

ITALIAN RE MARKET TRENDS 2025 & OUTLOOK 2026

AGENDA



01
ECONOMY

02
OFFICES

03
RETAIL

04
INDUSTRIAL & LOGISTICS

05
HOSPITALITY

06
LIVING

07
INVESTMENT



ECONOMY

ECONOMY

Economic Indicators 2025

Growth confirmed modest but positive

Italian GDP is expected to grow by 0.6% in 2025 confirming a low-growth environment but avoiding recession and reinforcing the view of macro stability rather than expansion.

Despite a challenging geopolitical backdrop, Italy confirmed its position as one of the most stable macro environments in Europe in 2025. Investor confidence strengthened, reflected in the BTP-Bund spread remaining consistently below 100 bps, signaling reduced sovereign risk and improved credibility of Italy's fiscal and institutional framework.

The labour market remained resilient, with unemployment around 6%, supporting household income and consumption. Inflation declined throughout the year to well below the ECB target, improving real purchasing power and gradually restoring consumer fundamentals, even as sentiment remains cautious.

At the same time, financial conditions began to normalise. The ECB maintained the deposit rate at 2.00%, confirming that the tightening cycle is over and reinforcing expectations of a more supportive monetary environment.

This combination of macro stability, easing inflation and improving credit conditions created a constructive backdrop for investment markets heading into 2026 and supported a pickup in activity during the second half of 2025.

GDP

+0.6%
2025

UNEMPLOYMENT RATE

6.1%
2025

INFLATION

1.7%
2025

10YRS GOVERNMENT BOND YIELD

3.6%
2025

PRIVATE CONSUMPTION

+0.8
2025

INDUSTRIAL PRODUCTION

+1.4%
2025
(November)

Source: Moody's, ISTAT

ECONOMY

Outlook 2026

A more supportive environment for capital in 2026

Italy enters 2026 in a phase of **macro stability** rather than strong growth, with GDP expected to expand by around 0.6%, broadly in line with 2025. The unemployment rate is projected to edge below 6%, while inflation is expected to remain contained, reinforcing a stable macroeconomic backdrop.

While growth remains modest, economic fundamentals are resilient and continue to provide solid support to real estate occupier markets.

A strengthening labour market, rising real incomes and easing inflation are sustaining household spending and business activity, helping to preserve demand across key sectors. As a result, occupier fundamentals are expected to remain healthy: retail benefits from stabilising consumption and footfall, residential demand is underpinned by employment stability and household formation, and hospitality continues to draw strength from both domestic demand and international tourism.

The risk backdrop remains present but increasingly balanced. Geopolitical tensions, potential financial market volatility and trade uncertainty persist as downside risks; however, these are increasingly offset by potential upside from higher public investment in infrastructure, defence and the energy transition, alongside gradually improving confidence among households and investors.

GDP
+0.6%/0.8%
2026

**UNEMPLOYMENT
RATE**
5.9%
2026

INFLATION
1.9%
2026

Source: Moody's



OFFICES

MILAN



OFFICES

Italy **Milan**



TAKE-UP

376,000 sqm
(+1%)

AVERAGE DEAL SIZE

1,255 sqm
(+5%)

VACANCY RATE

10.8%

NEW COMPLETIONS

235,000 sqm
(New/Refurbishment)

UNDER CONSTRUCTION

266,000 sqm
(Speculative and Pre-let)

Note: Figures show the variation between 2025 and 2024.

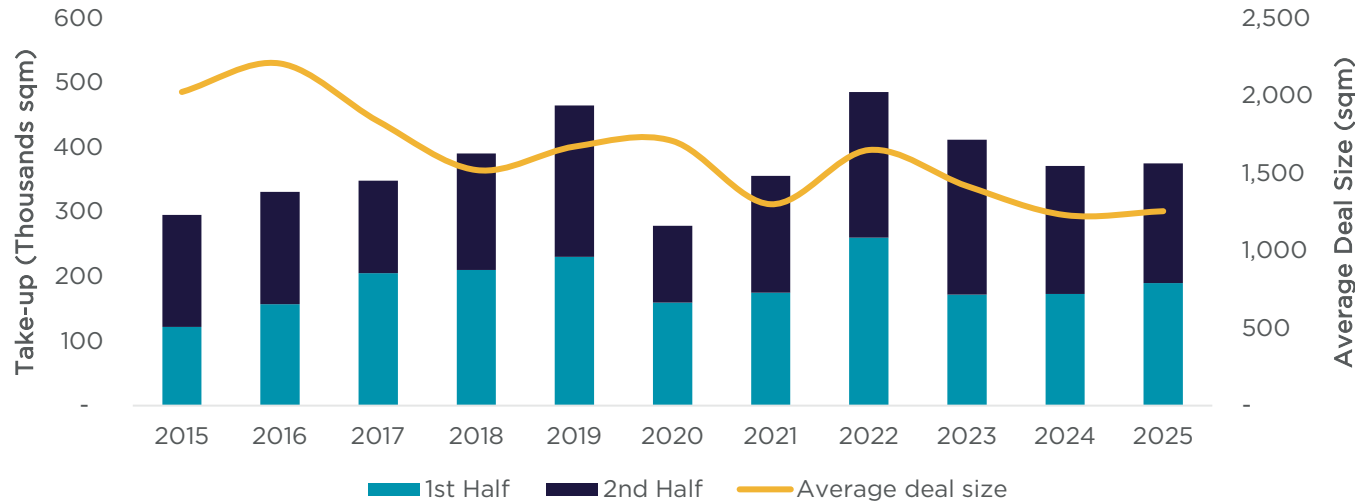


OFFICES

Italy Milan



Take-up by semester and average deal size



In 2025, the Milan office market remained solid and resilient, with take-up reaching about 376,000 sqm—broadly in line with both 2024 (373,000 sqm) and the five-year average (379,000 sqm). The year closed with a strong Q4, totaling roughly 118,000 sqm (+5% YoY), outperforming historical benchmark.

Alongside direct leasing activity, sub-leasing activity stayed limited yet steady at around 13,500 sqm, comparable to 2024. These “plug & play” fitted spaces continue to offer a flexible alternative for occupiers, though their overall share of absorption remains small.

Demand concentrated in Milan’s core office areas—CBD, Centre and Semi-Centre—which together captured about 60% of total leasing, driven by the appeal of high-quality, well-connected buildings in serviced, dynamic districts.

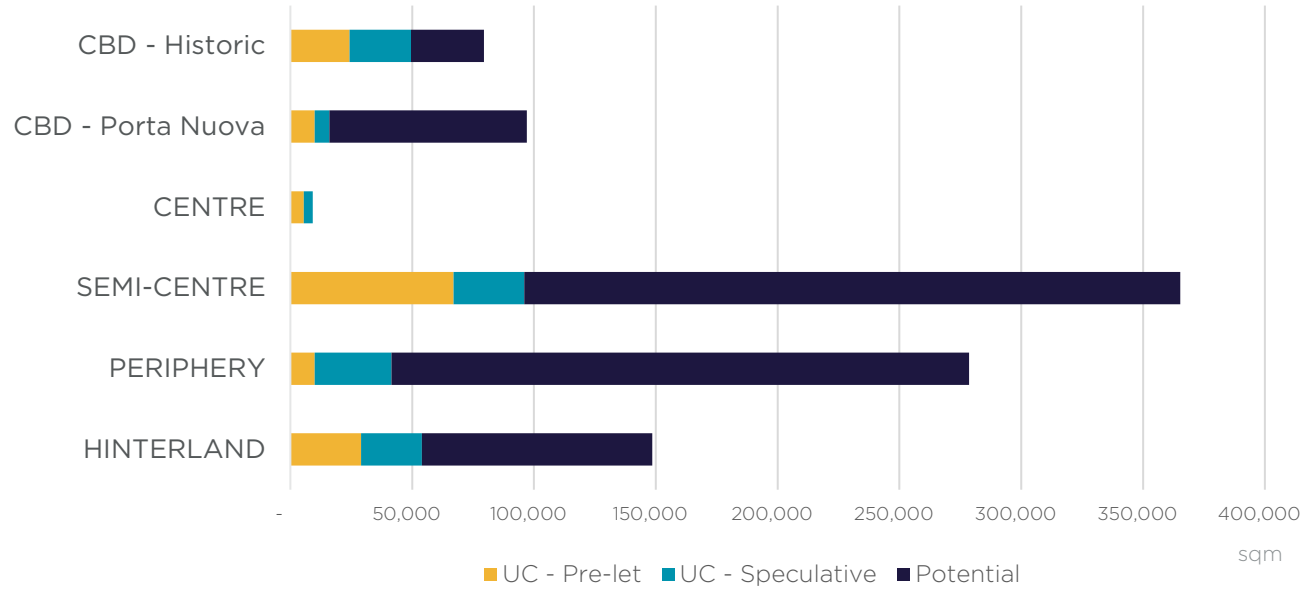
While small deals dominated the market, some larger transactions resurfaced: five deals exceeded 10,000 sqm and another five were between 5,000 and 10,000 sqm. Overall, 97% of deals involved units under 5,000 sqm, with around 70% below 1,000 sqm. The average deal size edged up to approximately 1,255 sqm, slightly above the 2024 level of 1,200 sqm.

ADDRESS	SUBMARKET	TENANT SECTOR	AREA (SQM)	TYPE
Lorenteggio Village Bld B	Periphery	Public	19,900	Lease
Corso di Porta Nuova 19	CBD	Legal services	14,500	Pre-Lease
Tocqueville 13	CBD	IT	10,000	Pre-Lease
Vespucci 2	CBD	IT\E-commerce	10,000	Pre-Lease
Gioia20 West	CBD	IT\Communications	8,500	Pre-Lease
Via Andrea Solari 33	Semi-centre	Consulting	6,000	Lease
Regina Giovanna 29	Semi-centre	Engineering	5,610	Lease
Borromei 5	CBD	Legal services	5,300	Lease
Via Carlo de Angeli 2	Semi-centre	Fashion	5,275	Pre-Lease

OFFICES

Italy **Milan**

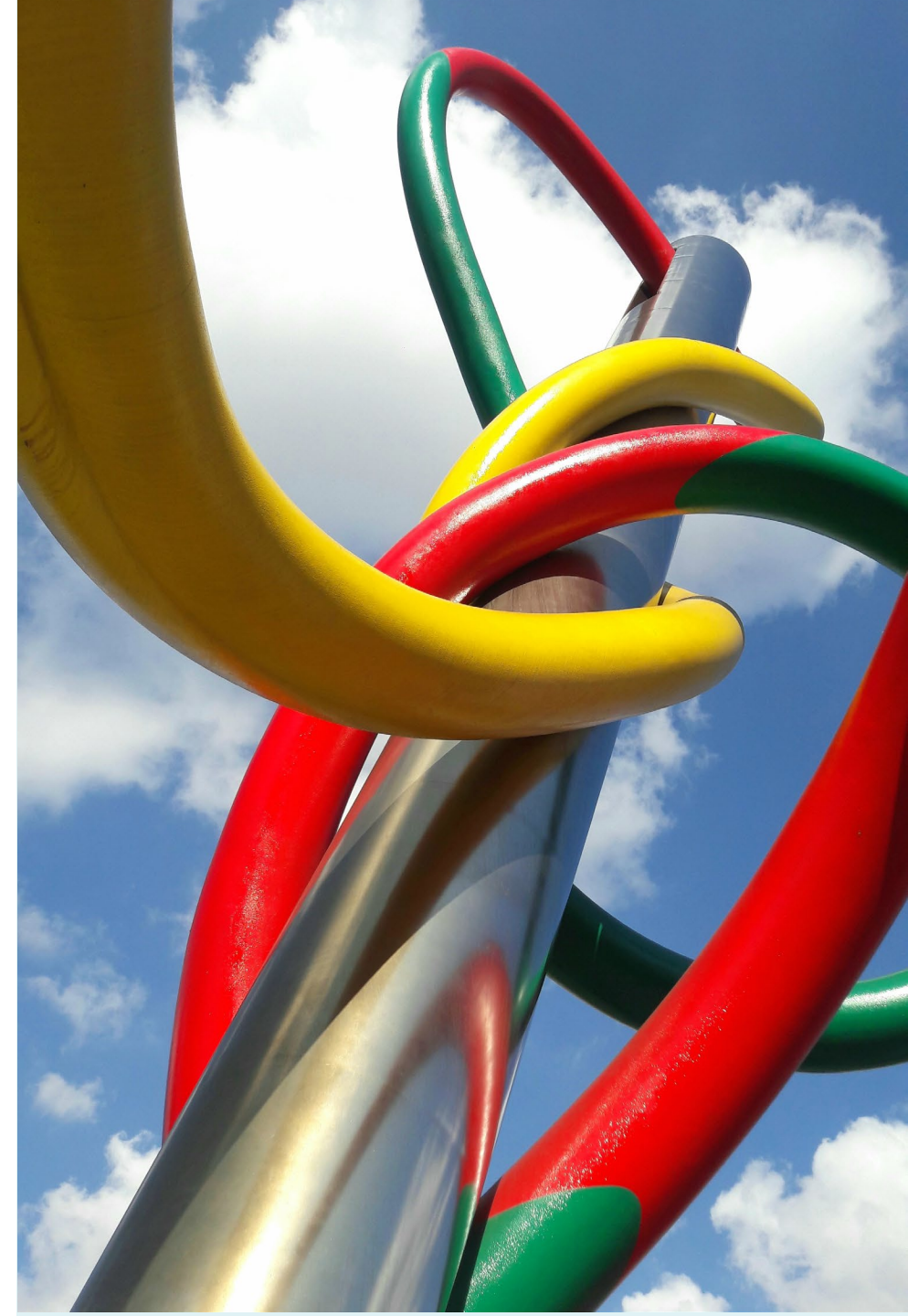
Main projects under construction and potential pipeline



Milan's office development pipeline is expected to deliver approximately 978,000 sqm of new and refurbished space by 2029, including both projects under construction and potential developments.

As of end-2025, the volume currently under construction stands at around 266,000 sqm, a 50% decline compared to year-end 2024. Of this, 55% is pre-let, while the remaining 45% is expected to be delivered vacant. An additional 712,000 sqm is in the pipeline as potential future supply.

During 2025, around 220,000 sqm were completed, comprising both new developments and refurbishments, with a 61% pre-let.



