

COIMA REAL ESTATE FORUM: € 7.1 BILLION INVESTED IN ITALIAN REAL ESTATE IN THE FIRST NINE MONTHS OF 2017, UP 31% FROM 2016

200 operators attended the Coima Real Estate Forum representing over 50 investors, mostly international, worth over € 1.6 trillion in assets.

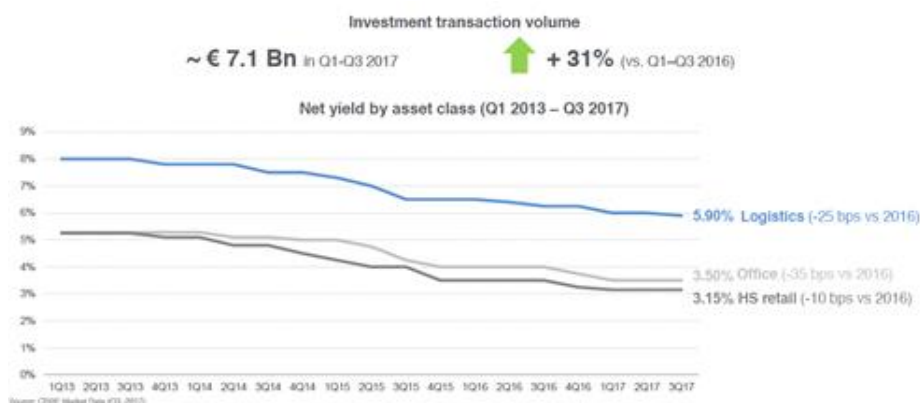
For 90.7% of participants, the Italian economy is recovering; logistics and prime income offices the preferred real estate segments.

Milan competitive at a European level with prime yields outperforming the main European markets (London, Frankfurt, Paris) and second only to Madrid.

Milan, 26 October 2017 – **COIMA** – leading platform for the investment, development and management of real estate assets on behalf of international and local institutional investors – today organised the **VI edition of COIMA Real Estate Forum**, an annual event and point of reference for the real estate industry, dedicated to exploring economic scenarios at a national and international level.

This year 200 industry operators participated in the Forum, representing over 50 major institutional investors from Italy and abroad – including Caisse Nationale des Quebec, PSP, GIC, QIA, Oman and others – **worth over € 1.6 trillion**.

In terms of volume, **€ 7.1 billion** were invested in the Italian real estate sector during the first nine months of the year, a 31% improvement over last year's figure for the same period, confirming the positive trend in the sector also supported by greater attractiveness for foreign capital compared to the past and the positive and generalised economic growth occurring in Italy.



The event was divided into three sessions: the first dedicated to analysing the global economic scenario and international and Italian real estate markets, the second focused on defining the competitive scenario in Italian cities and, finally, a debate on investor forecasts.

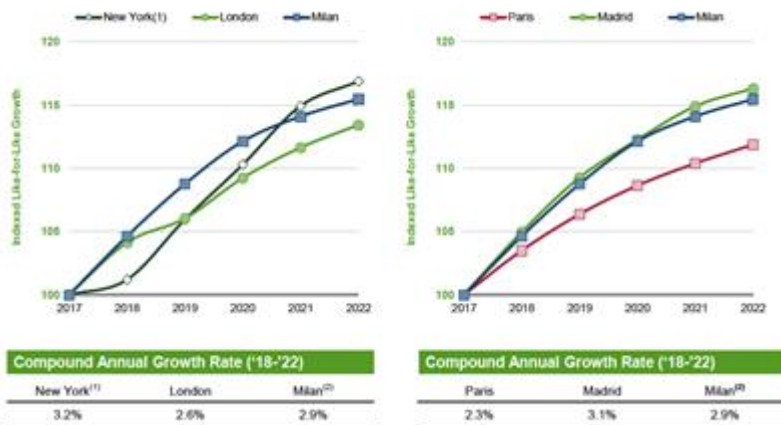
After the opening statement by **Pierfrancesco Maran**, Urban Planning, Agriculture and Green Areas Councillor for the City of Milan and introduction by **Manfredi Catella**, Founder and CEO of COIMA SGR, speakers on the panel included: **Komal Sri-Kumar**, Chairman of *Sri-Kumar* Global Strategies, **Peter Papadakos**, Managing Director of Green Street Advisor, **Fabrizio Pagani**, Secretary of the Ministry of Economy and Finance and **Gabriele Bonfiglioli**, Managing Director and Investment Manager at COIMA.

This was followed by a discussion on investor forecasts regarding the European and Italian real estate markets with a debate between **Stephane Jalbert**, Managing Director, Real Estate Investments, PSP Investments, **Arnaud Malbos**, Senior Vice President, Ivanhoé Cambridge, Inc., **Marco Plazzotta**, Head of the Presidential Committee for Institutional Investors at Assoimmobiliare and Managing Director, Poste Vita S.p.A., **Rogier Quirijns**, Senior Vice President, Cohen & Steers Capital Management, Inc. and **Fabio Scacciavillani**, Chief Strategy Officer, Oman Investment Fund (OIF).

Finally, morning discussions were concluded by **Dominique Moerenhout**, CEO of EPRA, the European Public Real Estate Association.

