he says.

Pedro says that when people grow for the better and are happier and confident, this can bother some colleagues and friends and make them uncomfortable. There is also the issue of jealousy and opportunism, meaning cultivating relationships, professional or otherwise purely for self-gain.

"The latter is a cultural issue and particularly Latin. Opportunism is not seen as using someone or having second intentions in our culture. If you have connections and money and can open doors, it is almost seen as an obligation to help out friends, colleagues or even acquaintances," he explains.

"In most cases, Portuguese that do this aren't even aware that they are being opportunistic. 'Oh Pedro, my son has this or that problem, and they told me a coach might help, but it is expensive… you couldn't help me, could you?'"

Pedro says these issues crop up frequently in his field, but it happens to lots of people. Here, being assertive is important, and not everyone finds it easy saying: 'No!' "People will generally accept boundaries. However, where no assertiveness exists, lots of friendships get ruined through unconscious opportunism. What you have to weigh up is, are people just being friendly simply because they expect something from you?" Boundaries and assertiveness, he says, are always the key to not being taken for a ride.

ALL IN THE MIND

Then there is jealousy, which is completely corrosive and destroys the happiness of those it affects. But you have to be careful when dealing with jealous emotions.

"Many know that they suffer from jealousy, but don't know how to deal with it and don't show it. This can be doubly frustrating; being jealous of someone and then hating yourself for feeling it."

Jealousy derives from low self-esteem, where we think others are better, luckier, more attractive and successful than others.

Pedro points out that, generally speaking, jealousy comes from within, and has to do with a supposed limitation that a person is convinced they have, regardless of whether they actually do or don't. It is often an illusion they themselves have created, even a form of victimisation as to their own supposed failures, so often only in their minds.

He believes that the coaching methodology can be useful for becoming self-aware, but to actually change this way of thinking would need a change in concepts, and this starts at school and at home. "My mother used to say that educating a child should start 20 years before they are born, meaning it starts with the parents. Which is why it is important to start with ourselves, to update outmoded ideas in order to educate the next generation. This is the key to change, where happiness is not seen as a utopia, but a reality."

COACHING IN BUSINESS

The coaching methodology is based on self-awareness, active listening and assertive communication. These are vital for any interaction. For any kind of interpersonal relationship to work, Pedro explains that we must know what we want and where we stand in any relationship. "How can we communicate with someone if you don't know what you want and don't even understand yourself? How can we expect them to understand us?"

Self-awareness and active listening help us to filter out the noise of communication, enabling better relationships at all levels. Self-awareness makes it easier to respect others by facilitating communication. For example, a company manager will have a greater capacity to get on with, motivate and relate to the teams he manages. In negotiation, too, the interlocutor becomes more evident, making it easier to get our ideas across more clearly.

Pedro Quaresma says that in business, communication that is assertive, honest, clear and objective is vital and makes it easier for two parties to communicate their needs and requirements.

THE ART OF BEING HAPPY AND FULFILLED

According to Pedro Quaresma, the human condition is not exactly hardwired to always be happy – otherwise how would we strive to grow and change anything? –, but he says happiness can be the focus that we give for our journey through life.

"If you look at life like a train journey, you can see that happiness is perfectly possible and is not just a mirage. On a train journey you can choose to switch off and catch up on sleep, or enjoy the moment. You can listen to podcasts, read a good book, or just enjoy the passing landscapes. All of these ways of using your time while travelling are positive. You can experience so much from a simple train journey and it depends on your choices.

"If you just choose to sleep, you'll complete your journey but won't have experienced it. Life and happiness are exactly the same. It is important to focus on what is around us. We can give greater importance to a small corner of our lives that is not so good, or pay more attention to all the good things that we and others too have in our lives – some more than others –, and everyone has something positive to boost our optimism.

"Obviously, we go through a range of emotions and feelings on a daily basis, but is that all there is? Instead of ruminating on something negative, what about the happiness, smiles, affections, recognitions, a tasty lunch, a good day with the children, your dog jumping with joy when he sees you, your boss complimenting your work?"

"The tendency when talking about happiness," notes Pedro Quaresma of PSQ Life Coach, "is to experience it, but not recognise it and be thankful for what it is. It is to let the minor irritations stop us from seeing the good things in life, and it is this that so often is responsible for so much unhappiness". ■

David Sampson
Inhouse Contributor

Quinta da Fonte – a personal history

As publisher of the 'Portuguese Property Review' and later 'People & Business', David Sampson saw the founding and subsequent development of Portugal's first business park, Quinta da Fonte, in Oeiras first-hand. Here, he looks back at the park's history as it celebrates its 30th anniversary in 2022.

A PERSONAL HISTORY OF QUINTA DA FONTE

I came to Portugal in 1985 and opened offices of my law firm in Cascais, Almancil, Carvoeiro and Tavira, adding to my London office. The practice went well and I had the prospect of representing the UK property company British Land in its partnership with Sonae to develop the Colombo Centre. As a consequence, I sold my practice in 1989 to my partner and started as a broker for foreign investors in Portuguese real estate.

On August 1, 1990, I signed a contract to buy a development property in Cascais, and on August 2, Saddam Hussein invaded Kuwait. The real estate market then stalled for six months until the US invasion. I failed to raise the money to pay for the property, lost the deposit, and British Land decided not to invest in Portugal.

I then decided to launch a magazine in English about the Portuguese real estate market, and in the autumn of 1991, I published the first issue of People & Business. My timing this time was right. There was considerable foreign interest in Portugal, and there was a general lack of reliable information about the property market.

In the second issue of the magazine, I focused on Swedish investment in Portugal from 1988 to 1991. I described how, at the start of 1989, after 50 years of tight control, the foreign exchange restrictions, which had prevented Swedish companies from investing abroad, were removed. The floodgates opened, capital poured out of the country in a tidal wave, and newspapers reported the second Viking invasion of the rest of Europe.

Although it was estimated that only 1.5% of the outflow was invested in Portugal, the fact that the investment was all concentrated in the Lisbon area meant that it was substantial in local terms.

Two of the investors were publicly quoted property companies in Stockholm, Aranas and Bygg Fast, both of which bought mainly development properties around Lisbon. There was the insurance company Skandia, which bought in central Lisbon, plus Mercator, the local subsidiary of Swedish builders JM, which was developing in Estoril and Lisbon. The final two were Bullfighter, named because its first property was facing Lisbon's bullring, and Libertas, which bought four beautiful buildings on Avenida da Liberdade.

By the end of 1992, it was clear that the value of the properties purchased by Swedish companies across Europe was much less than the amounts loaned by Swedish banks. The result was that the banks that had financed these purchases went bankrupt and some major ones had to be taken over by the State.

It was rumoured that the manager of a small country branch of Foreningsbanken had lent millions for the purchase of properties in Lisbon. Most of the Swedish companies who had entered the Lisbon market, such as Bygg Fast, Bullfighter and Libertas, were closed down or sold off by the banks.

ARANA SURVIVES AND PROSPERS

The one exception was Aranas, which had merged with a finance company called Luxonen, and then split into a local Swedish and an international property company. The company's survival in Portugal owed a lot to its local managing director Hans Koster. In the words of my article in the Portuguese Property Review in 1992, "Hans is a real-life example of the effect of a bi-cultural upbringing. His father was the manager of the local subsidiary of Melka shirts, so Hans grew up speaking fluent Portuguese. More importantly, here in Portugal he knows when to push and whom to see when problems arise. When Lars Carlson wanted to set up an Aranãs subsidiary in Portugal, Hans was in the right place at the right time.

Aranas have further helped themselves by choosing an experienced and efficient project team. The architect for most of their projects is Mário Sua Kay, who has designed bright, modern working spaces in eye-catching buildings. I did not then add that Mario's background was even more international than that of Hans. Mário was born and grew up in Mozambique and qualified as an architect in London before coming to Portugal with his New Zealand-born wife. Mário's mother and grandmother left Germany in 1938 following Hitler's anti-Jewish laws. The South Africans refused them entry as they were Jewish, so they stayed on the boat until it reached Mozambique. There they landed. Some time later, Mário's mother married her tennis teacher, who was Chinese, and they had Mário and two daughters.

The article went on to say, "The major purchase in 1991 was a suburban development project in Oeiras, where the mayor, business-oriented Isaltino Morais, wants to encourage rather than frustrate development. The site is ideal; right next to the new Lisbon/Cascais motorway at the Oeiras exit.

"After negotiating the purchase from the extended family that had inherited the property (each member had to sign the sales contract), Aranãs was able to obtain project approval for a 60,000 square metre office park. Building starts in June this year with completion due at the end of 1993; 25% of the offices will be sold and the remainder let. Demand should be strong and the initial rental levels will be about 4,000 escudos per square metre per month."

Of course, in reality, the timings were a bit slower than forecast, but the East sector – with 11 buildings and 30,000 square metres above ground – was completed by the time of the visit of the King of Sweden during Expo '98. The first building was rented to Electrolux, and the other main occupiers included Merck Sharp & Dohme and Procter & Gamble (P&G), and a Holmes Place health club. "Most of the tenants", says Hans, "came through the people I met as captain of Penha Longa Golf Club".

NEW OWNERS TAKE OVER

Aranas sold some of the buildings to institutions such as the Bank of Portugal Pension Fund and the Caixa Geral bank. At the same time, it acquired the site across the road (Phase 2, or the West sector), where it got permission to develop another 11 buildings with 50,000 square metres of space above ground. Aranas International was under pressure to wind down, and at the end of 1998, the Portuguese subsidiary was sold to a UK company called Akeler, which was part of the American Security Capital Group. James Cole moved in to run the project together with a new professional team (they sold 13 buildings to Sal Oppenheim/Pramerica in 2001), and two to MEAG and two to UBS in 2002. Pramerica promoted Fátima Perdigão, who had worked with Hans Koster since 1988, to be the new managing director of the company in Portugal. Subsequently, Pramerica sold four buildings to BANIF bank in 2005, and in 2015 they sold the remaining nine buildings to Oak Tree Capital.

Hans Koster, Fatima Perdigão, Maria do Carmo Paias

Essential **Contributor**

Tree planting ceremony with the Mayor of Oeiras, Isaltino Morais.

In 2018, Acacia Point stepped in on behalf of Signal Capital Partners and bought nine buildings from Oak Tree, followed by the purchases of one building from P&G in 2019, two buildings from Caixa Geral and three buildings from BANIF bank, all in 2020. It currently owns about 60% of the space in the East and West sectors of Quinta da Fonte, in conjunction with the current owners (QDF Group, MEAG and Square AM). To help design and plan its proposed upgrade of the whole of Quinta da Fonte, it has brought back architect Mário Sua Kay*. *See the proposals set out in the box below.

Acacia Point is run by two former partners in the Lisbon office of estate agents Cushman & Wakefield, Luís Rocha Antunes and Matthew Smith, who were both Capital Markets partners. "We want all 5,000 people who work in Quinta da Fonte to be able to work in a bright and pleasant environment with the amenities they need and good transport links."

