

FEBRUARY 2026

SOUTHERN EUROPE INVESTMENT

MARKET OVERVIEW

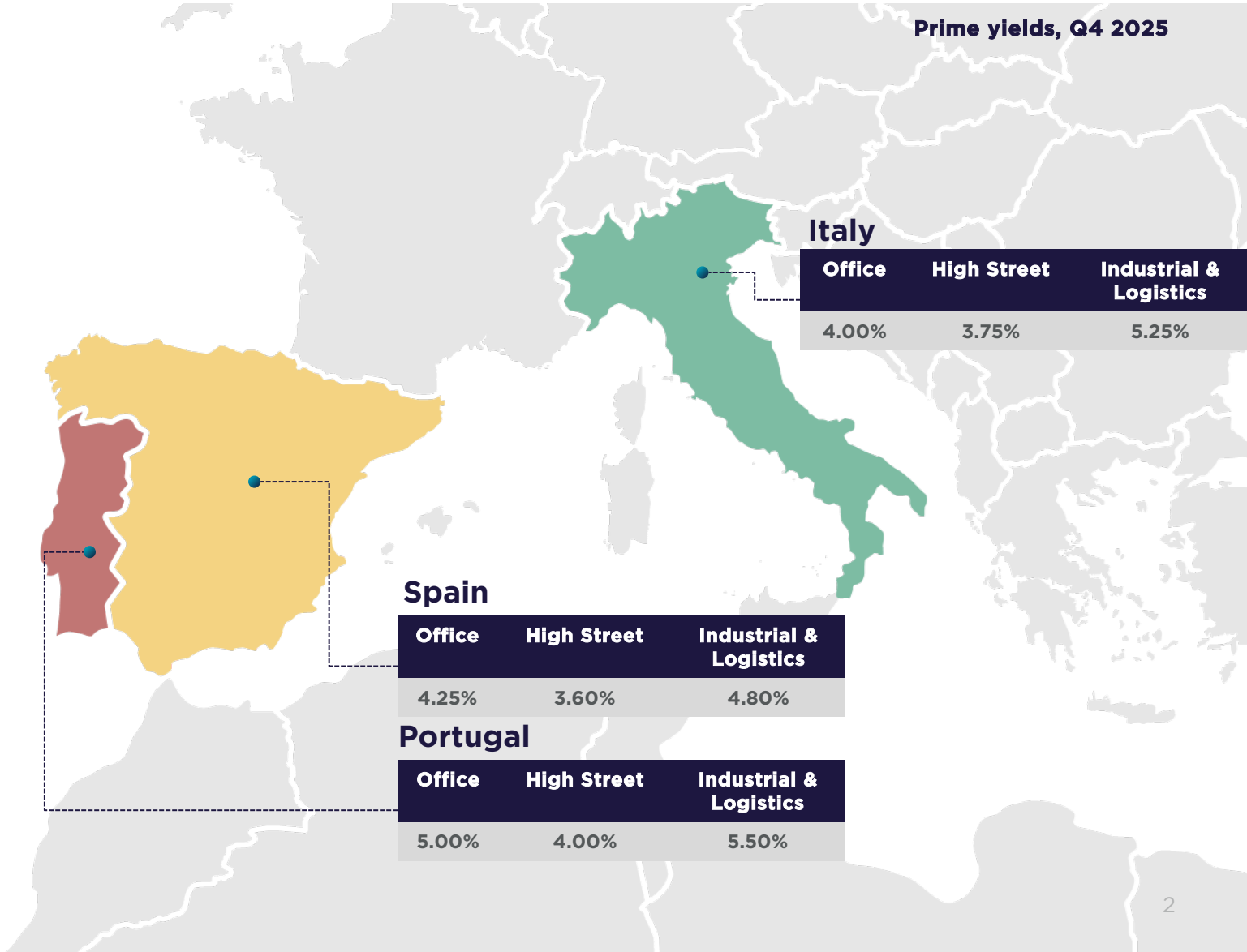
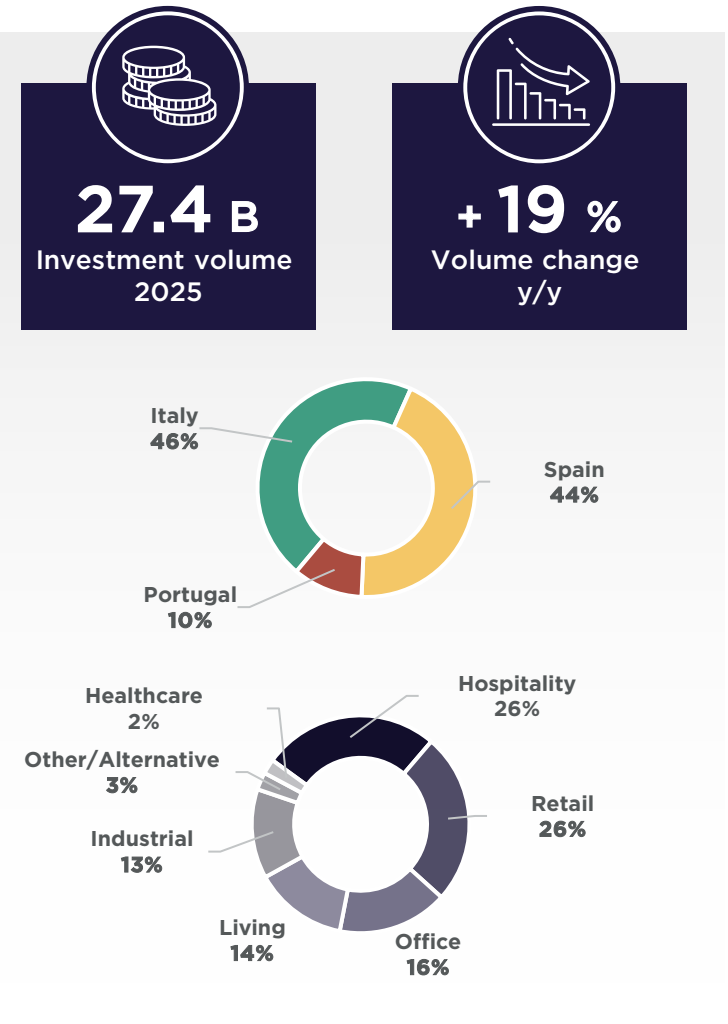
2025

