

Q1 2020: another good performance, but uncertain outlook

Take up for **Q1 2020** has reached a total volume of approx. **98,600 m²**, -20% with respect to the same quarter of the previous year. Within the quarter **63 transactions** have been recorded, among which an important pre-let of approx. 41,000 m² in the Periphery, in the Santa Giulia area, which has involved a company in the oil sector. Overall above 80,000 m², equal to 81% of the total volumes, have involved **grade A assets**, thus confirming the predominance for the research of quality spaces.

With respect to the sub-markets, the **Periphery** has registered a total volume above 60,700 m², equal to approx. the 62% of the total take up. A positive performance has been recorded also by the areas of the **Hinterland** and the **Semi-center** (with over 10,000 m² for each area). The take up for these 3 sub-markets has exceeded the 82% of the total volumes, a demonstration of the growing interest for these areas which represent, effectively, new urban centralities. In the **CBD Duomo** and in the **CBD Porta Nuova** take up recorded have been equal to, respectively, 4,130 m² and 6,400 m², while in the **Center** leases recorded have been equal to approx. the 7% of the total volumes, i.e. slightly less than 7,000 m².

Prime rents are **stable**, while the **vacancy rate** is **decreasing** and it is currently at 10,0% at city level: main availabilities of spaces are in the Periphery and in the Hinterland.

Yields are **stable** at **3.30% net** for **prime** and **5.00% net** for **good secondary**. Milan is still the most attractive destination for commercial real estate investments registering, in the first months of the year, **Euro 665 million** invested capital, of which 50% in the office segment.

The economic crisis caused by the Covid-19 outbreak is destined to have important consequences also on the real estate office market, even if currently the outlook for the next months is uncertain – in terms of impact on the main indicators – waiting for some additional developments with respect to the exit from the healthcare emergency.

Quarterly trend in Q1 2020 *

Take up
98,600 m²

Prime rent CBD Duomo
600 €/m²/yr

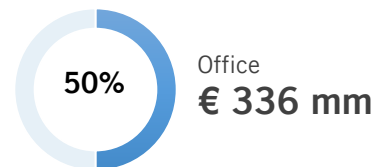
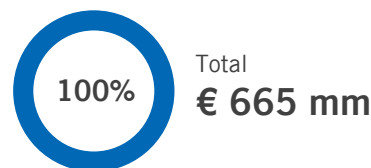
Number of transactions
63

Prime rent CBD Porta Nuova
520 €/m²/yr

Vacancy rate
10.0%

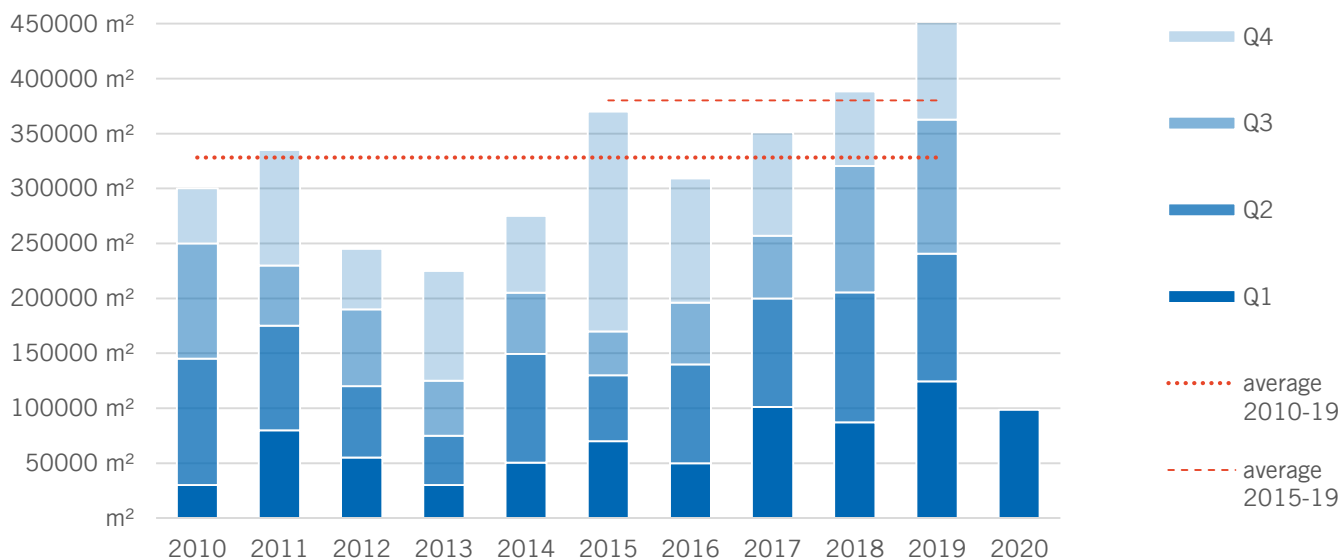
Net yield CBD Duomo and CBD Porta Nuova
3.30%

