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SINGAPORE AND LOMBARDY: BEST PRACTICES FOR NEW OPPORTUNITIES

27TH MAY 2016

FOCUS ON: REAL ESTATE

Marzia Morena

WHY

INVEST IN *LOMBARDY*

ON *REAL ESTATE*?

INVEST IN LOMBARDY ON *REAL ESTATE*

Real Estate Investments = Milan

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FOREIGN INVESTMENTS IN ITALY

Primary foreign investments in Italy

MILAN

Acquisition	Year	Value in EUR	Acquirer
Porta Nuova	2015	1.7 billion	Qatar Holding (Qatar)
Palazzo Broggi	2015	345 million	Fosun (China)
Spiga 26	2015	164 million	Thor Equities (USA)
Hotel Excelsior Gallia	2006	130 million	Qatar Holding (Qatar)
Palazzo Turati	2016	97 million	Sofaz (Azerbaijan)
Ex Corti di Bayres	2016	100 million	Meyer Bergman (UK)

ROME

Acquisition	Year	Value in EUR	Acquirer
Hotel Regina Baglioni	2012	N.D.	Katara Hospitality (Qatar)
Hotel Intercontinental De la Ville	2015	222 million	Katara Hospitality (Qatar)
Hotel Excelsior	2015	220 million	Katara Hospitality (Qatar)
Hotel Aldrovandi	2016	90 million	Dogus (Turkey)

FLORENCE

Acquisition	Year	Value in EUR	Acquirer
Four Seasons	2013	163 million	Katara Hospitality (Qatar)
Grand Hotel Baglioni	2012	30 million	Al Mirqab (Qatar)

SARDEGNA

Acquisition	Year	Value in EUR	Acquirer
Costa Smeralda (four hotels)	2012	600 million	Qatar Holding (Qatar)
Forte Village Resort	2014	180 million	Progetto Esmeralda

VENICE

Acquisition	Year	Value in EUR	Acquirer
Gritti Palace	2015	Gritti Palace	Nozul Hotels&Resorts (Qatar)

CAPRI

Acquisition	Year	Value in EUR	Acquirer
Capri Palace	2012	37 million	Dogus (Turkey)

Source: Sorgente Group – Federimmobiliare on elaboration of Corriere della Sera data, 2016

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Milan

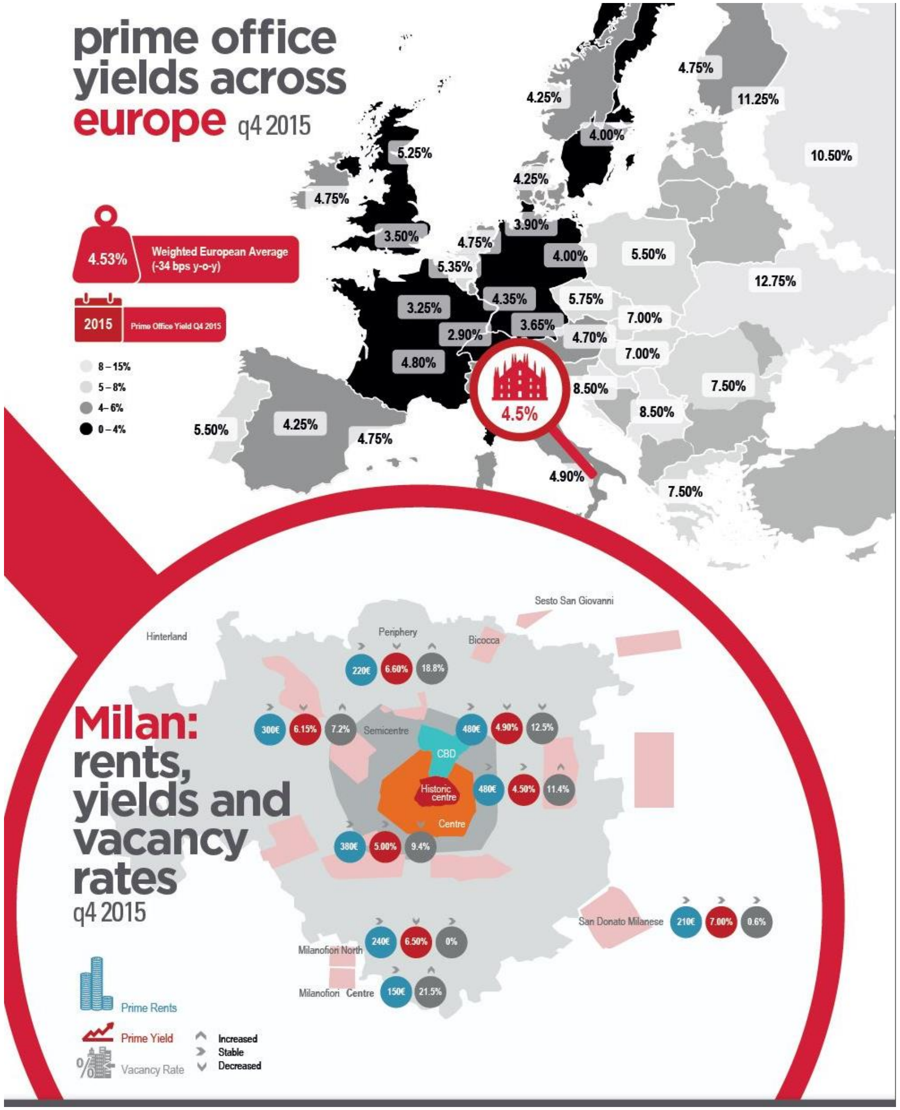
combines one of the best economic backgrounds in Europe with competitve but growing values compared to other cities

