



Real Estate Market Overview

Italy 2019

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1. Country Profile

Country Profile

- The Italian economy is ranked as the third largest economy in the Euro area and the eighth largest in the world. As a prominent country, it is a founding member of the G7, G8, the Euro zone and the OECD.
- The country plays a significant role in the regional and global economy and it's a leading country in world trade, exports and tourism.
- Recently, it has suffered sharply from the financial crisis of 2007-08 and the subsequent European sovereign debt crisis.

	2000	2010	2018
GDP (€bn)	1,239,266	1,604,515	1,765,421
GDP per capita (€)	21,771	27,108	29,248
Population (m)	56.92	59.19	60.36
Life expectancy (years)	80	82	83

In Q2 2019, GDP increased by 0.1% on a quarterly basis, decelerating a little compared with the winter months.

Domestic demand was sustained by household spending and above all by investment in capital goods, which also benefited from the renewal of tax incentives (super-amortization scheme) in April; spending on construction, however, contracted. Once again, the changes in stocks made a negative contribution.

Net foreign demand was barely positive, owing to a greater increase in exports than in imports.

According to the latest data based on the Bank of Italy's forecasting models, Italy's GDP appears to have stagnated in the third quarter of 2019. GDP seems to have been held back again by the industrial sector, against a barely positive contribution from services and a modest recovery in the construction sector. The possibility remains that the weak cyclical conditions, which have so far been more marked in manufacturing, will transfer to other economic sectors to a greater extent than suggested by the data available so far.

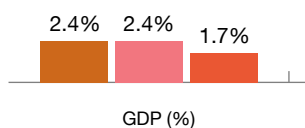
The cyclical weakness impacted real and expected inflation. The twelve-month change in the harmonized index of consumer prices declined to 0.2% in September; the seasonally adjusted annualized three-month inflation rate was -1.2%.

Source: Bank of Italy, Economic Bulletin October 2019

Italian main economic drivers

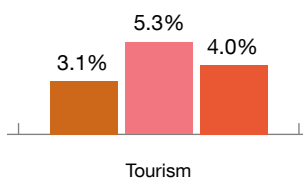
Economic Growth

- Italy has recovered from the Financial crisis, but it is growing slowly in comparison with other comparable countries.
- It's expected to grow at an average of 0.4% per year over the next 10 years.



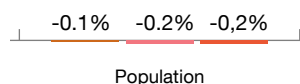
Tourism

- Italy is the country with the 3rd highest number of overnight stays in the EU.



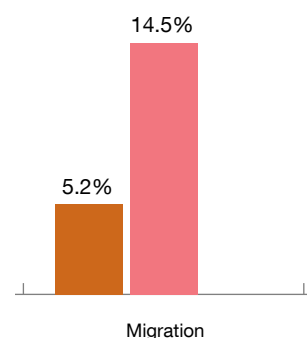
Population

- The Italian population is expected to grow to 60.3m in 2020 mainly due to immigration.
- It is expected to suffer from population ageing as with most developed nations.



Migration

- During 2015, Italy received 280,100 legal immigrants.
- Some sources estimate the number of illegal immigrants at 200,000.
- International migration will be key in future population demographics for Italy.



1.3%

Fertility rate
(births per woman)

- 0.2%

Annual population growth

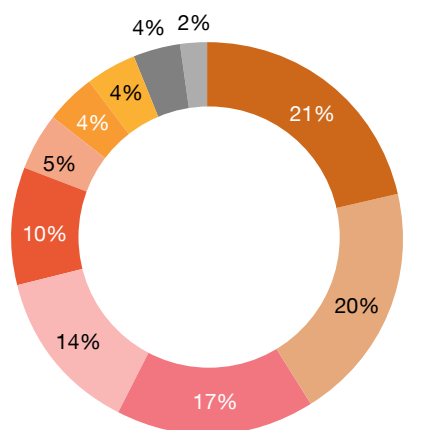
301.3

Area (sq. km -
thousands)

200.9

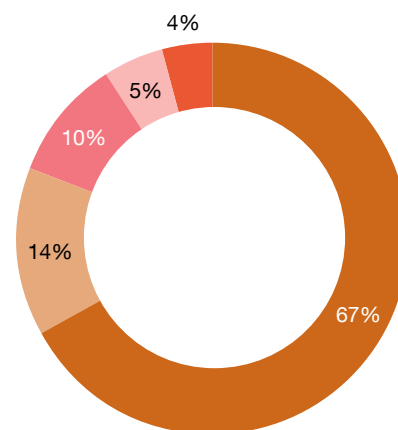
Population Density (people
per sq. km of land area)

Gross value added by industry



Trade, transport, accomm., food services
Industry including energy
Public adm., defence, education, health
Real estate
Professional, scientific, support services
Finance and insurance
Construction
Other services
Information, communication
Agriculture, forestry, fishing

Destination of exports (goods) 2018

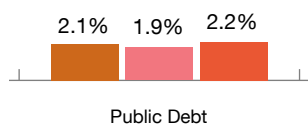


European Union
Asia
Northern America
Other
Middle East

Source: PwC analysis on Italian National Statistical Institute (INSI) and World Bank data

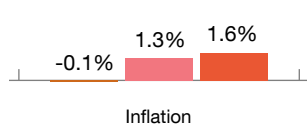
Public Debt

- Italy has a very high level of public debt. It will require significant effort, and political will, to achieve only modest reductions.



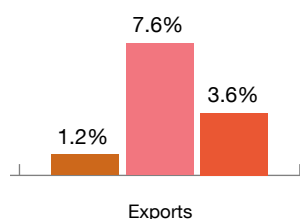
Inflation

- Italy has a similar trend to the EU-28, however the annual rate of price change has been lower.
- Persistently low inflation would make it more difficult to achieve the deleveraging necessary.



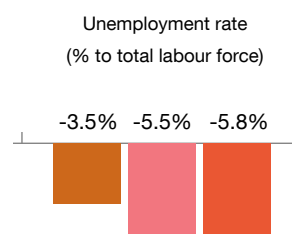
Exports

- Recent years have seen a recovery in exports, which have been a key driver of Italian growth.
- The main boost to overall export growth came from the pharma, refined petroleum products, and clothing sectors.



Unemployment

- The unemployment rate in 2018 in Italy is 2.2% above the Euro area states' average of 7.5%.
- It is projected to remain below 10% over the next 5 years.







2. Residential Mortgages

Residential Mortgages

Volume trend in Italy 07 – Q3 19

The cash amount supplied by banks to households from 2007-2019 according to NAB latest available data, has been recovering since 2013, although it has not returned to its historical peak. 2014 was the start of the recovery for **mortgages to households**: the number of mortgages signed to purchase a house in 2014 was 13% higher compared to 2013, while 2015 recorded a substantial increase of **70.6% over 2014**. In 2016, mortgages for houses grew by **20.5% from 2015**, while in 2017 mortgages decreased for the first time in three years. The growth rate during the first nine months of 2019 reports an increase of 6.4% compared to the same period of the previous year.

At the end of 2019, the total volume supplied is expected to be slightly lower than 2018.

These trends are important signs that show a renewed interest of the financing industry in the real estate sector, although an important share is represented by transfer loans (*surroghe*) and loan refinancing.

The Bank of Italy provides data on new mortgages, transfer loans and refinancing starting from the third quarter of 2014. In the first nine months of 2019, **45.6% of the new supply actually covered new mortgage contracts**, for the acquisition of the first house, the second house or a construction/ restructuring operation, while transfers (*surroghe*) loans accounted 53.5% of the market, and refinancing accounted for only 0.9%.

When comparing the first nine months of 2019 with the same period of the previous year, there is a slight increase in transfer of loans which in 2018 represented less than 47% of the market.

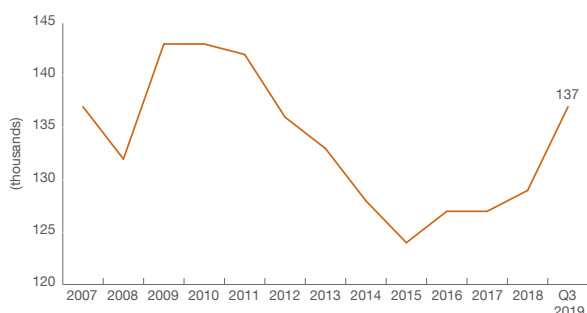
Volume trend in Italy 07 – Q3 19

In 2018, the share of total purchases that included a mortgage gained an additional 1% point (one percentage point was also gained in 2017) reaching 50.7%.

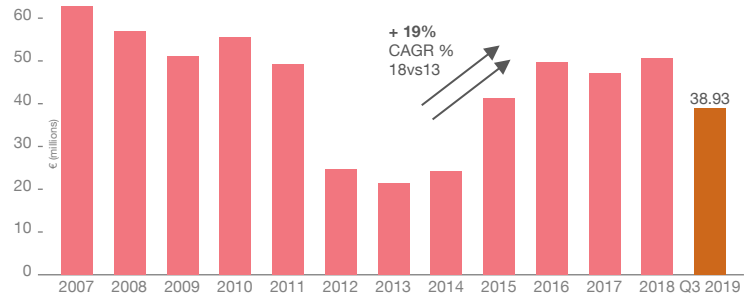
The Center records the highest share of mortgage loans at 55% of home purchases by individuals; on the other hand, the Islands have the lowest incidence at just over 36% of the sales.

Over the past 10 years, mortgages in the range of **€50,001 and €150,000** account for a portion of more than **66% of the total loans granted each year**. These mortgages are usually for a **Loan-to-Value in the range 71-80%**, followed by the range 61-70%.

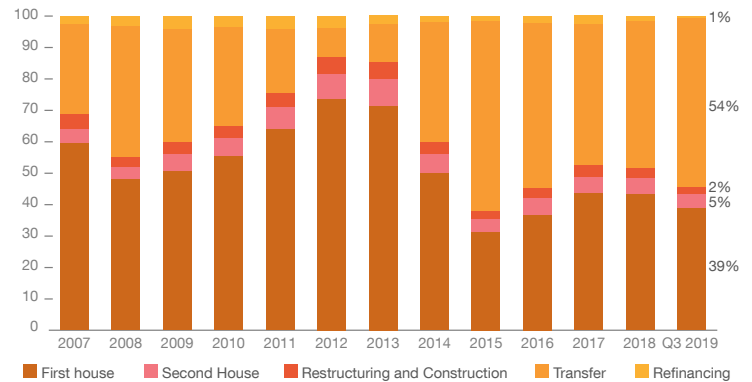
Average mortgage amount 07 – Q3 19



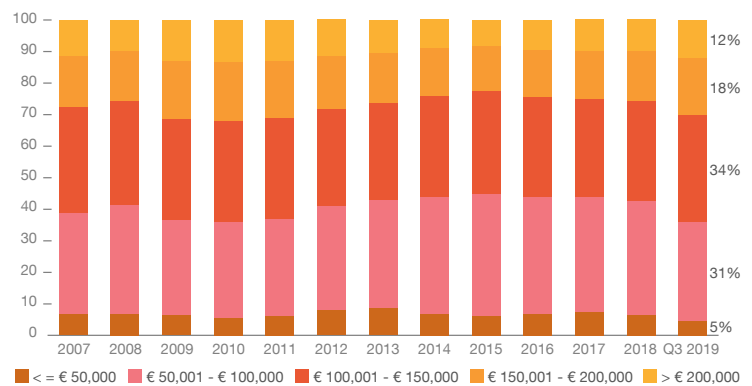
Cash amount supplied by banks to households 2007 – Q3 2019



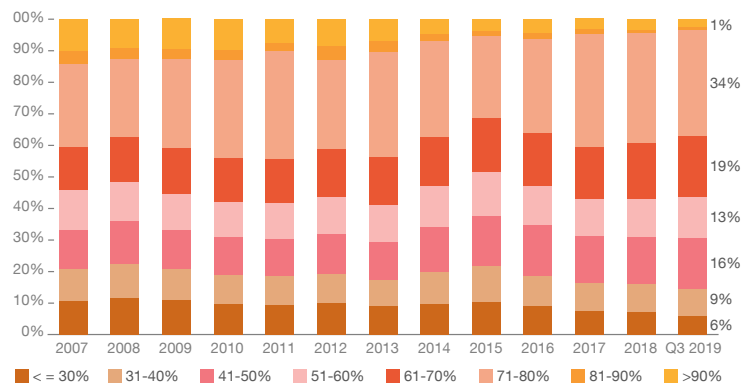
Mortgage request by purpose 2007 – Q3 2019



Mortgage request by amount 07 – Q3 19

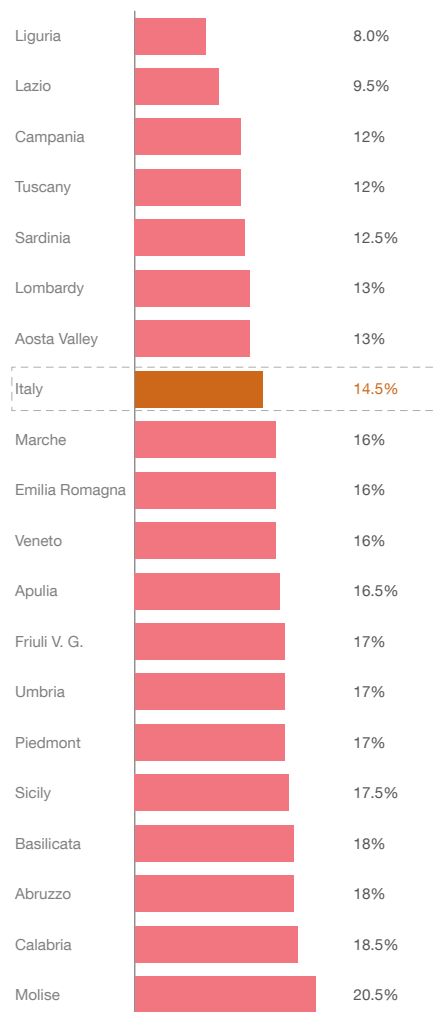


Mortgage request Loan-to-Value (LTV) 07 – Q3 19



Source: PwC analysis on NAB data

Italian affordability index – 2018 by region



Italian Affordability Index

The **affordability index** is calculated based on the following variables:

1. **Interest rate**, which reflects the trend of available credit and monetary policy;
1. **Housing prices**, which express the situation of the housing market;
1. **Disposable income**, which expresses how developed a country is and its overall level of competitiveness.

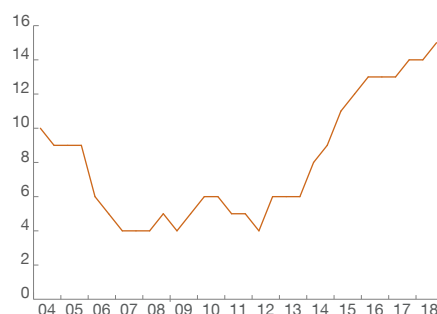
An Affordability Index >0% means that the average Italian household is able to purchase a home at the average price of the market. An Affordability Index <0% means that the average Italian household is not able to purchase a home at the average price of the market.

The further away from zero conveys the level of ease or difficulty for an average Italian family to purchase a home.

The recovery of disposable income, which started in 2014, gained momentum last year. At the end of 2018, the disposable income of the average Italian household reached €44,000, which is a **1.7% increase** compared to the previous year. For the first time since 2004, the cumulative change in disposable income exceeds house price dynamics.

The higher frequency trend shows that in the early months of 2019 the affordability index (AI) showed a further improvement: in March the index touched a value 1 tenth of a point higher than the second semester of the previous year.

Affordability index for Italian households



Household income and housing prices (index base H1 2014=100)



The affordability index is calculated as follows:

$$\text{Affordability index base} = \frac{\text{Payment (interest, years, house price} \times \text{LTV\%)}^*}{\text{Income}}$$

$$\text{Affordability index} = 30\% - \text{Affordability index base}$$

The 30% in the equation is the maximum percentage of yearly income that should be used to service a mortgage.

*Years are fixed at 20 and LTV is 80%





3.

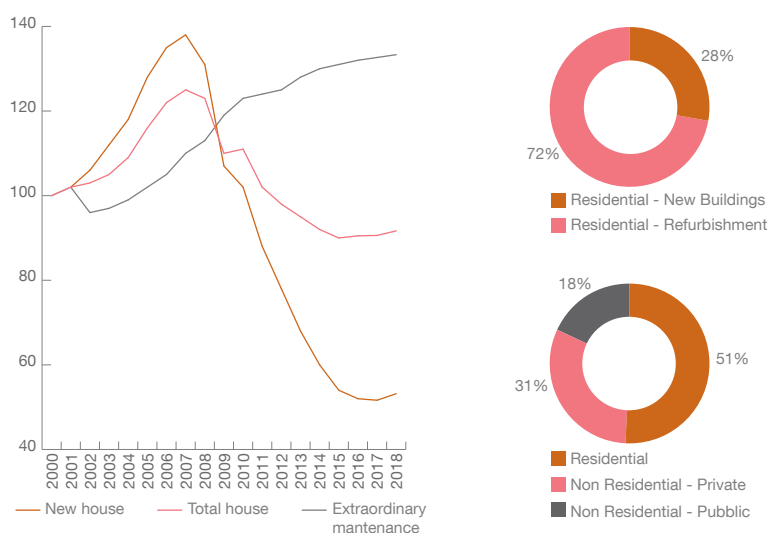
Investments in Construction

Investments in Construction

Investments in Construction

The INSI Index for building constructions forecasts an **increase of 2.8% in 2018** compared to 2017. The positive signs in 2018 in the residential and non-residential private sector were unable to balance the lack of growth in public works. In 2017, investments in new residential houses were €17.8bn, which was 0.5% higher than 2016, and 2018 is expected to record an additional increase of circa 3%. During the same year, the investments for upgrading the housing stock have been estimated at €46.2bn. The investments in private non-residential buildings amounted to €38.0bn (+4.4% compared to 2016), while those in public non-residential buildings amounted to €22.5bn (-6.0% in real terms). However total investments in 2018 are still 24.3% lower than investments in 2007. In fact, investments in residential during the same period registered a decrease of almost 19%, mainly from a 61% decrease in new residential.

Residential Investments



Forecasting construction investments 2019

In 2019, all major national and international research institutes are downgrading the growth forecast for Italy, with a reduction in public resources. According to the NAB forecasts, growth in construction investment is postponed, especially those related to public works. Considering private investment, NAB estimates a recovery in the residential and non-residential sectors, however to a lower level than the current trends.

For 2019, investments in the construction sector (net of property transfer costs) have been estimated at **€133 bn** at the national level, which is an **increase of 2.0% in real terms** (+3.9% in current values) compared to 2018.

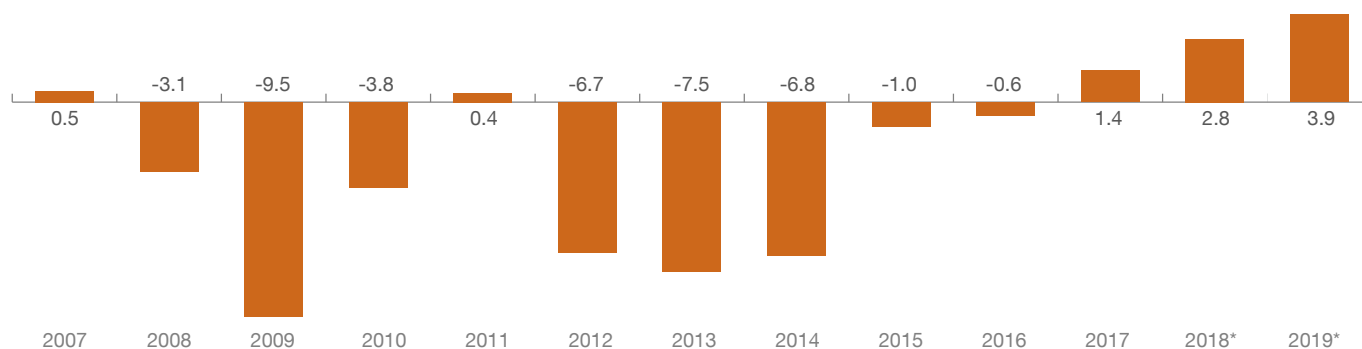
Investments in extraordinary maintenance works on residential properties are expected to increase by +0.7%, thanks to the start of the first interventions aimed to reducing the seismic risk (sismaeco bonus) on entire condominiums. The forecasts predict an

increase of investments in new homes and private non-residential construction with an increase of 3.5% and 3.0% on an annual basis, respectively.

Bank loans

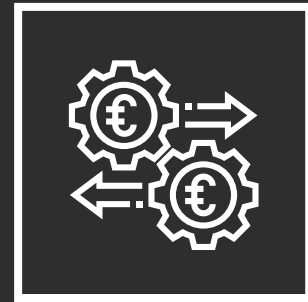
For ten years, **bank loans to undertake new investments in real estate have decreased**, while in the first nine months of 2018, for the first time, the disbursements of new mortgages for residential investments show a slight increase of +1.6% compared to the same period of the previous year. The reduction in loans seen in the residential sector was very strong: from €31.5bn granted in 2007 to just €7bn in 2017 (-77%), as for the non-residential sector, in the third quarter of 2018 recorded a strong +28.0%.

Construction investments for buildings: change in quantity with respect to the previous year









4. Transaction Trends

Transaction Trends

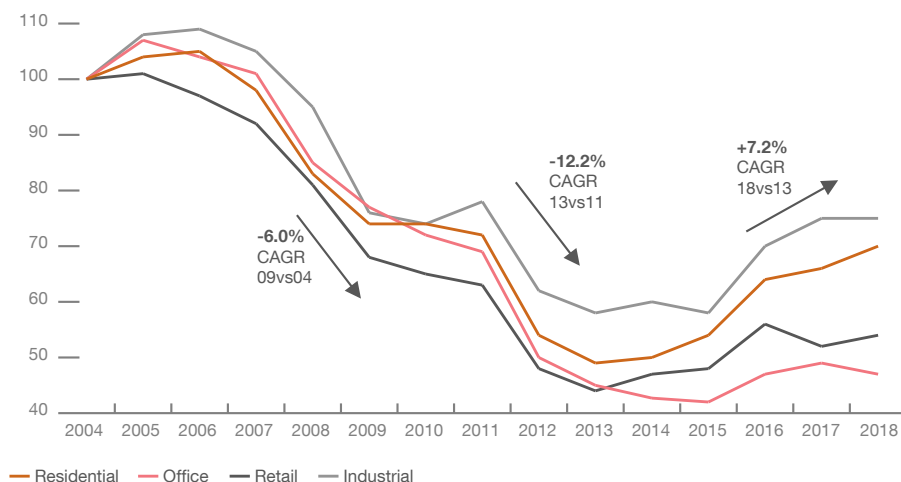
Stock and transaction (NNT) overview (2004 – 2018)

From 2004-2018, the number of transactions for the main assets classes (residential, office, retail, and industrial) followed the same general trend, peaking around 2005/2006, and then drastically declining until the market started to recover around 2014.

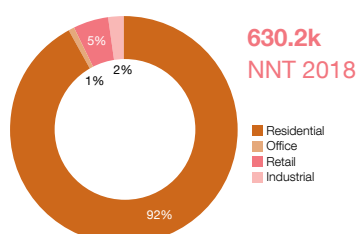
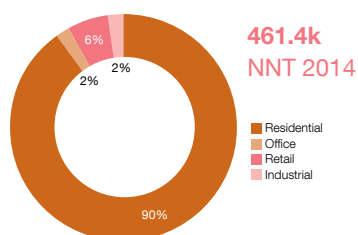
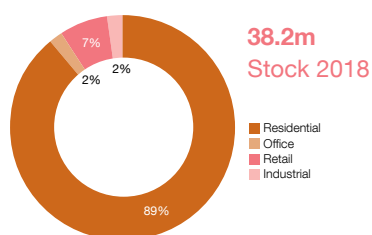
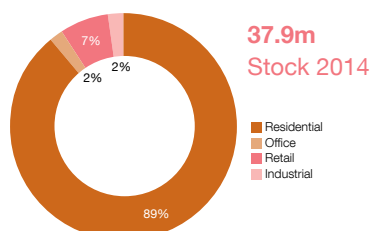
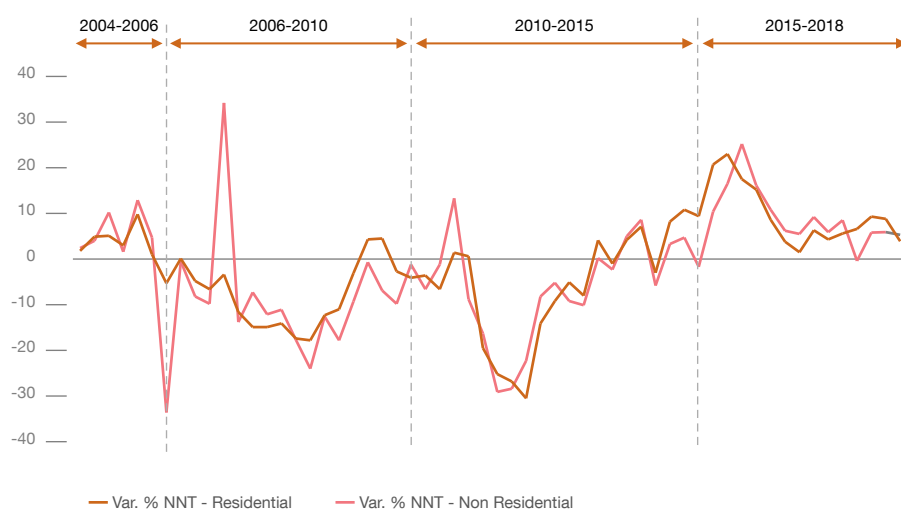
Since 2014, all asset classes have showed significant growth, although well below the pre-crisis peak.

Residential is the main asset class, accounting for circa 90% of total transactions and stock. For non residential asset classes, retail accounts for 5% of total transactions and 7% of stock, followed by industrial with 2% of transactions and stock.

Transaction trend (NNT) (2004 – 2018)



NNT % change of the Italian real estate market (2004 - 2018)





Historical residential transaction trend

From 2014-2018, the residential real estate market was finally able to put an end to the long and sharp drop that started in 2007, recording substantial, consistent growth and highlighting clear signs of recovery.

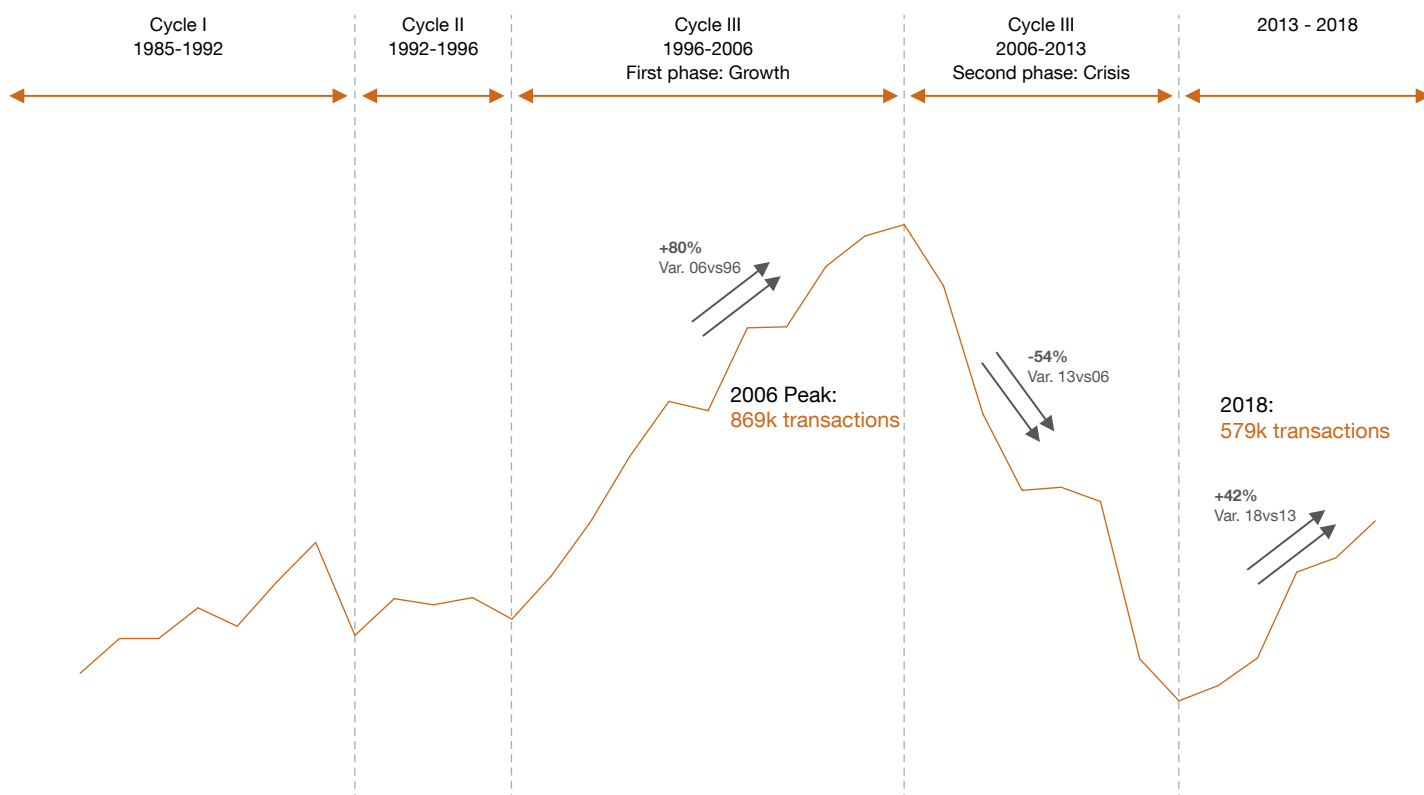
The number of residential transactions reached approximately **579k in 2018**, with a growth of +6.7% compared to the previous year.

