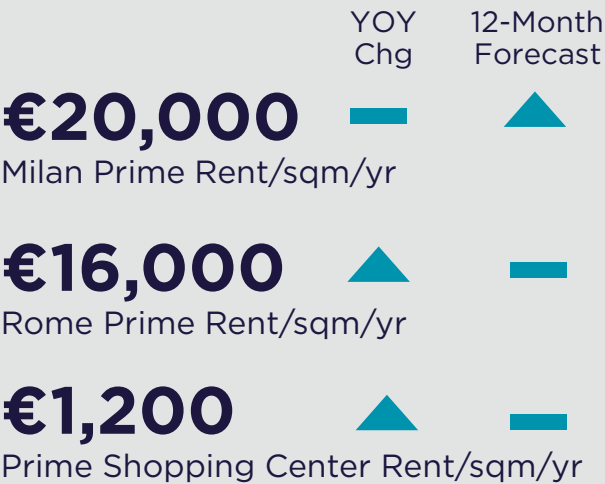
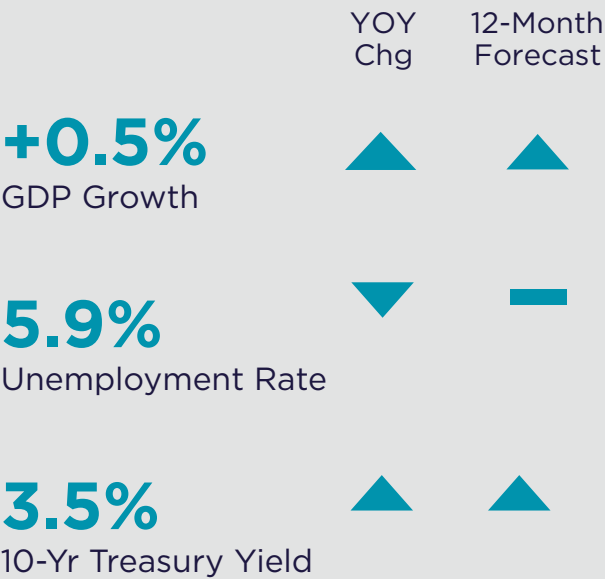


MARKET FUNDAMENTALS



ITALIAN ECONOMIC INDICATORS



Source: Moody's Italy, January 12<sup>th</sup> update (GDP Growth estimate Q4 2025 on Q4 2024; Unemployment Rate Q4 2025; 10-Yr Gov Bond at Q4 2025).

ECONOMY

By the end of 2025, Italy's economy showed weak but resilient growth, with GDP broadly flat across quarters and full-year growth around 0.5-0.6%. Inflation eased further toward year-end (around 1.1-1.2% in Nov-Dec), improving real purchasing power, while the labor market remained solid, supporting household consumption. Financial conditions gradually improved as the tightening cycle ended and credit conditions began to normalize, creating a more supportive backdrop for investment. For retail real estate, this translates into a stable but selective environment: occupier demand and consumer spending are holding up in prime locations, and investor interest is cautiously returning, particularly for core, well-positioned and experiential retail assets.

