

	YoY Chg	12-Mo. Forecast
<b>1,637,000</b> Italy Take-Upsqm	—	▲
<b>1,308,000</b> Northern & Lazio Take-Upsqm	▲	▲
<b>€57.00</b> Prime Rent €/sqm/yr, Milan	—	▲
<b>€56.00</b> Prime Rent €/sqm/yr, Rome	—	▲

## ITALIAN ECONOMIC INDICATORS Q3 2021

	YoY Chg	12-Mo. Forecast
<b>+3.0%</b> GDP Growth	—	▲
<b>9.5%</b> Unemployment Rate	▼	▲
<b>13.5%</b> E-Commerce Sales Growth	—	—
<b>4.4%</b> Retail Sales Growth	—	—

Sources: ISTAT, Moody's

Note: with the exception for Unemployment Rate (percentage of unemployed persons in relation to the corresponding labour force), data refers to Q3 2021 variations with respect to the previous year.

## ECONOMY OVERVIEW

The vaccination campaign got a significant boost due to the opening to 12-16 age range and to the introduction of green certification to access most public places. The consequent fair success of the campaign led to a final easing of restrictions, almost completely lifted. The number of vaccinations is expected to grow furtherly in Q4 due to green certification mandatory extension to workplaces. Thanks to positive developments, GDP growth has accelerated in the second quarter and now is expected to grow by 5.9% in the year 2021, favouring the recovery of family consumption that is now almost back to pre-Covid levels. Retail sales are growing significantly with e-commerce component still increasing at a faster pace, confirming that a shift from traditional to online retail, even if softer, appeared with the lockdowns, is still in place. EU Recovery Fund will also support an economic lift and, in mid-August, Italy has already received a first payment worth around €25 billion of grants and loans.

## OCCUPIER AND INVESTMENT FOCUS

The logistics market continues to grow and consolidate as one of the leading sectors in real estate. The sector's fundamentals continue to improve, maintaining a strong absorption, an increase in BTS and speculative projects and a contraction in prime yields.

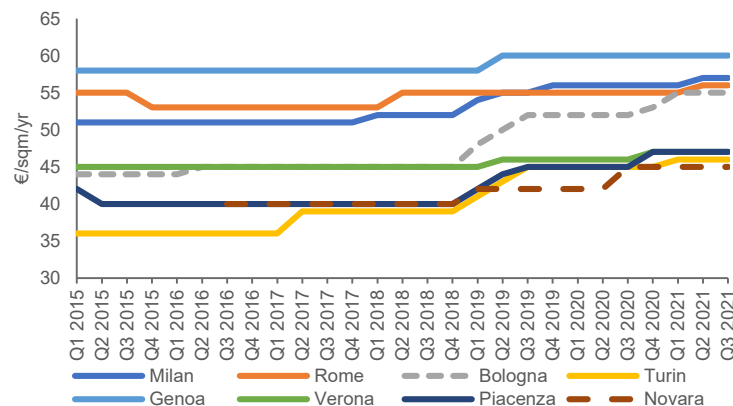
The volume of absorption year to date is in line with the same period last year (around 1.6Mln sqm), suggesting a year-end volume in line with or above 2020 values (around 2.2Mln sqm). Demand for spaces close to big cities continues to come from the e-commerce and 3PL sectors however, there is a lack of demand for larger spaces (over 50.000 sqm) unless directly connected to big international e-commerce companies. The great demand for quality spaces is leading to an increasing collaboration between investors and developers who see new projects as investment opportunities in a market where there is strong interest, strong competition and an unsatisfied demand.

On the investment side, volumes are growing steadily for the third year in a row. The third quarter saw a record in terms of volume, already reaching the total volume of 2020 (around €1,7bn), suggesting a record year in terms of investment volume.