The positive turnaround registered in 2014 was mainly influenced by lower registration costs that came into effect on 1 January 2014 for mortgages and cadastral documents, which are applicable to the transfer of real property (Article 10 of D.lgs 14 marzo 2011, n. 23).

Since 2014, the market has **recorded five consecutive years of growth**.

This positive trend of the residential market is mainly supported by low mortgage interest rates and by the availability of the banking sector to provide credit.

Historic number of residential transactions (1985 – 2018)



Source: PwC analysis on Italian IRS data

NNT H1 2019 - Residential

In H1 2019, there were **298,144 residential transactions**, **17,174 more than the same period of 2018 (an increase of 6.1%)**.

The growth in the number of residential transactions recorded in Q2 2019 outpaced the growth seen in the previous quarter (+15% compared to -17%) and the absolute number of transactions are reaching levels previously recorded before the drop in 2012. According to NNT historical trend, seasonally adjusted with four-quarter moving average, the housing market has been recovering almost uninterrupted since 2014.

Although the **Islands** recorded the lowest number of residential transactions in H1 2019 at 25,546, this territory has shown the highest increase at +59.0% over the same period in 2018.

The Northern territories grew at 25%, with 103,049 homes sold in the North-West and approximately 58,570 in the North-East. In the Center, the growth was close to 37% with more than 61,000 purchased homes, and finally in the South, transactions rose by 47.3%, exceeding 49,000 units.

Distinguishing the residential market between province capitals and the rest of their provinces, during H1 2019, there was a different increase in transactions between the two areas with +35.2% in the province capitals and +29.7% in the rest of their provinces.

298,144

Residential NNT H1 2019

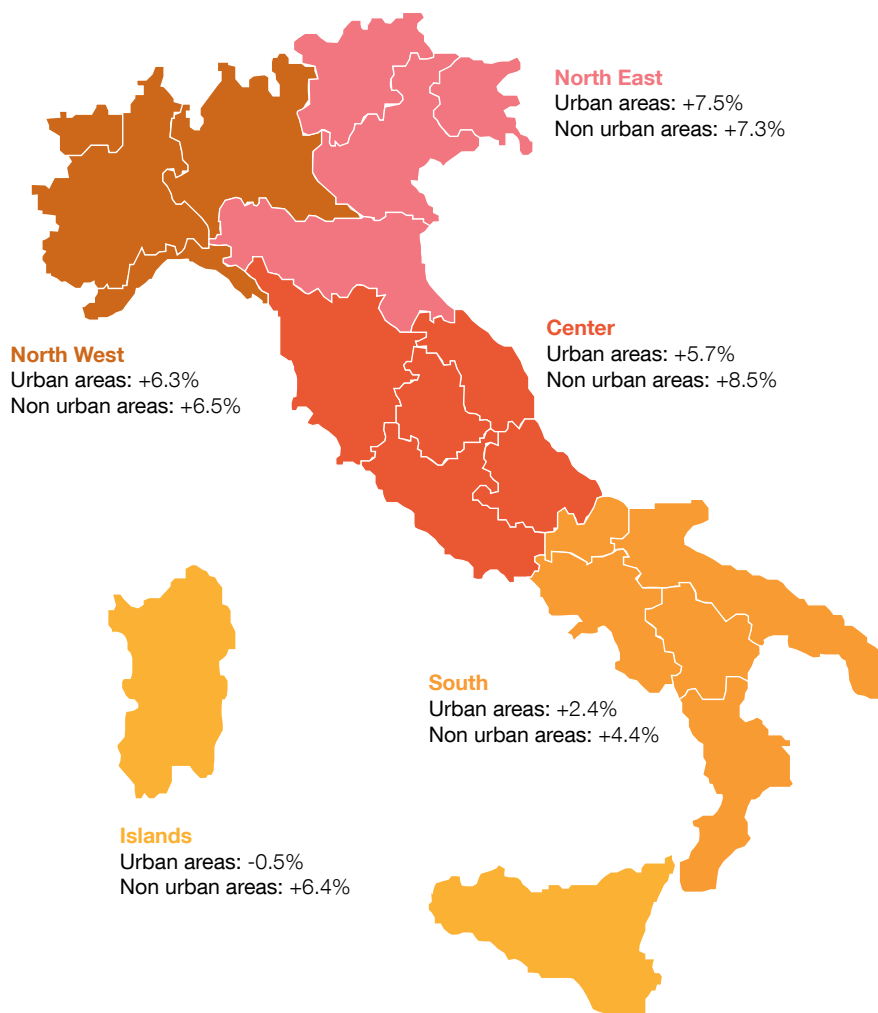
280,970

Residential NNT H1 2018

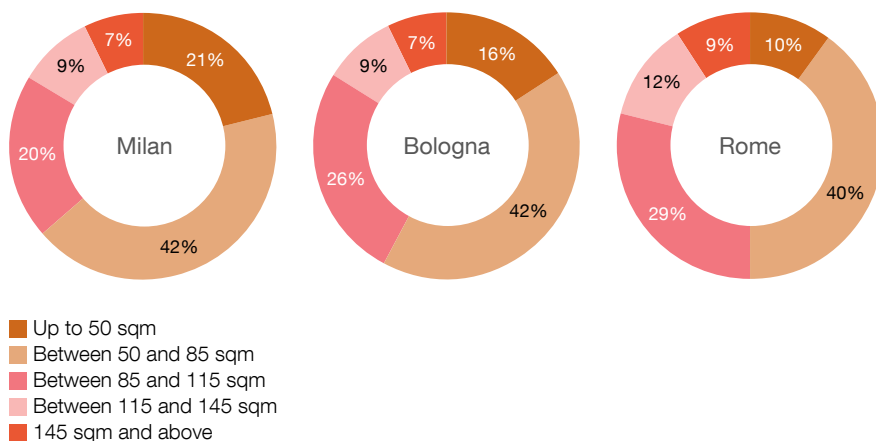
+6.1%

Var. (%) NNT H1
2019 vs H1 2018

Var. (%) NNT H1 2019 vs H1 2018 by area



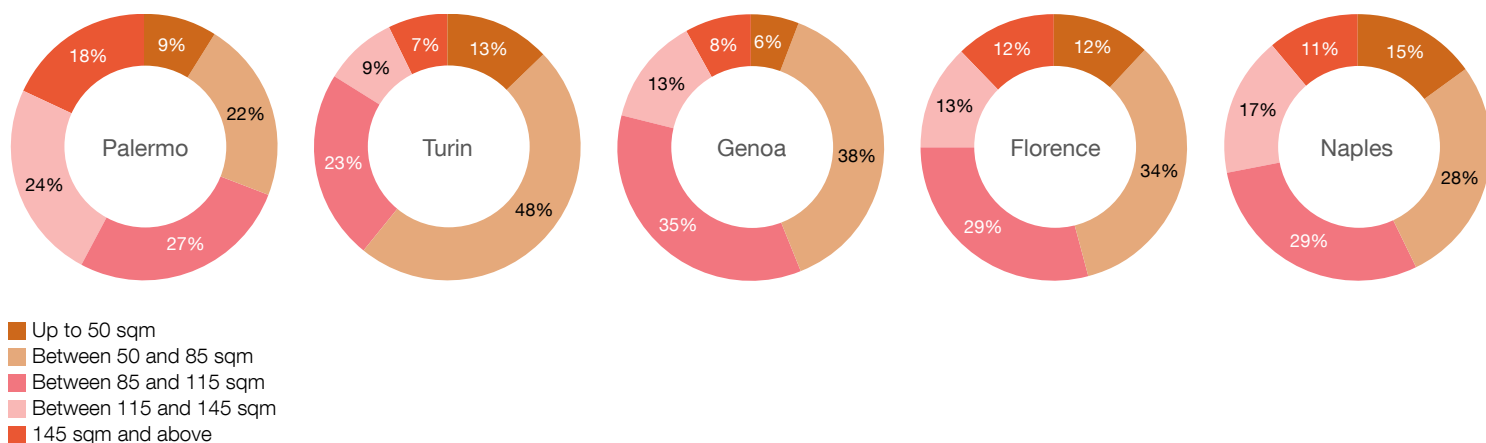
Share of NNT H1 2019 by dimensional class



Var. (%) NNT H1 2019 vs H1 2018 by main cities



In H1 2019, **4.8m residential sqm were sold in the 8 main cities of Italy** (about 15% of the national total), an **increase of 1.7% compared to H1 2018** and similar to the observed growth for the entire country. The average size of residences sold is lower in Milan and Turin, below 90 sqm, while it is highest in Palermo with over 100 sqm. The distribution of the transactions in the main cities by residence type shows that in H1 2019, transactions regarding residences **between 50 and 115 sqm accounted for 65.7% of the total**. **In Milan, houses up to 50 sqm purchased in H1 2019 were almost 21% of the total in Milan**; Transactions for houses over 145 sqm had the greatest share in Palermo, Florence, and Naples.



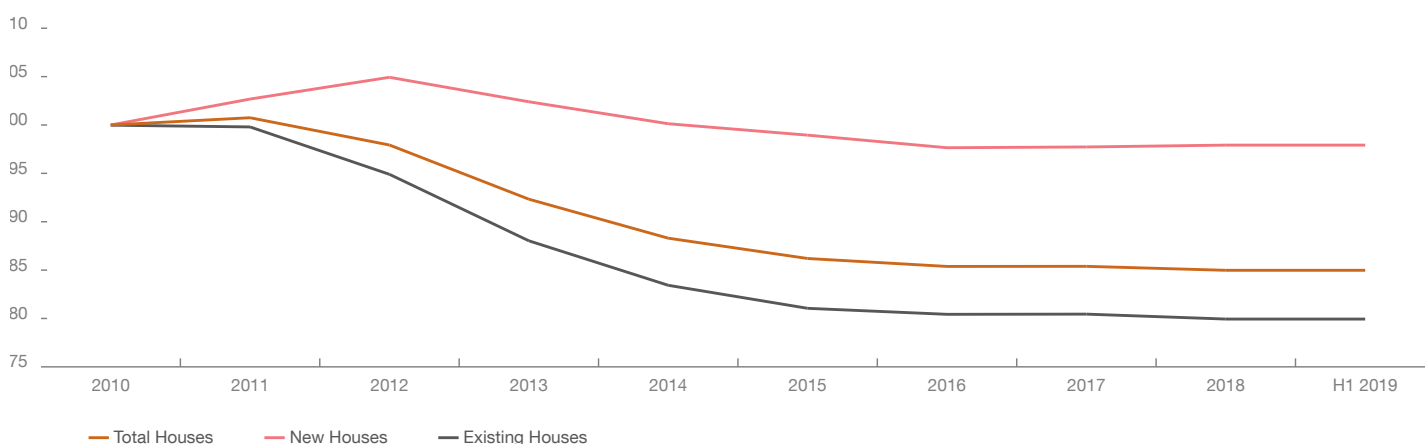
Residential Purchase Prices

The analysis of the variation of prices and transactions in the residential real estate market since 2004 shows that the **transaction volume** for the residential market has **suffered a reduction** since 2006, whereas the **house prices kept growing**, even if slowing down until 2008. During 2009, house prices started to decrease as the number of transactions continued to decline.

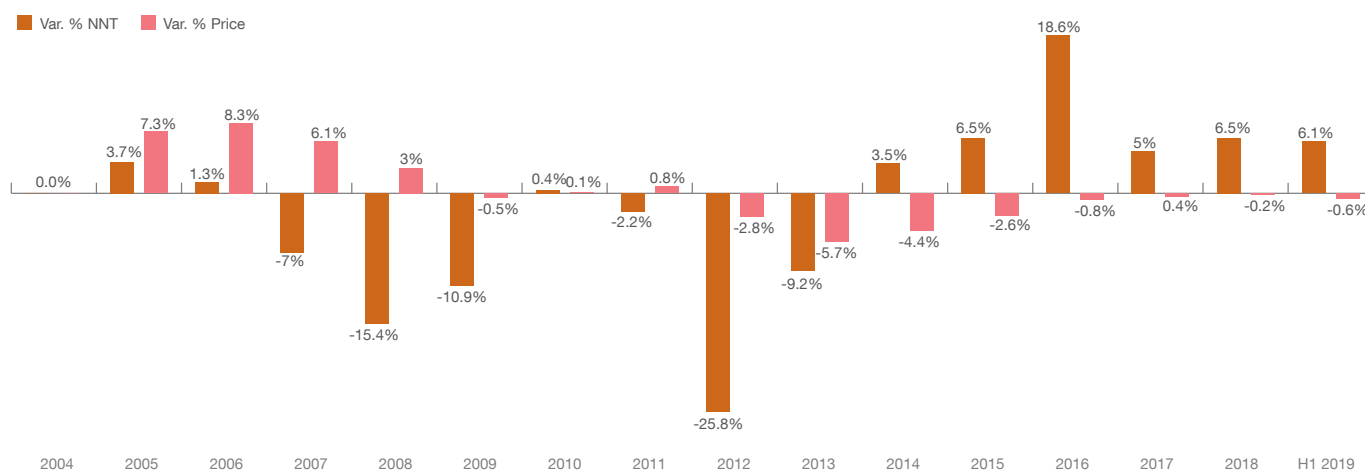
During 2012, the number of transactions suffered a steep decline by circa 26% from the previous year and, as a consequence, prices suffered a further decline. A negative period followed until 2014, when the trend switched to positive for what concerns the transactions. Since 2014, the market has been in a phase of recovery with transactions increasing, while house prices are still having difficulty increasing.

The average discount on sales prices has decreased to 9.8% from 10.4% in H1 2018, while the time needed for negotiations has decreased to 6.3 months.

Var. (%) Residential purchase prices



Var. (%) of purchase prices and residential NNT



Relationship between purchase price and bid price H1 2019

	Lower					Equal or higher	Average discount	Months occurring from the put up for sale to the purchase date
	over 30%	20 to 30%	10 to 20%	5 to 10%	less than 5%			
Geographic distribution								
North West	0.8%	5.3%	40.4%	25.6%	24.8%	3.1%	10.2%	6.1
Urban areas	0.0%	2.9%	36.2%	33.8%	24.0%	3.1%	9.3%	5.5
not Urban areas	1.5%	7.7%	44.6%	17.5%	25.6%	3.1%	11.1%	6.6
North East	1.6%	3.9%	21.9%	39.0%	30.0%	3.7%	8.5%	6.5
Urban areas	0.0%	1.5%	43.7%	21.2%	32.5%	1.1%	9.3%	5.8
not Urban areas	2.0%	4.6%	15.7%	44.0%	29.2%	4.4%	8.3%	6.7
Center	1.7%	2.2%	30.5%	33.6%	29.9%	2.1%	9.0%	6.0
Urban areas	1.1%	2.6%	33.6%	29.5%	30.4%	2.8%	9.1%	5.4
not Urban areas	2.2%	1.8%	27.9%	37.1%	29.4%	1.6%	8.9%	6.5
South and Islands	1.2%	12.0%	39.6%	31.7%	15.1%	0.4%	12.1%	7.1
Urban areas	0.4%	10.4%	36.9%	35.5%	16.5%	0.4%	11.3%	6.8
not Urban areas	1.5%	12.6%	40.6%	30.3%	14.6%	0.4%	12.4%	7.2
H1 2019	1.3%	5.3%	33.6%	31.7%	25.7%	2.5%	9.8%	6.3
2018	1.2%	7.7%	31.8%	45.8%	11.3%	2.5%	10.8%	7.2
2017	2.8%	10.0%	33.7%	34.4%	13.6%	5.6%	11.4%	7.5
2016	4.1%	14.9%	39.3%	25.8%	10.9%	5.2%	13.2%	8.7

Source: PwC analysis on Bank of Italy data



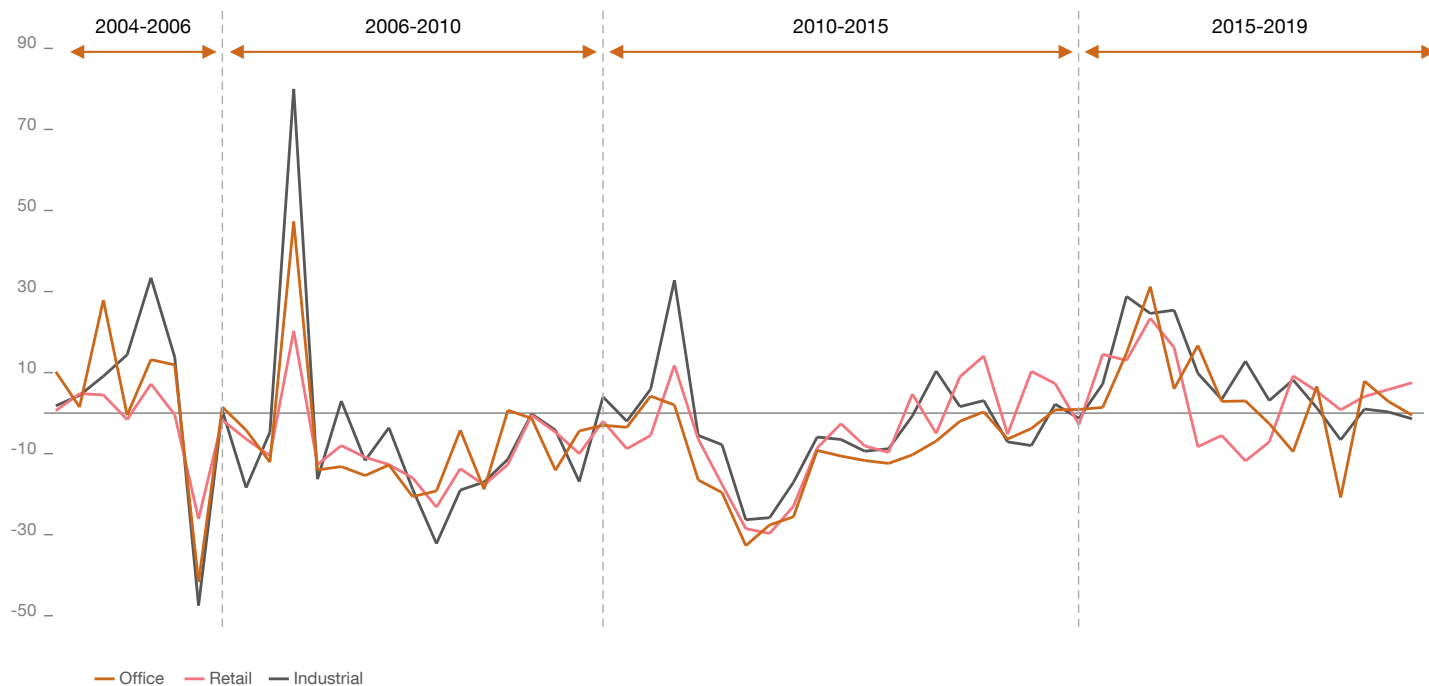
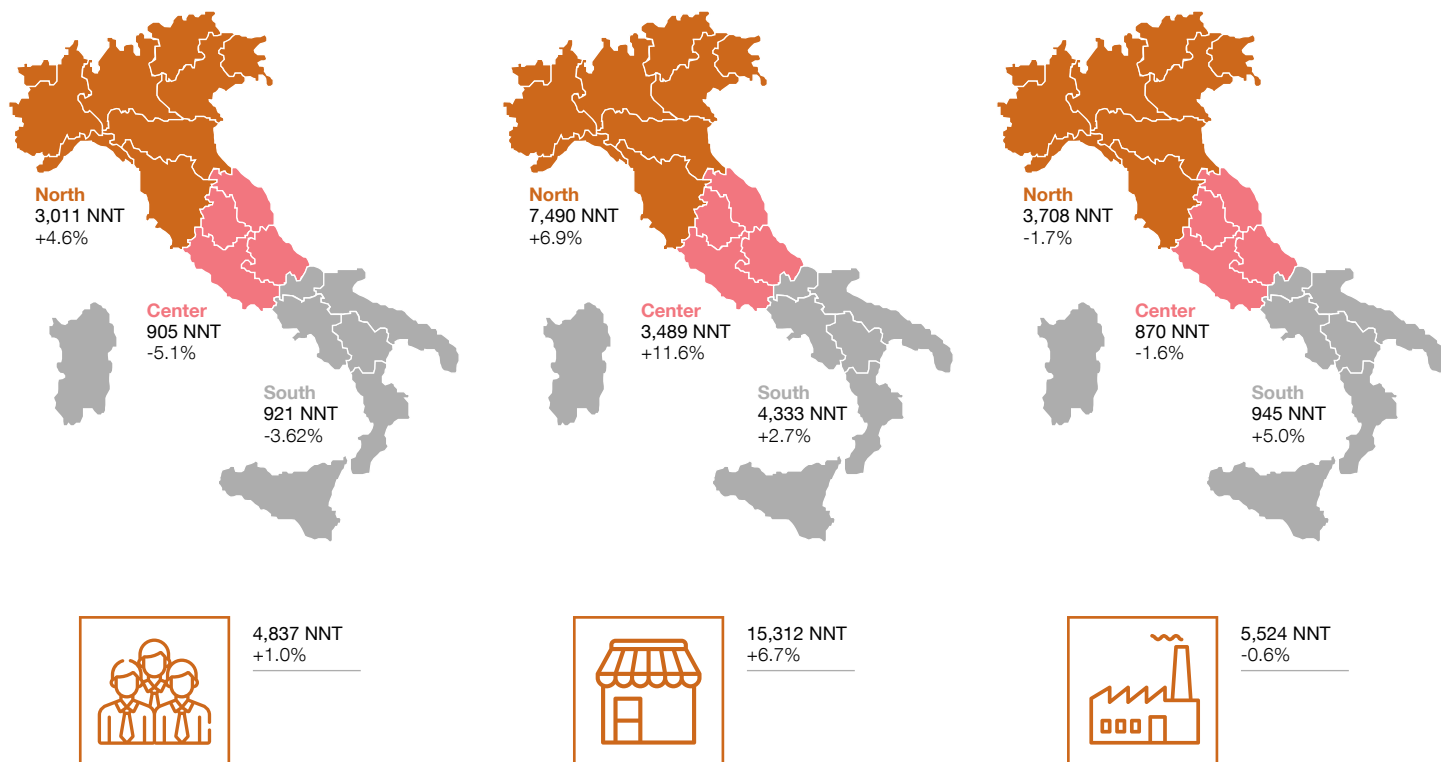
NNT H1 2019 – Non Residential

For the **non residential** asset classes, in **H1 2019**, the **retail** sector recorded 15,312 transactions with **+6.7% growth** over the same period the previous year. Retail transactions are mainly concentrated in the north, but the highest growth was recorded in the center. The **industrial** sector (logistics and manufacturing) recorded **5,524 transactions**, which was only 0.6% lower than H1 2018. The **office** sector reached **4,837 transactions**, and showed the second strongest growth with **+1.0%**, from the demand for facilities in the north. The graph reports the series of **yearly percentage variations of the number of transactions** by quarter since 2004, within non **residential segments**. A clear slow down of the negative trend of transactions was recorded during 2013, which finally started turning positive in 2014

and mostly continued over the next 3 years, although with variations depending on the asset class: 2015 indeed suffered a fall of the industrial asset class, which was prolonged during almost all the quarters of the year, except for the third one. For what concerns the office market a slight positive trend was registered, resulting in sharp growth in Q4; on the opposite, the retail markets have quickened in particular during the central quarters, then slackened later. During 2016, transactions consistently increased across all asset classes over year before, further confirming the market recovery. In 2018, the number of transactions for all non residential asset classes continued to grow each quarter, except for office, which showed a slight reduction in sales.



Var. (%) NNT H1 2019 vs H1 2018 by area







5. Italian Investment Trends

Italian Investment Trends

Historical investment trend of commercial Real Estate in Italy

Investments in **H1 2019** reached a level of €5.0bn, about 58% higher than the same period in 2018. which is the best half year ever recorded in terms of volume and total transaction value.

The individual sector with the largest share of investments is the Hotel asset class with €2.1bn, which represents 42% of the total transaction volume, followed by the Office sector with €1.7bn invested. This result was influenced by the sale of two hotel portfolios for a total value respectively of circa €1bn and €0.3bn. Retail investments reached over €760m, a 37% decrease compared to the same period of 2018.

Milan and Rome still represent key markets for investment, accounting for 38% and 16% of the total investment volume in the first half of 2019 respectively, with a concentration of office investments in Milan and retail investments in Rome. The main source for real estate investments in Italy is still represented by foreign capital, accounting for 80% of the total, which is higher compared to the previous year.