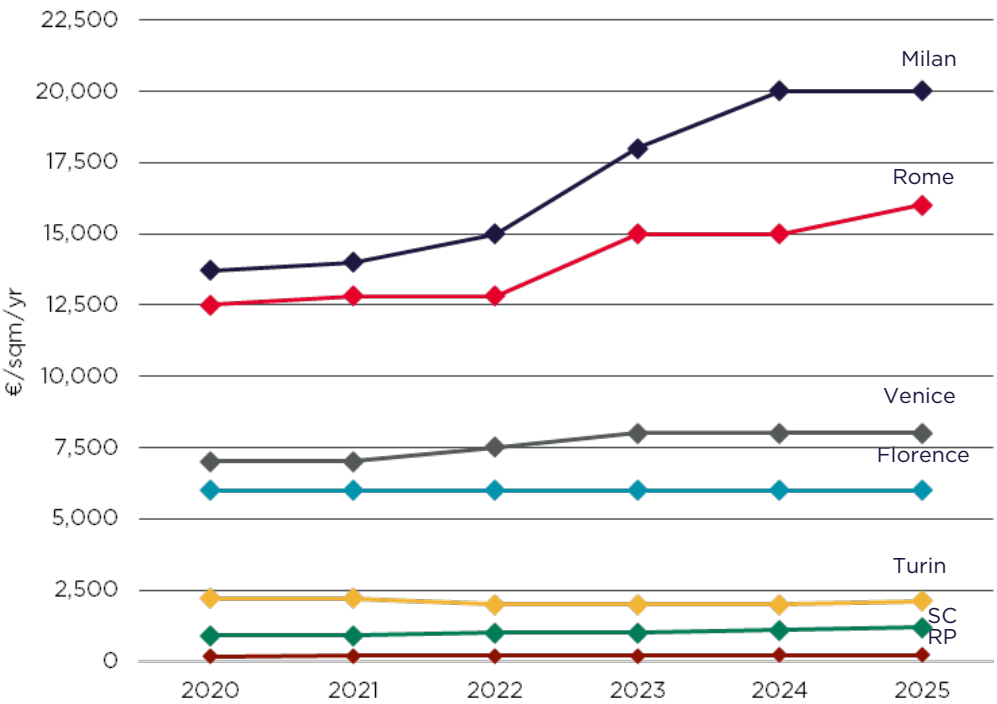
OCCUPIER

Confirmed interest in Italy's prime retail locations. The Italian retail market is entering a dynamic phase, with Milan and Rome continuing to attract strong-performing and lifestyle-driven brands such as Mizuno, Champion, and Flower Mountain. These new openings underscore the dominance of sportswear and sneakers, which—together with skincare and beauty—remain the most active segments in the sector. Normal has recently launched its first high-street flagship in Italy on Via Torino in Milan, while several other beauty and cosmetics brands are actively exploring opportunities across the market.

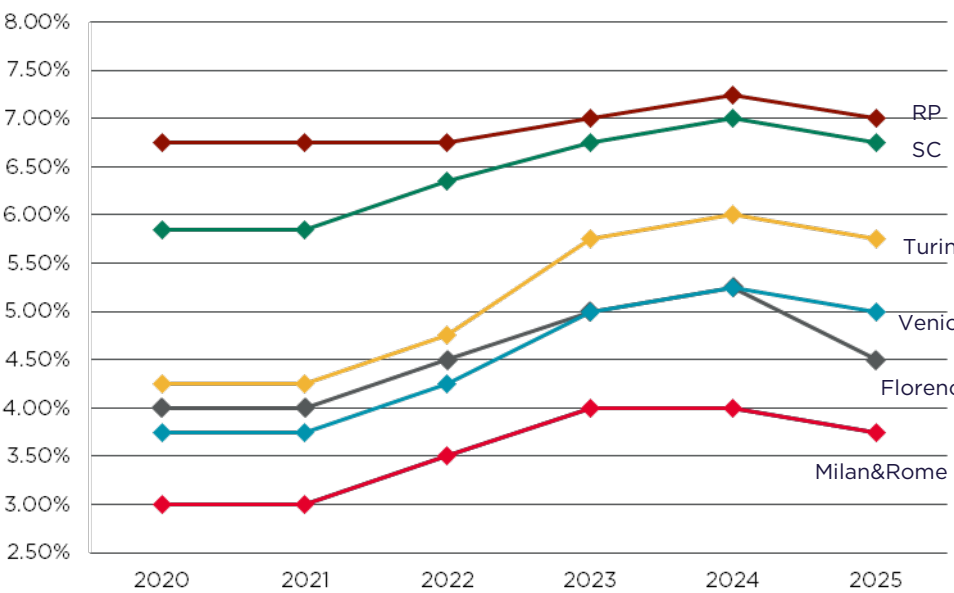
The upcoming 2026 Milano-Cortina Winter Olympics is also stimulating retailer activity in mountain destinations, where tourism will significantly boost and visibility and footfall are expected to increase.

