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Logistics Market Overview

Italy Snapshot

Q2 2025

Sale & Lease Back: When Real Estate Becomes Strategic Capital

A solution that allows companies to unlock otherwise idle capital, converting real estate ownership into immediately available liquidity.

In the **dynamic and competitive** landscape of today's market economy—where efficiency and liquidity are critical competitive levers—sale & lease back is emerging as an increasingly strategic self-financing tool, especially for core assets like production facilities and logistics hubs. This practice, well established abroad and gaining strong momentum in Italy, offers companies the opportunity to unlock capital that would otherwise remain tied up, transforming real estate ownership into immediately accessible cash. The mechanism is as simple as it is effective: a company sells its strategic real estate assets to an institutional investor, simultaneously leasing them back for continued use. This transaction generates a significant cash inflow, freeing up valuable resources that can be reinvested into the core business, mergers and acquisitions, or operational improvements aimed at enhancing efficiency and technological innovation.

The **benefits** of sale & lease back are numerous and tangible. First and foremost, the liquidity obtained strengthens the company's financial position, improves balance sheet ratios, and offers greater strategic flexibility. An important aspect is the accounting treatment of lease payments, which are recorded as operating expenses—potentially improving key financial indicators such as EBITDA and ROA. This translates into greater investor appeal and a more streamlined reading of the company's performance.

The current **market environment** is particularly favorable for sale & lease back operations in the logistics and industrial sectors. There is growing interest from institutional investors, real estate funds, and specialized operators attracted by the stability and potential profitability of these assets—especially in a context of increasing demand driven by e-commerce and supply chain reorganization. Investor assessments focus primarily on two critical factors: the credit rating of the selling company—serving as a guarantee of its ability to meet lease obligations—and the condition and quality of the real estate assets. Modern production sites and well-located, efficient logistics hubs are likely to receive especially strong valuations. A combination of solid financial standing and high-quality real estate can lead to highly favorable transaction values for companies opting for the sale & lease back route.