€5.0bn

Total investments in H1 2019

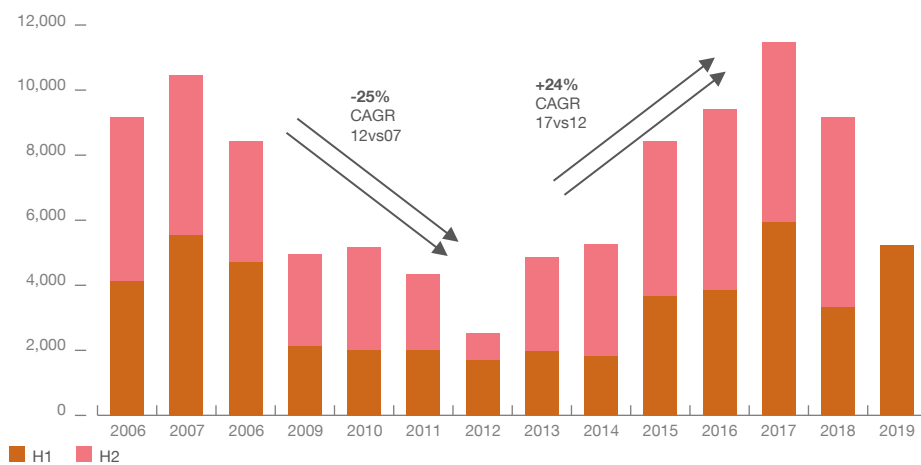
+58%

Investments H1 2019
vs H1 2018

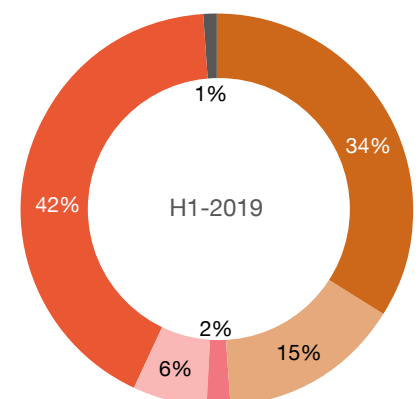
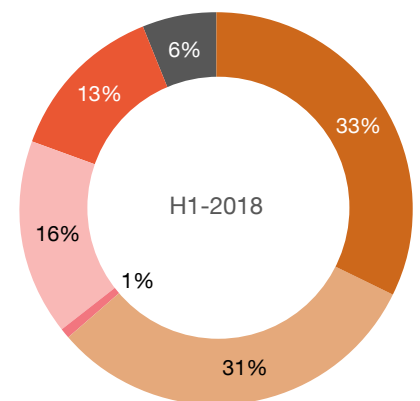
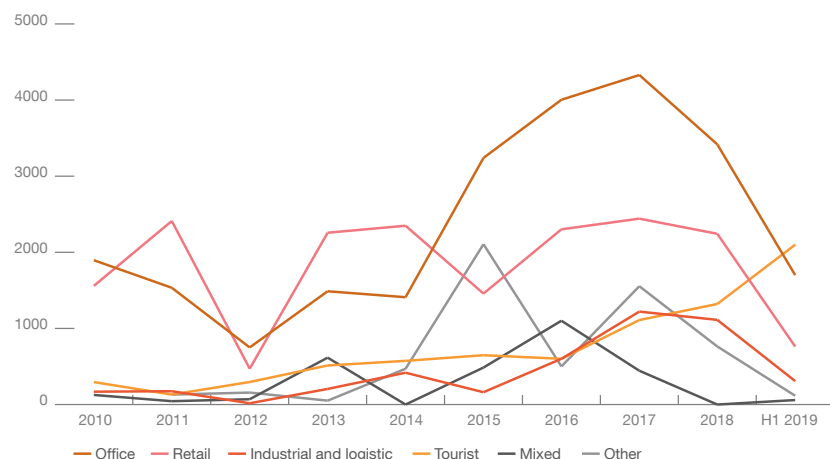
80%

Share of foreign investments
H1 2019

Historical investment trend (€m)

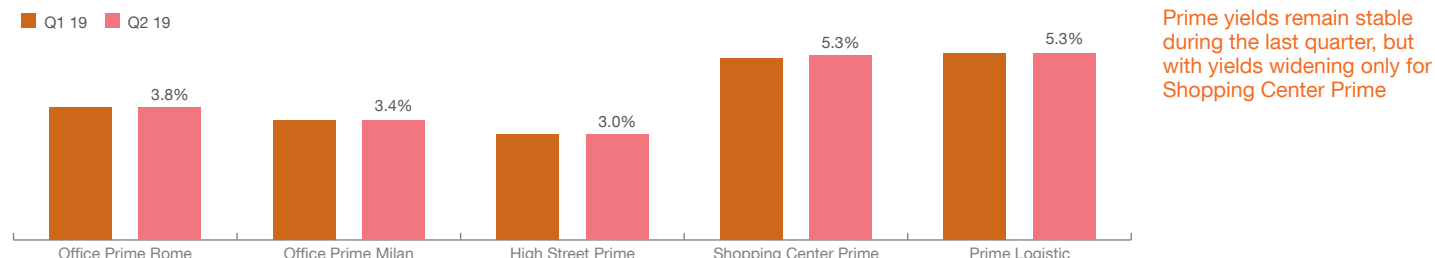


Investments trend by asset class (€m)



Source: PwC analysis

Net yields in Italy by asset class H1 2019



Transaction and deal analysis

The table reported herein shows for each asset class the top transactions in terms of value since H1 2017 to H1 2019.

Key data main transaction

1.24 €bn



Office

883 €m



Retail

1.07 €bn



Shopping Center

960 €m



Industrial & logistics

1.82 €bn



Hotel

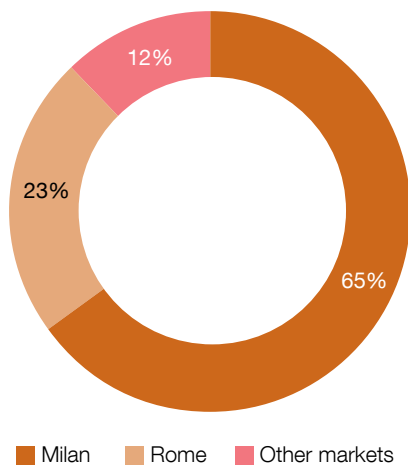
Asset	Price (€m)	Seller	Purchaser	Location
31-32, Foro Bonaparte, Milan	272	Edison	Dea Capital RE SGR	Milan
Covivio portfolio, Various locations	263	Covivio	Kryalos	Milan, Rome, Venice
Vodafone Village 1, Milan	213	Coima Res	Meritz Financial Group	Milan
39, Via Pirelli, Milan	193	City of Milan	Coima SGR	Milan
449, Via Laurentina, Rome	170	Savills	GWM Group, DeA Capital Real Estate	Rome
35, Via Pirelli, Milan	130	Coima SGR	Deka Immobilien	Milan
26, Via della Spiga, Milan	250	Thor Equities, Invesco Real Estate	Savills, Barings	Milan
Coop portfolio, Various locations	250	Coop Alleanza 3.0.	BNP Paribas REIM SGR	Various locations
Two luxury department store, Rome & Milan	150	Kering Group	BMO Real Estate Partners	Rome, Milan
1-3, Piazza San Babila, Milan	95	OTB, Red Circle S.r.l / Renzo Rosso	Gruppo Statuto, DRC Capital	Milan
4, Via Pietro Verri, Milan	92	Gruppo Statuto, Beni Stabili SpA	Amundi	Milan
Fondamenta Orseolo, Venice	46	Gruppo Coin Spa	AXA IM	Venice
Parco Leonardo, Fiumicino	300	Cibele Uno	Generali, Poste Vita	Fiumicino
Shopping centers portfolio, Various locations	200	Blackstone	Partners Group	Carpi, Monselice, Civitavecchia, Roma, Brindisi, Melilli
Shopping centers portfolio, Various locations	187	Eurocommercial Properties	IGD SIIQ	Bologna, Mantova, Sarzana, Imola
Centro Sicilia, Misterbianco	140	Cualbu	GWM Group	Misterbianco
Gran Shopping Mongolfiera, Molfetta	135	Orion Capital Managers, HB Capital	CBRE Global Investors	Molfetta
8 Gallery, Turin	105	PIMCO, GWM Group	Pradera, AXA IM	Turin
Logicor portfolio, Various locations	600	Blackstone (Logicor)	China Investment Corporation CIC	Various locations
Passo Corese, Rome	118	Segro	Tritax Group	Rome
Five-asset portfolio, North of Italy	100	Prologis	The Carlyle Group	Milan, Bologna, Venice, Turin
Four-asset portfolio, Various locations	76	Dea Capital SGR	Kryalos SGR	Oppeano, Cameri
Three-asset portfolio, Lombardy	66	-	Blackstone	Lombardy
Belmond portfolio	1,000	Belmond	LVMH	Various locations
Bauer Hotel, Venice	400	Bortolotto Possati family	Blue Skye Investment, Elliott Management	Venice
Castello portfolio	250	Castello SGR	Oaktree	Various locations
Capri Palace Hotel & SPA, Capri	105	Dogus	Centricus	Anacapri
NYX Hotel, Milan	60	-	Dea Capital Real Estate	Milan

Office sector H1 2019 - Investments

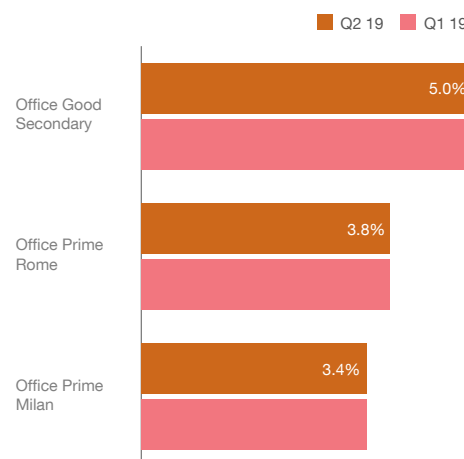
Office investment volumes were slightly lower in 2018, but basically due to the excellent performance recorded the previous year. In 2017 the investment volume was supported by a large deal involving the sale of properties by a Roman developer for around €500m. **In the first six months of 2019 the investment volume reached €1.7bn** (+42% compared to the same period of the previous year), and slightly down (-15%) compared to the record first part of 2017. The main markets remain Milan and Rome, accounting for 65% and 23%, respectively, of the total investment volume in the first half of the year. Milan recorded further growth and continues to have the role as a Gateway city.

Rome's market showed a slight increase compared to the previous six months, although continues to underperform compared to the five years average. Competition for the limited amount of core products, both in Milan and Rome, has led to a compression of prime yields, which have reached their lowest point; These compressed yields could remain at this level in the medium-long term. The forecast remains prudent, heavily dependent on the uncertain political situation, even though the market is alive and dynamic. Investment strategies are expected to continue to shift towards the redevelopment of existing buildings in prime locations and an increase in interest for prime properties in secondary locations.

Investments by location H1 2019 (%)



Net yields H1 2019



€1.7bn

Total Investments in H1 2019

+41.7%

Var. % H1 2019 vs H1 2018

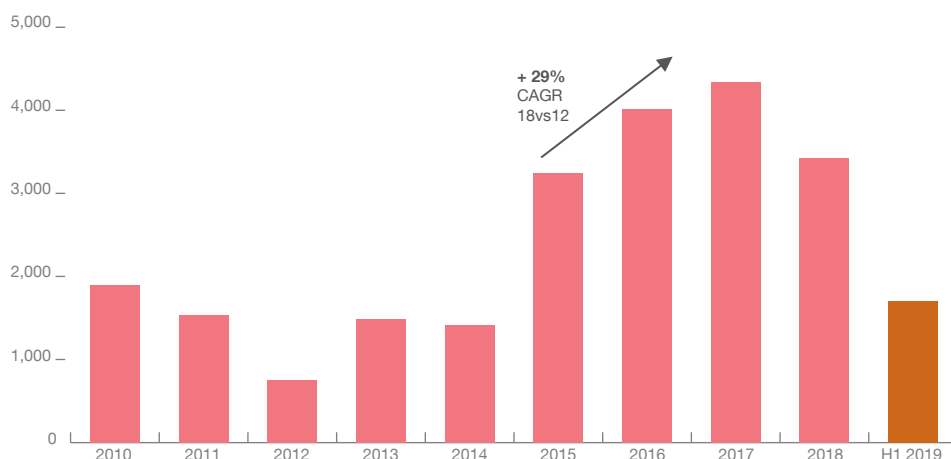
440 €/sqm/y

Rome CBD Prime Rent Q2 2019

590 €/sqm/y

Milan CBD Prime Rent Q2 2019

Investment trend (€/m)



Retail sector H1 2019 - Supply

In the first half of the year, seven projects have been completed for a total GLA of 145k sqm: five of these were new openings, which are a shopping center in Terni, two retail parks in Perugia and Avigliana, Gran Roma (32,000 sqm) in Rome and a shopping mall in Naples, along with an extension of Settimo Cielo in Turin, and a refurbishment of Archimede in Siracusa (35,000 sqm).

In 2019 the positive trends of quality development activity is continuing in terms of new openings and extensions. In the current year, the total new retail stock is estimated at circa 160k sqm, maintaining the same volume of 2018. Shopping centers remain the preferred asset class, followed by retail.

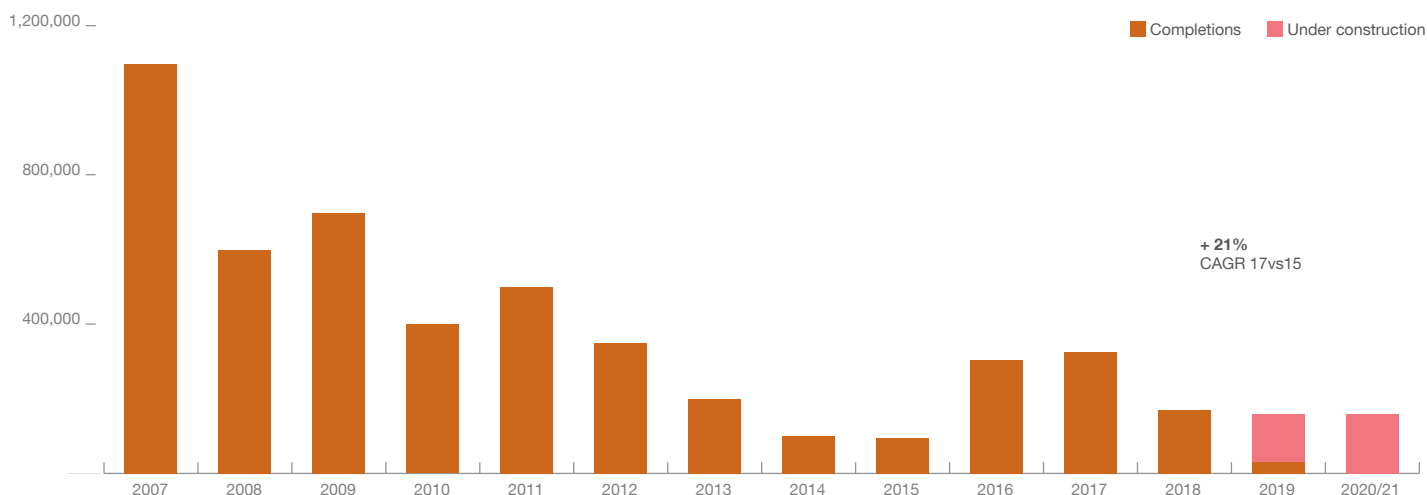
The demand for retail spaces continues to be high, although the flow of investment has decreased slightly due to a reduction of interest in shopping centers by foreign investors.

Milan remains the main location for retailers to enter the Italian market with the aim of opening new flagship stores, followed by Rome.

Investments in the Highstreet sector are growing as well; the main deal was the purchase of the asset in via della Spiga by the JV between Hines and PGGM.

Prime rents for high street continue to grow thanks to the positive increase of tourism.

Volumes of existing and under construction new stock retail (GLA > 10k sqm) in Italy – H1 2019



Recently, Boots and Starbucks have expanded their presence in the center of Milan.

30k sqm

GLA of new developments in H1 2019

160k sqm

Expected GLA of new developments in 2019

Retail sector H1 2019 - Investments

In 2018, more than **€2.0bn** were invested in the retail sector, despite being lower than the record results of 2018 and 2017 (respectively -18% and 26%), however 2018 investments were in line than the 10 year average.

In **H1 2019**, retail investments decreased compared to the same period of the previous year, from €1.0bn in the first half of 2018 to **€0.7bn** (-15%).

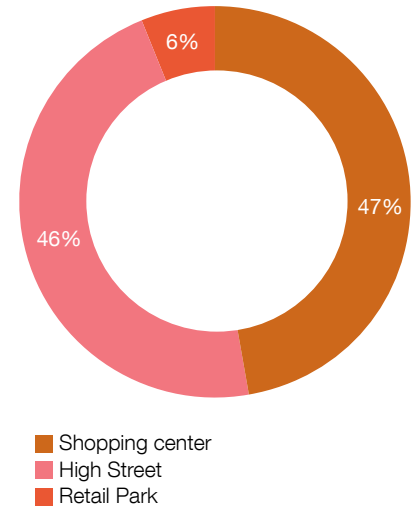
There continues to be strong interest in Shopping centers, which accounted for 47% of the retail volume for the first half with circa **€320m**, followed by high street, which accounted for 46% with €313m of investments.

One of the most significant deals for the shopping centers segment was the acquisition of an asset near Rome for a total value of around €300m.

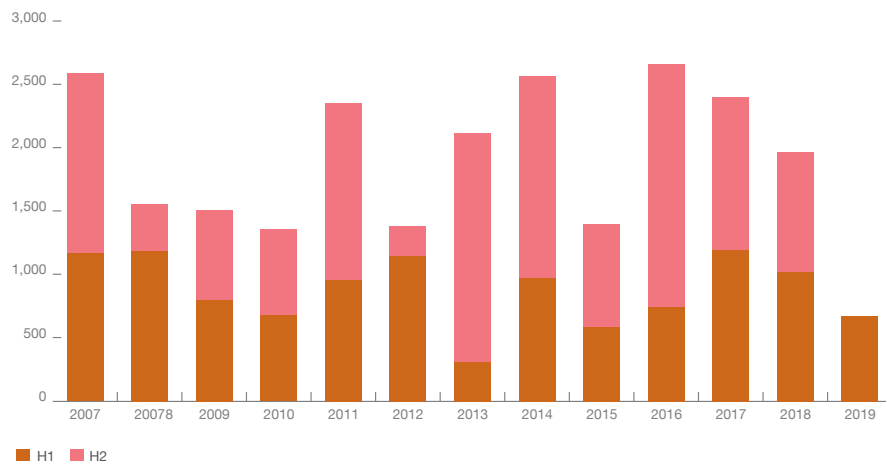
Investments are slowing down compared to the previous years mainly due to

the negative perception of many foreign investors (mainly Americans), because of negative experiences in their own domestic markets. Foreign capital remain dominant in the retail asset class. In addition to the threat represented by online sales and political uncertainty, in some markets such as Milan there is also the future competition of developments in pipeline which has a negative effect on the perception of investors. Even with these negative signs, in the last quarter several delayed deals have been closed and the market seems to have started again. The outlook for the third quarter and for the rest of the year remains positive.

Retail investments by typology H1 2019



Investment trend (€/m)



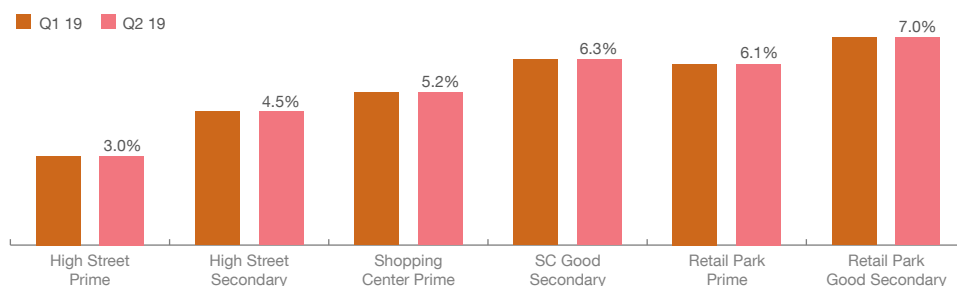
€1.0bn

Total Investments in 2018

€0.68bn

Total Investments in H1 2019

Retail net yields H1 2019



Primary and secondary high street yields remained stable even after a slight rise in the yields of secondary shopping center and retail parks.

Source: PwC analysis

Industrial and logistic sector H1 2019 - Investments

The level of take up in the first half of 2019 has exceeded 975k sqm, which is up by 47% on the amount reported in the same period of the previous year.

The most attractive area in terms of take-up is still the Lombardy region, with the city and greater Milan area representing 65% of the total take-up in the first half. The other most dynamic areas are Bologna and Rome.

The preferred size are the spaces included in the range between 10k and 50k sqm.

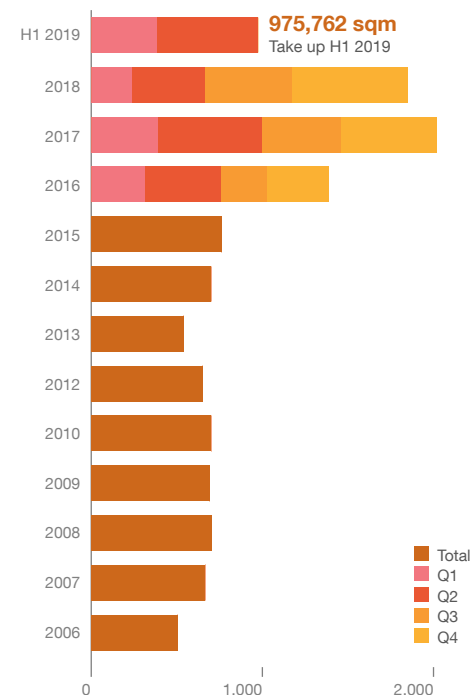
In the first half of 2019, 3PLs* were the most dynamic users (65%), followed by retailers and courier services.

The first half of the year was affected by small off-market transactions, due to the lack of product for institutional investors. A growing number of developer tend to retain ownership of logistic products, reducing the assets available on the market. The most active players remain international investors already active on the Italian market.

The strong demand for assets and the high level of interest of new investors to enter in the market have led to a contraction of prime yields to 5.3%.

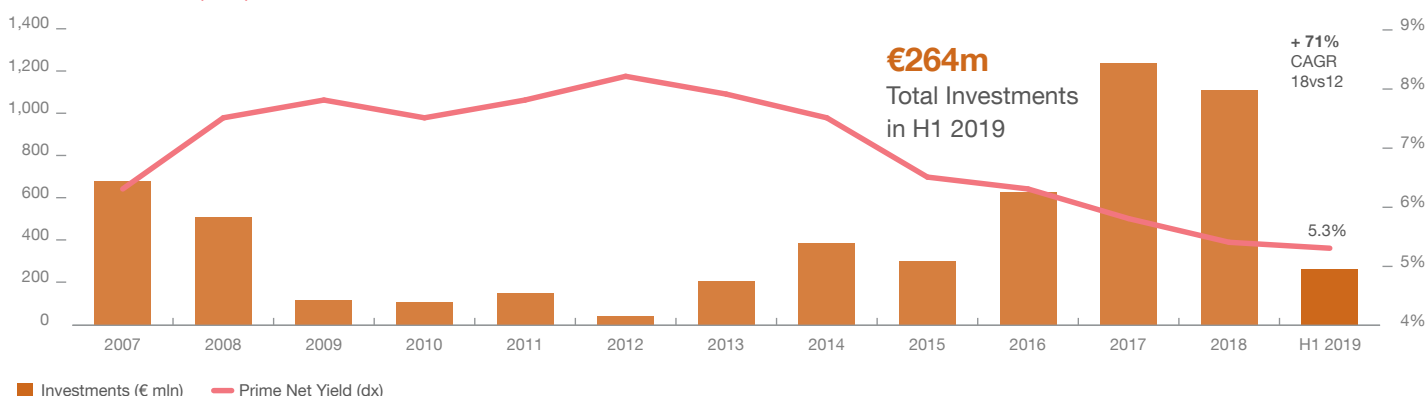
The strong interest of tenants had led to a continue contraction of vacancy rate reaching 2.6%, while rents remained stable in prime and secondary locations.

Take up trend (sqm)



*3PL – (Third Party Logistic Service Provider) – Integrated logistic

Investments trend (€/m)



46 €/sqm/y

H1 2019 Secondary
Rent Italy

56 €/sqm/y

H1 2019 Prime Rent Milan
and Rome area

Hotel sector H1 2019 - Investments

In H1 2019, hotel sector recorded an increase of 405% compared to the same period of the previous year. The volume invested in the first semester of 2019 reached around €2.1bn, a record volume for the Italian hotel sector. Foreign capital has the highest share over the total volume invested (67%), mainly from US and Europe. The current year proved to be the most lively year of the last decade, with the first positive signs occurring at the end of 2018 when the French group, LVMH, announced its acquisition of the Belmond group, which opened the hunt for Luxury

accommodations. In the spring, the American fund, Oaktree, bought 15 hotels from Castello Sgr for €250m. Also during 2019, the Elliot fund purchased for €400m 100% of Bauer SpA, the company that owns, among other things, the historic Bauer hotel in Venice; the investment plan also included € 100 million for the renovation.

According to the latest forecasts, 16k new rooms will be inaugurated in Italy in 2020 for over €1bn investments, mostly by international funds and luxury brands. The largest number will be in Rome (2,600) followed by Milan (1,936), Venice (1,824) and Florence (953).

+405%

Increase in Italian hotel investments (H1 2019 vs H1 2018)

€1.4bn

Total Investments in 2018

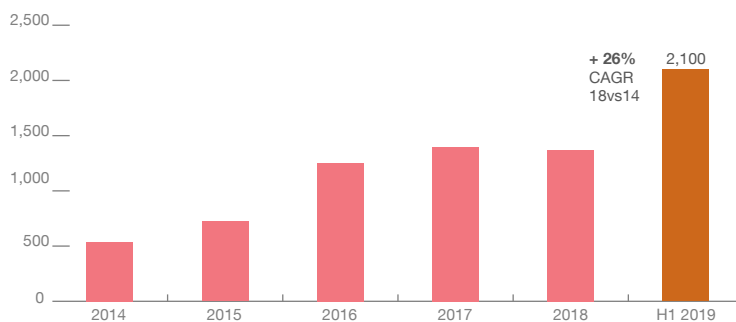
€2.1bn

Total Investments in H1 2019

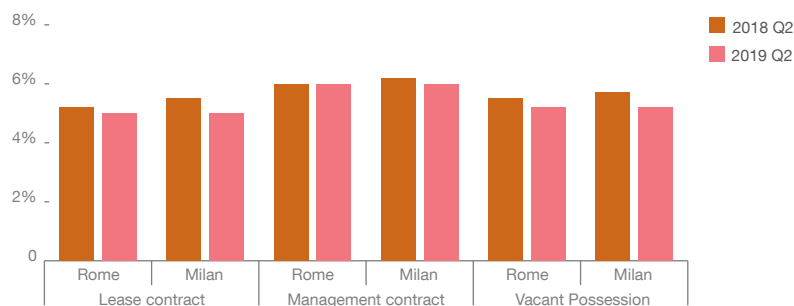
5.0%

Milan Lease contract net yield

Investments trend (€/m)

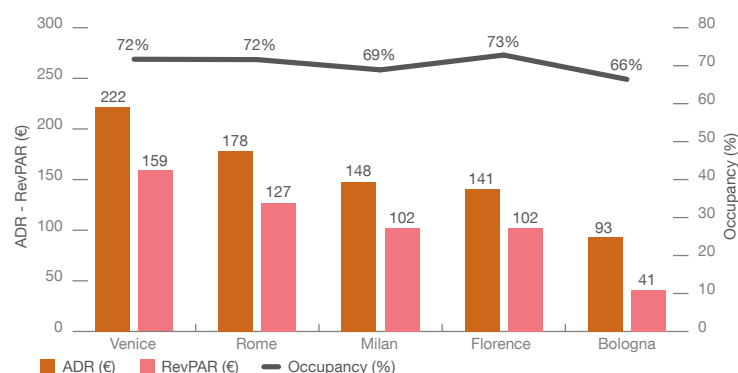


Hotel net yields H1 2019



Yields in Rome and Milan have mostly compressed compared to the previous year.

2018 Main cities performance



Hotel sector 2018 - Tourism demand

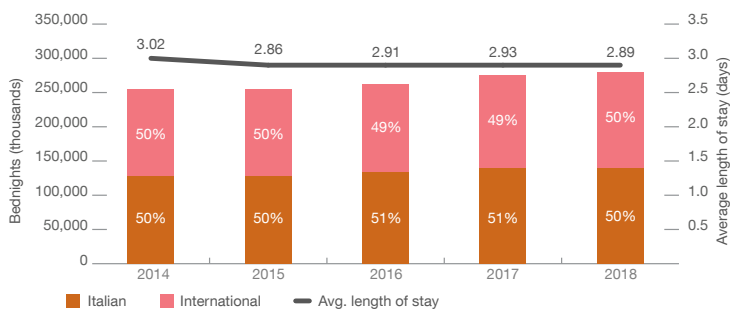
According to the latest available data from INSI, **Italy recorded circa 97m arrivals with 280m bednights in 2018**. The data for 2018 confirms and consolidates the growth recorded since 2015. International demand accounted for 50% of total bed nights and the main feeder market is Germany (11.5%).

According to the latest data from INSI **5 and 4 star hotels report an interesting increase in the stock**, whereas lower category hotels recorded a slight decrease. **However, the 3 star category records the highest number of structures and available rooms**. The best performance is recorded in Venice followed by Rome.

