



MILAN OFFICES

OCCUPIER MARKET

The first 9 months of 2024 saw +10% Y-o-Y growth in the **number of transactions** as Milan's occupier market remained active throughout the period.

Despite this, **take-up** over the nine months contracted by -10% (in sqm terms), in line with a focus on quality and efficiency of premises, resulting in smaller floor plates. The ytd total take-up also fell behind the 10- and 5-year averages.

Grade A/A+ represented 61% of Milan take-up in in Q1-3 2024, reflecting a strong occupier focus on ESG criteria.

Prime rental levels increased further in Q3 2024 following stability in the first half of the year, reflecting the high quality of well located, new and refurbished premises, coupled with limited supply.

Despite this, Milan's office **vacancy rate** increased to 9.8%, endorsed by higher vacancy for refurbished central locations entering the market.

Specifically, availability is lowest in prime submarkets, with 2.9% and 5.1% vacancy rates in the CBD Porta Nuova and CBD Duomo respectively.

R E S E A R C H



262,000 sqm ↗

Take-up
Q1-3 2024
-10% y-o-y

241 transactions ↗

Take-up
Q1-3 2024
+10% y-o-y

9.8% ↗

Vacancy rate
Q3 2024
+30 bps y-o-y

720 €/m²/y ↗

Prime rent*
Q3 2024
+30 €/m²/y y-o-y

INVESTMENT MARKET

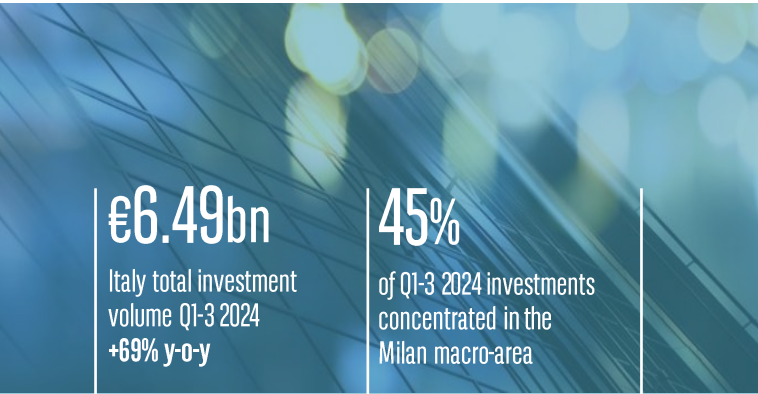
By the end of Q3 2024 an **investment volume** up by +69% Y-o-Y was recorded for the Italian marketplace.

As the number and size of deals exceeding €100m edged upwards from the low point experienced in 2023, so did the average **lot size**.

In the first nine months of 2024 **foreign capital** represented almost double the domestic capital invested (66%) after the weighting of domestic capital had grown the previous year.

The **office** asset class accounted for 23% of total YTD investment volume, of which the **Milan** marketplace accounted for over a third (39%).

Whilst **prime yield levels** were stable in Q1-3 2024, some secondary submarkets did continue to see decompression. Repricing continues to support improved levels of activity.



Q1-3 2024 INVESTMENT VOLUMES

BY ASSET CLASS



- Office 23%
- Industrial & Logistics 20%
- Retail 28%
- Hospitality 12%
- Alternatives 8%
- Mixed/Unknown 9%

MILAN

€2.90bn

Investment volume Q1-3 2024

+164% y-o-y

OFFICE	RETAIL	LOGISTICS	HOSPITALITY	ALTERNATIVES
<p>€1.49bn Q1-3 2024</p> <p>+141% on Q1-3 2023</p> <p>ITALY</p>	<p>€1.82bn Q1-3 2024</p> <p>+537% on Q1-3 2023</p> <p>ITALY</p>	<p>€1.28bn Q1-3 2024</p> <p>+21% on Q1-3 2023</p> <p>ITALY</p>	<p>€750m Q1-3 2024</p> <p>+29% on Q1-3 2023</p> <p>ITALY</p>	<p>€520m Q1-3 2024</p> <p>-50% on Q1-3 2023</p> <p>ITALY</p>
<p>€580m Q1-3 2024</p> <p>+73% on Q1-3 2023</p> <p>MILAN</p>	<p>€1.31bn Q1-3 2024</p> <p>+30,412% on Q1-3 2023</p> <p>MILAN</p>	<p>€165m Q1-3 2024</p> <p>+339% on Q1-3 2023</p> <p>MILAN</p>	<p>€85m Q1-3 2024</p> <p>-15% on Q1-3 2023</p> <p>MILAN</p>	<p>€185m Q1-3 2024</p> <p>-52% on Q1-3 2023</p> <p>MILAN</p>
<p>4.25%</p> <p>Milan prime net yield *</p>	<p>4.10%</p> <p>Milan HS prime net yield *</p>	<p>5.50%</p> <p>Milan prime net yield *</p>		

* Prime rents and prime net yields should be read as an indication of market trends. The levels are established taking into consideration market sentiment and deals closed during the reference period.



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