Luís and Matthew share the ambition of restoring Quinta da Fonte to its position as the leading office park in Portugal. They kicked off their campaign to showcase their work so far with an exhibition of plans, photos and magazine articles to show the Quinta as it was 30 years ago, and how its development was conceived and designed. They held a party in one of the refurbished central plazas and had Isaltino Morais, who is once again the mayor of Oeiras, come along to celebrate the occasion. If they go on the way they have begun, I think that Luís and Matthew will achieve their ambition.

REAL ESTATE DEVELOPMENT IN THE 1990s

Besides Aranãs, there were other foreign developers active in the Portuguese market. Benno van Veggel came to Portugal to play professional tennis on clay and brought in his brother Hans, who had a development company in the Netherlands called Multi Development. They bought a site in Oeiras, also next to the motorway into Lisbon, where they got permission to develop eight office buildings. Multi then went on to develop shopping centres all over Portugal, starting with Forum Aveiro and going on to the Armazéns do Chiado and Almada Forum, which won the annual prize at MIPIM (an international real estate fair) for Best Shopping Centre.

After Multi was taken over, Benno left the company but retained his interest in both tennis and real estate. His company now runs the annual Millennium Estoril Open tennis tournament and he is developing the Bayview Apartment complex on the site of the old Auchan supermarket in Cascais, which has been demolished and rebuilt partially underground, without losing a day's trading.

The other main shopping centre developers in Portugal were all Portuguese. Mundicenter, which developed Amoreiras, Lisbon's first shopping centre, in the 1980s continued slowly, but was overtaken by Sonae who teamed up with the UK´s Grosvenor Estates to develop one shopping centre every year in the 1990s, including award-winning Colombo Centre and the Vasco da Gama centre in Parque das Naçoes. Américo Amorim did a couple of developments in partnership with Groupe Suez, but then started developing shopping centres on his own. His Dolce Vita Coimbra, designed by Mário Sua Kay, also won the award at MIPIM for Best Shopping Centre.

The success of Aranas at Quinta da Fonte led to other companies developing suburban office parks. The builders Teixeira Duarte were responsible for Lagoas Park, which lies across the motorway from Quinta da Fonte. It might have been the company's jewel in the crown, but it was forced to sell to compensate for the losses it incurred on its investment in BCP bank. Also in Oeiras is Tagus Parque, which has been developed with both public and private capital.

THE CURRENT UPGRADE PROPOSALS FOR QUINTA DA FONTE

Parking

Over 500 new car parking spaces have been created, parking metres introduced, and Via Verde access is about to become operational.

Mobility

New cycle lanes created by Oeiras municipality allow light mobility access to e-scooters and e-bikes.

Bus-share platform BusUp, which is already in operation, takes hundreds of people home without the need for cars, on privately operated routes with a good-quality service.

Oeiras municipality operates the Valley Shuttle with free connection from Paço de Arcos train station to the parks.

Amenities

New and improved amenities offering: new 700m2 retail gallery with 150m2 F&B area, including parapharmacy, beautician, copy centre, newsagent (soon), fruitseller (soon), and health clinic (soon).

IMPROVED OUTDOOR LEISURE AREAS

Community

Connecting with the community in events and initiatives.

Green

Certification of the portfolio under the BREEAM In-use standards.

Investment in building upgrades with state-of-the-art technology for saving water and electricity, and reducing the carbon footprint.

Renewing the garden areas, making them more "social and user-friendly" by creating seating areas.

General

Massive investment in refurbishment, painting, cleaning, and repairs.

New website, corporate image and branding - Quinta da Fonte Business Ecosystem.

David Sampson (Publisher People & Business (The Portuguese Property Review), Matthew Walker, Managing Director Europe, Acacia Point Capital Advisors, Hans Koster (Chairman Holmes Place Portugal) and ex-CEO Aranas, Luis Rocha Antunes, Managing Director, Acacia Point Capital Advisors (Portugal), Mário Sua Kay, QdF architect.

Fátima Perdigão an irrepressible fighter

Fátima Perdigão has been a consistent and indefatigable part of Portugal's property landscape for 35 years. Chris Graeme looks back at a career that was not always easy

TEXT **CHRIS GRAEME**

Fátima Perdigão, ex-Local Managing Director at Pramerica Real Estate Investors (Portugal) Lda.

Fátima Perdigão is one personality on the Portuguese property scene that once met is never forgotten.

A charming smile and in-built sense of elegance and poise belies a tough battle in a life where nothing was handed on a silver platter. On the contrary, she has been a fighter and a career-driven woman all of her life.

Born and raised in Mozambique, she lost her father at the age of 15. Fátima started her career in banking, becoming the manager of a branch of Montepio de Moçambique. On marrying her husband Carlos, she moved to Pretoria, South Africa and continued her banking career at Bank of Lisbon and South Africa and First National Bank of Pretoria. "I did a lot of training and sat exams, getting 93% in one, and so worked my way up," she recalls.

However, tragedy struck and Carlos was killed in a car crash aged only 43, leaving Fátima a widow at 35. "I was very down, but I had three girls to support; I simply had to get on with it and work."

The political situation in South Africa was increasingly volatile. Fátima's mother was in Portugal, which she had visited with her girls. "I thought I would move and give Portugal a try in 1987, even though I didn't really know anyone else there. It was a case of move now or never, because once my girls had started to settle with their friends and begin higher education, it would have been more difficult," she explains.

Because Fátima knew banking, on moving to Portugal, her plan was to apply to join BCP. But "in Portugal, the banking world was very male-dominated at that time, and there were few opportunities for women. Of course, I was already in my late 30s, had no university degree other than the university of life — my experience and knowledge".

ENTER HANS KOSTER

Once in Portugal, Fátima needed a job. Her aunt had spotted an advert in a newspaper for a new company and suggested she apply.

"I was interviewed by a Mr. Hans Koster [today chairman of Holmes Place Portugal] at the Swedish Embassy for the job title 'Executive Assistant for European Tax Free Shopping'. The company was to organise VAT returns to tourists. I started working for him, and when he became the managing director of the Portugal subsidiary of Swedish developer Aranas, I continued on with him as director of marketing and sales," she recalls.

Aranas had offices in Edifício Suécia in Lisbon, a new 10,000m2 office development that the company was working on. "I remember one of the first things I had to do was call up the restaurant that served 'sela de borrego' (rack of lamb Alentejo style). I'd never even heard of the dish and was too shy to ask Hans, who knew, where they served it. There was no Google then and I called half the restaurants in Lisbon. Of course, he meant a famous one in Guincho."

Fátima looks back at her time with Aranas fondly. "We had so many good projects and fantastic tenants wanting to move into our properties. Hans Koster was a true visionary with great, forward-looking ideas and still is."

"However, he was a macro-manager; he didn't like to micro-manage. Details were not for him, and this, with my past experience and sense of organisation, is where I came in."

"You have to understand I was starting from scratch. I didn't know anyone and I had to get used to all the jargon and terms that we simply didn't have in South Africa."

Fátima describes Aranas as a "very small company with huge investments": "We had a huge portfolio, not just the Parque Suécia buildings [five office blocks covering10,000m2] in Lisbon which we built, but a hotel in the Algarve, other offices in Lisbon, and parcels of development land."

One such "huge investment" was the purchase of Quinta da Fonte in 1991, a farm estate surrounding an old manor house on the outskirts of Oeiras. Little did Fátima know at the time, but the development of an office park project there would come to define her professional career.

"I was involved with the Quinta da Fonte project, in one way or another, from the start. It was originally the brainchild of Aranas CEO Lars Carlson and Hans Koster when it was nothing more than a tumble-down, overgrown estate with a large house and plots of farmland," she recalls.

In 1999, Akeler bought the assets at Quinta da Fonte Business Park and Fátima was asked to manage them. "I had already been involved in the property management, as well as the development and marketing, and so it was no problem for me to manage the properties," she says.

THE PRAMERICA YEARS

Quinta da Fonte was sold on to a German fund in 2001, and in 2003, Fátima was appointed the managing director of Pramerica Portugal, a subsidiary of Pramerica Real Estate Investors (today PGIM Real Estate), which would now manage the Quinta da Fonte assets.

At its height, Pramerica had around 130,000m2 of property under management – much of it office space – on the Iberian Peninsula.

Step by step, Quinta da Fonte grew into an office park with 17 buildings by 2012 (today it has 21, as well as 60 companies).

Looking back to the Pramerica years, she laughs: "I must have been one of the few people to have worked for all these different companies without ever having left the building!"

In September, I caught up with Fátima Perdigão at Quinta da Fonte's 30th anniversary. "I think they have brought more life into the park. Although Oeiras Shopping is nearby, you had to have a car. With the Central Square there is a place to meet, drink, have lunch, a Holmes Place gym, a hairdresser, shops, a spa, and other leisure facilities."

"The most important work they did, and which we started, was the dual carriage and viaduct access road because it reduced the traffic problem of the never-ending queues at rush-hour periods. This new improved traffic flow has given Quinta da Fonte the opportunity to expand," she adds.

Fátima Perdigão also points to the garden landscaping and management at the office park by Richard Westcott's landscaping company Jardim Vista, which has "improved Quinta da Fonte immeasurably with the green areas looking clean, well-tended and really lovely".

WORKING WITH DIFFERENT NATIONALITIES

With her flawless English, Fátima has had the opportunity to work with a wide range of nationalities. "I've been very happy with my career in the real estate business. I've worked with English, German, Swedish and Spanish and never had problems with any of them."

Fátima says that with the British and Swedes, she had an intermediary to report to. When she went to work for Pramerica, she was the face and didn't work with anyone locally.

"It was a very exciting and interesting experience working for both Aranãs and Pramerica. I travelled a lot and even showed the King of Sweden around Quinta da Fonte in 1998."

When Pramerica's Madrid office closed, Fátima dealt with all the asset divestment and property sales through the Portugal office as the company was being wound up from 2015, although she continued to manage one remaining office building in Parque das Nações and helped oversee the sale for the Luxembourg fund that owned it.

SELLING LUXURY

Never one to do nothing, on retiring, Fátima decided to do voluntary work at Hospital de Cascais helping people at the reception, and SOS Família, which helps families in the Estoril parish of Santo António in need, a need that was particularly pertinent during the Covid-19 pandemic.

Today, at the age of 72, Fátima works for the luxury estate agents Citylux (OceanSide Group) in Cascais, not because she has to, but because she loves it and has always loved working. "Whatever I do in my life, I like to really be part of the team, throw myself into it and give it all that I have," she says.

"I would never want to stay at home doing nothing, but at the same time I also wanted to have the kind of work where you can work from home and work from the office twice a week."

I ask Fátima Perdigão how she sees the Lisbon commercial and luxury residential markets developing over the next two years, and if current fears of a crash in the real estate market are likely.

