



Q2 2021

INVESTMENT OVERVIEW



Gabetti
PROPERTY SOLUTIONS

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HIGHLIGHTS

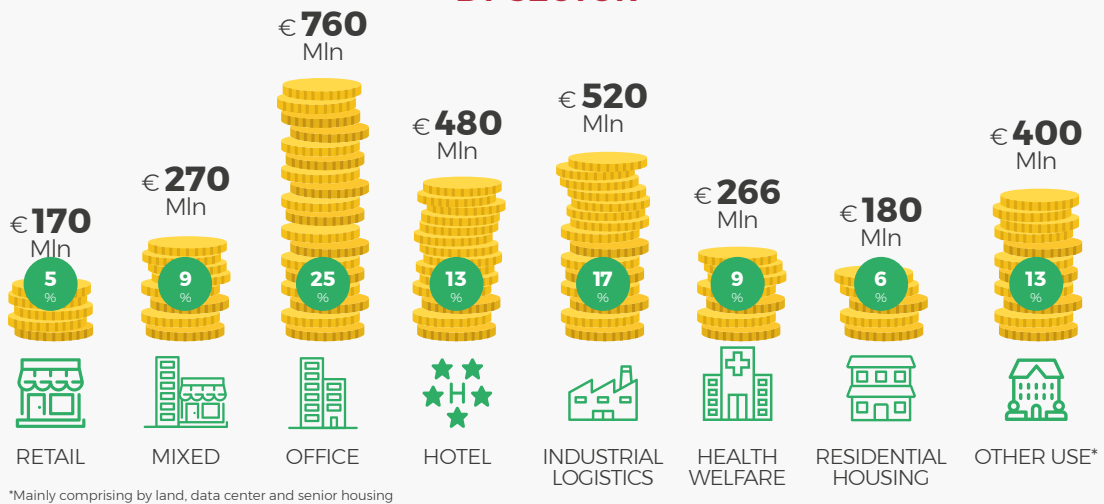
The aim of the report is to return a picture on a quarterly basis of the main indicators and market trend of investments at national level,

with a focus on retail, office, industrial/logistics and hotel sector.

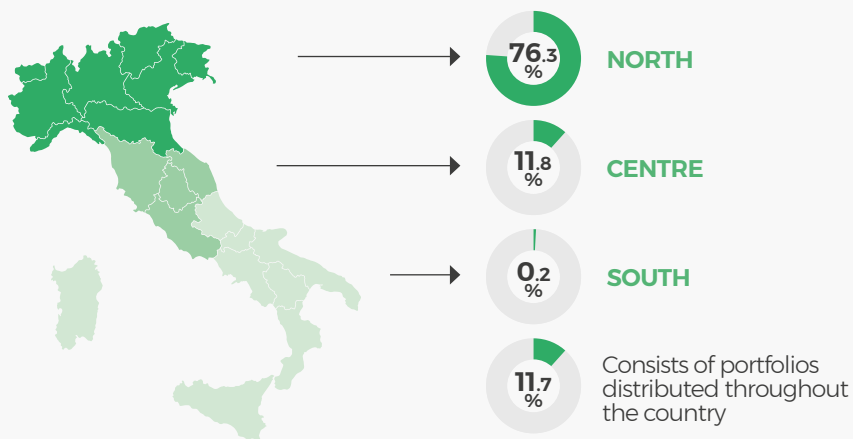
INVESTMENT VOLUMES HI 2021



Distribution of investments BY SECTOR



Distribution of investments BY GEOGRAPHICAL AREA



SUMMARY REPORT

The total volume of real estate investments during **the first half of 2021** amounted to **€ 3 billion**, down compared to the volume in H1 2020 (€ 3.5 billion).

The asset class making the greatest contribution to the overall results in H1 2021 was once again the **office sector**, accounting for 25% of the total, with investments of approximately **€ 760 million**. It was followed by the **logistics segment** with **17%** of the total at **€ 520 million**, sector which confirmed its growth last year as well, thanks to the acceleration of e-commerce as a result of the health emergency. Among the other sectors, the **hotel segment** was up, recording a volume of **€ 480 million (16%** of the total invested), in particular due to two transactions of € 100 million in Venice. Conversely, the retail sector, which recorded approximately € 170 million (5% of the total invested), saw declining values, mainly due to the restrictions during the pandemic period, as well as to the uncertainty with regard to the future of this asset class, which will have to increasingly focus on an omni-channel approach.

In terms of sources of capital, foreign investors predominantly from the USA and the United Kingdom were those most active on the market, mainly focusing on the logistics, hotel, health/welfare and mixed segments. Domestic capital continues to focus mainly on the office product.



The numbers recorded during the half-year indicate movement in the investment sector, but with a tendency to exercise caution, due to the continued uncertainty stemming from the pandemic.

With regard to investors' attitudes, there has been a return to investing across all asset classes, such as logistics, which achieved excellent performance. All this has been further influenced by the high amount of liquidity in need of investment.

