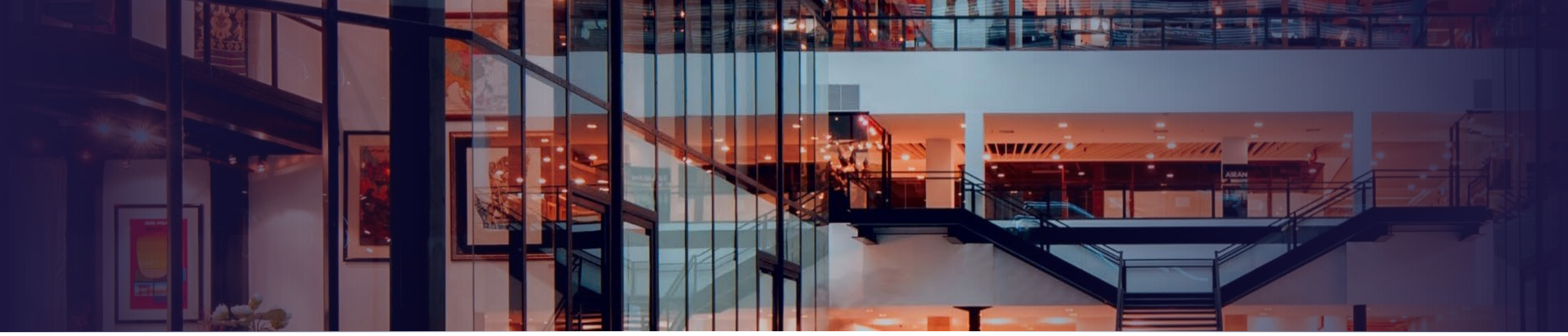


MARKETBEAT
ITALY
RETAIL Q2 2026

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
+0.8% GDP Growth	▲	▲
5.36% Unemployment Rate	▼	▲
3.8% 10-Yr Treasury Yield	▲	–

Source: Moody's Italy, June 8 update (GDP Growth estimate Q2 2026 on Q2 2025; Unemployment Rate Q2 2026; 10-Yr Gov Bond at Q2 2026).

ECONOMY

The macroeconomic outlook for Italy has continued to evolve through H1 2026, with the Middle East conflict acting as the primary disruptive force, its effects now visible in prices and sentiment though real activity has held up. GDP rose 0.3% in Q1, and the Bank of Italy confirms 2026 growth at 0.5%. Consumer confidence, recovering through 2025, fell to 92.4 in June as energy costs squeeze households. Inflation, at 1.0% in January, reached 3.0% in June- energy-driven, with core inflation at just 1.6%-and is projected at around 3% for the full year. The labour market remains a source of resilience: unemployment fell to 5.0% in May, near historic lows. Financing costs face renewed upward pressure following the ECB's June hike to 2.25%. For commercial real estate, this translates into a more selective environment: occupier demand for prime assets remains resilient, favouring quality locations and income stability, while business confidence signals an economy adjusting rather than retrenching.

