

ROME

Key Investment Trends

The total volume of investment in all sectors at the end of the first half of 2018 amounted to almost €500 mn, 47% less than the same period of 2017. In terms of offices, only €300 mn was invested, down 60% compared to the first half of 2017.

No exceptional single-asset transactions (over €100 mn) were recorded during the half-year, as occurred in prior years. Another characteristic of the half-year was the location of investments, showing growth in the importance of the Greater EUR, which accounted for 41% of office transactions, surpassing the CBD.

In terms of yields, especially prime, investor interest remains high and the market is very active for these products. The scarcity of national product encourages maintenance of yields at very low levels.

Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
13	Oslo	4.06	-16
14	Stockholm	4.16	5
15	Copenhagen	4.18	-14
16	Cologne	4.22	-42
17	Milan	4.26	0
18	Rome	4.42	0
19	Utrecht	4.55	-35
20	Barcelona	4.58	-8
21	Brussels	4.61	57
22	Manchester	4.66	0

Note: Lowest scoring yield ranks highest.

Yield Outlook

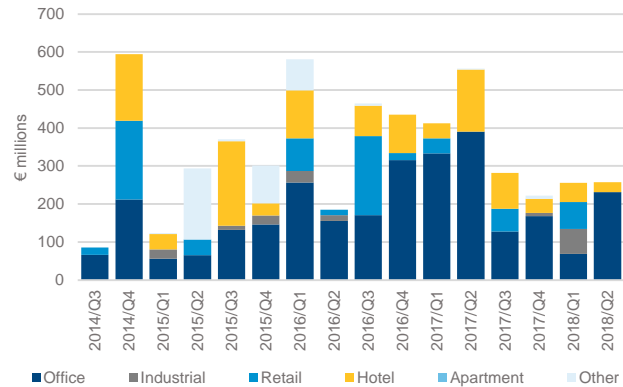


Sectors to watch out for in the next 12M

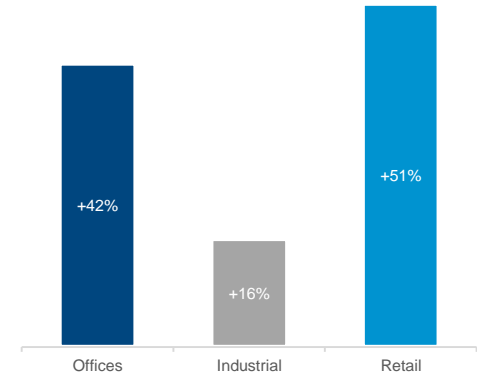


Source: Colliers International, Oxford Economics.

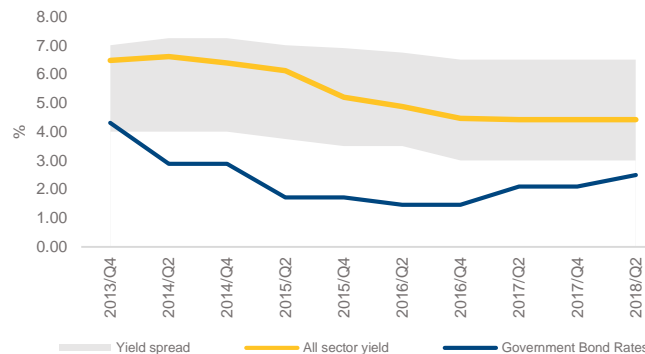
Quarterly investment volumes by sector (City & catchment)



