

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
+0.7% 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 held pace in Q1, but the 2026 outlook has been revised down to 0.5%. Consumer confidence, recovering through 2025, weakened after late February as energy costs began squeezing households. Inflation, down to 1.0% in January, is now projected at approximately 2% for the full year. Interest rates on new loans face renewed upward pressure as financial conditions tighten. For retail real estate, this translates into a more selective environment: occupier demand in prime locations remains resilient, and food retail and discount formats show structural strength.

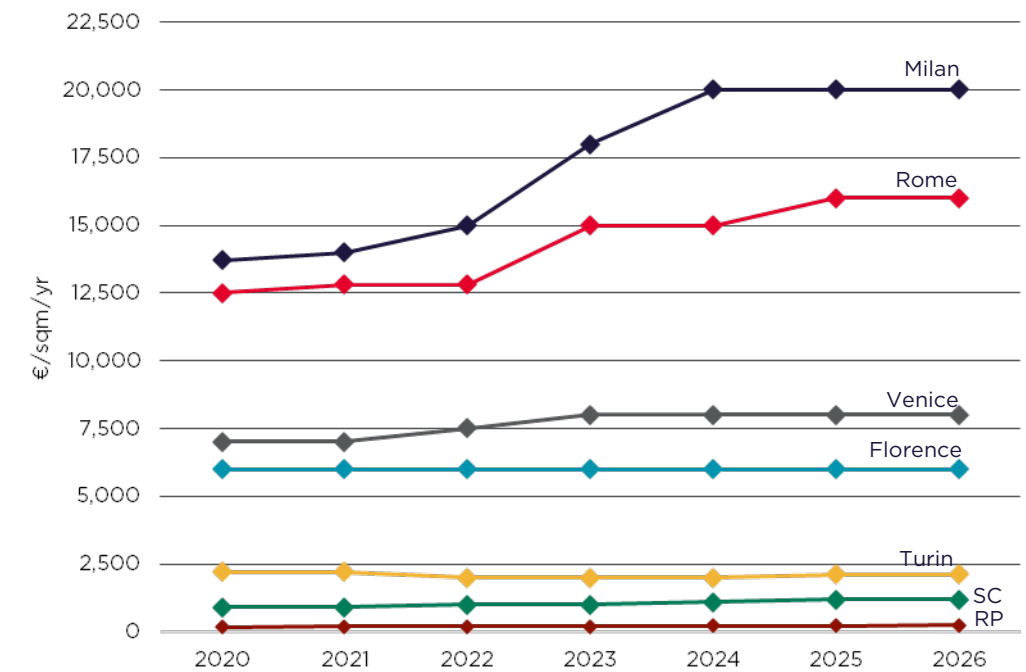
OCCUPIER

The mass-market segment remains highly dynamic, with significant activity particularly driven by brands showing strong interest in high-tourism cities. Locations benefiting from sustained international and domestic tourist flows are attracting increased attention, as brands seek visibility, volume, and long-term positioning. At the same time, several players are broadening their strategic focus, moving beyond traditional fashion-led concepts. Brands are increasingly expanding into more specialised categories, such as technical apparel and cosmetics, with the objective of offering a more comprehensive and lifestyle-driven proposition to consumers. This diversification reflects a shift toward capturing multiple consumer needs within a single brand ecosystem.

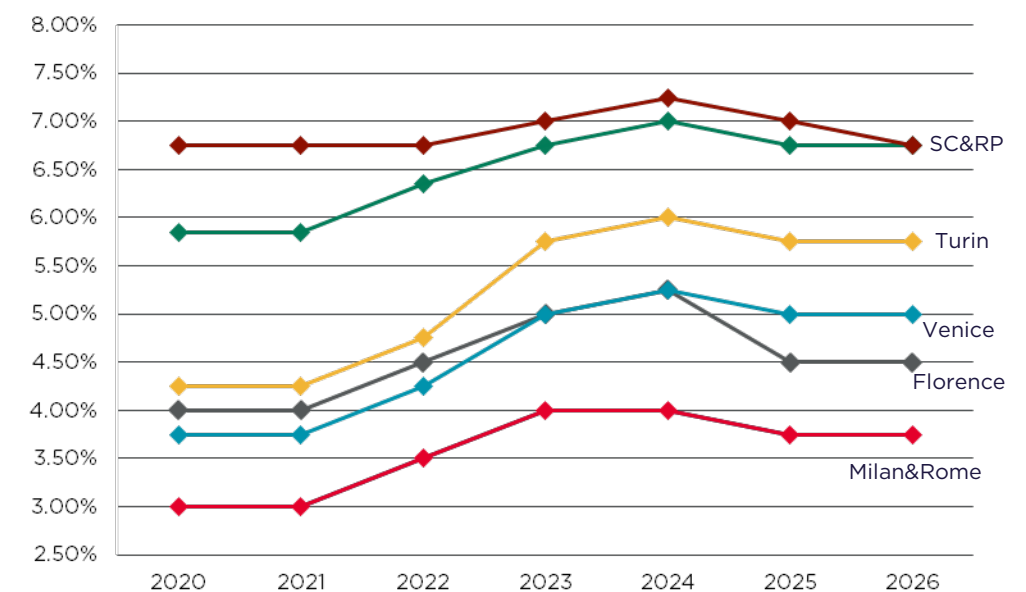
Sportswear and cosmetics continue to be the most active sectors, maintaining strong momentum thanks to consistent consumer demand and their adaptability across different formats and locations.