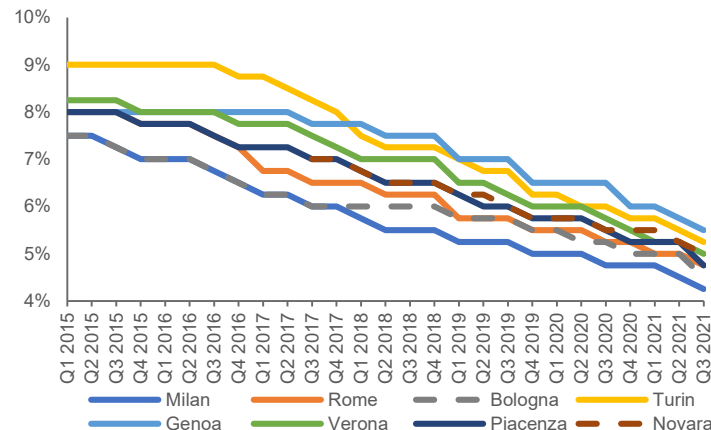
## OUTLOOK

On the leasing side, demand for spaces close to big cities will continue to be active, following the growth of the e-commerce. All indicators suggest that this will be another record year for the logistics investment market, with a potential further compression of prime yields in the next quarters. Portfolios, single assets as well as land for development are being targeted by all types of investors, and the lack of product in prime locations is leading to consider secondary in a new light.

## PRIME RENTS



## PRIME YIELDS



### MARKET VALUES (\*)

SUBMARKET	PRIME RENT €/Sqm/Yr	Q/Q	Y/Y	PRIME YIELD (NET*)	Q/Q	Y/Y
Milan	57	→	↑	4.25 %	↓	↓
Rome	56	→	↑	4.75 %	↓	↓
Bologna	55	→	↑	4.50 %	↓	↓
Turin	46	→	↑	5.25 %	↓	↓
Genoa	60	→	→	5.50 %	↓	↓
Verona	47	→	↑	5.00 %	↓	↓
Piacenza	47	→	↑	4.75 %	↓	↓
Novara	45	→	↑	5.00%	↓	↓

### KEY LEASE TRANSACTIONS 2021

REGION	CITY (PROVINCE)	TENANT SECTOR	AREA (SQM)	TYPE
Abruzzo	San Salvo (CH)	E-commerce	190,000	Pre-Lease (BTS)
Piedmont	Tortona (AL)	Transport	54,000	Pre-Lease (BTS)
Lombardy	Soresina (CR)	Retailer	50,000	Lease
Lazio	Ardea (RM)	Ecommerce	50,000	Pre-Lease (BTS)
Lombardy	Belgioioso (PV)	E-commerce	47,000	Pre-Lease (BTS)

### KEY SALES TRANSACTIONS 2021

PROPERTY	REGION	CITY (PROVINCE)	SELLER / BUYER	AREA (SQM)
Century Portfolio	Multi-Region	Multi-City	Kryalos Sgr OBO Blackstone / Kryalos SGR OBO GLP	235,000
Tristan Portfolio	Multi-Region	Multi-City	BNP OBO Tristan Capital Partners / GLP	200,000
Pluto Portfolio	Multi-Region	Multi-City	Segro / AXA	56,000
GO Italia IV Portfolio – 3 Assets	Piedmont	Turin (TO)	DeA Capital Sgr OBO BentallGreenOak / CBRE Global Investors sgr	156,000
Portfolio Roundhill /Elizabeth	Multi-Region	Multi-City	Namira Sgr OBO Round Hill Capital/ KKR / EQT EXETER	131,000

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#### (\*) NOTES:

(1) Prime Rent and Yield figures illustrated in the table above refer to logistics properties. Prime rents for freight warehouses tend to be significantly higher.

(\*) Yields are calculated on a net basis as reported below:

Net Yield = NOI (1) / PP (2)

1. Net Operating Income - after deducting all non-recoverable expenditure

2. Purchasing Price – excluding transfer costs, tax and legal fees

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

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