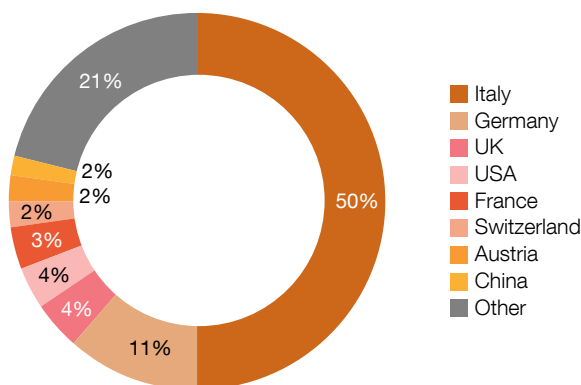
2.9

Avg. Length of stay in Italy

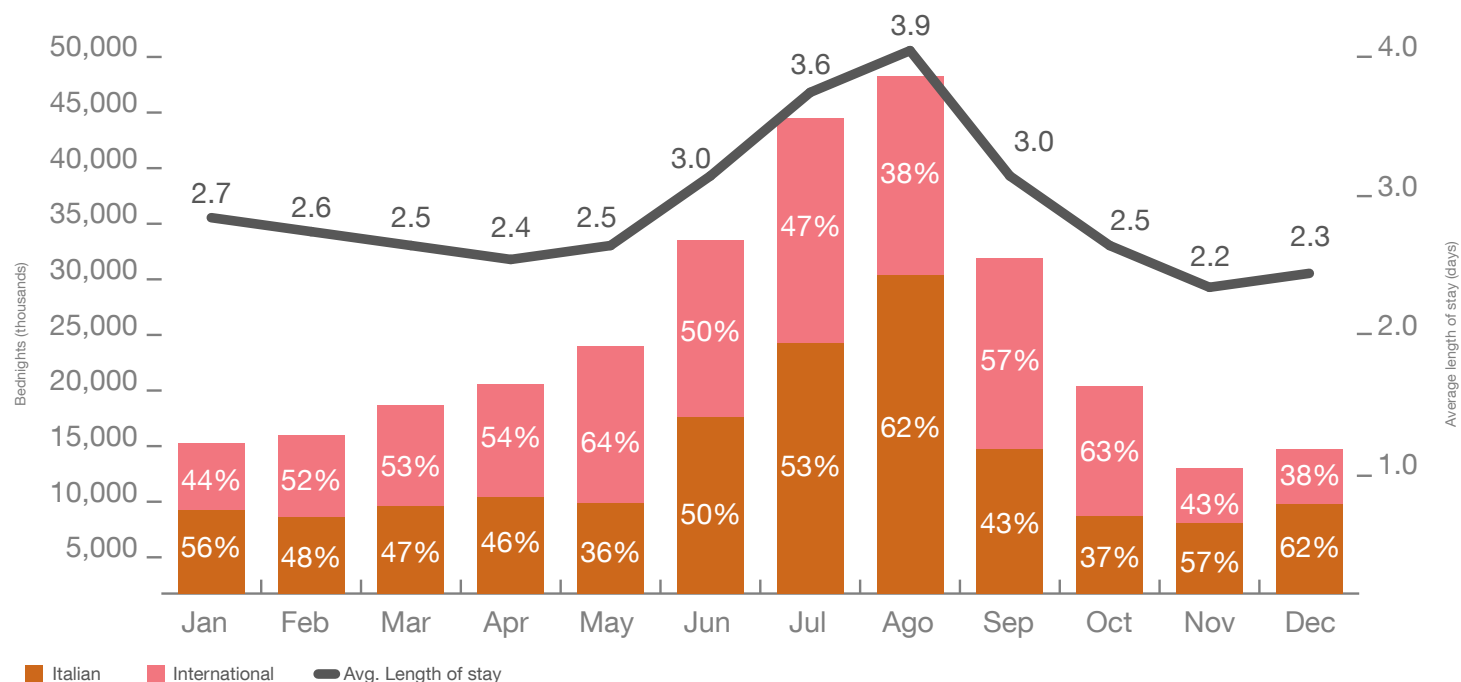
Hotel demand in Italy 2014-2018



Nationality mix – bednights



Monthly bednights distribution



Alternative Asset Classes

Nursing Home sector

Italy is behind Europe both for the offer of specialized structures and for the total investments in this specific sector. The overall sector suffers from a lack of supply and new developments, in contrast with the strong request for beds throughout the Italian territory. The Italian nursing home offer is mainly characterized by small structures. The leading areas with a strong offer are the metropolitan areas of Milan and Turin.

The main players on the market are specialized investment funds, which are concentrated in Lombardy and Piedmont, while the south suffer due to a lack of supply. Lombardy and Piedmont attract capital due to a concentration of an aging population in the area supporting demand for nursing homes.

The main investors currently operating in the market are Ream Sgr, Investire Sgr, Threestones Capital and Primonial REIM, and Cattolica Assicurazioni which are active

with specialized funds and account for nearly 70% of the Italian nursing home investments.

In Italy, there are **13.8m people aged 65 and over, representing 23% of the total population**. In the next few years a continuous growth of 29% of this age group is estimated, **reaching around 17.8m in 2035 and representing 30% of the entire population in Italy**.

The 80 and over age group is expected to reach about 5.6 million people in 2035, 30% more than 2018.

The European commission identifies a standard of 50-60 beds per 1000 inhabitants over 60 years as standard parameter of nursing and residential care facilities offer, while in Italy the offer is lower, approximately 19 beds per thousand inhabitants over 60 years.

Throughout the Italian territories there is a great imbalance with a strong concentration of beds in the northern part of Italy and lacking supply in the south.

The ageing population and the continuing demand of nursing home facilities has led to an estimated investment forecast of €15bn by 20235.

13.8m

Population >64 in Italy (2018)

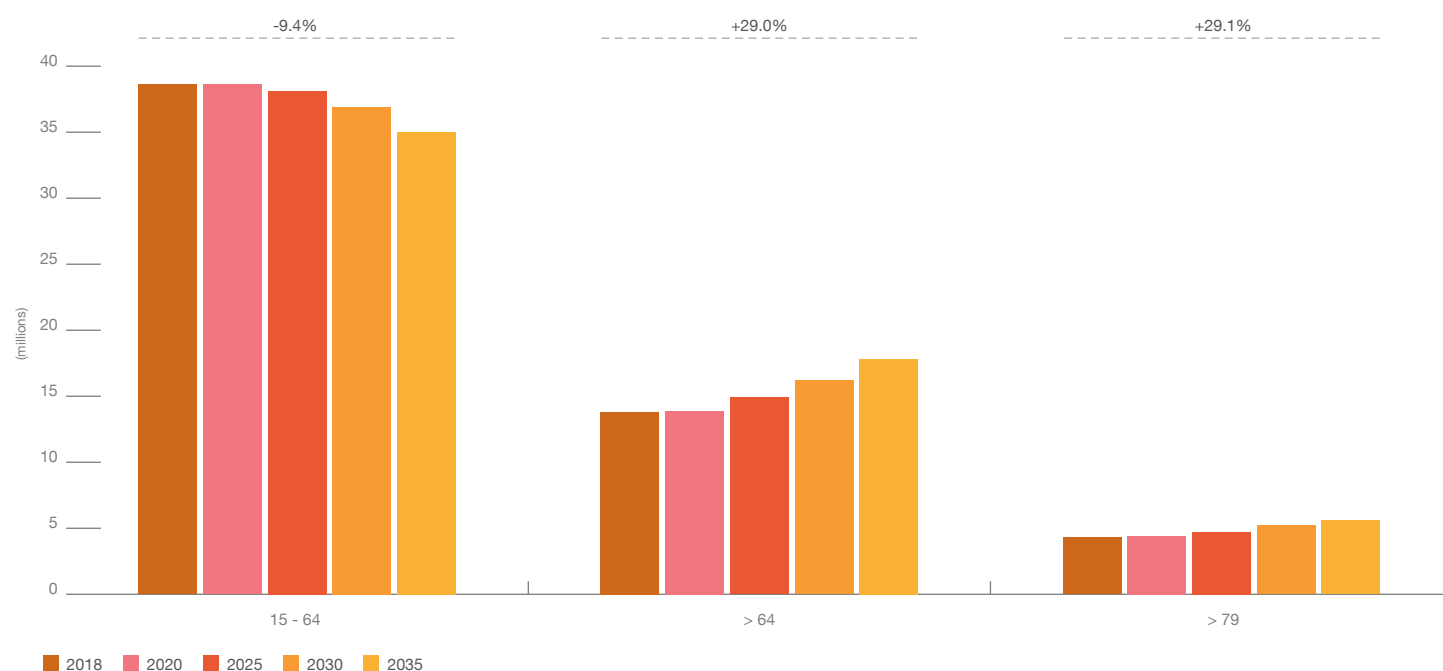
6-7.5%

Average Gross Yield

17.8m

Population >64 in Italy by 2035

Forecast population in Italy by age – Var. % (2035 vs 2018)



Student housing

In Italy, investments in student housing remain low as the funds are concentrated on the main commercial markets. Currently, pressure on public finances undermines the increase in university housing managed by universities. In Italy there is a lack of 100k beds to reach the European average and investments of over €4bn are needed to adapt the offer.

Due to the lack of supply, numerous private investors, such as Fabrice Sgr, are actively investing in this asset class. Also international operators have entered the Italian market, such as the Dutch Student Hotel which is developing three student housing in Bologna, Rome and Florence. The American group Hines has already started developing two new structures in Milan and Florence and wants to invest €500m in the sector in coming years.

The current pipeline of over 8,700 beds which will double the current private supply is still insufficient for the potential demand. The main Italian cities with the highest number of beds in the pipeline are Milan (2,300), Florence (1,700), Bologna (1,000), Turin (800), Padua (700) and Rome (500).

The number of beds per unit for students in Italy, in comparison with the most important European markets, is the lowest at 3.3%. The majority of the offer is managed by regional authorities, International University residence operators, and by the same University.

€5.2bn

Total Investments in Europe 2018

Total investments in Europe has increase ten times since 2007

5.5%

Average Net Yield

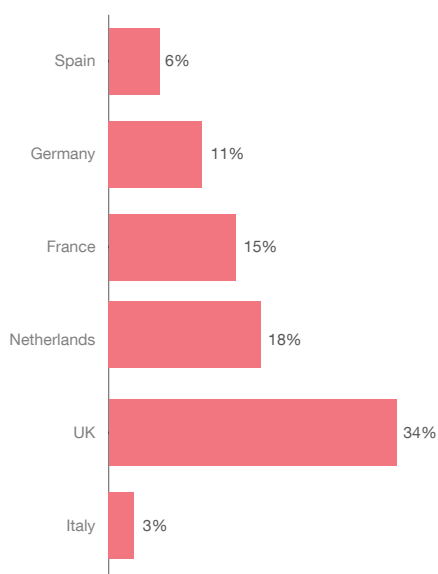
65,000

Number of beds (#)

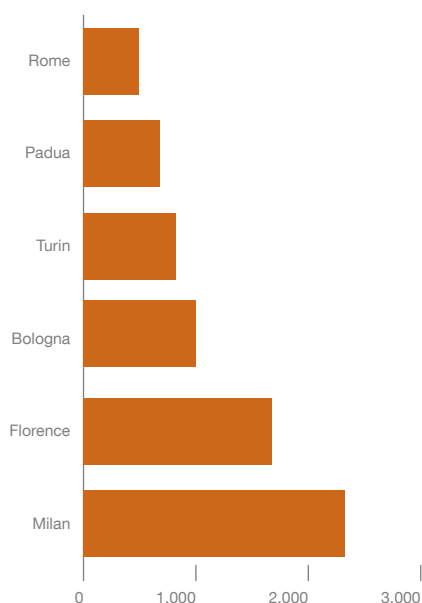
100k

2018 International students in Italy (#)

Relation to number of students and number of beds



Pipeline of the number of beds by location (2019-2021)



Real Estate Funds

Real Estate Funds - Overview

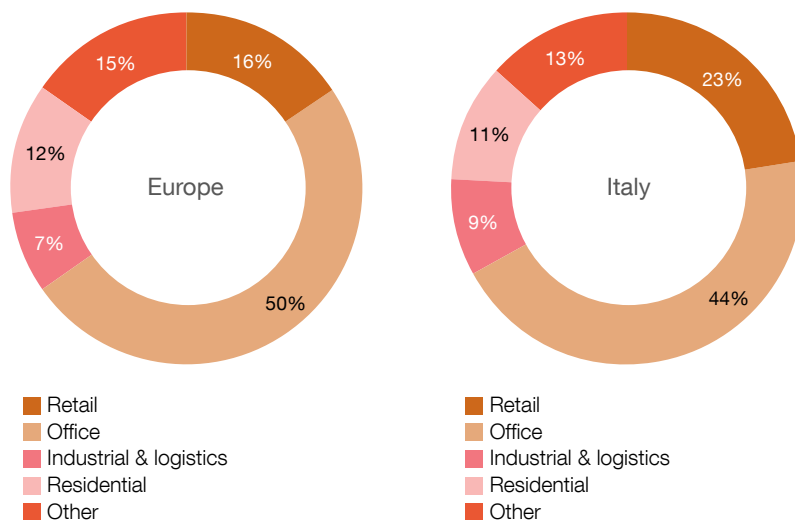
Real estate funds in Italy represent about 3% of the Italian asset management market. The funds examined by Bank of Italy have **assets under management** amounting to **€77.9bn**.

During 2018, the weight of **the first 5 SGRs**, which amounted to **€36.4bn**, has slightly increased from 46.2% to 46.7%. The main component of Italian real estate funds is reserved funds accounting for 97% over the total amount, followed by retail funds which decreased continuously over the years and will be entirely liquidated by 2022. The increase of the total number of reserved funds also during 2018 is not related to the growth of the number of asset management companies but from greater efficiency achieved by the companies in relation to a larger amount of asset under management.

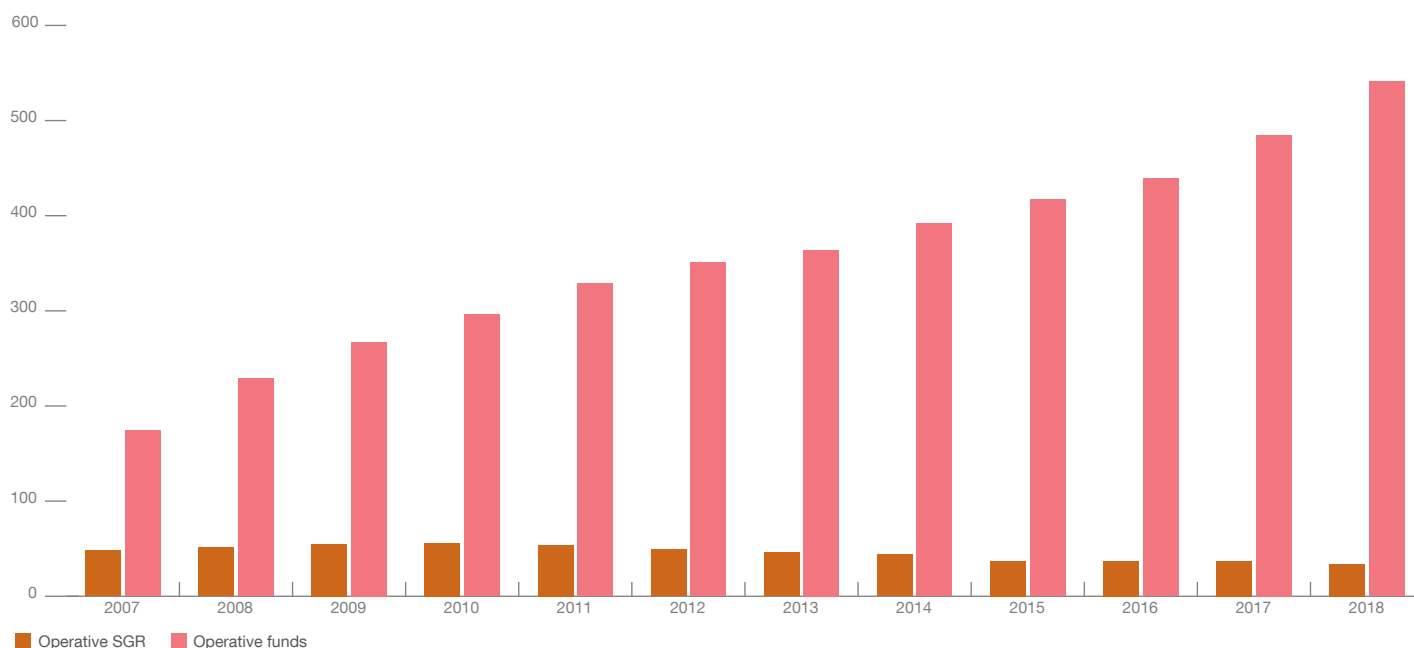
Offices are the most common among the asset classes, constituting 44.5% of the entire asset stock, followed at a distance by retail 22.7% and residences 11.0%.

In 2018, the funds examined by Scenari Immobiliari point out that the acquisition of assets is mainly focused in the North of Italy (69.9%), followed by the Center (19.9%), the South and Islands (2.6%) and abroad (7.6%).

2018 Asset allocation



SGR and operative funds (#)





Italian NPL market

Asset Quality

Looking at the NPL transactions everyone has the same question. What can we expect from a market at its lowest level for 3 years and for the first time down yoy since 2013? Well, in our opinion, more than a lot.

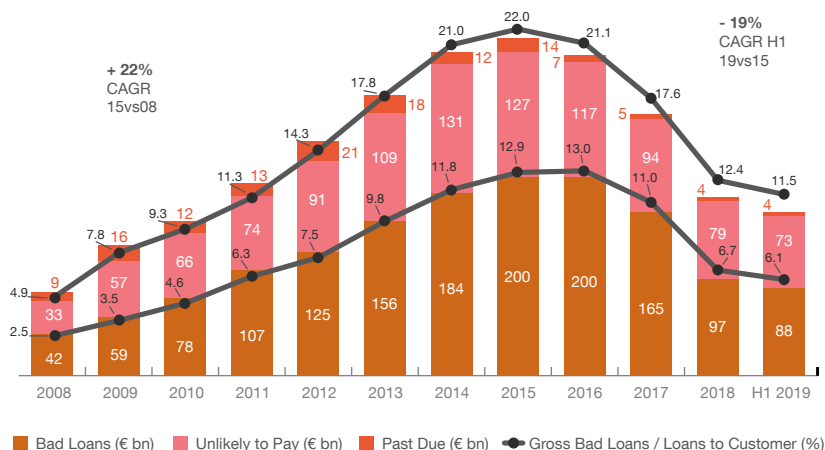
The Italian banking system has done a step forward to improve asset quality, but banks are facing more and more challenging NPE ratio targets in each release of their industrial plans. The reason for this lies in the regulatory pressure to further reduce the still large amount of bad loans and UtPs lying in their balance sheets, which is reflected in an aggregate NPE ratio almost three times higher than the EU average.

After peaking at €341bn of GBV at YE-2015, the stock constantly reduced over the last years, reaching €165bn at H1 2019.

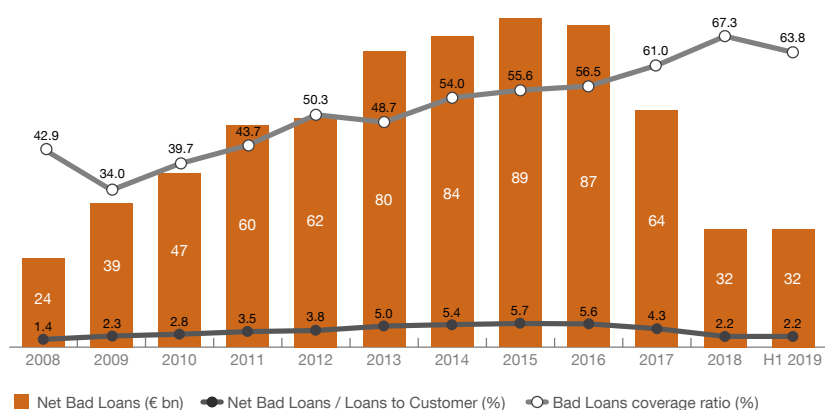
The gross Bad Loans volume reduced by €9bn from YE-2018 and by €77bn from YE-2017. Gross Unlikely to Pay showed a slower decline, with €73bn at H1-2019 from €79bn at YE-2018. Past Due maintained approximately the same value of YE-2018, slightly below YE-2017 level.

The volume of net Bad Loans follows the same decreasing trend from 2015 until the first half of 2019. The total amount as of H1 2019 remained steady compared to YE-2018 and equal to €32bn (€64bn at YE-2017). The Bad Loans coverage ratio for the Italian system experienced a reverse trend compared to previous years and decreased to 63.8% compared to 67.3% at YE-2018.

Gross NPE and Bad Loans trend (2008 – H1 2019)



Net Bad Loans Trend

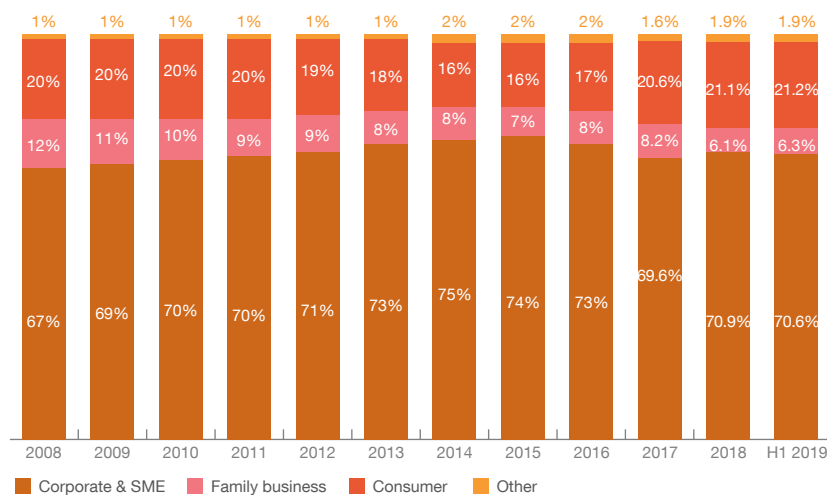


Gross Bad loans trend

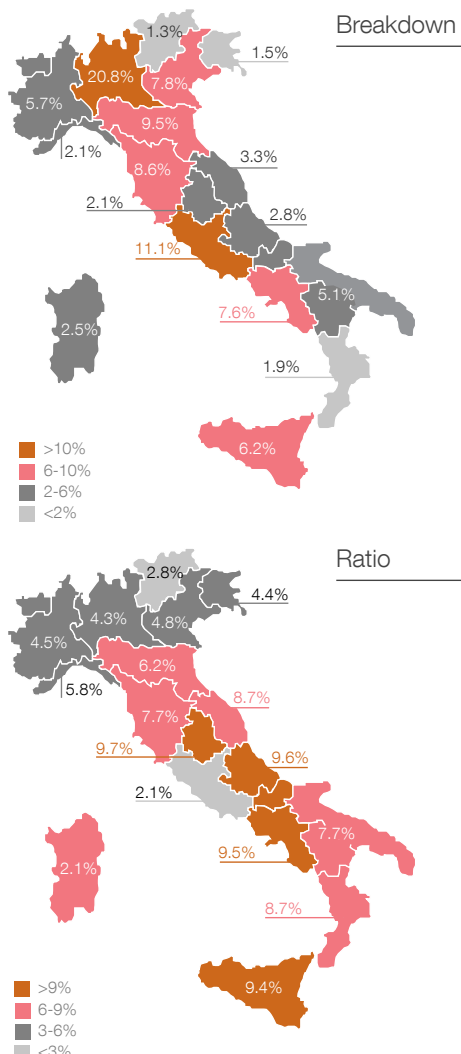
The breakdown of gross Bad Loans ratio highlights the highest percentages in Umbria (9.7%), Abruzzo-Molise (9.6%), Campania (9.5%) and Sicily (9.4%); overall, northern regions tend to show lower gross Bad Loans ratio compared to central and southern regions;

- Lombardy collects approx. 20.8% of total Italian Bad Loans, while it shows a relative low Bad Loans ratio (4.3%);
- At H1 2019 the "Corporate & SME" sector still represents the greatest share (71%) of Italian gross Bad Loans, followed by the Consumer loans (21%);
- The percentage of Secured Bad Loans (45%) decreased compared to YE-2018.

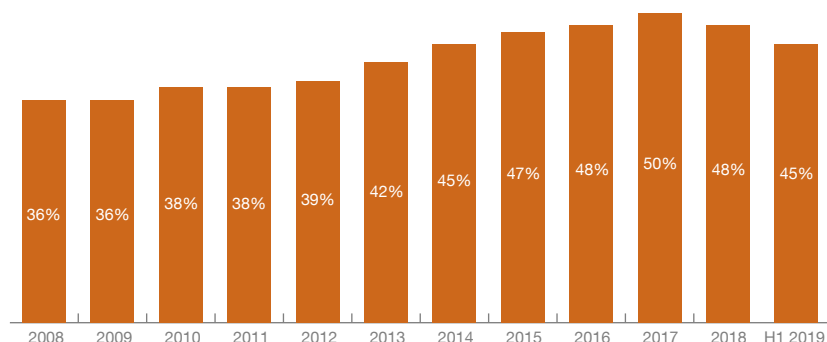
Breakdown of Gross Bad Loans by counterparty** (H1 2019)



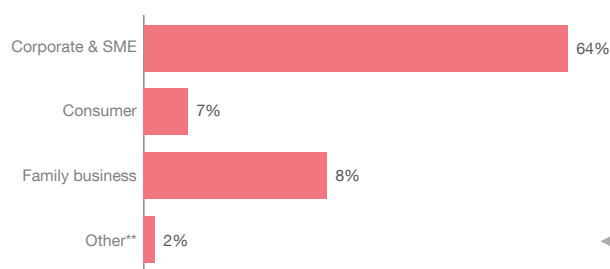
Gross Bad Loans by region* (H1 2019)



Secured Gross Bad Loans trend** (% on total Bad Loans)



Counterparty

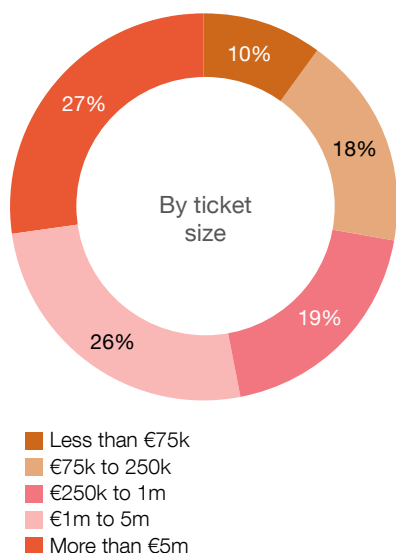
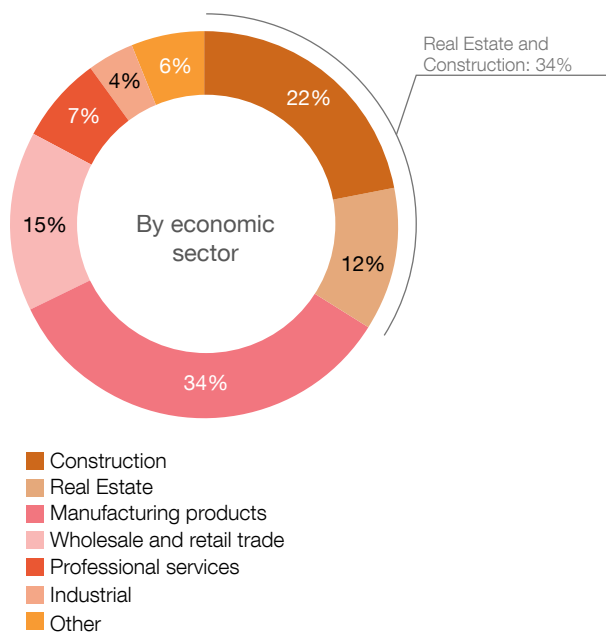


*Unique percentage for:
1) Aosta Valley and Piedmont,
2) Abruzzo and Molise,
3) Apulia and Basilicata
** "Other" includes PA and financial institutions

Gross Bad loans breakdown

The breakdown of gross Bad Loans by economic sector shows that Real Estate and Construction accounts for 34% such as manufacturing products, followed by wholesale and retail trade (15%). The breakdown of gross Bad Loans by ticket size shows that large-size exposures (over €1m) represent 53% of total GBV, whereas mid-size exposures (from €75k to €1m) and small-size exposures (below €75k) represent 47% of the total.