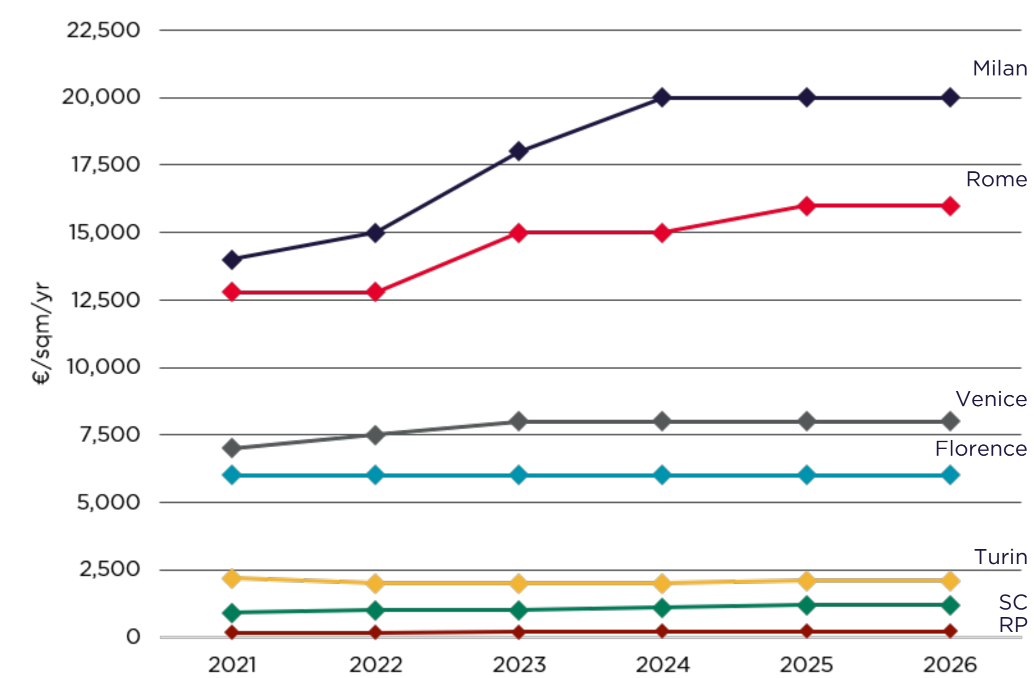
OCCUPIER

The Italian high street retail market remained broadly stable during Q2 2026, with prime rents holding firm across the country's leading luxury and mass-market destinations. While active tenant demand continues to target the most prestigious locations, transaction volumes remain limited and several negotiations have yet to convert into completed deals, reflecting a selective occupier market and a cautious approach by both landlords and tenants.

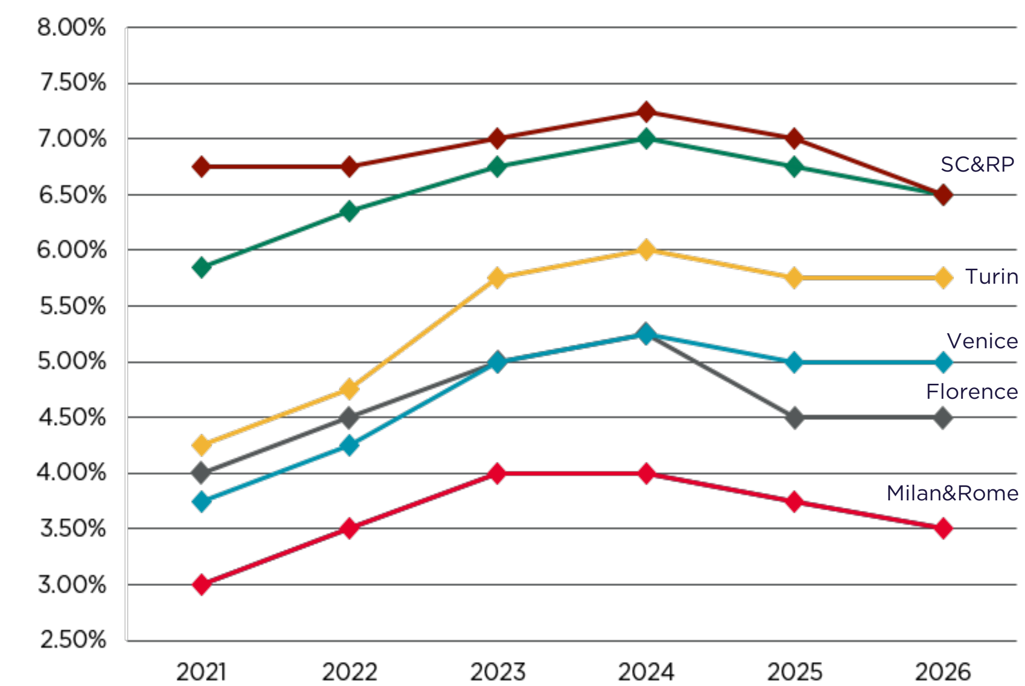
Occupier dynamics continue to vary significantly according to location, unit size and asset quality. Smaller units in prime luxury streets are achieving exceptionally high rental values on a per-square-metre basis, while larger flagship spaces typically command lower unit rents but maintain substantial headline rents. In several markets, current contracted rents remain below estimated market levels, highlighting potential reversionary growth opportunities upon lease expiry.

