

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€20,000 Milan Prime Rent/sqm/yr	▲	▬
€15,000 Rome Prime Rent/sqm/yr	▬	▬
€1,100 Prime Shopping Center Rent/sqm/yr	▲	▬

ITALIAN ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
+0.6% GDP Growth	▲	▲
6.05% Unemployment Rate	▼	▼
3.68% 10-Yr Treasury Yield	▼	▲

Source: Moody's Italy, April, 8<sup>th</sup> update (GDP Growth estimate Q1 2025 on Q1 2024; Unemployment Rate Q1 2025; 10-Yr Gov Bond at Q1 2025).

ECONOMY

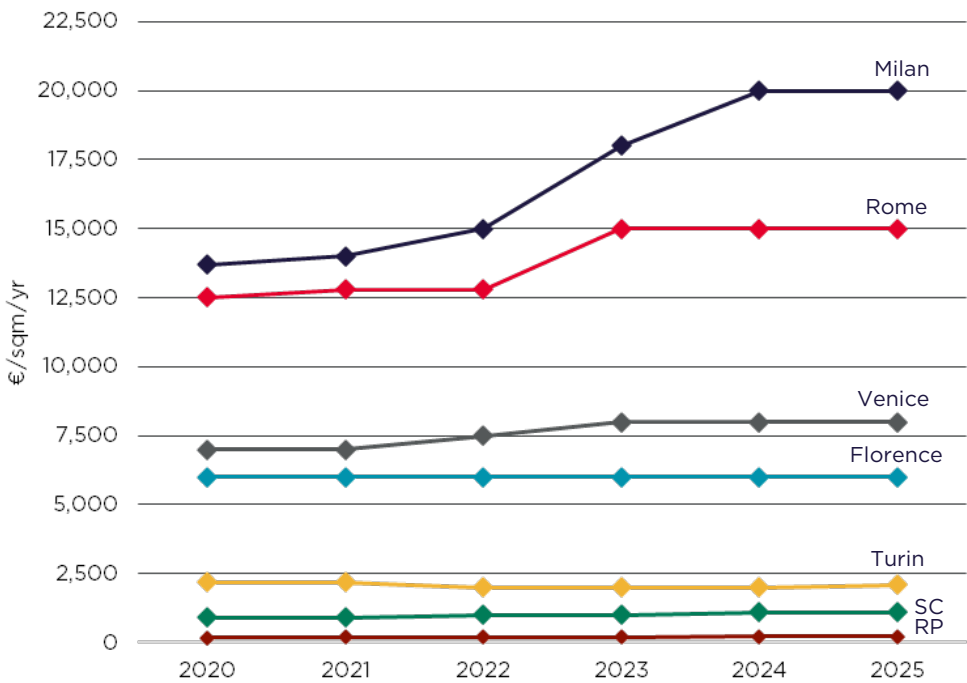
In the first quarter of 2025, Italy's economy managed to stay on a fragile path of growth, offering a glimmer of resilience in an otherwise uncertain global landscape. With a modest uptick in GDP, the country appeared to be holding its ground, even as revised projections by the Bank of Italy signaled tempered optimism for the year ahead, revising down its GDP growth projections to 0.6% for 2025, followed by 0.8% and 0.7% for the next two years respectively, reflecting a broader slowdown in the Eurozone. Beneath the surface, the macroeconomic picture remained complex: unemployment edged down to 6.05%, suggesting a still robust labor market, while inflation ticked up slightly to 1.6%, still well within manageable levels. However, storm clouds lingered on the horizon. The yield on 10-year BTP bonds crept up to 3.68%, a sign that investors remained wary amid rising protectionism, fragile EU fiscal unity, and renewed geopolitical tensions.