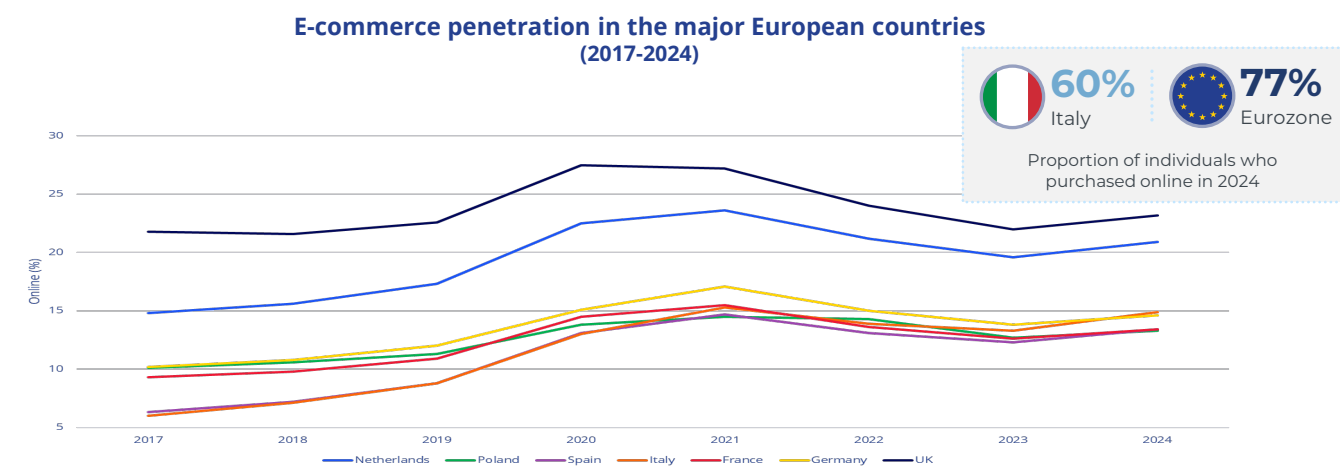
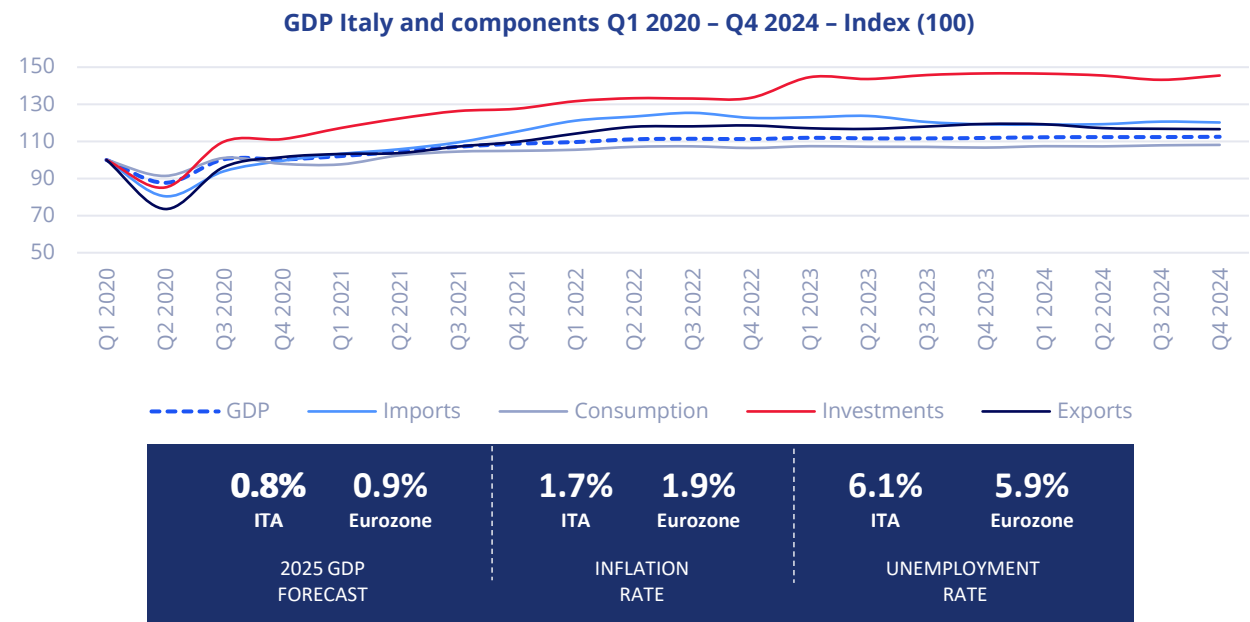
While sale & lease back is a long-established and widely adopted practice in markets like the United States—across companies of all sizes—it is now rapidly emerging in Italy. Growing awareness of its **financial and strategic benefits**, along with abundant investor capital, points to a future where sale & lease back becomes a key tool in real estate asset management within Italy's logistics sector. It has the potential to unlock resources and drive the industry's growth. Companies would be well advised to carefully consider the opportunities offered by this model to optimize their financial structure and support their ambitions for expansion and long-term development.



Macro-Economic Context | Italy

In 2024, GDP in Italy remained relatively stable, growing by 0.7%, sustaining the positive levels achieved during the post-pandemic recovery phase, when Italy recorded growth rates of 8.9% in 2021 and 4.7% in 2022. The GDP in the Eurozone grew by 0.7%, stable compared to Italy. In 2025, GDP growth is projected at 0.8% in Italy and 0.9% in the Eurozone. On the employment front, Italy continues to show growth, with the unemployment rate reaching 6%. This figure is now close to the European average, which stands at 5.9%. As of May 2025, Italy recorded an annual inflation rate of 1.7%, while the euro area's inflation stood at approximately 1.9% YoY.

In terms of investment, Italy has grown by 58% over the past five years (2020-2024) and by +0.3% 2024/2023 (reaching 21.96% of GDP), driven primarily by the effects of the National Recovery and Resilience Plan (PNRR), while investment in the rest of Europe has remained broadly stable, with a slight decline of 0.63%. On the demand side, in Italy exports of goods and services increased by 2.8% on a quarterly basis, gross fixed capital formation rose by 1.6%, and final national consumption grew by 0.1%. Imports increased by 2.6%. Within final consumption, household and NPISH (non-profit institutions serving households) expenditure increased by 0.2%.



Italy shows the most dynamic growth among major European markets, rising from 6% in 2017 to 14.9% in 2024—an 8.9-point increase that propels it to third place in e-commerce penetration, ahead of Germany, France, and Spain. While still below mature markets like the UK and the Netherlands, Italy's upward trajectory highlights strong untapped potential. Notably, only 60% of Italians purchased online in 2024, compared to 77% in the Eurozone, underscoring further room for expansion.