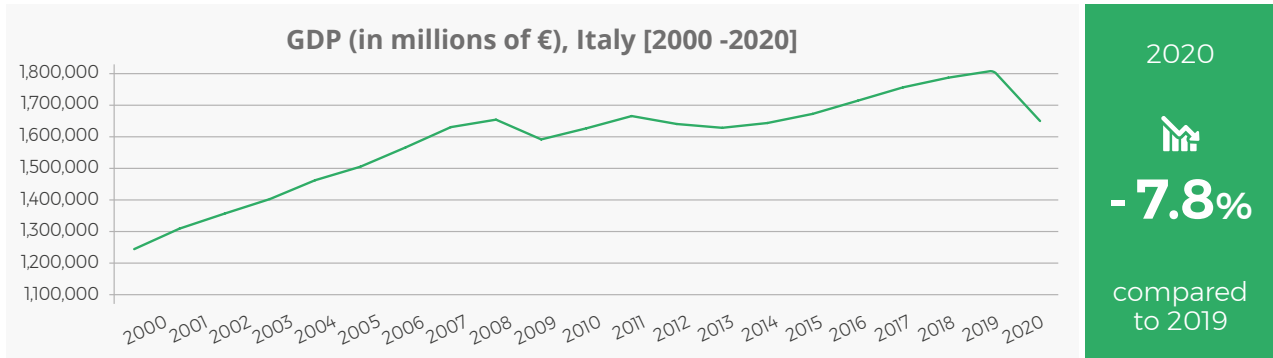


Claudio Santucci
Director, Capital Market Italia
Gabetti Agency

ECONOMIC INDICATORS

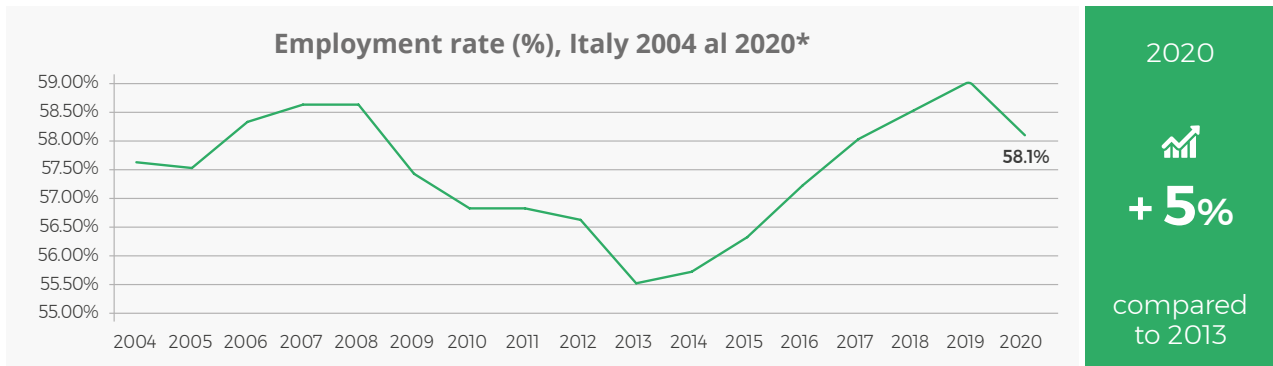
GDP

The graph shows the trend in GDP (measured in millions of euros) for the period 2000-2020. In 2020, GDP at market prices was € 1,651,595 million at current values, down 7.8% over the prior year. GDP recorded in **first quarter 2021** amounted to **€ 402,286 million**, up by **+1.4%** compared to the same quarter of 2020.



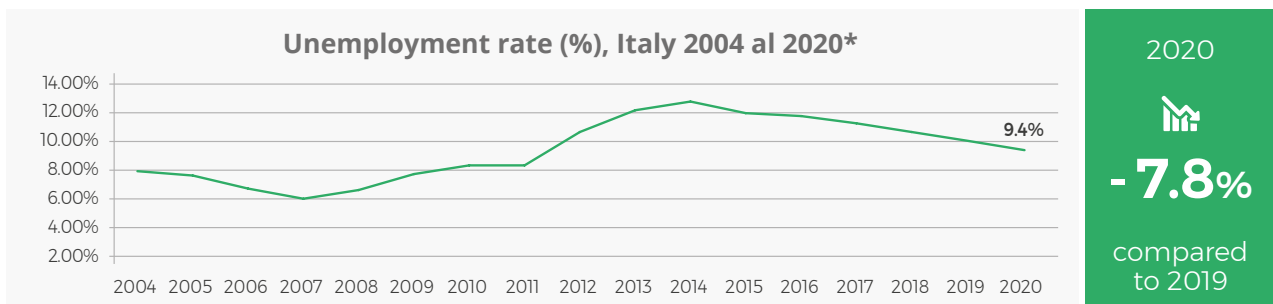
EMPLOYMENT RATE

The graph shows the trend in the employment rate in Italy from 2004 to 2020. From 2013 to 2019, the rate showed constant growth, recording a value of **58.1%** in 2020, a **positive change of 5 percentage points** against 2013.