The luxury segment remains broadly stable. Ongoing geopolitical uncertainty continues to influence decision-making, resulting in a more cautious approach.

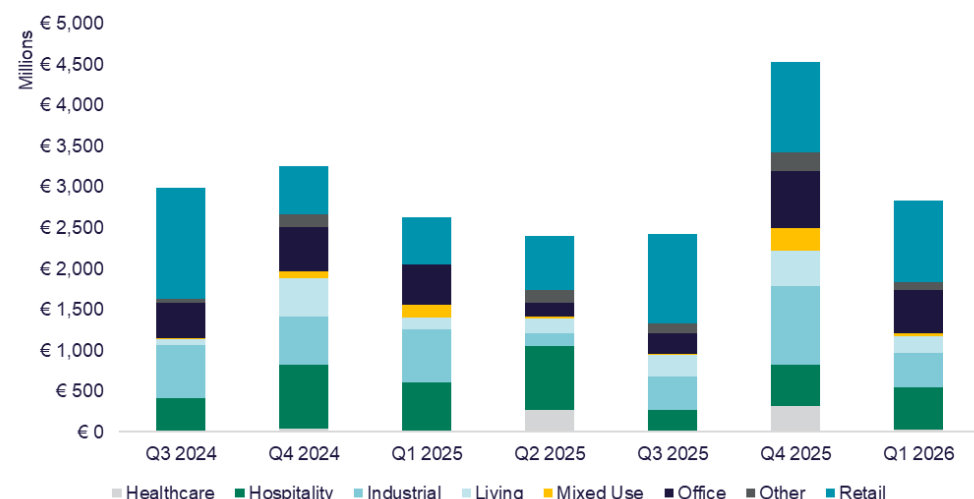
PRIME RENTS



PRIME YIELDS



ITALY INVESTMENT VOLUME BY SECTOR



INVESTMENT

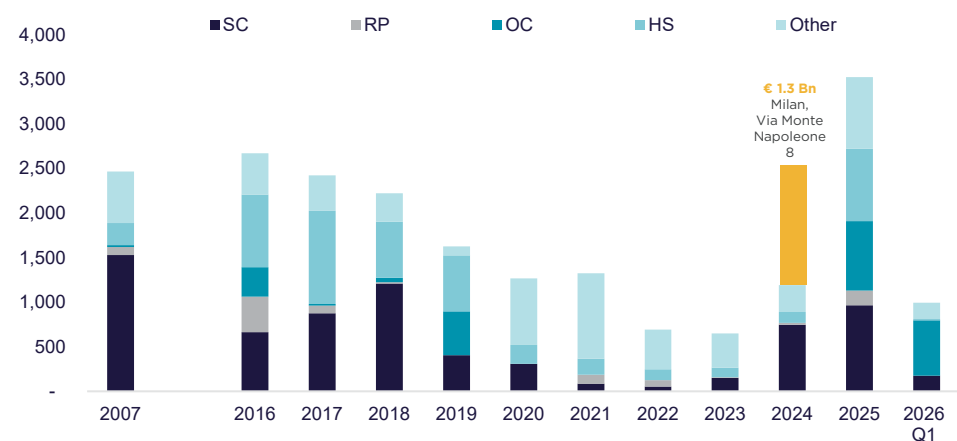
Retail was the standout performer in Q1 2026, accounting for 33% of total Italian investment volumes. At approximately 1€Bn, the quarter marked a 75% year-on-year increase, reinforcing the sector’s recovery trajectory heading into a more uncertain macro environment.