Demand across top-tier shopping centres remains strong, reflecting a strategic shift toward experiential, brand-centric retail formats that align with evolving consumer expectations.

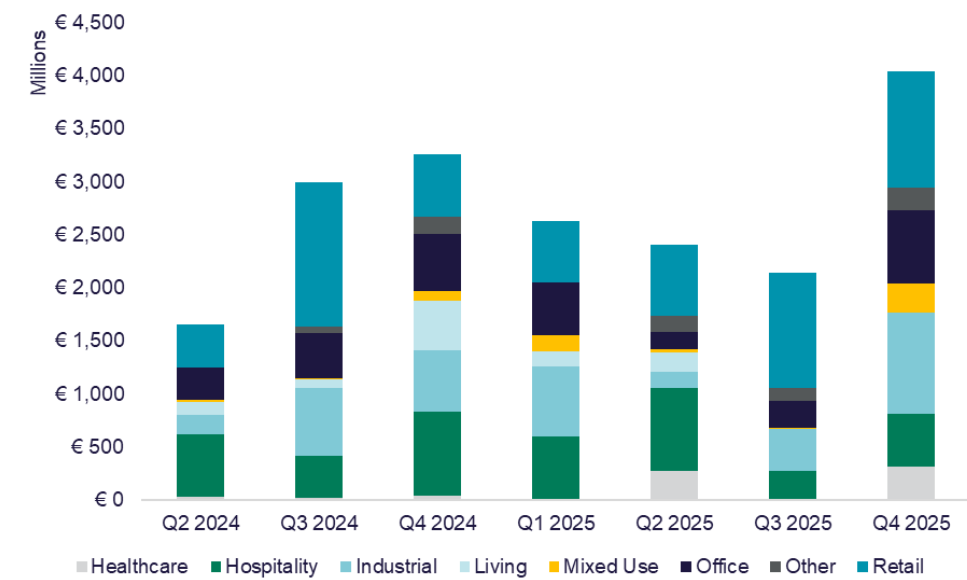
PRIME RENTS



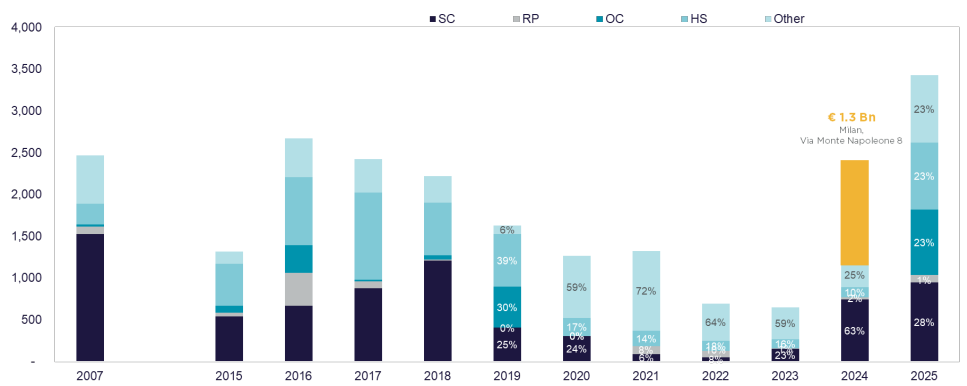
PRIME YIELDS



ITALY INVESTMENT VOLUME BY SECTOR



RETAIL INVESTMENT VOLUME BY TYPOLOGY



INVESTMENT

Q4 2025 confirmed the strong rebound of investment into Italian retail real estate started in 2023, with volumes reaching €1,2bn in the quarter, bringing full-year investment to €3.5bn and a 28% market share. Retail emerged as the top-performing sector, ahead of hospitality and logistics. Liquidity strengthened over the year, confirming the sector’s renewed appeal among institutional investors. Capital flows were driven primarily by institutional and cross-border investors, targeting stabilised, income-producing assets offering attractive yield spreads, resilient cash flows and repriced entry points, particularly in prime high street locations (Corti di Baires) and dominant shopping centres (Bari Casamassima) as well as grocery portfolios (Carrefour). Market confidence is further illustrated by the return of acquisitive specialist investors, including Klépierre’s renewed commitment to Italy through its second acquisition in the south of Italy.

Overall, 2025 recorded the highest investment volume ever for the Italian retail market, alongside the largest single-asset shopping centre transaction on record: Oriocenter sold for almost half billion Euros. This performance has been supported by pricing corrections and easing financing conditions, which have restored attractive risk-adjusted return profiles, particularly across retail and operational sectors.

PRICING

