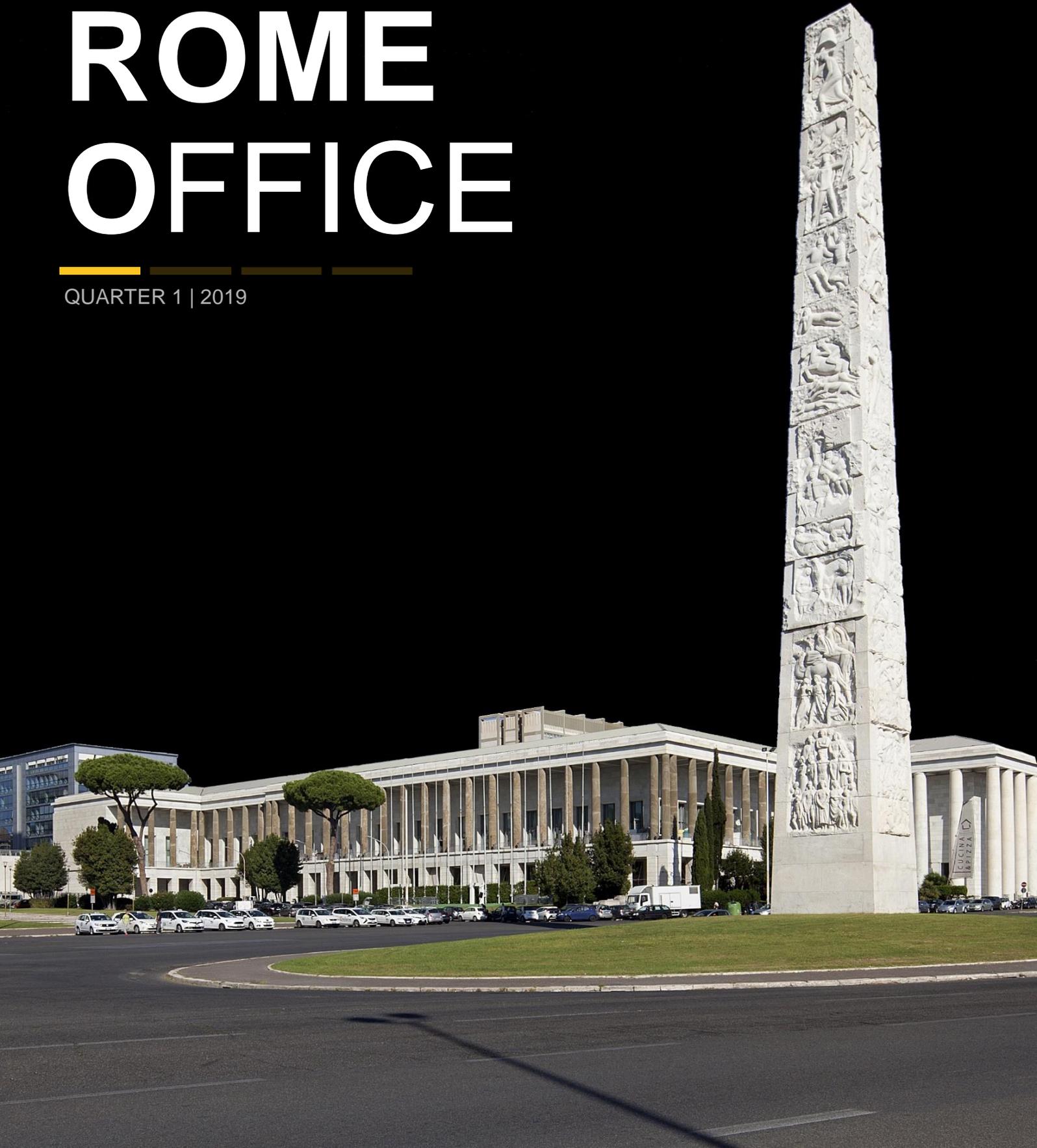




ITALY

ROME OFFICE

QUARTER 1 | 2019



TAKE-UP

The results observed in the Roman market during the first quarter are quite reassuring. Take-up of office space amounts to 78,600 sqm, up sharply compared to the same period of the prior year.

