

2019: the best year for the Milanese office market

Take up for the 4th quarter 2019 has reached volumes equal to approx. **120,000 m²**, in line with the previous quarter, for a total of over **482,000 m²** for 2019, an increase of almost the 25% with respect to 2018.

Within the quarter there have been **78 transactions**, among which there have been 2 transaction of approx. 16,000 m² and 11,000 m² respectively in the Bicocca area and in the city center. In 2019 the 75% of the total volumes has involved grade A buildings (77% in Q4), confirming the research for quality office spaces.

Analyzing the submarkets, in the **CBD Duomo** and in the **CBD Porta Nuova**, there have been take up which have, overall, exceeded **170,000 m²**. A positive performance has been registered also by the Periphery, which has represented the 24% of the take up (118,000 m²) and, in particular, by the Hinterland, which has doubled its take up with respect to 2018, with over 100,000 m². In the central and semi-central areas, the take up has been equal, respectively, to approx. 27,000 m² and 67,600 m², confirming to be substantially in line with the previous year.

Within the quarter there have been some **increase** in the **average rents**: it has been growing the prime rent in the CBD Duomo, in the Center and Semi-center, while it is substantially stable in the CBD Porta Nuova. The **vacancy rate** is **decreasing** and it is at **10.2% at city level**: main availability of spaces are in the periphery and in the hinterland areas.

Yields are **decreasing** with respect to the previous quarter, at **3.30% net prime** and **5.00% net** for **good secondary**. Milan confirms to be the most attractive investment place exceeding, in 2019, Euro 4.7 billion of capital invested, 78% of which in the office sector. In Q4 volumes invested in the city in the sector have exceeded Euro 2 billion with a single deal of Euro 280 million (Galleria Passarella) which has involved a primary institutional investor.

The outlook for the next semester is confirmed stable with an expectation of an additional increase in rents, especially for the prime segment.

Quarterly trend in Q4 2019 *

Take up
120,000 m²

Prime rent CBD Duomo
600 €/m²/yr

Number of transactions
78

Prime rent CBD Porta Nuova
520 €/m²/yr

Vacancy rate
10.2%

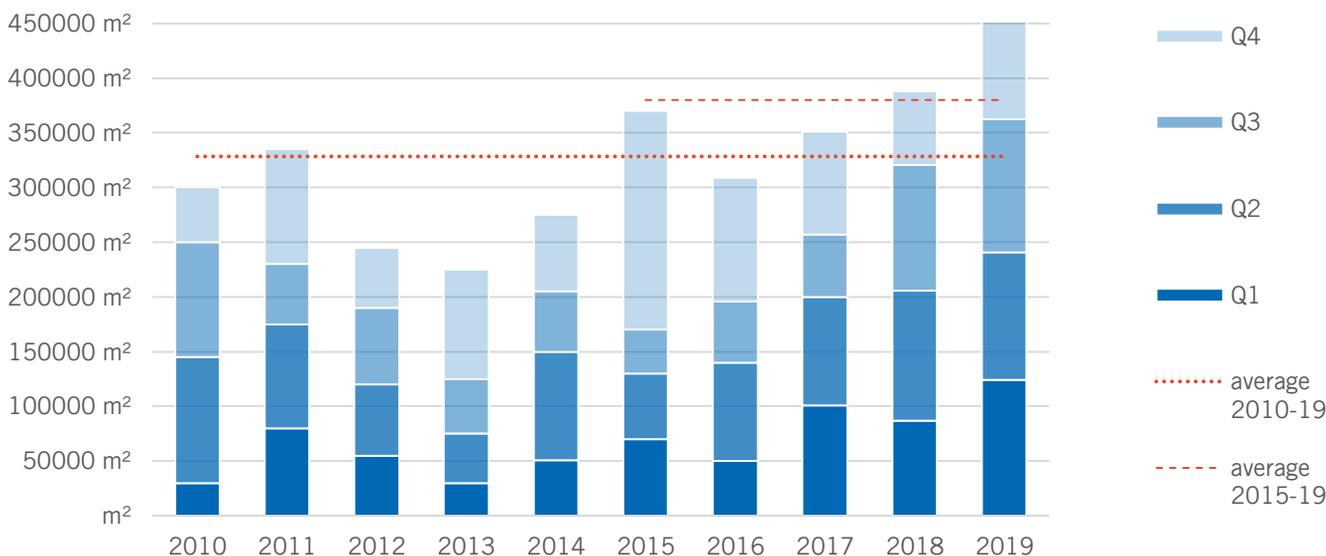
Net yield CBD Duomo and CBD Porta Nuova
3.30%