In the final quarter of 2025, Italy’s prime high-street retail market remained broadly stable, reaffirming the consolidation phase that has been in place since mid-year. Prime rents showed little movement quarter-on-quarter, maintaining stability across major cities, with modest increases recorded in Rome Via del Corso, Naples Via Toledo, and Milan Corso Vittorio Emanuele. Prime high-street yields also remained unchanged, as did yields in shopping centres and retail parks. Looking ahead, prime yields are expected to compress over the course of 2026.

OUTLOOK

**MOMENTUM IS BUILDING LIQUIDITY IS STRENGTHENING ON PRIME ASSETS, AND CORE CAPITAL IS EXPECTED TO RETURN IN 2026, SUPPORTING FURTHER YIELD COMPRESSION OVER THE YEAR.**

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 2025

QUARTER	PROPERTY	SUBMARKET	TENANT	TYPE
4	Via Montenapoleone	Milan	Vhernier	New lease
4	Via del Babuino	Rome	Stone Island	New lease
4	Via Torino	Milan	Champion	New lease
4	Via Torino	Milan	Normal	New lease
4	Via del Corso	Rome	Zara Man	New lease
4	Corso Italia	Cortina d’Ampezzo	Prada	New lease
3	Via del Corso	Rome	Pop-Mart	New lease
3	Corso Vittorio Emanuele II	Milan	Levi’s	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 2025

QUARTER	PROPERTY	SUBMARKET	PROPERTY TYPE	SELLER / BUYER	PRICE
4	Carrefour Portfolio	Multi-city	Supermarket	Carrefour/New Princes	420€M
4	Casamassima	Bari	Shopping Centre	Ceetrus/Klepierre	165€M
4	Leroy Merlin Portfolio S&LB	Multi-city	Big Box	Leroy Merlin/Leadcrest Capital Partners	125€M
3	Oriocenter	Bergamo	Shopping Centre	Commerzreal / Percassi Group JV Generali	470€M
3	3 shopping villages portfolio	Multi-city	Factory Outlet	Blackstone / Frey-Cale Street	410€M
2	Piazza Cordusio	Milan	High Street	Hines / Private	325€M
2	Centro Sicilia	Catania	Shopping Centre	GWM/Farallon-Reve	Conf.
1	The Mall Luxury Outlet	Multi-city	Factory Outlet	Kering/Simon Premium Outlets	350€M
1	Garage Traversi	Milan	High Street	Invesco/Private	109€M

NEW OPENINGS AND KEY PIPELINES 2026

PROPERTY	SUBMARKET	OWNER/DEVELOPER	OPENING
Waltherpark	Bolzano	Schöller Group	Q4 2025
Torino Outlet Village (extension)	Turin	Arcus	Q4 2025
Waterfront Mall	Genoa	Orion / CDS	Q1 2026
Fass Shopping Center	Cagliari	Villa del Mas	Q2 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.