This result was achieved thanks to two transactions of over 10,000 sqm. Specifically, mention goes to the letting by Agenzia delle Entrate of 15,000 sqm in the building at Via del Giorgione, recently acquired by INAIL. The other transaction involves a free-standing building along Via Pianciani, let by a company that provides business centres on a sub-letting basis to other companies. While it is not a co-working company, it does have a similar business model. These types of companies are increasingly present in the city of Rome, after becoming widespread in Milan. Their growth should be observed

with attention, as they could change the office market in some specific parts of the city, particularly in the zones where small lettings are usually concentrated (less than 500 sqm). In the city on the whole, the quality of office supply will increase further and will enable new forms of work linked to co-working.

Moreover, thanks to these transactions, the sub-markets with the highest volume of activity were the Centre and Greater Eur. The good results achieved by the EUR confirm the trend observed over the last three years. In this zone we can find large vacant areas for office use.

FIGURE 1: TAKE-UP (K sqm)

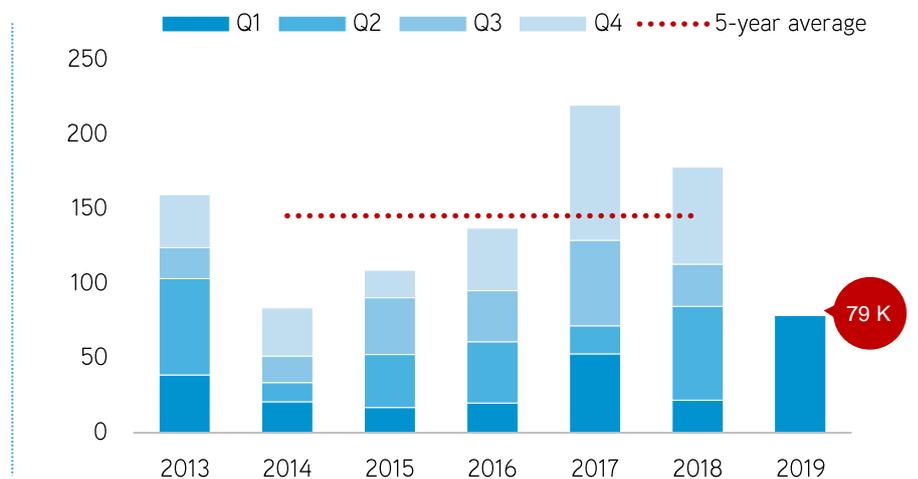


FIGURE 2: SUPPLY & VACANCY RATE



FIGURE 3: RENTS (€/sqm/y)

