MARKETBEAT
ITALY
LOGISTICS Q3 2025

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
6.9% Vacancy Rate (Immediate)	▲	—
600,000 Q Absorption, SQM	▲	—
€70 Prime Rent, SQM/YR	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
+0.45% GDP Growth	▼	▲
6.00% Unemployment Rate	▼	▲
3.69% 10-Yr Treasury Yield	—	▼

Source: Moody's Italy, September 30th update (GDP Growth estimate Q3 2025 on Q3 2024; Unemployment Rate Q3 2025; 10-Yr Gov Bond at Q3 2025).

ECONOMY

By the end of the third quarter of 2025, Italy's economy showed cautious stability, with modest growth, controlled inflation, and a solid labor market. GDP grew slightly, about 0.4% year-on-year, driven by investment in non-residential construction and steady domestic demand. Unemployment remained near 6%, and inflation stabilized around 2%, supported by lower energy costs and easing wage pressures. Interest rates eased slightly after ECB cuts, and credit conditions began to normalize—factors supportive of both consumption and real estate refinancing in the medium term.

OCCUPIER - LARGE SCALE DISTRIBUTION

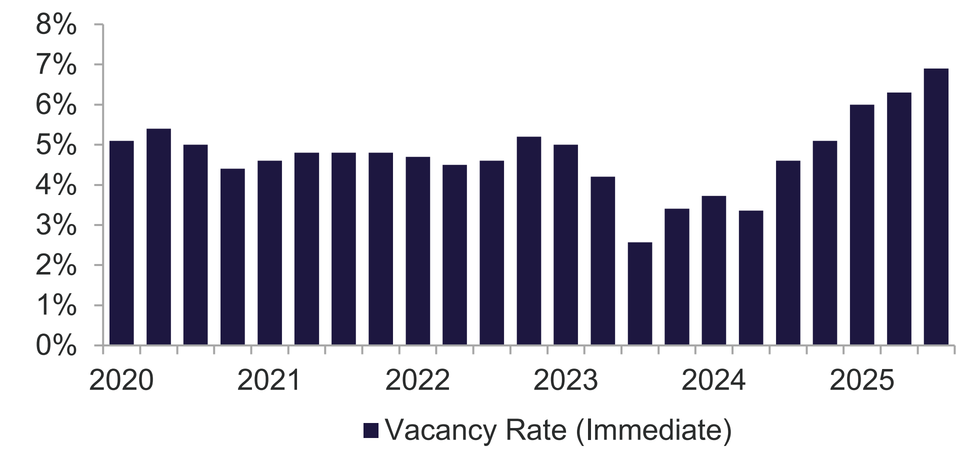
In the third quarter of 2025, the logistics market recorded a take-up of approximately 600,000 sqm, marking an increase of +24% compared to the previous two quarters of the year and +13% above the quarterly average since early 2024. The result indicates a gradual strengthening of demand following the stabilization phase observed in the first half of the year.

The quarter was characterized by the return of large-scale transactions (>40,000 sqm), with six BTS/BTO deals concentrated in Emilia-Romagna, Piedmont and Veneto, primarily involving Retail operators (GDO and Fashion) and established 3PLs. Meanwhile, the 10,000–20,000 sqm size range remains the most active segment, confirming a structurally balanced demand profile.

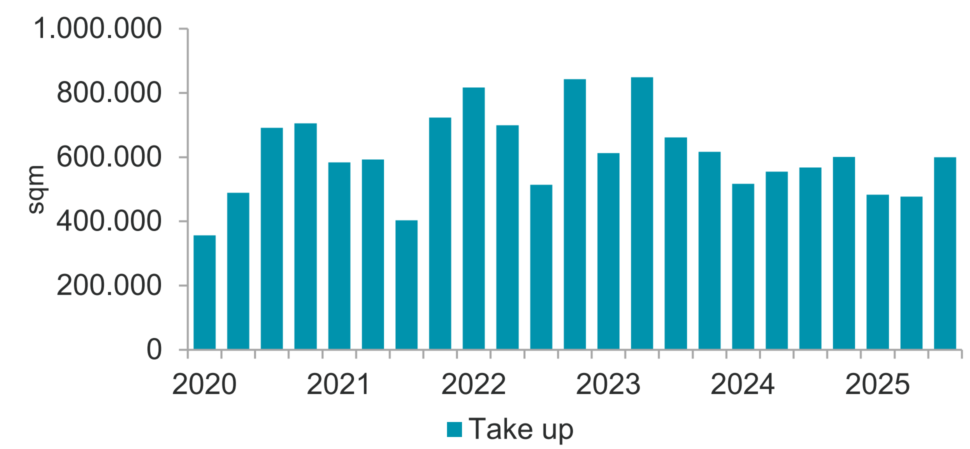
The total take-up for the first nine months reached 1.56 million sqm, down by 4% compared to the same period in 2024 and slightly below the five-year average (1.77 million sqm).