Better never settles



SOUTHERN EUROPE REGIONS

Investment Market 2025



ITALY

Investment Market 2025



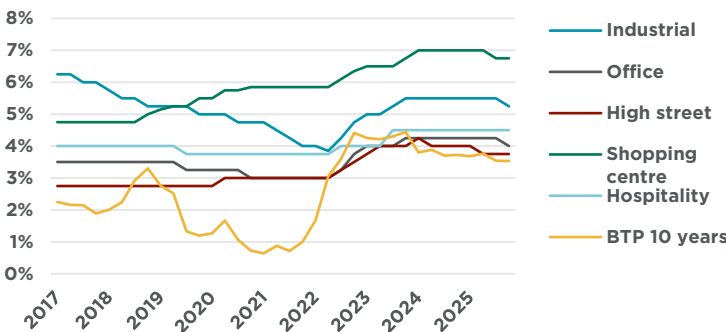
12.5 B
Investment volume
2025



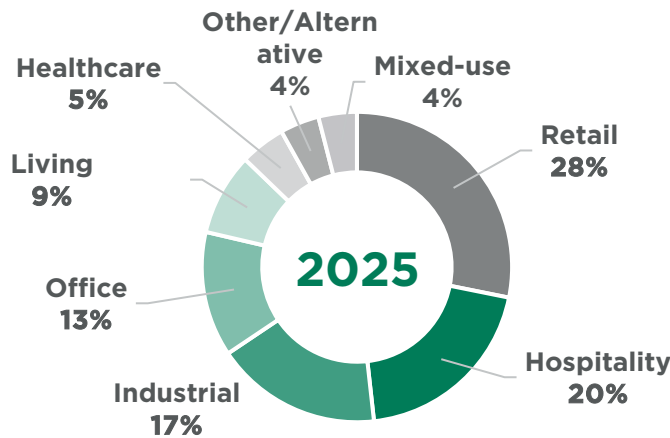
+23 %
Volume change
y/y

In 2025, Italy's real estate market regained momentum, with H2 volumes reaching 7.4€Bn and full-year investment totalling 12.5€Bn (+23% YoY), driven by Retail, Hospitality and Logistics, which together accounted for nearly 70% of total volumes. Retail marked a turning point, driven by renewed institutional capital targeting prime, High Street and dominant shopping centre assets, alongside yield compression. Logistics rebounded on the back of solid occupier demand and a focus on high-quality assets. Hospitality benefited from robust international tourism, with investments concentrated in upper-upscale and luxury assets, alongside growing interest in new-generation economy formats. Office remained selective but resilient, focused on central value-add/core+ assets, while Living attracted interest in PBSA and urban residential. Data Centres strengthened their strategic role, driven by hyperscalers and AI-related demand.

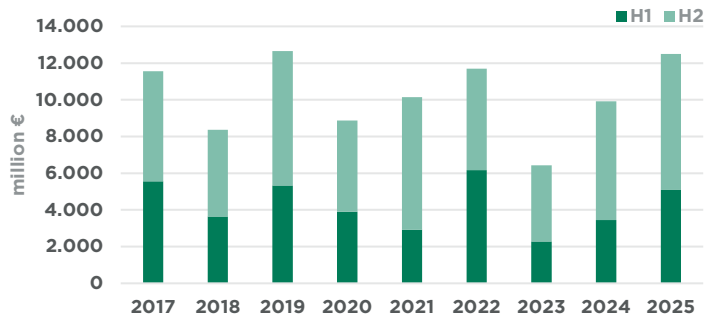
Prime Yields



Key Investment



Investment Volumes



Economic Forecast

Economic Indicator	2024	2025	2026	2027
GDP growth	0.5%	0.6%	0.9%	1,2%
Inflation	1.1%	1.7%	1.9%	2.0%
Unemployment rate	6.5%	6.1%	5.9%	5.9%