OFFICES

Italy Milan

CBD

Take up 2025:
137,000 sqm
Prime Rent:
€ 800/sqm/yr
Prime Yield:
4.00%
Pipeline UC
2026/2028:
65,500 sqm (pre-let: 52%)

CENTRE

Take up 2025:
18,000 sqm
Prime Rent:
€ 600/sqm/yr
Prime Yield:
4.75%
Pipeline UC
2026/2028:
9,000 sqm (pre-let: 60%)

SEMICENTRE

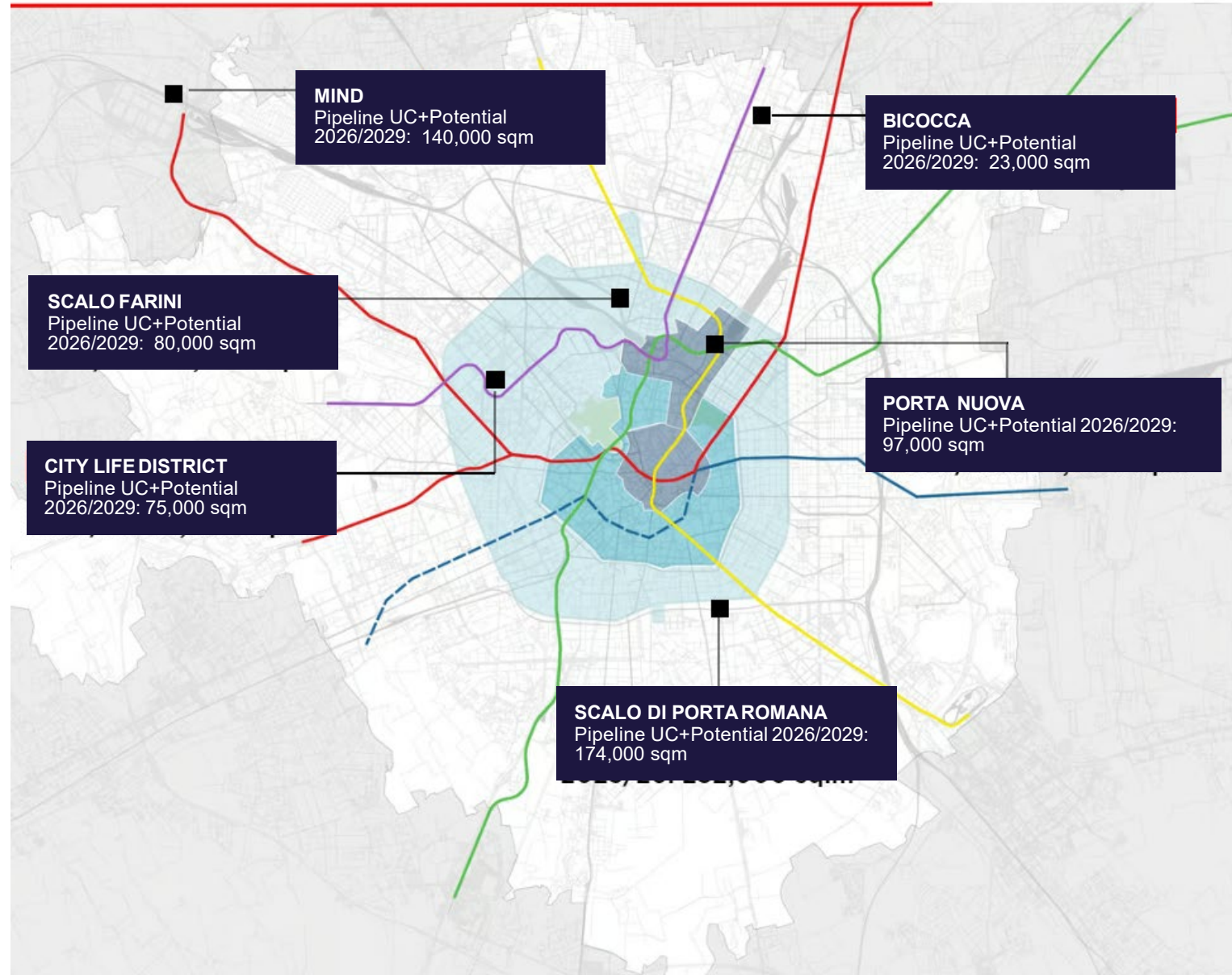
Take up 2025:
58,000 sqm
Prime Rent:
550 €/sqm/year
Prime Yield:
5.50%
Pipeline UC
2026/2028:
96,000 sqm (pre-let: 70%)

PERIPHERY

Take up 2025:
119,000 sqm
Prime Rent:
340 €/sqm/year
Prime Yield:
7.00%
Pipeline UC
2026/2028:
42,000 sqm (pre-let: 24%)

HINTERLAND

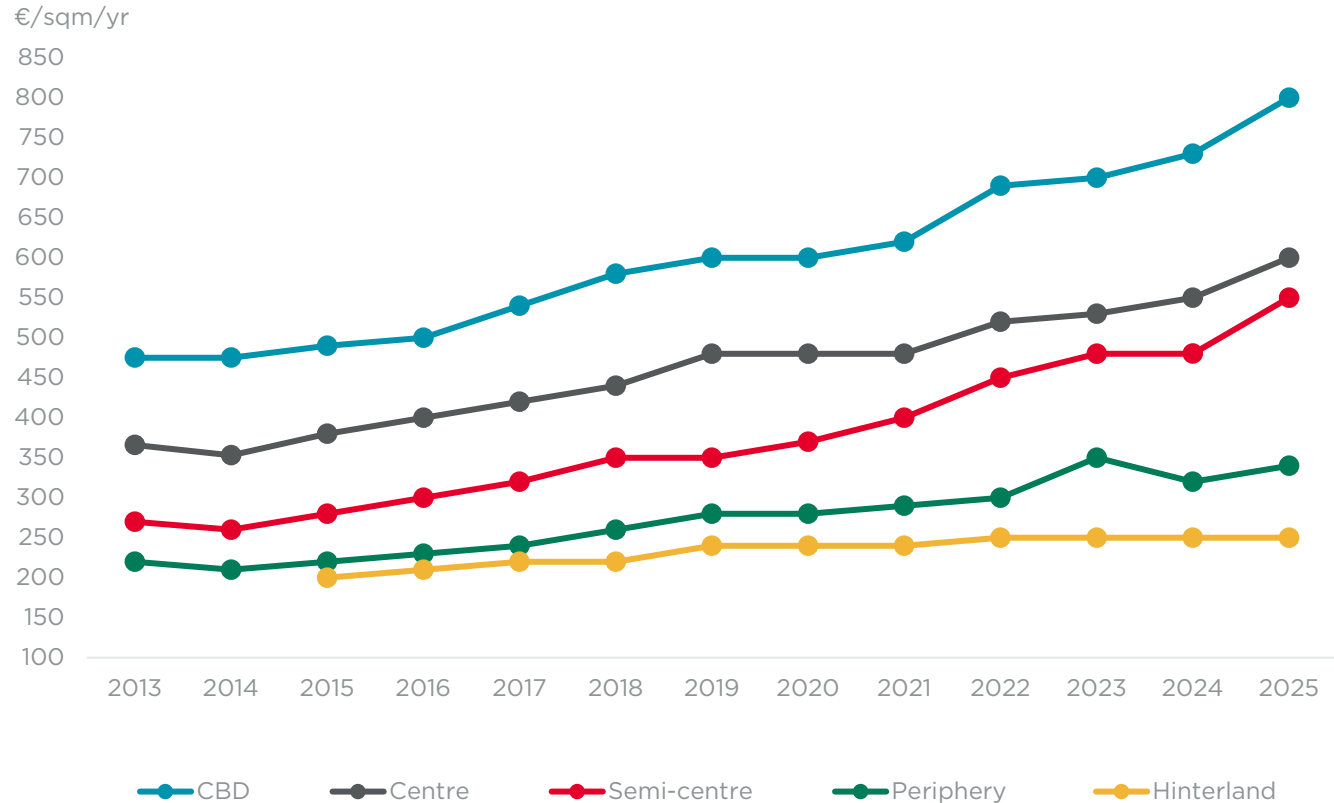
Take up 2025:
44,000 sqm
Prime Rent:
250 €/sqm/year
Prime Yield:
7.50%
Pipeline UC
2026/2028:
54,000 sqm (pre-let: 54%)



OFFICES

Italy Milan

Prime rents



(* Prime Rent for the peripheral office market in Milan has been revised following a redefinition of the southern boundaries between the semi-central and peripheral areas. This adjustment reflects a major urban redevelopment project which is taking place on the site of a former railway yard that previously separated the district from the semi-central area.

Competition for high-quality office space, combined with the ongoing scarcity of prime supply in central Milan, has continued to support rental growth throughout the year:

in the CBD, prime rents increased by more than 10% in 2025, reaching 800€/sqm/year; in the Centre increased by approximately 9%; in Semi-Centre by 15% and in the Periphery by approximately 6%. The only exception was the hinterland, where rental levels remained stable, reflecting weaker demand and the limited appeal of this area compared to better-served urban locations.

ROME



OFFICES

Italy **Rome**

TAKE-UP

144,500 sqm
(-16%)

AVERAGE DEAL SIZE

1,289 sqm
(+3%)

VACANCY RATE

6.6%

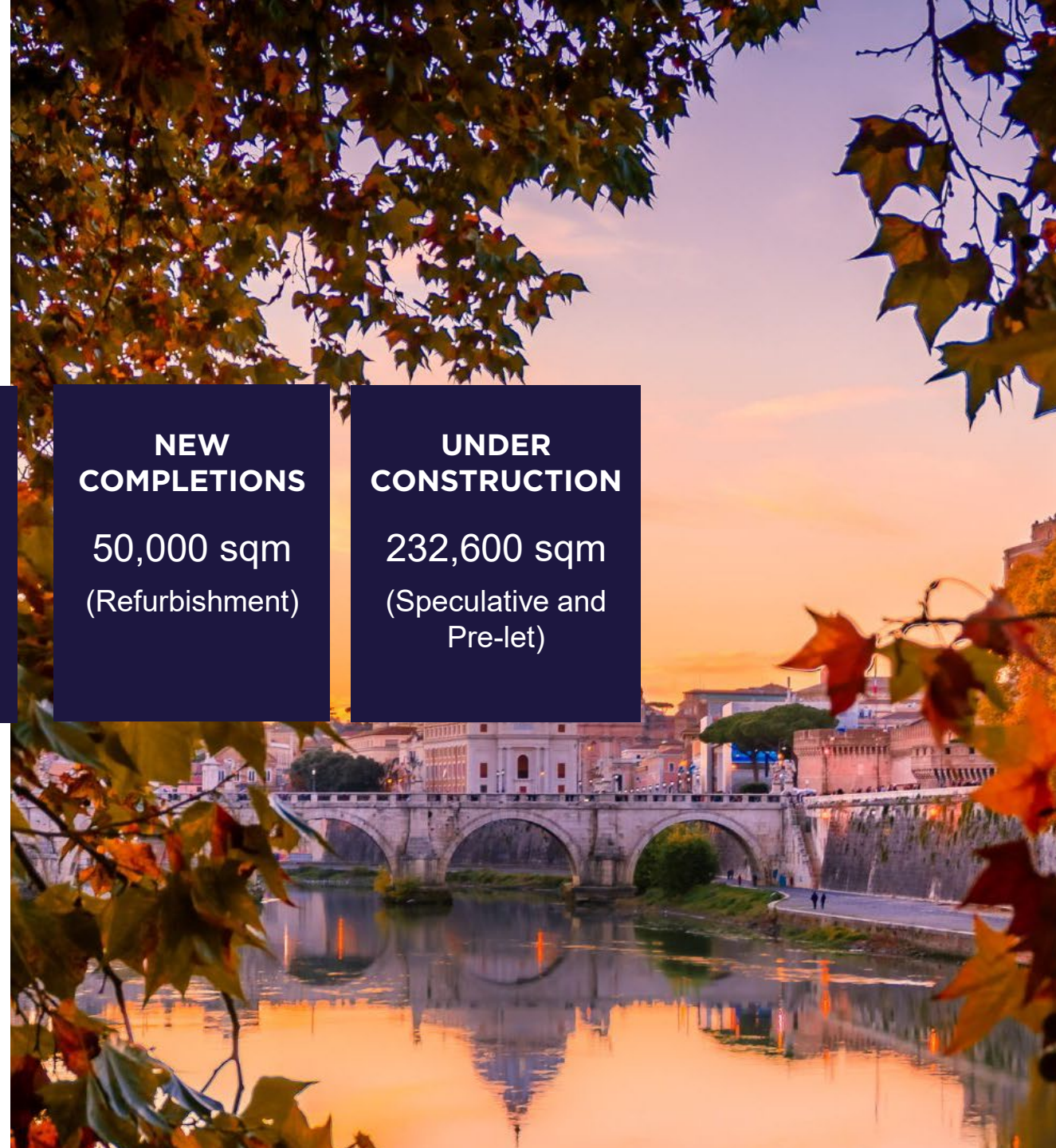
NEW COMPLETIONS

50,000 sqm
(Refurbishment)

UNDER CONSTRUCTION

232,600 sqm
(Speculative and
Pre-let)

Note: Figures show the variation between 2025 and 2024.

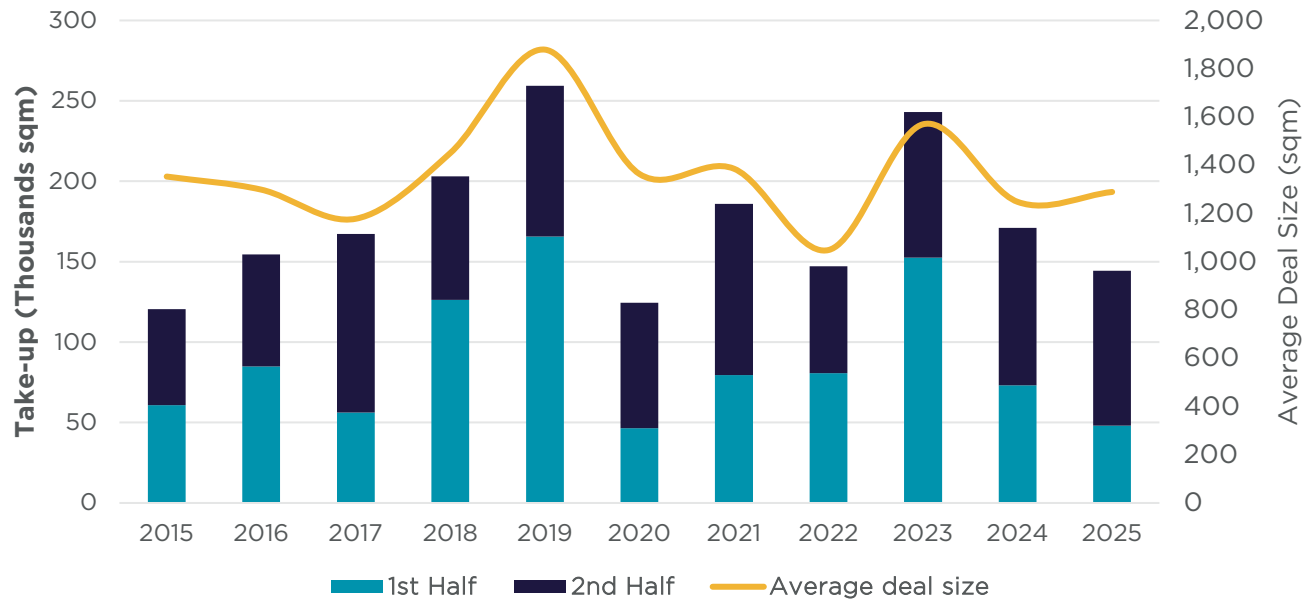


OFFICES

Italy Rome



Take-up by semester and average deal size



Office take-up for the full year reached 144,500 sqm, marking a 16% decline from 171,100 sqm in 2024 and falling below the five-year average (179,400 sqm). The slowdown doesn't signify a static market; central areas remain highly sought after, while in the Greater Eur rising demand contrasts with limited suitable supply—especially for well-connected spaces—leaving significant unmet requirements across both the city centre and Greater Eur.