Investment Key Data | Italy

Investment Trends

Given the **ECB's flexible monetary policy**, with the Euribor dropping by 190 basis points from March 2024 to July 2025, the market has become more attractive to investors. The **stabilization of 10-year BTP** yields at 3.4% in July 2025 offers higher returns and portfolio diversification opportunities. With substantial capital ready to be deployed, investors are eager to capitalize on these favorable conditions. However, geopolitical uncertainties, including ongoing wars and trade disputes, pose risks that could impact market stability and investor confidence.

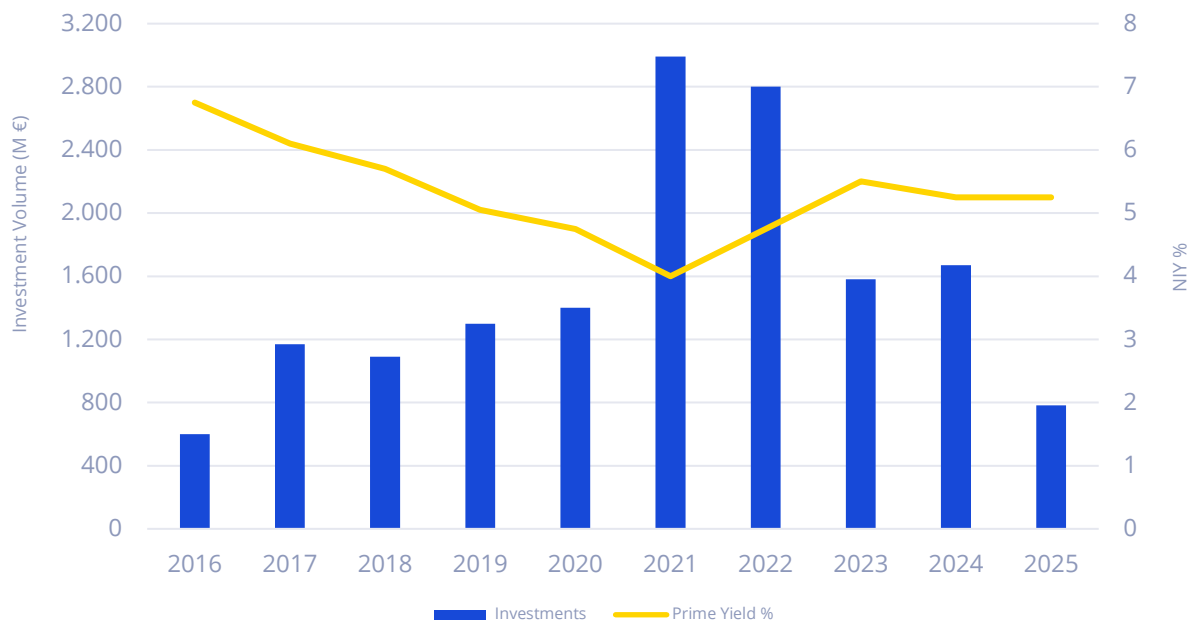
In **Q2 2025**, performance was below expectations, with **€141 million in transactions**, reflecting a **28% year-over-year drop**. This figure is less significant given the **numerous transactions nearing completion** and the **additional €1 billion** in logistics

platforms **currently on the market** and in the bidding phase.

The last months showed a **gradual resurgence of Core buyers** who have renewed **confidence in market fundamentals** and growth prospects. This resurgence has led to **enhanced liquidity** for high-quality, strategically located assets, which is starting to drive **yields downward**. However, investors **continue to favor value-add or core+ investments**, particularly those assets with **strong rent reversion potential and solid covenants**.

Recent closed and ongoing transactions indicate a slight **downward trend** in the **Italian prime yield**, which, after stabilizing, has **gradually decreased by 25 basis points to 5.25% NIY**.