Source: Moody's Analytics - January 15th, 2026

SPAIN

Investment Market 2025



12.1 B

Investment volume
2025

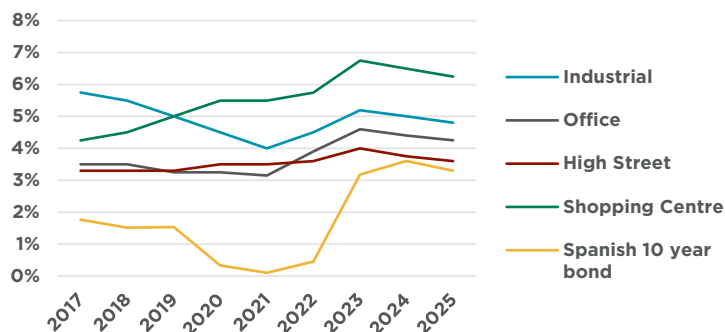


+16 %

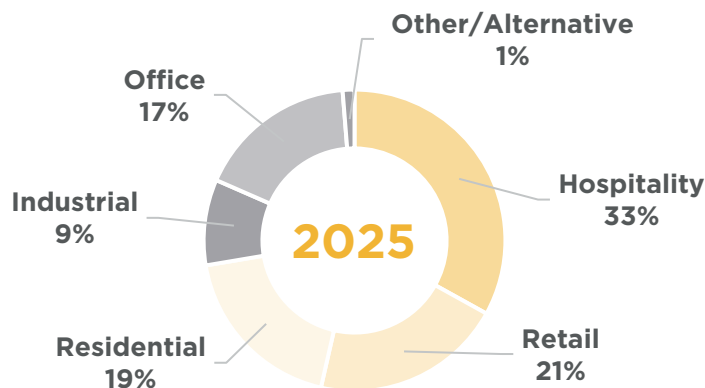
Volume change
y/y

Investment activity in Spain reached €5.9 Bn in the second half of 2025 (+5% YoY), bringing full-year volumes to €12.1 Bn (+16% YoY). The hospitality (€4 Bn) and retail (€2.5 Bn) sectors remain the main drivers of investment, recording exceptional performance supported by strong underlying fundamentals. The living sector continues to expand at a solid pace, while the logistics market faces headwinds despite persistent shortages of high-quality assets available for sale. The office sector, which maintains strong fundamentals, is showing early signs of recovery—particularly in Madrid, where investment volumes increased by 190% compared with 2024. In Madrid, significant capital volumes—amounting to a total of €1,125 Mn, resulted from €475 Mn in 2024 and an additional €650 Mn in 2025—are being focused toward the repositioning of obsolete office assets into residential or hotel uses.