Engineering, Consulting and the Public sector led occupier activity, supported by three major H2 deals in Greater Eur. The IT sector posted the highest number of transactions but a smaller share of take-up due to modest deal sizes.

While demand continues to focus largely on central submarkets, leasing activity in the second half of the year was heavily concentrated in Greater Eur, which captured 47% of all space leased and 62% of take-up since the beginning of the year.

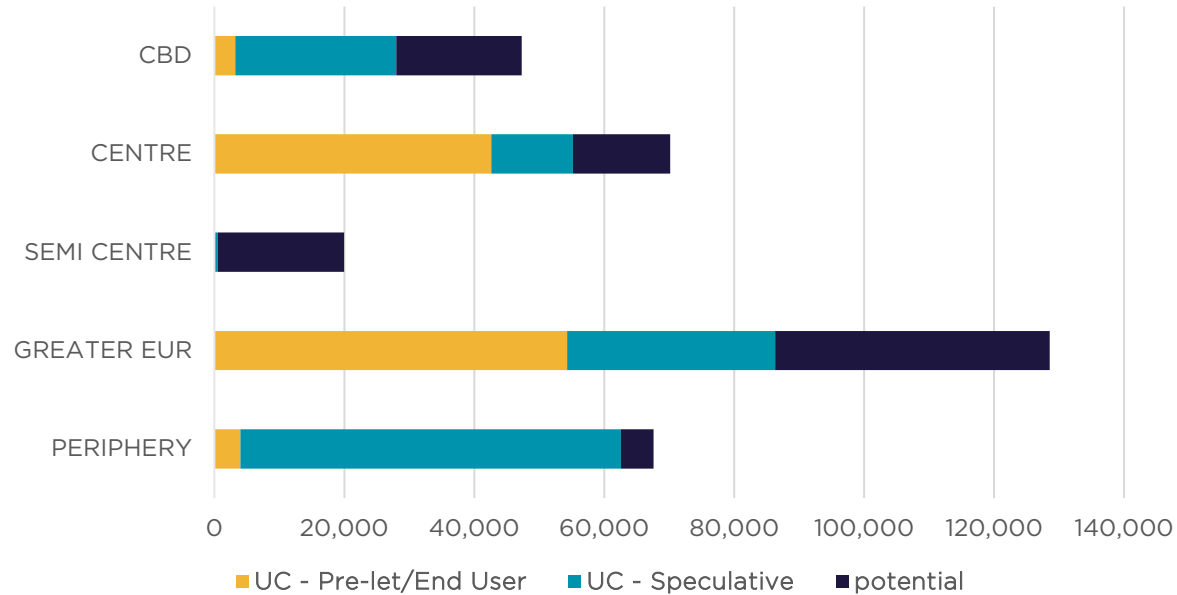
In terms of transaction size, Rome maintains its typical market profile, with average deal sizes remaining relatively small; most transactions completed during the year, in fact, involved spaces below 1,000 sqm.

ADDRESS	SUBMARKET	TENANT SECTOR	AREA (SQM)
Viale Umberto Tupini 180	Greater Eur	Engineering	27,400
Piazzale Kennedy 20	Greater Eur	Cojsulting	20,100
Viale Chopin 49	Greater Eur	Public Sector	11,000
Via Lovanio 10	Centre	Public Sector	3,500

OFFICES

Italy Rome

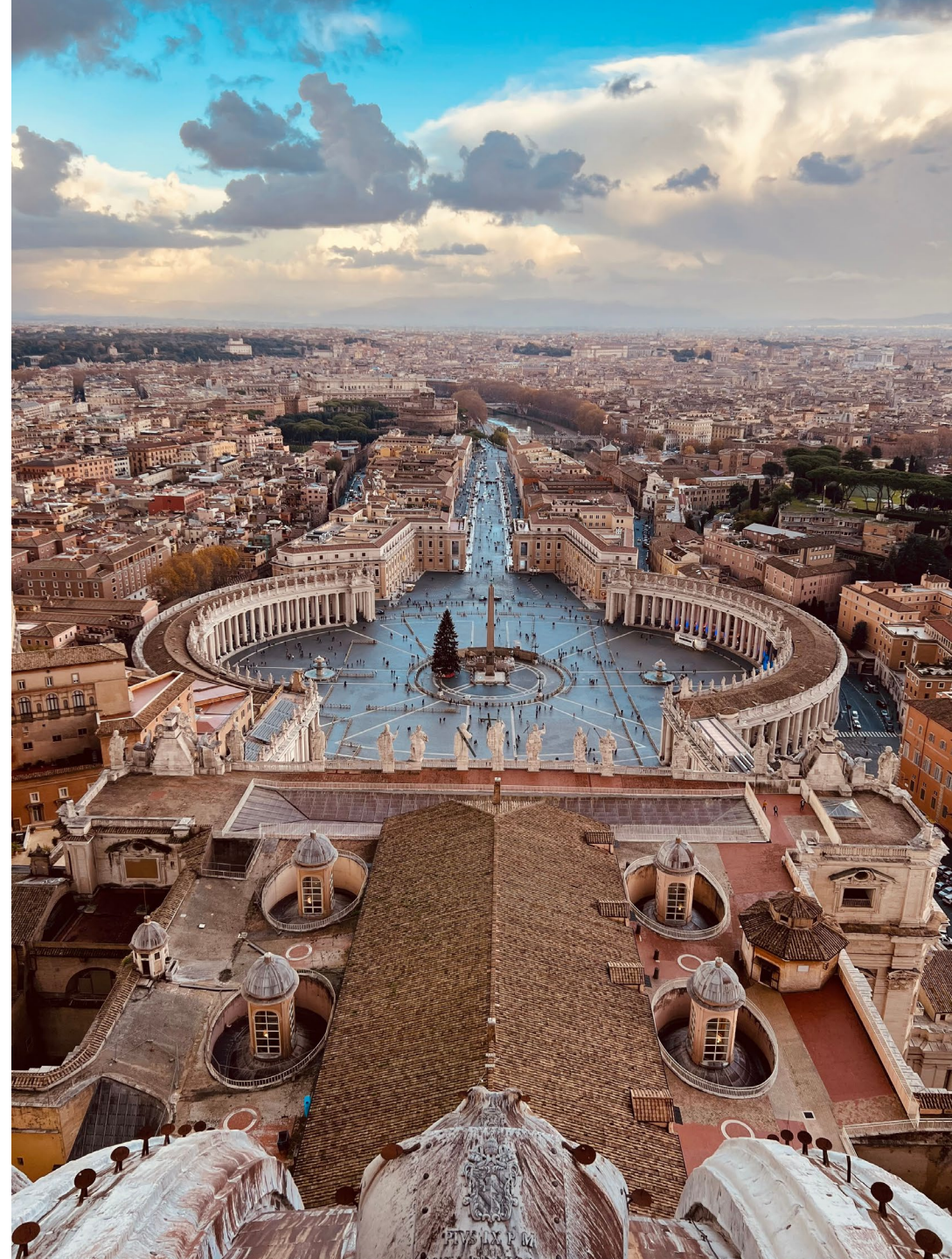
Main projects under construction and potential pipeline



Circa 240,000 sqm of new and refurbished office space (under construction, refurbishment and potential) expected by 2028.

While the city's office stock is gradually being renewed, the past decade—and especially the last five years—has seen a persistent trend of converting office buildings into hospitality and residential uses. This has further reduced availability in central locations and intensified the shortage of quality office space. As a result, tenants increasingly looking for move-in-ready premises are more often relying on co-working solutions as a temporary alternative.

With circa 50,000 sqm of refurbishments completed since the beginning of the year, space currently under construction/ refurbishment amounts to just over 232,000 sqm.



OFFICES

Italy Rome

CBD

Take-Up 2025:

11,700 sqm

Prime Rent:

600 €/sqm/year

Prime Yield:

4.50%

Pipeline UC 2026/2028:

28,000 sqm (spec: 89%)

CENTRE

Take-Up 2025:

17,200 sqm

Prime Rent:

410 €/sqm/year

Prime Yield:

5.00%

Pipeline UC 2026/2028:

55,200 sqm (pre-let/EU: 77%)

SEMICENTRE

Take-Up 2025:

5,800 sqm

Prime Rent:

300 €/sqm/year

Prime Yield:

6.75%

Pipeline UC 2026/2028:

500 sqm (spec: 100%)

GREATER EUR

Take-Up 2025:

89,700 sqm

Prime Rent:

400 €/sqm/year

Prime Yield:

6.20%

Pipeline UC 2026/2028:

86,400 sqm (pre-let: 63%)

PERIPHERY

Take-Up 2025:

20,100 sqm

Prime Rent:

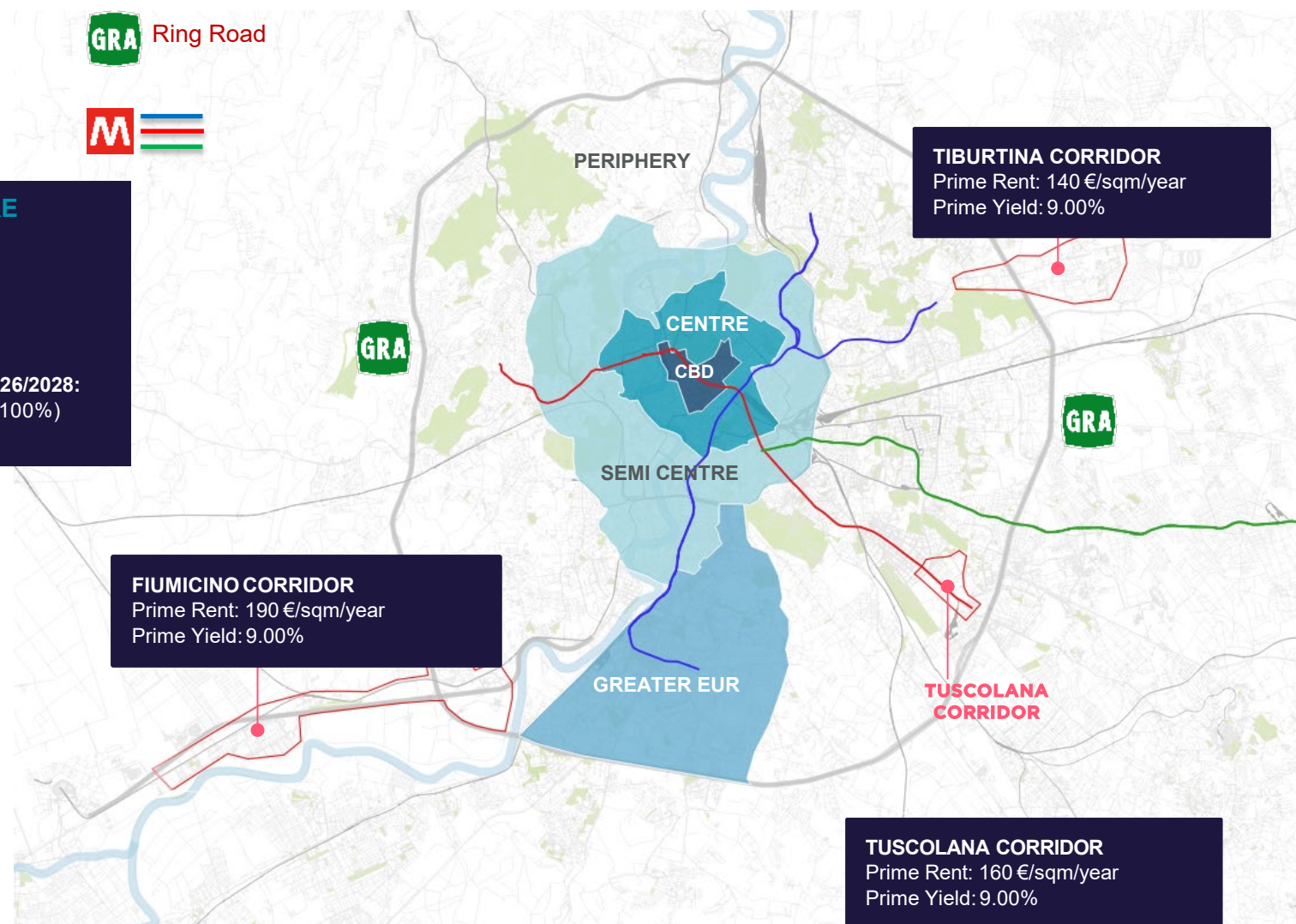
150 €/sqm/year

Prime Yield:

9.75%

Pipeline UC 2026/2028:

