

# Industrial & logistics market in Italy H2 2018

## KEY ECONOMIC INDICATORS

MACROECONOMIC INDICATORS		
population (2018)	60.483.973	
Q4 GDP growth (December 2018)	1,20%	↓
GDP forecast (2018)	1,00%	↓
GDP per capita 2018* (\$)	34.784	↓
unemployment rate (2018)	10,30%	↓
household disposable income (OECD annual growth rate)	0,90%	↓
inflation rate (December 2018)	1,10%	↓
<i>*International monetary fund</i>		
<i>**Q-o-Q % : quarter on quarter % change</i>		

Macroeconomic indicators are about to go through a downward revision in the next few months.

## NORMALISED TRANSACTIONS

The number of transactions registered an upturn in 2017 with 12.038 NTN, the growth has been positive since 2015 after years of decline. The third quarter of 2018 registers 2704 NTN, a downturn -6,54% compared with the same quarter of 2017).

Economic indicators still show a weak GDP growth, the unemployment rate is about 10,3% whilst inflation rate is slowly decreasing. The ECB's quantitative easing (QE) programme is drawing to a close. It was launched in March 2015 to prevent deflation from further hitting an economy still shaking from the euro zone debt crisis.

The table below shows market indicators for the industrial and logistic sector:

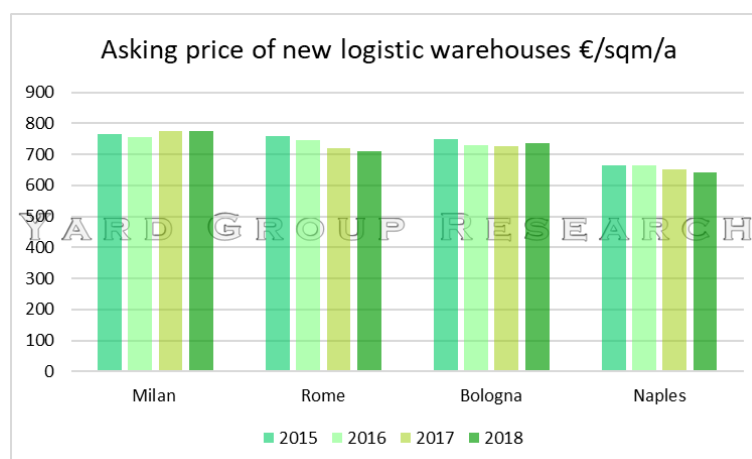
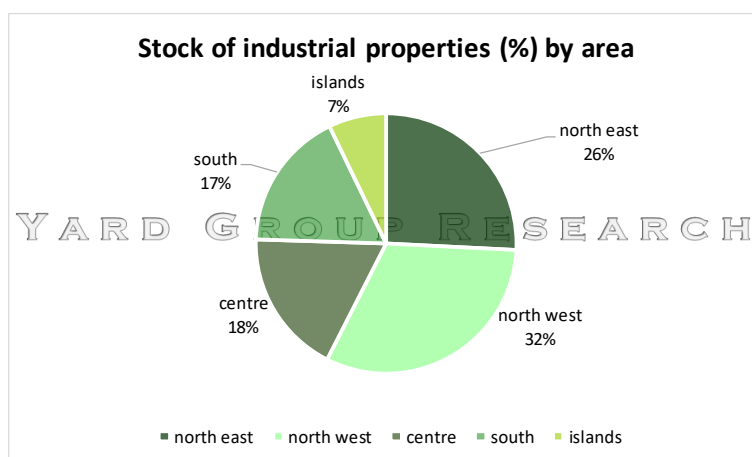
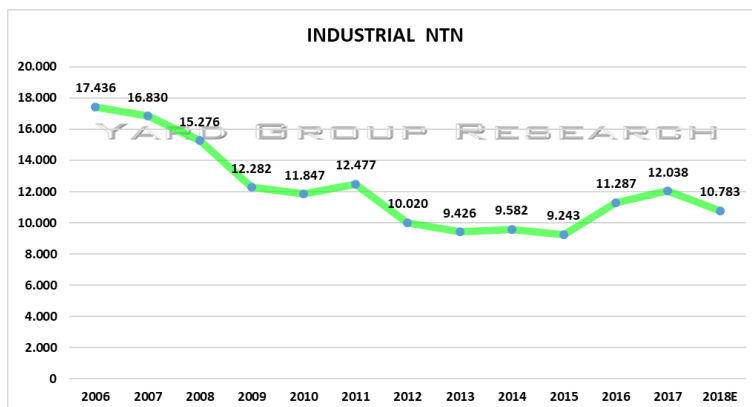
MARKET INDICATORS	
average discount on asking price	18-20%
average time on market for sale	14 months
average time on market for rent	9 months
gross yield	7%