UNEMPLOYMENT RATE

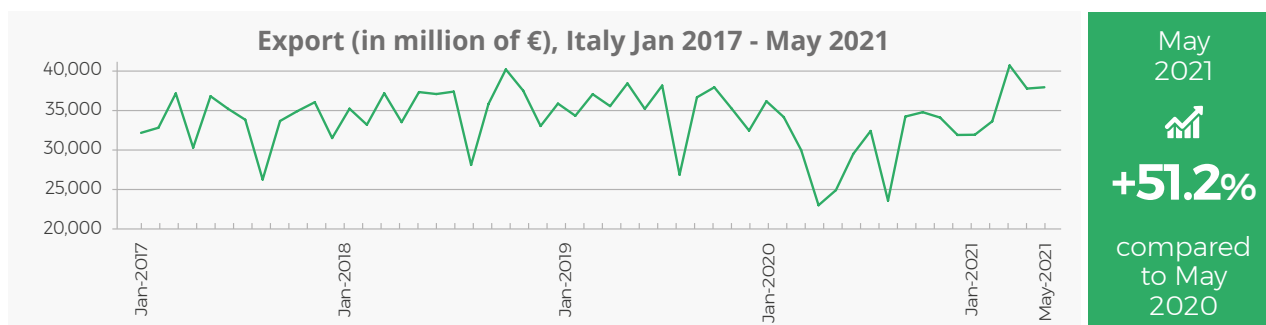
The graph shows the trend in the unemployment rate from 2004 to 2020. A rate of **9.4%** was recorded in 2020, down 7.8% against the prior year. After the growth recorded between 2011 and 2014, an **inversion of the trend** was observed in the last six years, **with a drop in the unemployment rate**.



Gabetti Research Department analysis of Istat data
* total Italian population aged 15-64

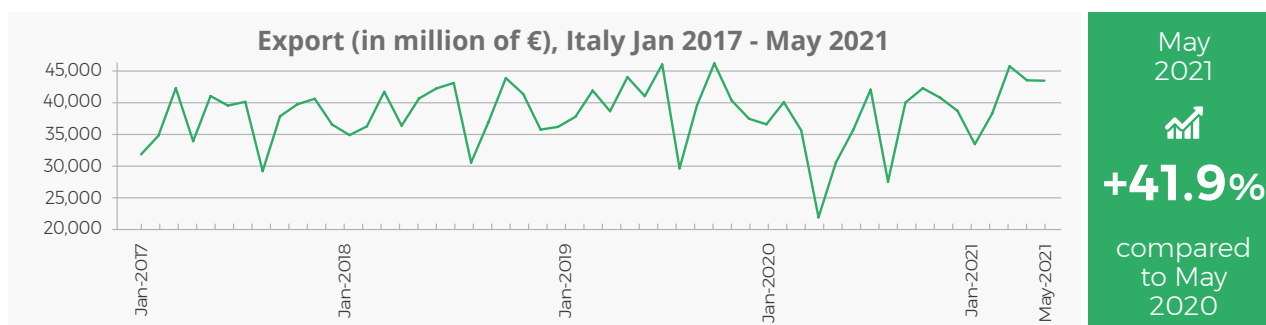
IMPORTS

Imports in millions of euro from 2013 to 2020 recorded **growth up until 2019**. In 2020, they amounted to **€ +8,967 million** compared to 2013. Looking at the figure on a disaggregate monthly basis, in **May 2021 imports** amounted to **€ 37,943 million**. Moreover, a change of **51%** was recorded in comparing the value of May 2021 with the same month of the prior year, due to the period of restrictions that occurred following the pandemic.



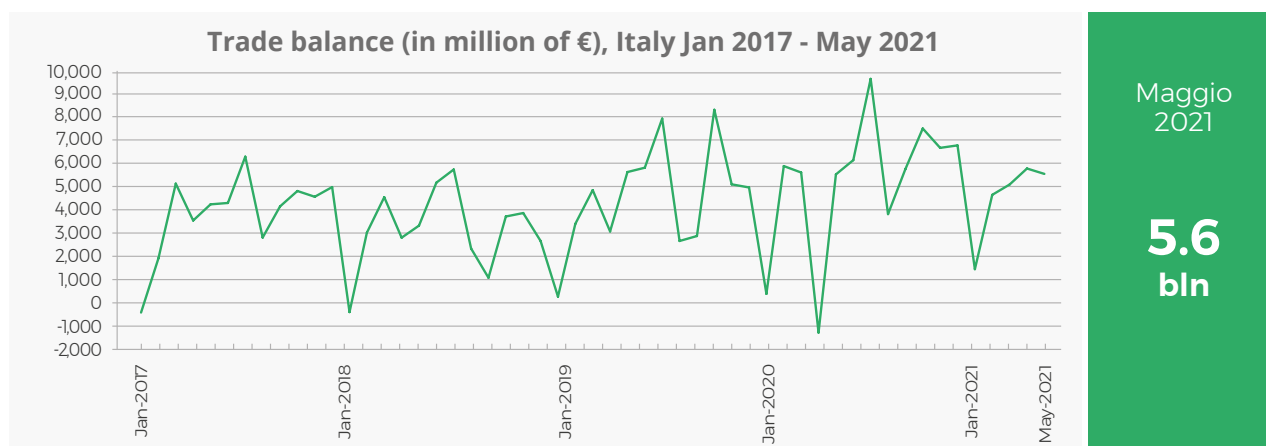
EXPORTS

Exports in 2020 amounted to **€ 433,559 million**, down against the last three years but up compared to the years 2013-2016. Looking at the monthly trend in **exports**, in **May 2021**, exports amounted to **€ 43,585 million**, an increase of **+41.9%** compared to the same period of 2020.



