

A quarter in strong contraction, but good result for the hinterland

Take up for **Q3-2020** has shown signs of strong contraction with **volumes** equal to **32,300 m²** (193,400 m² since the beginning of the year), bringing the level of take up in line with the first 3 quarters of 2016. Within the period **30 transactions** have been registered, among which 2 operations above 9,000 m² in Segrate and Cinisello Balsamo (hinterland areas).

Overall in the quarter approx. **16,300 m²**, equal to **51% of the total spaces leased**, have regarded **grade A buildings**, bringing the total since the beginning of the year to 135,000 m² (70% of the total leased spaces), those confirming the research for high quality spaces. By analyzing the sub-markets, the higher dynamicity has been in the hinterland, with the 70% of the spaces occupied in the trimester. Overall the central area of the city (CBD Duomo, CBD Porta Nuova and Center) has absorbed the 21% of the volumes, equal to approx. 6,900 m².

Prime rents are still **stable**, even if **tenant incentives** (such as free rent period, step ups etc.) are **increasing**; **vacancy rate** is **increasing** and it is equal to **10.30% at city level**: main availabilities of spaces are in the periphery and in the hinterland. **Yields** are **stable** and equal to **3.30% net for prime assets** and **5.00% net for good secondary assets**. Milan is still the **most attractive city** for investments registering, within the quarter, **Euro 736 mm of investments**, of which **74% in the office sector**.

The **outlook for the next months**, waiting for more strong signals of recovery of the economy, are **still uncertain** in terms of impact on the main market indicators.

Quarterly trend in Q3 2020 *

Take up
32,300 m²

Prime rent CBD Duomo
600 €/m²/yr

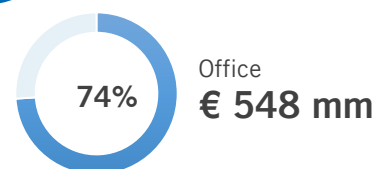
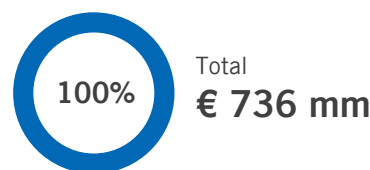
Number of transactions
30

Prime rent CBD Porta Nuova
520 €/m²/yr

Vacancy rate
10.3%

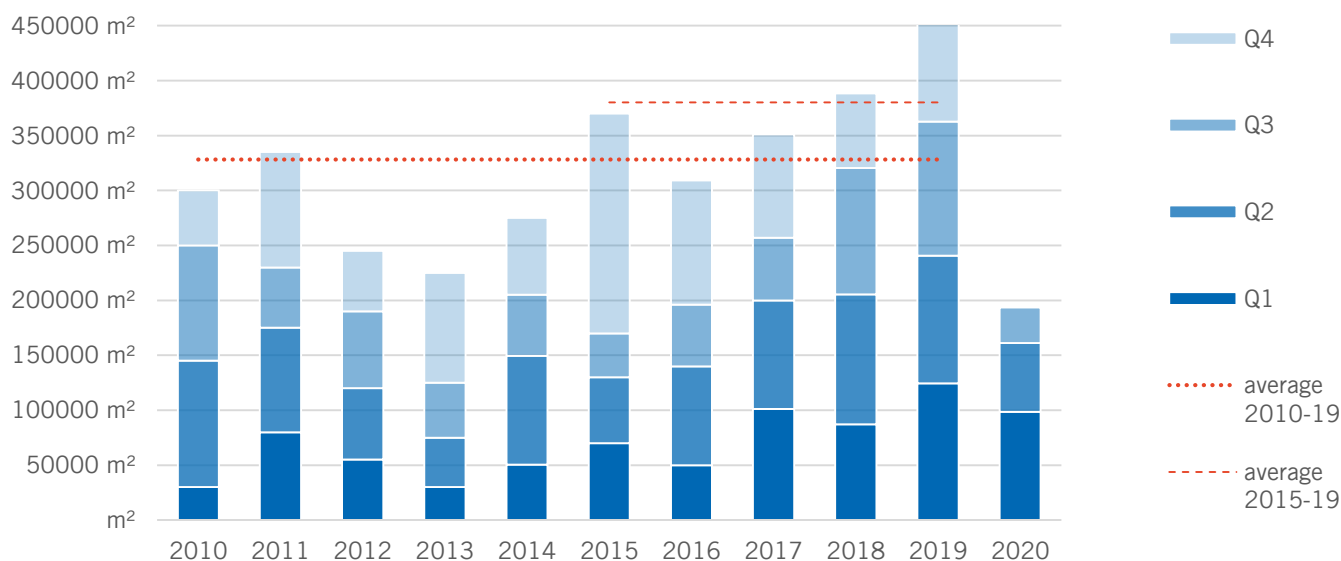
Net yield CBD Duomo and CBD Porta Nuova
3.30%

