



FEBRUARY 2026

SOUTHERN EUROPE INVESTMENT

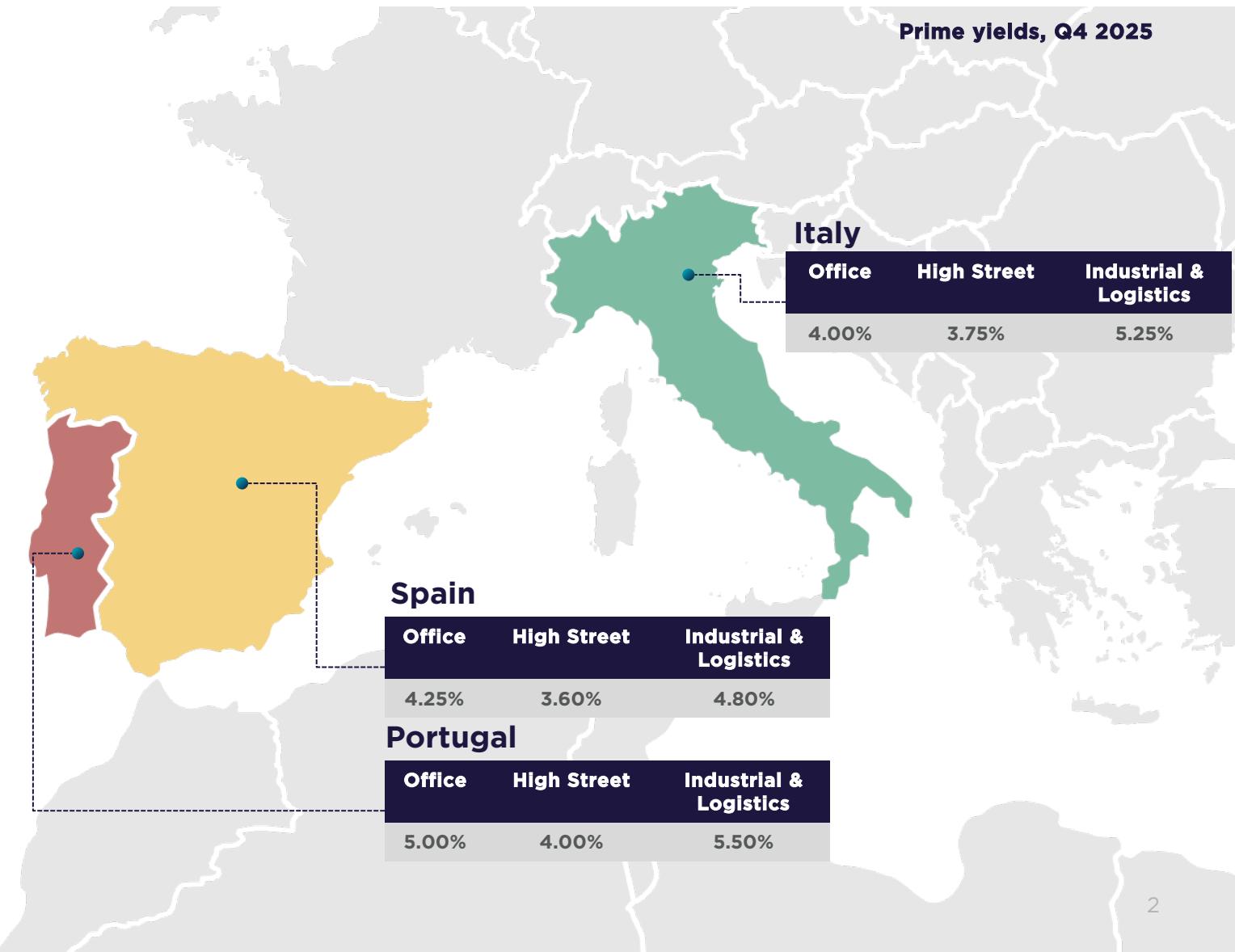
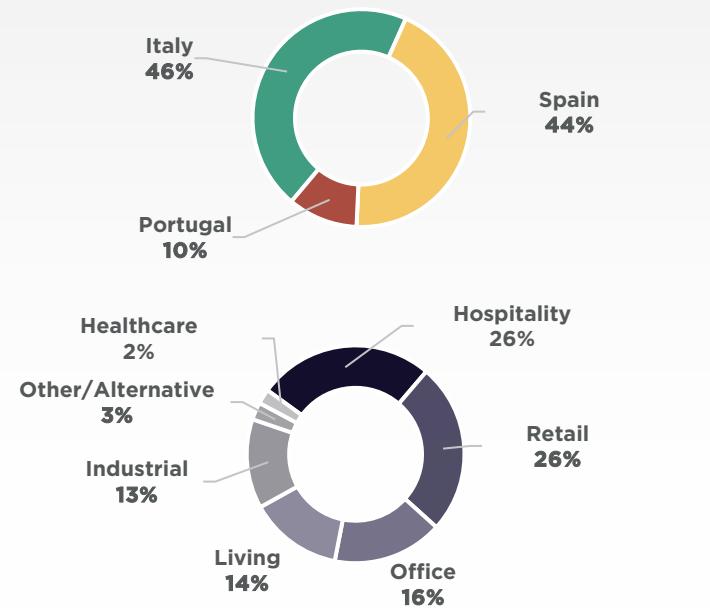
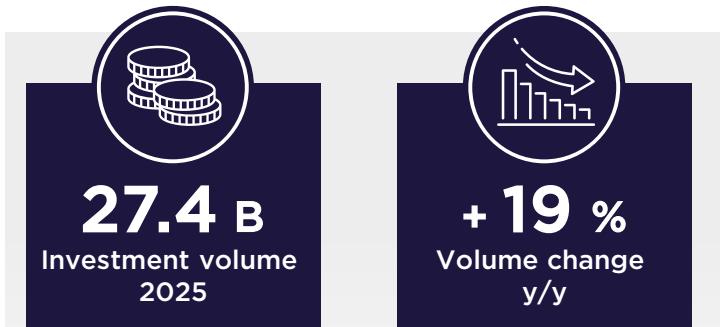
MARKET OVERVIEW 2025