Logistics Invesments Evolution in Italy
(Investment Volume between 2015 and Q2 2025)



€141m

Investments
in Q2 2025

-23% & +28%

Investment Trend YoY
Q2 2025 on Q2 2024 vs 4
quarters yearly rolling data

24%

Portfolio Deals

€1.98b

Cumulative
Investments 4 quarters

5,25%

Prime Yield (NIY)*

Steady (-25bps)

Yield Trend
(YoY & QoQ)

96%

Proportion of ESG compliant* assets leased

470.000 sqm

Take-Up Q2 2025

51% | 21%

3PL Absorption
BTO Absorption

-11% | -11%

Take Up Evolution YoY
(Q2 2025 on Q2 2024 vs 4
quarters yearly rolling data)

Take Up & Key Statistics | Italy

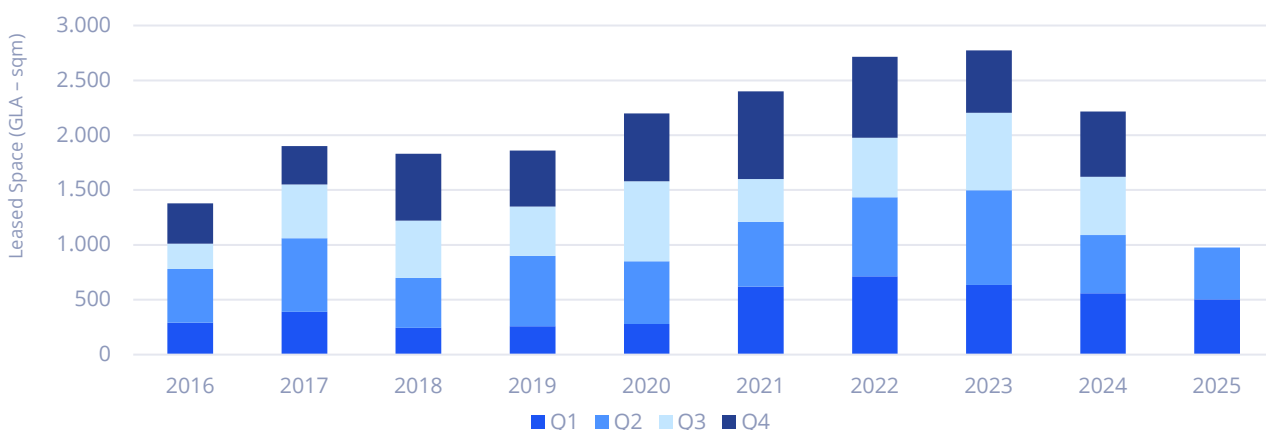
Despite a **slight drop in absorption volumes**, -10% YtD (25' on 24') and -11% QoQ, the **Italian logistics sector remains resilient**. Demand is driven by **Grade A and ESG-compliant** warehouses, which accounted for 96% of Q2 2025 take-up. **ESG compliance** continues to be a key factor **fueling demand**, supporting both higher rental rates and sustained expansion of the logistics asset class.

Limited supply, rising land prices, and increasing construction and financing costs have driven a consistent rise in ERVs across key markets, with a **3-year CAGR of 8.2%** and **prime rents now exceeding €70/sqm/year**.

Third-party logistics providers (**3PLs**) lead demand, representing **51% of the market**, followed closely by **retailers at 27%**. Built-to-Own (**BTO**) projects account for roughly 21% of total demand. These include corporates in sectors like E-commerce, Cold Storage, and other end-users that view real estate as a core asset and increasingly pursue self-development opportunities. Around **46% of market absorption** is concentrated in **existing** (28%, mainly newly built) and **speculative properties**.

Historically, vacancies for existing assets have been negligible, while speculative spaces typically leased during construction or shortly after delivery. Recently, vacancy rates have slightly increased due to **prolonged tenant negotiations**.

Take UP Evolution
(2016 – Q2 2025, Thousands Sqm Leased)