TRADE BALANCE

The trade balance for 2020 was **€ 63,588 million**, the highest value for the last few years analysed. The graph shows the balance of imports and exports (in millions of €) between January 2018 and May 2021, when a trade surplus of € 5,642 million was recorded.

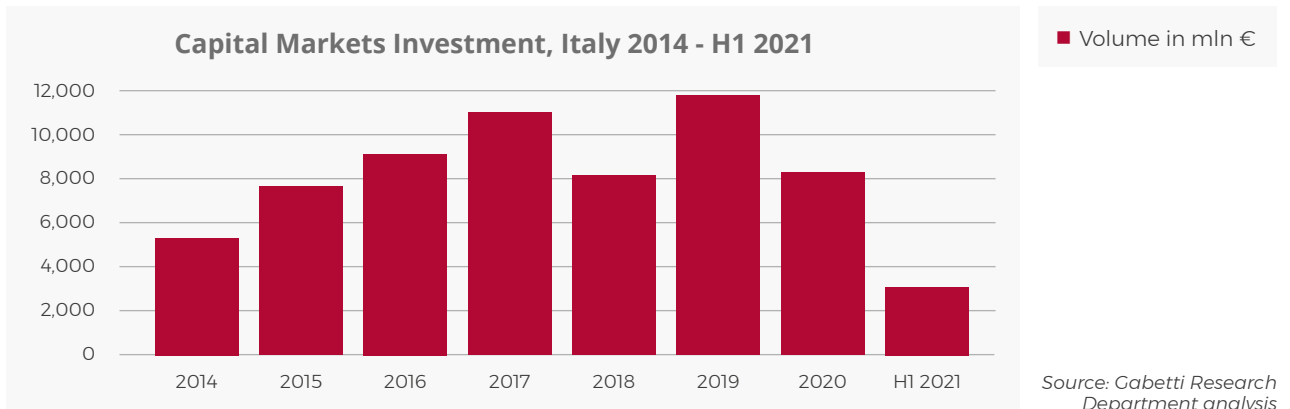


Cabetti Research Department analysis of Istat data

VOLUMES

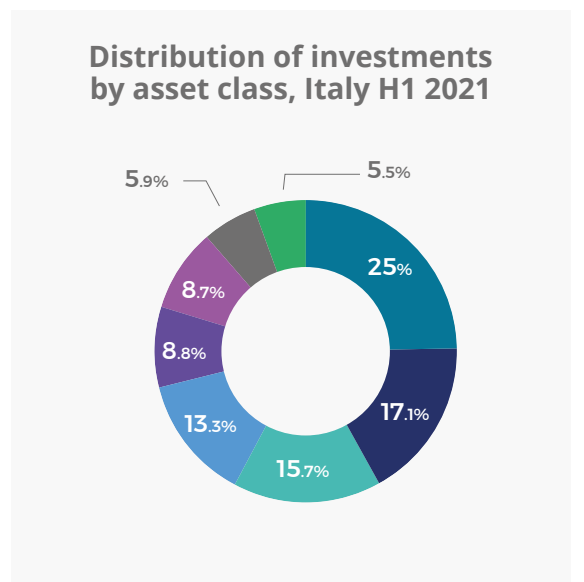
Starting in 2015, a significant **increase in capital markets investments** was recorded in Italy, with a volume in 2017 of **€ 11.2 billion**, reason for which the year 2018 recorded an overall slowdown compared to the prior year, at a total of **€ 8.3 billion**.

The year **2019** marked a record for capital market investments, for a total volume of nearly **€ 12 billion**, up 44.6% against 2018. The 2020 results, amounting to **€ 8.3 billion**, were impacted by the Covid-19 emergency, with volumes down compared to the prior year but essentially in line with 2018. The **first half of 2021** has suffered the effects of the current uncertainty as well, with an invested volume of **approximately € 3 billion**, down by 13% compared to the same period of 2020.



INVESTMENT BY SECTOR

A total investment volume of approximately **€ 3 billion** was recorded in **H1 2021**. The biggest portion of this figure comprises investments in the **office sector (25%)**, recording around **€ 760 million**, and the **logistics sector**, with **€ 520 million** or approximately **17%** of the total. These are followed by investments in the **hotel sector**, accounting for **16%** of the total for a volume of **€ 480 million**, and subsequently **mixed-use properties or mixed portfolios**, at **9%** of the total for a volume of **€ 270 million**. Investments in the **health/welfare segment** amounted to **€ 266 million (9%)**, while the residential/housing sector was at approximately **€ 180 million (6%)** and the **retail sector** recorded around **€ 170 million (6%)**. **Buildings designated for other uses** accounted for a sizeable portion as well, following investments in land, data centres and senior housing.