Better never settles



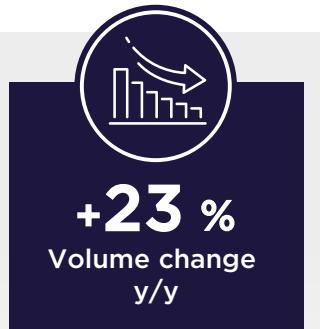
SOUTHERN EUROPE REGIONS

Investment Market 2025



ITALY

Investment Market 2025

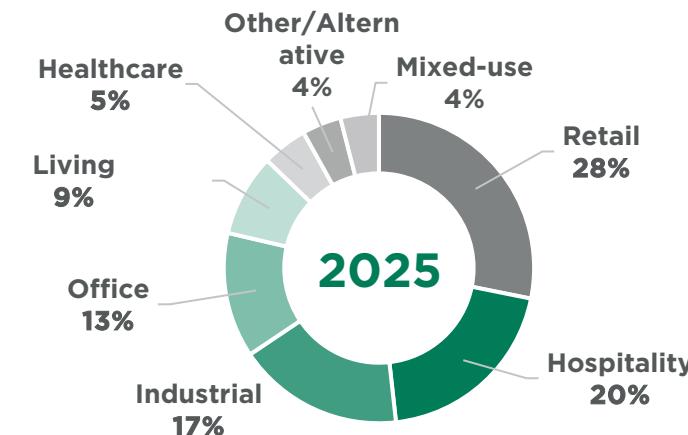


In 2025, Italy's real estate market regained momentum, with H2 volumes reaching 7.4€Bn and full-year investment totalling 12.5€Bn (+23% YoY), driven by Retail, Hospitality and Logistics, which together accounted for nearly 70% of total volumes. Retail marked a turning point, driven by renewed institutional 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.