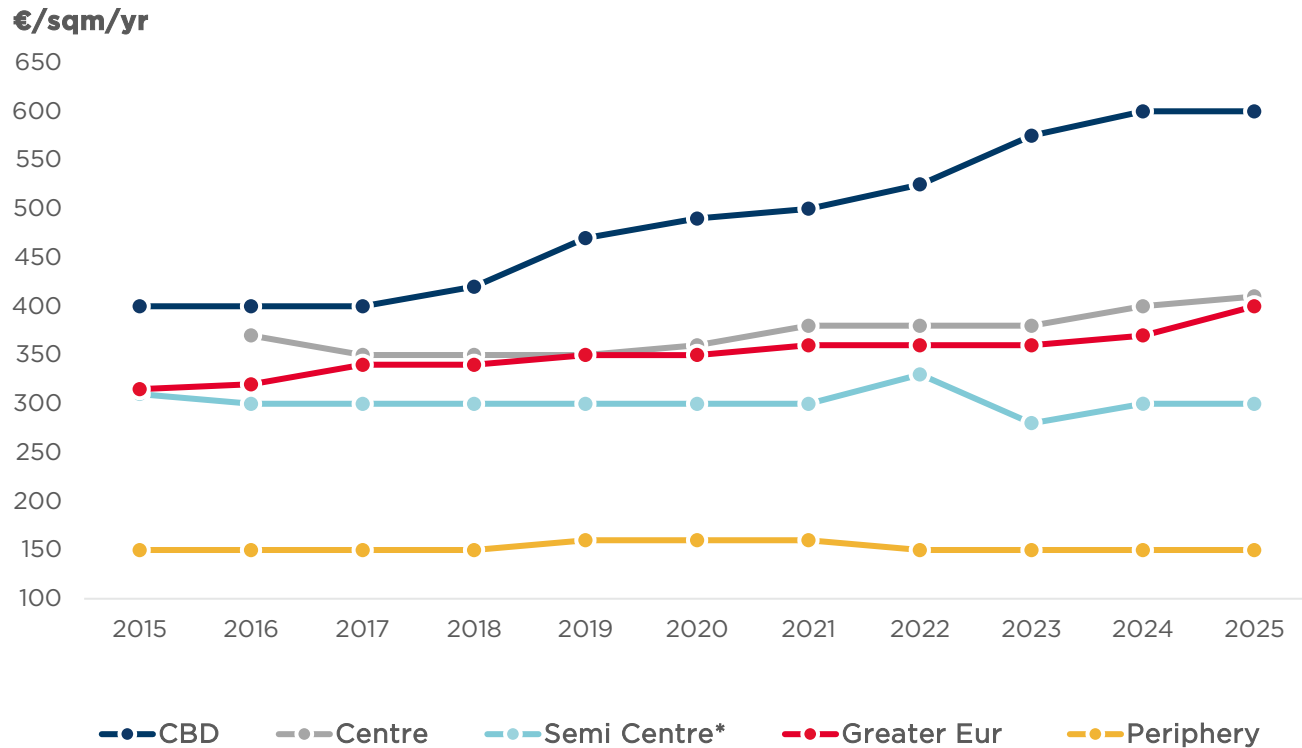
62,600 sqm (spec: 94%)



OFFICES

Italy Rome

Prime rents



In the second half of the year, prime rents have remained largely stable across most markets, with a 2% increase recorded in the Centre. This upward movement underscores the submarket's role as an increasingly important spillover destination, capturing requirements that cannot be fulfilled within the CBD due to limited availability. The CBD, meanwhile, continues to command a record high of 600 €/sqm/year.

Persistent scarcity of high-quality stand-alone assets above 5,000 sqm—both within the CBD and in the Greater Eur area—continues to exert upward pressure on prime rents across these strategic markets. Large, premium-grade buildings remain especially constrained, reinforcing competition among tenants seeking modern, efficiently designed spaces in prime locations.

Within this context, the Greater Eur submarket has emerged as one of the strongest performers, posting an 8% increase in prime rents year on year—the most notable rise among all submarkets.

*Change in values is due to adjustment of the borders between the Centre and Semi Centre

OFFICES

Outlook 2026



01. Milan

- Leasing activity in 2026 is expected to remain in line with, or slightly below, current levels, not due to weaker demand—which remains solid—but because of the limited availability of suitable space, particularly medium-to-large Grade A spaces.
- Occupier demand continues to be concentrated in Milan’s CBD and core submarkets, where supply constraints are sustaining strong competition and prime rental growth.
- Prime rents are forecast to rise steadily in 2026 (around +2% YoY), with tightening Grade A availability also gradually supporting rental growth for secondary assets.

02. Rome

- Scarcity in prime locations is driving rising rents, further intensified by competition between office and hospitality uses.
- Stock repositioning is accelerating, with many offices converted to hospitality or residential, further tightening available supply.
- New space may emerge through lease renegotiations, occupier downsizing, and public sector relocations, partially easing supply constraints.

03. European Outlook 2026

- Cushman & Wakefield’s latest [*“European Outlook 2026”*](#) highlights a clear “flight to quality” across European office markets, with nearly 75% of leasing activity concentrated in prime city locations. Vacancy rates are declining, core rents increased by 3.7% last year, and construction activity remains at a decade low. Persistent supply shortages, combined with strengthening market fundamentals, are drawing renewed investor interest, with further rental growth and selective yield compression expected.

A woman with brown hair styled in a bun, wearing round glasses and a red, white, and teal striped collared shirt, stands in the center of a tunnel. The tunnel is formed by rows of colorful, glossy jelly beans in shades of red, blue, yellow, and white, receding into the distance. The word "RETAIL" is written in white, bold, sans-serif capital letters on the left side of the image.

RETAIL

RETAIL

RETAIL

Italy

The second semester of 2025 confirmed the resilience and evolving nature of Italy's retail sector, marking a phase of steady yet selective growth for Italy's retail sector. A broadly stable macroeconomic backdrop—supported by modest GDP expansion, easing inflation and gradually improving credit conditions—created a more favorable environment for both household spending and retail real estate.

E-commerce maintained strong momentum, benefiting from rising digital adoption, improving infrastructure, and growing consumer trust. Nevertheless, physical retail continued to dominate overall spending, reflecting Italy's enduring preference for in-store shopping—particularly for fashion, food, leisure, and high-street formats. Traditional channels retain significant influence, with 26% of consumers still preferring physical stores, especially where try-ons, product interaction and immediate availability play a key role in the purchasing decision. Online sales are growing faster, but physical retail remains the backbone of consumer activity, especially in prime urban locations and experiential environments.

Shopping centers showed early signs of recovery, with slight increases in both footfall and turnover, signaling a progressively healthier retail climate despite lingering consumer caution.

Prime retail continued to outperform, supported by strong occupier demand and sustained brand interest. Experiential and brand-driven formats attracted the most demand, aligning with shifting consumer expectations for more engaging shopping environments.

CONSUMER CONFIDENCE INDEX

96.4
December 2025
(-0.4% on Q4 2024)

E-COMMERCE

+6%
Online shopping
growth

11.2%
Online purchases
penetration on total
(online + offline) retail
spending

RETAIL SCHEMES

68,000 sqm
Pipeline 2026

Sources:

Istat, Consumer and Business Confidence, December 2025

Osservatorio eCommerce B2c Netcomm – School of Management del Politecnico di Milano, May 2025

RETAIL

Out of town schemes

Stores Evolve into Experiential Brand Hubs

Physical retail spaces are increasingly being reimagined as strategic touchpoints, designed to deliver immersive “brand universe” experiences that deepen customer engagement. This evolution favors high-quality, larger formats that require substantial investment in design, layout, and overall fit-out. At the same time, top-tier schemes and prime locations continue to face significant supply constraints. Combined with sustained demand, this imbalance is intensifying competition and putting upward pressure on prices.

Retail Parks Gain Momentum

Retail parks are emerging as one of the strongest-performing asset classes within Italy retail real estate landscape, combining high occupier demand and the lowest vacancy rates across the retail sector.

The ongoing improvement in consumer fundamentals continues to create a supportive environment for retail activity. While this recovery benefits all retail formats, retail parks stand out thanks to their cost-efficient operating model and solid tenant mix, positioning them particularly well as they move into 2026.

Retail stock evolution | pipeline

Looking back at the second half of 2025, the most significant projects opened to the public were:

- Walther Park in Bolzano
- The extension of Torino Outlet Village in Turin

In 2026, additional developments will further enrich the Italian retail landscape, including:

- Waterfront Mall in Genoa
- Fass Shopping Centre in Cagliari

SCHEME	LOCATION	PROJECT	GLA (SQM)
Waterfront Mall	Genoa	New development	28,000
Fass Shopping Centre	Cagliari	New development	40,000

RETAIL

Luxury market

- Luxury retailers prioritize cultivating strong, personal relationships with their customers, making physical locations a cornerstone of their strategy. Consequently, demand for prime luxury streets remains extremely robust. These prestigious retail corridors are seeing vacancy rates close to zero, driven by sustained demand and resulting in significant rental growth over the past year. An interesting trend is the growing importance of side streets, which are now considered valid alternatives to prime locations. Explore our 35th edition of [Main Streets Across the World](#), highlighting the retail sector's enduring vitality.
- Luxury brands are gradually expanding their offer beyond traditional fashion products, integrating food, beverage, and hospitality services as a strategic part of their value proposition. This trend stems from the desire to provide more immersive experiences, strengthen customer relationships, and capture new consumption spaces.

Main luxury transactions

BRAND	ADDRESS	TYPE OF TRANSACTION
Vhernier	Milan, Via Montenapoleone	New lease
Vhernier	Florence, Via Tornabuoni	New lease
Golden Goose	Rome, Via del Babuino	New lease
Manolo Blahnik	Milan, Via Verri	New lease



RETAIL

High street market

Main high street transactions

BRAND	ADDRESS	TYPE OF TRANSACTION
Champion	Milan, Via Torino	New lease
Normal	Milan, Via Torino	New lease
Intimissimi	Milan, Via Manzoni	New lease
Levi's	Milan, Corso Vittorio Emanuele	New lease
PopMart	Milan, Corso Vittorio Emanuele	New lease
Under Armour	Milan, Corso Buenos Aires	New lease
Zara Man	Rome, Palazzo Verospi, Via del Corso	New lease
PopMart	Rome, Via del Corso	New lease
Marc O'Polo	Bolzano, Via della Mostra	New lease
Refrigerwear	Cortina d'Ampezzo, Largo delle Poste	New lease



- Significant new openings in Milan and Rome by strong-performing, lifestyle-driven brands such as Mizuno, Champion, and Flower Mountain highlight the continued dominance of sportswear and sneakers. Together with skincare and beauty, these remain the most dynamic categories in the market. Normal has recently debuted its first Italian high-street flagship on Via Torino in Milan, while PopMart is strengthening its national presence with new stores on Rome Via del Corso and Milan Corso Vittorio Emanuele.
- The upcoming 2026 Milano-Cortina Winter Olympics is also driving increased retail activity in mountain destinations, where the surge in tourism is expected to significantly enhance both visibility and footfall.

RETAIL

Food&Beverage market



- During the second half of 2025, the food & beverage sector experienced a phase of market adjustment, with several restaurant closures alongside new openings. While activity remains dynamic, the overall approach has become more selective and cautious.
- In city centers/high street, there has been a growing interest from luxury brands, increasingly prioritizing prime locations over traditional food concepts. This shift is progressively reducing the space available for F&B operators. The opening of Langosteria further highlights the attractiveness of prime high-street locations for high-end dining and luxury-oriented concepts.
- The smash burger segment appears oversupplied, with a large number of units currently available on the market, often at elevated asking prices. Demand, however, is becoming more selective, making these values difficult to absorb. In addition, stricter licensing regulations are limiting new openings, further slowing down market turnover and increasing entry barriers for food operators.
- In shopping malls, interest from fast food operators remains present; however, new and expanding brands are increasingly selective and primarily focused on AAA-rated shopping centers. Changes in consumer flows and shopping patterns have led operators to prioritize dominant malls with strong footfall, proven performance, and a solid entertainment and leisure offer. As a result, secondary centers are facing greater challenges in attracting new F&B concepts, while top-tier malls continue to consolidate their position as the

Main F&B transactions

BRAND	ADDRESS	TYPE OF TRANSACTION
Sberla	Milan, Via Durando	New lease
KFC	Rome, Via della Panetteria	New lease
Cova*	Rome, Piazza Augusto Imperatore	New lease
Nusret*	Rome, Piazza Augusto Imperatore	New lease
Langosteria	Milan, Corso Matteotti	New lease
Smasher	Milan, Corso Buenos Aires	New lease
Glory Pop	Milan, Via Bronzetti	New lease
Futura	Milan, Via Borsieri	New lease
Cova	Milan, Stazione Centrale	New lease
Golden Goose Arena	Milan, City Life, Viale Duilio	New lease
Popeyes	Rome, Via Nazionale	New lease
Speciale Osteria	Milan, Via Pastrengo	New lease

* Next opening

RETAIL

Prime rents

FORMAT	LOCATION	PRIME RENT (€/sqm/year)
High streets*	Milan	20,000
	Rome	16,000
	Venice	8,000
	Florence	6,000
	Turin	2,100
Shopping centres	Italy	1,200
Retail parks	Italy	220

*for units of 100-200 sqm. Rental values may change depending on positioning along the street and number of shopping windows

- Retailers continued to demonstrate strong interest in prime locations, reaffirming the strategic importance of physical stores. Several new international brands entered the Italian market, underscoring the country's key role in their global expansion plans, while others further strengthened their footprint.
- In the High Street market, Turin Via Roma and Rome Via Condotti recorded year-on-year increases of 5% and 6.7% respectively in prime rents, while other locations remained stable throughout the year.
- In the out-of-town market, prime shopping centres recorded a 9.1% year-on-year increase in rents, underscoring strong demand for top-tier schemes and reflecting a strategic shift toward experiential, brand-centric retail formats.



RETAIL

Outlook 2026



01. Institutional Capital Returns & Sector Revaluation


- 2025 marks a turning point, recording the highest investment volumes ever for the Italian retail market and the largest shopping centre transaction on record (Oriocenter sold for almost half billion Euro)
- Institutional and cross-border investors primarily drove investments, attracted by resilient fundamentals and balanced pricing. Acquisitive specialist investors return with renewed commitment to Italy
- Yield compression signals a broader sector revaluation underway.

02. Retail Evolution: Experiential, Phygital & Highly Dynamic

- The market is highly dynamic, characterized by dominant shopping centres and prime assets on one side, and opportunistic plays on the other
- Retailers continue to expand physical presence by combining High Street and Shopping Centres, introducing increasingly experiential and phygital store concepts
- Milan, Rome, Florence and Venice lead demand, supported by tourism and international flagship strategies

03. Luxury High Streets & Retail Parks as Top Targets

- Luxury High Streets and Retail Parks remain highly attractive for investors
- Prime rents in Italy recorded some of the strongest increases in Europe
- Cushman & Wakefield's latest [European Outlook 2026](#) highlights that further consolidation is expected in 2026, driven by strong demand and limited high-quality supply.



