

SOUTHERN EUROPE INVESTMENT

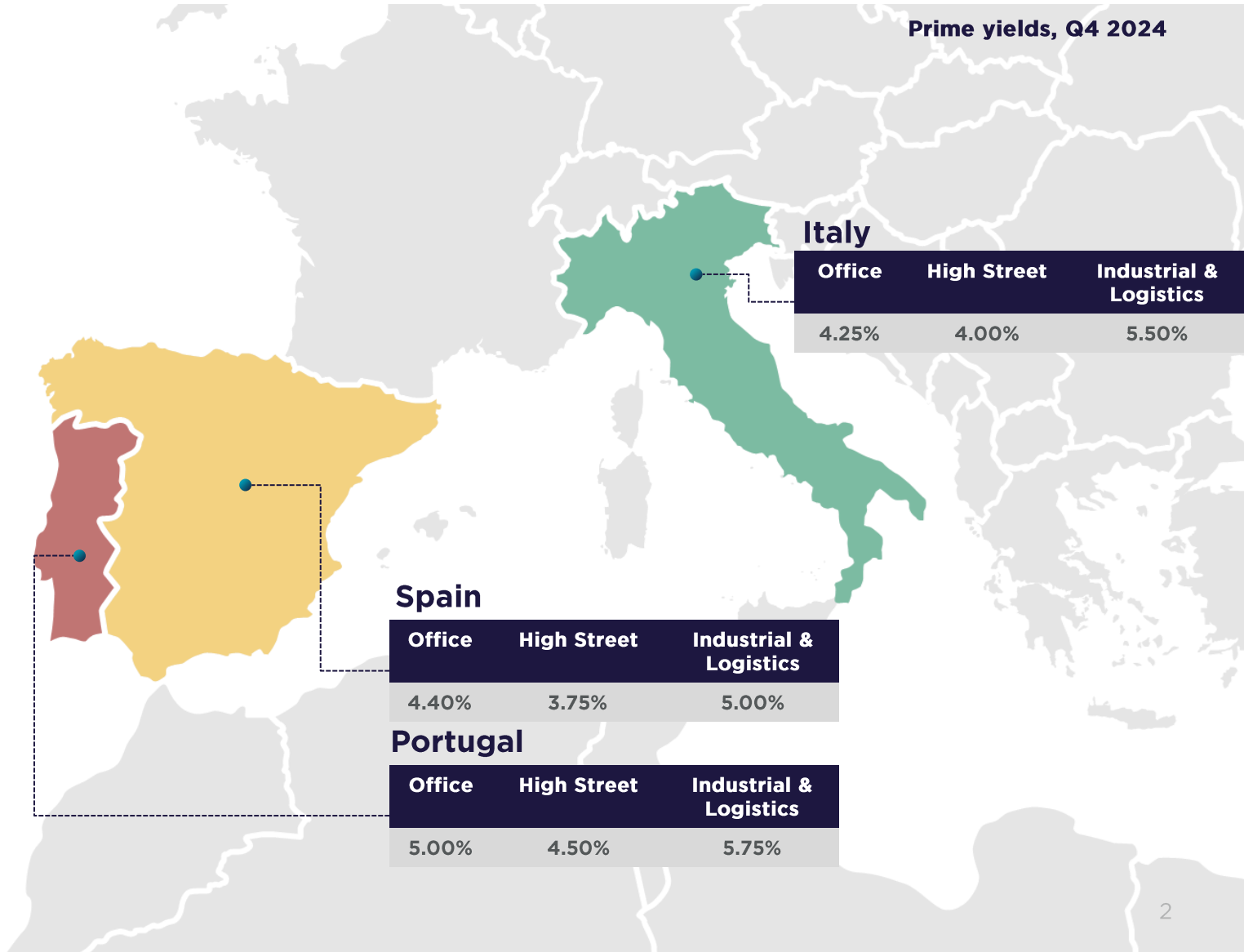
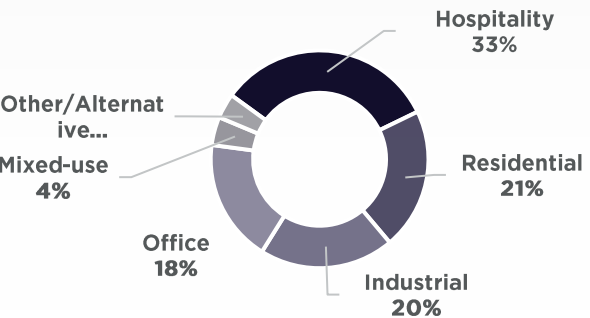
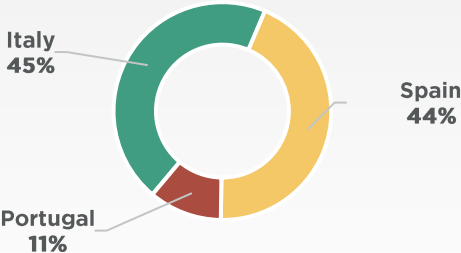
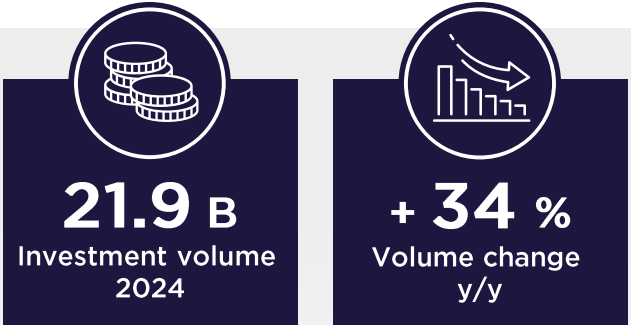
MARKET OVERVIEW 2024

