

Retail property market H2 2018

MACRO ECONOMIC 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>		

Macro-economic indicators still show a weak GDP growth with a slowly decreasing inflation rate, 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 wobbling from the euro zone debt crisis.

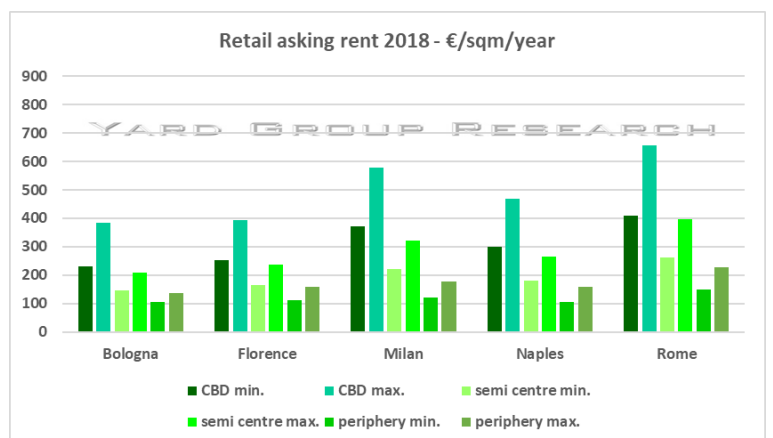
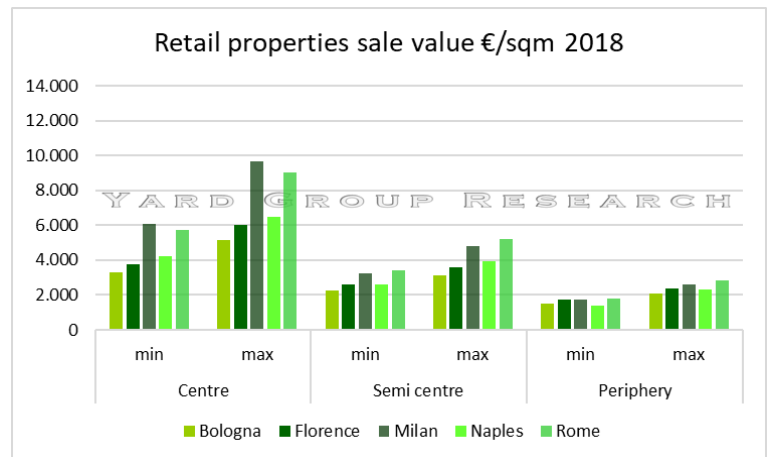
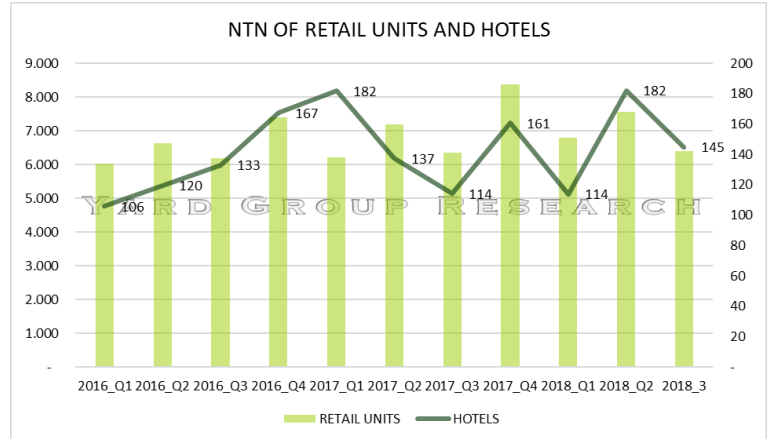
Under QE the ECB's balance sheet has swollen to about 4,65 trillion euros. It has more than doubled since the start of 2015 and is second only to the Bank of Japan, which has put money into its economy for years to fight deflation.

Economic market indicators showed signs of improvement in 2017, but growth has slowed in recent months, hindered by global trade conflicts and volatility in Italian markets. The slowdown of QE comes at a delicate time as the ECB tries to wean the bloc off stimulus.

RETAIL PROPERTY MARKET

According to the data published by the Agenzia delle Entrate (Italian Revenue Authority) the number of retail transactions registered a mild upturn +0,77%, whilst hotels showed a more significant pickup of +27,19%. The use classes are C/1 (retail units) and D/2 (Hotels).

	RETAIL UNITS	HOTELS
2016_Q1	6.024	106
2016_Q2	6.627	120
2016_Q3	6.192	133
2016_Q4	7.393	167
2017_Q1	6.216	182
2017_Q2	7.177	137
2017_Q3	6.340	114
2017_Q4	8.383	161
2018_Q1	6.784	114
2018_Q2	7.566	182
2018_Q3	6.389	145



This market report has been prepared with great care and it is for general guidance only. It is based on internal data and public and private sources. No warranty or representation, express or implied, is made as to the accuracy of any of the information present herein. All expressions of opinion are subject to change. YARD prior written consent is required before this report can be reproduced in whole or in part.

