Real Estate Market & Development Projects

Simone Roberti – Head of Research
Italian economic situation
GDP growth

Source: Istat & BNP Paribas Research
10-years bonds

Source: Datastream, *Forecasts BNP Paribas Research

Countries: UK, Spain, Italy, France, Germany
Italian Investment Market
Italian investment market

Investment in 2015: on the way to become a record year
**Portfolio vs. Single Asset**

- Single Asset Investment Volume
- Portfolio Investment Volume

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**By size (only single assets deals)**

- >200
- 150-200
- 100-150
- 50-100
- 25-50
- 0-25

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**In 2014, 189 deals were recorded, of which 119 portfolios and 70 single asset deals.**

**In 2015, 121 deals were recorded, of which just 61 portfolios and 60 single asset deals.**
In 2014, investors were looking outside the two traditional markets that accounted for just 37% of the total volume compared to an average of 55%.

This trend changed in 2015 with Milan and Rome accounting for 70%.
Italian market is dominated by foreign players
There is a change in foreign players
Yields started to fall while spread with 10-years bonds have reached record high
Focus: Milan market
Investors are interested in offices, mainly in the two CBD
Office take-up volume

It is still a substitution market
Office supply and vacancy rate

Vacant space (lhs)
Vacancy rate (rhs)

Office supply stabilised thanks to less completions
Supply served by underground

The highest share of supply is located in the Periphery
Office heat map (> 5,000 m²)

Adriano Marelli
Total surface: 306,724
Office: 21,555
Residential: 167,340
Commercial: 19,000
Other: 14,500

City Life
Total surface: 365,748
Office: 150,000
Residential: 160,000
Commercial: 20,000

Progetto Symbiosis - Ortles
Total surface: 123,000
Office: 100,000
Other: 23,000

Santa Giulia
Office: 120,000

Ex - Area Falck
Total surface: 1,037,000
Office: 150,000
Residential: 630,000
Commercial: 100,000
Other: 157,000

Porta Nuova
Total: 230,338
Office: 217,000
Residential: 70,000
Commercial: 17,850
Other: 40,360

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REAL ESTATE
Projects under construction will predominantly be built-to-suit

Source: BNP Paribas Real Estate Research
Average rents will stagnate in 2015 to start a mild expansion with enhanced occupancy in 2016.
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