JANUARY 2025

Better never settles

SOUTHERN EUROPE REGIONS

Investment Market 2024



ITALY

Investment Market 2024



9.9 B

Investment volume
2024



+55 %

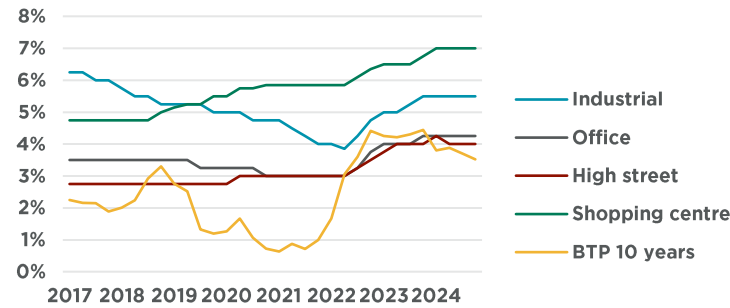
Volume change
y/y

In H2 2024, Italy's real estate market saw €6.5 Bn invested, doubling H1 volumes and reaching €9.9 Bn for the year, with a 55% increase from 2023. This growth was driven by unique transactions, the resurgence of Retail deals, and the strengthening of Logistics and Hospitality sectors, supported by improved financing conditions due to declining interest rates.

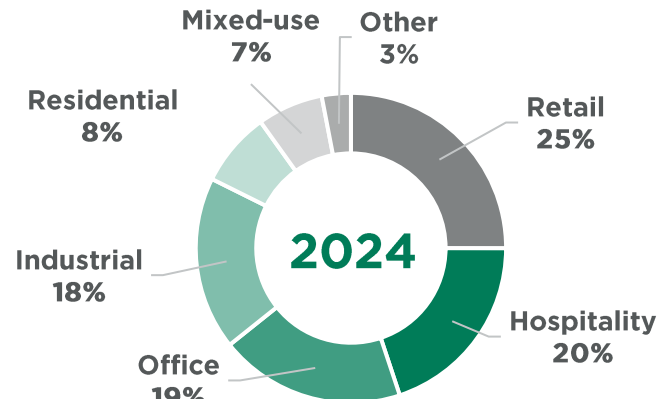
Italy maintains its competitive edge in Europe, particularly in logistics, with a focus on prime hubs and last-mile assets. The hospitality sector, led by Rome, outperforms the European average, driven by the 2025 Jubilee and strong leisure demand. Alternative assets like Living and Data Centers are gaining interest, though market immaturity limits transaction volumes. The Data Center sector is expanding rapidly due to technological demand and saturated European hubs. Prime offices and ESG-compliant redevelopments remain attractive, offering stable returns amid low vacancy rates.