INDUSTRIAL & LOGISTICS

INDUSTRIAL & LOGISTICS

Italy



TAKE-UP

2.4 Mln sqm
(-8%)

AVERAGE DEAL SIZE

19,700 sqm
(-2%)

NEW COMPLETIONS

595,000 sqm
(-32%)

PIPELINE UNDER CONSTRUCTION

440,000 sqm
(speculative)
(decreasing)

PRIME RENT MILAN & ROME

70 €/sqm/yr
(stable)

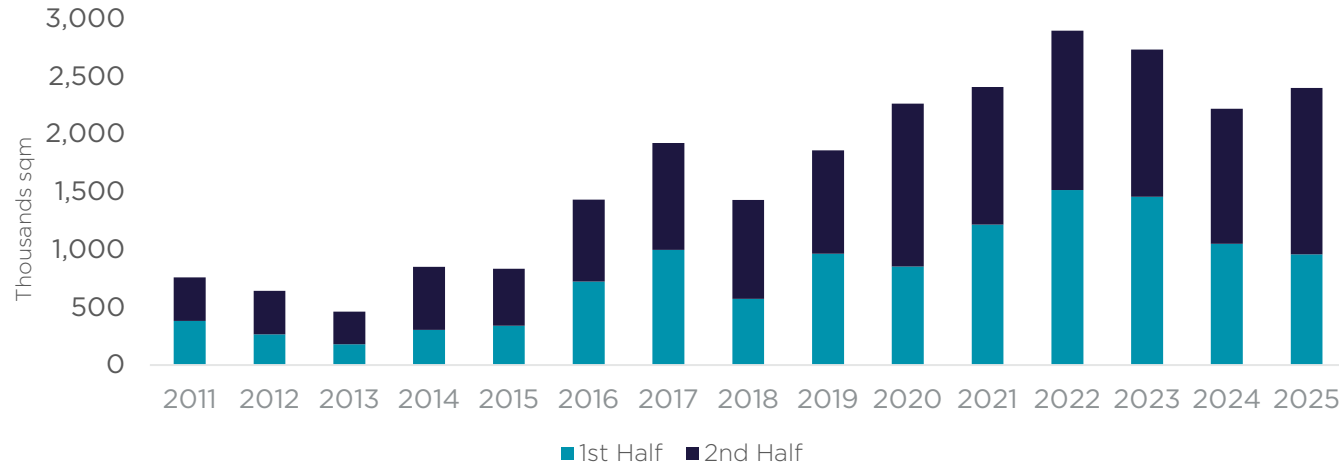
Note: Figures show the variation between 2025 and 2024.



INDUSTRIAL & LOGISTICS



Take up by semester



Main transactions

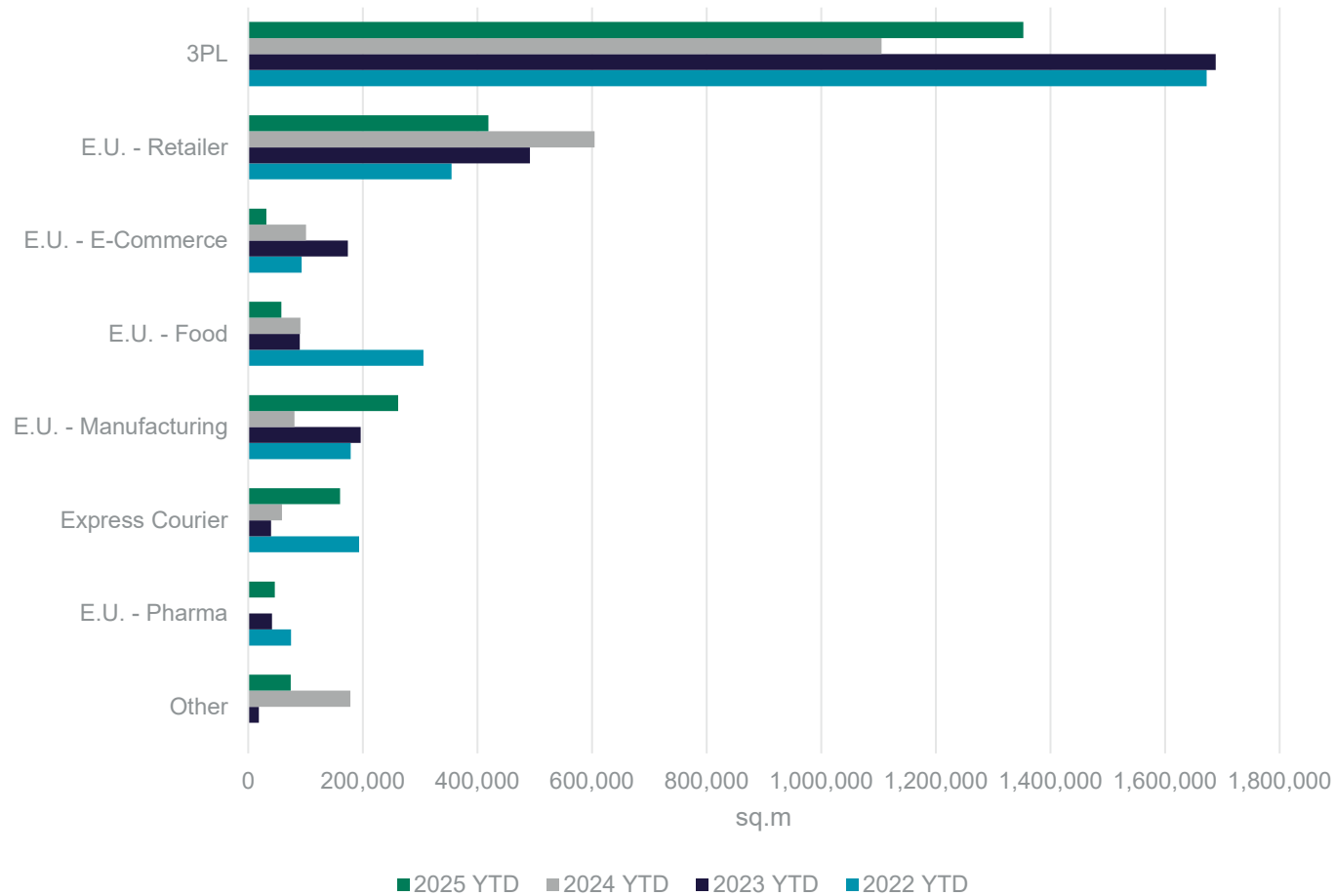
REGION	LOCATION	TENANT SECTOR	AREA SQM	TYPE
Emilia-Romagna	Castel San Giovanni (PC)	Retailer - Fashion	90,000	Pre-lease (BTS)
Piedmont	Alessandria (AL)	Retailer - Fashion	81,000	Pre-lease (BTS)
Lombardy	Chiari (BS)	3PL	71,000	New Lease
Emilia-Romagna	Imola (BO)	Retailer - GDO	60,000	OO - BTO
Emilia-Romagna	Maranello (MO)	3PL	56,000	Pre-lease (BTS)
Piedmont	Torino (TO)	3PL	54,000	OO - BTO
Emilia-Romagna	Valsamoggia (BO)	3PL	54,000	Pre-lease (Speculative)

Total take-up for full-year 2025 reached approximately 2.4 million sqm, marking an 8% increase compared to 2024 and standing just below the five-year average, confirming a recovery in occupier demand after the cautious conditions observed earlier in the cycle. The sharp acceleration recorded in Q4, with around 840,000 sqm transacted, highlights a renewed momentum toward year-end, driven by the return of medium-sized and large-scale transactions.

Activity throughout the year highlights the increasing relevance of structured developments, with several large-scale transactions completed through Build-to-Suit (BTS) and Build-to-Own (BTO) schemes. These deals were primarily concentrated in core logistics regions such as Piedmont, Emilia-Romagna and Veneto, reflecting renewed confidence among established 3PL operators, Fashion retailers and GDO players. This trend signals a more selective yet increasingly proactive demand profile, as occupiers prioritise strategic locations, operational efficiency and long-term alignment with evolving supply chain requirements. The market in fact continues to show a strong focus on Grade A spaces, which represented over 90% of total take-up.

INDUSTRIAL & LOGISTICS

Take up by tenant sector

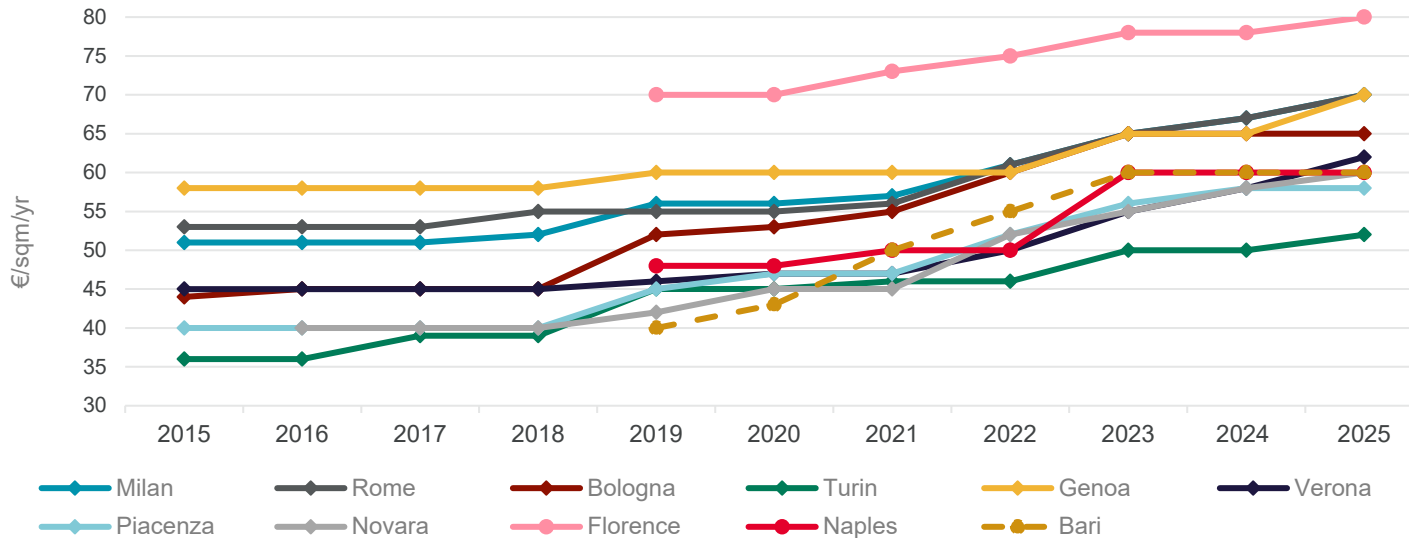


In 2025, 3PL operators continued to lead the market, accounting for 56% of total take-up, though their dominance showed a slight decline compared to previous years. This moderation reflects a more cautious expansion strategy, driven by the challenge of passing higher rental costs onto clients. As a result, many End-users opted to remain with their existing providers or to invest directly in long-term projects.

At the same time, End-users have strengthened their presence, now representing 34% of total take-up. Within this segment, the Retail, Manufacturing, E-commerce and GDO sectors have been particularly active, playing a crucial role in sustaining overall market momentum. The shift signals a more balanced landscape, where strategic, long-term investments by end-users complement the steady activity of 3PLs.

INDUSTRIAL & LOGISTICS

Prime rents



	CONSOLIDATED MARKETS								SECONDARY MARKETS		
	MILAN	ROME	BOLOGNA	TURIN	GENOA	VERONA	PIACENZA	NOVARA	FLORENCE	NAPLES	BARI
€/sqm/yr	70	70	65	52	70	62	58	60	80	60	60
Q/Q	→	→	→	→	→	→	→	→	→	→	→
Y/Y	↑	↑	→	↑	↑	↑	→	↑	↑	→	→

Source:



Logistics warehouse

(>10,000 sqm)

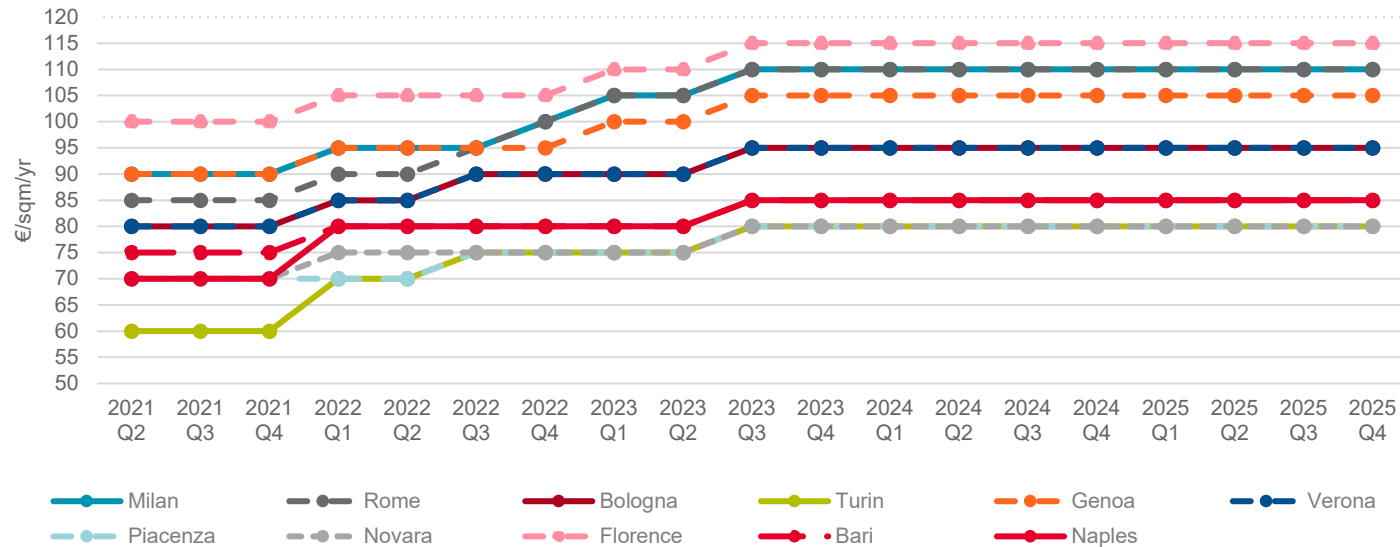
€70/sqm/yr

Big Box Distribution Centers are logistics facilities exceeding 10,000 sqm, primarily used for the storage and distribution of goods. These centers are typically situated on the outer edge of the city, in the proximity of major road junctions, and often close to other transportation hubs (such as road, rail, air, or water networks).

Approximately 3-5% of the space is allocated for office use. In some regions, units of this size may not be available; therefore, rents and yields should be adjusted to reflect the characteristics of major logistics facilities in those markets. The typical building coverage ratio is 50%.