Break down of Gross Bad Loans (n°)

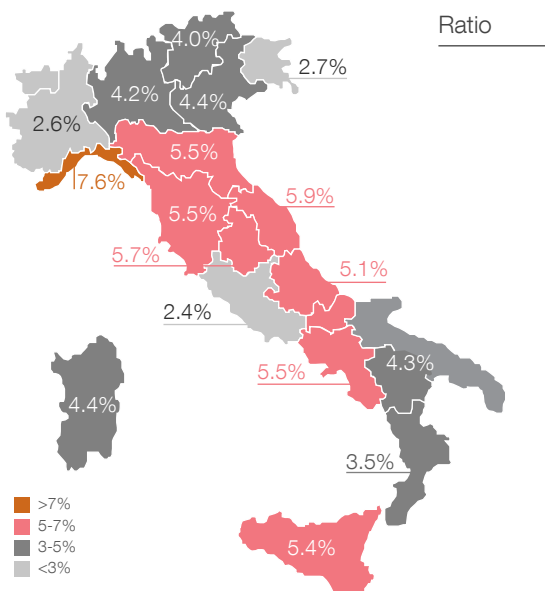
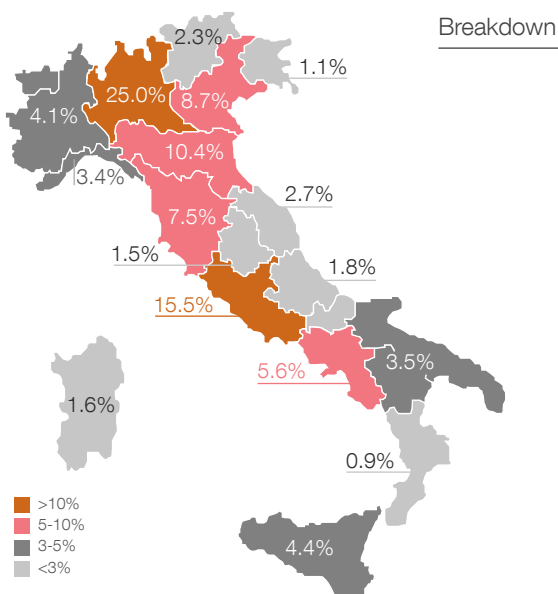


Unlikely to Pay (UtP)

The gross UtP stock composition as of H1 2019 illustrates the following:

- Piedmont, Aosta Valley, Friuli Venezia Giulia and Lazio* are the regions with the lowest incidence of UtP (UtP ratio lower than 3%), whereas Liguria is the region with the highest levels of UtP ratio (7.6%);
- In terms of volumes, the highest UtP concentration is in Lombardy and Lazio (respectively, 25.0% and 15.5% of total volumes).

UtP by region** (H1 2019)



*UtP ratio in the region of Lazio is influenced by Cassa Depositi e Prestiti, included in Bank of Italy database;

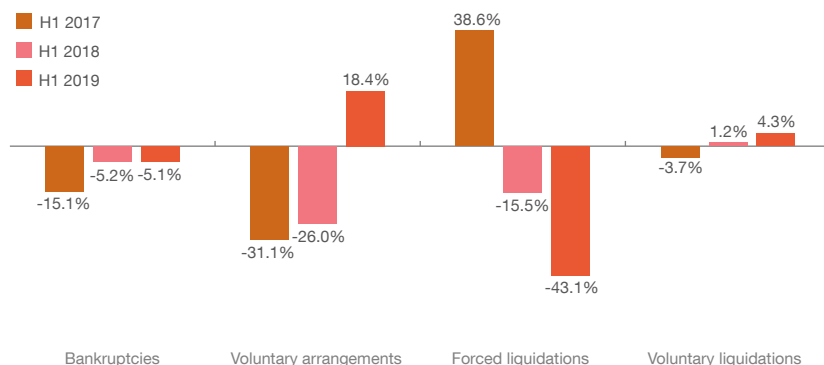
**Unique percentage for
1) Aosta Valley and Piedmont,
2) Abruzzo and Molise,
3) Apulia and Basilicata

Asset Quality

During the first months of 2019, figures for Italian companies' closures continued their declining trend started in 2018, except for voluntary arrangements that showed a sharp increase in H1 2019. Bankruptcies showed a decrease, mainly driven by the constructions and industrial sectors. In the first half of 2019, the decrease of Italian companies' bankruptcies and forced liquidations kept going on, during the first half of 2019 there was respectively a 5.1% drop in bankruptcies and a 43.1% drop in forced liquidations compared to the previous year. Differently, a significant increase has been reported for voluntary arrangements (+18.4%).

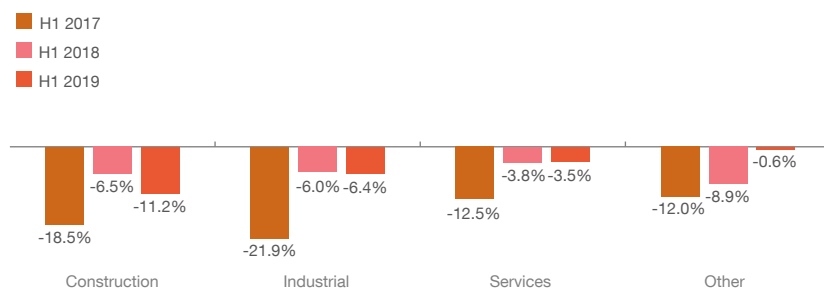
The increase of voluntary arrangements in H1 2019 is well distributed in all economic sectors. The industrial sector is the one who shows the highest increase (+28.1% YoY), while services' sector registers the lower increase (+9.7% YoY). With respect to non-bankruptcy proceedings, the most significant reduction has been observed for business closures after forced liquidations (-43.1% YoY), in contrast with previous years' trend. The bankruptcies in the construction sector reduced by 11.2% in H1 2019 YoY (vs -6.5% in H1 2018 YoY). In the industrial and services sectors the decline in bankruptcies is in line with the previous years' trend, while other sectors register almost no reduction.

Business closures by procedure (% YoY)

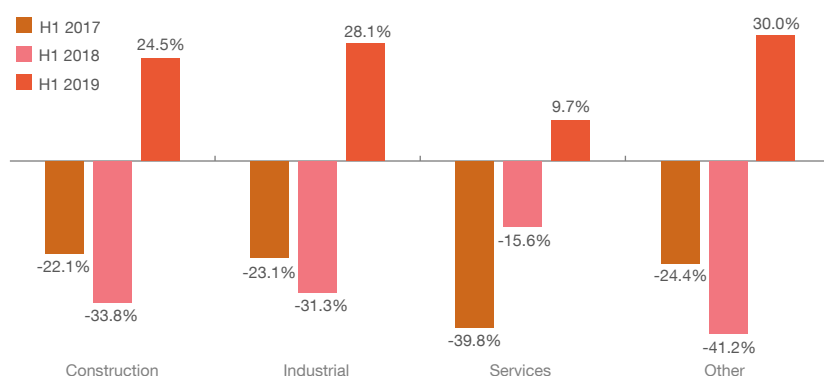


Note: "Voluntary arrangement" = "Concordato preventivo", "Forced liquidation" = "Liquidazione coatta amministrativa"

Bankruptcies by economic sector (% YoY)

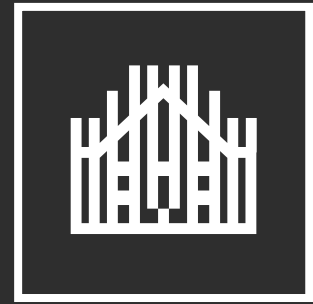


Voluntary liquidations by legal status (% YoY)



Note: * Dormant companies did not submit any valid financial statements in the three years prior to liquidation.





6. Milan

Milan

Why Lombardy and Milan

Lombardy is one of the top 3 regions in Europe able to attract investments with its strategic plan and is one of the 4 EU industrial aggregates.

Lombardy is also the gateway for international investments to enter into Italy.

Lombardy is the heart of Italy's economy, and is very attractive to multinational companies that want to enter the Italian market. In fact, 48.6% of all Italian companies part of international corporations have headquarters in Lombardy.

In addition, the manufacturing industry of Lombardy and Milan has proven that it is above the average of the best European standards.

At a systemic level, the Lombardy industrial system confirms it rightfully belongs to the network composed by the four main European industrial aggregates (which includes Baden-Württemberg, Rhône-Alpes and Catalonia).

It also confirms its Italian leadership and its techno-industrial structure, with many SMEs specialized in high-end productions and able to adopt governance mechanisms and business strategies that are unusual for Italy.

Milan is listed within the top 10 cities for investments in Western Europe and mentioned as one of the preferred destinations for investing in the real estate sector.

Milan is an excellent business environment and a dynamic city. In fact, Milan can be considered the cornerstone of the national economy, with more than 40% of the total firms of Lombardy based in the city and its province and its GDP is 10% of total Italian GDP. Milan has the following attributes:



A city that attracts business value:

the Milan Metropolitan area accounts for nearly one third of all foreign-invested firms in Italy, more than 30% of their employees and 34% of their turnover.

A strong specialization in the service sector (sectoral expertise):

the Universal Exposition Expo Milano 2015 has confirmed the role of the city as a capital of business and finance, and a magnet in attracting flows of tourism from the world. In addition, key sectors in Milan include ICT & Media, Financial & Consulting services, Creative Industry (fashion and design), Retail and Commerce, and Life Science and Biotechnology.

A hub for talent (human capital):

with its 8 universities and 2 international schools, accounting for more than 10% of the Italian university population, Milan area stands out for the quality of its human capital and education system at all levels. Globally renowned academic institutions and distinguished fashion & design institutes are based here.

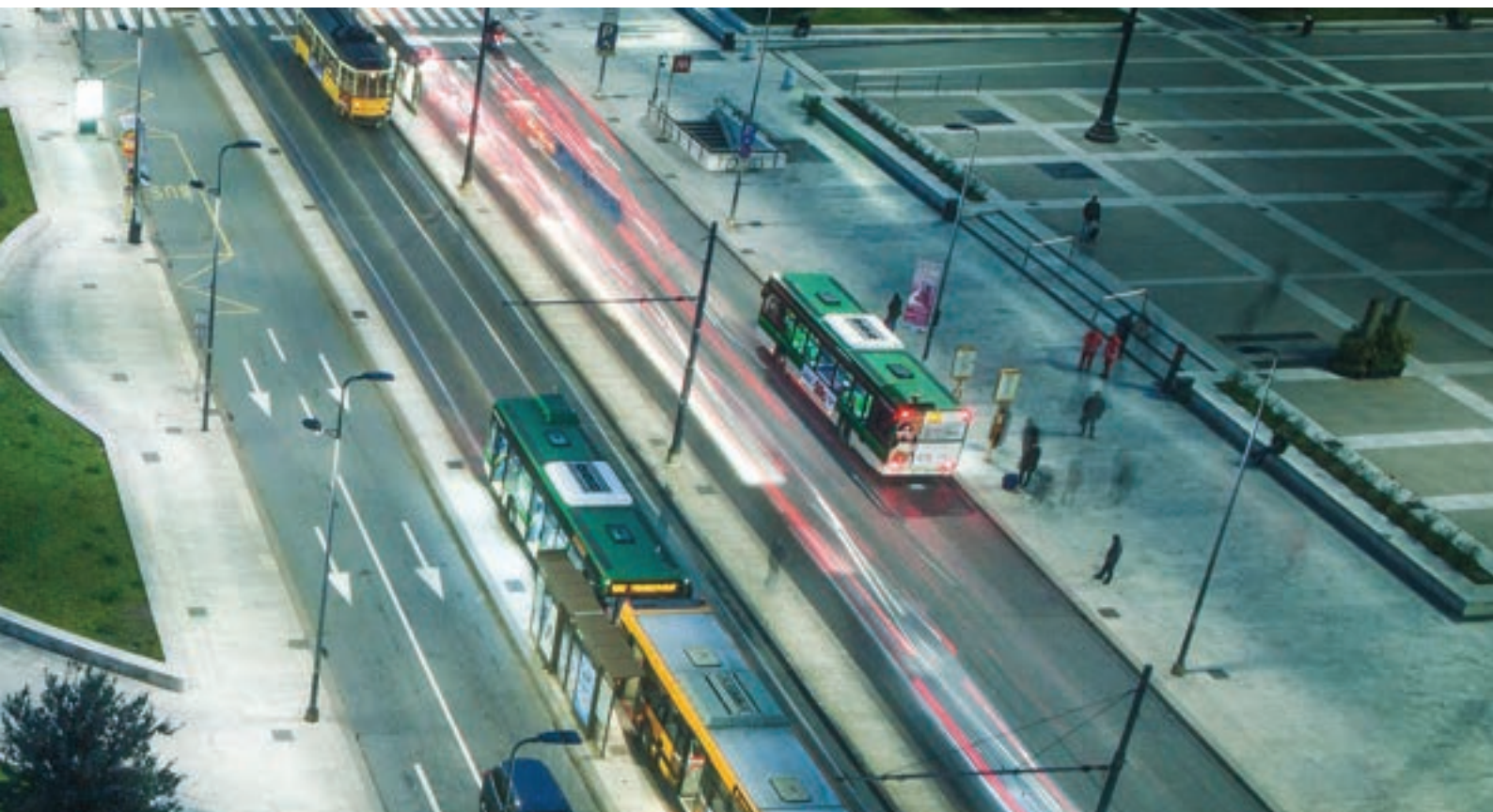
A leader in innovation (technology):

Milan area hosts seven advanced research centers, among Life Sciences and Biotechnology, that are specialized in various sectors and acknowledged as an excellence within the European research landscape. More than 340 organizations in the area of Milan are part of at least one technological cluster.

An international city:

Milan hosts over 100 consulates and foreign commercial offices and is in a central position in northern Italy. The city has three international airports and primary transport infrastructure.

Source: PwC analysis



Milan – City Profile

Italy's long-running political instability is raised by many rueful Italian interviewees. But respondents also stress that Milan rises above the national travails.

The “locomotive” of Italy is led by strong local government and continues to attract talent and capital from both domestic and international investors. “Milan has a different market to other cities in Italy; it plays in the European league,” says one local CEO.

The city authority is praised for its approach to urban regeneration with an emphasis on investing in public transport, bold architectural design and the value of placemaking mixing offices, services, and public spaces. In 2023, metro Line 4 is due to start operating and is tipped to benefit fringe city spots such as the fast-growing Tortona district in the fashionable south-west where investors have been snapping up offices in anticipation of value increases.

In the north arc of the city centre, the Porta Nuova development's success is driving investment in surrounding areas including the Scali Milano former rail yards.

Milan is living another golden age, especially with the vision of a city that could grant a high quality of life, with environmental quality, services and green areas.

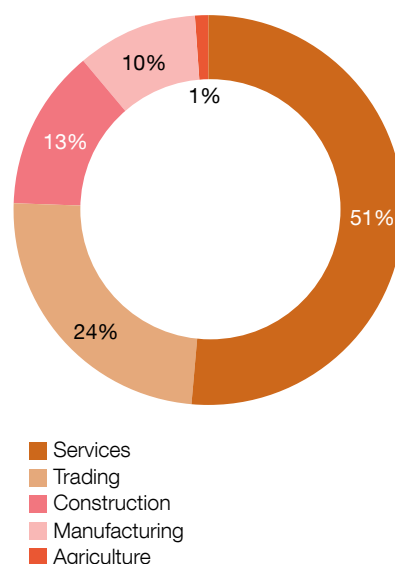
On the north-eastern fringe, the Bicocca business and university quarter is attracting international capital for residential and student housing development as well as one of the first transactions in the city by South Korean investors.

“There are good opportunities if you are able to get an office building refurbished to grade A specification. You will lease it in no time at very good rents,” reports one of many pan-European investors with projects in the city. Demand from a diverse tenant base for modern space underpins top rents of 600 €/sqm/y, which is higher than many European cities outside Italy.

The city is looking forward to hosting the winter Olympic Games in 2026. “Thanks to this, there will be need of many more apartments which could be sold at the end of the international events. This will be a great opportunity for Milan,” says a local hotel and residential developer.

And as the wealthiest regional economy, close to Europe's key distribution routes, Greater Milan is the most active logistics submarket, offering prime yields of 5.3%, higher than many western European locations.

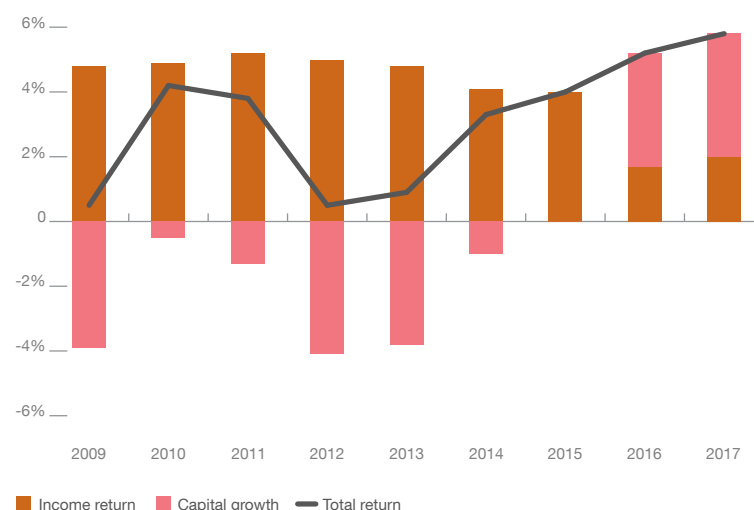
Active companies by sector H1 2019



51% of companies in Milan are in services, while only 1% are in agriculture. Construction companies account for 13% and employ 5% of the workforce. From 2013 to 2018 Milan has recorded positive and interesting results such as a decrease in unemployment, and an increase in population and GDP.

Source: PwC analysis on data provided by The Chamber of commerce of Milan Monza Brianza Lodi

All property return 2009 - 2017



Source: PwC Emerging Trends in Real Estate Europe 2020



Residential

Municipality of Milan

Over the period 2004 – 2018, the average **Number of Normalized Transactions of residential in Milan is 20,378 transactions per year.**

During the analyzed period, the trend has been characterized by a general recovery over the last five years, with the number of transactions in 2018 **+61.96% above 2013.**

24,521

NNT 2018

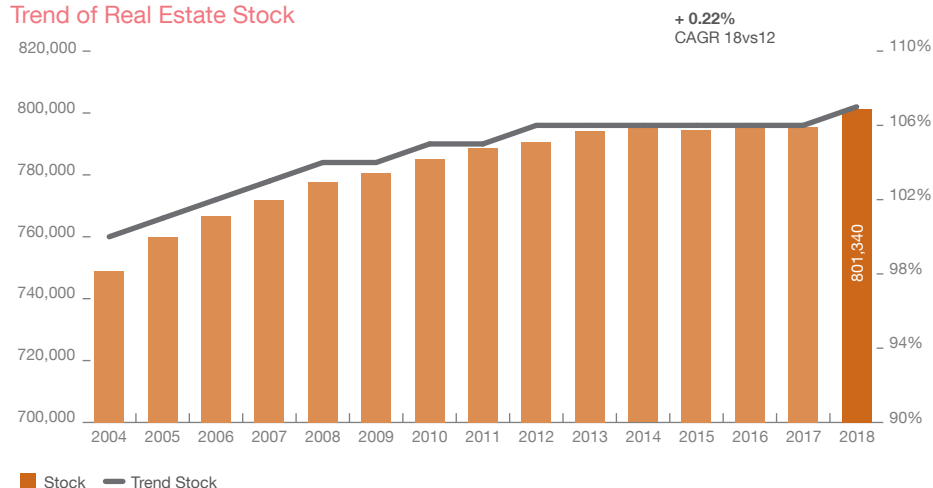
+3.4%

NNT 2018vs2017

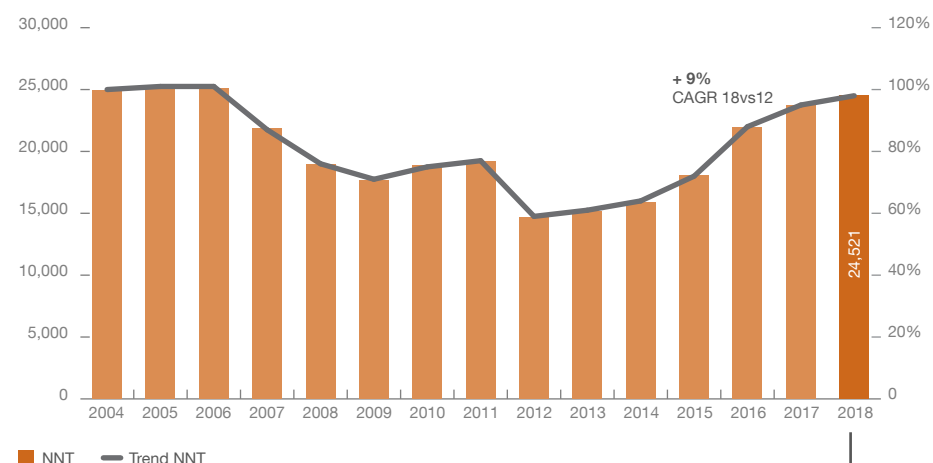
+62.0%

NNT 2018vs2013

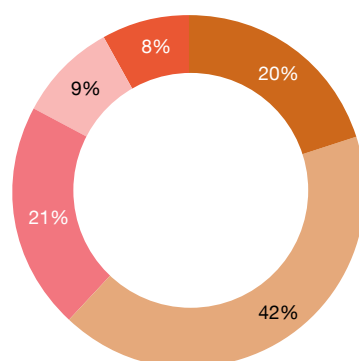
Trend of Real Estate Stock



Trend of NNT

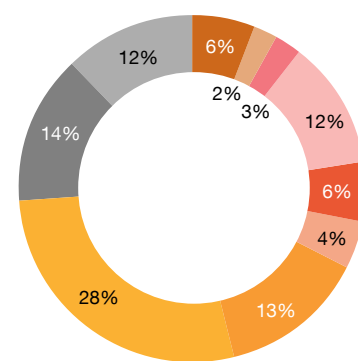


Share 2018 NNT by dimensional class



- Up to 50 sqm
- 50 - 85 sqm
- 85 - 115 sqm
- 115 - 145 sqm
- > 145 sqm

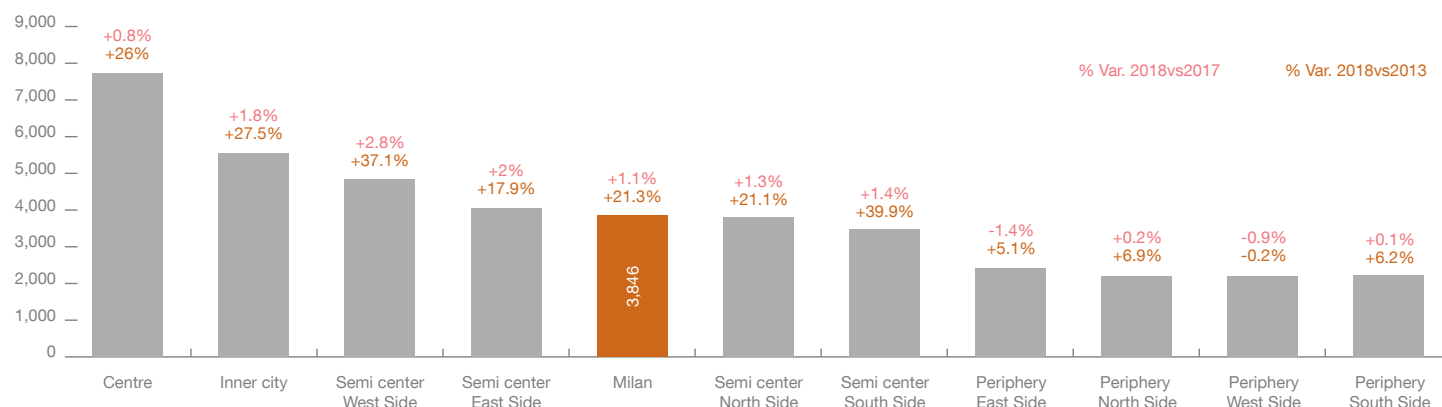
Share 2018 NNT by area



- Centre
- Inner city
- Semi center East Side
- Semi center North Side
- Semi center West Side
- Semi center South Side
- Periphery East Side
- Periphery North Side
- Periphery West Side
- Periphery South Side

Source: PwC analysis on Italian IRS data

2018 Average purchase price (€/sqm)



13,199

NNT H1 2019

+8.5%

NNT H1 2019 vs H1 2018

+71.9%

NNT H1 2019 vs H1 2013

+21.2%

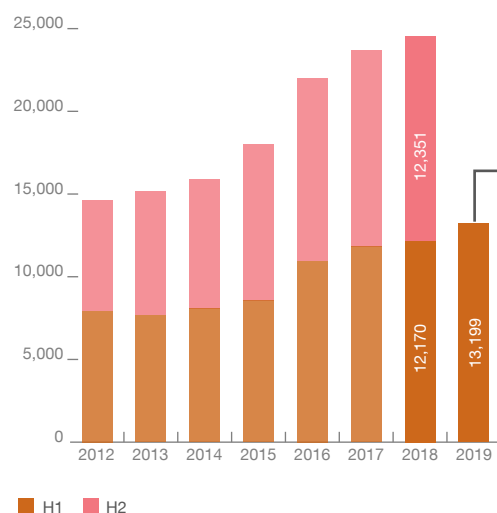
NNT H1 2019 vs H1 2016

The transaction activity in Milan increased by 3.4% in 2018, reaching approximately 24,500 transactions and showing an expansive cycle affecting all urban areas. Properties between 50-85 sqm reported a 0.7% increase in sales (42% of total residential transactions in Milan), while properties between 85-115 sqm saw an increase in transactions of 2.1% and account for 21% of the market. However, considering the fast absorption of units and a growth in sales of between 4% and 5%, over the next 5-10 years the city is in danger of not being able to satisfy the demand for new homes.

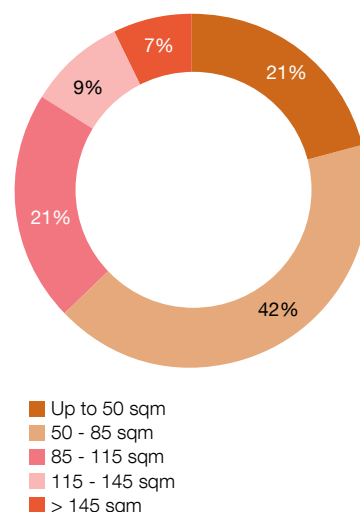
In the first half of 2019, 13,199 transactions were recorded, which was an increase of 8.5% compared to H1 2018.

The areas with the greatest increase in sales are in the periphery. Compared to 2017, sales are more homogeneous and widespread, as none of the 18 micro-zones has a sales percentage above 11%. During 2019, the Municipality of Milan approved the new town planning (Piano di Governo del Territorio - PGT) which provides for the construction of more than 3.9 million sqm of gross floor area on more than 9.6 million sqm of total land area, of which 1.5 million sqm will be for residential use, for a total of approximately 240 thousand new homes.

Trend of NNT by half year



Share NNT H1 2019 by dimensional class



Source: PwC analysis on Italian IRS data

Province of Milan

Over the period 2004 – 2018, the average **Number of Normalized Transactions** of residential in the **Province of Milan** is **55,752 transactions per year**.

During the analyzed period, the trend has been characterized by a general recovery over the last five years, with the number of transactions in 2018 **+56.7% above 2013**.

