MARKETBEAT
ITALY
RETAIL Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€20,000 Milan Prime Rent/sqm/yr	–	▲
€16,000 Rome Prime Rent/sqm/yr	▲	–
€1,200 Prime Shopping Center Rent/sqm/yr	▲	–

ITALIAN ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
+0.45% GDP Growth	▼	▲
6.00% Unemployment Rate	▼	▲
3.69% 10-Yr Treasury Yield	–	▼

Source: Moody's Italy, September 30th update (GDP Growth estimate Q3 2025 on Q3 2024; Unemployment Rate Q3 2025; 10-Yr Gov Bond at Q3 2025).

ECONOMY

By the end of the third quarter of 2025, Italy's economy showed cautious stability, with modest growth, controlled inflation, and a solid labor market. GDP grew slightly, about 0.4% year-on-year, driven by investment in non-residential construction and steady domestic demand. Unemployment remained near 6%, and inflation stabilized around 2%, supported by lower energy costs and easing wage pressures. Interest rates eased slightly after ECB cuts, and credit conditions began to normalize—factors supportive of both consumption and real estate refinancing in the medium term. The retail sector entered a transitional but steady phase, sustained by employment and improving credit conditions, though still influenced by cautious consumer sentiment. Growth is concentrated in prime and experiential retail formats, while investment interest is gradually returning amid a more favorable monetary climate.

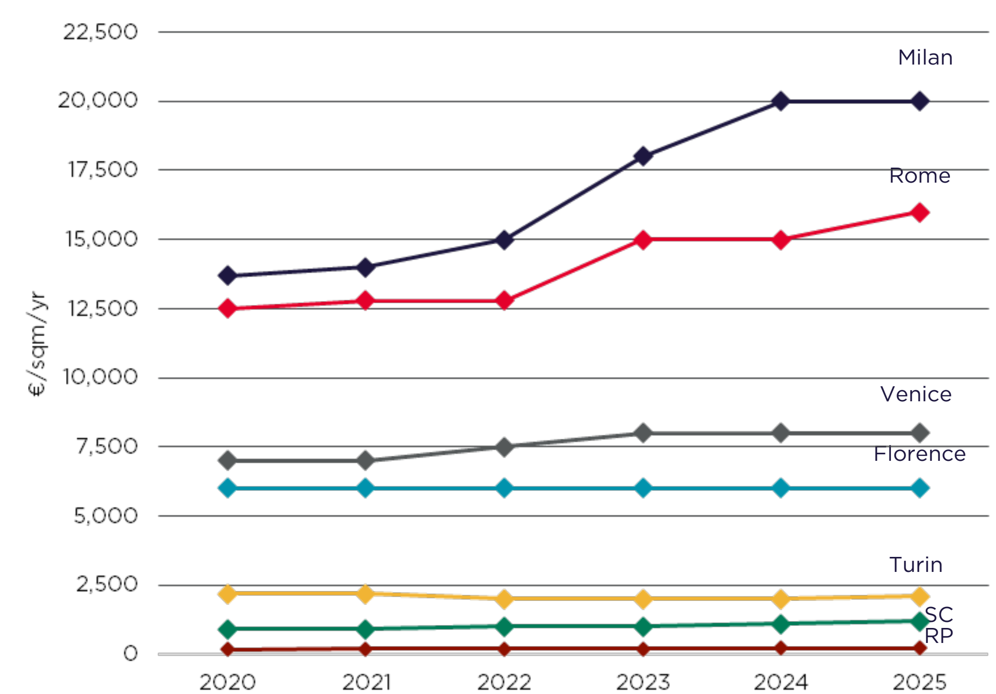
OCCUPIER

Growing interest in Italy's prime retail locations. The Italian retail landscape is seeing a dynamic shift, with Milan and Rome welcoming new entries from high-performance and lifestyle brands such as Lululemon, Alo Yoga, and Autry. These additions underscore the growing dominance of sportswear and sneakers, which—alongside watches—are currently the most active retail segments.