prime yield
4.5%

9% below the peak

prime rent
480€ /sqm/y

16% below the peak



Source: Why invest in Milan, Jones Lang Lasalle, 2016

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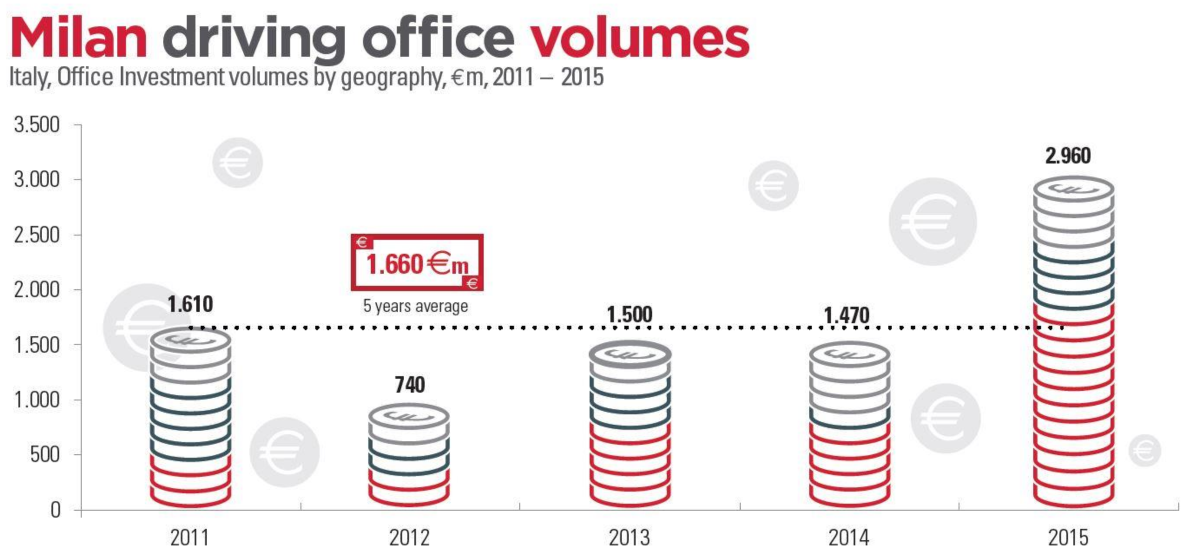