INDUSTRIAL & LOGISTICS

Prime rents



	CONSOLIDATED MARKETS									EMERGING MARKETS		
	MILAN	ROME	BOLOGNA	TURIN	GENOA	VERONA	PIACENZA	NOVARA	FLORENCE	NAPLES	BARI	
€/sqm/yr	110	110	95	80	105	95	80	80	115	85	85	
Q/Q	→	→	→	→	→	→	→	→	→	→	→	
Y/Y	→	→	→	→	→	→	→	→	→	→	→	

Source:



Last mile/Courier logistics

(5,000 - 15,000 sqm)

€110/sqm/yr

Last Mile/for Courier - units will typically be in the region of 5,000-15,000 sqm. Ideally located in the city hinterland or in proximity of motorway junctions in the vicinity of major metropolises - within about 20 minutes from the city center. The unit could be used for courier activities and/or for urban distribution of goods. Units may provide cross-docking for transfer of goods between truck and vans; in this case the width of the warehouse should be in the range of 40/50 meters. Units are likely to have ca. 5%-10% office content. The characteristics of this type of assets are: high number of loading bays, floor to ceiling height not necessarily over 7 meters, good maneuvering areas and quantity of parking lots. Typically, the building coverage ratio is 30%.

INDUSTRIAL & LOGISTICS

Outlook 2026



01. Shifting Dynamics in Logistics Vacancy

- The logistics vacancy rate currently stands at around 6.6% and continues to decline quarter-on-quarter, reflecting the steady absorption of available space and developers' alignment with market demand. The previously strong pipeline of new projects is gradually easing as developments reach completion, with developers increasingly adopting a selective, demand-driven approach. Looking ahead, vacancy levels are expected to stabilize through 2026 as development activity remains closely aligned with evolving market conditions.

02. 2026: Opportunities and Trends

- In **Italy**, demand is expected to continue expanding into 2026, supported not only by traditional drivers but also by growing contributions from the defense and renewable energy sectors, linked to major European investment programs. Prime rents in Milan and Rome are forecast to keep rising at a more moderate pace, with annual growth of around 1.4%, signalling a market moving towards greater stability after recent exceptional growth.
- Cushman & Wakefield's latest ["European Outlook 2026"](#) highlights a stabilising European logistics market, with occupier activity just below pre-pandemic levels and early signs of recovery. Slowing construction is tightening supply and supporting steady rental growth, averaging 2.2% per year between 2026 and 2027.

03. Europe's Strategic Sectors: Driving Logistics Growth and Investment

- The European industrial logistics market is rapidly evolving, driven by supply chain security, sustainability, and resilience. Our [Strategic Sector Signals](#) report highlights four key sectors set to drive demand for industrial and logistics space: Defense, Clean Energy, Critical Materials, and Life Sciences.
- These four key sectors – **Defense, Clean Energy, Critical Materials, and Life Sciences** – are set to grow significantly, driving demand for new and expanded facilities in both established clusters and emerging hubs, supported by European policies and strategic investment initiatives. Growth will be concentrated in Italy, France, Spain, the UK, Germany, Poland, and Sweden, creating strong opportunities for investors and occupiers in industrial and logistics real estate.

A high-angle, wide shot of a modern luxury resort. In the foreground, a large infinity pool with clear blue water reflects the sky and the building. To the right, a two-story white building with large glass windows and balconies is visible. The ground floor has a glass-enclosed dining area with tables and chairs. In the middle ground, a white patio area features several lounge chairs and a large umbrella. The background shows a vast blue ocean meeting a bright blue sky with scattered white clouds. The overall atmosphere is serene and high-end.

HOSPITALITY



HOSPITALITY

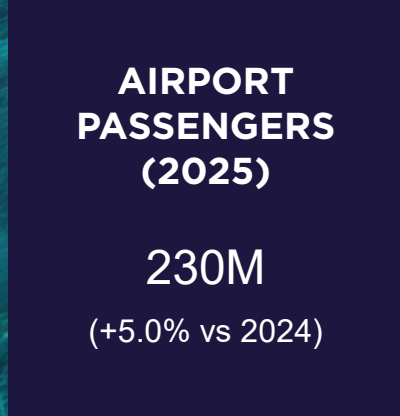
Tourism indicators

Italy's tourism sector experienced a significant surge in 2025, with total arrivals reaching over 185 million (+7.1% vs 2024), a growth fueled by both domestic and international markets. Indeed, Italian travelers increased by +5.1% (81.3M), while international arrivals saw a robust +8.7% jump (104M). While the hotel sector maintained steady growth of +3% (reaching 104.7M arrivals), the non-hotel segment emerged as a major growth driver, soaring +13% to over 80.6 million arrivals.

In 2026, hotel bednights in Italy are projected to grow by +5.3% for domestic tourists and +7.7% for international visitors compared to 2025.

Mirroring the tourism surge, Italian airports handled 230 million in 2025 (+5.0% year-over-year), with international passengers representing 68% of total volume (+7.6% Y-o-Y).

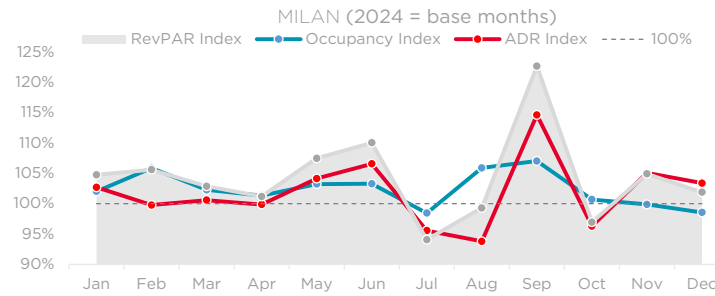
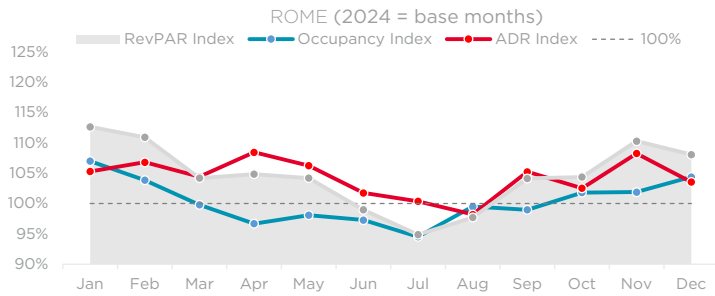
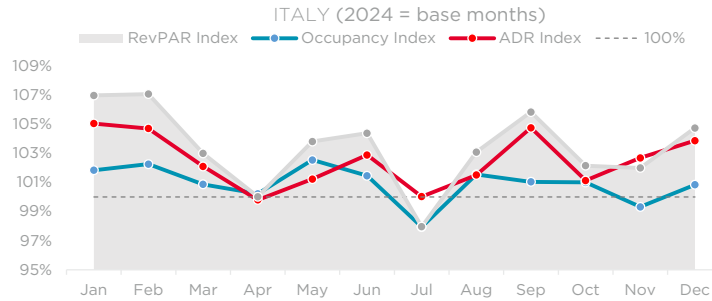
In 2025, the Italian hospitality sector saw RevPAR grow by more than +2% year-over-year across all hotel categories, a +54% increase compared to 2019 levels. This upward trend was fueled primarily by rising ADR, paired with a minor increase in occupancy as well.



Sources: Italian Ministry of the Interior, Oxford Economics, Assaeroporti, STR, 2026

HOSPITALITY

Performance index Italy-Rome-Milan (2025 vs 2024)

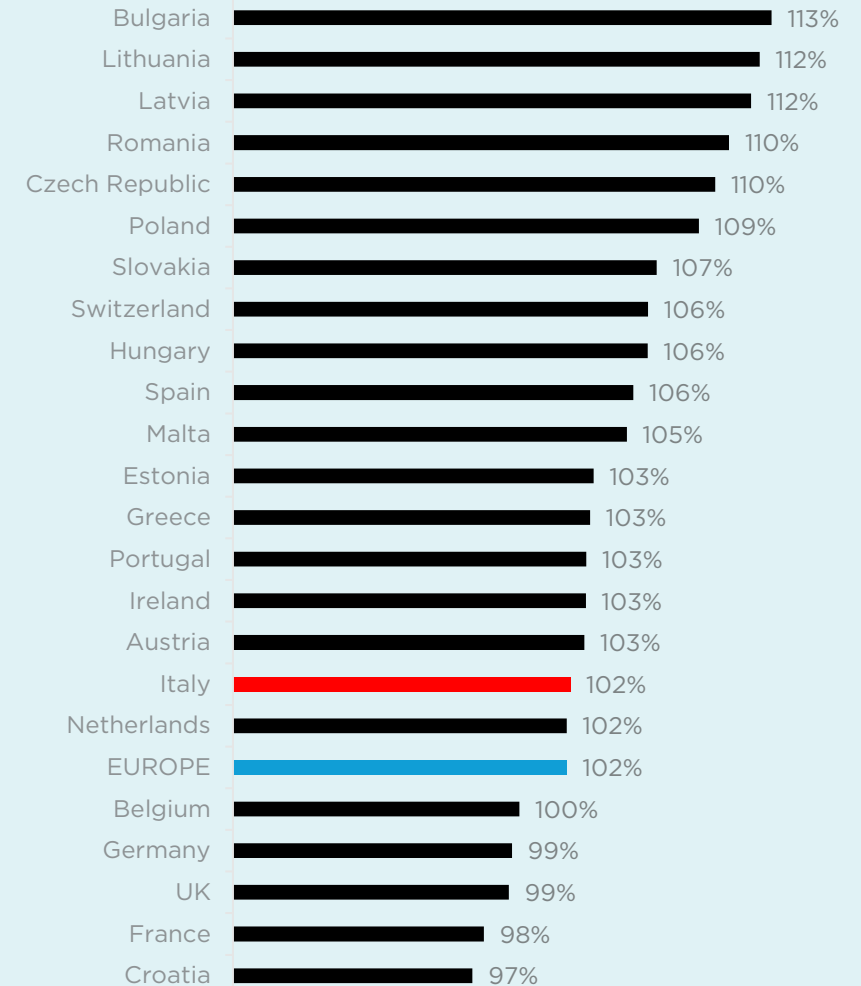


Sources: STR, C&W, 2026

Matching the European average, Italy's RevPAR rose by +2% Y-o-Y in 2025, notably outperforming France (-2% Y-o-Y) and the UK (-1% Y-o-Y). While this indicates a stabilizing mature market, the highest growth rates were concentrated in emerging European markets.

In 2025, Rome's RevPAR grew by just over +3% Y-o-Y, primarily driven by a corresponding rise in ADR, while occupancy showed only marginal gains, reflecting broader national trends. Milan outperformed the capital, recording a +4.5% RevPAR Y-o-Y, fueled by a balanced combination in occupancy and in ADR.

RevPAR index (2025 vs 2024)



HOSPITALITY

Selected key openings H2 2025



HOTEL	OPERATOR	CITY	CATEGORY	KEYS	OPERATION TYPE*
nhow Roma	Minor	Rome	4*	260	Rebrand
Ruby Giulia Hotel Rome	IHG	Rome	4*	164	Conversion
Nobu Hotel Roma	Nobu	Rome	5*L	117	Reposition
The Carlton Milano - Rocco Forte	Rocco Forte	Milan	5*L	71	Reposition
W Florence	Marriott	Florence	5*L	119	Reposition
W Poltu Quatu	Marriott	Poltu Quatu (Smeralda Coast)	5*L	154	Rebrand
Moxy Verona	Marriott	Verona	4*	131	Development
Aman Rosa Alpina	Aman	San Cassiano (Cortina d'Ampezzo)	5*L	51	Reposition
Castel Badia	Egnazia Ospitalità Italiana	Brunico (the Dolomites)	5*	29	Conversion
Vista Ostuni	Vista	Ostuni (Salento Coast)	5*L	28	Conversion

Source: C&W, 2026

(*) Operation type:

- **Conversion:** from existing non-hotel building (e.g. offices, residential, etc.) into a hotel, involving substantial architectural and functional adaptation.
- **Development:** new hotel construction on a greenfield/brownfield site.
- **Rebrand:** change of hotel operator and/or brand, typically accompanied by light improvement works to align the property with the new brand.
- **Reposition:** change of operator and/or brand combined with major refurbishment or reconfiguration works, resulting in a material upgrade of the hotel's market positioning and category (e.g. from upscale to luxury).

The second half of 2025 saw around 100 hotel openings, driven primarily by repositioning of existing hotels and conversions, particularly in primary cities, as well as in leisure destinations.

Around 50% of these new properties are in the 4-star category, followed by 5-star and luxury segments. The average size is approximately 78 keys—an increase compared to H1 2025.

Nearly 200 hotel openings are expected for 2026, including Rosewood Rome (157 keys), Palazzo delle Stelline by Mgallery, Milan (>100 keys), Baccarat Florence (75 keys), Orient Express, Palazzo Donà Giovannelli, Venice (47 keys), W Naples (78 keys), Ritz-Carlton, Bellagio (105 keys), Mandarin Oriental Cristallo, Cortina (84 keys), and Six Senses Antognolla (150 keys).



HOSPITALITY

Outlook 2026



01. Growth in International Brand Penetration and Investment Volumes

- Low brand penetration (21% vs. 41% EU average) will continue to attract international hotel chains and brand-driven investors in 2026.
- Hotel investment volumes are expected to exceed 2.5€Bn, though limited product availability may drive yield compression on prime assets.
- Scarcity of 5-star assets will shift focus to value-add strategies, particularly in Rome, via conversions and rebranding to meet luxury and lifestyle demand.

02. Rising Interest in Upper Upscale Assets and Secondary Markets

- Upper-upscale investments (4-star superior/entry 5-star) will accelerate in 2026, targeting high-performing, operationally efficient assets.
- Beyond Milan, Rome, and Venice, investors will increasingly target high-growth secondary cities, notably Palermo and Lecce, driven by rising international demand.
- Investor appetite for seasonal resorts, particularly in Lake Como and Sardinia will remain strong, as primary leisure destinations are perceived as stable assets for global capital.

03. Navigating Geopolitical Tensions and Market Polarization

- Italy remains a “safe-haven” market in 2026, with luxury and resort segments showing strong resilience despite global uncertainty.
- Geopolitical tensions will continue to weigh on long-haul demand, prompting greater caution, selectivity, and longer decision timelines among institutional investors.
- Market polarization will deepen: prime assets will attract sustained capital, while secondary assets face higher sensitivity to global conditions.
- For further insights check out the [“European Hotel Investor Compass”](#) and our [“European Outlook 2026”](#)



LIVING

LIVING

Freehold Milan & Rome

ITALY

In 2024, Italy's residential market returned to growth with around 720,000 transactions (+1.3% YoY), recovering from a 10% drop in 2023. Falling mortgage rates boosted loan-financed purchases, a trend that continued into early 2025. Q1 saw an 11.5% YoY rise in sales, driven by a 32.7% surge in mortgage-backed deals (Source: NOMISMA). However, cautious bank lending still limits full market recovery. Milan and Rome remain the country's top residential markets by transaction volume.