59,412

NNT 2018

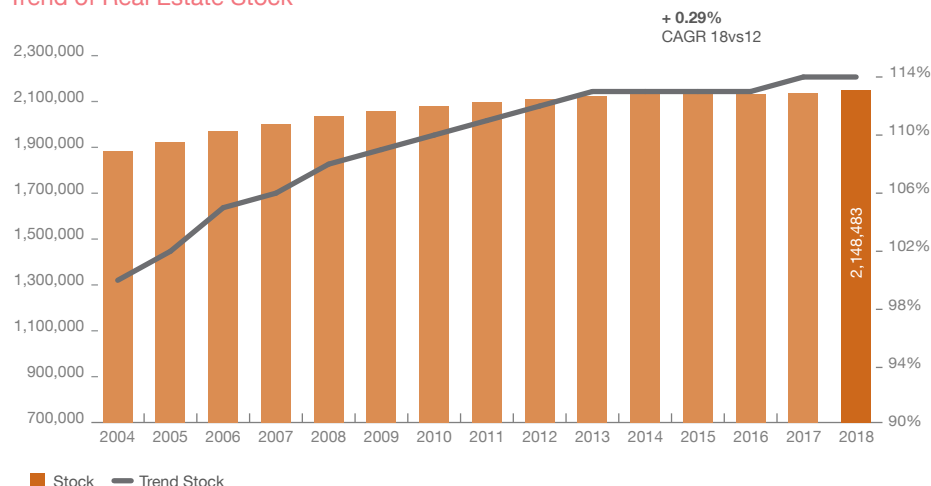
+5.5%

NNT 2018vs2017

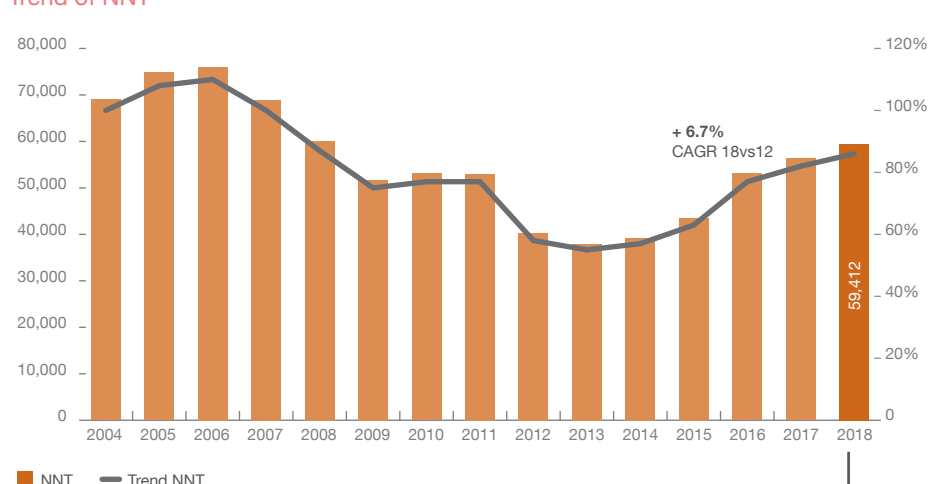
+56.7%

NNT 2018vs2013

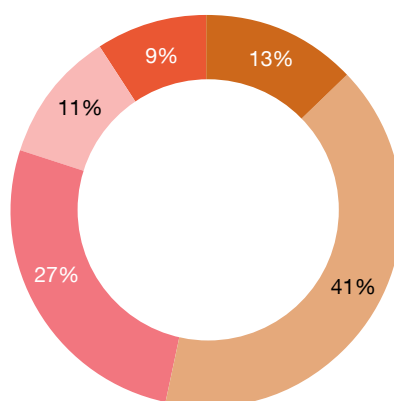
Trend of Real Estate Stock



Trend of NNT

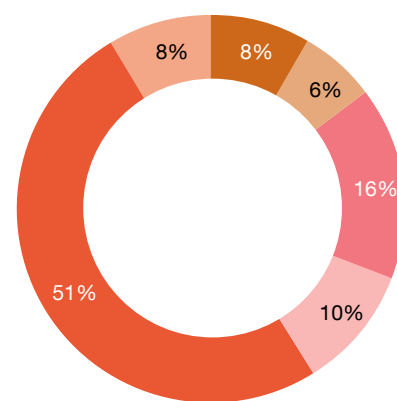


Share 2018 NNT by dimensional class



Up to 50 sqm
50 - 85 sqm
85 - 115 sqm
115 - 145 sqm
> 145 sqm

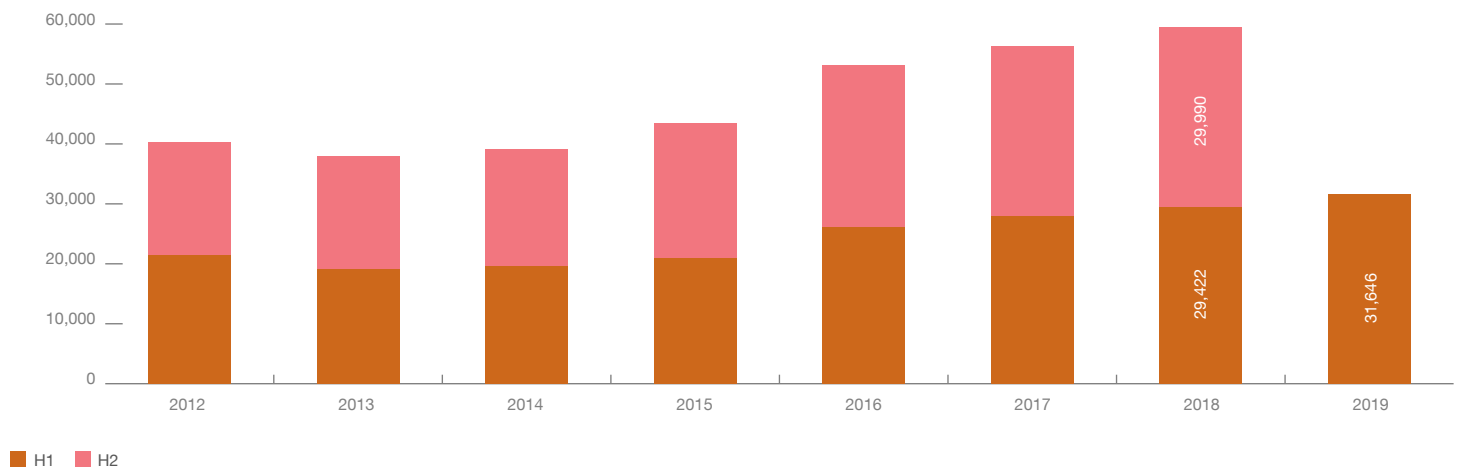
Share 2018 NNT by area



Abbiatense Magentino
Alto Milanese
Cintura Nord
Direttrice Est
Milano Capoluogo
Sud Milano

Source: PwC analysis on Italian IRS data

Trend of NNT by semester



Source: PwC analysis on Italian IRS data



Investment Trends

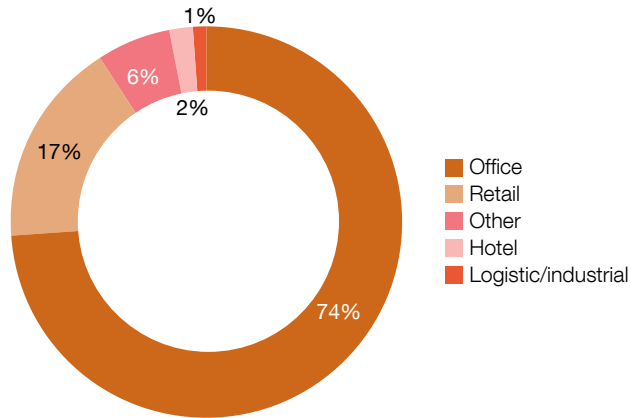
Investment trends

In H1 2019 the investment market in Milan accounted for nearly €2.9bn, with a level of volumes 136% higher than the same period in 2018.

The main market is still the office sector with 74% of total volume invested in the first half.

In 2019 the most relevant investors were real estate companies and REITs, real estate Italian funds and open-end foreign funds.

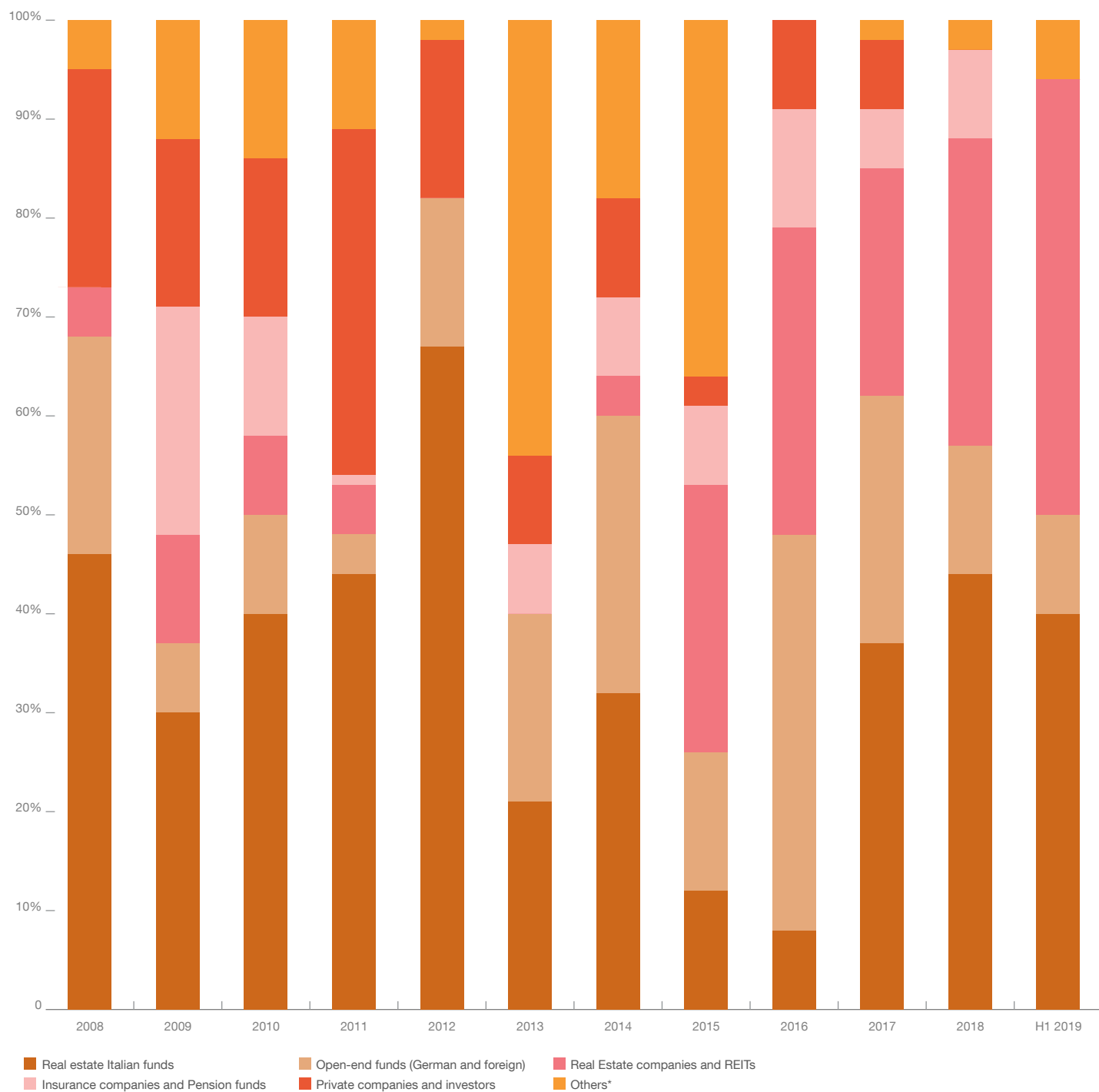
Investments by asset class – H1 2019



Source: PwC analysis



Institutional real estate investments by investor class

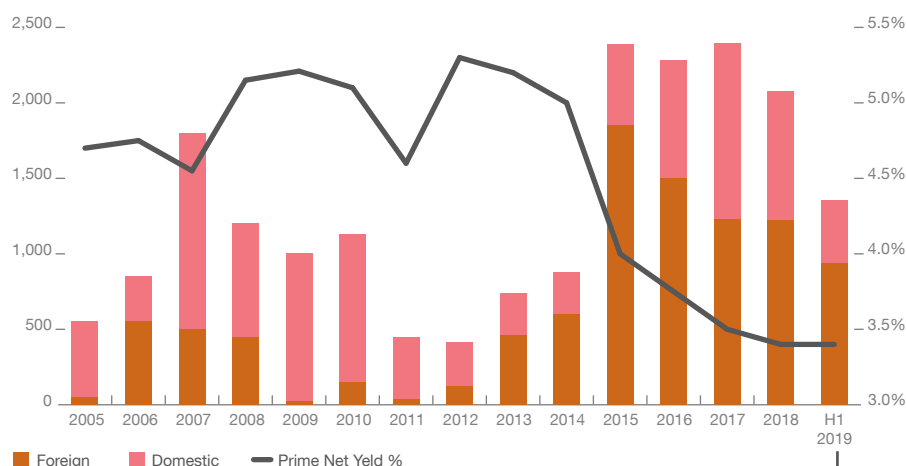


Office sector

In **H1 2019**, office investments in Milan reached **€1.6 billion, up 74% in comparison with the same half of 2018**. Milan remains the most attractive market in terms of volumes and number of deals. The lack of quality product remains a central issue even for the Milan market, which is reflected in the lack of deals on individual assets restricting the growth of the market.

Foreign capital in H1 2019 represented 68.9% of the total investments. Prime and secondary net yields remained stable at 3.4% and 5.0%, respectively, compared to the previous semester.

Trend of Investments (€m)



€1.36bn

Total Investments in H1 2019

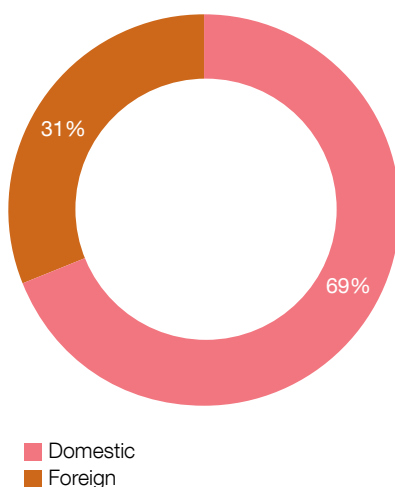
10.3%

Vacancy rate in H1 2019

69%

Share of foreign investors in H1 2019

Investors - H1 2019



The **Take-up in H1 2019** reached nearly **208k sqm**, up by 2% compared to the same half of 2018. During the second quarter of 2019, take-up of office space in Milan was circa 117k sqm, slightly down 3% compared to the previous quarter, and up 5% against the same period of 2018. Take-up registered in the last two years is almost double the average volumes recorded in the period from 2012 and 2016 (circa 130k sqm).

Offices between 1k and 5k sqm were the most requested by occupiers and accounted for 40% of take-up, in line of the average recorded in the last ten years, even if the average surface area has decreased from circa 1,700 to 1,300 sqm. The main features driving the tenants' decisions during the last few months are still the quality of real estate properties, and the implementation of smart working policies, therefore a request from the owners to have increasingly flexible spaces. The first part of the year has also been characterized by relevant rental agreements signed with manufacturing & energy companies.

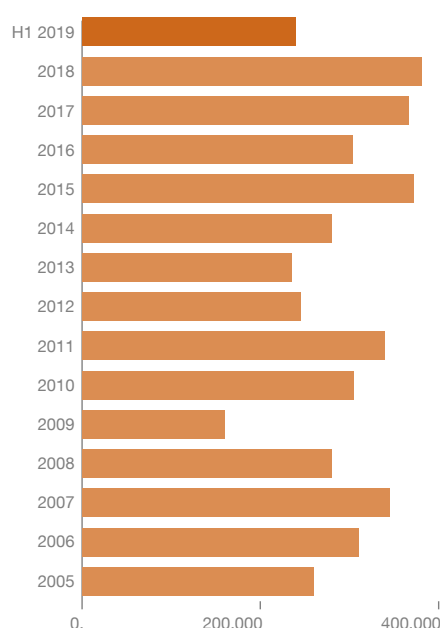
In H1 2019 the **vacant office space** in the city of Milan reached 1.3m sqm. In the central area, 5.8% of the office supply is vacant, while 16% is vacant in the periphery and 21% in the hinterland. Milan's average vacancy rate is at 12%, stable compared to the first quarter of the year. The vacancy rate remains particularly low in CBD Duomo, CBD Porta Nuova and Centre, in a range between 3% and 4.5%.

The main amount of space that is difficult to let is due to the property features not corresponding to the type of assets currently requested by tenants; in every area of the city, grade A buildings continue to be the main choice of tenants. In Milan the total availability of Grade A spaces is 31% of the total, with 30k sqm located in both CBDs and Centre.

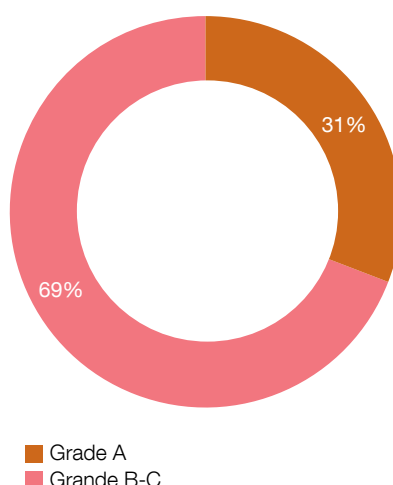
Vacant spaces in Milan are mainly of grade B and C (69% of the total available spaces), and are concentrated in the Periphery and Hinterland areas. In Milan, new Grade A developments are rapidly pre-let before construction, continuing the shortage in availability of quality buildings. Tenants are inclined to move towards the Centre and both CBD, leading to an increase of lower quality buildings within the Periphery and Hinterland. This lack of supply of quality assets is increasingly encouraging developers to undertake projects for the refurbishment of the existing stock.

In June 2019, despite the small sqm of completion in the last quarter, there are 330k sqm of office space under construction and expected to be completed by the end of 2020.

Take up trend (sqm)



Supply by Grade



1.3m sqm

Vacant office spaces in Milan

+24%

Growth take up H1 2019 vs H1 2018

3-4.5%

Vacancy rate in CBD Duomo, CBD Porta Nuova and Centre

Rents

From the analysis of rental agreements emerges that the average prime rent for Q2 2019 is 382 €/sqm/y, which is slightly higher than the value registered during the previous quarters (356 €/sqm/y).

	Rent €/sqm/y	Growth %	
Milan	Average Rent	1 year	5 years (CAGR)
CBD	590	3.50%	4.40%
Centre-out of CBD	460	7.00%	n/a
Semi Centre	350	9.40%	5.30%
Periphery	270	12.50%	4.20%
Hinterland	240	9.10%	n/a
Average	382		

Yields

The Prime Net Yields remain stable from the previous quarter; Prime Net Yield in the CBD of Milan is about 3.50% and rises to 5.00% in the periphery.

Milan	Q2 2019	Q1 2019	Q4 2018
CBD	3.50%	3.50%	3.50%
Centre-out of CBD	4.00%	4.00%	4.00%
Semi Centre	4.75%	4.75%	4.75%
Periphery	5.00%	5.00%	5.00%
Hinterland	5.75%	5.75%	5.75%
Average	4.60%		

382 €/sqm/y

Average Prime Rent Q2 2019

4.60%

Average Prime Net Yield
Q2 2019

590 €/sqm/y

Prime Rent CBD Q2 2019

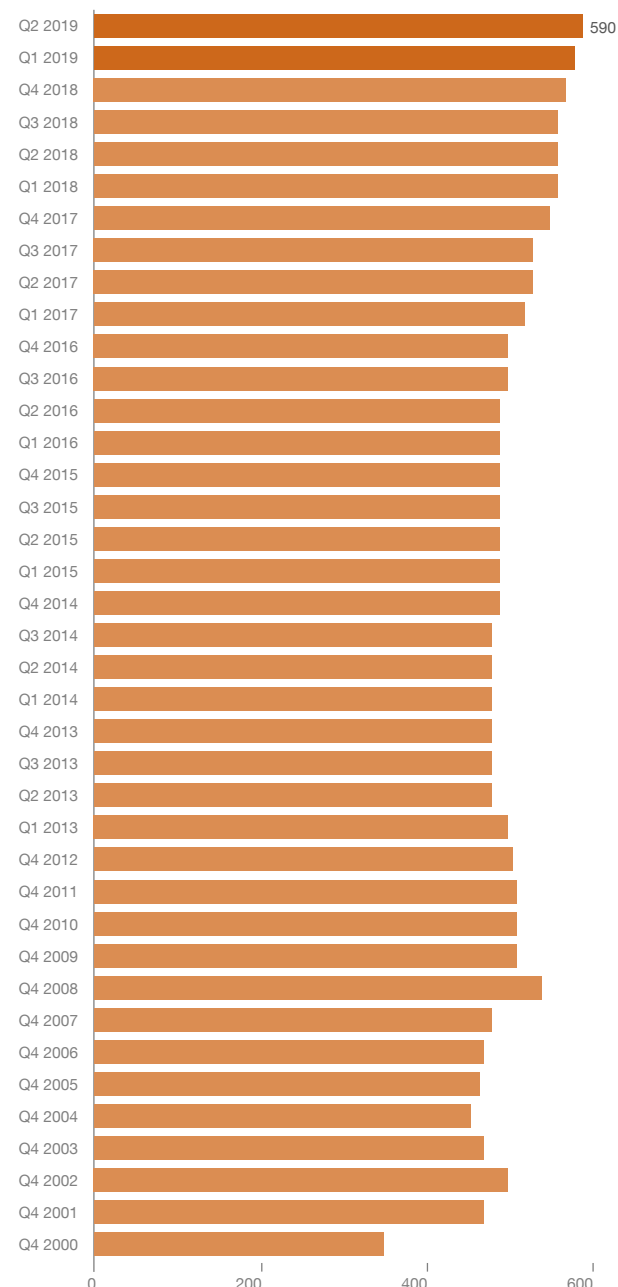
239k sqm

Take-Up in H1 2019

The Milan market is proving to be very attractive for investors and is undoubtedly the number one market in Italy in terms of volumes and number of deals. With regard to core investors, a growth in the number of domestic investors has been recorded, while the most active value-add investors are once again private equity initiatives.

Prime rent for office in the CBD is growing, in Q2 2019 mounted to 590 €/sqm.

Trend of prime rents (€/sqm/y)



Hotel sector

Introduction

Milan, one of the biggest and more cosmopolitan Italian cities, is the national business and financial centre and leader in technological and scientific research. Many national and international companies already have HQs in the city, with other large companies searching to be present in the local market as well. The city is well known for its leading museums, theatres, and landmarks as well as international events and fairs, which include the Fashion Week (in February and September), Milan Furniture Fair (in April), SMAU (in October), and EICMA (in November). New events and social activities are constantly being organized in Milan, such as the Fall Design Week, which had its pilot edition in October 2016 and its first full edition in 2017, and MAPIC Italy, which also launched in 2016.

Hotel demand

The province of Milan in 2018 recorded 7 million arrivals and 13.4 million overnight stays, which is circa 7% higher than 2014. The majority of overnight stays are from international tourists, which represent 60% of the total. Over the last 5 years, this segment has grown by circa 14%.

International tourists mainly arrive from the USA, China, Germany, France, UK, Spain and Russia.

National tourists account for 40% of total overnight stays and demand has remained relatively stable since 2014.

Historical trading

Milan has historically been supported by business demand, although the leisure component has been increasing, especially since the EXPO 2015.

Since 2017, Milan has registered consistent, strong growth from both an increase in Occupancy and ADR; RevPAR grew by 7.7% in 2017 and an additional 4.4% in 2018, pushing the market back towards levels recorded pre-crisis (RevPAR of €104 in 2007).

The first 10 months of 2019 continues the trend with a 9% increase over the same period the previous year, which further confirms the city's tourism appeal.

Recent transactions

National and international investors continue to search for opportunities in Milan and in 2018 and 2019, hotel transactions included (amongst other transactions): J24 Hotel Milano, Glam Hotel, Just Hotel Milano, NH Collection CityLife, NH Milano Congress, iH Hotels Milan Puccini, Townhouse Duomo, Townhouse Galleria Seven Stars, Hotel Carlyle Brera, Radisson Blu Milan, LaGare Hotel Milano Centrale - MGallery by Sofitel.

Annual hotel statistics

	Occupancy (%)	ADR (€)	RevPAR (€)
2015	69%	161	111
2016	64%	141	91
2017	68%	144	98
2018	69%	148	102
2019*	72%	157	113

Growth on previous year

	Occupancy (%)	ADR	RevPAR
2015	7.9%	23.5%	33.3%
2016	(7.0%)	(13.0%)	(19.0%)
2017	5.3%	2.3%	7.7%
2018	1.6%	2.8%	4.4%
2019*	4.7%	4.2%	9.0%

*YTD October 2019 (growth is on the same period of the previous year)

€148

2018 Average Daily Rate (ADR)

69%

2018 Occupancy

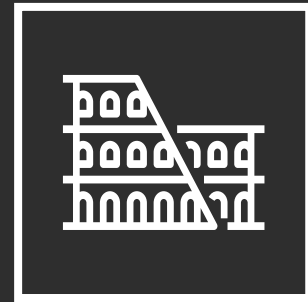
7m

2018 Total Arrivals (#)

13.4m

2018 Total Overnight stays (#)





7. Rome

Rome

Rome – City Profile

In terms of residential, logistics and office, which are the most popular sectors targeted by Emerging Trends Europe's respondents, Rome's real estate market continues to play second fiddle to its northern rival. "Today there is a 30% gap in values compared to Milan, apart from hotels," says a large Italian institutional investor. Prime CBD office rents in Rome are 430 €/sqm/y, and prime yields are 3.75% compared to €600 and 3% in Milan."

Rome's underperformance is blamed on two continuing frustrations: the lack of transparency and its city leadership. "Rome is blocked, and the reason is strongly related with the lack of strategic vision," says a global investment manager.

However, local players who know how to work with these constraints and more adventurous international capital, particularly from the US, are active. The market in 2019 has been a little more dynamic, and there is competitive bidding for opportunities. Players are looking for the same product as investors in other European cities: buildings to refurbish to grade A specification.

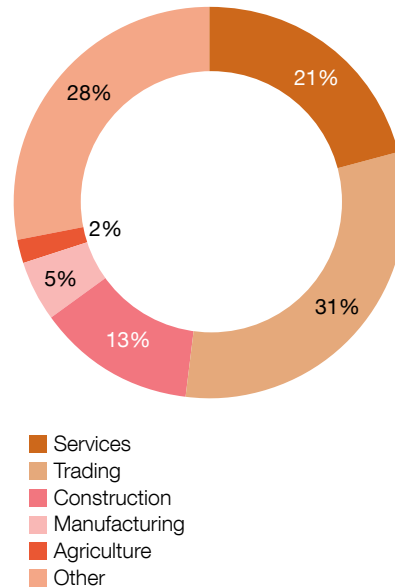
Rome is a city where we see good growth prospects: there is a big lack in the offer of luxury hotel brands," says the CEO of an Italian investor. However, he adds: "The problem is that more or less 85% of hotels are owned by families, with price expectations that are too high.

"That market is not so crowded compared to German cities. We think that wave is now coming to Rome", says one. Italy's capital is strong on hotels and retail. Institutional investors with sound knowledge of Italian shopping continue to buy into big malls, examples being the insurance/pension fund money behind trades in GranRoma and Parco Leonardo.

Italy's real estate market "is still bank centric", and banks are choosy about what they will fund. For investors with relationships with foreign banks, debt is relatively cheaper, but Italian banks are still weighed down by €170bn of bad loans and require higher spreads, even for core investments, or very high levels of pre-letting or pre-sales for development.

"Our investments are mainly financed through equity, and more and more we are seeking joint ventures with institutional investors," says another Italian CEO.

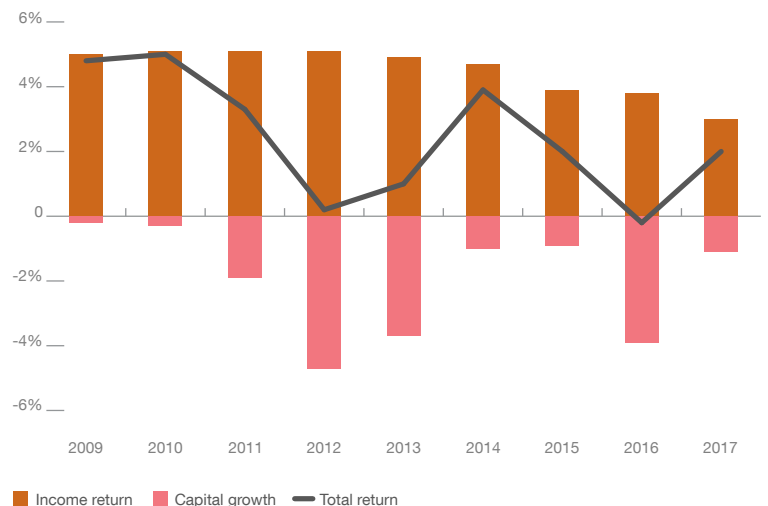
Active companies by sector H1 2019



Rome has not been able to replicate the positive trend recently seen in Milan, even though unemployment has decreased and tourism demand and population have increased. GDP has a negative variation % between 2017 and 2018. 31% of companies are in trading, while agriculture remains low.

Source: PwC analysis on data provided by The Chamber of commerce of Rome

All property return 2009 - 2017



Source: PwC Emerging Trends in Real Estate Europe 2020



Residential

Municipality of Rome

Over the period 2004 – 2018, the average **Number of Normalized Transactions of residential in Rome is 32,088 transactions per year.**

During the analyzed period, the lowest transaction volume was seen in 2013, followed by a general recovery over the following five years, with 2018 figures increasing +34.71% over 2013.