INVESTMENT BY AREA

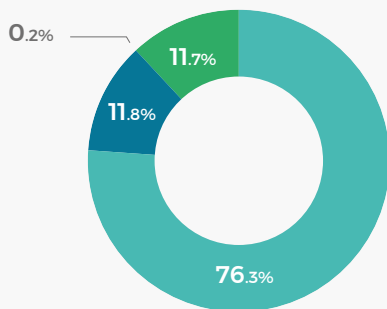
In the first half of 2021, **the majority of investments (76.3%) attributable to a specific geographical area took place in Northern Italy**, followed by the Centre with 11.8% and the South with 0.2%. The remaining 11.7% comprised portfolios distributed throughout the country.

More specifically, **the investment volume in the province of Milan** accounted for **31%** of the national total, followed by the **province of Turin** with **9%** and the province of **Rome** with **7%** of the total. At the absolute level, the total volume in the province of Milan was approximately € 950 million, followed by the province of Turin with a volume of approximately € 270 million, due to a major deal in the logistics sector. The investment volume in the province of Rome was approximately € 200 million.

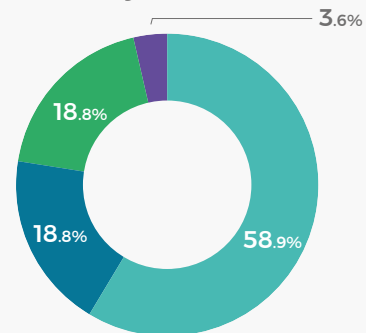
Northern Italy also ranks first for number of assets transacted, at 59%, followed by the Centre (19%) and the South (3%), while approximately 19% of the investment volume is not attributable to a single area.

In terms of **source of capital**, where this information is available, **59% was foreign**, predominantly from the USA and UK and mainly focused on the logistics, hotel and mixed sectors. **Domestic capital** accounted for **33%**, focused mainly on the office product. The origin of the capital could not be determined for the remaining 7%.

**Geographical distribution of investments (in mln of €)
Italy H1 2021**



**Geographical distribution of investments by number of transactions
Italy H1 2021**



Source: Gabetti Research Department analysis

■ North ■ Centre ■ South ■ Spread: Italy

Some of the main transactions recorded in H1 2021 are listed below, based on volume:

NAME OF PROPERTY	PERIOD	CITY	PRICE (MLN €)	TIPOLOGY	BUYER	SELLER
Portafolio Batipart RSA	Q2 2021	Milan, Bollate, Monza, Padua	190	RSA	Cofinimmo	Batipart
Tower Libeskind	Q2 2021	Milan	160	Offices	ENPAIA	Generali Immobiliare Italy
Baglioni Hotel Luna	Q1 2021	Venice	100	Hotels	Reuben Brothers	Baglioni Hotels
Building Bonvecchiati	Q2 2021	Venice	100	Hotels	ECE Real Estate Partners	n.a.
Residential building La Maggiolina	Q2 2021	Milan	80,7	Residential	Generali RE Fund SICAF	Pension fund UniCredit
Corso Europa 12	Q2 2021	Milan	63	Offices	Macquarie	Private

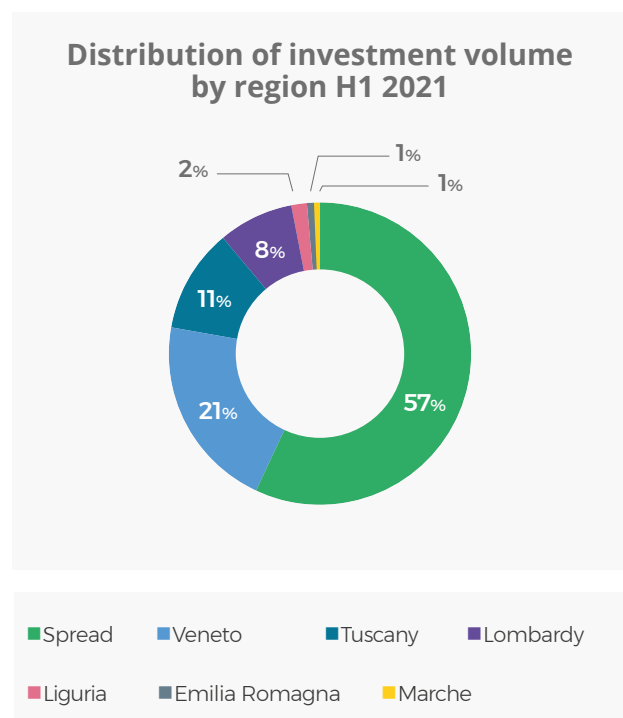
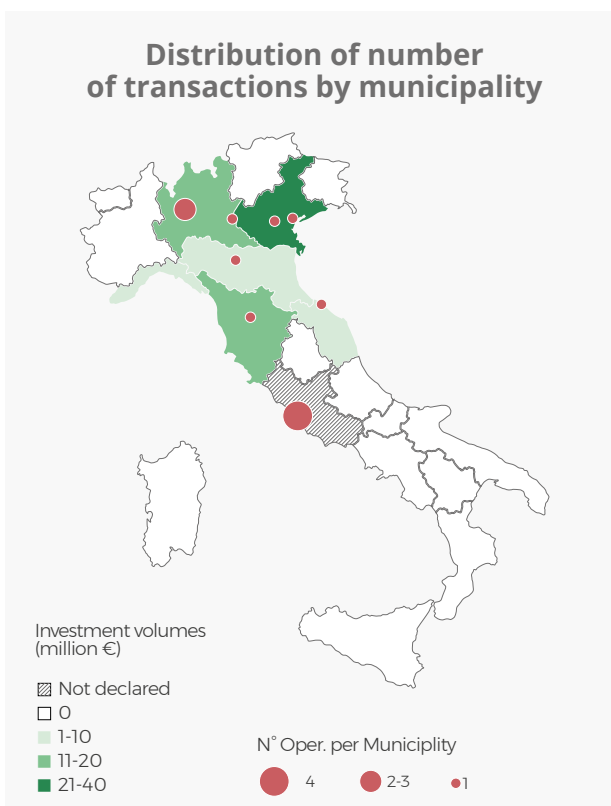
FOCUS – RETAIL