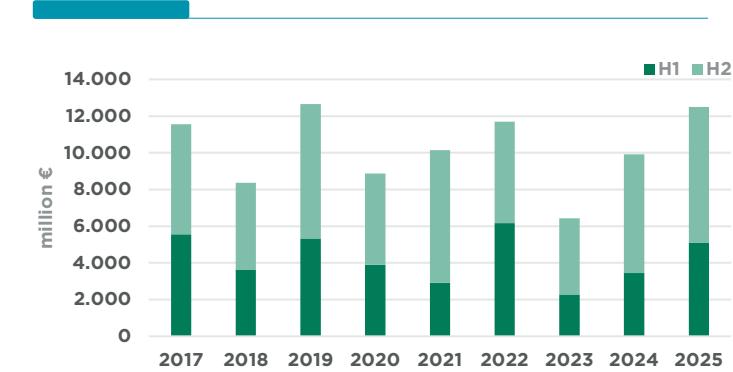
Prime Yields



Key Investment



Investment Volumes



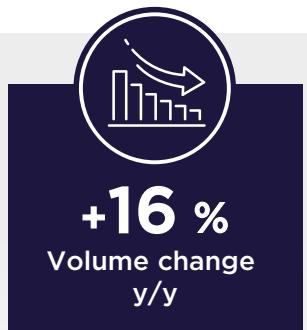
Economic Forecast

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

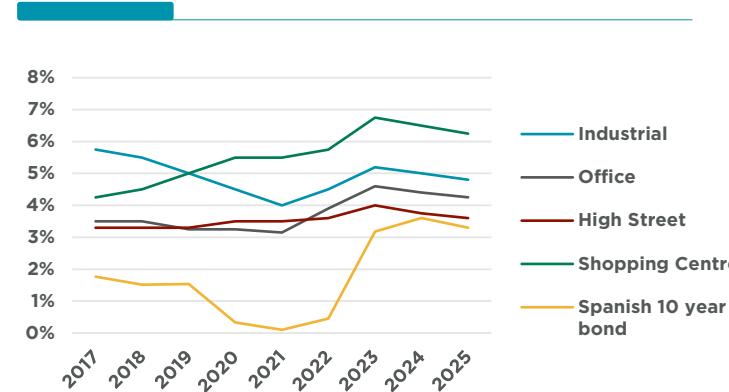
SPAIN

Investment Market 2025

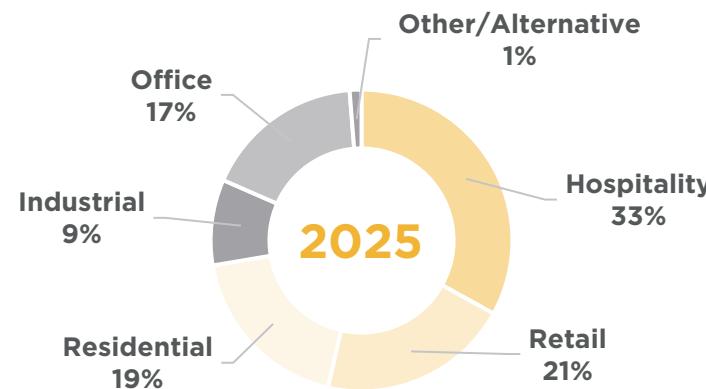


Investment activity in Spain reached €5.9 Bn in the second half of 2025 (+5% YoY), bringing full-year volumes to €12.1 Bn (+16% YoY). The hospitality (€4 Bn) and retail (€2.5 Bn) sectors remain the main drivers of investment, recording exceptional performance supported by strong underlying fundamentals. 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.