OCCUPIER

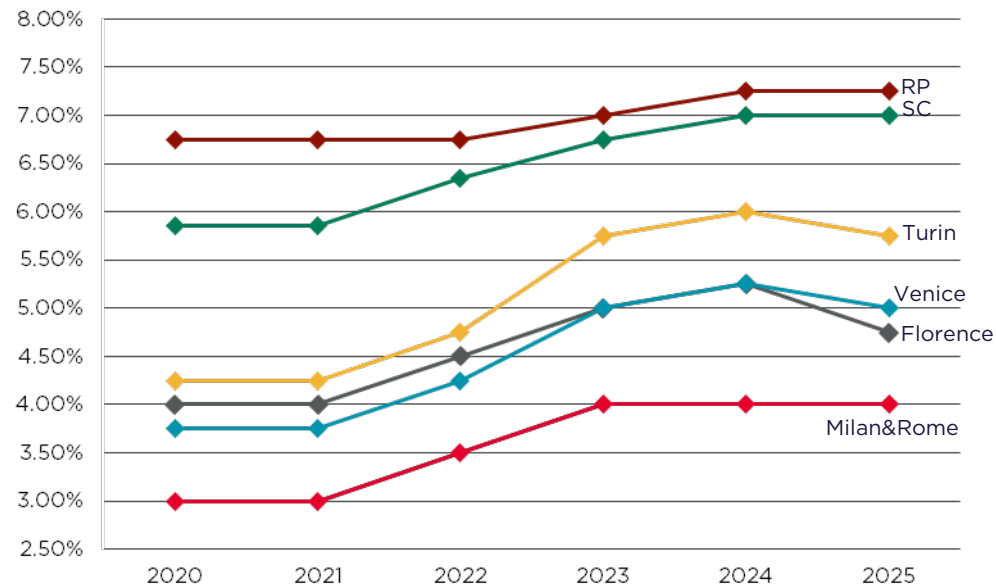
Shifts in retailer behavior paint an optimistic yet nuanced picture of the Italian retail sector. Several established brands are expanding widely, while some food and beverage players are thriving. High-end retailers are reinforcing their presence in prime locations, emphasizing the enduring demand for luxury-driven retail spaces in Italy. The commitment of luxury and global brands underscores a strong demand trend, particularly in high-traffic urban hotspots and elite holiday destinations.

Fundamentals in prime shopping centres continue their upward trend. In terms of performance, the most dynamic sectors were furniture and home living, beauty and pharma.