Retail investments reported in H1 2021 amounted to about **€ 170 million**.

The highest investment volume attributable to a specific region was recorded in **Veneto, at € 35 million or 21% of the total amount invested**.

In detail, 19 transactions were mapped: 6 distributed throughout the country, 4 in Lazio, 3 in Lombardy, 2 in Veneto and individual transactions in Emilia Romagna, Marche, Tuscany and Liguria.

The estimated **average value** of retail investments per asset, excluding transactions involving mixed properties, was approximately **€ 11.1 million** in H1 2021.



Source: Gabetti Research Department analysis

Some of the major transactions recorded in H1 2021 are outlined below:

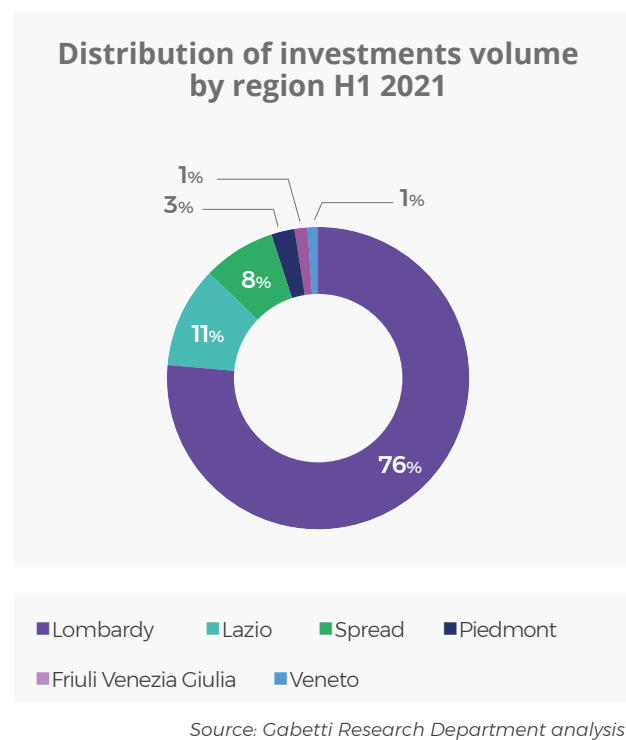
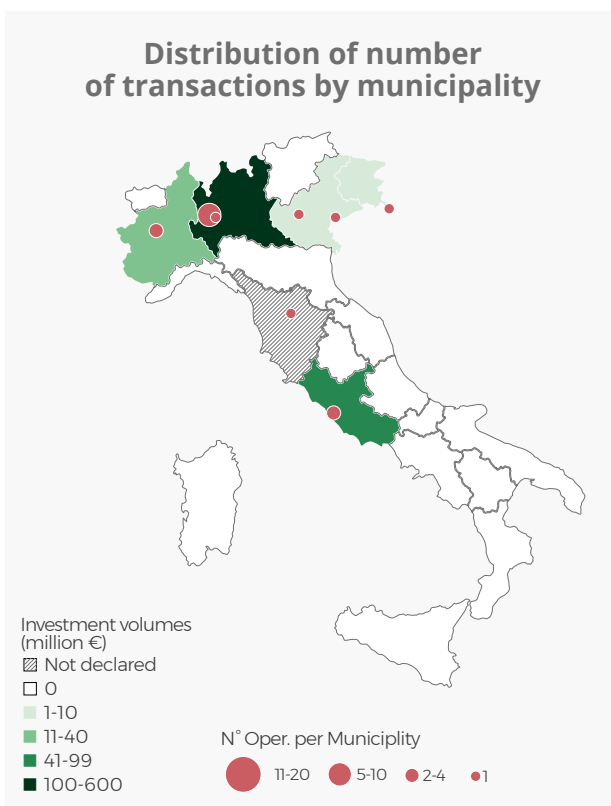
PERIOD	PROPERTY NAME	PROVINCE	BUYER	SELLER
Q2 2021	Retail Park - North-Est Italy	n.a.	n.a.	n.a.
Q1 2021	OBI	VE	Private	Blackstone
Q1 2021	Building in Via Spadari	MI	NovaRe SIIQ SpA	n.a.

FOCUS - OFFICES

Total reported investment in the **office** market in H1 2021 amounted to approximately **€ 760 million**. The highest investment volume attributable to a specific region was recorded in **Lombardy (76%** or € 580 million), followed by **Lazio** with € 84 million (**11%**).