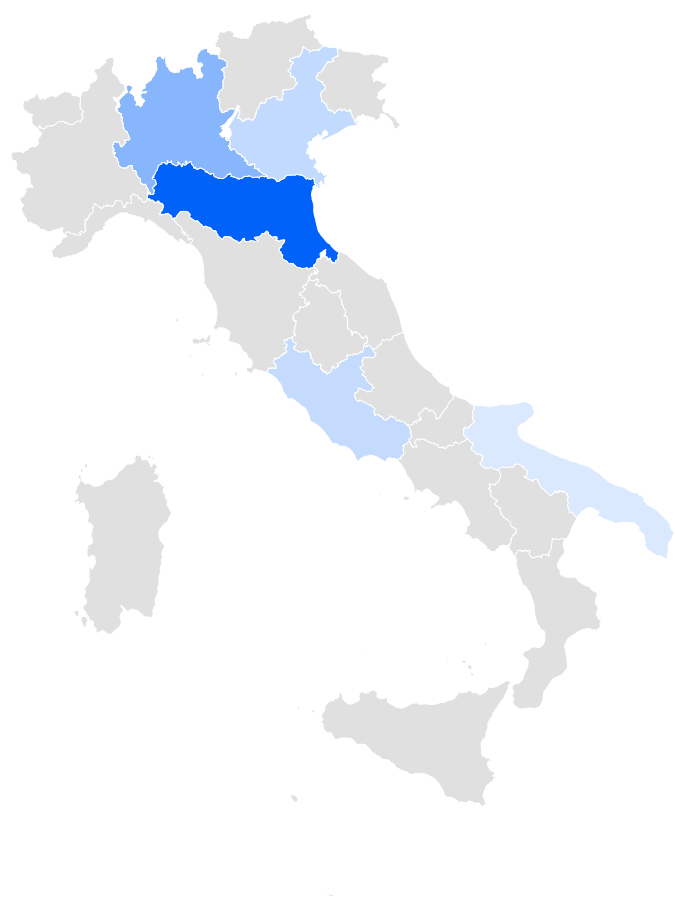


Prime Rents (€/sqm/y)	Milan	Rome	Turin	Verona	Bologna	Piacenza
Q2 2025	70	70	52	58	67	60
3y CAGR	7.1%	7.1%	5.2%	11.8%	7.5%	10.7%

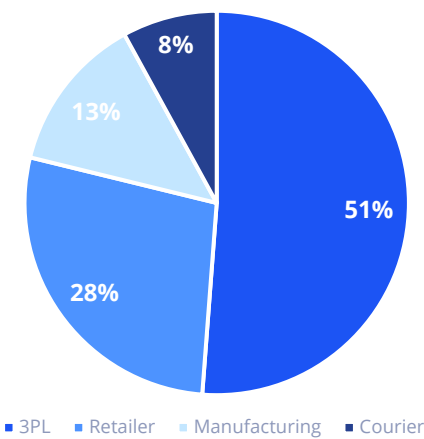
* ESG Compliant asset obtained at least the Leed Gold or Breeam Very Good certificate

Take-Up & Key Statistics

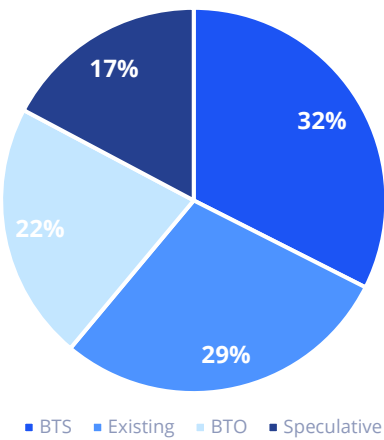
Take Up Distribution By Region



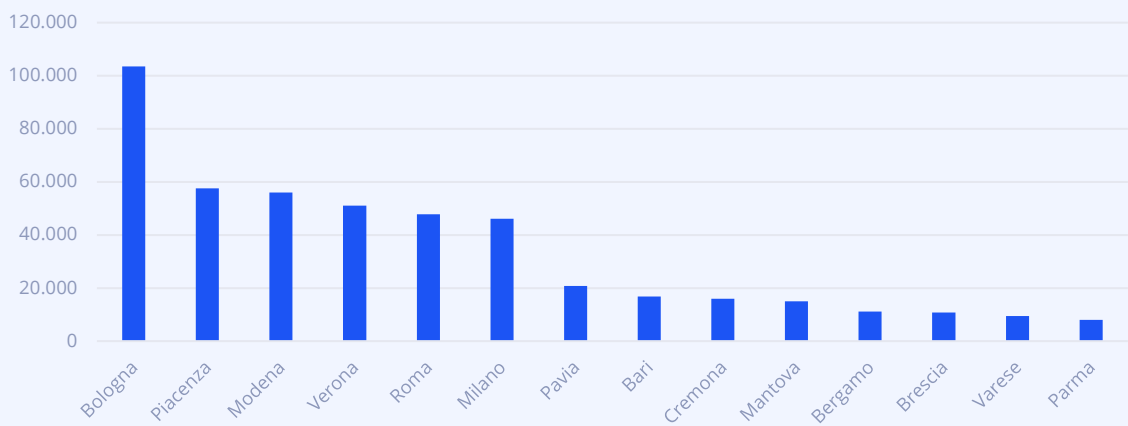
Take Up By Tenant Type



Take Up by Asset Type e Drivers



Take Up Distribution By Province (GLA in sqm)



Potential Pipeline | 2025 – 2027

Macro Trends

The “reshoring” trend is challenging global supply chains. Firms, also in Italy, start to prefer sourcing products —such as clothes and computer chips — closer to home, turning away from manufacturing powerhouses like China. Investors are looking to invest into industrial assets as a way to diversify their portfolios (currently mainly made by logistic assets). Thus, **BtO or BtS development**, customized for the specific companies need, **are rising in numbers and volumes**.