"I think it depends very much on the progress of the war in Ukraine and how long it goes on. If it comes to an end quickly, I think the Portuguese residential market will only suffer some readjustments. If it drags on, continuing to affect energy and raw material prices and supply chains, then we could see the property market suffer."

Fátima tells me that she recently attended a Women in Property event in Lisbon. I ask her if she still thinks that big business is still dominated by men in Portugal. "It's no longer true and things have changed a lot. All of us at the event have had good experiences in our careers. When I started in real estate in the 1980s and 1990s, the so-called 'golden era' for property in Portugal, there were not many women in senior management. That's not the case today," concludes Fátima Perdigão. ■

"I WAS STARTING FROM SCRATCH. I DIDN'T KNOW ANYONE IN PORTUGAL AND HAD TO GET USED TO ALL THE PROPERTY JARGON AND TERMS WHICH WAS DIFFERENT IN SOUTH AFRICA."

Essential **Opinion**

Looking for a safe haven?

Few people are as qualified to talk about Lisbon as Rui Ramos-Pinto Coelho who was a board member of Startup Lisboa (2012-2019), a private non-profit association that supports entrepreneurs, and Executive Director of InvestLisboa (2009-2019), Lisbon's Investment Promotion Agency.

TEXT **RUI COELHO**
PHOTO **RODRIGO AMADO**

Rui Ramos-Pinto Coelho, Founder 6 Graus. (Investment Partner)

I was born in Lisbon and have always lived here. I remember the soldier-laden boats leaving for the wars in Africa; May 1, 1974, days after the revolution, when demonstrators were so overwhelmed with excitement they were running in the streets in the Baixa area; the surrealist revolutionary period when even the Government went on strike; people's pride in the pre-opening of Expo '98, among many episodes.

There are many 'Lisbons', from the historic centre to the Metropolitan Area. Neighbourhoods from different eras, with different styles of architecture, populated by people from different socio-economic realities. Modern and planned, like Parque das Nações, and ancient organic medinas, like Alfama; from beautiful Cascais and magical Sintra to the under-explored South Bank with all its potential.

Lisbon is not an artificial city. Several peoples realised the advantages of this territory and settled across the ages. It was the most important city in the world in the 15th century, at the time when its language was the lingua franca, and its currency was the hard currency. From here the greatest discoveries started, and here new cultures arrived. Lisbon designed, divided, and gave new worlds to the world.

Blessed by the sun, the river, the wind, and the sea, it is admired for its light and sung by poets – a very special city.

A CASE STUDY IN REVITALISATION

I had the privilege of participating in Lisbon's last "revolution", as I was responsible for its investment promotion agency Invest Lisboa, from 2009 to 2019.

Lisbon went from being a PIGS, where no one wanted to invest because Portugal would probably leave the euro, to the "goose that lays the golden egg" that everyone wanted a part of. In the process, the centre was rehabilitated; it was run down and dilapidated, victim to decades of frozen rents (once I was asked if this was the result of a war...), and the city, the region and the country were revitalised.

The surge in tourism, due to security problems in competing destinations, and the arrival of low-cost companies, gave an impetus as new travellers discovered the city. But the actions of the City Council, led by António Costa and Manuel Salgado, the incentives to attract investment, created by the Government of Passos Coelho and Paulo Portas, and the collaboration between both entities, were decisive for the excellent results achieved, worthy of being considered a case study.

The City Council's strategy – without investment capacity at the time – was to develop small, easy, and inexpensive projects throughout the city (kiosks, esplanades, and improvements to public spaces) and to motivate the citizens and their organisations to do their part (partnerships, participatory budget, and events). And with agreements with the left and the right, structural reforms were even carried out – boroughs were merged and the Master Plan improved.

Lisbon was declared an Urban Rehabilitation Area, providing investors with tax benefits. Vacant and dilapidated buildings were sold through the Rehabilitate First and Pay Later program, and concessions allowed for the creation of projects such as Second Home and Time Out Market.

Restaurants were installed on the ground floor of Terreiro do Paço and gardens in Ribeira das Naus. Through Invest Lisboa projects, Startup Lisboa was created, and Lisbon began to be promoted internationally through videos and participation in fairs and events.

The city quickly became a startup city which Web Summit joined as soon as it needed to expand.

A SAFE AND HOSPITABLE CITY

Lisbon was already a safe and tolerant city, with a welcoming and multilingual population, an excellent climate, gastronomy, and cultural and leisure offers at affordable prices; a city with excellent quality of life. But few knew that...

With the arrival of young talented professionals, dynamic tech companies, and investment from all over the world, the city that had been beautiful, but dormant and decadent, became cosmopolitan and dynamic.

Lisbon realised that the recipe for success is that talent is attracted by quality of life, companies follow talent, and investment follows.

OPPORTUNITIES LOST

Afterwards, some city leaders started to be dazzled by the success. They did not understand that what happened was the result of opening up the city, and that there was still much to be done (restoration, refurbishment and building affordable housing). They refused to admit that they had to focus on drastically improving the way the City Council operated, particularly regarding planning permission, and thought that they alone could solve the city's challenges, by regulating and doing everything on their own. The result was that the frenetic pace of Lisbon's development slowed, and many opportunities were lost.

Structural problems remained unsolved, such as the slow pace of the justice system; high taxes on new construction; legislative instability; licensing; the mismatch between urban regulation and the city's needs; financing; and the need for a new international airport.

Lisbon retains an enormous potential for development and today has more chances of succeeding, partly because it is now on the map for tourists, talents, startups, investors, and companies, but it is easier to find opportunities and implement projects in some neighbouring municipalities. The dynamic has shifted to the North, where Porto, Gaia, and Matosinhos joined forces under the Greater Porto brand in order to better compete internationally, further enhancing the success they already had in attracting talent, companies, and investments.

In Lisbon, the situation is reversed. António Costa (PS), who was from 2007 to 2015 the city's mayor, is now Prime Minister, and the centre-right politician Carlos Moedas (PSD/CDS) is now the mayor.

Moedas doesn't have a majority and seems blocked by the opposition. He managed to provide free public transports, removed the political posters from the city's main roundabout Marquês de Pombal and launch the Unicorn Factory... The question is will Lisbon become a victim of partisan interests? Will the Prime Minister, who while mayor benefited from the collaboration of the Government and the opposition, now block the development of Lisbon?

A SAFE AND SUNNY HAVEN IN A TROUBLED WORLD

1:00 pm, Sunday, October 2, Zoom out: in Ukraine, the war continues and Russia threatens to use nuclear weapons; in Brazil, there is fear of a coup d'état; in Iran, the population revolts against the religious dictatorship; in China, confinements are imposed and no one is safe from "Big Brother"; in Southeast Asia, North Korea's missiles and Taiwan's invasion are feared; Africa seems a lost continent; in Germany, a recession and a freezing winter are anticipated; the United Kingdom seems adrift; in the USA, freedoms are revoked, violence is endemic and anyone who gets sick goes bankrupt (no wonder that the last wave of relocaters to Portugal are Americans). The planet seems plunged into intolerance, violence, fear, and economic and climate crises.

And now Zoom in: at Guincho beach, 30 minutes from Lisbon centre, the sun shines, children play in the sand, people walk, sunbathe, or bathe and surf in the sea. It is a cloudless day in lovely Sintra. The restaurants are full. You hear French and Portuguese with a Brazilian accent; life is beautiful.

Not everyone likes the beach, but everyone needs safety, and if accompanied by sun and beautiful landscapes, so much the better. Lisbon has this and plenty of it.

Portugal continues to be a haven. I remember the royal families that once lived in Cascais after they lost their kingdoms, and the photographs of Jewish families at the Holocaust Memorial in Berlin: many fled to Lisbon and were saved; those who stayed, died…

If you live in fear, or are simply looking for a better place to live, if you are searching for a new base for your company or investment opportunities, I have no hesitation in recommending a visit to Portugal, particularly to the regions of Lisbon, Porto, Alentejo (Comporta and Melides – the new millionaire destinations), the Algarve, Azores and Madeira (Atlantic paradises), Minho, Douro, Braga, Viseu and Fundão. You are all welcome. ■

Symington Family Estates drinking a toast to the next generation!

The Covid-19 pandemic, war in Ukraine and climate change are challenges that have forced Portugal's wine industry to adapt and be creative. Chris Graeme speaks to Johnny Symington, chairman & joint managing director of Symington Family Estates

TEXT **CHRIS GRAEME**
PHOTOS **SUPPLIED**

The war in Ukraine, the extreme drought affecting many parts of Portugal, continuing post-pandemic supply chain problems, and the rising cost of raw materials for glass, packing, palettes and fertilisers have all proved to be a challenge for wine growers in Portugal.

Despite this, Symington Family Estates, which has been producing some of the world's finest Port wines in Portugal's Douro region for 130 years, has managed to retain wine sales similar to those of 2021, with wine sales up 7% in volume and 11% in value. Furthermore, the winery had a record year in sales during the summer months, helped by a surge in tourists in Portugal and as a consequence of the many visitors to its visitor centres.

Johnny Symington, chairman & joint managing director of Symington Family Estates, says that during the Covid-19 pandemic, production was "not impacted" thanks to the successful management of both vineyard and winery teams.

"Our viticultural staff work outdoors, and during the harvests [of both 2020 and 2021], we put in place very robust and rigorous safety and operational programmes so that we could harvest the crop and vinify the grapes," he explains.

"Our winery teams across the Douro effectively worked as self-contained 'bubbles' to minimise the risk of Covid infections. This worked extremely well. To protect our staff and secure our production, we did not allow any non-essential visitors to installations or properties in the Douro," he adds.

SPIRALLING PRODUCTION COSTS

Johnny Symington says that costs (especially energy costs) have spiralled and affected them as much as everybody else in the wine business.

"Supply chain problems and increased costs of many dry goods (bottles, labels, etc) were already a concern before the war due to post-Covid issues, as economies recovered faster than expected and suppliers struggled to ramp up their production to meet demand. Russia was a fast-developing market for us, which we had spent decades building up. That has now disappeared, of course. However, Poland has become a fast-growing market. We had already adjusted our prices at the end of last year, and we may have to make some further adjustments," he admits.

Johnny Symington, chairman & joint managing director of Symington Family Estates

“OUR OVERRIDING PURPOSE IS 'FOR THE NEXT GENERATION' AND WE ARE CONFIDENT THAT OUR LONG-TERM VISION AND INNOVATIVE APPROACH TO WHAT WE DO AND HOW WE DO IT WILL HOLD US IN GOOD STEAD AS WE PASS ON OUR BUSINESS TO FUTURE GENERATIONS.” (JOHNNY SYMINGTON, CHAIRMAN & JOINT MANAGING DIRECTOR, SYMINGTON FAMILY ESTATES)

WINE IN THE ALENTEJO

Although return on investment has been slow to get off the ground regarding the company's expansion in the Alentejo in 2017, Symington is not unduly concerned and is committed to a long-term strategy.