In detail, a total of 38 transactions were mapped: 19 in Lombardy, of which 3 mixed buildings, 8 distributed throughout the country, 5 in Lazio, 2 in each of Piedmont and Veneto and individual transactions in Tuscany and Friuli Venezia Giulia.

The estimated **average value** of investments per individual asset in the office sector, excluding transactions involving mixed-use properties, was approximately **€ 23 million** in the first half of 2021.



Some of the major transactions recorded in H1 2021 are outlined below:

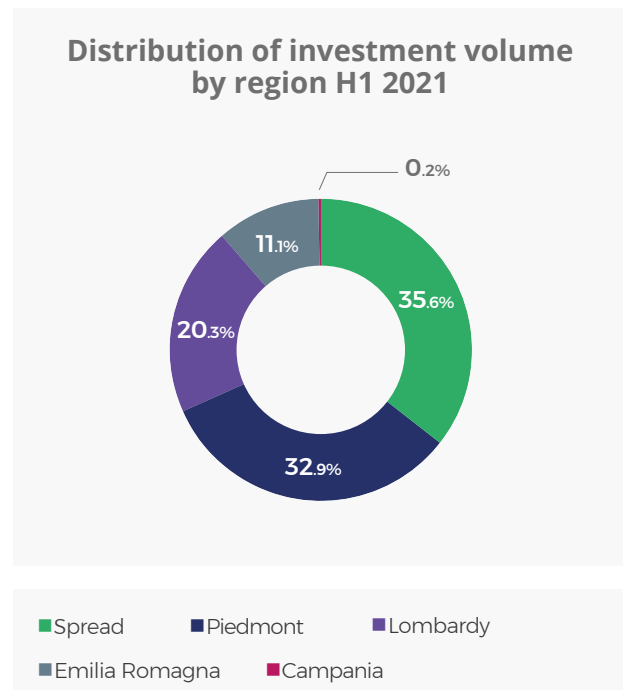
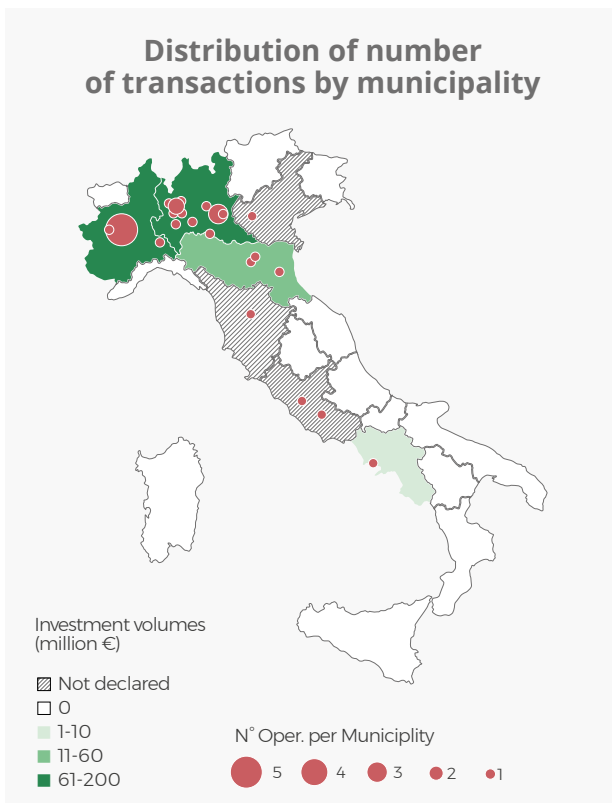
PERIOD	PROPERTY NAME	CITY	PRICE (MLN €)	BUYER	SELLER
2021 Q2	Tower Libeskind	Milan	160	ENPAIA	Generali Immobiliare Italy
2021 Q2	Corso Europa 12	Milan	63	Macquarie	Private
2021 Q2	Largo Claudio Treves	Milan	52,7	Stella Holding Srl	Municipality of Milan
2021 Q1	Casa Milan	Milan	42	A.C. Milan	Vittoria Assicurazioni SpA

FOCUS - INDUSTRIAL/LOGISTICS

Reported investments in the **logistics** market amounted to a total of approximately **€ 520 million**. The highest investment volume attributable to a specific region was recorded in **Piedmont (33%** or € 170 million).

In detail, 35 transacted assets were mapped: 19 in Lombardy, 8 in Piedmont, 3 in Emilia Romagna, 2 in Lazio and individual transactions in Veneto, Campania and Tuscany.

The **average value** of estimated investments per individual asset in the industrial/logistics sector, excluding transactions involving mixed properties, was approximately **€ 23.7 million** in the first half of 2021.