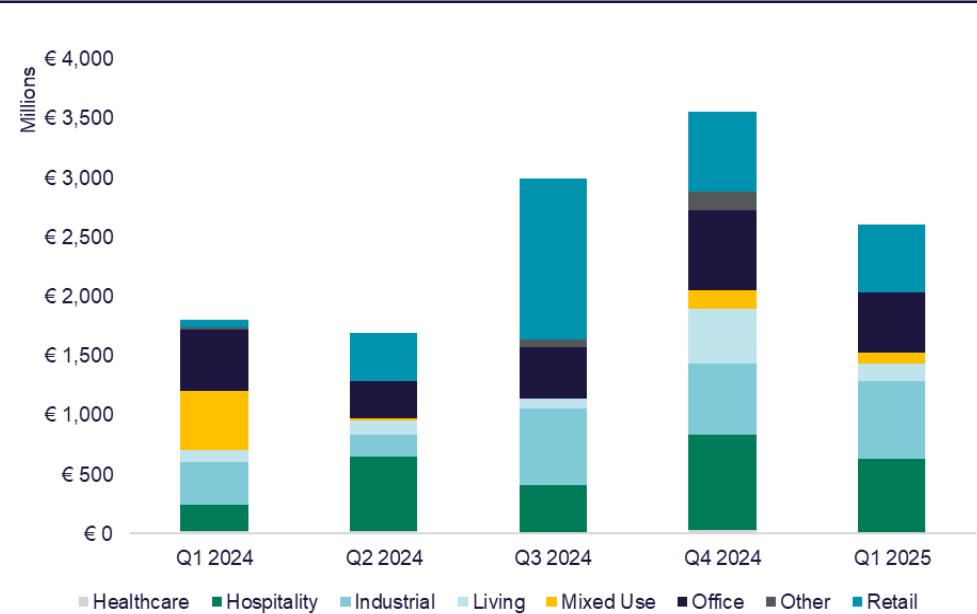
PRIME RENTS



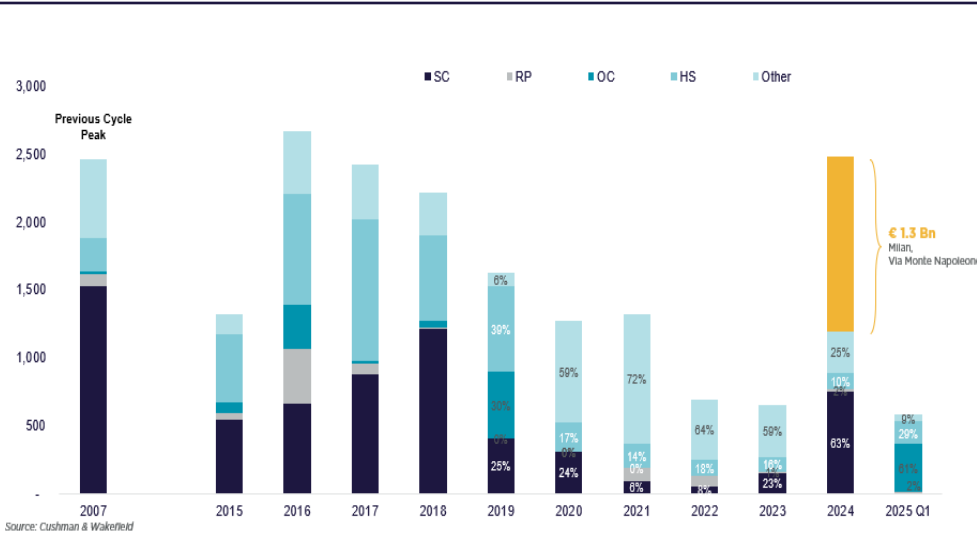
PRIME YIELDS



ITALY INVESTMENT VOLUME BY SECTOR



RETAIL INVESTMENT VOLUME BY TYPOLOGY



INVESTMENT

The investment market in Q1 2025 delivered an exceptional performance, positioning the retail sector as a significant driver of growth. The total CRE investment volume for Q1 2025 reached 2.6€ billion across all sectors. The retail sector alone secured 580€M, marking a substantial increase compared to Q1 2024. Retail accounted for 22% of total investments, trailing only the industrial (25%) and hospitality (25%) sectors. Major transaction underpinned this growth, including acquisitions of The Mall Luxury Outlets (350€M). The retail sector’s resurgence demonstrates its ongoing allure to both domestic and international investors. This momentum is likely to continue into subsequent quarters.

PRICING

Trends in rental values reveal increasingly diverse market dynamics across Italy, highlighting regional variances that investors should monitor closely. The Q1 2025 rental market witnessed mixed results when comparing performance with both Q1 2024 and Q4 2024. Some cities observed steady increases, driven by demand for prime locations, while others exhibited modest fluctuations. High-performing destinations include Milan , Naples and Venice. Secondary cities and high-end vacation destinations continue to gain traction as global luxury brands target locations such as Cortina and Taormina. Brand interest in major cities remains strong, while affluent vacation spots emerge as strategic expansion targets, indicating diversification in retailer preferences.

Prime yield trends mirrored the variability seen in rents, with considerable differences across regions and property types. Yields in Q1 2025 generally demonstrated stability when compared to Q1 2024. Cities with growth in demand experienced mild yield compressions. Yields are predicted to tighten further in prime locations as investors’ appetite continues to grow, while secondary markets may see slightly more flexibility, offering opportunities for risk-tolerant investors. Despite market variability, stable or declining yields in desirable locations signal continued confidence in retail investments, providing credible opportunities for strategic acquisitions.

