

Italy Spotlight - YTD Q3 2024



Italian Logistics Market



66 Logistics is always appealing

Highlights

Investments have rebounded thanks to the closing of large portfolio deals

Prime net yields stabilized in the last quarter and could slightly compress in the next quarters

Take-up slowed down after two years of record levels. Owner occupiers characterized the activity

Prime rents have consolidated during 2024

Secondary and emerging locations are increasingly sought after

Consistent pipeline of new developments, mainly of speculative nature when located in attractive clusters

YTD Q3 2024 KPIs



INVESTMENT VOLUMES
1.2 mln €
+17% YoY



NUMBER OF DEALS
31
-14 YoY



TAKE-UP
1,600,000 sqm
-25% YoY



PRIME NET YIELD GRADE A LOGISTICS
5.50%
+30 bps YoY
Stable QoQ



PRIME RENTS GRADE A LOGISTICS MILAN
68 €/sqm/y
+5% YoY



DEVELOPMENT UNDER CONSTRUCTION BY 2025
~2,000,000 sqm



Logistics and Industrial Investment Market

In the first three quarters of the year, logistics was the third most requested sector, collecting 19% of total Italian investment volumes. Logistics reached a total of around € 1.2 bln, a figure 17% up YoY.

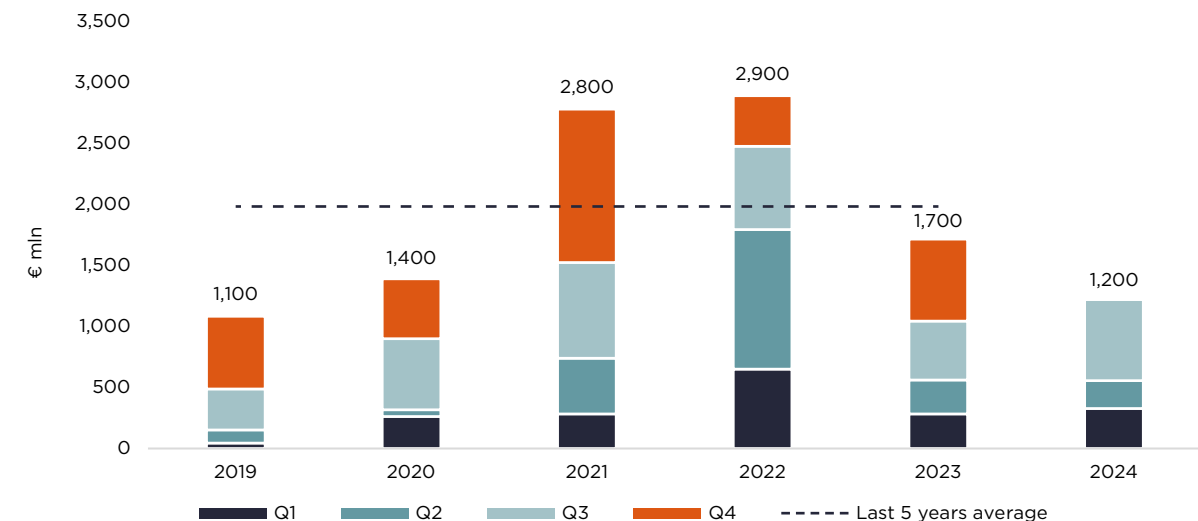
After a first semester characterized by the prevalence of the industrial and light industrial components, the share of volumes absorbed by traditional logistics returned to grow again. Volumes were in fact driven by the closing of two large standard logistics portfolios (> €100 mln), covering together 36% of yearly volumes. Value add and core plus capitals are leading the market, with a potential return of core capitals in the next months.

Number of deals however decreased. A total of 31 operations were recorded, mainly of small dimension (< €20 mln: 74% of the total). The market remains driven by international investors, covering 90% of the yearly volumes.

After months of decompression, prime net yields remained stable in all the geographies during the last quarter, standing at 5.50% in Milan, Rome, Bologna and Piacenza clusters. In the coming months, a possible slight compression of yields is expected as a result of a more favourable economic conditions.

66 Thanks to the closing of large portfolio deals, investments in traditional logistics are recovering, contributing to stabilize yields. On the occupier side, the limited availability of assets in top locations and rising rents are contributing to a growing owner occupier demand.

Investment volume by quarter



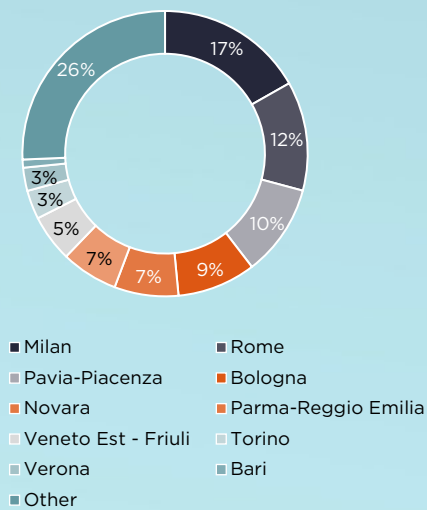
Logistics occupiers Market

After two years of record levels, take-up activity is facing a slowdown in 2024. In the first three quarters of 2024, a total of 1.6 mln sqm were leased, a figure down both YoY (-25%) and compared to the YTD Q3 average of the last 5 years (-8%). This has been accompanied by a decrease in number of transactions: 83 deals have been recorded, most of which of small dimensions (< 10,000 sqm). However, eight operators secured more than 50,000 sqm each, mainly in the north of the Country which remains the most required area. Lombardy, Emilia Romagna and Piedmont were the most sought-after regions, but at the same time the cluster of Rome recorded a good activity, ranking second in terms of square meters leased in the last nine months. The attractiveness of emerging clusters continues and was driven by the Parma-Reggio Emilia and Veneto East-Friuli macro-areas.

The yearly leasing activity has been characterized by the high number of owner occupier transactions, covering 34% of absorption, followed by existing and build to suit assets. Speculative transactions slowed down: have halved in absolute terms compared to the same period of 2023. With respect to operators, 3PLs still represent the majority covering more than half of the activity; retailers, grocery and courier operators have been the most active in the last nine months.

Despite the vivid development activity in general, the availability of new spaces remains low in top locations where new developments are difficult due to zoning restrictions; rents reached the level of 68 €/sqm/y (+5% YoY) in Milan and 66 €/sqm/y (+2% YoY) in Rome. In other locations new opportunities are still available and this is contributing to stabilize rents.

YTD Q3 2024 Take-up by cluster (on total sqm)



Logistics key facts



Good performance, strong interest and resilient characteristics



Capital value is a key factor for investments



Attention for industrial assets supported/backed by long leases and strong covenants and for sale&lease back opportunities



Owner occupiers drive the demand for spaces

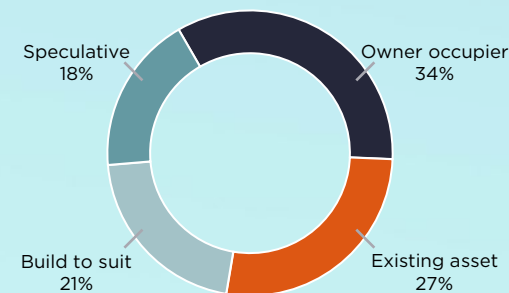


Opportunities to develop brown fields improving efficiency according to ESG criteria



Prime rents and yields are stable QoQ

YTD Q3 2024 Take-up by transaction profile



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