“We are delighted with our acquisition of Quinta da Fonte Souto in Portalegre. We are very pleased with the quality of the wines being produced there, which has been reflected in the positive response from wine writers and consumers,” says Johnny Symington.

“We believe that the estate has enormous potential as we continue to learn about its unique terroir and the performance of the different grape varieties. For instance, Alfrocheiro (our first single-varietal wine from Quinta da Fonte Souto) was awarded ‘Best Varietal Red Wine’ in the Vinhos de Portugal 2022 Competition.”

He points out: “We always knew that it would take time to see a return on the considerable but necessary investment that we made to the estate and winery. However, as a family company, we think long-term and have no doubt that the wines from Fonte Souto will continue to grow in reputation in future.”

Johnny Symington explains that, as a family, they can invest heavily in premium top-quality projects, which may initially not give immediate financial returns, but in the long-term are very successful and financially interesting ventures.

Fonte Souto, he says, is undoubtedly one of them. “For us, it is also the capital appreciation of the business and its assets and projects that is important, not just the return on investment. This is particularly relevant to the wine industry where, typically, return on investment is initially low and often projects and investments take time to start generating returns, and even longer to generate reasonable returns.”

GAINING INTERNATIONAL PRESENCE

Johnny Symington thinks Portugal's wine sector still has a long way to go in terms of really putting the uniqueness and quality of Portuguese wines on the international map.

However, he thinks the sector is on “a clear trajectory” and that it's important to remember that Douro DOC wines, with one or two exceptions, are still a very recent development.

“For centuries, the Douro Valley was exclusively focused on Port, and this was the case up until the end of the 20th century. It was only from the 1990s and early 2000s that producers started to diversify their portfolio with dry wine production,” he informs.

Johnny Symington points out that, because Port wine had been so successful for so long, most of the region's production was logically channelled towards fortified wine production, which had a secure and ready overseas following.

“What is remarkable is that, in just the last two decades, Douro DOC wines have achieved what they have. Some of the finest wines produced there are considered Portugal's best and they are slowly and surely gaining an international presence,” he says.

“Several other fine wine regions from France, Italy and Spain (just to mention European wine-producing countries) have quite a head-start on us, though. It takes time and resources to change mindsets. Portugal unfortunately does not yet command the reputation it undoubtedly deserves. However, we have no doubt that consumers will get to know the exceptional price/quality ratio and interesting variety of wines that Portugal has to offer,” he explains. “We are under no illusion that this will take time and that Portugal has a very positive future in terms of the development of the reputation and sales of its wines. We do have to be patient and single-mindedly concentrate on quality.”

EMBRACING NEW TECHNOLOGY

When it comes to embracing new technology in wine production and marketing, Symington is certainly in the forefront.

As Johnny Symington explains: “In recent years, we have led the way with innovative systems in vineyard management and vinification methods, with new developments implemented by our dedicated viticulture and enology R&D teams. We are leaders in R&D in the Douro Valley, and our precision, low-intervention viticulture has become a reference in the region. For instance, we use self-propelled vineyard monitoring robots in the field that track the impact of climate change and enable targeted interventions.

“We have grown our marketing team over the last five years and it is now 20-people strong and growing. Within this team, we have also grown a dedicated communications team that places a high emphasis on digital communication,” he adds.

PENETRATING THE UK MARKET

It used to be difficult to find Portuguese wines outside of Port wine and Mateus rosé in the UK market, except in specialist wine shops, and even then, it was a rather timid and limited selection at often sky-high prices.

However, Johnny Symington thinks this is beginning to change. “Our Altano wines are currently listed in UK supermarkets, including Waitrose, Sainsbury's and Tesco. Other Portuguese producers are beginning to appear on UK supermarket shelves, too. Exposure to Portuguese wines by British tourists whilst in Portugal also helps in raising the profile of Portuguese wines back home in the UK. We believe there will continue to be an increase in the number of Portuguese wines in the UK supermarkets as a result.”

Symington Family Estates has a number of strategic markets focused on value sales (Portugal, UK and the US) and markets driven by volume sales (France, Belgium and the Netherlands).

“Our principal export markets by value are the UK, the US, the Netherlands, Belgium, France, Germany, Canada, Denmark and Poland. Each market has its specific needs and strengths, depending on the sector and consumer habits, and we work with each distributor to ensure we are focusing and developing the relevant sectors with the appropriate brand and product to achieve the best impact,” he explains.

CONQUERING NEW GENERATIONS

Symington Family Estates uses different brands and wines tactically to strengthen its relationship with the traditional Port drinker while appealing to the new generation.

Over the last few years, the company has witnessed the emergence of a new generation of Port drinkers who are not defined by their age – but by how and when they like to drink Port.

“Our recent innovations aim to lead the way in encouraging these new ways of drinking Port in terms of both occasions and serves. For instance, Graham's Blend Series – which includes No.5 White Port and No.12 Ruby Port – are made so they can either be mixed into a cocktail or enjoyed in a normal wine serve. We then developed a range of three experimental Cockburn's Ports – Tails of the Unexpected –, which includes a ruby, a tawny and a white. These new releases have been particularly successful with the new generation,” says Johnny Symington.

At the same time, Symington Family Estates continues to use its heritage and tradition that has long resonated with the more traditional Port drinker, who greatly values the extraordinary longevity of its Ports. “Our Vintage Port re-releases from our cellars, and bottlings of decades-old Single Harvest Tawny Ports, continue to have strong appeal amongst this segment of the market,” he says.

And continues: “Our focus on quality, excellence, and consistency and innovating in our products, packaging and communication has ensured we have kept pace with market changes and are able to be relevant to the consumers of today and the changing consumption habits.”

A CENTURY-OLD LEGACY

Symington Family Estates – founded in 1905 but with family and Port wine trading roots stretching back to the 17th century – is extremely proud of its rich legacy, and the considerable knowledge and experience handed down the generations is of immense value. As a family company, it has a mindset geared for the long-term.

“We don't have to be thinking about next year's dividend pay-out to shareholders; we reinvest as much as we can, and we have a heightened sense of responsibility to our employees and for building the prosperity of the regions in which we work. The fifth generation currently entering the company are perhaps the best prepared we have ever had as a family, and they are already proving themselves exceptionally well, working alongside several members of the fourth generation.

“Our overriding purpose is 'For the Next Generation', and we are confident that our long-term vision and innovative approach to what we do and how we do it will hold us in good stead as we pass on our business to future generations,” concludes Johnny Symington, chairman & joint managing director, Symington Family Estates. ■

Essential **Business Studies**

Católica Lisbon School of Business & Economics
Encouraging people to excel

Universidade Católica Lisbon School of Business & Economics is creating a hub to attract international talent and continue to internationalise its masters and undergraduate programs. Essential Business speaks to its dean, Filipe Santos, on its success

TEXT **CHRIS GRAEME**

I am late for the interview. I had almost arrived at Lisbon's Católica School of Business & Economics to interview its dean, only to discover I had forgotten my questions and had to return with lightning rapidity.

On this occasion, I shouldn't have worried. Arriving flustered, I was informed by Filipe Santos' communications assistant that he would be 10 minutes late.

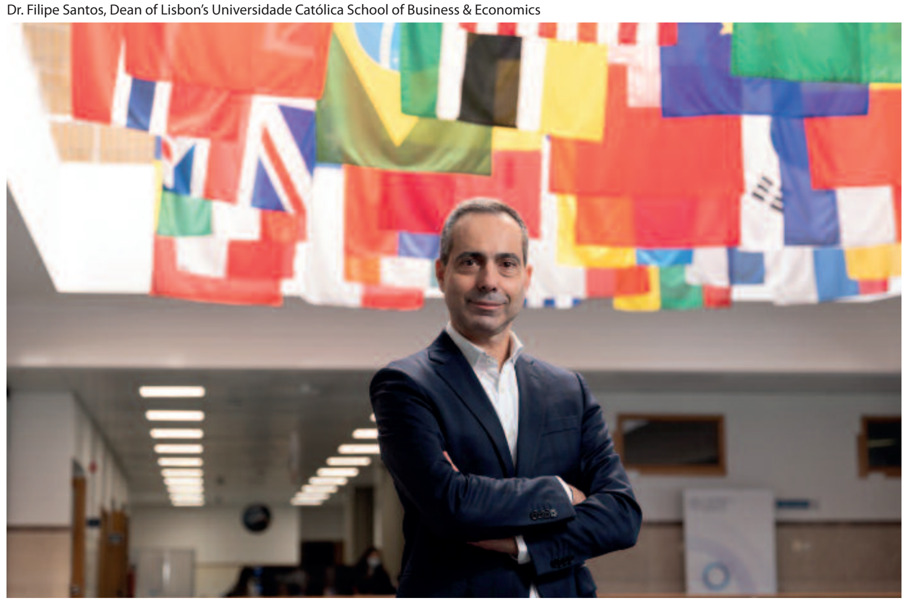
There was a reason for this. It had just been announced that he had made it on to the Stanford University ranking of 'World's Top 2% Scientists 2022', from 195,000 from 22 areas and 176 disciplines whose published works have most contributed to progress in their respective areas, and who have most influenced the scientific research of other researchers. I realise I will be talking to a man whose IQ is off the scale.

Heading the Católica Lisbon School of Business & Economics since 2019, Filipe Santos' research has been published in top journals, received several international awards and has been cited more than 7,500 times (Google Scholar).

I am immediately put at ease. Large, saucer-brown eyes reveal the penetrating depth of corridors of knowledge from a myriad online libraries. I ask him how he finds the time to run the first and most prestigious business and economics school in the country — alongside Nova SBE with which it cooperates in many key areas, in what Filipe Santos calls a 'spirit of coopetition' — and undertake such monumental research.

"I don't sleep much," says the expert in strategy, innovation and social impact, who has advanced knowledge on how entrepreneurs create markets, the reasons why established companies fail to innovate, and the way social entrepreneurs construct new firms and markets, and scale up ventures that maximise economic and social impact.

Dr. Filipe Santos, Dean of Lisbon's Universidade Católica School of Business & Economics



LECTURES IN ENGLISH

Filipe Santos tells me that 40% of the faculty is international and lectures are mostly delivered in English. "Most of our professors are hired in the international market. There was a period in the 1980s when excellent academics were sponsored by Católica to do their PhDs and return to Portugal. Since 2005, we started building an international faculty that either had careers abroad and brought them to Portugal or overseas academics," he says, adding that two out of every three professors are international.

Santos says that one reason why the Católica Lisbon School of Business & Economics attracts so many overseas research academics and lecturers is that "we have a very strong research culture at the school, investing in scientific development, encouraging junior academics to do their research. We are known for being a great place to start a career".