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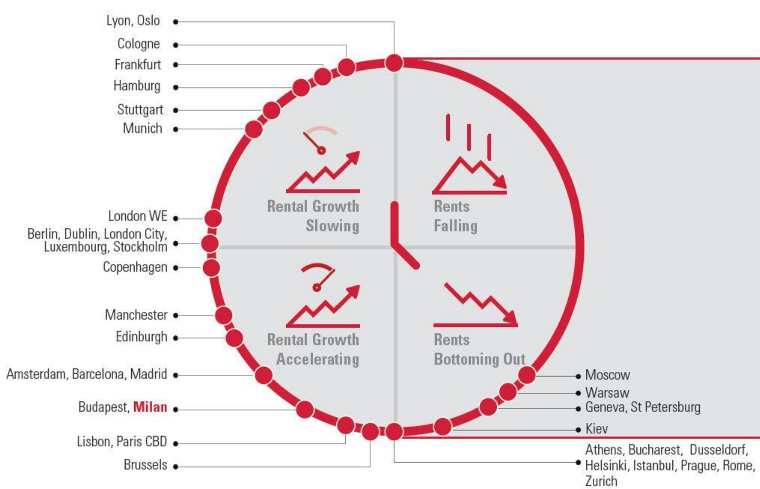
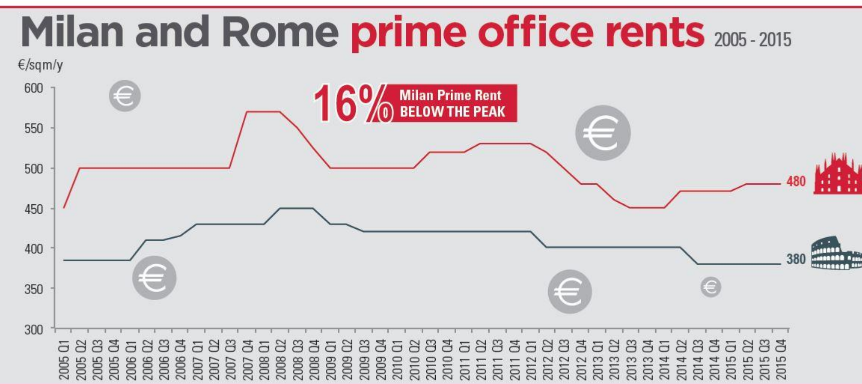
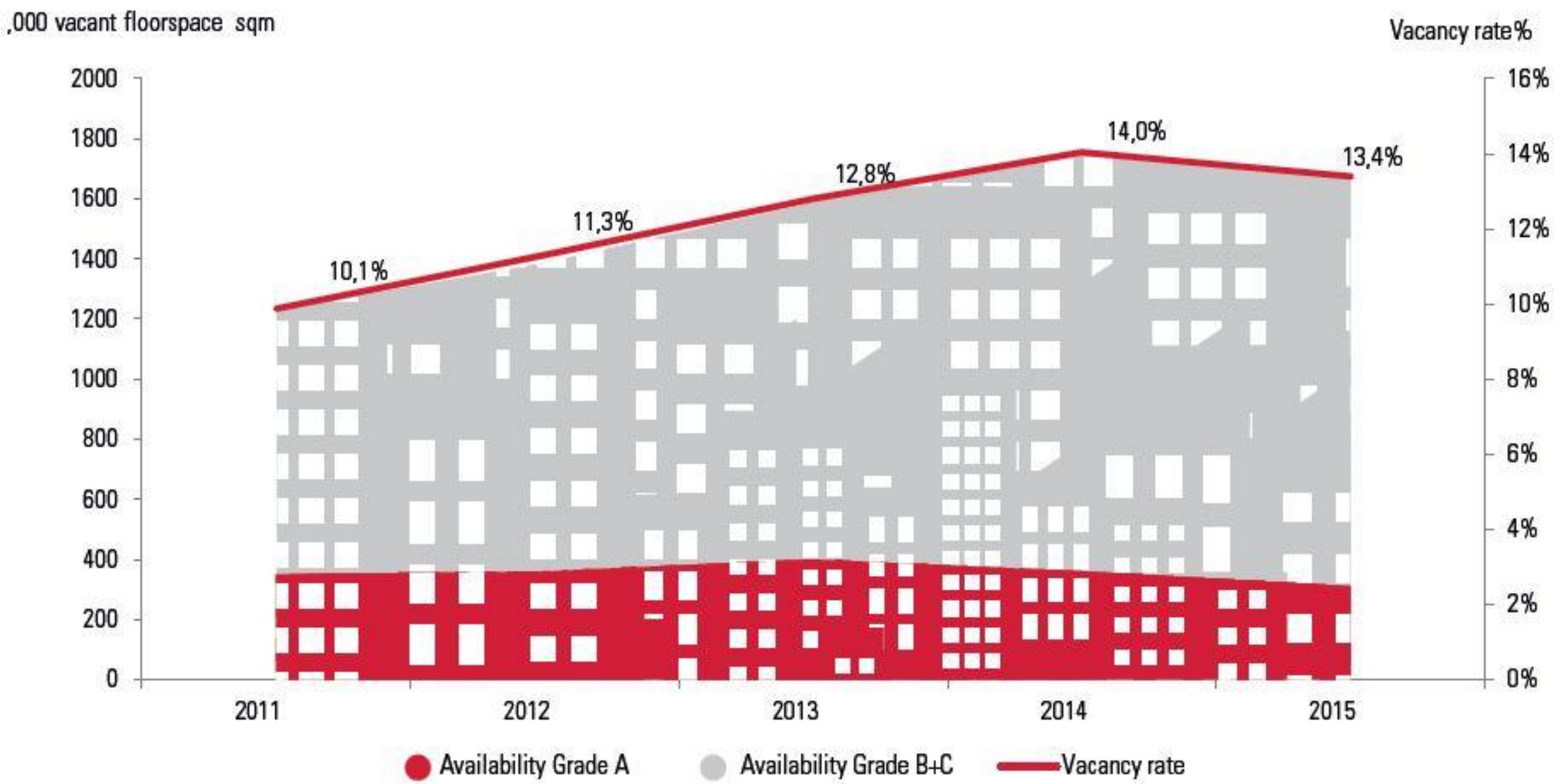