32,088

NNT 2018

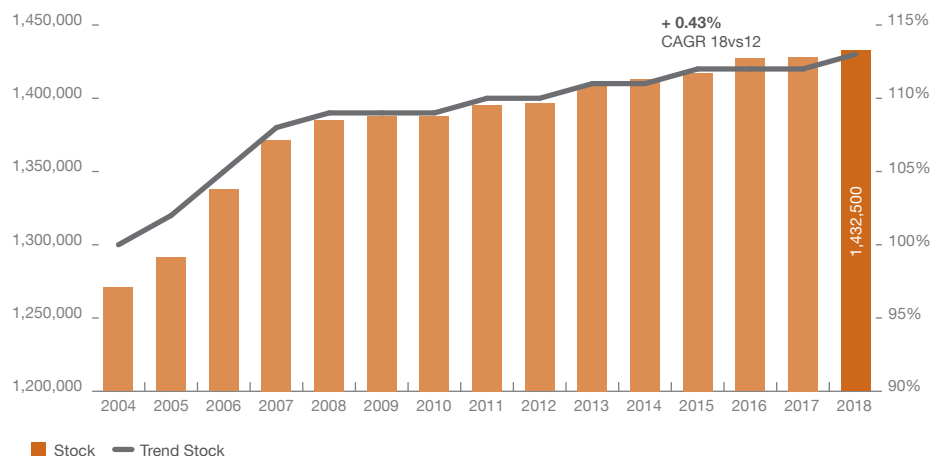
+3.1%

NNT 2018vs2017

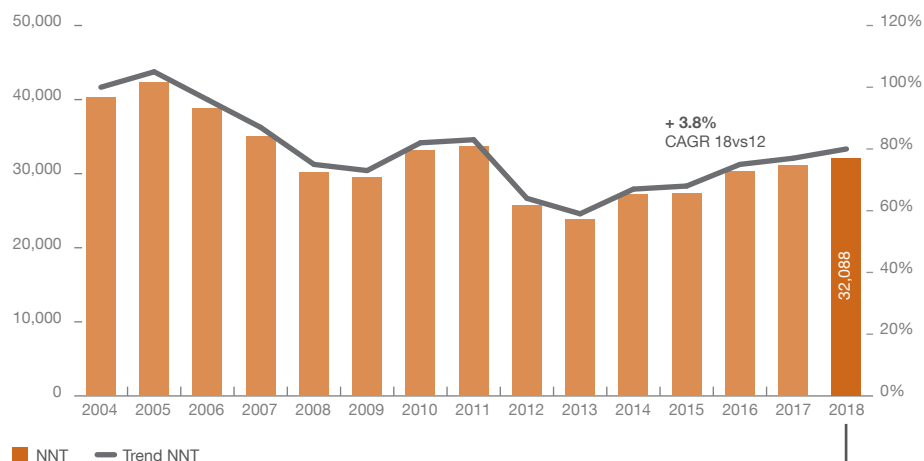
+34.71%

NNT 2018vs2013

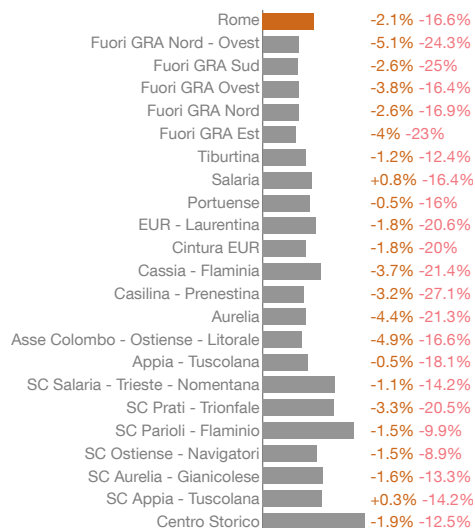
Trend of Real Estate Stock



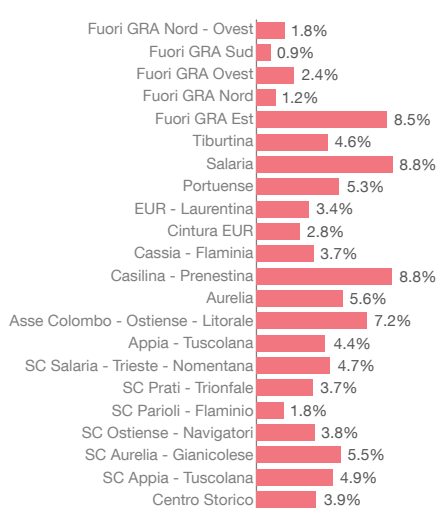
Trend of NNT



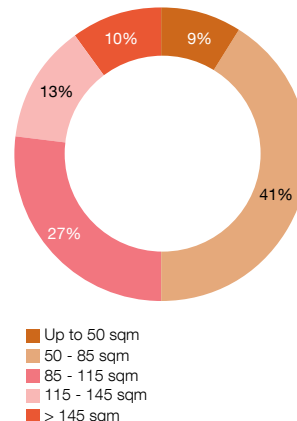
2018 Average purchase price (€/sqm)

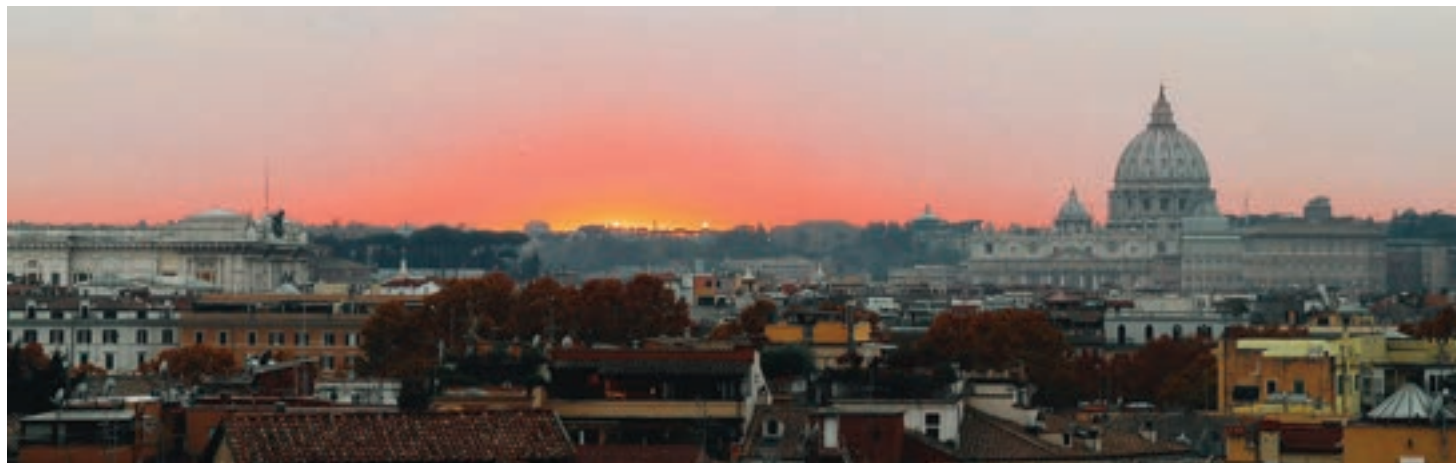


Share 2018 NNT by area



Share 2018 NNT by dimensional class





16,689

NNT H1 2019

+6.9%

NNT H1 2019 vs H1 2018

+28.62%

NNT H1 2018 vs H1 2013

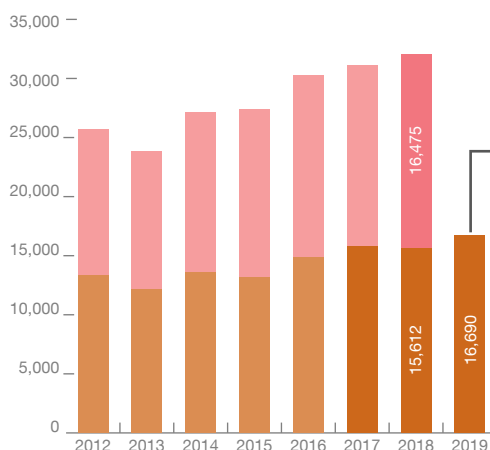
+12.61%

NNT H1 2018 vs H1 2016

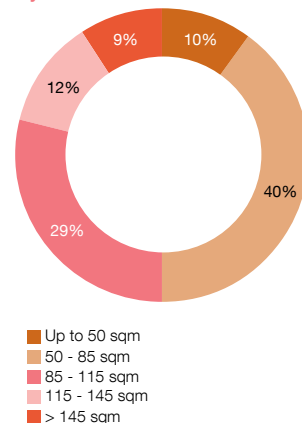
Real estate market data shows that the prices (€/sqm) in Rome, in comparison with Milan, are much lower and have continued to decrease in recent years. However, Rome is still the primary real estate market in Italy for number of residential transactions with **the first half of 2018 recording 16,690 residential transactions, which is +6.9% higher than H1 2018.**

For all of 2018, the greatest increase of residential transactions were for properties between 85-115 sqm (+7.4% from the previous year) with a total of circa 4,118 transactions, followed by properties between 115-145 sqm (+5.5%). The majority of transactions were for properties between 50-85 sqm (+0.3%) with a total of 12,943 transactions and alone representing 40% of Roman residential transactions. The average apartment size in Rome is 94 sqm, while the average is 91 sqm in the other eight main Italian cities, and 110 sqm throughout Italy. The real estate market in Rome is divided into different zones with strong identities which attract specific buyer profiles. The historic centre has been waiting for improvements for several years now which would create demand from Italian buyers for this area, since there are historical buildings with a high architectural importance.

Trend of NNT by half year



Share NNT H1 2019 by dimensional class

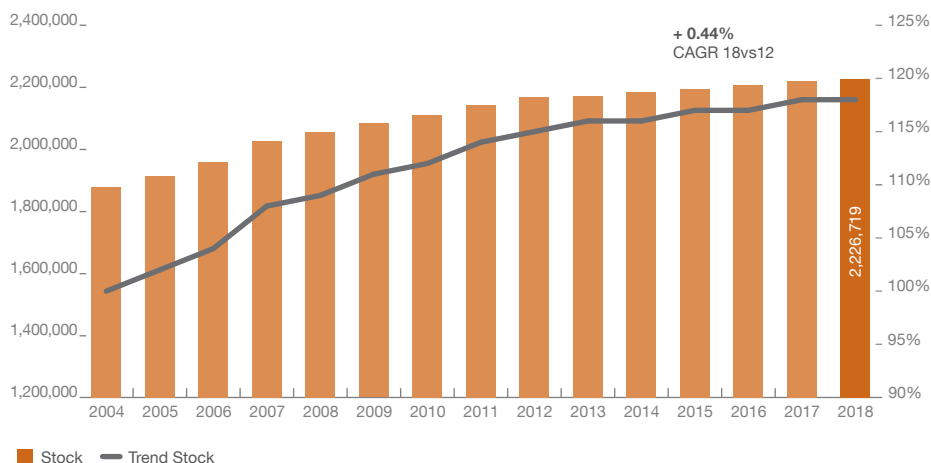


Province of Rome

Over the period 2004 – 2018, the historical trend of **Number of Normalized Transactions** of residential in the **Province of Rome** has presented an **average value of 49,549 transactions**.

During the analyzed period, the lowest transaction volume was seen in 2013, followed by a general recovery over the following five years, with 2018 figures increasing +36.18% over 2013.

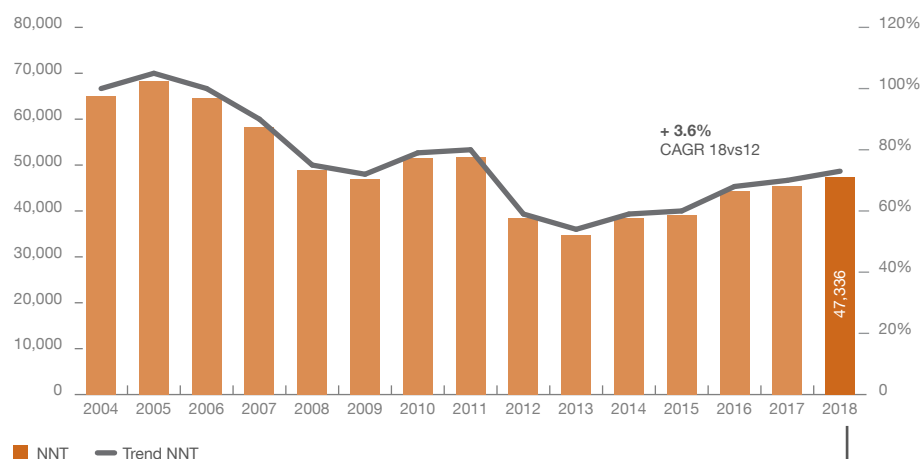
Trend of Real Estate Stock



47,336

NNT 2018

Trend of NNT



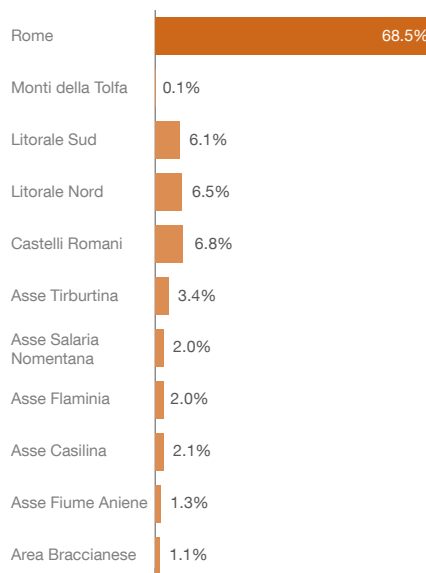
+4.16%

NNT 2018vs2017

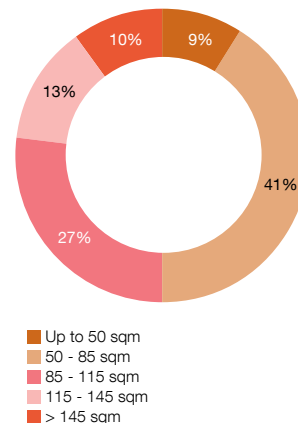
+36.18%

NNT 2018vs2013

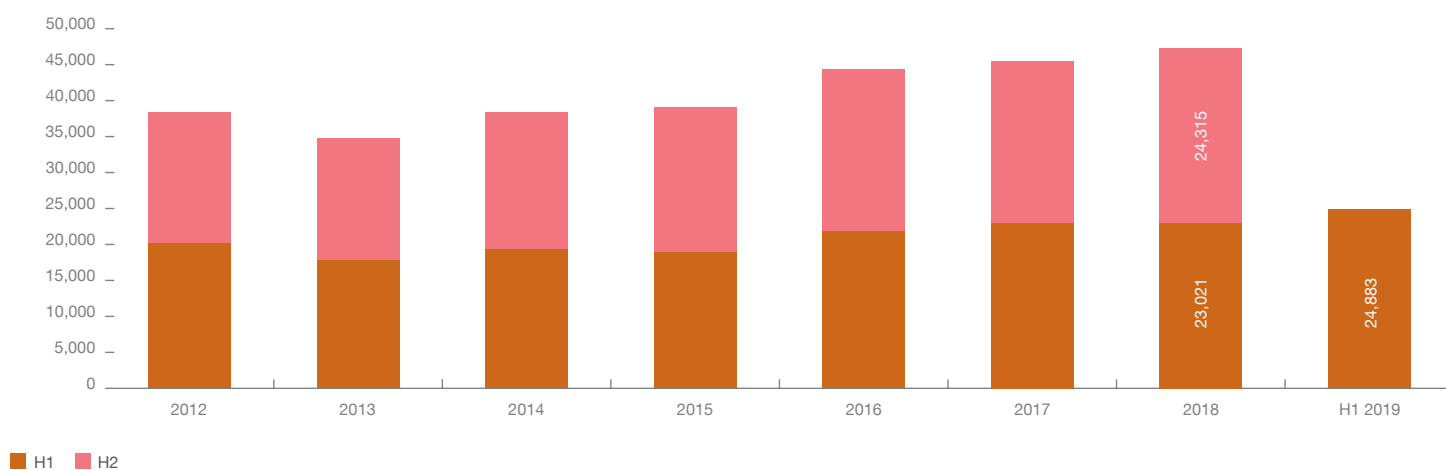
Share 2018 NNT by area



Share 2018 NNT by dimensional class



Trend of NNT by half year



Source: PwC analysis on Italian IRS data



Investment Trends

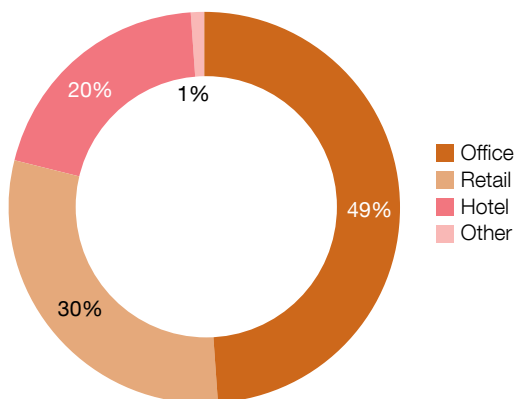
Investment trends

In H1 2019 the investment market in Rome accounted for €1.0bn, with a level of volumes 62% higher than the same period in 2018.

The main market is still the office sector with 49% of total volume invested in the first semester.

In 2019 the most relevant investors were mostly Insurance companies and pension funds followed at a distance by Private companies and investors.

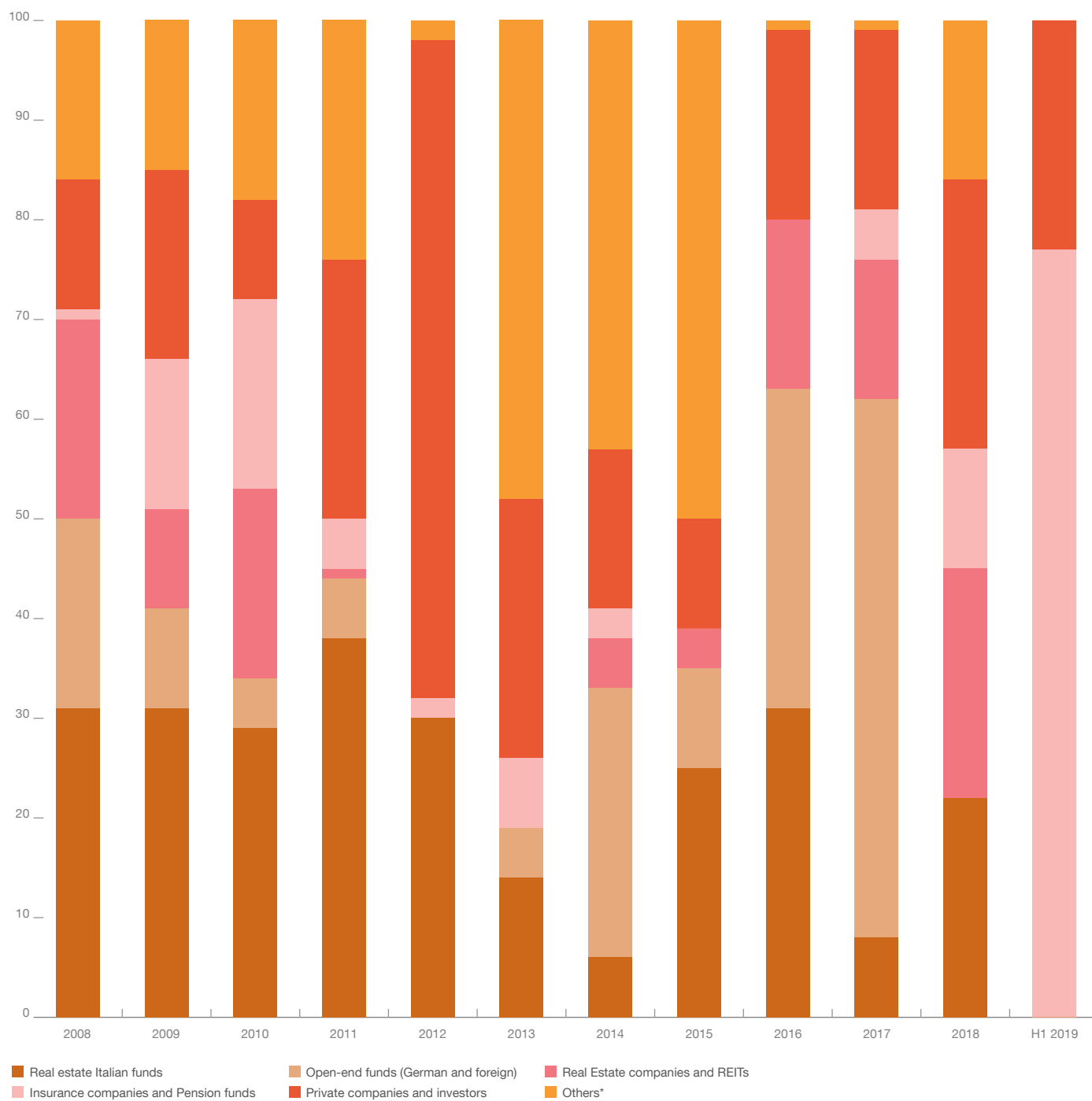
Investments by asset class – H1 2019



Source: PwC analysis



Institutional real estate investments by investor class



*Others: Banks, public sector and sovereign funds

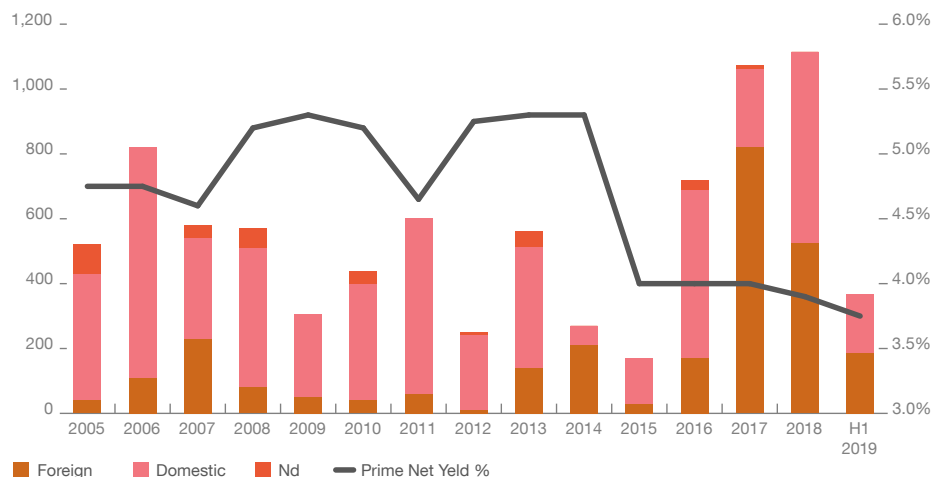
Office sector

In H1 2019, the office investments in Rome reached €367m, up 33% in comparison with the same half of 2018.

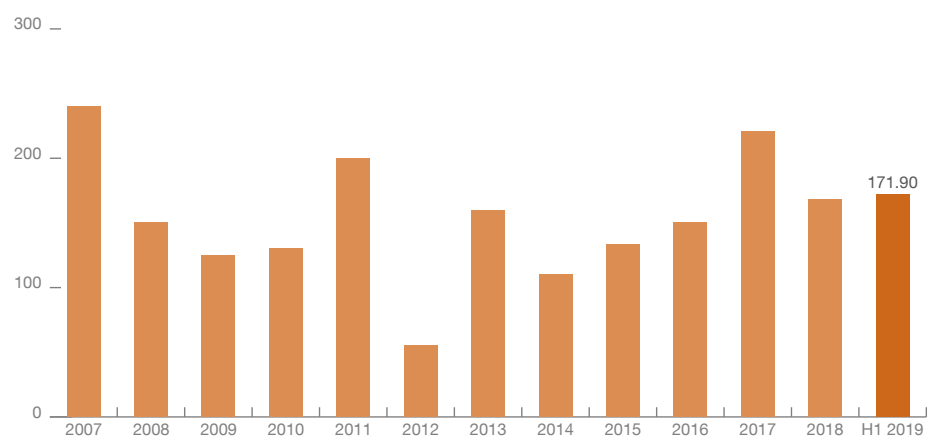
Domestic capital invested in H1 2019 is almost equal to foreign capital. Interest towards the city remains high and expectations for the coming months are positive; the prime net yield in the CBD is 3.75%.

In the first half of 2019, 70 leases were recorded (71 compared to H1 2018), but the average area has increased to 3,000 sqm compared to 1,300 in the first half of 2018. The pipeline of developments is slightly down, with 106k sqm under construction/being refurbished and expected to be delivered between 2019 and 2020, while three completion of 61k sqm were reported in the second quarter.

Trend of Investments (€m)



Take Up ('000 sqm)



€367m

Total Investments in H1 2019

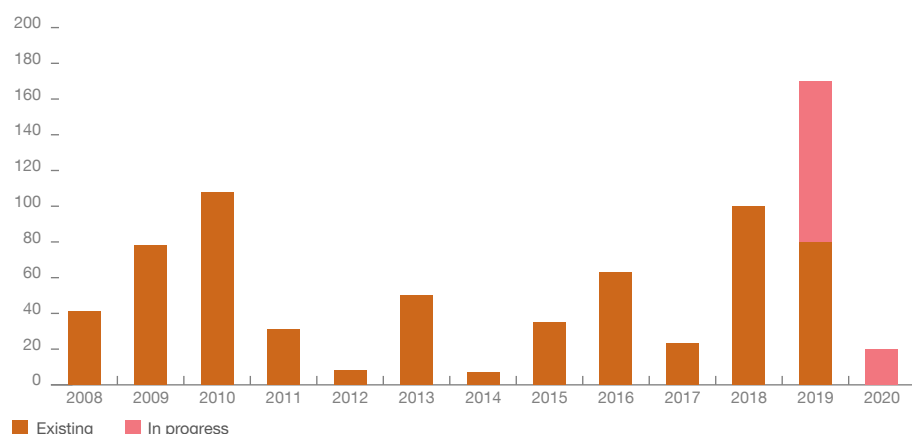
12.8%

Vacancy rate in H1 2019

51%

Share of foreign investors in H1 2019

Accomplished and in progress projects ('000 sqm)



Source: PwC analysis

Rents

From the analysis of rental agreements emerges that the average prime rent for Q2 2019 is 320 €/sqm/y, which is slightly higher than the value registered during the previous quarters (312 €/sqm/y).

	Rent €/sqm/y	Growth %	
Rome	Average Rent	1 year	5 year (CAGR)
CBD	440	4.80%	0.90%
Center	350	0.00%	n/a
Semi center	300	0.00%	-1.30%
EUR	350	2.90%	2.10%
Periphery	160	6.70%	0.00%
Average	320		

Yields

The Prime Net Yields remain stable from the previous quarter; Prime Net Yield in the CBD of Rome is about 3.75% and rises to 8.00% in the periphery.

Rome	Q2 2018	Q1 2018	Q4 2017
CBD	3.75%	3.75%	4.00%
Center	4.50%	4.50%	4.50%
Semi center	6.25%	6.25%	6.25%
EUR	4.50%	4.50%	4.50%
Periphery	8.00%	8.00%	8.00%
Average	5.40%		

320 €/sqm/y

Average Prime Rent Q2 2019

5.40%

Average Prime Net Yield
Q2 2019

440 €/sqm/y

Prime Rent CBD Q2 2019

171,900 sqm

Take-Up in H1 2019

Take-up in H1 2019 was 171,900 sqm, up +107% compared to H1 2018 (+140% compared to H1 2016).

The number of units absorbed in the first six months of the year was 70, which was higher than the semi-annual average of the last five years, around 45 deals per quarter. Take-up in 2018 was 167,800 sqm, in line with average of the last four years (168,000 sqm), but 24% lower to the total volume of 2017.

Prime rents were slightly higher in the CBD and in the EUR area at 440 and 350 €/sqm/y respectively.

Developments in the pipeline are in a decreasing trend, with nearly 106k sqm under construction/ renovation (completion expected between 2019 and 2020). Investments in the first half of 2019 reached a volume of approximately €367m. Domestic capital accounted for about 50% of total investments; Q2 2019 has recorded a decrease of 36% compared to Q1 2019. In this period there was a growing interest by investors with a grater propensity for risk for value-added and opportunistic products.