Diversified transaction activity was recorded in Q1 2026. The quarter confirmed sustained interest in the outlet segment, highlighted by VIA Outlets’ first investment in Italy, marking its entry into the market, and further evidenced by Aware Super’s acquisition of a 31.3% stake in the European Outlet Mall Venture platform, including exposure to 2 Italian assets (Serravalle and Castel Romano). Investor appetite was also evident for shopping centres requiring repositioning, such as Grotte Center, offering significant upside potential. Approximately 90€Mn of total investment volume are related to a leisure transaction, where an entertainment operator invested in event spaces.

OUTLOOK

NOTWITHSTANDING THE GEOPOLITICAL RISKS TO BE MONITORED GOING FORWARD, INCREASING INTEREST IN RETAIL ASSETS IS CONFIRMED AND EXPECTED TO CONTINUE.

RETAIL INVESTMENT VOLUME BY TYPOLOGY



PRICING

In Q1 2026, Italy’s prime retail market remained resilient, with rents broadly stable but showing an overall upward trend, driven by the continued lack of availability on the most sought-after high streets.

Prime locations recorded selective growth: Via Tornabuoni in Florence saw rents increase by 10%, supported by robust demand despite the absence of available space, while Via Sant’Andrea in Milan registered a 9% rise, driven by recent leasing activity and the growing relevance of side streets as viable alternatives to prime locations. Retail parks also performed positively, posting a moderate 4.5% rental increase, reflecting rising retailer interest in this format.

Prime yields across high streets and shopping centres remained stable, while retail parks recorded slight compression, supported by increasing investor interest.

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%	7.40%	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%	-5.30%	2.40%
Florence	€6,000	0.00%	0.00%	5.00%	0.00%	5.90%
Turin	€2,100	0.00%	-0.90%	5.75%	0.00%	6.20%
Shopping Centres	€1,200	9.10%	5.90%	6.75%	-3.60%	2.90%
Retail Parks	€230	4.50%	5.00%	6.75%	-6.90%	0.00%

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 Q1 2026

QUARTER	PROPERTY	SUBMARKET	TENANT	TYPE
1	Via Sant'Andrea	Milan	Eres	New lease
1	Piazza Duomo-Via Foscolo	Milan	Alo Yoga	New lease
1	Piazza San Babila	Milan	Pandora	New lease
1	Via Frattina	Rome	Arket	New lease
1	Piazza Augusto Imperatore	Rome	Technogym	New lease
1	Via Roma	Florence	Alo Yoga	New lease
1	Via de' Martelli	Florence	Under Armour	New lease
1	Corso Italia	Cortina d'Ampezzo	Prada	New lease

THOMAS CASOLO

International Partner, Head of Retail Italy

Tel: +39 02 6379 9218

thomas.casolo@cushwake.com

ANDREA ORSA

Partner, Head of Capital Markets Retail

Tel: +39 02 6379 9279

andrea.orsa@cushwake.com

FRANCESCA NEGRONI

Retail Research

Tel: +39 02 6379 9240

francesca.negrone@cushwake.com

KEY SALES TRANSACTIONS 2026

QUARTER	PROPERTY	SUBMARKET	PROPERTY TYPE	SELLER / BUYER	PRICE
1	Pan Eu portfolio - Italy assets Aware Super	Multi-city	Factory Outlet	Pimco / Aware Super	c. 400€Mn
1	Scalo Milano Outlet & More	Milan	Factory Outlet	Gruppo Lonati / VIA Outlets	c. 220€Mn
1	Waterfront Gallery	Genoa	Shopping Center	Undisclosed / French Investor	c. 140€Mn
1	ForumNet Portfolio	Multi-city	Leisure	Gruppo Bastogi / Live Nation	c. 90€Mn
1	Grotte Center	Ancona	Shopping Center	Kryalos SGR / Eurofund Group-Frasers	c. 35€Mn

NEW OPENINGS AND KEY PIPELINES 2026

PROPERTY	SUBMARKET	OWNER/DEVELOPER	OPENING
Waterfront Mall	Genoa	Orion / CDS	Q1 2026
Fass Shopping Center	Cagliari	Villa del Mas	Q2 2026
Novara Retail Park	Novara	Ream SGR	Q3 2026
Roma Outlet Village	Roma	Arcus Real Estate	Q4 2026

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 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.

©2026 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.