Milan office vacancy and vacancy rate 2015



Source: Why invest in Milan, Jones Lang Lasalle, 2016

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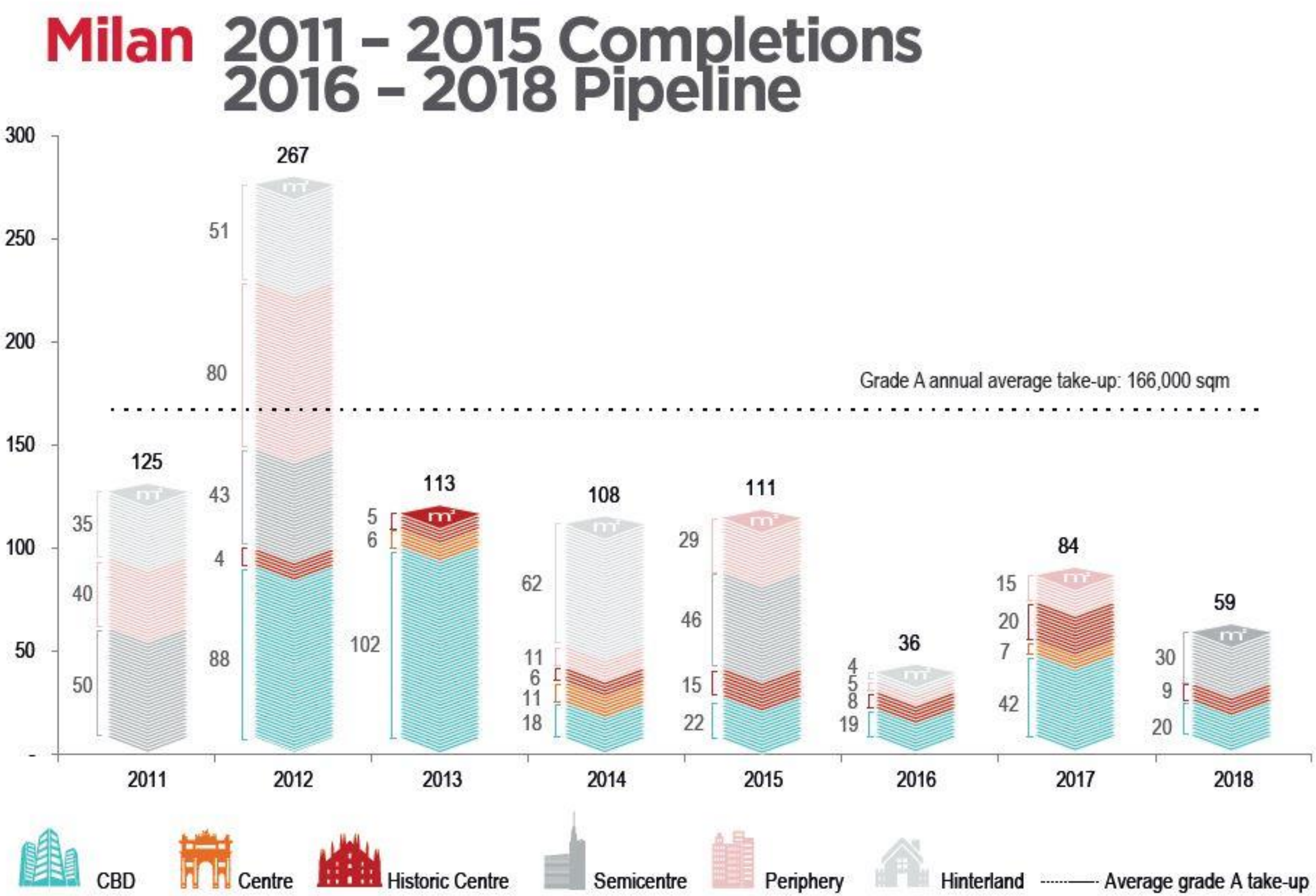