Retail property market H2 2018

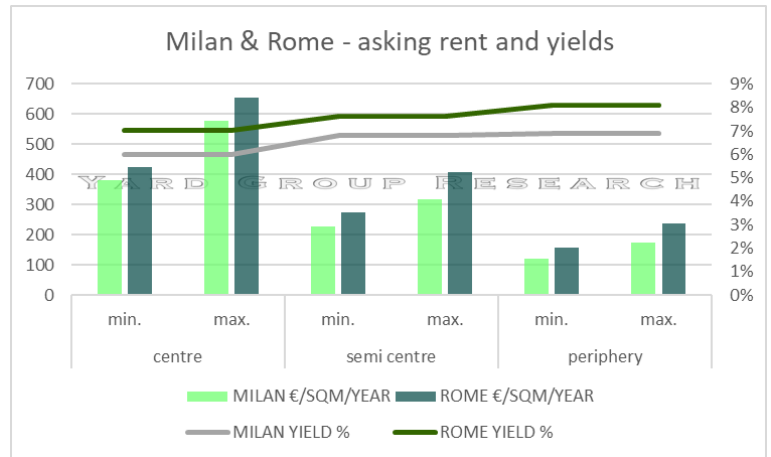
Asking prices register stability in central locations and a modest downturn in semi central and peripheral locations. Unlike sale prices, rental values are stable in central locations, semi central and peripheral areas.

The following table reports the key market indicators, discount on asking prices and time on market have shrunk:

RETAIL PROPERTY MARKET INDICATORS	
Discount on asking price %	15,2%
Property for sale average time on market (ToM) months	9
Property for rent average time on market (ToM) months	6
Gross yield	7,3%

Rental values and yields of retail properties are stable in Milan and Rome and they are highlighted in the combo chart on the right. The following table shows the most relevant transactions which occurred in the last few months.

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



ASSET	DATE	PR	TOWN	ADDRESS	VALUE (euro/1000)	USE	VENDOR	BUYER
Portafoglio Beni Stabili Milano e Torino	December 2018		Milan & Turin	Milano (Galleria del Corso 4), Torino (Corso Guglielmo Marconi 10, via Ernesto Lugaro 15	220,00	retail	Covivio	Cassa Forense Fabbrica Immobiliare SGR
Ex Cinema Via Mascagni	December 2018	MI	Milan	via Mascagni	30,00	retail		Trophaeum Asset Management
Immobile retail Castelletto Ticino (NO)	November 2018	NO	Novara	Strada Statale 33 del Sempione km. 58,6	2	retail	DeA Capital Real Estate SGR	-
13 immobili Carrefour di DeA Capital	November 2018	-	-	Italia	47	retail	DeA Capital Real Estate SGR	-
Ex-store H&M Roma - Via del Corso	October 2018	RM	Roma	Via del Corso	22	retail	AEW	-
Unità immobiliare a Fossano	October 2018	Cn	Fossano	Via Vittorio Veneto 18	0,3	retail	DeA Capital Real Estate SGR	-
Via Temolo 4, Milano	August 2018	MI	Milan	Via Temolo 4	20,35	retail	Amundi RE Italia SGR	-
8Gallery	July 2018	TO	Turin	Via Nizza, 262	105	shopping centre	GWM Group	

STARS	ASSET	DATE	PR	TOWN	ADDRESS	VALUE (euro/1000)	USE	VENDOR	BUYER	Rooms (n.)
4*	Royal hotel Carlton a Bologna	December 2018	BO	Bologna	Via Montebello, 8, 40121 Bologna	32,89	hotel	Monrif S.p.A.	Finanziaria Internazionale Investments SGR S.p.A.	236
4*	Grand Hotel Villa Igiea	November 2018	PA	Palermo	Salita Belmonte 43	25,52	hotel	AMT Real Estate (Acqua Marcia)	Rocco Forte Collection	121
4*	Grand Hotel et Des Palmes	November 2018	PA	Palermo	Via Roma 398	12	hotel	AMT Real Estate (Acqua Marcia)	Algebris Investment	98
4*	Blu Salento Village	October 2018	LE	Lecce	Località Sant'Isidoro	23	hotel	-	CDP Investimenti Sgr	307
4	Excelsior	July 2018	PA	Palermo	Via Marchese Ugo, 3	8,8	hotel	AMT Real Estate (Acqua Marcia)	Famiglia Giotti di Firenze	118
4	Himera Beach Club	June 2018	PA	Cefalù	Campofelice di Roccella	12	hotel	Bnp Paribas	Aeroviaggi	
	Meininger Hostel Rome	June 2018	RM	Roma	Via S. Martino della Battaglia 16	25,8	hotel	-	AXA IM - Real Assets	
4*	Hotel palazzo Stern	apr-18	VE	Venezia	Dorsoduro, 2792/A	12,7	hotel	ULSS 3 Serenissima	Roleo Srl	24
5*	Castello di Casole	February 2018	SI	Casole d'Elsa	Località Querceto	39	hotel	Privato	Belmond	39
	Hotel La Lama	January 2018	RM	Roma	Viale Europa 242	50,6	hotel	Eur SpA	Icarus SpA	439

This market report has been prepared with great care and it is for general guidance only. It is based on internal data and public and private sources. No warranty or representation, express or implied, is made as to the accuracy of any of the information present herein. All expressions of opinion are subject to change. YARD prior written consent is required before this report can be reproduced in whole or in part.