The demand for **ESG-compliant assets** is driving firms to seek **new facilities**, resulting in high absorption rates for new developments, with many projects being leased before completion. However, **high financing and construction costs**, along with challenges in obtaining building permits, have caused some projects to be **delayed or canceled**, leading to **increased asking rents**.

Italy is emerging as a **key player** in the EMEA industrial and logistics sector, supported by a **lower e-commerce penetration rate** and a significant demand for new grade A logistics buildings, with **per capita grade A space ratio** being **half the European average**.

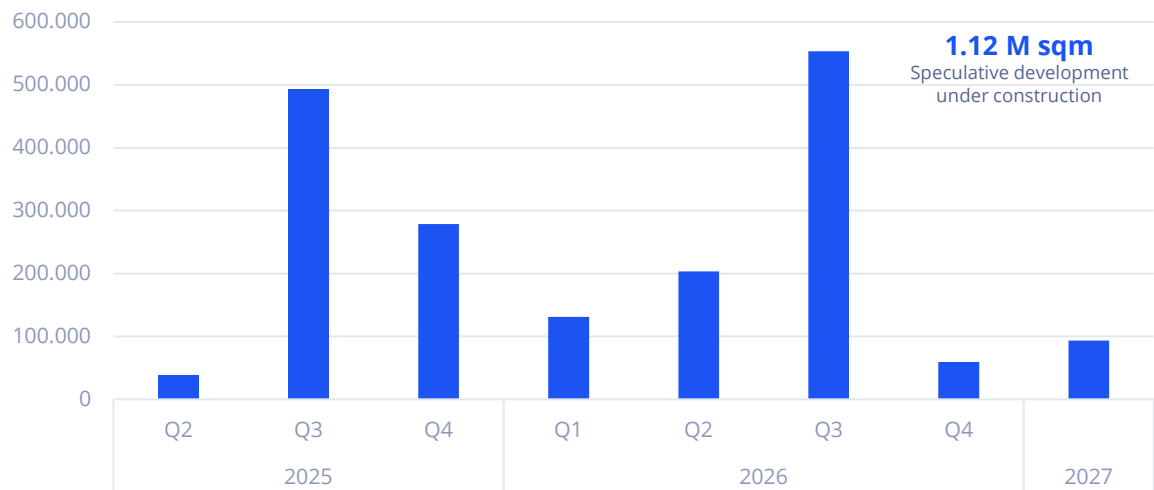
Considerations

By EoY 2027, **1.85 million sqm** of speculative developments might enter the market, with **1.12 million sqm currently under construction**.

The **vacancy rate** remains **steady and slightly below EU average at around 4,6%** nationwide, with some sub-markets nearing zero.

