



Italy Spotlight – 2024

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SPOTLIGHT
Savills Research

Italian Logistics Market



66 A resilient and evolving sector

Highlights

Investments are slightly growing, mainly thanks to the closing of large portfolio deals and a share of industrial

In the last quarter, prime net yields started to compress in the Milan cluster and a further decrease is expected going forward

Take-up slowed down after two years of record levels. Owner occupiers characterised the activity

Prime rents have consolidated during 2024, and are expected to slightly grow in 2025

Well accessible secondary and emerging locations are increasingly sought after

Consistent pipeline of new developments, also of speculative nature when located in attractive clusters

2024 KPIs



INVESTMENT VOLUMES
1.75 bln €
+2% YoY



NUMBER OF DEALS
45
-19 YoY



TAKE-UP
2,300,000 sqm
-18% YoY



PRIME NET YIELD GRADE A LOGISTICS
5.25%
-25 bps YoY
-25 bps QoQ



PRIME RENTS GRADE A LOGISTICS MILAN
68 €/sqm/y
+3% YoY



DEVELOPMENTS UNDER CONSTRUCTION BY 2026
~2,500,000 sqm

Logistics and Industrial Investment Market

In 2024, logistics was the fourth most requested sector, collecting 17% of total Italian investment volumes, for a total of around € 1.75 bln (+2% YoY).

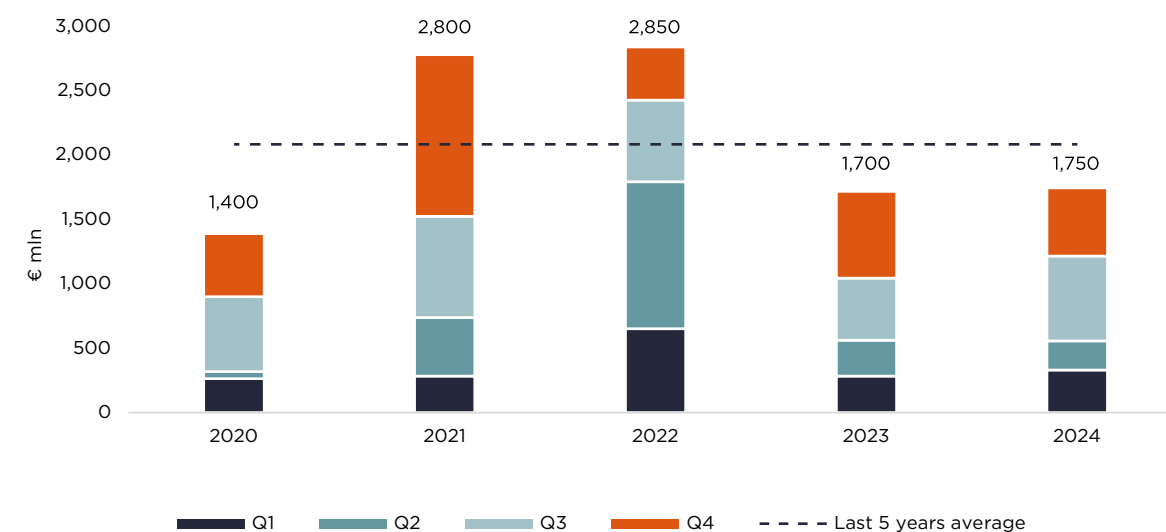
After a first semester characterized by the prevalence of the industrial and light industrial components, the share of volumes absorbed by traditional logistics returned to grow again. Volumes were in fact driven by the closing of two large standard logistics portfolios (> €100 mln), covering together 28% of yearly volumes. Value add and core plus capitals are leading the market, with a potential return of core capitals in the next months.

Conversely, the number of deals decreased. A total of 45 operations were recorded, mainly of small-medium dimension (< €50 mln: 73% of the total). The market remains driven by capital, making up for 93% of the yearly volumes.

After months of decompression, prime net yields decreased by 25 bps in the Milan cluster at the end of the year and remained stable in all the other primary geographies, standing at 5.25% in Milan and at 5.50% in Rome, Bologna, Bergamo-Brescia and Piacenza clusters. In the coming months, a possible slight compression of yields is expected following more favourable financing conditions, strong interest for the sector and for the country.

66 Investments in the industrial & logistics sector are stable compared to 2023, despite a fluctuating 2024. Good fundamentals and strong demand are contributing to a decrease of yields in the Milan primary market. On the occupier side, market looks set to perform well in 2025. Interest in modern, certified assets remains high for both leasing and investment.

Investment volume by quarter



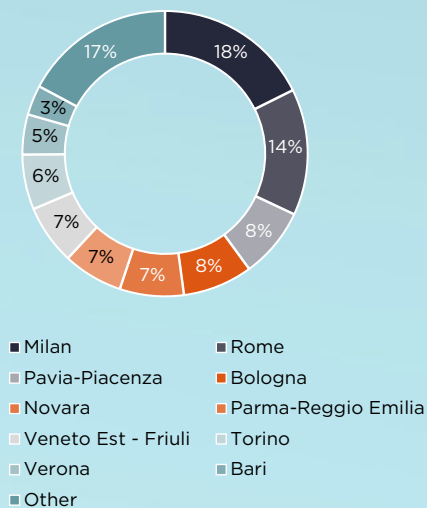
Logistics occupiers Market

After two years of record levels, take-up activity faced a slowdown in 2024. A total of 2.3 mln sqm were taken, a figure down both YoY (-18%) and compared to the last 5-year average (-10%). This has been accompanied by a decrease in number of transactions: 113 deals have been recorded, most of which were medium in size (>10,000 and <30,000 sqm). On the other hand, eight operators secured more than 80,000 sqm each, mainly in northern Italy, which remains the most sought-after area. Lombardy, Emilia Romagna and Piedmont were the most valued regions, but at the same time the cluster of Rome recorded a good activity, ranking second in terms of square meters leased in 2024. The attractiveness of emerging clusters continues and was driven by the Padova-Vicenza-Rovigo and Parma-Reggio Emilia macro-areas.

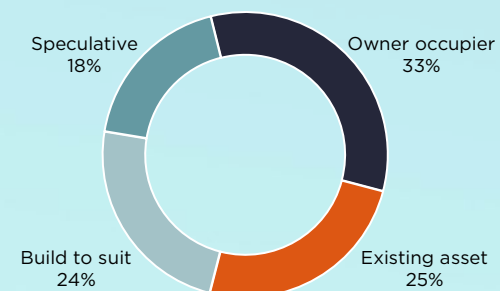
The yearly activity has been characterised by the high number of owner occupier transactions, covering 33% of absorption, followed by leases of build to suit and existing assets. Owner occupier and speculative take-up is increasing. With respect to operators, 3PLs still represent the majority covering more than half of the market; retailers, grocery and courier operators have been the most active in the last twelve months.

Despite the general vivid development activity, the availability of new spaces remains low in top locations, where new developments are difficult due to zoning restrictions. Rents reached the level of 68 €/sqm/y in both Milan and Rome (+3% YoY), whereas the availability of new opportunities in other locations is contributing to stabilise rents.

2024 Take-up by cluster (on total sqm)



2024 Take-up by transaction profile



Logistics key facts



Investors are focused on markets characterised by strong KPIs



Well-located, long-income assets and strong tenant covenants attract significant interest, even for industrial



I&L sector is a top pick in many markets for investment strategies



Owner occupiers drive the demand for spaces



I&L assets that offer strong energy infrastructure and excellent ESG credentials are likely to outperform due to the relevance of cost-saving strategies



Rents are expected to rise further in primary market



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