The recipient of the Lieberman Fellowship at Stanford University, an award recognising outstanding scholarship and institutional contributions, adds that the Non-Habitual Residents tax regime (NHR) has also been "an attractive feature for overseas professors", since they pay a 20% flat rate of tax for 10 years and which makes the net compensation more attractive.

The other element, he says, is Portugal's meritocratic culture. "If you are good at Católica, you are appreciated and pushed forward. We like people to excel and reward them with fast-track promotion."

One example he gives is Professor Miguel Godinho Matos, who focuses on studying how digitisation changes consumer behaviour and firms' product distribution strategies. In 2019, Miguel won two early career award distinctions from the INFORMS Information Systems Society and the Association of Information Systems (AIS), respectively.

Another is senior economist Joana Silva Santos, who spent much of her career at the World Bank and has expertise in applied microeconomics, with a particular focus on development, labour markets, international trade, firm dynamics, and policy evaluation, particularly in the public policy area.

Joana has set up 'Prosper - the Centre of Economics for Prosperity' at Católica, which was created for students who wish to acquire skills needed to become good economists and who have a great record for excellent theses.

"In Portugal and other countries around the world, there is too much public policy built around ideology and politics, and we think policy should be based on evidence and effectiveness," says Santos

"Having a minimum wage should not be an issue for the left or right; it is a scientific question that can be asked. If raising the minimum wage has good benefits for employment and competitiveness, or not. And if the outcome of such a policy can be demonstrated through

> **"IN PORTUGAL AND OTHER COUNTRIES AROUND THE WORLD, THERE IS TOO MUCH PUBLIC POLICY BUILT AROUND IDEOLOGY AND POLITICS, AND WE THINK POLICY SHOULD BE BASED ON EVIDENCE AND EFFECTIVENESS." (FILIPE SANTOS, DEAN OF UNIVERSIDADE CATÓLICA LISBON SCHOOL OF BUSINESS & ECONOMICS)**

scientific models rather than ideology. This is what Joana is doing," explains Filipe Santos.

A SCIENCE-BASED APPROACH

Santos believes that business schools should serve as a benchmark for their independence and science-based approach to answering important issues for society, and as a convener of companies and public institutions engaging in such issues.

One such example is 'Pact for Water', an initiative that promotes the efficient use of water by companies in their value chains and in society in terms of recycling. It aims to place the issue of water at the centre of Portugal's national agenda, at a time when the country has been suffering intense and prolonged periods of drought, which have had implications for agriculture and hydroelectric power generation.

The Católica Lisbon School of Business & Economics is also making strides in researching mental health issues and promoting mental wellbeing in the workplace. One of its most famous ex-students and alma mater is the Portuguese international economist and banker Sir António Horta Osório, who received his knighthood for raising stress and mental health issues in the working environment, as well as saving Lloyd's Banking Group.

Católica Lisbon School of Business & Economics' Masters programme has 550 students, of which 75% are from overseas, particularly German, French, Italian and Scandinavian students who like to study in Portugal because of the "attractive aspects the country has to offer".

"We are enjoying increasing demand from abroad with very high-quality students," says Filipe Santos, adding that fees are competitive compared to France or the UK, and although further education is free in Germany, "the quality is not as high".

In two areas, Católica Lisbon School of Business & Economics has teamed up with MIT (Massachusetts Institute of Technology) in an example of 'coopetition'. One such joint venture is the Executives MBA (in the Financial Time's 100 ranking as one of the best MBAs in the world). The other area is research partnerships.

Católica is full-funded by tuition (€6,000 per annum), competing in a market where its competitor (Nova SBE) gets 90% of its funding from State grants. "The quality-price ratio is very attractive because the quality is international, and the cost is reasonable even by national standards."

A STRATEGY FOR THE FUTURE

The Católica Lisbon School of Business & Economics has three stands to its strategy for the future. The first, to be a hub to attract the best talent globally and continue to internationalise both the masters and undergraduate programs, and provide scholarships to make the school even more attractive.

Second, the idea that you only build a great school if you have a great faculty, and to do that you have to provide compensation incentives and give professors ample research time; all of this to attract the best talent worldwide.

Third, improving the physical infrastructure with a move to a new purpose-built building to house the school.

"The current building, which is 30 years old, served when the school was smaller and mostly national. Now, as we have grown and become more successful, we are at overcapacity, and we are at the final stages of planning with the city council for a new campus and academic building with over twice the current capacity," concludes Filipe Santos, dean of Universidade Católica Lisbon School of Business & Economics. ■

EXEO Edifício Aura

The Portuguese office market on track for a record year

Pundits who attended a major real estate conference in Estoril in September expect a new record year in office transactions for 2022 and are "moderately optimistic" about the segment's growth in 2023 and going forward. Chris Graeme reports

TEXT AND PHOTOS **CHRIS GRAEME**

Essential **Offices**

"WHEN PROSPECTIVE INVESTORS ARE CONSIDERING AN OFFICE PROPERTY INVESTMENT, THE QUESTIONS THEY ASK NOW ARE JUST AS MUCH ABOUT ESG AS THEY ARE ON THE RETURN ON THE INVESTMENT", EXECUTIVE PARTNER C&W, ERIC VAN LEUVEN.

You couldn't make it up. Increased construction costs, soaring energy prices and continued uncertainty caused by the war in Ukraine seem to have done little to dampen investor appetites for Portuguese office assets, with transactions expected to hit a new record by the end of 2022.

Lack of supply and post-Covid pent up demand only provide part of the explanation. Competitive rental prices, stable yields, a skilled labour force and the nearshoring effect have all contributed. As companies want to be closer to their markets and far from the war, Portugal is benefitting and seeing a boom in company relocations and expansions, driving office demand as a result.

A group of commercial real estate specialists from three major commercial property consultants, Cushman & Wakefield, Savills Portugal and CBRE, compiled their take on the national market, and its place within the wider European commercial offices segment context at the Portugal Real Estate Summit which took place on 21-22 September at the Hotel Palácio Estoril.

This year has registered the strongest second quarter, with the second highest occupation rate in a single quarter in the last 20 years for the offices segment in Portugal, totalling 128,470 m2 — four times higher than for the same period in 2021.

The first half of the year, which saw a total of 198,590 m2 transacted, had already exceeded figures for 2021 in terms of full-year uptake. In Lisbon there were 60 deals amounting to €168,300m2, while Porto saw a 30,290 m2 uptake in H1, 2022.

Some of the big deals that marked the first half of 2022 were: the insurance company Fidelidade which will occupy 28,000 m2 of office space at Entrecampos; BNP Paribas, which purchased the Echo and Aura buildings in Lisbon's Parque das Nações area, with a total area of 38,258 m2; EDP which will expand along the historic bank of the River Tagus (11,400 m2), and Novo Banco which will increase its office area on Lisbon's western corridor by 8,233 m2.

One of the most buoyant areas of Lisbon, according to Savills, is Parque das Nações, responsible for 30% of uptake in the first six months of the year, corresponding to 15 deals, while new office areas in Entrecampos were responsible for 24% of uptake with the Fidelidade move the biggest deal for the first half of the year.

PLENTY OF DEMAND, LACK OF SUPPLY

Lack of office space to rent compared to the demand has meant that prime rent values have remained stable.

"If you look at the office market today, the data confirmed for 2022 in Greater Lisbon is higher than the data for the previous whole year records, with just over 200,000 m2 of office space committed to date, although it did include some older

EXEO Office Campus

EXEO Office Campus

occupational and pre-let spaces", said the Executive Partner of C&W, Eric van Leuven in his snapshot of the market, which included data compiled by Savills and CBRE.

Prime rents in central Lisbon are at around €25 per square metre, €18 m2 in Porto. "We all feel that there is a lot of demand in the market and not enough supply", he said.

In terms of supply, vacancy rates stand at around 6%-7%, although much of the available stock is "quite outdated and/or in out-of-town locations".

"There are multiple intentions to build new offices, with about half-a-million square metres expected. Of that, 50% are already under construction; the rest is either subject to planning permission or finance", explained the C&W head. However, there is still a question mark as to when these 230,000 m2 will come into the market.

"The office segment is a popular asset class for institutional investors, but there is little stock and if only there were more", said van Leuven.

Eric van Leuven points out that until recently investors would have considered almost any office location in the two main cities, with large transactions out-of-town and many in less central locations.

However, in prime locations, such as central Lisbon, there has not been much investment; not because of a lack of appetite, but rather a lack of supply.

Also noted is that core players, which had bought secondary renovated but outdated stock, have turned these office assets into core products and then sold them on to core institutional buyers and funds.

Entrecampos Office Park Complex

MAINTAINING YIELDS

Today, the increase in interest rates and swop yields, coupled with uncertainty in the finance market is not helping maintain yields; nevertheless Portugal seems to be fairing well.

On the part of the occupiers, and particularly on the part of the investors, there is an increasing relevance of ESG criteria (Environmental, Social and

"THE FLEXIBLE OFFICE SCHEME IS GAINING TRACTION IN THE MARKET, BUT IT IS STILL RATHER UNEXPLORED IN PORTUGAL, WHILE THE CONDITIONS WE SEE FOR PEOPLE WHO ARE WORKING FROM HOME ARE NOT IDEAL AT ALL". EXECUTIVE PARTNER C&W, ERIC VAN LEUVEN.

Corporate Governance factors that are taken into account when investing in a company). ESG has become an important business consideration for real estate investors who have to focus increasingly on meeting criteria for energy and green sustainability

"When prospective investors are considering an office property investment, the questions they ask now are just as much about ESG as they are on the return on the investment", said van Leuven.

Prime yields are just under 4%, but these could move upwards over the next three to six months, and in terms of rents both Lisbon and Porto are very competitive on a par with Budapest in Hungary or Warsaw in Poland.

However, inversely, the yields in both Lisbon (3.75%) and Porto (4%) tend to be higher than other cities such as Budapest, Warsaw and Prague with which these cities compete, and which, says van Leuven is "quite surprising".

HYBRID WORKING GAINING GROUND

Looking at the occupation of offices from a staffing point-of-view in various locations, and focusing on working from home and hybrid methods, the average office occupation is around 70% of what it had been before the pandemic.

"The conditions we see for people who are working from home are not ideal at all, so in Portugal there is a need to work in an office", said van Leuven, who added that the bonus in Lisbon and Porto was that the commuting times tended to be of a shorter duration, lending weight to the preference of working from the office".

"The flexible office scheme is gaining traction in the market, but it is still rather unexplored in Portugal, with only 3% of total space given over to flex, but this will likely be consolidated over the next few years", he predicted.

And statistics from ratings agency Moody's on employment expected to be generated in the coming years in Europe, has Lisbon in 5th place in terms of the markets that are expected to create most office-based jobs, much of this driven by the shared services industry which is booming in Portugal.

In terms of office rents, most markets have increased since 2019, not surprising given that during Covid-19 there was little occupation for that period.