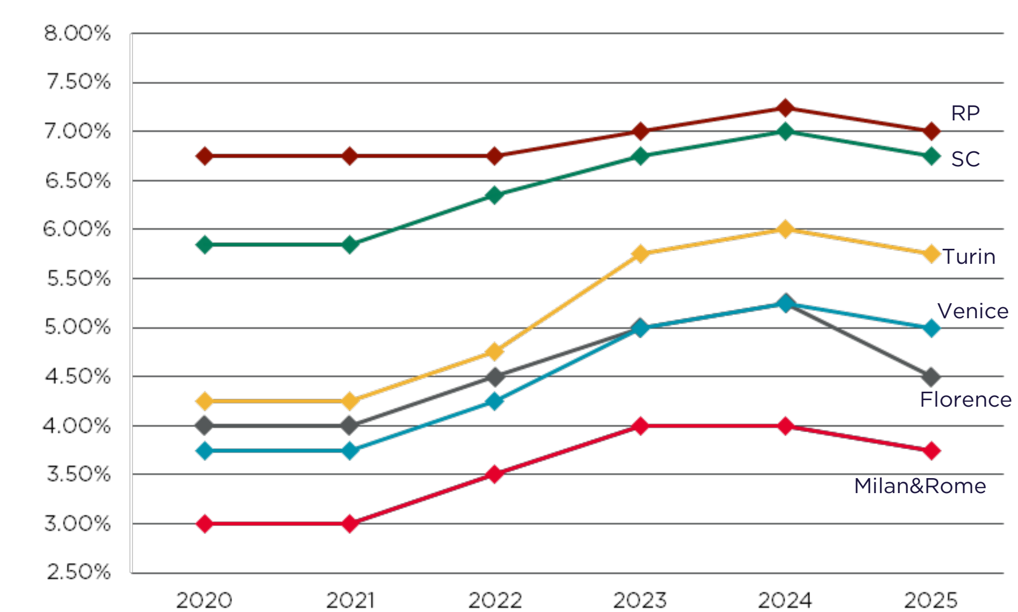
Retailers are actively scouting prime high-street and regional locations, anticipating increased foot traffic and visibility ahead of the 2026 Milano-Cortina Winter Olympics. This international event is expected to significantly boost tourism and retail activity across northern Italy.

There is strong demand for 150–200 sqm retail units in top-tier shopping centers, reflecting a strategic focus on experiential, brand-driven retail formats that align with evolving consumer preferences.

PRIME RENTS



PRIME YIELDS



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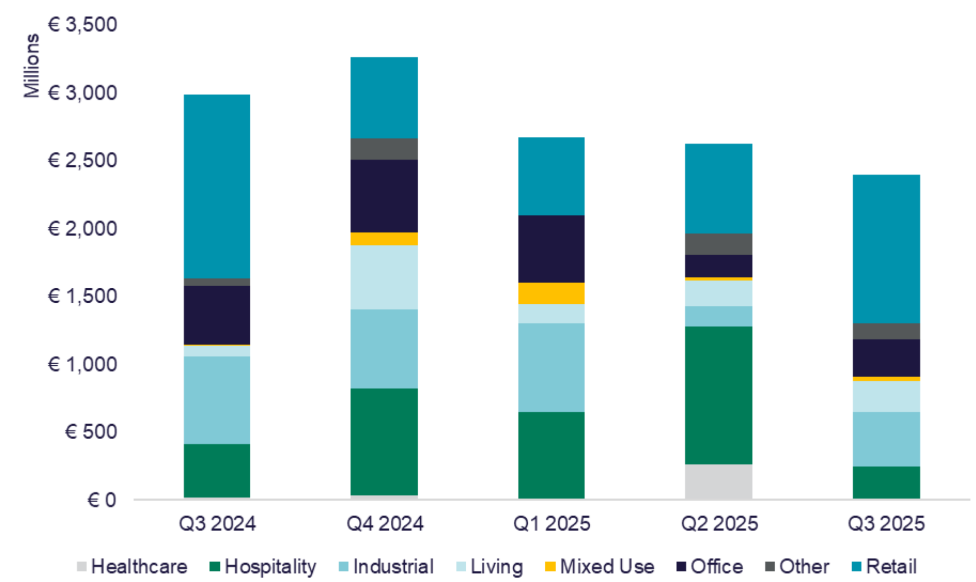
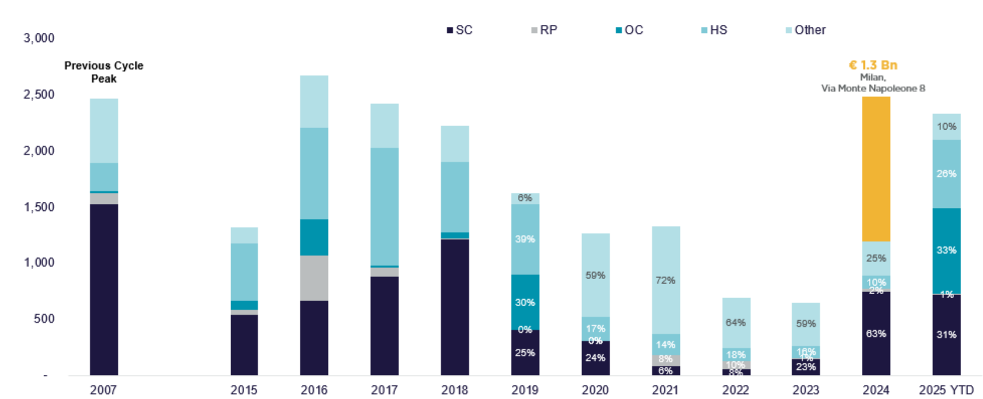
ITALY INVESTMENT VOLUME BY SECTOR