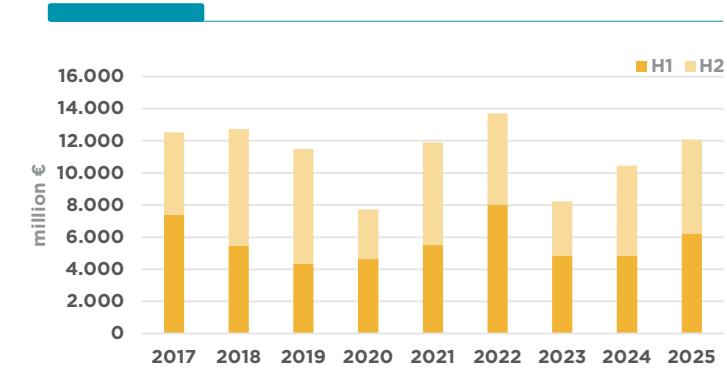
Prime Yields



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

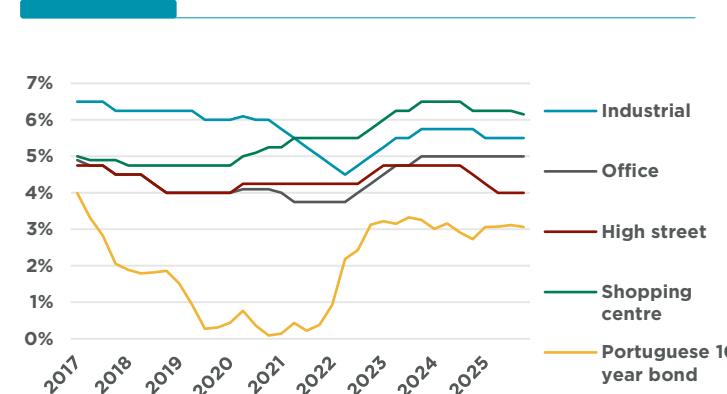
PORTUGAL

Investment Market 2025

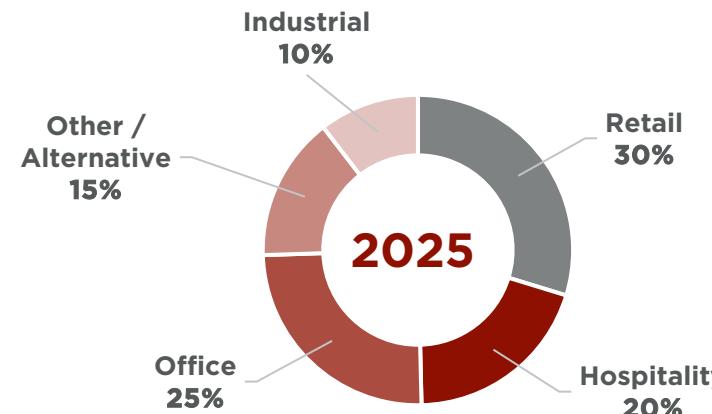


Investment activity in CRE in Portugal reached a total volume of 1.635 €Mn in the second half of 2025 contributing to a year-end volume of 2.850 €Mn, 17% above 2024. Retail represented 30% of the investment volume in 2025, attracting €847 Mn with 70% of this amount concentrated in shopping centers. The office sector started showing signs of recovery more than doubling the investment volume of 2024, reaching €708 Mn. Hospitality maintained its appeal with €567 Mn, reflecting sustained interest in leisure and tourism assets with investments concentrated in upscale and luxury assets. There is a significant interest in living and alternative assets, with special emphasis in Purpose-Built Student Accommodation (PBSA), with this sector recording the second largest transaction of the year. The Industrial & Logistics volume more than doubled when compared to 2024 although there is still a shortage of high-quality product for sale in the sector.

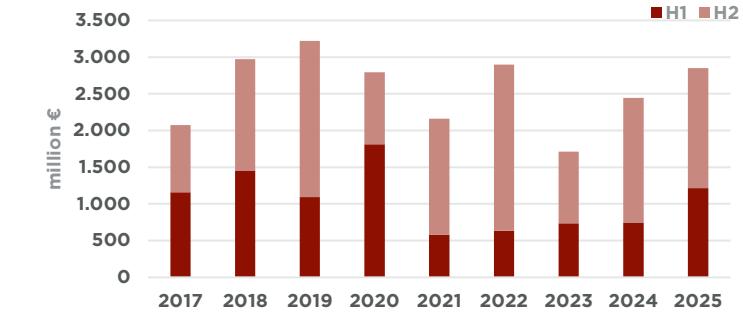
Prime Yields



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

**CARLO VANINI**

MRICS International Partner
Head of Capital Markets Italy
carlo.vanini@cushwake.com

ANNA STRAZZA

Associate Director
Research & Insight Italy
anna.strazza@cushwake.com

RENO J. CARDIFF

International Partner
Head of Capital Markets Business Space Spain
Reno.cardiff@cushwake.com

RUPERT LEA

International Partner
Head of Capital Markets Retail Spain
Rupert.Lea@cushwake.com

NÚRIA CAMPS

Senior Analyst
Research & Insight Spain
nuria.camps@cushwake.com

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DAVID LOPEZ

Partner
Head of Capital Markets Portugal
david.lopes@cushwake.com

MATILDE PINTO

Research Analyst
Research & Insight Portugal
matilde.pinto@cushwake.com