



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.3% Vacancy Rate (Immediate)	▲	▼
811,000 Q Absorption, SQM	▲	▬
€70 Prime Rent, SQM/YR <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
+0.7% GDP Growth	▲	▬
5.25% Unemployment Rate	▼	▲
3.5% 10-Yr Treasury Yield	▲	▲

Source: Moody's Italy, April 7th update (GDP Growth estimate Q1 2026 on Q1 2025; Unemployment Rate Q1 2026; 10-Yr Gov Bond at Q1 2026).

ECONOMY

The macroeconomic outlook for Italy has shifted since the start of 2026, with the Middle East conflict acting as the primary disruptive force, though its full impact has yet to be reflected in the hard data. GDP growth has been revised down to around 0.5%, consumer confidence has softened since early 2026, and inflation is expected to move closer to 2%, while tighter financial conditions are putting upward pressure on interest rates. For logistics real estate, this translates into a more selective market, still supported by solid structural drivers. Weaker consumption and higher operating costs are pushing occupiers to prioritise efficiency and cost control over expansion, while demand remains resilient for prime, well-located, energy-efficient assets, supported by ongoing supply chain optimisation and resilience strategies.

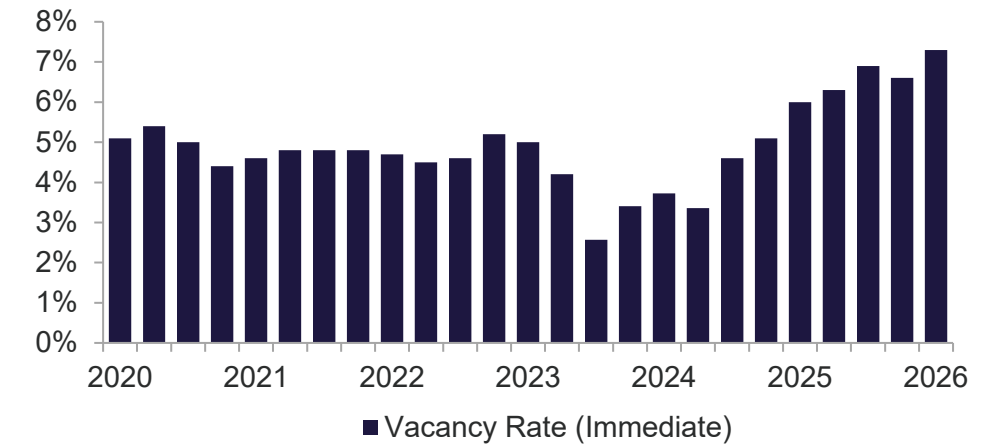
OCCUPIER - LARGE SCALE DISTRIBUTION

In the first quarter of 2026, the logistics market recorded a take-up of approximately 811,000 sqm, confirming the strong momentum observed at the end of 2025. Volumes increased by +69% compared to Q1 2025 (480,000 sqm) and exceeded by +40% the quarterly average recorded since early 2024 (577,000 sqm), signalling a dynamic start to the year and a further strengthening in occupier demand.

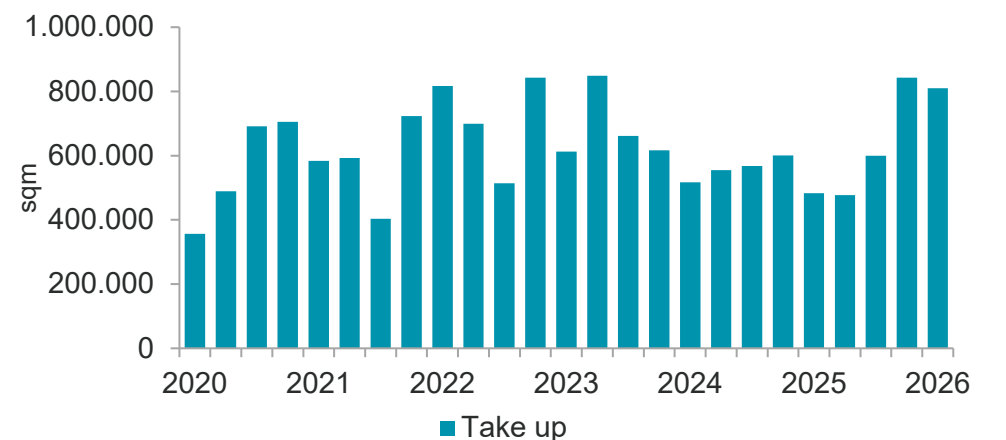
In terms of transaction size, in line with the second half of 2025, which had already marked a return of large-scale deals, Q1 2026 confirms this trend. The quarter recorded three transactions exceeding 50,000 sqm, two of which were above 100,000 sqm, all completed by medium-to-large 3PL operators. Activity also picked up in the 30,000-40,000 sqm range, pointing to a broader recovery across larger deal brackets. At the same time, the distribution of deal sizes remains consistent with recent trends: the 10,000-20,000 sqm segment continues to be the most active, accounting for 44% of total deals by number, in line with the average of the past two years. This reflects the ongoing role of this size bracket as the core of market activity, typically driven by regional distribution needs and last-mile optimisation strategies.