Source: Why invest in Milan, Jones Lang Lasalle, 2016

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Retail Market

MARKET INDICATORS

Market Outlook

Prime Rents:	Stable rents across all sectors.	▶
Prime Yields:	Further decrease of prime yields is anticipated in out of town market	◢
Supply:	Limited supply in prime high streets in Milan and Rome, growing SC development in 2016-2017.	▶
Demand:	Demand expected to improve in line with increasing consumer spending.	◥

Prime Retail Rents - March 2016

HIGH STREET SHOPS	€	US$	GROWTH %	
	SQ.M/YR	SQ.FT/YR	1YR	5YR CAGR
Milan	12,000	1,235	20.0	12.0
Rome	11,000	1,132	15.8	10.4
Florence	4,000	412	0.0	0.0
Naples	1,700	180	0.0	-2.2
Venice	4,000	412	0.0	5.9
RETAIL PARKS	**€**	**US$**	**GROWTH %**	
	SQ.M/YR	SQ.FT/YR	1YR	5YR CAGR
Milan	180	18.5	0.0	-3.9
Rome	180	18.5	0.0	-2.1
SHOPPING CENTRES	**€**	**US$**	**GROWTH %**	
	SQ.M/YR	SQ.FT/YR	1YR	5YR CAGR
Milan	850	87.4	0.0	1.2
Rome	850	87.4	0.0	1.2

Source: Italy Retail Market Snapshot First Quarter, 2016_Cushman&Wakefield

Office Market

MARKET INDICATORS

Market Outlook

Prime Rents:	Stable in Milan and Rome markets.	
Prime Yields:	Compression for the very best properties. Stable yields elsewhere.	
Supply:	Grade A supply expected to decrease; rising secondary supply.	
Demand:	Strong investment demand expected to continue. Stable occupational demand.	