## FOCUS ON LOGISTICS

Logistic market registers a positive performance in the second half of 2018. Average asking rent is about 45-55 €/sqm/a.

The best locations for logistic assets are the main towns in the north of Italy (where 87% of warehouses are present). Metropolitan areas perform well because they are close to consumers and support an efficient supply chain.

The second half of 2018 confirms the positive trend of the first part of the year. Logistics is driven by an increase in freight traffic, online purchases and an upturn in exports.



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E-commerce in Italy is developing rapidly and has registered robust growth over the past five years. Although the Italian digital economy lags behind other major European countries, e-commerce is poised to continue its upward trend in the next two years. The turnover from e-commerce in Italy was € 27,4 billion in 2018, registering a 16% growth over 2017. The number of Italian web shoppers is steadily increasing. The preferred segments are tourism, computers, electronics, clothes, home furnishings and food.

There is a boost towards innovation and the use of modern technology to support multi-channel strategies and improve the quality of home deliveries or deliveries through smart lockers (self-service kiosks) where customers can collect or return their parcels.

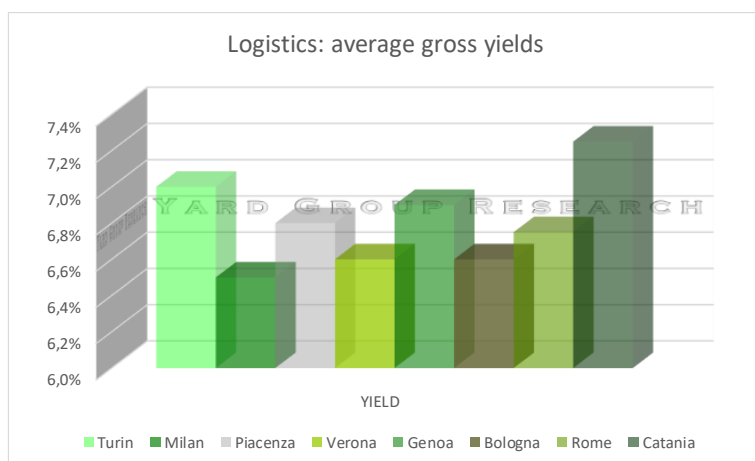
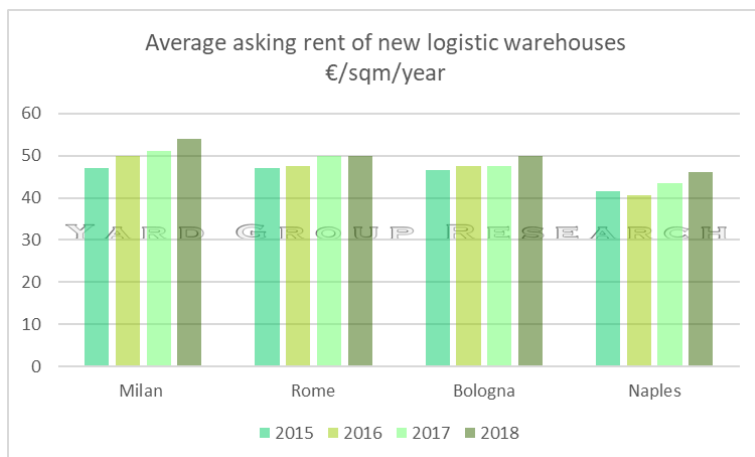
Rental values register a mild upturn. The table reports rental values of new warehouses:

	2015	2016	2017	2018
Milan	47	50	51	54
Rome	47	48	50	50
Bologna	47	48	48	50
Naples	42	41	44	46

The take up of grade A properties registered a mild contraction compared to the same period of last year, as the stock of high-quality warehouses is still rather limited. The mostly sought-after features are: *clear height*: 10-12 metres, *loading bay/platform* every 500 or 1.000 m<sup>2</sup> of warehouse, *cross docking* (unloading goods from inbound delivery vehicles and loading them directly onto outbound vehicles) to reduce storage time, *efficient layout of pillars*, *external area*: wide manoeuvring area required for the movements of the trucks (the slope of the courtyard is important to allow the flow of water and access in case of ice or snow), *service installations*, *excellent accessibility*.

The table below shows the most relevant transactions referring to 2018.

*N.b.* We use a period as thousand separator and a comma to indicate the decimal place.



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ASSET	DATE	PR	TOWN	VALUE (euro/mln)	USE	VENDOR	BUYER	Surface area sqm
logistic assets Settimo Torinese & Isola Vicentina	December 2018	TO	Settimo Torinese	50,00	Logistics	DHL Corporate Real Estate	PGIM Real Estate Luxembourg S.A.	
three logistic assets	December 2018			34,00	Logistics		PGIM Real Estate Luxembourg S.A.	
logistic asset in Venezia	December 2018	VE	Santa Maria di Sala VE	1,60	Logistics	Polis Fondi SGR pA		
logistic portfolio	December 2018	MI - BO	MI - BO	n.a.	Logistics	FAP Investment srl	DWS	
logistic area	November 2018	PR	Parma	40	Logistics	-	Allianz Real Estate Italy	55.000
warehouse at Passo Corese (RI)	October 2018	RI	Rieti	118	Logistics	Segro	Savills Investment Management, Tritax EuroBox plc	158.000
logistic asset	October 2018	VR	Isola Rizza	n.a.	Logistics	Ecodem	TH Real Estate	22.700
warehouses Meyer Bergman	September 2018	-	-	n.a.	logistics	Logiman	Meyer Bergman	
HQ Sciuker Frames	September 2018	AV	Avellino	0,97	logistics	-	Sciuker Frames	
Logistics at Castelletto Cervo	August 2018	BI	Castelletto Cervo	n.a.	logistics	Staples	Arab Bank (Switzerland)	
logistic assets in the north of Italy	August 2018	-	Origgio	n.a.	logistics	Logiman	Kryalos Asset Management	22.000,00
logistic asset Autogrill	August 2018	MI	Pieve Emanuele	n.a.	logistics	Autogrill	-	
Via Semini	July 2018	GE	Genova	3,64	logistics	Spim, Comune di Genova		71.900,00
Three logistic assets	May 2019	-	-	n.a.	logistics	DSV S.p.A.	Kryalos Asset Management	
logistic asset at Lazzate	apr-18	MB	Lazzate	n.a.	logistics	Techbau	CBRE Global Investors Italy	37.000,00
logisitic asset in Sassari	apr-18	SS	Sassari	1	logistics	Polis Fondi SGR pA	-	
Viale Marconi 195, Cagliari	March 2018	CA	Cagliari	1,05	Industrial	Polis Fondi SGR pA	-	-
logistic centre Monticelli	February 2018	PZ	Monticelli d'Ongina	n.a.	logistics	Cerrius Srl	TH Real Estate	20.700,00
six logistic assets	January 2018	RM	Roma	65	logistics	-	Kryalos Asset Management	118.000,00
Data Center in Milano	January 2018	MI	Milano	14	logistics	-	-	11.000,00

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