From a geographical perspective, take-up was predominantly concentrated in Lombardy and Piedmont, which together accounted for 66% of total absorbed volume. This concentration underscores the continued attractiveness of Northern Italy's prime logistics corridors,

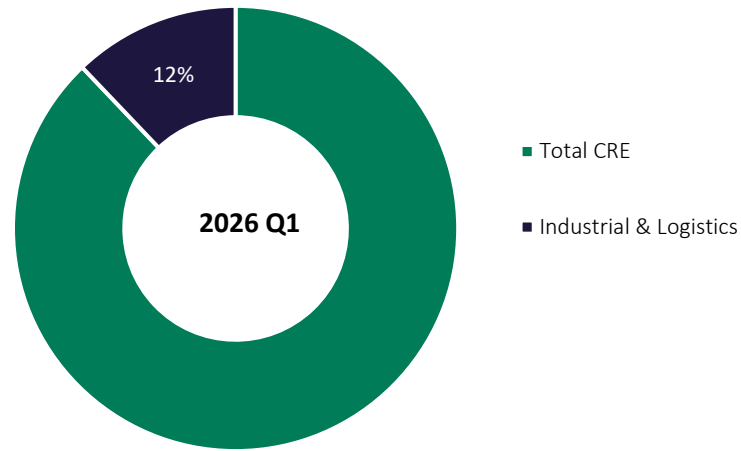
OVERALL VACANCY (IMMEDIATE)



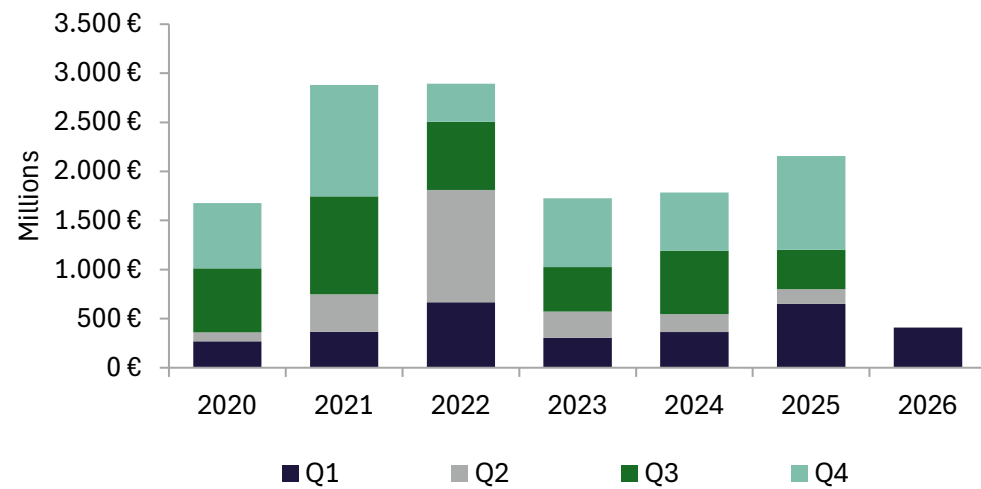
TAKE UP (SQM)



I&L vs. ALL SECTORS - INVESTMENT VOLUME ITALY



I&L INVESTMENT VOLUME



supported by well-established infrastructure, proximity to key consumption hubs, and a dense network of operators.

The logistics vacancy rate increased to approximately 7.3%, driven by the delivery of several pipeline projects completed during the quarter. Looking ahead, vacancy levels are expected to decrease toward year-end, as the pipeline of new projects continues to narrow in response to developers adopting a more selective and demand-driven approach.

INVESTMENT

In Q1 2026, total transaction volume reached approximately 410€Mn, showing a compression compared to both the strong close of 2025 (954 €Mn, -57%) and Q1 2025 (652 €Mn, -37%), as well as versus the five-year quarterly average (470 €Mn, -12%). The quarter recorded 9 transactions, comprising 8 single-asset deals and 1 portfolio transaction.