Prime Office rents – March 2016

LOCATION	€ SQ.M YR	US$ SQ.FT YR	GROWTH % 1YR	GROWTH % 5YR CAGR
Rome (CBD)	400	41.2	-2.4	-4.4
Rome (Centre)	380	39.1	n/a	n/a
Rome (Semi Centre)	310	31.9	-3.1	n/a
Rome (Greater Eur)	315	32.4	0.0	-1.5
Rome (Periphery)	150	15.4	0.0	-3.6
Milan (CBD)	490	50.4	1.0	0.0
Milan (Centre-out of CBD)	380	39.1	0.0	n/a
Milan (Semi Centre)	280	28.8	12.0	0.4
Milan (Periphery)	220	22.6	0.0	0.9
Milan (Hinterland)	200	20.6	0.0	n/a
Turin (Centre)	160	17.5	0.0	0.6

Source: Italy Retail Market Snapshot First Quarter, 2016_Cushman&Wakefield

Italian **Hotel** Monitor – Trademark Italia (year 2015)

City	Occupancy Rate (%)	%Var. on 2014	Average Price €	City	Occupancy Rate (%)	%Var. on 2014	Average Price €
Torino	62.0%	+0.3	108.43	Firenze	74.4%	-0.6	124.10
Genova	65.4%	-0.1	99.58	Pisa	63.7%	+1.1	88.11
Milano	71.7%	+2.0	140.26	Siena	65.6%	-0.9	96.72
Como	62.6%	+0.9	110.88	Ancona	59.1%	+1.0	84.41
Brescia	48.3%	+2.9	85.82	Pesaro	59.9%	+0.5	84.18
Bergamo	65.7%	+1.6	90.60	Perugia	51.4%	+2.1	87.62
Parma	60.6%	+2.4	87.69	Roma	72.4%	+0.3	118.95
Reggio E.	52.3%	+1.0	84.03	Viterbo	50.6%	+2.1	84.13
Modena	53.5%	+1.4	85.08	Latina	50.5%	+1.7	83.92
Trento	56.3%	-0.1	87.22	Rieti	50.4%	+1.0	82.90
Bolzano	62.6%	+1.7	85.64	Pescara	54.7%	+1.2	85.94
Venezia	69.7%	+0.4	152.11	Napoli	67.6%	+3.0	100.39
Verona	61.1%	+1.3	94.38	Bari	58.0%	+0.7	87.18
Vicenza	54.1%	+1.4	84.87	Foggia	44.5%	-1.6	82.64
Padova	61.8%	+1.7	85.16	Taranto	53.3%	-0.7	82.72
Treviso	57.0%	-0.1	85.04	Potenza	45.9%	+2.0	81.02
Udine	57.1%	+1.6	87.01	Reggio C.	50.0%	+2.3	83.75
Trieste	61.9%	+1.4	89.96	Palermo	60.8%	+0.5	90.74
Ferrara	54.6%	+3.2	90.00	Messina	55.1%	+1.5	83.81
Bologna	60.0%	+1.7	96.78	Catania	61.5%	+1.1	91.06
Ravenna	61.8%	-0.4	85.86	Cagliari	59.2%	-0.5	85.27
Rimini	63.7%	+0.9	88.40	Sassari	54.7%	+0.1	84.23
S. Marino	58.0%	+1.3	86.42				

Occupancy rate – Italy average	**58.78%**
Average Variation on occupancy rate compared to 2014	**1.0%**
Average Price	**€92.56**

Source: Sorgente Group – Federimmobiliare on elaboration of Italian Hotel Monitor, 2016

DEALS 2015_2016_Lombardy

Year	Quarter	Location	Asset	Asset class	Vendor	Purchaser	Doc
2015	Q1	Various	Brenice fund	Various	iDeaFimit		0. Berenice fund
2015	Q2	Vimercate	Energy Park	Office	Segro	Hines	1. Energy Park Vimercate /1a.Energy Park Vimercate
2015	Q3	Various	Portfolio			HIG	2a.HIG Various
2015	Q4	Monza / Piemonte	Policlicnio di Monza	RSA	Policlinico di Monza	Axa Reim	2. Policlinico di Monza / 2b. Policlinico di Monza
2015	Q4	Cassano Magnago (VA)	Lindt & Sprungli	Industrial	Lindt & Sprungli	confidential	3.Lindt & Sprungli
2015	Q4	Assago	Palazzo U4	Office	Polis fondi	Savills IM	4. Palazzo U4 Assago
2015	Q2	Assago	Fiordaliso	Retail		ECP	5.Fiordaliso Assago
2016	Q1	San Donato	San Donato	Office	Aedes	Rosotel	6a. Rosotel San Donato
2016	Q1	Assago	Palazzo Q1	Office	-	Axa Reim	7.Palazzo Q1 Assago
2016	Q2	Truccazzano	Business Park	Logistic	Anko	CBREGI	8.Truccazzano
2016	Q1	Orio al serio	Orio al Serio RP	Retail Park	UBS		9.Orio al Serio Bergamo