Hotel sector

Introduction

Rome, the capital of Italy, is not only the city where all the national public institutions, international political and cultural organisations, embassies and largest companies are headquartered, but it's also the cultural, artistic and spiritual capital of the country.

Hotel demand

The city of Rome in 2018 recorded 12.7 million arrivals and 30 million overnight stays, which is circa 3% higher than the previous year.

International tourists, which are the true strength of Rome's tourism market, represent 70% of total overnight stays and has grown by circa 3% from the previous year. International tourists mainly arrive from the USA, UK, Germany, Spain, France, and Japan.

National tourists account for 30% of total overnight stays and demand has increased by 2% from the previous year.

Overnight stays by month shows that the market benefits from a low seasonality, since the city satisfies different demand segments, such as business, leisure, religious, and political, ensuring a consistent presence of visitors throughout the year.

Historical trading

Since 2015, Rome's performance has increased from both growth in Occupancy and ADR; RevPAR grew by 3.9% in 2015, 7.6% in 2016, 2.2% in 2017 and 6.4% in 2018.

The first 10 months of 2019 shows a less noteworthy result with only a 0.1% increase in RevPAR from an increase in Occupancy, but with a lower ADR.

Recent transactions

National and international investors continue to search for opportunities in Rome and in 2018 and 2019, hotel transactions included (amongst other transactions): Ambasciatori Palace Hotel, Adagio, Crowne Plaza Rome St. Peter's, Domus Romana, Hotel Capo d'Africa, Venetia Palace Hotel, la Lama, Meininger. In addition to the above transactions, investors have also been very active acquiring assets to be converted into hotels in the city center.

Annual hotel statistics

	Occupancy (%)	ADR (€)	RevPAR (€)
2015	70%	156	109
2016	72%	162	117
2017	71%	169	119
2018	72%	178	127
2019*	74%	179	134

Growth on previous year

	Occupancy (%)	ADR	RevPAR
2015	(1.3%)	5.3%	3.9%
2016	3.1%	4.4%	7.6%
2017	(1.7%)	3.9%	2.2%
2018	1.2%	5.2%	6.4%
2019*	1.5%	(1.4%)	0.1%

*YTD October 2019 (growth is on the same period of the previous year)

€178

2018 Average Daily Rate (ADR)

72%

2018 Occupancy

12.7m

2018 Total Arrivals (#)

30m

2018 Total Overnight stays (#)

*Excludes Boscolo portfolio transaction







8. International trends

International trends

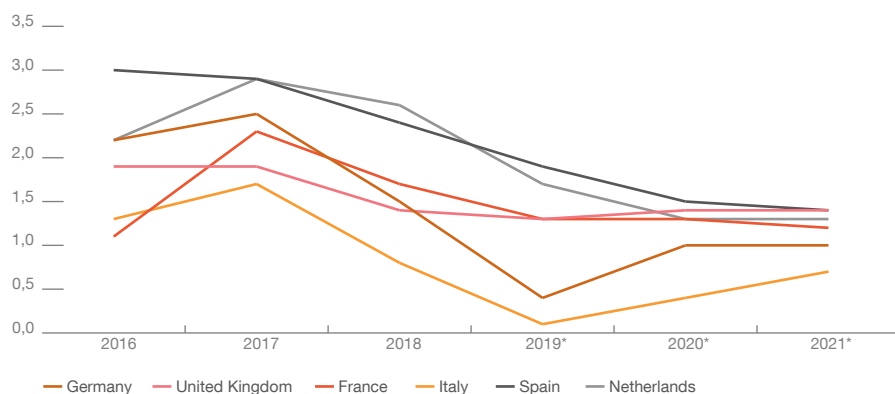
Macroeconomic overview

The European economy has entered a protracted period of subdued growth and low inflation in the context of high uncertainty, a much less supportive external environment, and structural shifts mainly affecting the manufacturing sector. Global growth is set to fall this year to a pace usually associated with the brink of recession. International trade in goods has been stagnant at best, previously-identified risks of an increase in trade tensions and geopolitical conflicts materialized over the summer, and high uncertainties related to trade policies and Brexit have not receded. Leading indicators suggest that the weakness in global

manufacturing will continue in the near term.

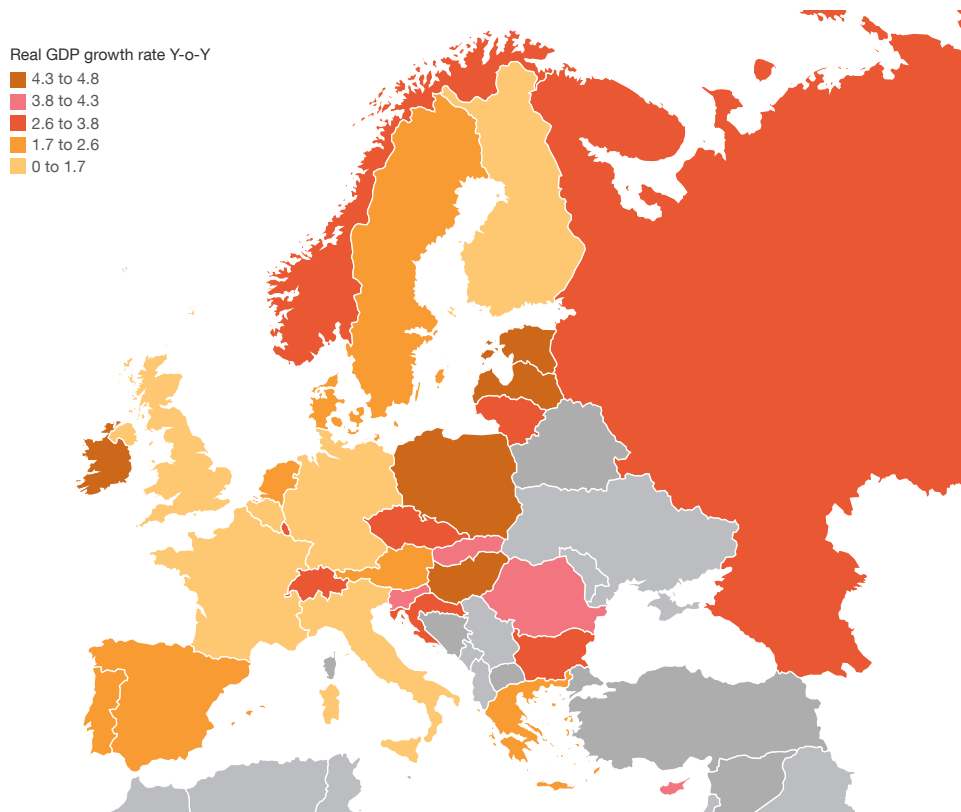
Hence, the EU economy, which slowed down in the second quarter of 2019, is not likely to rebound in the near term. Labour markets in Europe, however, have remained strong and the unemployment rate has fallen to below its pre-crisis level, fueling robust wage growth, which has allowed domestic demand to expand at a relatively steady pace, in a context of historically low borrowing costs. As on top, some Member States have introduced growth-enhancing fiscal measures and more domestically oriented sectors are expected to remain resilient, GDP should continue to grow in all Member States. All these factors are however unlikely to be strong enough to power growth to a higher trajectory than this year.

Real GDP growth rate Y-o-Y



*Economic Forecast Autumn 2018

Real GDP growth rate (2018) EU 28 Countries



Source: PwC analysis on Eurostat data

Trend of European investments

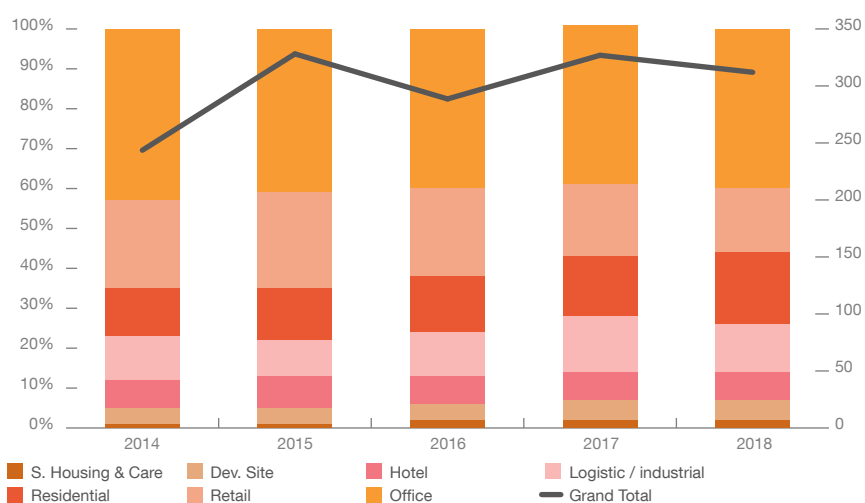
European investments in **2018** registered a slight decrease of circa 5% compared to the previous year and a CAGR of 6.4% over the last five years.

Over the last 5 years the individual sector with the largest share of investments is continuing to be the office sector, which represents circa 40% of the total volume of transaction, followed

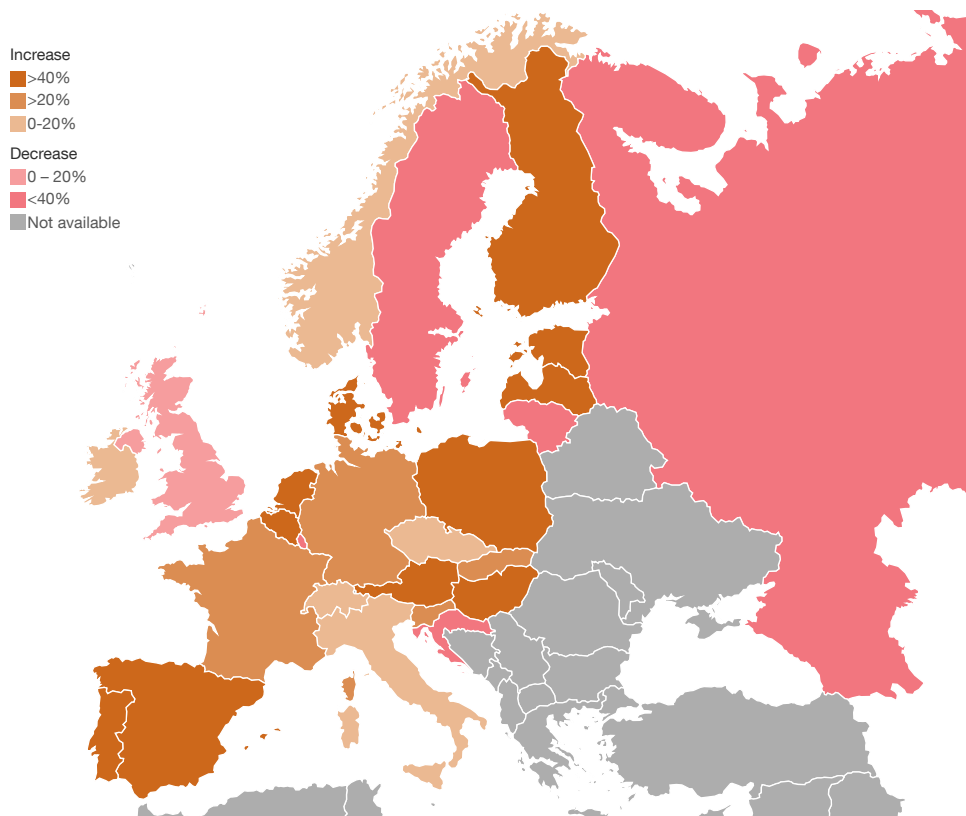
by residential (18%) and retail (16%).

The main European countries (Germany and France) in terms of investments in the last five years have recorded a limited growth compared to other main European economies, while the market with the highest investment (United Kingdom) has registered a slight decrease. In prime markets yields are at historical lows.

Trend of investment by asset class



Var. % investments 2018 vs H1 2014

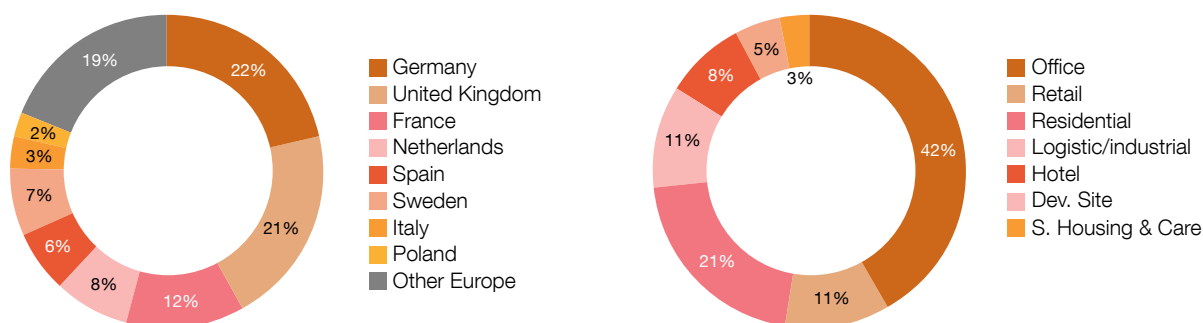


European investments - H1 2019

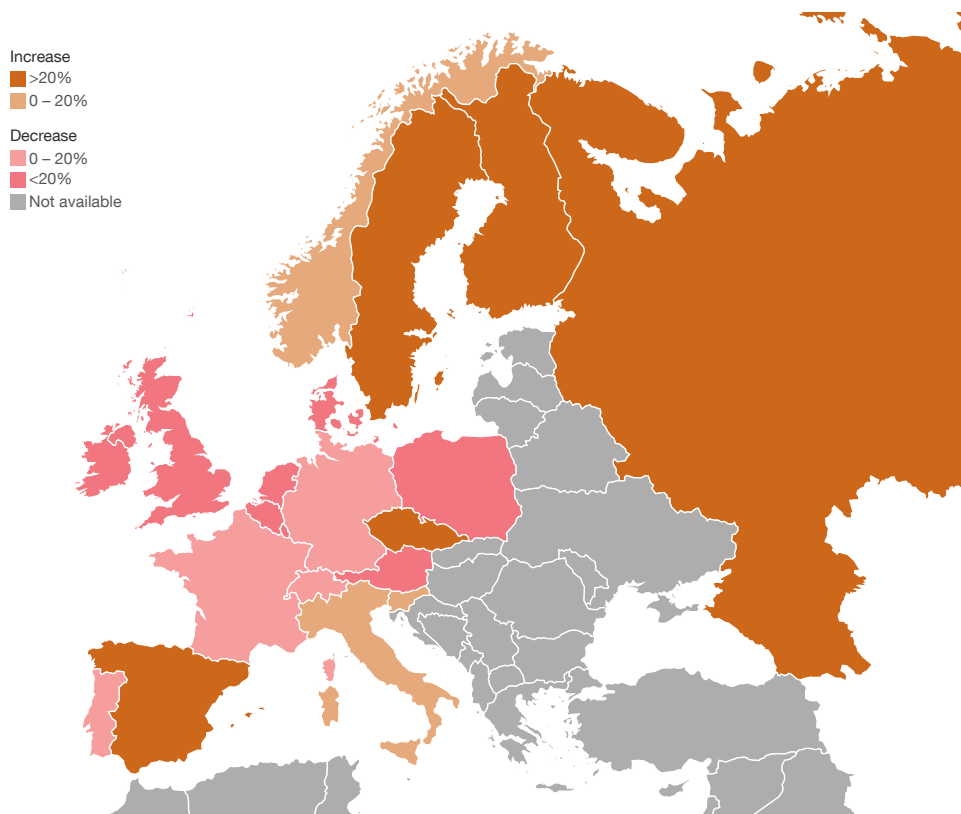
Investments in **H1 2019** reached a level of **€114bn**, about 15% lower than the same period in 2018. The individual sector with the largest share of investments continues to be the office sector, which represents 42% of the total volume of transactions. In recent years, office demand is rapidly increasing in central and eastern Europe. Residential investments represent nearly 21% followed by retail (11%), logistic/industrial (10%) and hotel (8%). The country with the largest volume of investments is Germany which represents 22% of the total amount invested in the half, followed by United Kingdom (21%) and France (12%). In the first half of 2019, the countries which recorded the

highest growth compared to the same period of the previous year are Czech Republic (+75%) and Sweden (+67%). Italy and Spain are the only large European markets where volume continued to grow at a strong pace, with 58% and 38%, respectively. The slowdown of investment flows was uniform from the main investment sources in the first half of 2019. Domestic and intra-European investments slowed down by 14% compared to the first half of 2018, while cross-border investments fell by 17%. The biggest players in the market slowed their activity during the first semester 2019, while investors from US remain the biggest source of capital.

Investments by country and asset class – H1 2019



Var. % investments H1 2018 vs H1 2017



Business environment

The following trends and forecasts are drawn from Emerging Trends in Real Estate Europe, ETRE, a report undertaken jointly by PwC and Urban Land Institute. ETRE Europe 2020 reflects the views of 905 individual who completed surveys or were interviewed. The interviewees and survey participants represent a wide range of industry experts in Europe, including investors, fund managers, developers, property companies, lenders, brokers, advisers and consultants.

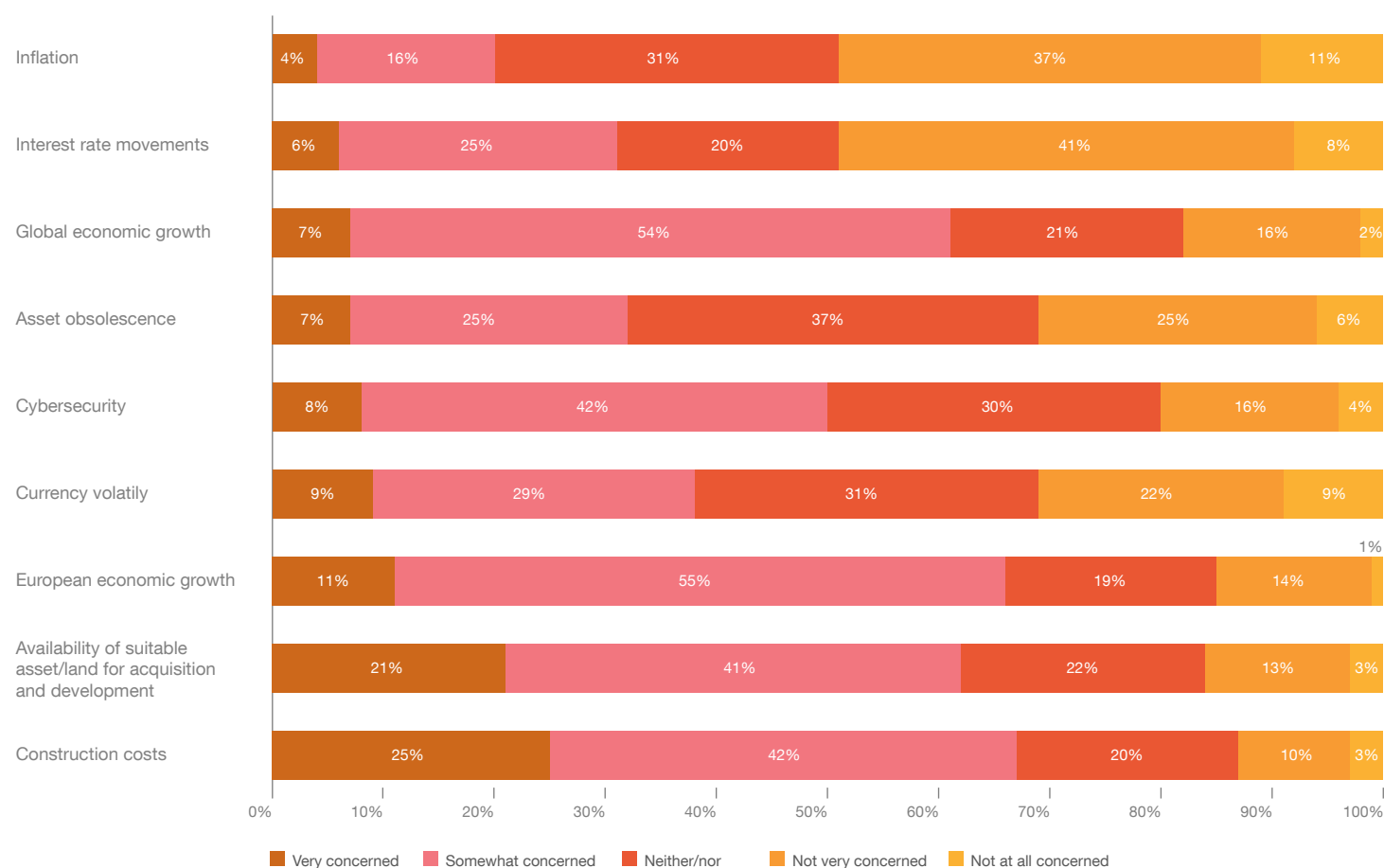
Issues impacting business in 2020

Political and economic uncertainty clouds the outlook for Europe in 2020, and yet investors remain drawn to the income-generating attributes of real estate. For many of Europe's real estate leaders, the sector's continuing attraction over other investment asset classes is the determining force for good. However, there is an undeniable mood of caution across the industry given the darkening macroeconomic picture.

Values are high, but the underlying European economy is still doing very poorly. As a result, you have to have high capital values to access pretty poor cash flows.

Central banks have responded by reversing the rising interest rate policy of a year ago, for many interviewees the most significant intervention since last year's report. This lower-for-even longer monetary phase has been, as one private equity player says, "a shot in the arm" for real estate capital markets, with the notable exception of retail. A global fund manager adds: "Last year, investors hesitated; this year they come with more conviction".

Issues impacting business in 2019



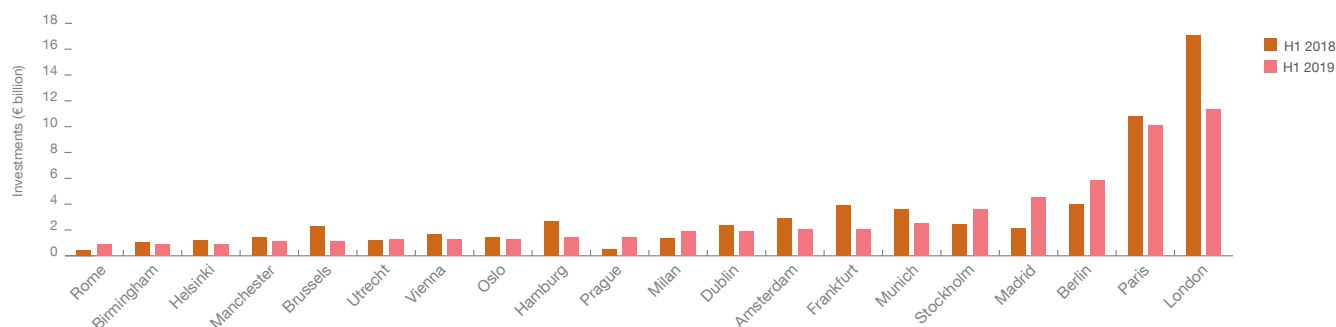
Markets to watch

Investments in the first half of 2019 in the 20 major European cities were stable or down. Paris is the clear favourite for 2020, ranked Number 1 for overall prospects. “Paris has three great, extra things going for it: the 2024 Olympic Games, (Brexit) it is just two hours from London by high speed train and the Grand Paris project,” says a pan-European investor. France’s capital also provides scale, liquidity and international cachet. “It is a truly global city with nicely diversified occupier market and currency-friendly,” says another investor.

This year, opportunity and caution are driving Europe’s real estate industry. Whether their business is global, pan-European or national, those canvassed by Emerging Trends Europe are focusing on cities that offer liquidity and connectivity while keeping a wary eye out for political instability.

We are late in the cycle, and it seems to be never-ending. We have been ever more cautious on location and quality of assets, particularly on location.

Top 20 markets in Europe (€bn)



Var. % investment H1 2019 vs H1 2018



Housing opportunities

As for the sectors into which capital is flowing, residential once again dominates the upper echelons of Emerging Trends Europe's investment rankings, taking six of the top 10 slots. Retirement or assisted living, affordable housing, rented residential and student accommodation are operationally more complex than traditional real estate. Co-living and, to a lesser extent, serviced apartments are nascent when it comes to significant interest from investors. But all these sectors are seen as being underpinned by strong demographic demand. Affordable housing rises up the ranks this year, from 11th place to ninth for investment prospects and from 12th to fourth for development prospects. Housing affordability is clearly a pressing issue for European real estate professionals: 61% are concerned about its impact on business in 2020 and 50% expect the problem to worsen over the next five years. It has been a sector which traditional commercial real estate investors have avoided until recently, but the prolonged low interest rates make the relatively low returns here more palatable. And the overwhelming need for affordable housing makes it an opportunity.

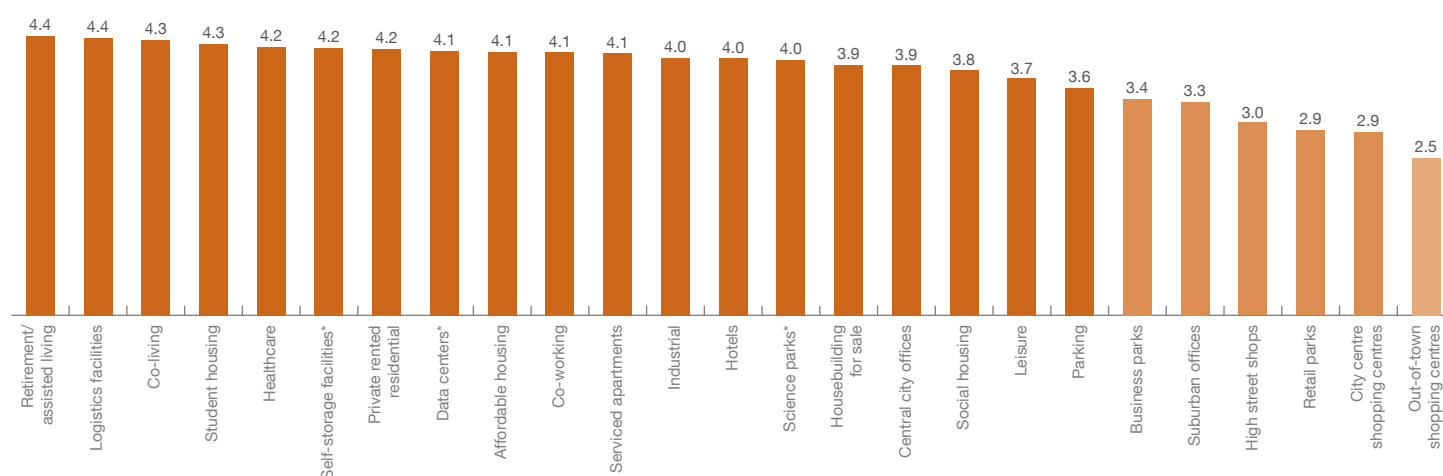
One note of caution about investing in rented residential: it comes with high political risk. Many interviewees cite the decision by the city government of Berlin to impose rent controls as an example of how political pressures can affect the financial returns from the sector. Barcelona and London are among other cities pushing for stronger regulations.

If there is a megatrend in urbanization, and people still flock to big cities, then there is demand for housing, and for affordable housing. So, we are happy to keep investing in that strategy," one global pension fund says.

The residential side is facing quite a lot of political influence, and quite a lot of that is irrational," one adviser says. "But people make a mistake: they think if something is irrational, that means it won't happen. But in politics things that happen are often irrational. Residential investment is an area that should be left to the super-pros right now.

Sector prospects in 2020

- Generally good = above 3.5
- Fair = 2.5-3.5
- Generally poor = under 2.5



*A significantly lower number of respondents scored this sector

Note: Respondents scored sector's prospects on a scale of 1=very poor to 5=excellent, and the scores for each sector are averages; the overall rank is based on the average of the sector's investment and development score.

Glossary

NNT

The number of “standardized” real estate units sold (sales of property rights are “counted” taking into account the share of property transferred, which means that if an unit is sold only for a portion, for example 50%, this would not be counted as one, but as 0,5).

Stock

The number of real estate assets included in the land registry archives in a given geographical area.

MII

The real estate Market Intensity Index: ratio between NNT and Stock.

IRS

Internal Revenue Service – Real Estate Market Division

INSI

Italian National Statistical Institute

NAB

National Association of Builders



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