OUTLOOK

**YIELDS ARE PREDICTED TO TIGHTEN FURTHER IN PRIME LOCATIONS AS INVESTORS’ APPETITE CONTINUES TO GROW, WHILE SECONDARY MARKETS MAY SEE SLIGHTLY MORE FLEXIBILITY, OFFERING OPPORTUNITIES FOR RISK-TOLERANT INVESTORS.**

MARKET STATISTICS

SUBMARKET	PRIME RENT	1 YEAR GROWTH	5 YEARS CAGR	PRIME YIELD (NET*)	1 YEAR GROWTH	5 YEARS CAGR
Milan	€20,000	5.30%	7.90%	4.00%	-5.90%	7.80%
Rome	€15,000	0.00%	3.70%	4.00%	-5.90%	7.80%
Venice	€8,000	0.00%	2.10%	4.75%	-9.50%	7.00%
Florence	€6,000	0.00%	-1.00%	5.00%	-4.80%	7.40%
Turin	€2,100	5.00%	-0.90%	5.75%	-4.20%	7.50%
Shopping Centres	€1,100	10.00%	4.10%	7.00%	0.00%	4.90%
Retail Parks	€220	10.00%	4.10%	7.25%	0.00%	2.20%

**NOTES:**  
Renewals not included in leasing statistics  
\*Yields are calculated on a net basis as Net Yield = NOI (1) / PP (2)  
1. Net Operating Income - after deducting all non-recoverable expenditure  
2. Purchasing Price - excluding transfer costs, tax and legal fees.  
With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.  
Yields may be based either on estimations or market sentiment, depending on the number of transactions occurred in the selected submarkets.

KEY LEASE TRANSACTIONS YTD

QUARTER	PROPERTY	SUBMARKET	TENANT	TYPE
1	Calle Vallaresso	Venice	Golden Goose	New lease
1	Piazza degli Antinori	Venice	Golden Goose	New lease
1	Corso Umberto	Taormina	Zimmermann	New lease
1	Via Filangieri	Naples	Moncler	New lease
1	Corso Italia	Cortina d’Ampezzo	Swatch	New lease
1	Piazzale Luigi Cadorna	Milan	Amazon Beauty	New lease
1	Corso d’Augusto	Rimini	Legami	New lease

KEY SALES TRANSACTIONS YTD

QUARTER	PROPERTY	SUBMARKET	PROPERTY TYPE	SELLER / BUYER	PRICE
1	The Mall Luxury Outlet	Multi-city	Factory Outlet	Kering/Simon Premium Outlets	€350M
1	Garage Traversi	Milan	High Street	Invesco / Private	€109M
1	Via del Corso 511	Rome	High Street	Columbia Threadneedle / Finleonardo	€12M
1	Piazza della Repubblica	Florence	High Street	Patrizia / Private	€40M
1	9 cinema portfolio	Rome	Entertainment	Private / WRM Capital Asset	€38.5M

NEW OPENING AND KEY PIPELINES 2025-26

PROPERTY	SUBMARKET	OWNER/DEVELOPER	OPENING
Waterfront Mall	Genoa	CDS	Q3 2025
Waltherpark	Bolzano	Hager	Q3 2025
Torino Outlet Village	Turin	Arcus	Q4 2025
Fass Shopping Center	Cagliari	Villa del Mas	Q4 2025
To Dream (extension)	Turin	Res-Ceetrus	2026
Carosello (extension)	Milan	Eurocommercial	2026
L’Arsenale (extension)	Treviso	C-Quadrat Asset Management France	2026

**THOMAS CASOLO**  
*International Partner, Head of Retail Italy*  
Tel: +39 02 6379 9218  
[thomas.casolo@cushwake.com](mailto:thomas.casolo@cushwake.com)

**ANDREA ORSA**  
*Partner, Head of Capital Markets Retail*  
Tel: +39 02 6379 9279  
[andrea.orsa@cushwake.com](mailto:andrea.orsa@cushwake.com)

**FRANCESCA NEGRONI**  
*Retail Research*  
Tel: +39 02 6379 9240  
[francesca.negroni@cushwake.com](mailto:francesca.negroni@cushwake.com)

**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**  
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of \$9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.  
  
Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.