Source: elaboration of different sources

BEST PRACTICES

ENERGY PARK

Technology Park_Vimercate

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KILOMETRO ROSSO

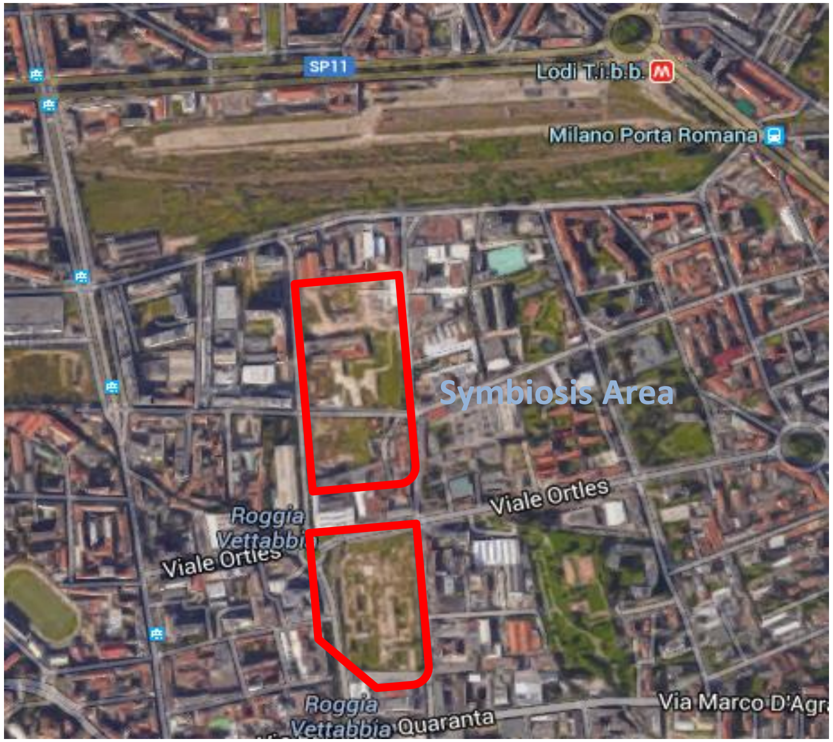
Technology Park_Bergamo

LOGISTIC

Gorgonzola

SYMBIOSIS PROJECT

Business District_Milan



IL CENTRO

Shopping Center_Arese

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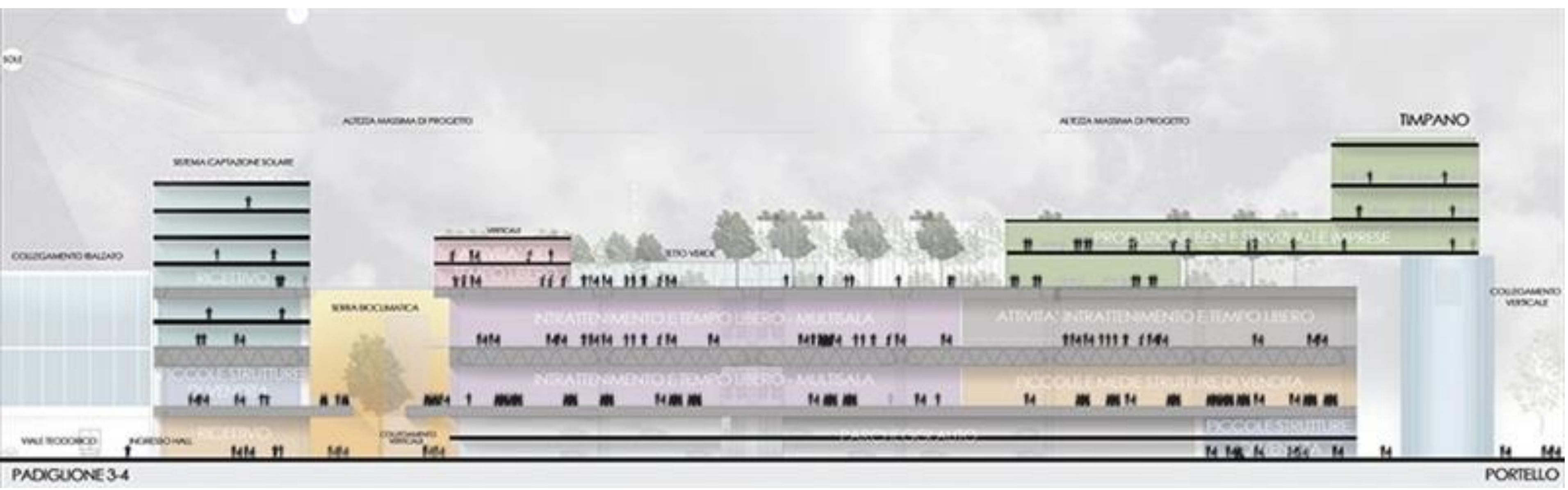
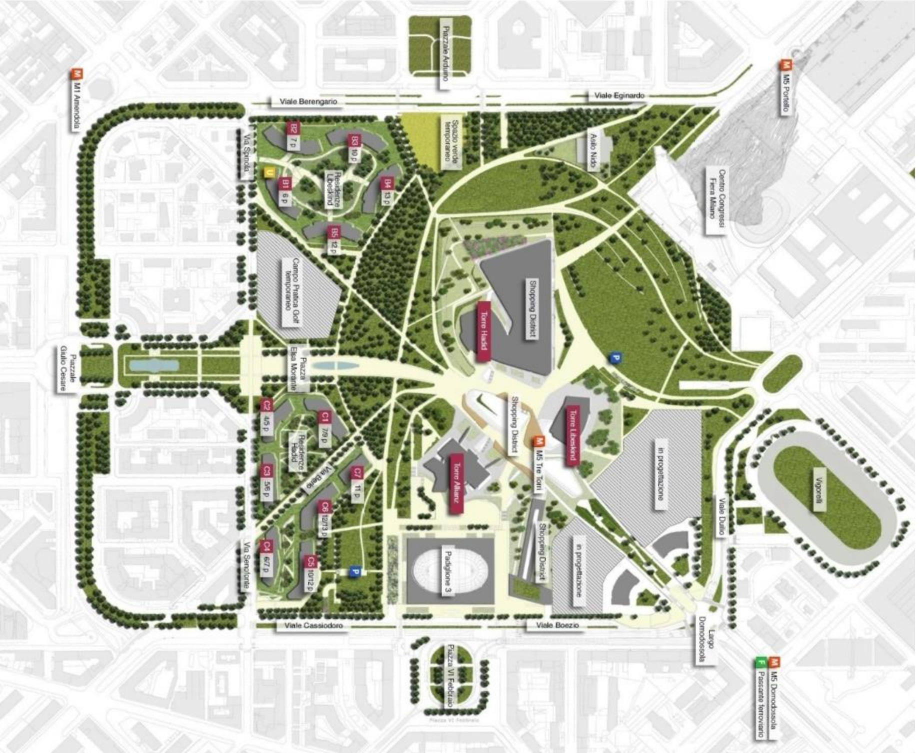
PROGETTO MILANO ALTA

Shopping Center_Milan



FIGINO BORGO SOSTENIBILE

Social Housing_Milan



CITY LIFE

Residential_Office_Milan

PARCO VITTORIA

Residential_Office_Retail

Milan

PORTA NUOVA

Residential_Office_Retail_Milan

FONDAZIONE PRADA

Exhibition Space
Milan

CORDUSIO

Hotel_Milan

SHERATON LAKE

Hotel_Como

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MANDARIN ORIENTAL

Hotel_Milan

Grazie

CONTATTI

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