Lisbon is also the fourth city where rents have grown the most. And in terms of office yields, these are at their lowest ever in most markets, illustrating a lot of investor interest in the assets class in Portugal.

In terms of office works (new offices), both the occupier and investor markets are very active, but there is clearly a lack of new quality supply, with supply "dripping through" but not very quickly concluded Eric van Leuven, Executive Partner of C&W also presenting the market on behalf of Savills and CBRE.

A RECORD YEAR?

By the end of September, total commercial real estate (offices, logistics, residential, retail) hit €1.920Bn with €1.1Bn transacted in the third quarter alone.

According to real estate consultant JLL's Market Pulse report, office uptake in Lisbon suggests that 2022 will be the best year ever for the Portuguese office segment.

In Lisbon and Porto combined, office uptake stood at 293,000 m2 between January and September.

In Lisbon, the historic uptake record posted in 2008 had already be overtaken by the end of the third quarter with 248,000 m2, meaning that 2022 looks set to be a year without parallel for the Lisbon office market.

In Porto the uptake rate by the end of September stood at 45,230 m2 with demand for large areas of 1,000 m2, with many companies opting to pre-rent their future offices. ■

Novo Banco HQ, Lisbon

Quinta da Côrte luxury, tradition and modernity

Since it was purchased in 2013 by French entrepreneur Philippe Austruy, Quinta da Côrte has focused on exclusive premium wines produced at vineyards around a luxury boutique guesthouse, where personalised service and rustic simplicity reign

TEXT **CHRIS GRAEME**
PHOTOS **QUINTA DA CÔRTE**

Essential **Wine**

Quinta da Côrte, in Valença do Douro in the Upper Douro Valley, has a business strategy resting on three pillars: luxury, tradition and modernity. It belongs to French entrepreneur Philippe Austruy, who purchased his first vineyard in 2001 before assembling a group of wine-producing properties that showed potential, including Quinta da Côrte in 2013.

The farmhouse was restored and refurbished into a quality boutique guesthouse by architect Pierre Yovanovitch in 2018 with a clean, rustic simplicity and carefully selected designer furnishings.

"Wine tourism has been growing in recent years, particularly since Covid-19 when being in the countryside, away from the hustle and bustle of urban crowds, became more fashionable," explains Marta Casanova, managing director and enologist at Quinta da Côrte, pointing out that 2022 has been "the best year ever, with a 90% occupation rate after good years in 2018 and 2019 [60%-70%], and a disappointing one in 2020, for obvious reasons".

And Quinta da Côrte is certainly exclusive, with just eight guest rooms for visitors – four in the farmhouse and four in the outbuildings –, lending an intimate family feel to the farmhouse where attention to detail and a personalised but relaxed service is evident.

Portuguese food is prepared by chef Daniel Pinto, which is balanced by wines from the estate. The cost of rooms is reasonable for such secluded simplicity at €280-€320 per night in-season and €170-€200 off-season.

For wine-centric holidays, visitors can choose a programme of wine-related activities organised by Quinta da Côrte. For example, they can opt for a two-hour cruise down the Douro, or between the World Heritage Douro Region.

Quinta da Côrte also organises vineyard walks, picnics in hand-crafted baskets amongst the vines, beneath the orange and olive groves (it has 3,000 olive trees) or by the river, and even an all-day wine workshop where you get to step into the shoes of an enologist and create your own wine from different plots.

It can also organise tours lasting a morning, an afternoon or an entire day, taking in the stunning landscapes of the Douro Valley and other places of cultural and religious interest, such as the local village Valença do Douro. All trips are tailored to individual tastes and interests.

WINE PRODUCTION

Wine production at Quinta da Côrte is based on the philosophy of the Vignobles Austruy group, which is all about respect. Each of the 28 plots is managed and monitored very carefully. The growing methods are highly sustainable, close to organic standards.

"Our preferred approach is to allow a progressive, natural balance to develop between the vines and their environment. Each of the 28 plots is treated differently, and indeed you could say that every plant in every plot is treated as an individual. In accordance with the philosophy of Vignobles Austruy, the sole purpose of any procedures we apply is to nurture the vine so that it can give its

Cheers! Marta Casanova, managing director and enologist at Quinta da Côrte

best in a context that varies with each passing year," says Marta Casanova, pointing out that 50% of the vineyards is non-mechanised.

"Some of our vines are 90 and 110 years old, and we have a duty to continue to conserve and preserve this rich historical heritage," says Marta Casanova.

THE WINES

Quinta da Côrte has a strategy of producing premium red wines and fine Port wines, including grand reserves, 10, 20 and 30 years tawny Ports, and late-bottled vintage ports. If you are looking for inexpensive wines, this is not the place to get them. Port wines and reds cost around €55 and €25, respectively, while whites are more reasonably priced at around €16. All its reserves and vintages are for sale at the Quinta and its wine shop in the Valença do Douro village.

"We have positioned our wines at a level they deserve in terms of quality and quantity, and our pricing reflects the value and quality of these wines," says the enologist, who adds that wine production stands at around 50,000 bottles.

The winery's main overseas markets that account for 50% of production are France, Belgium, Denmark, Scandinavia and increasingly the United States which, alongside France, also provides an increasing number of guests at the farmhouse.

Marta admits that the Covid-19 pandemic, followed by the war in Ukraine, the energy crisis and the consequent impact of increased costs and lack of availability of materials, particularly bottles, has affected the business.

"Prices will go up for bottles, wooden pallets, crates and even cardboard boxes from November. For example, each pallet used to cost €7.5 and has now gone up to €15. On top of rising prices is the lack of availability of bottles, which is made worse by high demand."

Marta Casanova says that they did foresee problems and ordered well in advance, but even then, given the demand and supply chain issues, the companies take six months to deliver these goods.

And there are other inherent costs. Quinta da Côrte, which employs a total of 20 full-time staff, prides itself on paying a fair wage because producing wine requires a good deal of skill and expertise, and obviously they want to retain good staff that otherwise are difficult to find with that level of experience.

In fact, the wine producer says that the company will increase salaries in 2023, but the problem is the taxes, which are high in terms of the contributions Quinta da Côrte has to pay. These discounts and taxes can cost as much as two-thirds of the cost of the employee.

"Our industry is about people, and Quinta da Côrte would be nothing without its team, which is why we insist on providing them with the best conditions possible.

"We will try and absorb some of the costs, but we can't shoulder all of this

inflation alone and will have to pass on at least part of it," says the wine producer.

CLIMATE CHANGE

As with so many aspects of agriculture, winemaking in Portugal is particularly vulnerable to the dramatic changes being seen as a result of climate change. One of the direct consequences is the lack of water caused by less precipitation in the summer months, direr winters, and when the rain does come, it is increasingly torrential.

And since wine grapes are an especially sensitive crop, boutique wine producers in Portugal, like Quinta da Côrte, are particularly vulnerable to the effects of unpredictable weather patterns.

Here too, Quinta da Côrte has had to adapt and prepare for the vagaries of inclement weather patterns.

In the Douro Valley region's 'golden triangle', it is the south-facing vineyards, particularly at lower levels, that are prized for Port, which requires very ripe grapes. But to produce fresh, unfortified reds and whites for which demand is growing worldwide, winemakers are looking for vineyards that face north, as well as those at higher elevations.

"I have noticed changes since I started working in the Douro, in 1999. Rainfall has been less reliable, and when it does come it has been more intense. This summer was very dry and we had some vines simply dying," says Marta.

Quinta da Côrte has also had to invest in protecting grapes from the hotter and more intense afternoon sun in the longer, drier summers. So far, Quinta da Côrte's efforts to deal with the increasing weather disruptions have paid off. This year's grape harvest was good both in terms of quantity and quality.

"We have protected the soil from drying out with mulch made from the by-products of cereals, using natural products of sun protection for the leaves and grapes since 2014," explains Marta.

Marta Casanova knows her field. Since she completed a course in Agricultural Engineering at Vila Real University (UTAD), she has always worked with wines in the Douro region. "I focused on viticulture and enology and worked in relatively small companies, which has meant that I have learned all sides of the business, including accounts, sales and administration," she says.

But does she think wine production is still a largely male-dominated world? "It was, when I started out in 1999 working in the Douro, but these days I'm seeing a lot more women at vineyards and wineries."

"That said," she adds, "I've never felt being a woman was a handicap and was never treated differently or looked down upon; quite the contrary." ■

Luís Araújo, President of Turismo de Portugal.

Portugal
an environmentally-friendly tourism destination

Increased tourism demand is already pushing Portugal's inadequate travel infrastructure beyond current capabilities. improving access by air, sea and rail will be a challenge for the Government and the tourism sector

TEXT **CHRIS GRAEME**

The Portuguese Government is nothing if not ambitious in its targets for tourism for the next five years to 2027.

Marketing Portugal as an environmentally sustainable destination, with a diverse quality offering that leans away from just sun, beach and sea package holidays, the Government's tourism strategy has been well designed by the consultants and strategists who advise its tourism office, Turismo de Portugal.

It hopes to attract more than the 27 million it achieved in the record year of 2019, when Portugal's tourism sector accounted for almost 15% of GDP, and the signs were encouraging this year: the total number of foreign visitors in Portugal in the first seven months of 2022 was at 8.1 million – still a million short of the same period in pre-pandemic levels, but with July numbers already exceeding 2019 levels.

Visitors from Spain accounted for the largest share of Portugal's total arrivals in July with 285,900, followed by Britain and the United States, which has recently grown as a source of tourism.

Travel to the area has been recovering, not least thanks to Portugal's location on Europe's southwest tip, far from the war ravaging Ukraine, and people's general perception of it as a safe place.

Portugal can learn too from how other countries of a similar size and population market themselves as a 'must-visit' destination. Ireland is certainly a case study, while its citizens have long had a soft spot for Portugal's sun-drenched Algarve beaches and top-quality golf courses.

"Ireland is Portugal's sixth most important tourist market, corresponding to 299,000 trips (3.4% market share), 1.5 million overnight stays (3.6%) and revenues of €308,400 (2.7%), with the Algarve most sought after (81.6%), followed by Lisbon (11.4%) and Madeira (2.8%)." That was according to Turismo de Portugal's statistics in 2017, even before the 2019 record year, although Ireland did slip down to 11th place as a tourist supply market last year with 558,000 overnight stays (3% share) from 134,000 Irish tourists (2.3% share).

Nevertheless, stays grew over 200% while guests rose 159.9% on 2020, with the Algarve attracting the most (71%), followed by Lisbon (18.9%) and the North of Portugal (4.4%).

It was against the overall backdrop of a significant rebound in tourist numbers on 2020 and 2021 to Portugal – both Irish and international – that the Irish-Portuguese Business Network (IPBN) held its 'Tourism Conference' in Lisbon in September.

