



# Italy

- Italy's logistics sector maintains its appeal despite a slower absorption rate in 2024. End-user activity is rising, and while take-up has decreased from recent peaks due to longer deal times and a slowdown in e-commerce, it still exceeds the 10-year average, indicating sustained market resilience.
- In terms of investments, total value invested in the Industrial & Logistics sector in Q4 reached approximately €570 million, bringing the total 2024 to EUR 1.7 billion, broadly in line with 2023 values.
- Investor appetite for the Industrial & Logistics market remains robust, solidifying the sector's position as a prime investment target. In 2024, the sector ranked third, after office and retail, in terms of total investment volume, representing 17% of overall investment activity.

In 2024, Industrial & Logistics absorption reached around 2.25 million sq.m., down on the previous year but still above the 10-year average. The completion of several speculative projects, particularly in the Verona and Milan West markets, contributed to a slight increase in the national vacancy rate to around 4%.

3PLs maintained their lead in take-up, accounting for around 50%, while retail operators grew to represent around 30%. Built-to-Own projects made up over 30% of logistics transactions in 2024, with notable growth in transactions over 50,000 sqm. This shift was fuelled by rising rents and limited options locations critical to operators but often overlooked by investors. Conversely, transactions under 25,000 sq.m. continued to dominate, accounting for more than 70% of deals.

In Q4 rents remained stable QoQ, with Miland and Rome at 67 euro/sq.m. Veneto at 57 euro/sq. m., Bologna and Turin at 50 euro/sq. m. Despite the market in 2024, development activity remained strong. Around 2 million sq.m. of projects were completed in 2024, surpassing the 5-year average, with about 70% being speculative developments.

From an investment perspective, Q4 saw approximately EUR 570 million in investments (including share deals), bringing the 2024 total to EUR 1.7 billion. Q4 results were mainly driven by a significant transaction of a pan-European portfolio and by a single asset along the A7 axis. The sector remains a major investment target, driven by significant repricing over the past 24 months, which has brought net prime yields to 5.5%. Core + and Value add capital remain generally dominant, maintaining strong conviction in occupier-side fundamentals. However, there are notable indications of increasing Core capital activity.

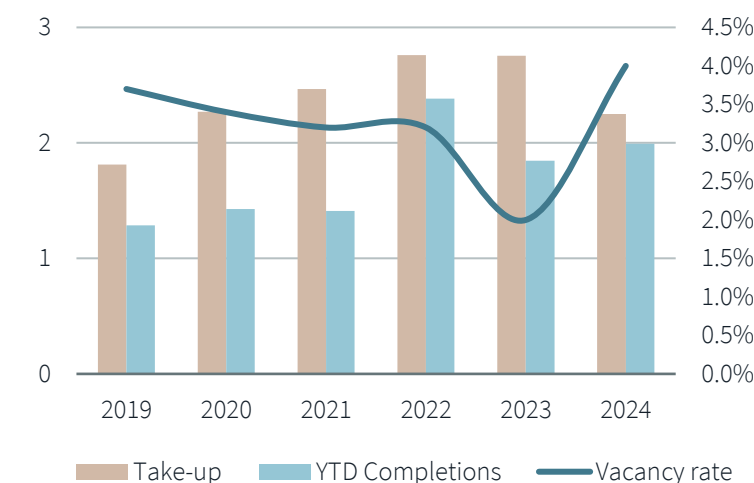
## Outlook

With the ECB planning to continue its policy of interest rate cuts in 2025, coupled with a more favourable macroeconomic outlook, we expect a positive impact on the Industrial & Logistics sector. Prime net yields are expected to compress, aligning with trends observed in other EMEA markets. Take-up levels have stabilized at a new equilibrium, continuing to present compelling opportunities for both investors and occupiers.

Fundamentals		Forecast
<b>2024 take-up</b>	2,250,000 sq.m.	→
<b>Vacancy rate</b>	4%	→
<b>YTD Completions</b>	2,000,000 sq.m.	→
<b>Under construction</b>	2,300,000 sq.m.	→
<b>Prime rent (€/sq. m./p.a)</b>	67	↑
<b>Investment Vols.</b>	€ 1.7 Bn	↑
<b>Prime Yield (net-on-net)</b>	5.5%	↓

## Historical supply and demand trends

s.q.m. (millions)





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