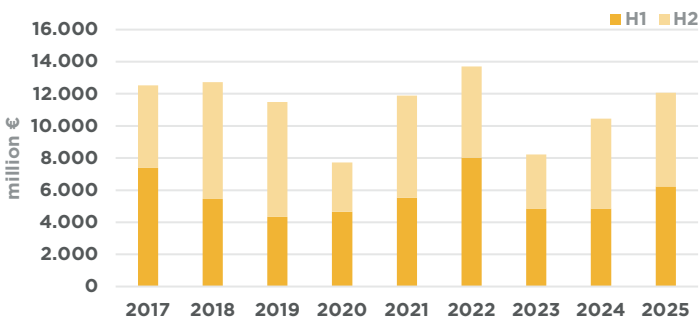
Prime Yields



Key Investment



Investment Volumes



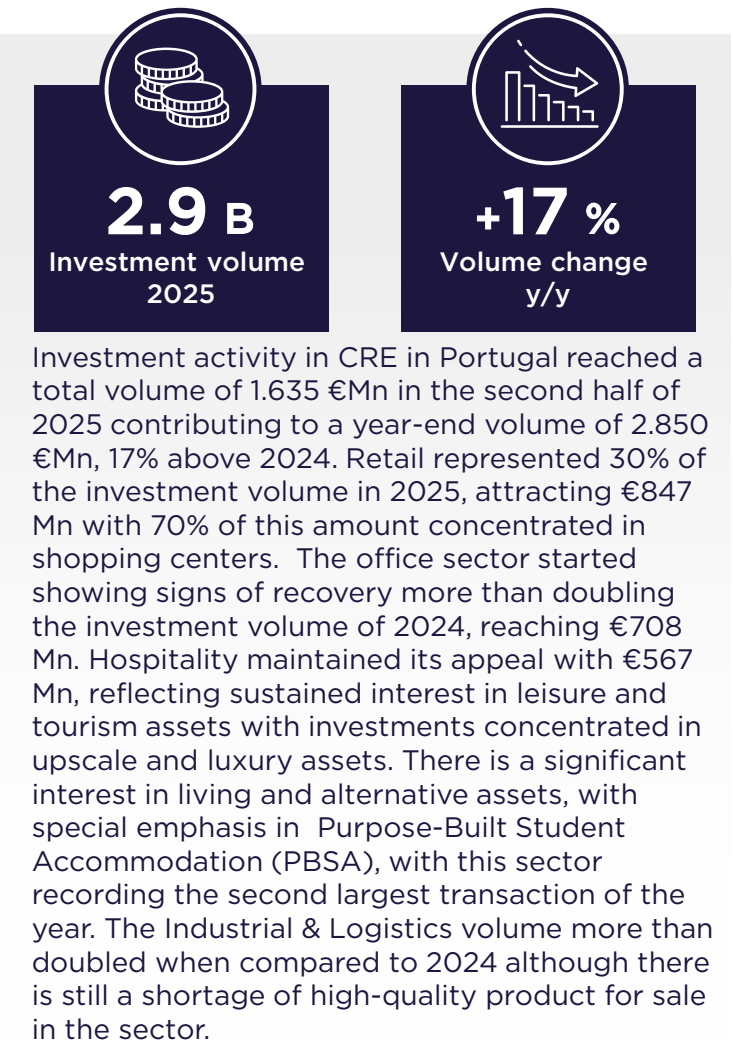
Economic Forecast

Economic Indicator	2024	2025	2026	2027
GDP growth	3.1%	2.8%	2.5%	2.3%
Inflation	2.8%	2.9%	2.1%	1.9%
Unemployment rate	11.5%	10.5%	10%	9.5%

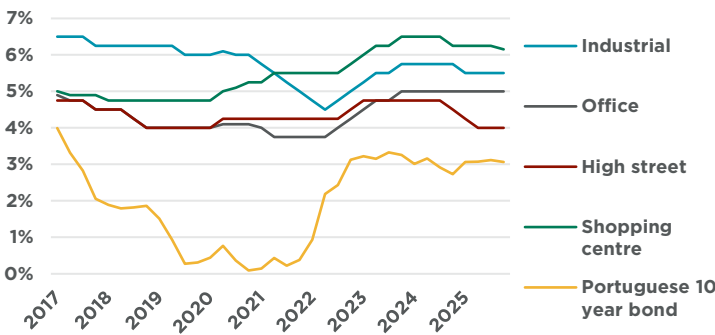
Source: Moody's Analytics - January 15th, 2026

PORTUGAL

