

INVESTMENT MARKET - 2018 – ROME

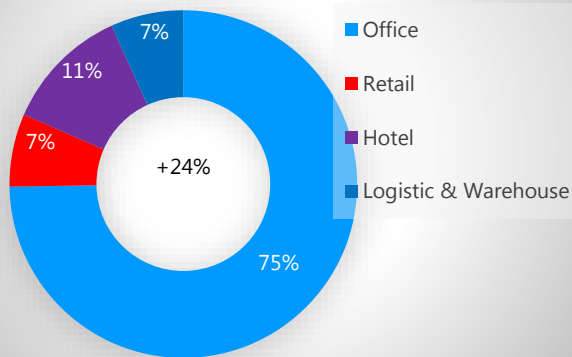
Real Estate Investment Outlook

The main Real Estate players underline a decrease (20%-25%) of the real estate investments in Italy, with total transactions over 8,5 €B: about 3,1 €B in Milan (-16% year-on-year compared with 2017) and ca. 1,9 €B in Rome (+24% higher than 2017).

According to the observed data the foreign capital in the first semester of the year represents less than 50% of the total investments in Rome.

Here below we underline a summary of the investment volumes per asset class in Rome city:

2018 – Investment Volume in Rome per Asset Class%



Location	Prime Yield* Range %		Prime Rents Range €/sqm per year	
Offices				
Rome - Center / CBD	4,00%	5,25%	350	450
Rome - Semicenter /EUR	5,00%	6,25%	250	350
Rome - Peripheral	6,25%	7,50%	150	250
High Street Retail				
Rome	2,75%	3,00%	10.000	12.000
Shopping Centers				
Prime Locations	4,75%	5,50%	750	900
Logistics				
Prime Locations	5,50%	6,50%	45	55

*net entry yield

Investment highlights (2018):

Most of investment transactions closed in 2018 are referred overall to central and semi-central areas.

It is confirmed a strong interest for prime asset, especially with preference for rented building or located inside the central area and easily adaptable to host hotels or retail uses.

2018	ADDRESS	VALUE AMOUNT (€M)	ASSET CLASS
Q4-18	Via del Quirinale, Via delle Quattro Fontane	Confidential	Office
Q4-18	piazza dell'Agricoltura e via Lombardia	270	Office
Q4-18	Piazza Don Luigi Sturzo	90	Office
Q4-18	Via Fornovo	51	Office
Q3-18	Via del Corso	22	High Street Retail
Q3-18	EUR Laurentina	Confidential	Office
Q3-18	Via S. Martino della Battaglia	25,8	Hotel
Q2-18	Via N. Parboni, Via I. Nievo	17	Office
Q1-18	Via Tempio del Cielo	Confidential	Office
Q1-18	Via Condotti	Portfolio	High Street Retail
Q1-18	Rione Sallustiano	Confidential	Office
Q1-18	Varie - semiperiferiche	65	Logistic
Q1-18	Via Nizza	30	Office
Q1-18	Viale Europa	51	Hotel
Q1-18	Via dell'Umiltà	36	Value added - Hotel

Focus - Office Market

The office market in Rome still represents the most attractive investment asset class.

Despite a general reduction of offices transaction numbers, investors seems to be focused on prime assets that are offered on the market in a very limited part. As a result, there is a strong competition on the key operations, with a strong compression of entry-yields on prime & core investment operations.

The main market sources point out how the rental market in Rome has a stable/slight growing trend, for the most central areas, the Central Business District (CBD) and the EUR quarter.

The *prime rents* in Rome are generally between 350-450 €/sqm in the CBD an central areas, while for the EUR area are recorded between 300-350 €/sqm per year.

It has been detected a recent space release trend, affecting peripheral areas and the EUR area, which could indicate a decline in attractiveness in the short-medium term.

Based on our analysis, the market rental rates would fall slightly for semi-central areas, while falling below 150 €/sqm for the most peripheral areas.

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