The shopping centre and secondary retail segment continues to present more challenging fundamentals than prime high street locations. Supply remains relatively abundant, while transaction evidence is limited.

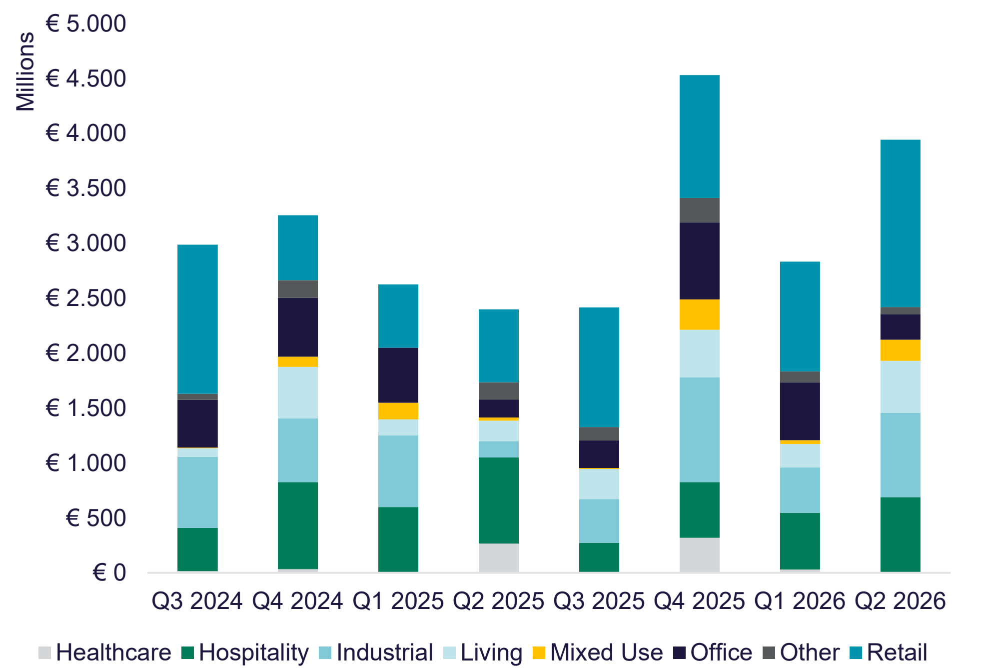
PRIME RENTS



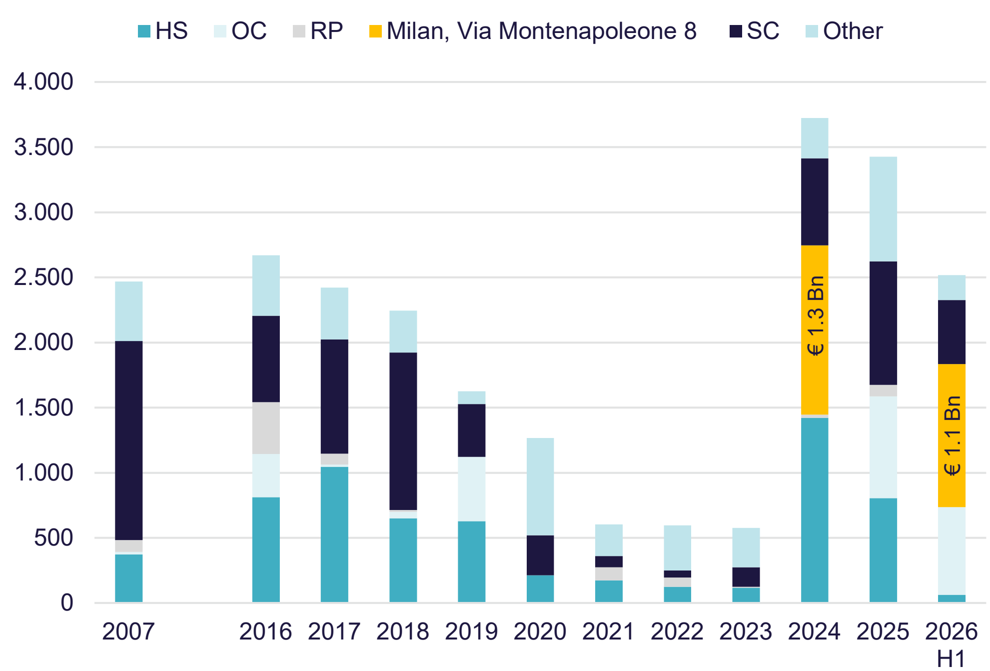
PRIME YIELDS



ITALY INVESTMENT VOLUME BY SECTOR



RETAIL INVESTMENT VOLUME BY TYPOLOGY



INVESTMENT

Retail remained the strongest-performing asset class in Q2 2026, accounting for 35% of total Italian investment volumes during the quarter and 33% year-to-date. At approximately 1.5€Bn, volumes increased by 106% year-on-year, largely driven by the 1.1€Bn sale of an 80% stake in Via Montenapoleone 8 in Milan from Kering to Al-Mirqab, a Qatari investment group linked to the royal family. Additional significant high street transactions on Via Condotti in Rome and Via Indipendenza in Bologna further confirmed investor appetite for prime luxury and mass-market retail locations. Strong interest in shopping centres continued throughout the quarter. Vukile entered the Italian market through the acquisition from Tristan of a portfolio of 3 secondary shopping centres for circa 115€Mn, while Supernova acquired Le Isole and Buonvento from HIG for around 66.5€Mn. In the out-of-town segment, Ares purchased a portfolio of two retail parks in Northern Italy from CPI for over 100€Mn, while GWM sold a secondary outlet centre in Central Italy to Baumont RE for 50€Mn, confirming sustained investor interest across retail sub-sectors.

PRICING