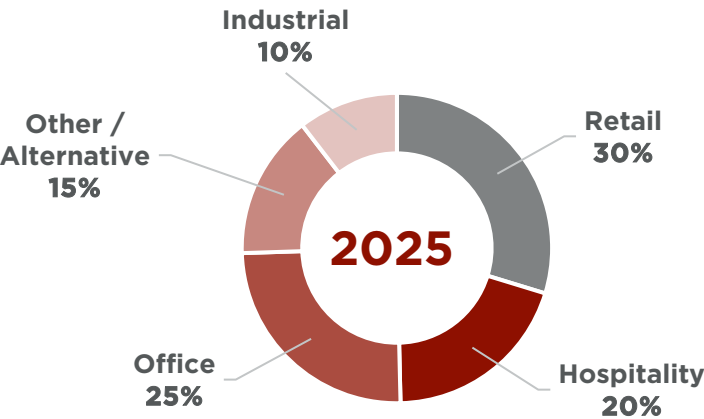
Investment Market 2025



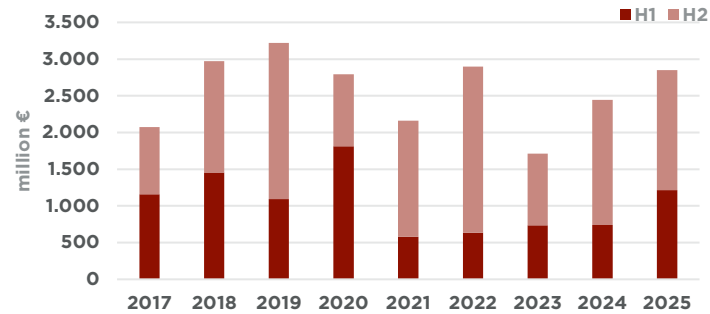
Prime Yields



Key Investment



Investment Volumes



Economic Forecast

Economic Indicator	2024	2025	2026	2027
GDP growth	2.1%	1.9%	2.3%	1.9%
Inflation	2.4%	2.3%	1.8%	1.9%
Unemployment rate	6.4%	6.1%	5.7%	5.4%

Source: Moody's Analytics - January 12th, 2026

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