IPBN chairman Geoffrey Graham pointed out that the conference was timely, because on September 27, it had been World Tourism Day and World Maritime Day on the actual day of the conference (29 September). That same month, the Financial Times put Portugal as one of the 'seven economic wonders in a worried world'.

"We are experiencing 'revenge tourism' after three difficult years, whereby some entities, including airlines, are able to say: 'This is the best year ever' in terms of results. What better time to focus on tourism and see what we have learned from the pandemic and how we have accelerated into a post-pandemic boom," he said.

The value of the tourism trade between Ireland and Portugal is €1.2Bn out of a total trade of €2.7Bn – an important and hefty slice of the pie.

SUSTAINABILITY AT THE HEART OF RECOVERY

In his opening speech at the conference at Universidade Europeia, the Ambassador of Ireland in Portugal, Ralph Victory, said: "After 2019 recorded its best year ever in terms of tourism to Ireland, with more than 11 million international visitors, Ireland is working on a new National Tourism Policy to ensure that sustainability is at the heart of the sector recovery ."

"ATTRACTING AND RETAINING STAFF HAS TO DO WITH SUPPORTING DIVERSITY, WIN-WIN TRAINING, ADDING VALUE AND STIMULATING LOYALTY. I REGRET TO SAY THAT MOST COMPANIES HAVE LOYALTY PROGRAMMES FOR THEIR CUSTOMERS, BUT THEY DON'T HAVE THEM FOR THEIR INTERNAL STAKEHOLDERS." PRESIDENT OF TURISMO DE PORTUGAL, LUÍS ARAÚJO.

In light of the Sustainable Tourism Working Group's recently published series of actions to develop sustainable tourism practices that can "be implemented immediately", even before the approval of Ireland's new general tourism policy, the Ambassador told attendees that the pandemic was an "opportunity to rethink and re-evaluate Ireland's tourism offer and begin to address the sustainable development of tourism in a more significant way during the recovery and reconstruction phase that followed this crisis".

It became clear that the traditional model of tourism was changing and a new national policy was needed, in line with the United Nations Agenda for Sustainable Development and also to reflect the commitments contained in the Government of Ireland's 2020 Programme. Ralph Victory went on to say that these actions "represent Ireland's first steps in this area. We realise that we will need to do more".

While Ireland's new National Tourism Policy will set the path to ensure that sustainability is at the heart of the sector's recovery, the policy is open to the support of a capital investment programme.

According to an article in TNews, "in 2022, the Irish Government allocated a further €67.6 million to tourism funds, which meant an increase of 31% compared to 2019".

To this end, the Irish Ambassador to Portugal stated: "This increase in funding is helping vulnerable tourism businesses to survive until international tourism recovers, and also to support the expansion of tourism marketing activity."

LEARNING FROM EACH OTHER

As announced in September in Ireland's 2023 State Budget, a further €15 million has also been secured for the marketing abroad of Ireland as a holiday destination and another €15 million funding amount for measures to support domestic tourism.

In another recent interview with TNews, the Irish Ambassador in Portugal noted the potential for learning between Portugal and Ireland, which is a way of mutual benefit "specifically in the area of sustainable tourism". It's no surprise that Portugal can learn from Ireland in that the country hosts 11 million international visitors, which generated revenue of over €5.9Bn, 100,000 of which came from Portugal.

Turismo de Portugal President Luís Araújo followed the Ambassador's presentation with his own, opening with several figures to set the tone: "Despite representing only 3% of tourism revenues in Portugal, Ireland is one of the fastest-growing tourist markets in our country this year, compared to 2019... Tourism in Portugal is back in 2022!

"From January to July, we are 5% above overnight stays, compared to the same period in 2019. The good news is that when we talk about revenues, we are 12% above 2019 (€10.8Bn). This is an incredible result, because we only expected these numbers next year. It has a lot to do with connectivity; we worked on recovering many of the connections and operations that we had," he said.

TNews reported that, according to Luís Araújo, one of the most important factors for "this rapid recovery" was the "recognition of the Portugal brand internationally", giving the example of the UK market. "Why is Portugal so valued by the British? Because it is considered a trendy

IPBN Chairman, Geoffrey Graham, Francisco Teixeira, CEO Melair IR, John Bergin, Director of Golfbreaks IE, Luís Rodrigues, Chairman of Azores Airlines SATA.

destination, along with other attributes: it is traditional, friendly, fun, authentic, original, charming, and sociable," said the official, citing a study on the perception of the Portugal brand carried out in 2019.

A SUSTAINABLE OFFER

Luís Araújo also cited the main goal of tourism in Portugal: to reach €27Bn in revenue in 2027. He said: "Right now we are above forecasts. This year we are going to hit a record revenue. Even the Bank of Portugal predicts better results than those we expect in 2027."

To achieve the goal of Portugal being perceived as a sustainable destination, Luís illustrated the 2021 launch of the 'Reactivate Tourism | Build the Future' plan that came with an endowment of €6Bn until 2027, focused on four pillars: gaining trust, generating business, building a better future, and supporting companies.

Only one-third of these funds are active in the field at present. He explained: "It's not just about using sustainability as a marketing campaign and saying we're sustainable; it's about changing the entire value chain, from supply to demand. Yes, we want to attract tourists who are concerned with sustainability, but we are also very concerned about transforming our offer in a sustainable way."

Luís Araújo further explained how Turismo de Portugal decided to change its focus on marketing tourism as a sustainable destination. "The perception of sustainability has to be at the very centre of what we do. We put this in our strategy in 2017 and most of the campaigns and publicity we developed are focused on this sustainability component."

Portuguese music festivals, wine tourism and Portuguese waves (surfing) are just three of the core pillars to this policy. "We want people to visit every year and, most important, stay longer in our country."

Luís Araújo pointed out that 'Surfing Portuguese Waves' is one such product. "We are the most Googled destination in Europe and third in the world in terms of surfing, with even more searches than France," he said, adding that, by 2027, they want all the surfboards made and sold in Portugal to be made from recyclable products or with no plastic whatsoever.

Portugal – providing the macroeconomic situation does not deteriorate – can achieve this because it has become "an experience economy" over the past 10 years.

The chairman of Azores airline SATA, Luís Rodrigues, explained: "All of us have been to places with nice beaches, but we have worked to create an experience tourism economy. You have to come here to appreciate the environment, the safety, the food, the weather, and the people. Holidaymakers go home and tell their friends and recommend that they visit Portugal."

CRUISING TO SUCCESS

Portugal's popularity as a cruise ship destination has also risen over the past decade. The Regional Government of the Azores alone estimates that the 52,000 passengers (217 stopovers) recently recorded will exceed record numbers from 2017, while Lisbon picked up the award for 'Europe's Leading Cruise Destination' at the World Travel Awards 2022.

Francisco Teixeira, CEO and owner of Melair IR (Royal Caribbean Group), pointed out that Portugal as a brand in terms of tourism and as a hospitality-focused country has a "high rate of customer satisfaction at any port-of-call into the country", whether Lisbon, Porto, Funchal (Madeira) or Ponta Delgada (Azores).

Teixeira added that Portugal was "on the radar" in terms of cruises out of Portugal, not just because the local market could support it, but because of the broader international market benefitting from good air links to the US and Brazil (both large markets).

"THE GOVERNMENT NEEDS TO HURRY UP AND CHOOSE A LOCATION FOR LISBON'S NEW INTERNATIONAL AIRPORT. I DON'T CARE WHERE THEY PUT IT, JUST SO LONG AS THEY MAKE A DECISION, WHEREVER IT IS." CHAIRMAN OF AZORES AIRLINE SATA, LUÍS RODRIGUES.

RAISING TOURISM'S PROFESSIONAL POPULARITY

A monumental challenge for Portuguese tourism chiefs is attracting professionals to the tourism sector. Ten percent of Portugal's working population works in tourism, but during the pandemic it lost 50,000 jobs to other sectors. Poor pay and working conditions have been cited as partly to blame. Turismo de Portugal is keenly aware of the problem.

"It is fundamental if we want to grow," says Luís Araújo. "First, we have to attract people to our business, and we can only attract them back, or for the first time, if we change the perception of the sector. This has to do with the careers, the labels we give to things, the perceptions of young people understanding that this is a valuable career for a lifetime."

Luís Araújo pointed out that professionals can grow much more in their careers in the tourism sector than in (almost) any other. Most important, he said, and in terms of entrepreneurship, there are "huge opportunities for building a business, almost more than in virtually any other sector". It had, he said, to do with "competitiveness and improving salaries and benefits".

Second, Portugal has to encourage migration and bring people to work in the sector from outside. The Portuguese Government has recently made agreements with the Portuguese-speaking countries (PALOPS) to recruit people and simplify contract and residency procedures, some through bi-lateral agreements with India and Morocco and the first employment fair in Cape Verde, which took place this autumn.

But it is one thing attracting people; quite another retaining them. This has to do with supporting diversity, win-win training, adding value and stimulating loyalty. "I regret to say that most companies have loyalty programmes for their customers, but they don't have them for their internal stakeholders."

On the question of golf tourism, Luís Araújo stressed that, with an enormous golfing community of 218,000 registered golfers all over Ireland, the prospects for a high number of Irish visitors to Portugal on golfing holidays is substantial.

Speaking on the issue of talent retention in the industry, John Bergin, director of Golfbreaks IE, said that the industry used to be customer-focused, but "we've come to realise that without loyal, rewarded and talented staff, nothing is going to change. We reward our staff better, they work less hours, but produce more".

But while golf tourism is primarily focused on the Algarve, is there any room for further golf exploration elsewhere in Portugal?

John Bergin thinks there is, but that business won't expand exponentially. "We do a lot of business in the Lisbon area and along the Silver Coast in Óbidos and Praia D'El Rey, but although the offering in the Lisbon area is really good, the Irish are really sold on the Algarve because the product is just so good."

While Irish tourism to Portugal is growing enormously (+200% in 2021 on 2020), in terms of second homes and relocators, the Irish market is significant too, with 14% of buyers of the Martinhal Group (a luxury living and family resort group) from Ireland.

And there has also been significant interest from the US market in Portugal. SATA airlines chairman Luís Rodrigues said the US was the biggest market now for SATA to the Azores, and this despite direct competition from United Airlines.

This was partly because there had been an increased awareness of Portugal as the 'Florida or California of Europe' in the United States, and also because of the political climate and increased divisions in the US. "We are not just looking at tourists, but people who come and stay longer and want to settle," he said.

But all these incentives and sustainability strategies to make Portugal an attractive destination for different segments of tourists – beach, water, radical sports, nature and medical tourism – fall flat if the Portuguese State fails to actually produce the infrastructure to support the continuing demand the country has as a destination.

Here, the constant delays, discussions, endless reports and squabbles over locations for a new Lisbon region international airport that is fit-for-purpose to cope with an estimated 1.8Bn international arrivals via all entry routes by 2030, needed to secure around 80 million overnight stays (+4.2%, double from 2015), is not helping.