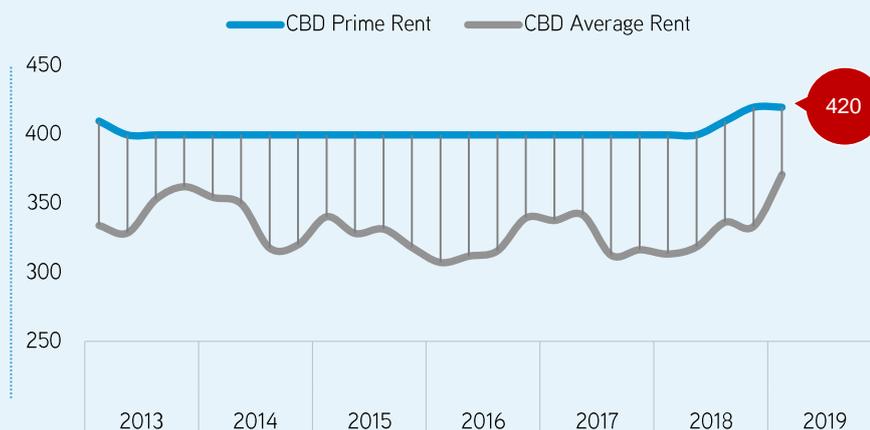


FIGURE 4: TAKE-UP

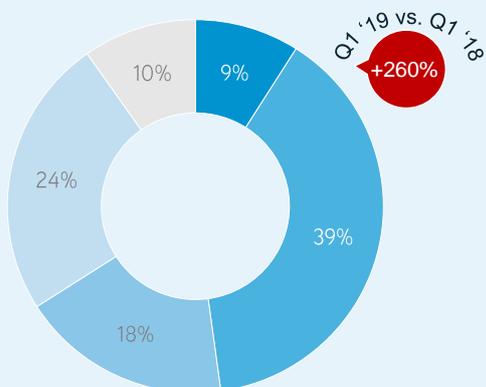


FIGURE 5: VACANCY

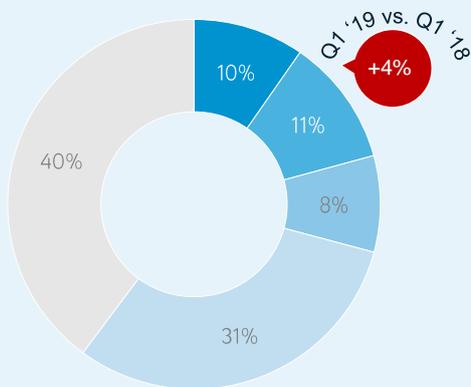
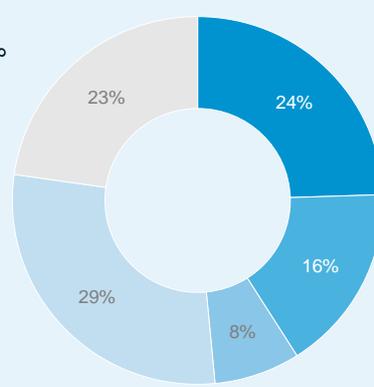


FIGURE 6: STOCK





SUPPLY & RENTS

The available office supply in Rome is at around 800,000 sqm, up slightly compared to 2018, back to 2017 levels.

Rome's office market suffers from the quality of available space, which is not always suitable to meet the requirements of companies.

Consequently, companies begin their search for new offices in advance, as companies must often evaluate areas not included in current supply and which require refurbishment.

It is interesting to observe how this is always the case with regard to large areas. As opposed to the Milan market, where refurbishments (new developments) are now almost always launched on a speculative basis, this is not yet happening in

Rome.