MILAN MARKET

In 2024, Milan's freehold residential market saw a 2.7% rise in average prices, while transactions declined by 3.5% to around 24,000. Sale times lengthened slightly, offset by a marginal rise in the discounts applied relative to asking prices. In H1 2025, prices rose 10% year-on-year. Milan continues to lead in new home purchases, with approximately 9% more transactions.

ROME MARKET

Rome remains Italy's leading residential market by transaction volume, with a 2% annual increase in 2024 and a 1.6% rise in average home prices. Until Q3 2025, transactions grew by 7% year-on-year. Despite a uptick in price discounts and shorter selling times, demand remains strong—reflected in the city's 85% share of purchases using the "first home" benefit.

TRANSACTIONS

VOLUME 2024

Milan €9.9B

+4.7% vs 2023

Rome €9.1B

+4.6% vs 2023

NUMBER 2024

Milan 23,986

-3.4% vs 2023

Rome 35,073

2.1% vs 2023

NUMBER UNTIL Q3 2025

Milan 17,658

+8.8% vs Q3 2024

Rome 26,694

+6.8% vs Q3 2024

SALE TIME 2025 (Months)

Milan 4 vs 4 (2024)

Rome 4.4 vs 5.2 (2024)

AVERAGE UNIT VALUE 2024

Milan €413,000

+8.4% vs 2023

Rome €261,300

+2.4% vs 2023

AVERAGE PRICE UNTIL H1 2025

Milan €5,290/sqm

+10% vs H1 2024

Rome €2,925/sqm

+3.3% vs H1 2024

SIZE CLASS 2024

Milan sqm 50-85(43%)

Rome sqm 50-85 (41%)

LOAN 2024

Milan €255,500

-7% vs 2022

Rome €176,000

-8,2% vs 2022

Source : OMI (Agenzia delle Entrate),
Rapporto Immobiliare Agenzia delle
Entrate, Nomisma

DISCOUNT 2025 (Months)

Milan 3.2 vs 4.2 (2024)

Rome 6.7 vs 7.2 (2024)

LIVING

Leasehold Milan & Rome

ITALY

In 2024, the Italian residential rental market recorded a slight decrease of 0.6% compared to 2023. However, demand is growing, especially in urban centers and university cities. Despite the overall decline, rental prices have gone up in major cities like Milan and Rome, driven by persistent demand and limited supply.

MILAN MARKET

In 2024, the rental market in Milan grew significantly: the number of rented homes increased by 18% compared to 2023. The average annual rent per square meter also rose by 7%, reaching 200€/sqm/year. The average time to rent a property stayed the same at around two months, as did the most requested size, which remained about 67 square meters. This positive trend continued into the third quarter of 2025, with demand up by around 25% compared with the same period of the previous year and average annual rents increasing by a further 8%, reaching 223€/sqm/year.

ROME MARKET

In 2024, the residential rental market in Rome grew by 1.13% in the number of new rental contracts compared to the same period the previous year. The average rent increased by 9.4%, reaching 140 euros per square meter per year, driven by strong demand and limited supply in central and well-connected areas. The average time to rent a property became faster, now just over two months. The most requested size stayed about the same, around 81 square meters. However, in the third quarter of 2025, the total number of new leases increased by 18%. Rent-agreed contracts still account for over 50% of all new leases in Rome.

On the other hand, there has been an increase in apartment rentals with standard short-term leases and special contracts for students.

TRANSACTIONS

VOLUME 2024

Milan €805Mln

+26% vs 2023

Rome €640Mln

+11% vs 2023

NUMBER 2024

Milan 58,914

-17.9% vs 2023

Rome 58,810

+1.13% vs 2023

NUMBER UNTIL Q3 2025

Milan 46,865

+25% vs Q3 2024

Rome 47,700

+ 18% vs Q3 2024

AVERAGE RENT

H1 2025

Milan €223 sqm/yr

+8% vs H1 2024

Rome €135 sqm/yr

+6% vs H1 2024

AVERAGE SIZE

2024

Milan sqm 67.7 vs 67.8 in 2023

Rome sqm 80.8 vs 80.1 in 2023

TIME TO LET H1 2025 (Months)

Milan 2.3 vs 2 (H1 2024)

Rome 1.7 vs 2.1 (H1 2024)

Source : OMI (Agenzia delle Entrate), Rapporto Immobiliare Agenzia delle Entrate, Nomisma

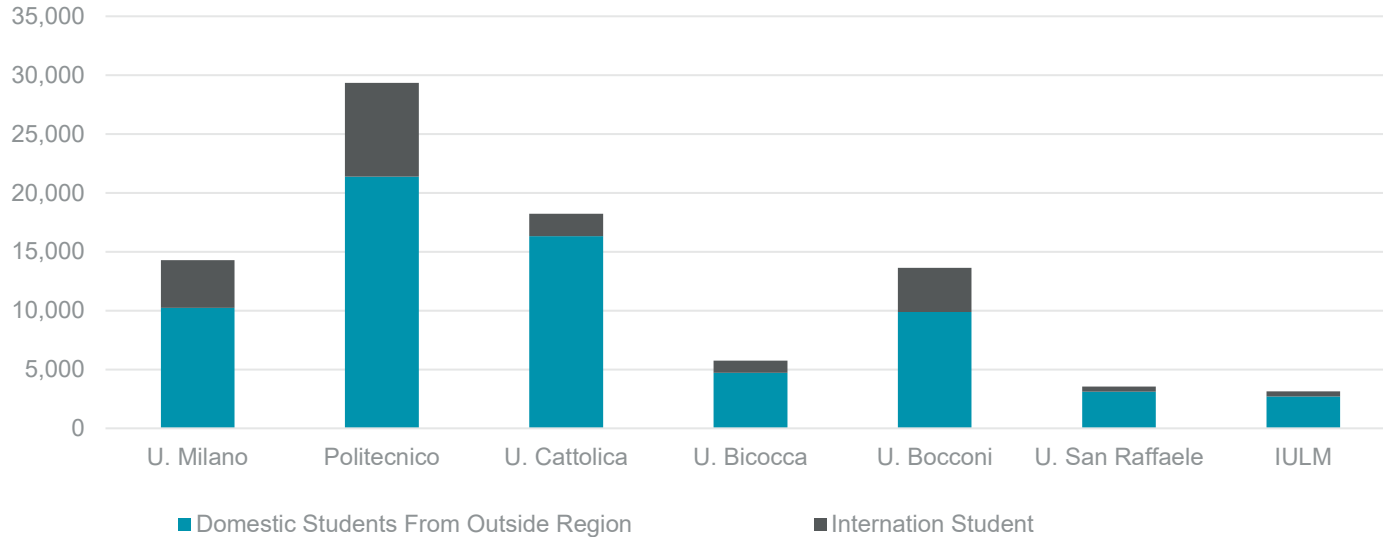
STUDENT ACCOMODATION

Milan

Milan is the leading student market in Italy and represents the most attractive market for Purpose-Built Student Accommodation (PBSA), due to the highest number of both domestic students studying away from their home region and international students.

However, Milan's provision rate remains low by continental standards, despite it being the preferred destination in Italy for international students.

Potential demand



Sources: Miur (Ministero dell'istruzione) and C&W data



Pipeline 2026 - 2030

c.12,790
NEW BEDS

Milan university demand

212,214(*)
TOTAL STUDENTS

68,330
DOMESTIC STUDENTS FROM
OUTSIDE REGION
19,592
INTERNATIONAL STUDENTS

Operating beds

c.13,100

Potential demand of beds

c.61,960

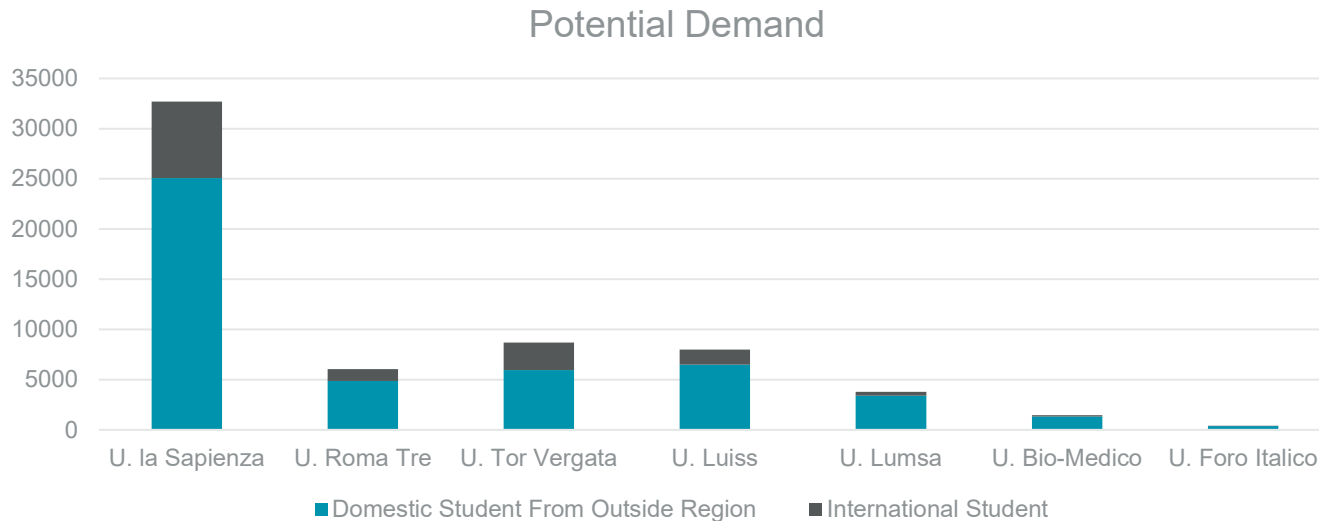
(*) not considering students of online universities

STUDENT ACCOMODATION

Rome

Rome is Italy's second-largest market in terms of both students studying away from their home regions and international students. It is an exceptionally promising market, as even compared to Milan, the supply of beds in PBSA (Purpose-Built Student Accommodation) is more limited, and the current development pipeline is insufficient to meet the growing demand. The Eternal City has one of the lowest provision rates for student housing, creating a clear need for a significant increase in the number of available beds.

Potential demand **



Sources: Miur (Ministero dell'istruzione) and C&W data (**) Potential Demand not included 4 universities with less than 2,000 students



Pipeline 2026 - 2030

c.1,600
NEW BEDS

Rome university demand

213,894(*)
TOTAL STUDENTS
50,927
DOMESTIC STUDENTS FROM
OUTSIDE REGION
14,577
INTERNATIONAL STUDENTS

Operating beds

c.7,400

Potential demand of beds

c.56,500

(*) not considering students of online universities



LIVING

Outlook 2026

01. PBSA Gains Ground

- The Italian PBSA market continues to expand, with approximately 85,000 purpose-built student beds currently in operation and a robust development pipeline expected to push supply beyond 100,000 beds by 2027.
- Demand is growing steadily, driven by increasing domestic and international student numbers, particularly in major university cities.
- Despite ongoing new developments, the sector remains structurally undersupplied, as bed capacity growth will not fully meet demand by 2026 due to planning delays, high construction and labor costs, and regulatory requirements.
- As a result, PBSA is expected to remain a core, high-performing asset class, with strongest results driven by well-located, high-quality schemes in leading university markets.

02. European Outlook 2026

- Cushman & Wakefield's latest ["European Outlook 2026"](#) highlights that housing demand continues to outpace supply, constrained by low permitting activity and elevated construction costs.
- Rents are expected to rise steadily across Europe in 2026, led by Spain and the Netherlands, while government support measures aim to enhance development viability amid ongoing structural shortages.





INVESTMENT

INVESTMENT

Commercial Real Estate Investment

Investment activity accelerated significantly toward the end of 2025, reinforcing the year as a pivotal moment for the Italian real estate sector. Overall, the market continued its re-rating trend, with total investment volumes reaching 12.5 €Bn, marking the second-best year on record. This represents a 23% increase year-on-year, with performance also exceeding both the five-year and ten-year historical averages.

Foreign capital accounted for 58% of total investment volume, particularly active in larger transactions and showing a marked preference for Industrial & Logistics (I&L), Retail, and Hospitality assets.

From a sector perspective, Retail and I&L stood out as top performers, together capturing 46% of all investment activity. Hospitality ranked third, contributing an additional 20%.

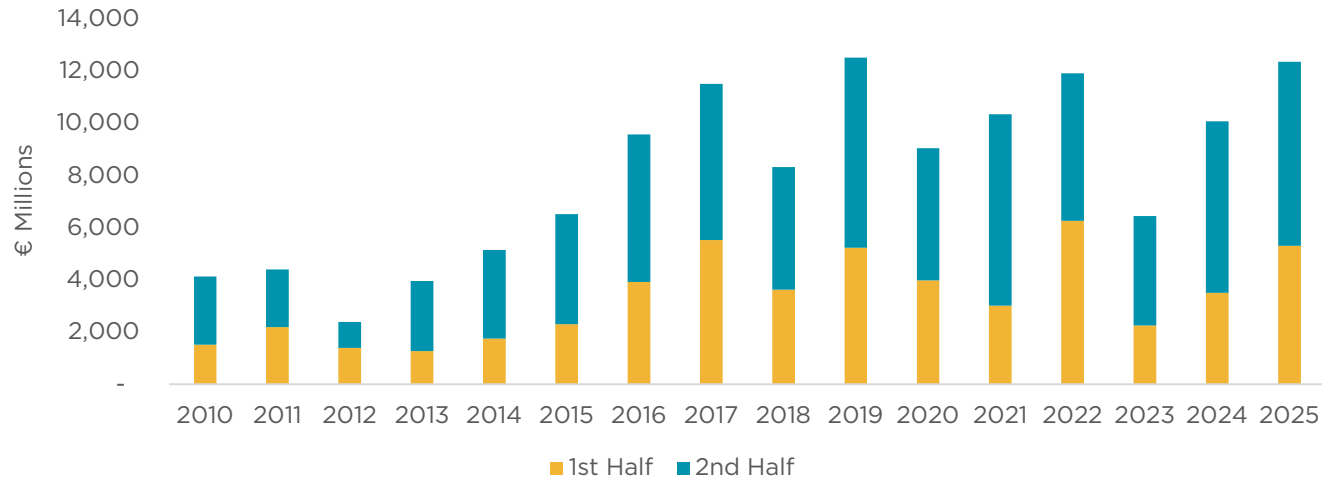
Market dynamics were dominated by single-asset transactions, predominantly involving smaller ticket sizes. At the upper end of the market, five landmark transactions above €300 million were recorded—all within the Retail sector—highlighting the continued attractiveness of large-scale retail assets.