The logistics vacancy rate, currently at approximately 6.9%, has been gradually rising over the past few quarters, primarily driven by recently

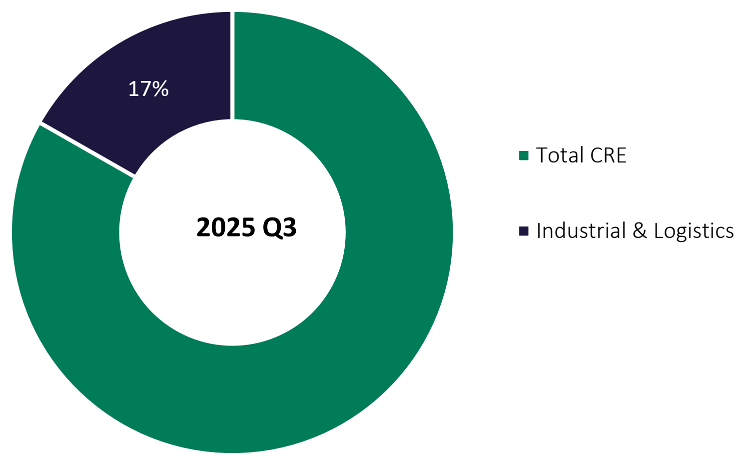
OVERALL VACANCY (IMMEDIATE)



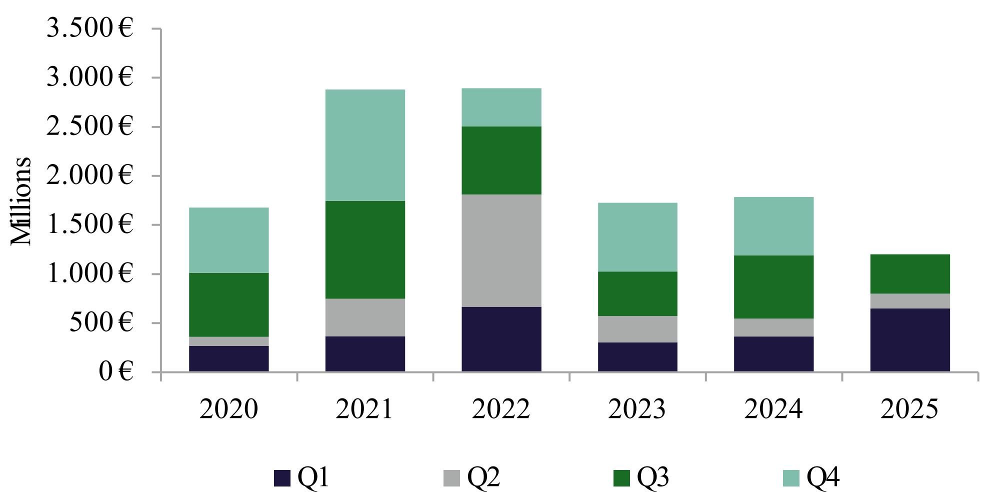
TAKE UP (SQM)



I&L vs. ALL SECTORS - YTD INVESTMENT VOLUME ITALY



I&L INVESTMENT VOLUME



completed speculative projects entering the market. Looking ahead, this upward trend is expected to stabilize by year-end, as the pipeline of new developments narrows in response to developers moderating activity in line with shifting demand dynamics.

INVESTMENT

The third quarter of 2025 saw a strong rebound in industrial and logistics investment, with volumes reaching around 400 €Mn, up 167% from the previous quarter, signaling a recovery in investor appetite after Q2's slowdown. Key transactions of the quarter included the sale of a 150,000 sqm Amazon-leased asset in Vercelli for 135 €Mn and a three-asset portfolio in Tortona totaling 103,000 sqm sold to Hines for 73.2 €Mn. Year-to-date investment stands at 1.2 €Bn, in line with the volume recorded in the same period last year, highlighting ongoing investor interest in prime, long-leased assets. While core capital is gradually re-entering the market, Value-add and core+ strategies remain the most sought-after risk/return profiles, targeting assets with reversionary or repositioning potential and supported by more attractive yield differentials in the current market. Looking ahead, sentiment remains positive, underpinned by yield stabilization, solid leasing fundamentals, and with several deals in advanced negotiation expected to be finalised by the end of the year.