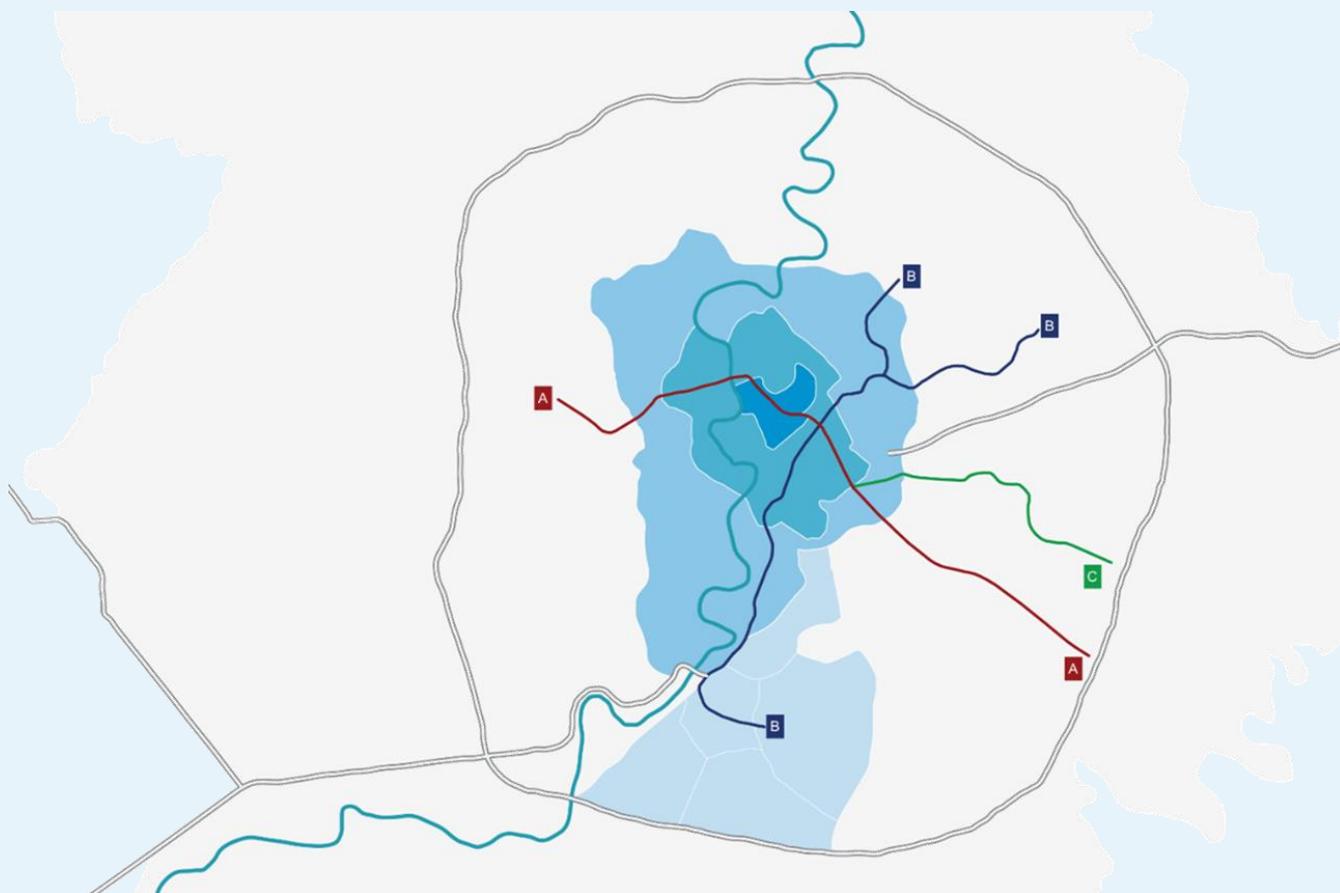
The result is an essentially constant office stock throughout the year. In reality, some buildings in the CBD and Centre are converted from offices into hotels, removing potential supply from the market.

In terms of rents, the CBD has not recorded any further increases, after a 2018 that saw an increase in rents after years of stability.

Strong demand for space in the capital city's other office district, namely the Greater Eur, has driven prime rents up to 340 €/sqm/year. At the moment, only these two zones, which are more office oriented, have recorded increases in rent, while the rest of the city sees continued stability.

FIGURE 7: KEY INDICATORS Q1 2019 - Trend vs Q1 2018

AREA	PRIME RENT		TAKE-UP		VACANCY RATE		STOCK	
	€/sqm/y		K sqm		%		K sqm	
	420	▲	78.6	▲	8.0	▲	10,000	▬
 CBD	420	▲	7.1	▲	3.1	▼	2,450	▬
 Centre	380	▬	30.5	▲	5.4	▼	1,650	▬
 Semi Central	280	▬	14.2	▲	9.0	▲	750	▬
 Greater Eur	340	▲	19.1	▲	8.6	▲	2,876	▬
 Periphery	180	▬	7.7	▲	14.0	▼	2,274	▬



FOR MORE INFORMATION

AGENCY SERVICES

Fabio Bianconi
+39 06 4521 4017
fabio.bianconi@colliers.it

Emanuele Morbidelli
+39 06 4521 4016
emanuele.morbidelli@colliers.it

RESEARCH

Simone Roberti
+39 02 6716 0213
simone.roberti@colliers.it

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Colliers International Italia
Via Durini, 4 – 20122 Milano
Via Leonida Bissolati, 76 – 00187 Roma