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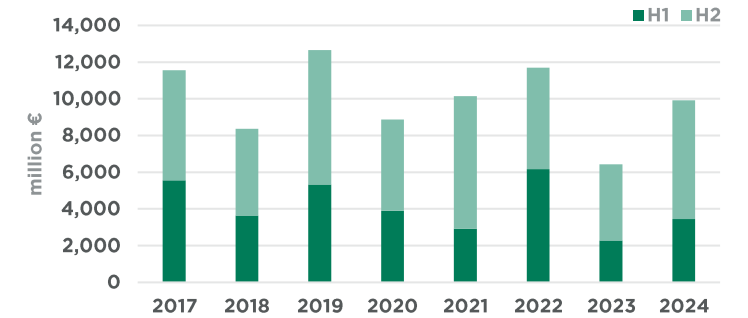
Prime Yields



Key Investment



Investment Volumes



Economic Forecast

Economic indicator	2022	2023	2024	2025
GDP growth	4.1%	1.0%	0.5%	0.7%
Inflation	8.7%	5.9%	1.3%	2.1%
Unemployment rate	8.1%	7.7%	6.5%	6.0%

Source: Moody's Analytics - January 10th, 2025

SPAIN

Investment Market 2024



9.6 B

Investment volume
2024



+17 %

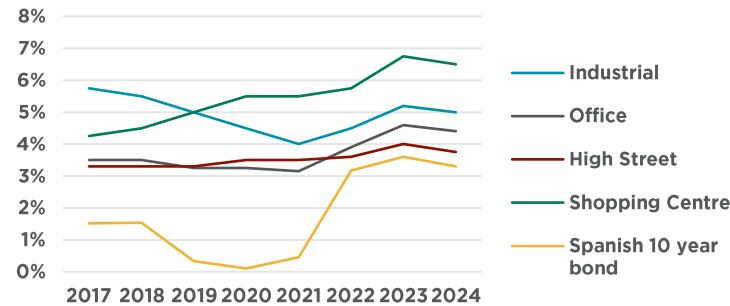
Volume change
y/y

Investment in Spain closed the second half of 2024 with a total volume around 5€Bn. This figure is 50% above the same period last year. This increase brought the full-year volume to 9.6€Bn, some 17% above the level reached in 2023.

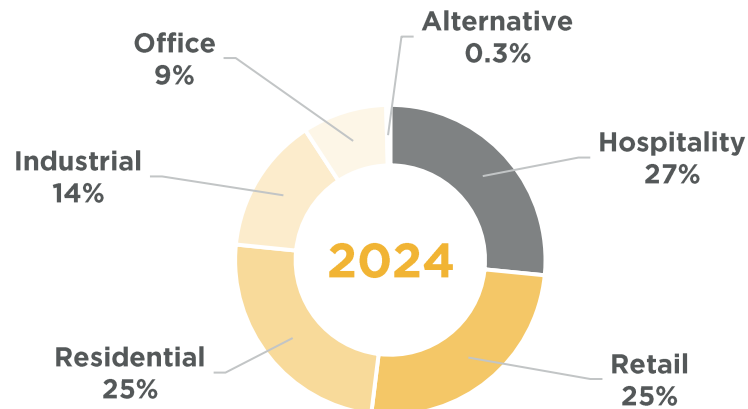
Hospitality (2.9€Bn) and retail sectors (2.0€Bn) are driving investment in Spain, with record numbers thanks to the strength of their fundamentals. The living sector continues at a good pace and the logistics and office sector are struggling despite healthy fundamentals.

Specially in Madrid (450€Mn), important capital movements are being carried out towards changes of use of obsolete office buildings to be transformed into Living/Hotel.

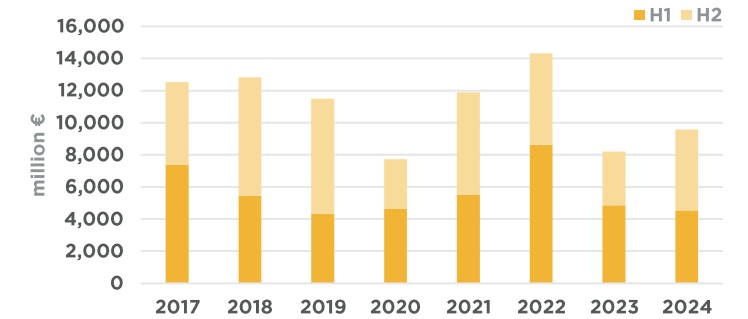
Prime Yields



Key Investment



Investment Volumes



Economic Forecast

Economic indicator	2022	2023	2024	2025
GDP growth	5.8%	2.4%	3.1%	2.5%
Inflation	8.4%	3.6%	2.8%	1.8%
Unemployment rate	12.9%	12.1%	11.5%	11.0%