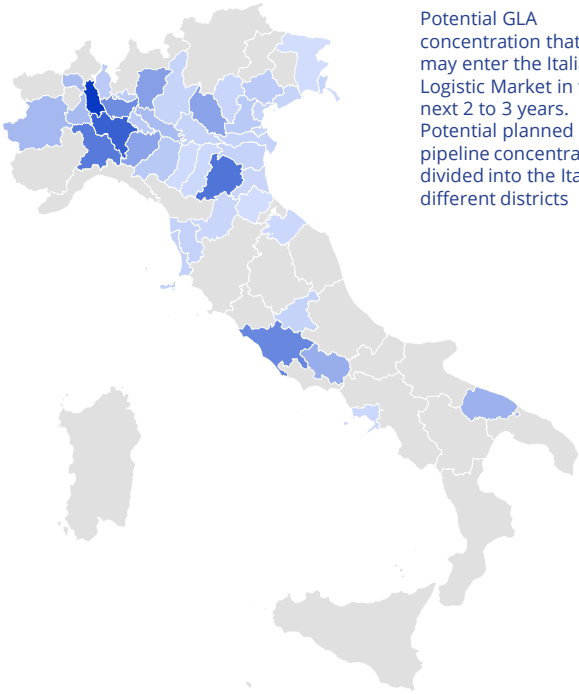
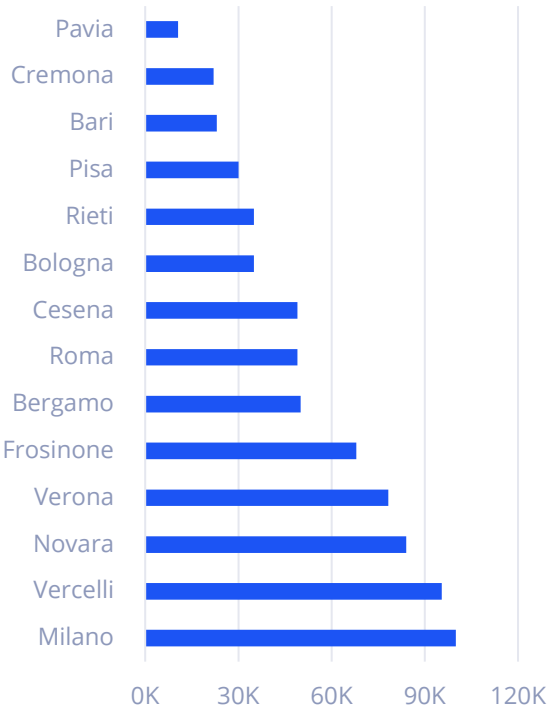
Letting negotiations are prolonged due to recent significant rental increases and a slowdown in GDP growth across EMEA. The slight decline in take-up has prompted several projects to **shift strategies**, moving from **speculative to Build-to-Suit developments**, starting construction only after securing a tenant.

Under Construction Projects & Planned Potential
Speculative Developments in the coming years
(GLA in sqm)





Main Provinces in Terms of Sqm potentially coming to the Market
(Potential Speculative | GLA - Thousands Sqm)

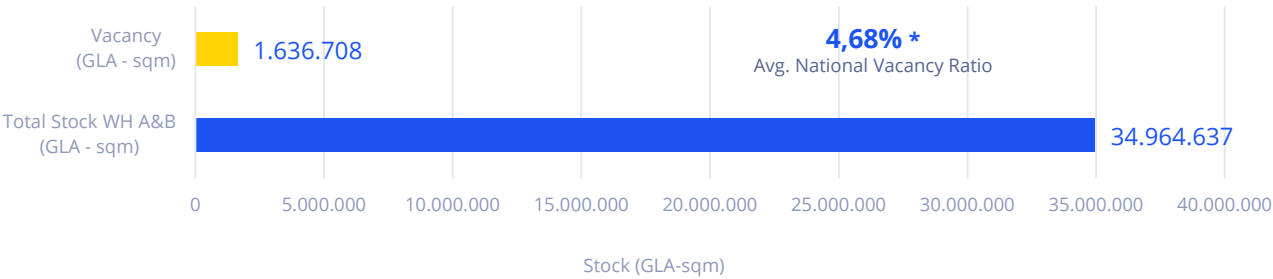
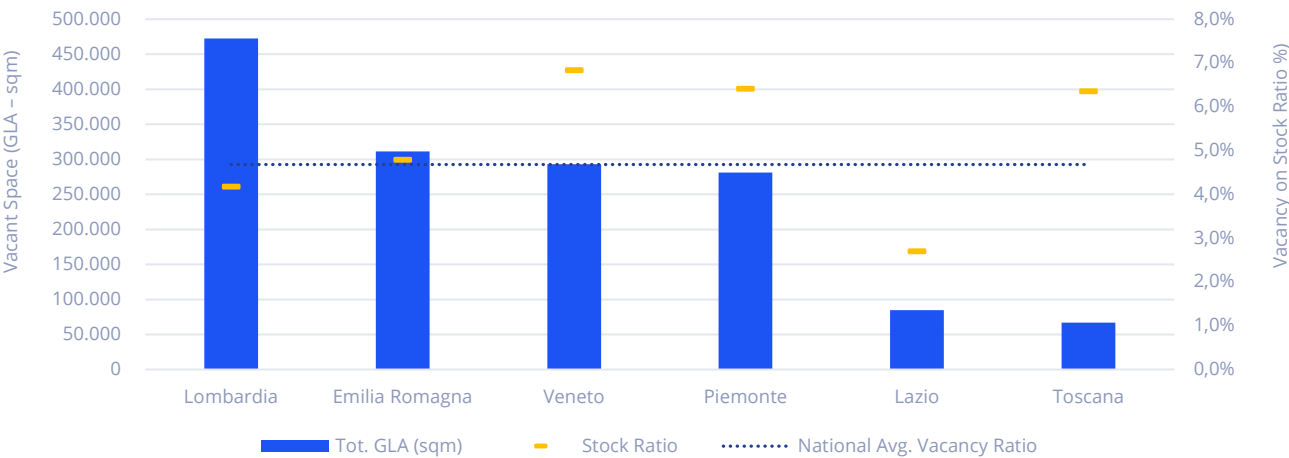