RETAIL INVESTMENT VOLUME BY TYPOLOGY



INVESTMENT

Retail investment activity rose sharply in Q3 2025, reaching appx. 1.1 €Bn, up 64% on Q2 (665 €Mn) and well above Q1 levels (575 €Mn). This brought the total for the first nine months of 2025 to roughly 2.3 €Bn, just 4% below the full-year volume of 2024 and confirming the sector's growing importance within the broader commercial real estate rebound. The quarter was marked by several large-scale transactions, including Oriocenter, a prime shopping center in the north of Italy bought by a JV between Percassi Group and Generali, and 3 outlets from the Blackstone Portfolio sold to Frey, a French market specialist, reflecting renewed appetite for income-producing retail assets. Institutional and specialist investors continued to drive activity, drawn by attractive yield spreads relative to other asset classes and improved financing conditions.

PRICING

In the third quarter of 2025, Italy's prime high-street retail market remained stable overall, confirming the phase of consolidation observed since mid-year. Prime rents were broadly unchanged quarter-on-quarter, showing stability across all major cities: in Milan, top rents are still at €20,000/sqm/year in Via Montenapoleone as well as in Rome Via Condotti at €16,000/sqm/year. Florence saw modest rent growth along Via Strozzi while in secondary markets (Bologna, Bari, Catania, Turin, Naples), rents remained flat quarter-on-quarter.

Prime high-street yields remained stable, while shopping center yields compressed by 25 bps to 6.75%, reflecting renewed investor appetite and stronger liquidity. The combination of stable rents, improving credit conditions, and recovering retail turnover is creating a more constructive investment landscape. Prime yields are expected to compress further through late 2025 and into 2026.

OUTLOOK

THE COMBINATION OF STABLE RENTS, IMPROVING CREDIT CONDITIONS, AND RECOVERING RETAIL TURNOVER IS CREATING A MORE CONSTRUCTIVE INVESTMENT LANDSCAPE. PRIME YIELDS ARE EXPECTED TO COMPRESS FURTHER THROUGH LATE 2025 AND INTO 2026.

MARKET STATISTICS

SUBMARKET	PRIME RENT	1 YEAR GROWTH	5 YEARS CAGR	PRIME YIELD (NET*)	1 YEAR GROWTH	5 YEARS CAGR
Milan	€20,000	0.00%	7.90%	3.75%	-6.30%	4.60%
Rome	€16,000	6.70%	5.10%	3.75%	-6.30%	4.60%
Venice	€8,000	0.00%	2.70%	4.50%	-14.30%	2.40%
Florence	€6,000	0.00%	-1.00%	5.00%	-4.80%	5.90%
Turin	€2,100	5.00%	-0.90%	5.75%	-4.20%	6.20%
Shopping Centres	€1,200	9.10%	5.90%	6.75%	-3.60%	3.30%
Retail Parks	€220	0.00%	4.10%	7.00%	-3.40%	0.70%

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
3	Via del Corso	Rome	Pop-Mart	New lease
3	Corso Buenos Aires	Milan	Under Armour	New lease
3	Corso Vittorio Emanuele II	Milan	Levi's	New lease
3	Via Tivoli	Milan	Birkenstock	New lease
3	Via della Mostra	Bolzano	Marc O'Polo	New lease
2	Corso Buenos Aires	Milan	Mango	New lease
2	Via Durini	Milan	Autry	New lease
2	Via del Babuino	Rome	Alo Yoga	New lease
2	Via del Corso	Rome	Lululemon	New lease
1	Calle Vallaresso	Venice	Golden Goose	New lease

KEY SALES TRANSACTIONS YTD

QUARTER	PROPERTY	SUBMARKET	PROPERTY TYPE	SELLER / BUYER	PRICE
3	Oriocenter	Bergamo	Shopping Centre	Commerzreal / Percassi Group JV Generali	470€Mn
3	3 shopping villages portfolio	Multi-city	Factory Outlet	Blackstone / Frey-Cale Street	410€Mn
3	Leroy Merlin portfolio	Multi-city	Big Box	Leroy Merlin / Polis Fondi	125€Mn
2	Piazza Cordusio	Milan	High Street	Hines / Private	325€Mn
2	Centro Sicilia	Catania	Shopping Centre	GWM/Farallon-Reve	Conf.
1	The Mall Luxury Outlet	Multi-city	Factory Outlet	Kering/Simon Premium Outlets	350€Mn
1	Garage Traversi	Milan	High Street	Invesco / Private	109€Mn

NEW OPENING AND KEY PIPELINES 2025

PROPERTY	SUBMARKET	OWNER/DEVELOPER	OPENING
Waterfront Mall	Genoa	Orion / CDS	Q3 2025
Waltherpark	Bolzano	Schöller Group	Q3 2025
Torino Outlet Village (extension)	Turin	Arcus	Q4 2025
Fass Shopping Center	Cagliari	Villa del Mas	Q4 2025

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