Overall, 2025 reaffirmed Italy's position as a resilient and increasingly competitive destination for real estate capital, supported by strong foreign participation and robust sector-specific performance.

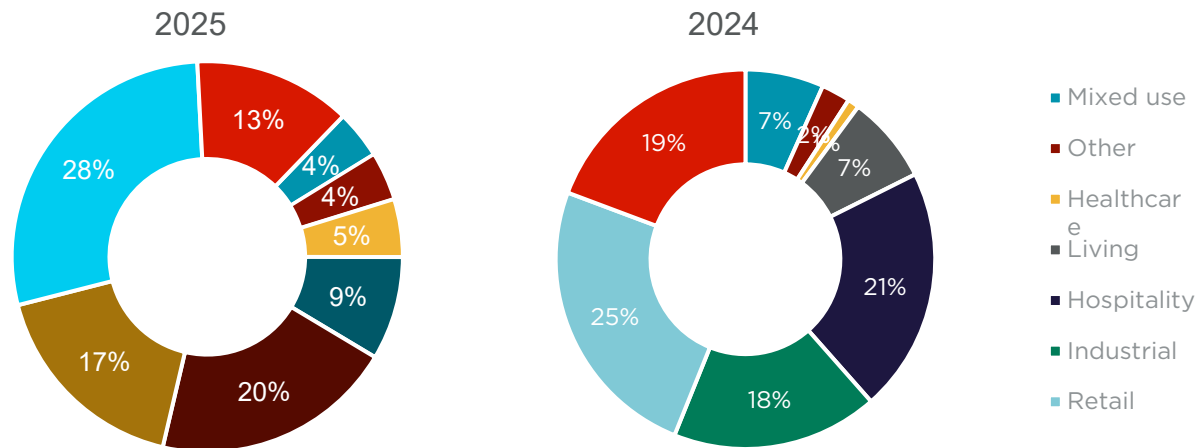


INVESTMENT

Investment by semester



Investment by sector



Retail emerged as the top-performing sector attracting 3,5 €Bn in investments, the best year on record, and a 28% market share. Liquidity improved steadily through the year, underscoring renewed institutional interest. Activity was driven largely by institutional and cross-border capital targeting stabilised, income-producing assets with attractive yield spreads and resilient cash flows—especially prime high streets, dominant shopping centres and grocery portfolios.

Total volumes reached 2,17€bn, making **Industrial & Logistics** the second-best performing sector in 2025, with strong activity in Q1 and Q4. Volumes rose 21% year-on-year and were just 2% below the five-year average, underscoring market resilience. Investment momentum strengthened on solid occupier fundamentals, a focus on prime assets, and expectations of mild yield compression. While Value-add and Core+ remain dominant, core capital is returning amid improved pricing visibility, with demand concentrated on prime single assets and large portfolios attracting international investors.

INVESTMENT

Main Investment Deals



ASSET	SECTOR	PROVINCE	BUYER	SELLER	PURCHASE PRICE
Orio Shopping Centre	Retail		Generali SGR/ Percassi	Commerzreal	470 €Mn
Carrefour Portfolio	Retail	Multi-Province	New Princes	Carrefour	420 €Mn
3 Shopping Villages	Retail	Multi-Province	Frey/Cale Street	Blackstone	410 €Mn
The Mall Luxury Outlets	Retail	Multi-Province	Simon Premium Outlets	Kering	350 €Mn
Cordusio 2.0	Retail	Milan	Private Investor	Hines	325 €Mn
Techbau Portfolio	Industrial & Logistics	Multi-Province	Castello Sgr	Techbau	257 €Mn
Project Zephyr	Industrial & Logistics	Multi-Province	Kryalos Sgr	Blackstone	202 €Mn
Moncler HQ	Office	Milan	The Valesco Group	Covivio	200 €Mn
Fondo IASO – Clinics and RSA	Healthcare	Multi-Province	ENPAM	TRILANTIC EUROPE	180 €Mn
Mandarin Oriental	Hospitality	Rome	Private Investor	MEROPE	170 €Mn

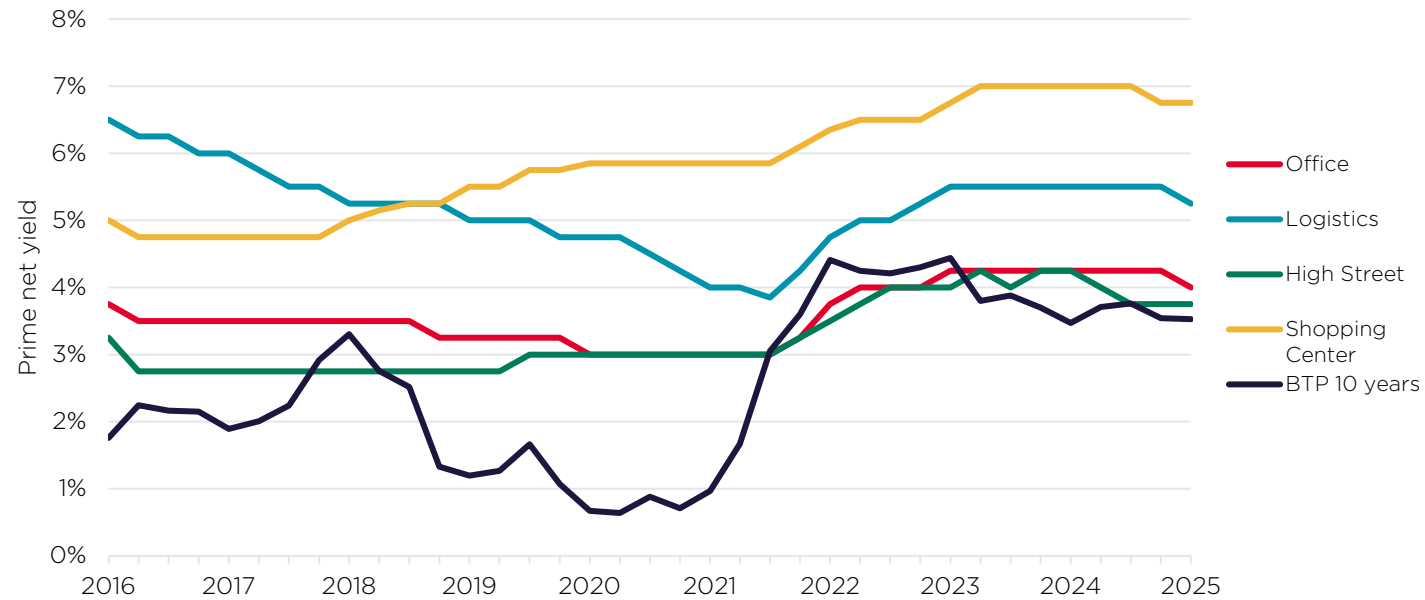
Hospitality recorded a solid performance in the second part of the year, closing 2025 with investment volumes of 2.5€Bn—the second-highest level recorded in the post-pandemic era. Market activity remained heavily skewed toward primary locations, with Rome capturing 23% of total transactions, and value-add strategies continuing to dominate investor appetite.

Despite the late-year rebound, full-year investment in the **Office** sector reached **1,63€Bn**, down 17% year-on-year and 41% below the five-year average, highlighting the sector’s ongoing structural adjustment. Activity remained concentrated in Milan and Rome. Location remains the key driver in Core/Core+ opportunities as well on assets to reposition.

In the **Alternative** segment, the **Living** sector attracted 1,07€Bn over the full year, with Student accommodation accounting for 48% of annual volumes. The **Healthcare** sector also delivered a strong performance, with portfolio deals underpinning the full-year activity, which reached 590€Mn.

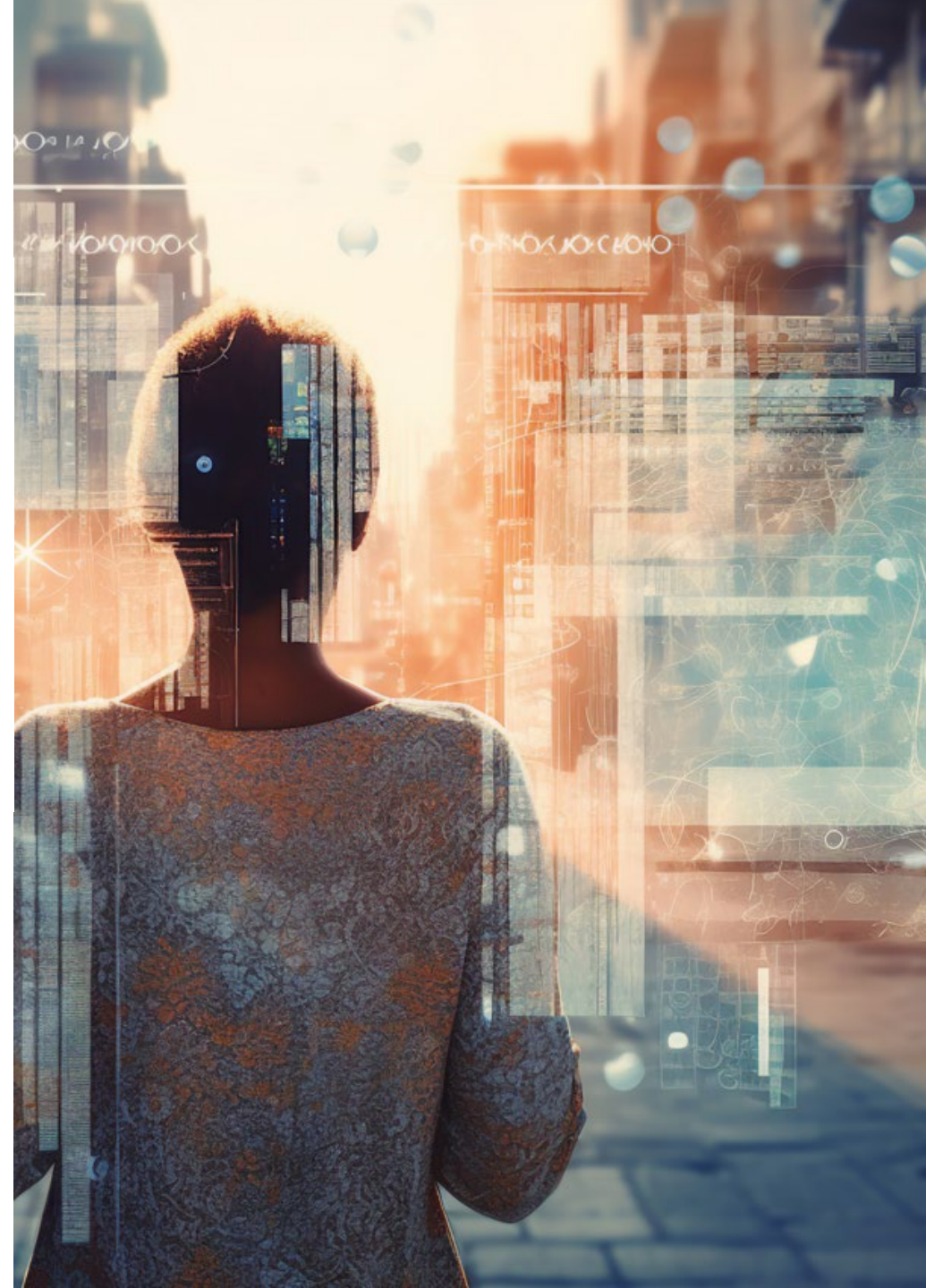
INVESTMENT

Prime Yields



In the latter part of 2025, prime yields have experienced a **compression** of 25 basis points in **all sectors** with the exception of High Street Retail. Values are recorded as follows:

- Office Milan 4.00% and Rome 4.50%
- Retail High streets 3.75%
- Shopping Centres 6.75%
- Logistics 5.50%



INVESTMENT

Outlook 2026

01. Core capital returning

- Retail continues to be viewed as a high-conviction asset class, underpinned by resilient income fundamentals and improving operating performance. As pricing becomes clearer and yield expectations realign, core investors are expected to gradually re-enter the market from 2026 onward.
- This renewed interest is likely to focus on prime, well-located assets with strong tenant covenants, reflecting a more selective but increasingly confident investment environment.

02. Office recovery gaining traction

- Investor sentiment improving, supported by clearer pricing and signs of yield stabilization
- Capital increasingly focused on prime, ESG-compliant assets in central, well-connected locations
- Heightened selectivity as investors prioritize low-risk, best-in-class stock

03. Improving financing backdrop:

- The anticipated interest-rate cuts are improving debt costs and restoring positive leverage conditions across real estate markets.
- This shift is supporting renewed transaction activity and strengthening return expectations, particularly for stabilized assets.
- Against this backdrop, global investors are increasingly looking to Italy as part of broader portfolio rebalancing and diversification strategies, attracted by its relative yield premium, resilient fundamentals, and improving financing environment.

INVESTMENT

Sector outlook 2026



OFFICE

Trends seen in the occupier market are increasingly mirrored in investment activity, which is beginning to show clear signs of renewed confidence—momentum that is expected to strengthen further throughout 2026.

In this context, investors remain strongly focused on the ability to unlock a “second life” for assets, a defining factor that continues to shape capital allocation strategies.

LOGISTICS

Ongoing rate cuts are gradually restoring positive leverage, improving financing conditions and making debt-backed strategies viable again. This shift is drawing increased interest from global investors who are actively seeking opportunities to rebalance and diversify their portfolios. As borrowing costs ease, more institutions are expected to re-enter the market, accelerating cross-border capital flows and strengthening competition for high-quality assets.

RETAIL

Momentum in the market continues to build, with liquidity strengthening particularly around prime assets. Investor confidence is gradually improving, and a renewed wave of core capital is expected to return in 2026.

This resurgence of high-quality capital should support a further compression of yields over the year, particularly for best-in-class assets that meet evolving institutional requirements.

INVESTMENT

Sector outlook 2026

HOSPITALITY

2026 is expected to bring continued consolidation and fresh opportunities for investment growth, are expected, driven by a tightening supply of product, sustained investor demand, and further yield compression on prime assets. Volumes are likely to rise again. The disparity between international brand penetration will continue to fuel strong interest from hotel operators and, in turn, from investors.

LIVING

Investor demand is expected to remain strong, as this asset class offers stable cash flows, rental growth, and resilience across cycles. With higher volatility in office and retail, Living continues to attract institutional capital, core funds, and specialist operators seeking predictable returns and portfolio diversification — particularly in PBSA and prime urban assets





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