Potential Speculative: This term refers to territories that are under the management of institutional investors, which are at a mature stage in terms of urban development and planning. These, have proclaimed their plans to commence speculative construction on these lands.



Vacancy Analysis | Italy

Vacancy Distribution by Region
(GLA in sqm at Q2 2025)



Vacancy Ratio: This is determined based on the total inventory of Grade A and B logistics warehouses, which is approximately 35 million square meters, as recorded by Colliers. Our analysis excludes Urban Logistics and Light Industrial premises. For vacant spaces, we included all unoccupied buildings or portions thereof, except for Grade C assets. Additionally, newly completed buildings under negotiation but without a signed contract were also considered. **Stock Ratio:** considering the vacancy as per above (per region) on the recorded stock for standard Grade A and B assets



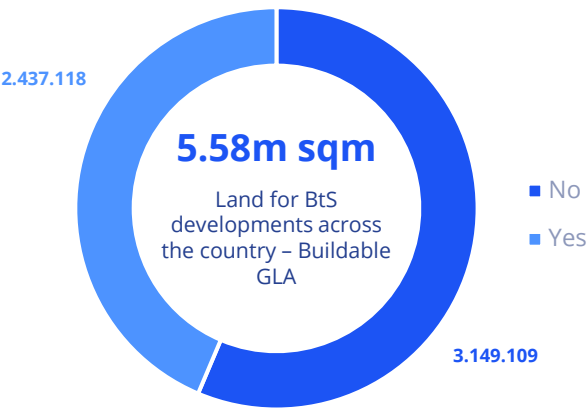
Vacancy & Land for BTS | Italy

BUILD-TO-SUIT DEVELOPMENTS

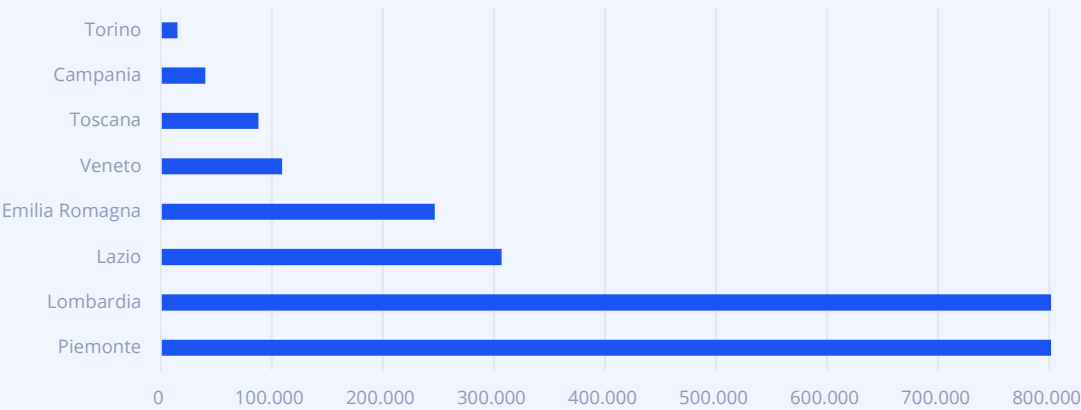
Properties overseen by institutional organizations, each at distinct stages of urban planning. **Construction initiatives** will only be launched upon finalizing a lease contract with a tenant. **Build-to-Suit** sites that have secured building permits may be ready for use within 15 months or less. In contrast, **sites lacking permits** are subject to more **unpredictability** and typically require extended timelines before completion.

Land controlled by institutional players for BtS Development

(Urbanistic Status Differentiation – Building Permit Obtained)



Land for BtS developments distribution with building permits (GLA in sqm at Q2 2025)



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