PRICING

During the quarter, rental values remained largely stable across the main markets, with prime rents maintaining a level of €70/sqm per year in both Milan and Rome. This stability is underpinned by sustained demand for high-quality, strategically located logistics facilities, particularly in areas with limited availability, which continues to exert pressure on supply. The constrained nature of prime stock supports rental resilience, despite broader market dynamics. Concurrently, prime yields remained unchanged over the period, holding at 5.50% for both Milan and Rome, reflecting steady investor confidence and a balanced risk-return profile for core assets in these strategic markets.

OUTLOOK

- Business confidence remains moderate due to geopolitical challenges, but recent EU–US trade agreements, along with government investments and an improving macroeconomic outlook, are expected to boost sentiment in the coming months, with projections for the occupier market in 2025 indicate trends broadly aligned with those seen last year.
- Rental values are currently displaying widespread stability following the sharp growth recorded in previous years. Nevertheless, prime locations continue to stand out for their attractive growth potential, supported by selective demand and the strategic strength of their location
- This environment creates opportunities for investors, particularly in markets that benefit from efficient transport links, high-profile urban contexts, and the presence of specialised operators that further enhance attractiveness.

MARKET STATISTICS

SUBMARKET	PRIME RENT (€/SQM/YR)				PRIME YIELD (NET)	
	LOGISTICS WAREHOUSE	QoQ VARIATION	LAST MILE/CROSS DOCK	QoQ VARIATION	LOGISTICS WAREHOUSE & LAST MILE/CROSS DOCK	QoQ VARIATION
CONSOLIDATED MARKET						
Milan	70	→	110	→	5.50%	→
Rome	70	→	110	→	5.50%	→
Bologna	65	→	95	→	5.50%	→
Turin	52	→	80	→	6.50%	→
Genoa	70	→	105	→	6.25%	→
Verona	62	→	95	→	5.75%	→
Piacenza	58	→	80	→	5.75%	→
Novara	60	→	80	→	5.75%	→
EMERGING MARKET						
Florence	80	→	115	→	5.75%	→
Naples	60	→	85	→	7.00%	→
Bari	60	→	85	→	7.00%	→

(*) Yields are calculated on a net basis as: Net Yield = NOI (1) / PP (2); 1. Net Operating Income - after deducting all non-recoverable expenditure; 2. Purchasing Price – excluding transfer costs, tax and legal fees. With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

KEY LEASE/OWNER OCCUPIER TRANSACTIONS YTD

QUARTER	REGION	CITY (PROVINCE)	TENANT SECTOR	SQM	TYPE
3	Emilia-Romagna	Castel San Giovanni (PC)	Retailer - Fashion	90,000	Pre-lease (BTS)
2	Emilia-Romagna	Imola (BO)	Retailer - GDO	60,000	OO
3	Emilia-Romagna	Maranello (MO)	3PL	56,000	Pre-lease (BTS)
3	Veneto	Padova (PD)	Retailer – GDO	51,000	OO
1	Piedmont	Trecate (NO)	Manufacturing	49,200	Pre-lease (Speculative)
2	Lazio	Ferentino (RM)	3PL	43,000	Pre-lease
1	Lazio	Fiumicino (RM)	Food & Beverage	41,000	Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS YTD

QUARTER	PROPERTY - REGION	CITY (PROVINCE)	SELLER/BUYER	SQM	PRICE / € MN
1	Techbau portfolio	Multi-City	Techbau / Castello Sgr	313,000	257
1	Project Zephyr	Multi-City	Blackstone / Kryalos Sgr	242,000	202
3	Vercelli Amazon	Vercelli	AEW Europe / Deka Investment GmbH	150,000	135
3	Project Alessandria - Tortona	Alessandria	Logicor / Hines	103,000	73
2	Action Novara	Novara	Italtrans /Palm Capital	63,000	60
2	Portafoglio Tonon	Multy-City	Tonon / Investire Sgr	37,000	35
1	Portfolio - Inveruno & Albairate	Pavia	DeA Capital Sgr/ Mileway	49,000	31

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