SATA chairman Luís Rodrigues called on the Government to "hurry up and choose a location" for Lisbon's new international airport. "I don't care where they put the new airport, just so long as they make a decision, wherever it is." ■

Portugal's historical sites are underexplored as a business proposition

Portugal is estimated to have around 35,000 sites of historical and cultural significance, most of them being left to idly fall into rack and ruin through lack of interest, investment, or infrastructure to serve them — often all three

TEXT & PHOTOS: **CHRIS GRAEME**

Catarina Valença Gonçalves (Managing Director, SPIRA).

Only a relatively small percentage of historical heritage buildings are listed in Portugal, but scores of others, if they were restored, marketed and exploited in the right way, could attract double the current number of visitor numbers and result in revenues trebling for municipal councils.

This is according to a study into the economic and social value of Portugal's national heritage sector published in 2020 called 'Cultural Heritage Study in Portugal: An Evaluation of its Economic and Social Value'.

The study was timely after the boom year in tourism in Portugal, which saw an estimated 29 million tourists arrive at Portugal's airports in 2019, bringing in a record €18Bn (+9.8% on 2018), according to the Bank of Portugal – a record beaten this year.

A RICH AND VARIED HERITAGE

Yet with all these visitors, growing each and every year (€20Bn in 2022), not to mention the increasing number of relocations to Portugal from Brazilian, Chinese, American and French citizens, the sad truth is that neither the Portuguese nor successive governments have known how to value the rich and varied historical heritage Portugal has.

"There is a lot that can be done to start a sustainable relationship. We are all about potential, solutions and innovation,

"CULTURAL HERITAGE IS VERY DEMOCRATIC, BECAUSE IT BELONGS TO EVERYBODY, AND MEANS THAT WHATEVER YOUR SOCIO-ECONOMIC AND EDUCATIONAL BACKGROUND, YOU CAN ENJOY IT AND LEARN FROM IT, WHICH IS WHY WE THINK IT SHOULD BE CONSIDERED A STRATEGIC RESOURCE." CATARINA VALENÇA GONÇALVES (SPIRA)

Juromenha Fortress and Castle (Alandroal, Portugal)

placing more value on our own national heritage, encouraging people to visit their historical monuments and museological offer in the same way as the British do," says Catarina Valença Gonçalves, founder and director of SPIRA, a private consultancy operating in the cultural heritage sector.

Back from a trip in the UK, the co-author of the study — it also involved José Maria Lobo de Carvalho, the director of Portugal's Heritage Observatory, and José Tavares, a Nova SBE professor, and was funded by bank Millennium bcp, which has also funded extensive restoration works of rooms at Lisbon's National Palace of Ajuda – said she marvelled at the way cities like Bristol had successfully capitalised on their historical maritime heritage from different eras, and points out that Portugal doesn't have an equivalent of the UK's National Trust.

"I think it is important to bear in mind that we are still a relatively recent democracy. We were, and still are in some respects, a poor country, and so the main concern had not always been heritage," she says.

"I think that with and after Expo '98, things changed. That was a landmark for heritage in Lisbon and Portugal, and the next 10 years will be a new phase. I think we all agree, as does the government, that we don't have the means to manage the great number of monuments that we have in Portugal, let alone the 4,500 listed monuments," she continues.

A DRIVER FOR THE ECONOMY?

Of Portugal's listed monuments and buildings, Catarina Valença Gonçalves says that only 250 are open to the public and this survey was the first to actually list the numbers. "Prior to that, we had a general idea that we could do much more, but after the survey we now know what it will mean in terms of social and economic development."

The study, which was presented online during the pandemic, was based on a total of 4,575 classified monuments and properties spread over 308 districts in Portugal. According to the study carried out between 2018 and 2019, it is estimated that this heritage could create full-time employment for 25,000 visitors annually for each heritage site, increase direct jobs in the hotel sector and overnight stays in a given municipality by 3.4%.

"It really was a pioneering document in Portugal when before we simply didn't have statistics on cultural heritage, let alone a policy of collecting data nationally."

Catarina Valença Gonçalves points out that it is a challenge getting reliable information at a local level, because in the majority of cases, information is gathered by different bodies such as the General-Directorate of Cultural Patrimony, the regional directorates of Culture, or the municipal management company that deals with cultural entertainment and facilities, as is the case with Lisbon.

"There just isn't one body that collates all of the information from around the country for all types of listed heritage," she says, pointing to English Heritage as a model example of an institution that looks after the National Heritage Collection of more than 400 state-owned historic sites and monuments across England.

Catarina also emphasises that the problem of heritage is different from museums. "With heritage it's already here, not set up and created in a designated place to house treasures and artefacts."

"You can pass by it so many times and not even notice it. It becomes invisible. When you open a museum, there's the inauguration ceremony, the thinking behind it, but with monuments it isn't the same as they are already there," she explains.

"Our aim is to ask the question: 'What if the other 4,325 monuments, other than the 240 that are open, were to be opened to the public? How many visitors could we expect, and what would the revenues be at the ticket office?'," she asks.

An excellent and more recent example in Portugal of how a forgotten and obsolete site with a deep cultural, economic and historical significance can be regenerated, restored and repurposed to give a new lease of life is the World of Wine project (WOW) in Porto.

The project, from the Fladgate Partnership created around an extensive cluster of old Port wine warehouses in Vila Nova de Gaia by the banks of the River Douro, created probably the most important tourist attraction to emerge from the city in years. With different cultural and museological centres that are dynamic, entertaining and technology-led, they tell the story of several phases of the city's and Portugal's trading history, from the story of Port wine and Portugal's contribution to the chocolate industry, to cork and the history of the city from Roman times, in a way that is compelling, supremely engaging and fun.

But with Portugal's second city, which attracted 10 million overnight stays this year, as a base for low-cost airline carriers like easyJet and Ryanair, and which has a very dynamic regional tourism board – Turismo do Porto e Norte de Portugal –, it is easy to see why millions were invested.

Yet there are other, more hidden attractions in parts of the country with equally fascinating stories to tell, but because they are off the beaten tourist track, they hardly get a look-in.

How many tourists, we wonder, realise the important part that Portugal had in the world in terms of the production and dissemination of top-quality coffees? Yet many have yet to learn of the Delta Coffee Museum, probably one of the most unique and interesting museums in the Alentejo region of Portugal, at Campo Maior.

CULTURAL HERITAGE - A DEMOCRATIC ASSET

"Cultural heritage is very democratic if you think about it, because it belongs to everybody and means that whatever your socio-economic and educational background, you can enjoy it and learn from it, which is why we think it should be considered a strategic resource," says Catarina.

And it is partly why the art historian, who is somewhat of an expert in French and Portuguese medieval art history, created her own company, SPIRA, which focuses on history of art, museology, communication, design, and the management and conservation restoration of heritage sites and their application for tourism.

SPIRA is in a small place called Vila Nova da Baronia (Alvito), which is in the "very heart of Portugal".

Located in the Lower Alentejo district of Beja, it is not far from the medieval fortress towns of Alcácer do Sal, Beja itself and Évora, and despite being served by five trains daily from Lisbon in both directions, it often goes completely unnoticed by Portuguese visitors, let alone overseas tourists

SPIRA is dedicated to bringing people closer to Cultural Heritage and transforming the way they look at Portugal's common heritage: "We seek to bring everyone, without exception, into a spontaneous relationship with this collective asset," says Catarina.

Combining knowledge, creativity and action, SPIRA researches, designs, organises and promotes projects focused on these collective heritage assets.

And it has won awards for its consultancy work. Recently it received 1st prize from the European Cultural Tourism Network for the project 'We are what we eat' for Parques de Sintra - Monte da Lua, which has successfully marketed Sintra and its many attractions both nationally and internationally as an experience and place to discover, rather than simply a quaint town of villas dominated by a fairytale pseudo-castle.

Catarina Valença Gonçalves says the conclusions of the study are clear. "They reveal a very significant potential to not only generate revenues, but also be an important cultural and social resource for municipal councils to attract thousands of visitors annually to listed heritage sites, which in many cases are currently being overlooked and not fully taken advantage of because of a long tradition and ideological prejudice, which does not see the investment costs as an ultimate tool of development and long-term benefit," she says.

The findings of the study will be presented at the forthcoming APAVT (Portuguese Association of Travel and Tourism Agencies) congress, which takes place in Ponta Delgada, the capital of the island of São Miguel in the Azores between December 8-11, and whose delegates "have a lot of political and economic clout".

Catarina Valença Gonçalves leaves us with an important message, which she will deliver at that congress: "Who is going to close their eyes and ignore the numbers that we now know? Who is going to dare say we will not take notice of this opportunity for development that we have with these heritage sites that belong to everybody?" ■

"ONE CHALLENGE IS GETTING RELIABLE INFORMATION AT A LOCAL LEVEL, BECAUSE IN THE MAJORITY OF CASES, INFORMATION IS GATHERED BY DIFFERENT BODIES. THERE JUST ISN'T ONE BODY THAT COLLATES ALL OF THE INFORMATION FROM AROUND THE COUNTRY FOR ALL TYPES OF LISTED HERITAGE." CATARINA VALENÇA GONÇALVES (SPIRA)

The Roman Villa and Sanctuary of São Cucufate, (interior with fresco mural paintings), Vidigueira, Portugal.

International Club of Portugal celebrates with glitz, glamour and music

The International Club of Portugal celebrated a return to normality after two years of Covid-19 at its Christmas dinner with a gala musical event that included opera, operetta, classical piano and a broadway-style show.

The highlight of the evening held at the Sheraton Lisboa & Spa in November was 10-year-old Chinese piano virtuoso Zeming Wu whose dexterous hands charmed the 200 members and guests. Fernando Pereira (Lord of the Voices) and Belcanto Latino (Tribute to the 3 Tenors), as well as Triplets Jazz and Yolanda Soares also delighted the audience.

PHOTO **JOAQUIM MORGADO**

Maria do Carmo Rodrigues, Bruno Rodrigues, Rita Marques, Manuel Ramalho e Patrícia Meneses Leirião

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Isabel Meirelles, Carlos Eduardo Reis e Fátima Lopes

Yolanda Soares

Licínio Pina e Fernando Faria de Oliveira

Aline Gallasch-Hall de Beuvink e Thomas Antonius Hall de Beuvink

General Vasco Rocha Vieira

Fernando Pereira, Zeming Wu e Yolanda Soares

UM MOMENTO DE ETERNIDADE

É muito mais do que 24 frames por segundo. É muito mais do que contar o nosso passado coletivo de forma épica. E é muito mais do que projetar múltiplos futuros. Porque cada obra-prima agita as nossas dúvidas mais profundas e alimenta as nossas mais elevadas aspirações. É tudo aquilo que nos comove e nos convida a almejar sempre mais alto. É um legado que se reinventa de maneira perpétua. **É cinema.**

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