Amid this softer performance, investor appetite remains solid, backed by a resilient occupier market and strong fundamentals. A number of ongoing negotiations suggest a constructive outlook for the second half of the year.

Liquidity concentration in high-quality single assets in prime locations, while the supply of truly core product remains limited. This imbalance is sustaining competitive pressure on best-in-class assets and reinforcing investor focus on both quality and reversion potential. Core+ and value-add strategies remain key across the risk spectrum, particularly for assets with constraints related to location or technical specifications.

The mid-market segment remains highly liquid, with ticket sizes in the 30-70 €Mn; alongside a notable share of end-user transactions, accounting for approximately 30% of total quarterly volumes. The market is also characterised by limited selling pressure: many owners prefer to delay disposal processes or pursue refinancing strategies while waiting for more favourable conditions. This contributes to constrained supply and, consequently, to a slower pace of transaction activity.

On the demand side, activity is increasingly driven by investors already active in the market who are expanding their exposure to Italy, attracted by the country's improving relative positioning within the European logistics landscape.

PRICING

During the quarter, rental values remained broadly stable across the main markets, with prime rents holding at €70/sqm/year in both Milan and Rome. At the same time, following the compression observed in the final quarter of last year, prime yields remained stable at 5.25%.

OUTLOOK

- Looking ahead, a number of ongoing negotiations support a constructive outlook for the second half of the year, across both the occupier and investment markets, with activity expected to remain solid in the near term.
- Looking ahead to 2026, demand is set to expand, supported by rising European investment in defense and renewables. The Hormuz shock further reinforces this outlook, as disruptions to maritime routes are boosting demand for nearshoring storage and redistribution hubs, with Northern Italy strengthening its role as a key logistics platform for alternative European corridors.

MARKET STATISTICS

SUBMARKET	PRIME RENT (€/SQM/YR)				PRIME YIELD (NET)	
	LOGISTICS WAREHOUSE	QoQ VARIATION	LAST MILE/CROSS DOCK	QoQ VARIATION	LOGISTICS WAREHOUSE & LAST MILE/CROSS DOCK	QoQ VARIATION
CONSOLIDATED MARKET						
Milan	70	→	110	→	5.25%	→
Rome	70	→	110	→	5.25%	→
Bologna	65	→	95	→	5.25%	→
Turin	52	→	80	→	6.50%	→
Genoa	70	→	105	→	6.00%	→
Verona	62	→	95	→	5.50%	→
Piacenza	58	→	80	→	5.50%	→
Novara	60	→	80	→	5.50%	→
EMERGING MARKET						
Florence	80	→	115	→	5.75%	→
Naples	60	→	85	→	7.00%	→
Bari	60	→	85	→	7.00%	→

(**) 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.

KEY LEASE/OWNER OCCUPIER TRANSACTIONS YTD

QUARTER	REGION	CITY (PROVINCE)	TENANT SECTOR	SQM	TYPE
1	Lombardy	Vidigulfo(PV)	3PL	116.600	Lease
1	Piedmont	San Pietro Mosezzo(NO)	3PL	102.000	Lease
1	Piedmont	Alessandria(AL)	3PL	83.500	Pre-lease
1	Veneto	Verona(VR)	3PL	45.540	Pre-lease
1	Piedmont	Castellazzo Bormida(AL)	3PL	44.800	Lease
1	Lombardy	Olgiate Olona(VA)	3PL	44.000	Lease
1	Veneto	Nogarole Rocca(VR)	3PL	35.000	Lease
1	Tuscany	San Miniato(PI)	3PL	32.000	Pre-lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD

QUARTER	PROPERTY - REGION	CITY (PROVINCE)	SELLER/BUYER	SQM	PRICE / € MN
1	Amazon Distribution Portfolio	Multi-City	Segro / Realty Income	35,000	105
1	Logistico Chiari (OO)	Chiari (BS)	Nuven / Esselunga	65,000	65,6
1	Mesero II (OO)	Mesero (MI)	The Carlyle Group / Fresh Tropical	50,349	53
1	Campogalliano BGO	Campogalliano (MO)	Dea Capital / Kryalos	50,031	50,3
1	Tortona fase 2	Tortona (AL)	FAP Investments / Hines	52,030	42
1	PGIM Isola Rizza	Isola Rizza (VR)	Ecodem / PGIM	50,000	37
1	Bologna Interporto 10.3	Bentivoglio (BO)	Camst / Hines	23,121	21,7

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