Source: Moody's Analytics - January 11th, 2025

PORTUGAL

Investment Market 2024



2.4 B

Investment volume
2024



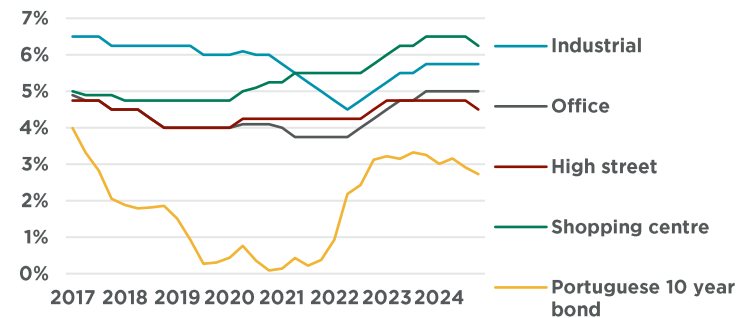
+39 %

Volume change
y/y

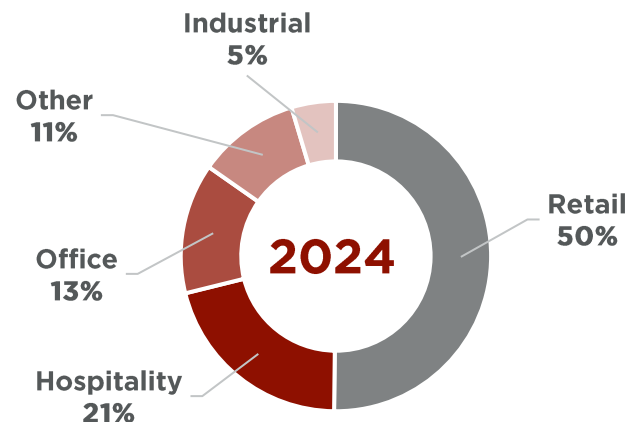
Investment activity in CRE in Portugal accelerated in the second half of 2024, reaching a total volume of 1.630 €Mn in this period, contributing to a year-end volume of 2.380 €Mn, 39% above 2023. The four most sizable deals represented close to a third of the total volume invested.

Capital allocation by sector reflected the increased interest in the Retail sector, aggregating 50% of the total invested volume, followed by Hospitality. There is a significant interest in alternative assets, with special emphasis in the Purpose-Built Student Accommodation (PBSA) segment. Despite the high occupational activity, the office sector only attracted 13% of the total volume and the low significance of the Industrial & Logistics sector reveals the shortage of quality product for sale in the sector, against a backdrop of high demand.

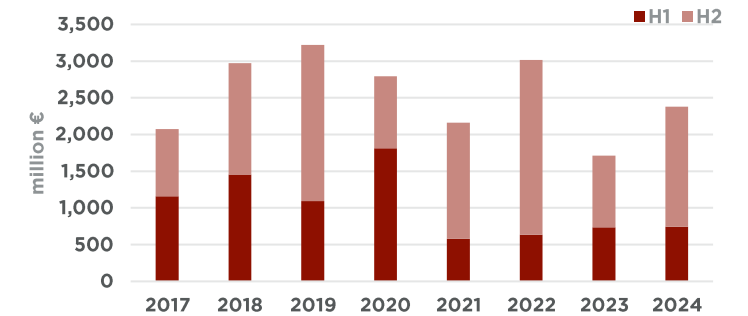
Prime Yields



Key Investment



Investment Volumes



Economic Forecast

Economic indicator	2022	2023	2024	2025
GDP growth	7.0%	2.5%	1.6%	1.8%
Inflation	7.8%	4.4%	2.4%	1.8%
Unemployment rate	6.1%	6.5%	6.4%	5.9%

Source: Moody's Analytics - January 13th, 2025



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