



## Industrial & logistics real estate market in Italy 4Q 2013

### KEY ECONOMIC INDICATORS

ECONOMIC INDICATORS		
Population (2013)	60.891.838	↑
GDP Growth Rate QoQ (Q3 2013)	-0,10%	↓
GDP forecast (2014)	0,80%	↓
GDP per capita 2012* (\$)	33.115	↓
Unemployment rate (2013)	12,70%	↑
Disposable household income	-2,4	↓
Inflation rate (December 2013)	1,5	↑

\*International Monetary Fund (2012)

### INDUSTRIAL PROPERTY MARKET

In the last quarter of 2013 despite economic uncertainties occupier demand for warehouses and modern industrial and logistics spaces registers a stable trend in terms of sale prices, even if negotiation timing has extended and discounts on asking prices have risen reaching 20% on average. In terms of transactions the market is still sluggish. We report the number of months to conclude a sale or a lease transaction:

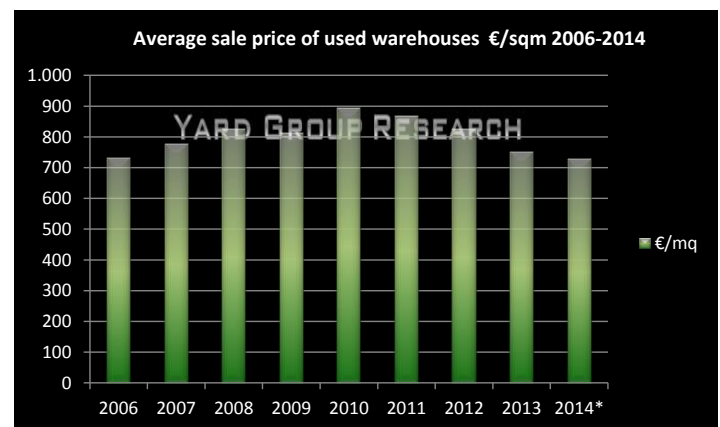
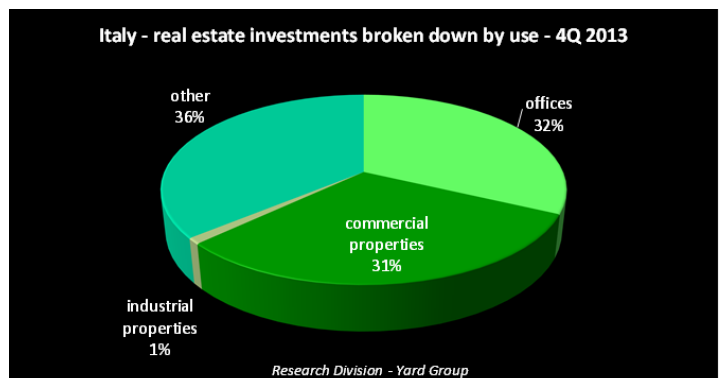
	sale time (months)	lease time (months)
Bari	14,2	10
Bologna	12,9	11
Cagliari	12,3	9,5
Genoa	10,2	9
Milan	11,5	10
Rome	12,5	9
Naples	13	9,5
Padua	15,5	12,5
Venice-Mestre	15	13
average	13,2	10,5

Investments allocated to industrial assets represent 1% as shown in the pie chart on the right. The data refer to the last quarter of 2013.

With reference to average sale prices of used warehouses the bar chart on the right highlights their trend (€/sqm) referring to 2006 up to 2014. This year data are based on projections.

If we analyse the key economic indicators the national scenario is far from promising. The main issues such as political indecisions, inconclusive fiscal reforms, GDP negative projections and high unemployment rate they all contribute to discourage business confidence.

The chart on the right shows the number of normalised transactions (2006- 2013) supplied by OMI (property market watch). The number of NTN has registered a decline in the 2013 with 9246 NTN. In terms of letting activities the market is more buoyant as shown in the bar chart of main industrial letting transactions.