Investments volume Milan Q3 2020

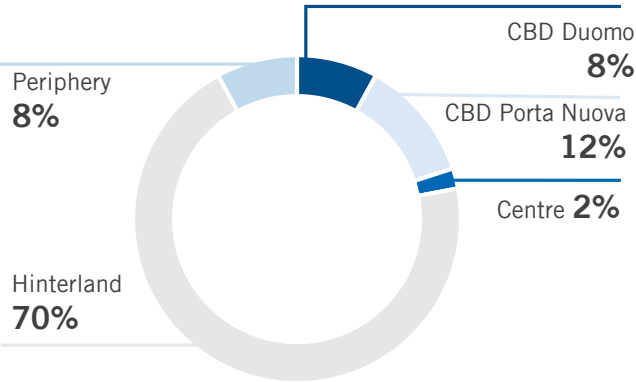


* Compared with Q2 2020

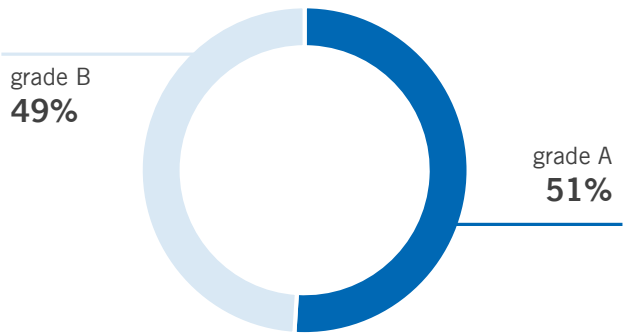
Take up trend per period



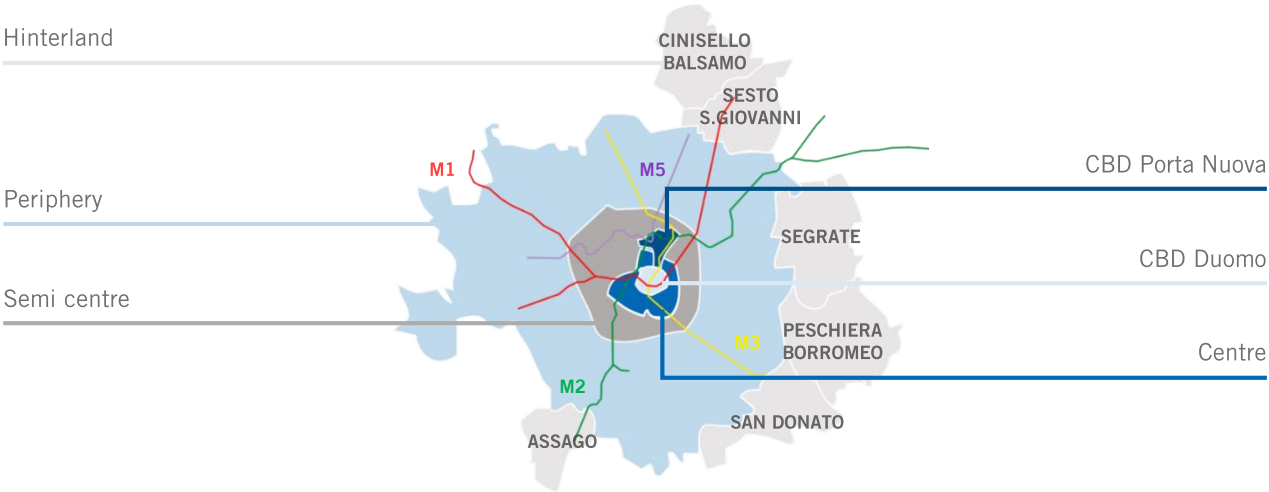
Take up trend by sub-market



Take up by building grade



Milan map by sub-market



Prime rents by sub-market

	Q3 2020	Q3 2019
CBD Duomo	600	590
CBD Porta Nuova	520	520
Centre	550	530
Semi centre	350	330
Periphery	280	280
Hinterland	210	210

prime rent €/m²/yr

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