Source: Gabetti Research Department analysis

Some of the major transactions recorded in H1 2021 are outlined below:

PERIOD	PROPERTY NAME	PROVINCE	BUYER	SELLER
Q1 2021	Logistics portfolio - 7 assets	Spread across the country	GLP	BNP Paribas REIM, Tristan Capital Partners
Q2 2021	Portafolio DeA Capital	TO	CBRE Global Investors	DeA Capital Real Estate
Q2 2021	Novara Logistics Park	NO	Allianz Real Estate Italy	JV DSV Group, FBH SpA
Q1 2021	Logistics buildings in Anzola dell'Emilia	BO	CBRE Global Investors Italy	Private company
Q2 2021	Logistics buildings in Faenza	RA	PGIM Real Estate	CBRE Global Investors

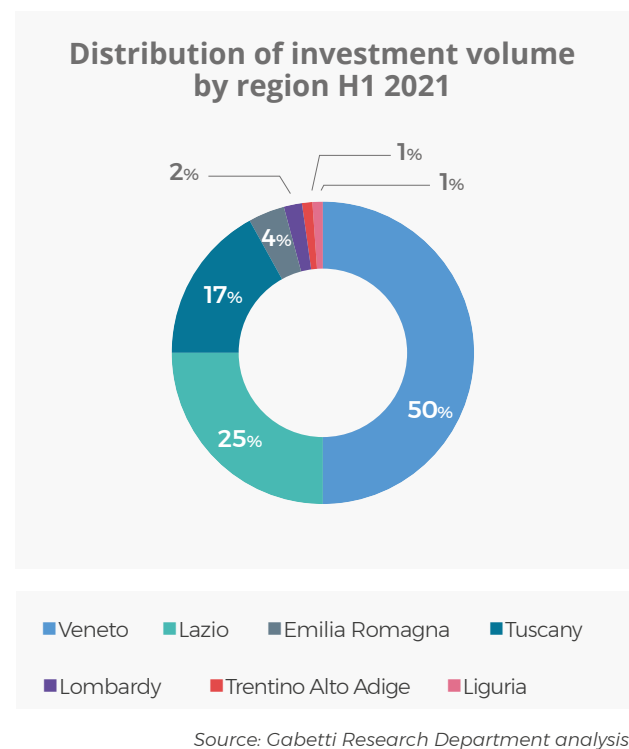
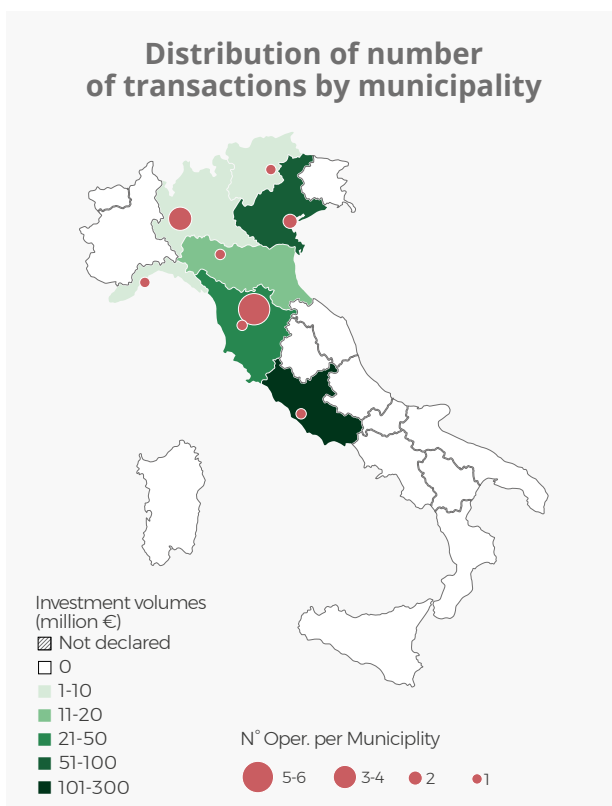
FOCUS - HOTELS

Reported investments in the **hotel** market amounted to a total of approximately **€ 480 million**. The highest investment volume attributable to a specific region was recorded in **Veneto (50%** or € 240 million).

In detail, a total of 18 transacted assets were mapped: 6 in Lombardy, 5 in Tuscany, 3 in Veneto and individual transactions in Trentino Alto Adige, Lazio, Liguria and Emilia Romagna.

The estimated **average value** of investments per individual asset in the hotel sector was **€ 36.9 million** in the first half of 2021.

Although limited in number, transactions in H1 2021 confirm investor preference for high-end hotels, often purchased to be refurbished, repositioned and possibly let to specialised international operators and subsequently sold again in 4/5 years.



Some of the main transactions recorded in H1 2021 are listed below:

PERIOD	PROPERTY NAME	CITY	ROOMS	STAR	PRICE IN MLN €	BUYER	SELLER	CAPITAL
Q1 2021	Baglioni Hotel Luna	Venice	91	5	100	Reuben Brothers	Baglioni Hotels	EU
Q2 2021	Building Bonvecchiati	Venice	191	4	100	ECE Real Estate Partners	n.a.	EU
Q2 2021	Toscana Resort Castelfalfi	Montaione	151	5	30	Incorp Holdings B.V.	TUI	EU
Q1 2021	Hotel Tornabuoni	Florence	62	5	10	Ag Hotels	n.a.	Domestic

N.B.: Quarterly investment volumes may undergo fluctuations due to assignment of the transactions to the various quarters.

OUR REPORTS:



Residential Overview



Leaseholds



Prestigious Homes Market



Investment Overview



Office Market Overview



Office Quality Focus



Hotels



Building Renovation



Smart Working e Nuove Esigenze Abitative



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