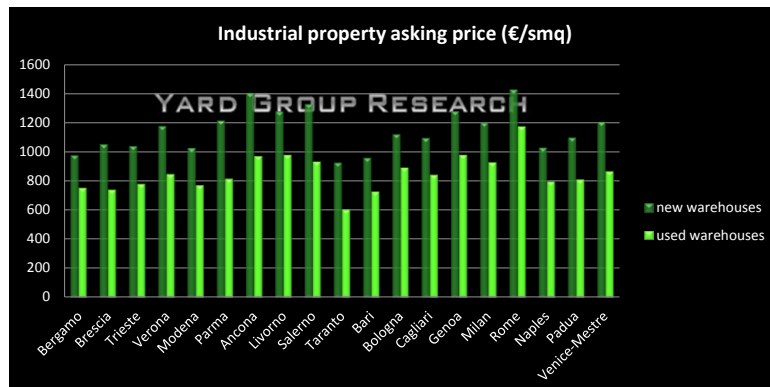




## Industrial property market 4Q 2013

### Industrial property asking price €/sqm

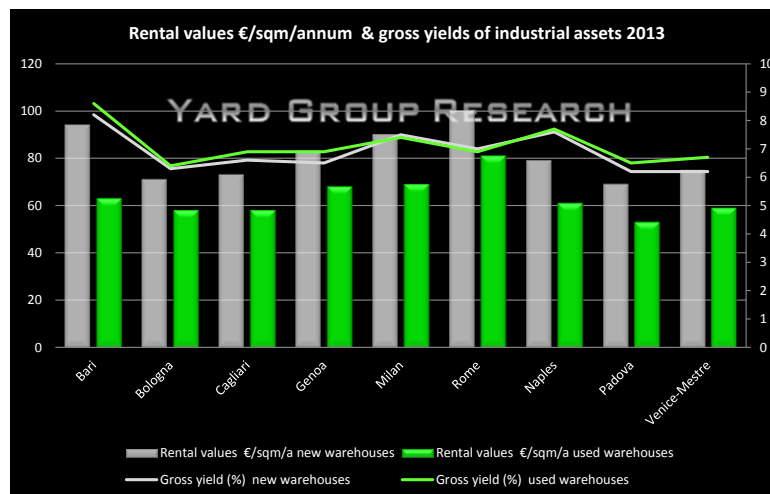
Industrial property asking price (€/sqm) - 2013				
	Towns	new warehouse	used warehouses	
mid-sized town	Bergamo	975	750	
	Brescia	1050	738	
	Trieste	1038	777	
	Verona	1175	844	
	Modena	1025	768	
	Parma	1213	813	
	Ancona	1400	967	
	Livorno	1275	975	
	Salerno	1325	930	
	Taranto	925	601	
	cities	Bari	958	725
		Bologna	1119	889
Cagliari		1094	839	
Genoa		1277	976	
<b>Milan</b>		<b>1198</b>	<b>925</b>	
<b>Rome</b>		<b>1426</b>	<b>1170</b>	
Naples		1028	794	
Padua		1096	808	
Venice-Mestre		1203	863	



The industrial properties with higher values are usually positioned in a context with a good network of road infrastructures or they are located along the sea coast and have a sea port.

Rental values and yields are reported below:

Town	Rental values €/sqm/a		Gross yield (%)	
	new warehouses	used warehouses	new warehouses	used warehouses
Bari	79	63	8,2	8,6
Bologna	71	57	6,3	6,4
Cagliari	73	58	6,6	6,9
Genoa	83	68	6,5	6,9
<b>Milan</b>	<b>90</b>	<b>68</b>	<b>7,5</b>	<b>7,4</b>
<b>Rome</b>	<b>100</b>	<b>81</b>	<b>7</b>	<b>6,9</b>
Naples	78	61	7,6	7,7
Padua	68	53	6,2	6,5
Venice-Mestre	75	58	6,2	6,7



Demand is oriented towards high quality medium or large assets, placed in strategic locations, close to major markets. The stock corresponding to these features is very limited, access to credit has become more difficult, slowing down new developments, thus widening the gap between demand and supply. The space currently available on the market is plentiful and of poor quality but does not meet the requirements of the current demand.

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