SEE A BRIGHTER WAY

Research

Rome

Office | Q4 2024

Rome

- In 2024, Rome's office market recorded a take-up of 167,000 sq.m., with 41,000 sq.m. transacted in Q4. While this represents a decrease from 2023, it's worth noting that the previous year included two exceptional transactions in EUR and the city centre, thus inflating the figures.
- Nearly 50% of take-up in 2024 was in the city centre and CBD, while around 30% was in Grade A buildings. In Q4, the vacancy rate in Rome decreased slightly to 6.5%, while prime rents increased to € 550 sq. m. per annum in the CBD.
- On the investment front, Rome’s office market saw substantial growth, attracting over EUR 0.9 billion in 2024, accounting for approximately 38% of the total office investment volume in Italy for the year.

The Rome office market recorded a take-up of nearly 167,000 sq.m. in 2024. Q4 contributed over 41,000 sq.m., primarily driven by a public sector owner-occupier transaction in the CBD, and another deal in the EUR submarket. Although 2024's results align with the five-year average take-up, they show a 33% decrease compared to 2023, largely due to two exceptionally large transactions in 2023 that inflate the figures.

The 2024 Rome office market was characterized by robust demand for premium space in central locations. This trend is evidenced by nearly half of the take-up occurring in central areas, with about 25% of transactions in the higher rental band exceeding €400/sq.m. per annum. In Q4, the vacancy rate in Rome decreased to 6.5%, while prime rents in the CBD rose to €550 sq.m. per annum, further underlining the market's strength in prime locations.

Looking ahead, it is estimated that approximately 250,000 sq.m. of existing stock will undergo heavy refurbishment by 2026. Around 20% of under construction projects are speculative, all located in CBD, Core EUR or EUR submarkets. Over 40% are pre-let, while the remainder comprise owner-occupied developments.

On the investment from, over EUR 0.9 billion were invested in Rome in 2024, with Q4 closing with around EUR 0.25 billion invested, supported mainly by a large owner-occupier transaction in the CBD. Rome saw its share of total office investment grow in 2024, supported by large ‘trophy’ transactions and conversions in central and semi-central parts of the city.

Outlook

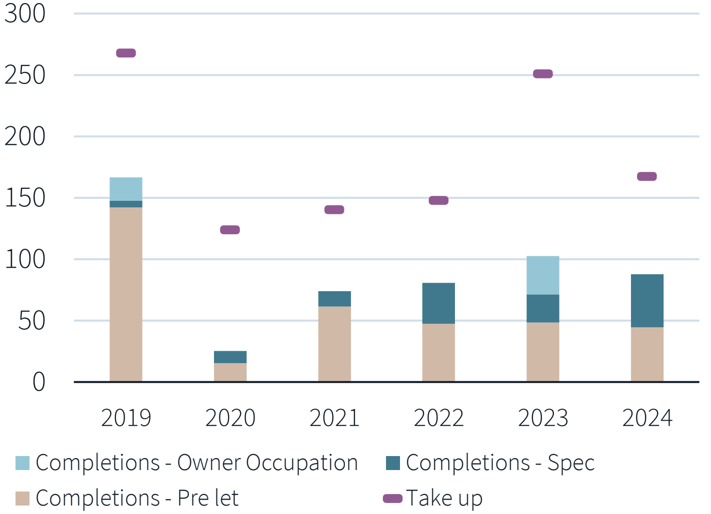
Rome's office market fundamentals remain robust, yet the key challenge in the coming years will be providing an adequate supply of Grade A space to meet occupier demands. This supply-demand dynamic is likely to influence take-up patterns, especially in a context of rising rents.

Given the improving economic outlook, largely attributed to recent interest rate reductions, we expect Rome’s office investment market to perform positively. Prime yields, which stood at 4.75% in Q4, are projected to compress during 2025, reflecting the changing economic conditions and potential adjustments in the investment market.

Fundamentals		Forecast
2024 Take-up	167,000 sq.m.	→
YTD Subleases	1,300 sq.m.	→
Vacancy Rate	6.5%	→
Prime Rent (€/sq. m./pa)	550	↑
YTD New Completions	88,000 sq.m.	→
YTD Investment Volumes	EUR 0.9 Bn	↑
Prime Yields	4.75%	→

New supply and take up – historical trends

Sq.m. (thousands)



SEE A BRIGHTER WAY

Research

Rome

Office | Q4 2024

Stefania Campagna
Head of Markets
Italy
Stefania.campagna@jll.com

Alberico Radice
Head of Capital Markets
Italy
Alberico.radice@jll.com

Massimo Livi
Head of Office Agency
Rome
Massimo.livi@jll.com

Sven Ole Sommer
Head of Capital Markets
Rome
Ole.sommer@jll.com

Francesca Fantuzzi
Head of Research
Italy
Francesca.fantuzzi@jll.com

Pietro Dentesano
Head of Office Capital Markets
Italy
Pietro.dentesano@jll.com