Investments volume Milan Q1 2020

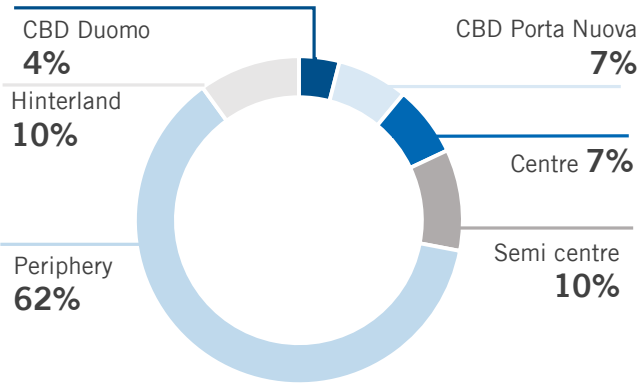


* Compared with Q4 2019

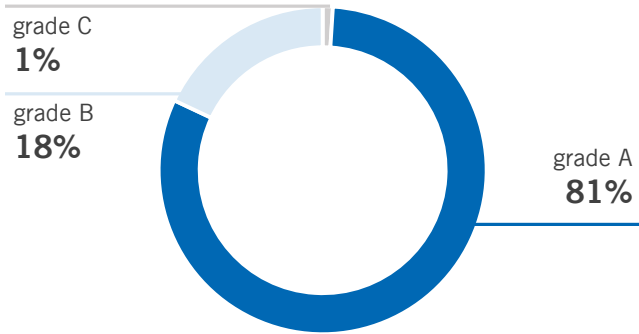
Take up trend per period



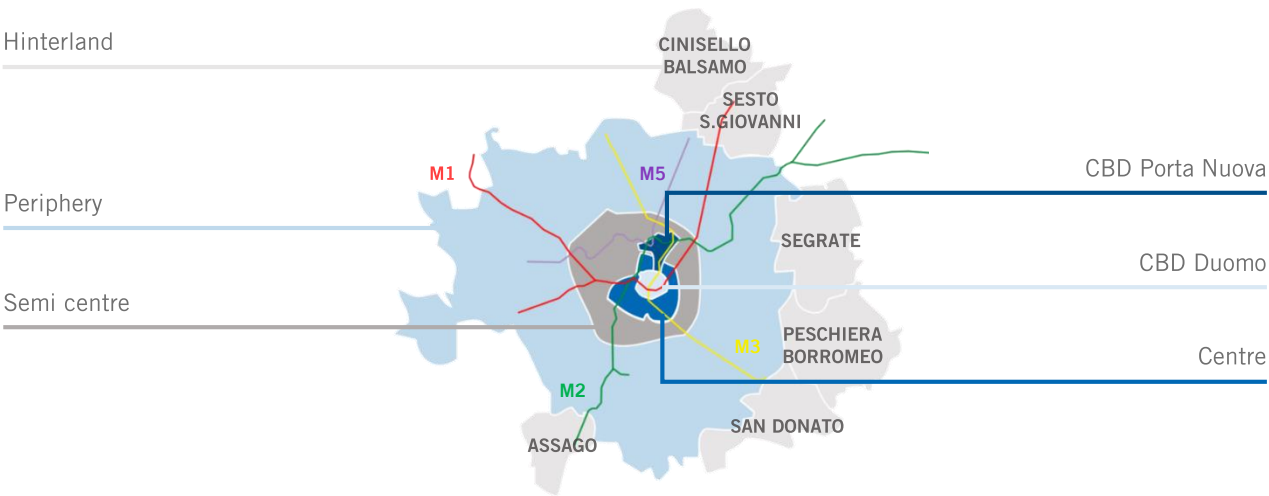
Take up trend by submarket



Take up by building grade



Milan map by submarket



Prime rents by submarket

	Q1 2020	Q1 2019
CBD Duomo	600	590
CBD Porta Nuova	520	520
Centre	550	530
Semi centre	350	320
Periphery	280	280
Hinterland	210	210

prime rent €/m²/yr

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