Investments volume Milan 2019

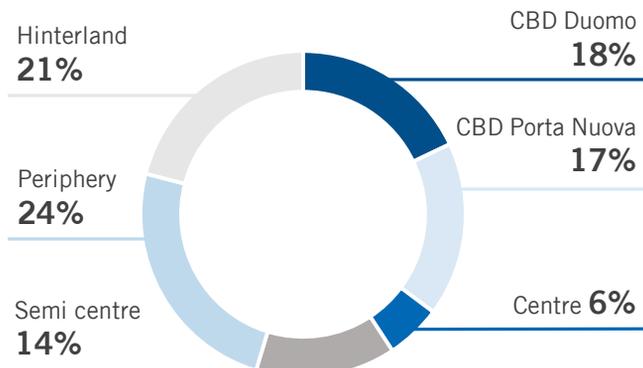


* Compared with Q3 2019

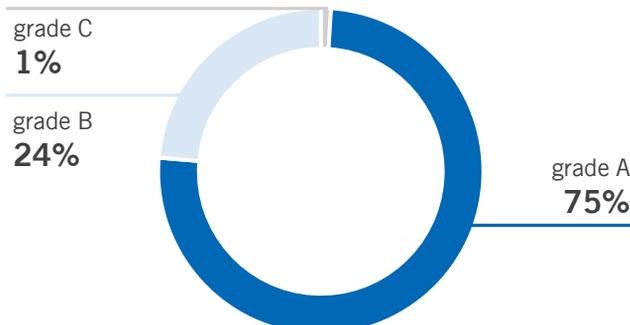
Take up trend per period



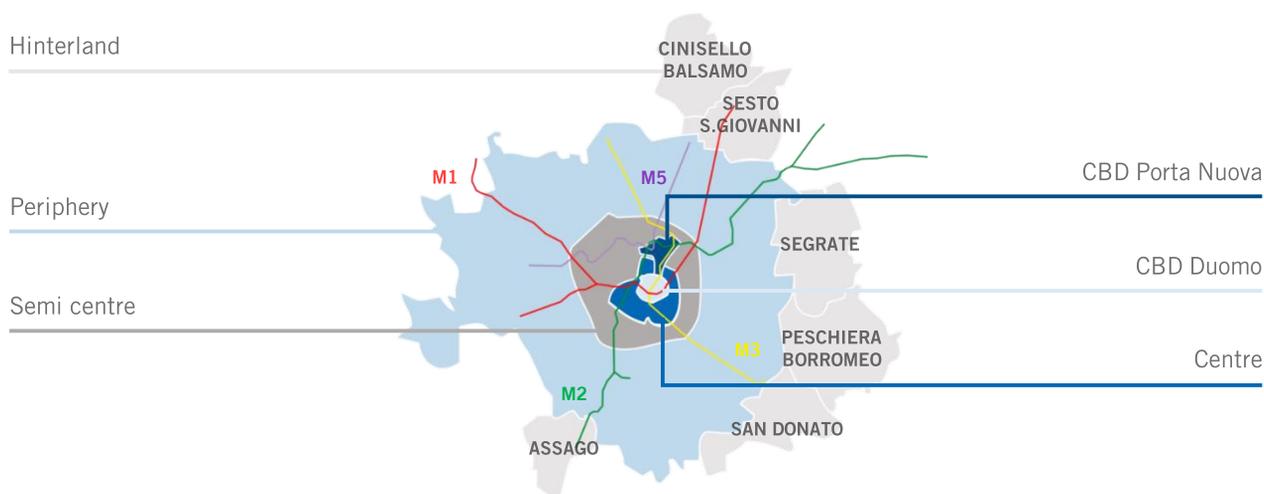
Take up trend by submarket



Take up by building grade



Milan map by submarket



Prime rents by submarket

	Q4 2019	Q4 2018	<i>prime rent €/m²/yr</i>
CBD Duomo	600	580	
CBD Porta Nuova	520	500	
Centro	550	530	
Semicentro	350	320	
Periferia	280	280	
Hinterland	210	210	

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