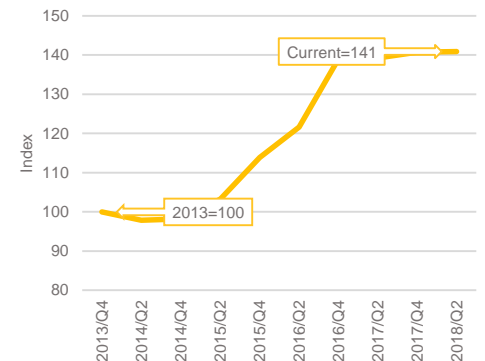
5yr cap. value growth – by sector



All sector yields vs. bond rates



All sector cap. value index

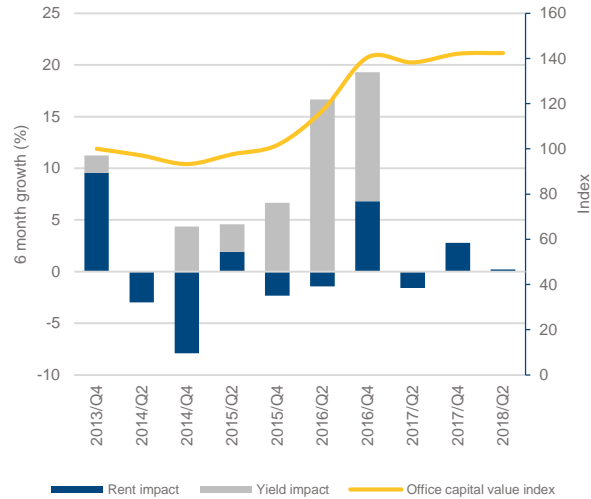


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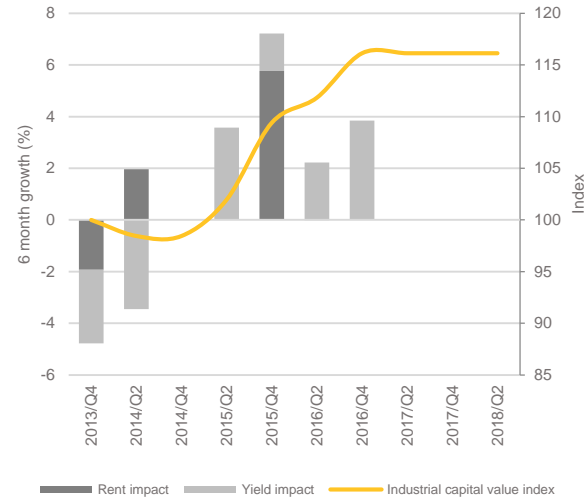
“Due to the inconsistent office letting activity with a rather higher vacancy rate, investment in this asset class are limited and focused on the few core products. This scarcity encourages maintenance of yields at very low levels. Instead, there is no real market for properties that are not well-positioned and/or with a high vacancy rate. On the contrary, investments in the hospitality sector have increased over the last few years making Rome the first destination in Italy. After focusing on historic and existing hotels of the Capital, investors are looking at office assets with the intention of converting these properties into hotels.”

ROME

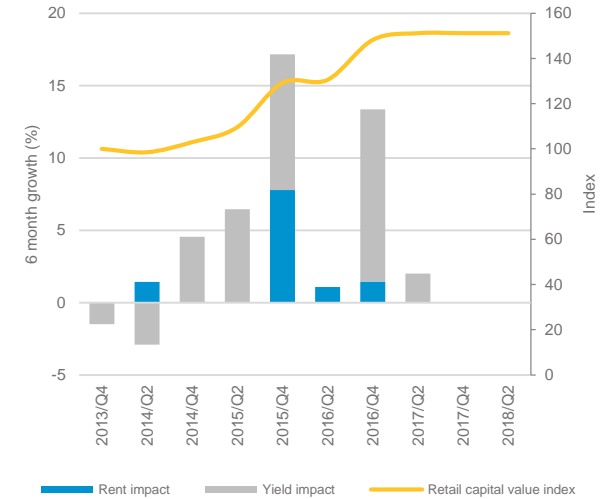
Cap. value index - rent/yield impact: Office



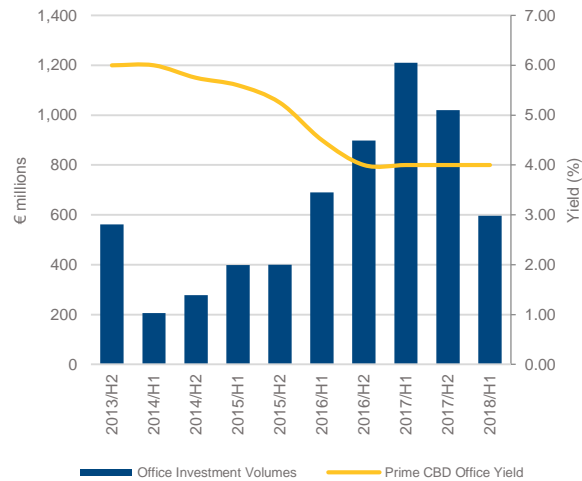
Cap. value index - rent/yield impact: Industrial



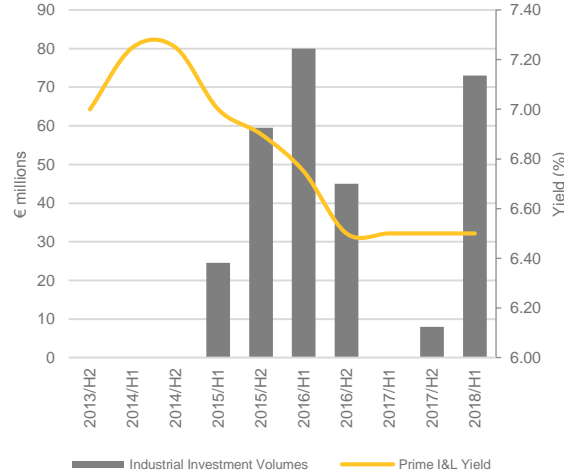
Cap. value index - rent/yield impact: Retail



Yields and 12M rolling investment volumes: Office



Yields and 12M rolling investment volumes: Industrial



Yields and 12M rolling investment volumes: Retail