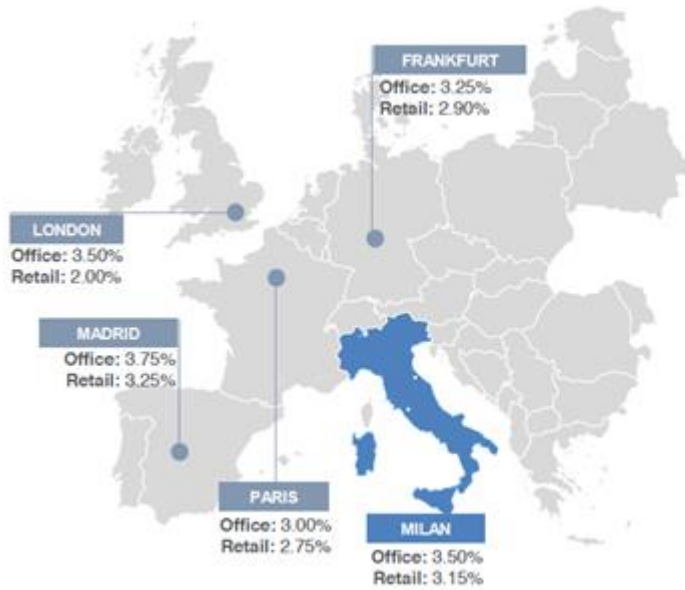
In his speech, **Komal Sri-Kumar**, Chairman of Sri-Kumar Global Strategies, highlighted a series of positive aspects for Italy such as the constant albeit slow growth in GDP, and recalled some uncertainties linked to the instable political outlook, along with some of the needs the next government will have to address: accelerating economic growth, further reducing unemployment levels, strengthening the banking sector and continuing reforms.

Peter Papadakos, Managing Director of Green Street Advisor, outlined the global framework in which continental Europe is one of the areas with the highest returns for investors, with an average yield of approximately 5.6%: in this context, Milan with +2.9% (2018-2022) came close to New York at +3.2%, London at 2.3% and Madrid at +3.1%.







According to the analyses illustrated by **Gabriele Bonfiglioli**, Managing Director of COIMA, the **Italian market** is guided by an extensive search for quality products and is more generally driven in geographic terms by Milan and Lombardy, the key region for the Italian economy and thus for growth in the real estate sector. In terms of prime yields, for example, Milan is very competitive at a European level if compared to other

major European markets (London, Frankfurt, Paris) and, in this European classification, second only to Madrid in terms of attractiveness and average prime yields.



Milan vs main European cities yield spread

	Office	Retail
LONDON 	+0 bps	+115 bps
FRANKFURT 	+25 bps	+25 bps
PARIS 	+50 bps	+40 bps
MADRID 	-25 bps	-10 bps

Source: COIMA elaboration on JLL Data – RE Key Market Indicators (Q3 2017)

Manfredi Catella, Founder and Managing Director of COIMA, stated *“The data shown at today’s Forum in the presence of major international players demonstrates how our country can be attractive today: in this context, we have to focus on creating an industrial outlook for the sector, ensuring market growth both in terms of size and quality. Investors and operators have confirmed that they are ready to invest in Italy, also through listed companies. The challenge for us operators is to play our role in a constant and virtuous synergy between Public and Private sectors. In this context, Individual Savings Plans definitely represent an extraordinary opportunity for encouraging professional investment in real estate and for allowing the sector to evolve into a competent, transparent industry, able to attract the increasing interest of domestic and international investors.”*

Urban Planning Councillor for the City of Milan, **Pierfrancesco Maran** commented, *“Milan has changed and grown significantly over recent years. It has become an attractive city at an international level, visited by an increasing number of tourists and a candidate along with other European cities to host the EMA headquarters. Neighbourhoods are emerging that have given new life and shape to the city skyline, and as an administration we are dedicating commitment and resources to the regeneration of the outskirts. This tangible growth is also made possible thanks to the strong public-private synergies created and this is the direction we must pursue for upcoming urban challenges, from the redevelopment of old railways to the future of the former Expo site.”*

During the day **attending investors were asked to complete a survey**, in order to gather the opinion of market operators on a number of key issues: **the Italian economy is experiencing weak recovery** for 68.9%, strong recovery for 21.8% and is still weak according to 9.2%. The **main factors for concern at a global level** are geopolitical tensions (37.8%), political instability in Europe (30.6%), the rise in interest rates (16.2%) and the exit of certain countries from the Eurozone (15.3%). Peripheral Europe (Italy, Spain, Ireland for 64.8%), Continental Europe (12.3%) North America and Asia (9.8%) and the UK (3.3%) are the **markets with the most interesting real estate investment opportunities**. Respondents were also asked whether the current prime real estate yields justified the shift of operators to more risky projects: 61.3% agreed and 6.5% absolutely agreed.

Logistics and prime income offices (20% each), **hospitals and hotels** (16% and 17%), **residential** (15.4%) and **retail** (12.9%) were the **preferred real estate segments** of investors who responded to the survey, identifying the medical sector (30.6%), co-working (24.2%), tourism

(23.4%) and residential property for young professionals and students (21,8%) as **the next real estate trends**.

***COIMA** is a leading platform for investment in development and management of real estate assets on behalf of international and domestic institutional investors. COIMA SGR, an investment & asset management company, manages 19 real estate investment funds totaling 5.5 billion euros of investment and holds more than 170 properties in its portfolio, including 24 LEED Gold and Platinum certified properties. COIMA Srl, a development and property management company, during its 40-year existence has developed and managed real estate totaling more than 5 million square meters. One of the most important projects the platform has co-invested in, co-developed and still manages, is the Porta Nuova project in Milan, one of the most prestigious urban regeneration plans in Europe.*

Italy

SEC Relazioni Pubbliche +39 02 624.999.1

Daniele Pinosa – pinosa@segrp.com – +39 335 7233872

Fabio Leoni – leoni@segrp.com – +39 348 8691144

International

Tancredi Group +44 (0)207 8877632

Giovanni Sanfelice – giovanni@tancredigroup.com - +44 777 5858152

Salamander Davoudi – salamander@tancredigroup.com - +44 7872057894