Looking ahead, the market pipeline remains active, with several leasing negotiations underway across key destinations including Via Montenapoleone, Via Filangieri and other prime high streets. However, many discussions remain at an early stage, suggesting that occupiers continue to evaluate opportunities carefully amid elevated occupancy costs and limited availability of best-in-class units. As a result, market conditions are expected to remain stable over the coming quarters, with rental growth concentrated in the most prestigious and supply-constrained locations.

Sustained investor appetite for high streets, shopping centres, and retail parks has resulted in a tightening of prime yield expectations.

OUTLOOK

LOOKING AHEAD, INVESTOR APPETITE FOR THE ITALIAN RETAIL SECTOR IS EXPECTED TO REMAIN SOLID, SUPPORTED BY STRONG DEMAND FOR PRIME HIGH STREET ASSETS AND SELECTED OPPORTUNITIES ACROSS OUT-OF-TOWN FORMATS.

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%	3.50%	-6.70%	3.10%
Rome	€16,000	0.00%	5.10%	3.50%	-6.70%	3.10%
Venice	€8,000	0.00%	2.70%	4.50%	0.00%	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	0.00%	5.90%	6.50%	-7.10%	2.10%
Retail Parks	€230	4.50%	3.90%	6.50%	-10.30%	0.80%

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 Q2 2026

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

KEY SALES TRANSACTIONS 2026

QUARTER	PROPERTY	SUBMARKET	PROPERTY TYPE	SELLER / BUYER	PRICE
2	Via Montenapoleone 8 (80%)	Milan	High street	Kering / Al Mirqab	c. 1,100€Mn
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
2	Tristan Portfolio (3 SCs)	Multi-city	Shopping Center	Tristan / Vukile	c. 115€Mn
2	CPI Portfolio (2 RPs)	Multi-city	Retail Parks	CPI / Ares	c. 105€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

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.negroni@cushwake.com

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 .