

REVIEW

# CAPITAL MARKETS

ITALY H1 2025

RESEARCH & INSIGHTS



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# H1 2025

## CAPITAL MARKETS ITALY

### KEY FIGURES

**€5.34 bn**  **+51% y/y**  
Investment volume H1 2025

**€4.09 bn**  
Average investment volume H1 2016-2025

Following a period of stability, prime net yields in select segments now begin to experience compression.

The 10Y Italian Government Bond yield stood at 3.5% at end-Q2 2025 following a -9% quarterly contraction despite Y-o-Y stability.

The Purchasing Manager's Indices (PMIs) – closely followed by decision makers and investors – expanded slightly in June 2025 on a quarterly basis, overall and for both Services and Manufacturing, the latter also experiencing Y-o-Y growth.



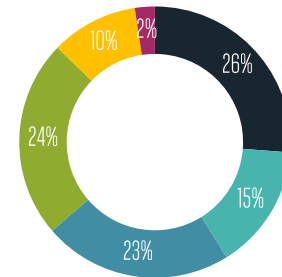
### MARKET OVERVIEW

The Italian institutional real estate market closed H1 2025 with an investment volume total which exceeded the previous year by about 51%. The volumes also represented an increase on the 5-year average (+31%).

On a quarterly basis, €2.72 bn were invested in Q2 2025, representing growth across the board. Leading the volumes in H1 2025 were the Office sector (26% of the total H1 volume) followed by Hospitality and Retail (24% and 23% respectively).

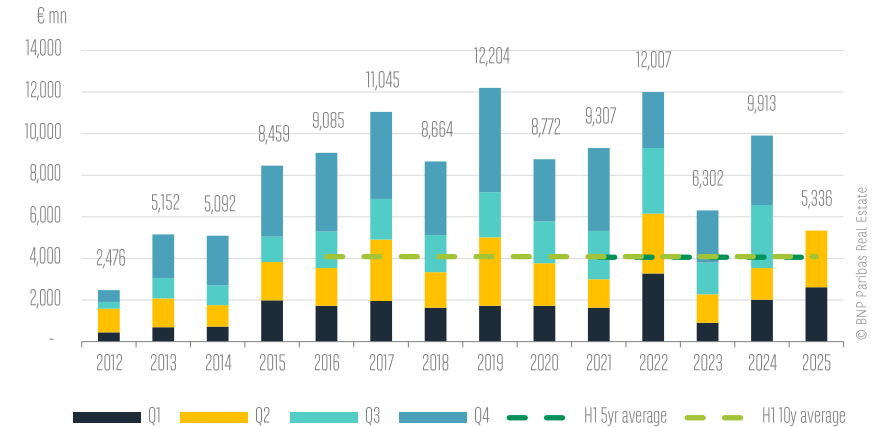
The change of use trend is of increasing significance. In H1 2025 alone, 11% of the total investment volume related to assets whose use was due to be changed following sale, impacting mainly the Office sector for conversion to Alternatives (including Living) or Hospitality.

International capital continued to contribute over half of investment volume (52%) in H1 2025.

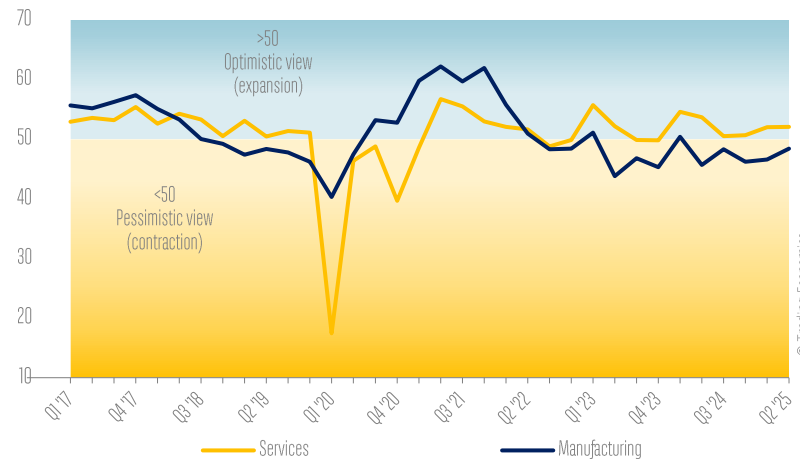


■ Office  
■ Retail  
■ Alternatives  
■ Industrial & Logistics  
■ Hospitality  
■ Mixed

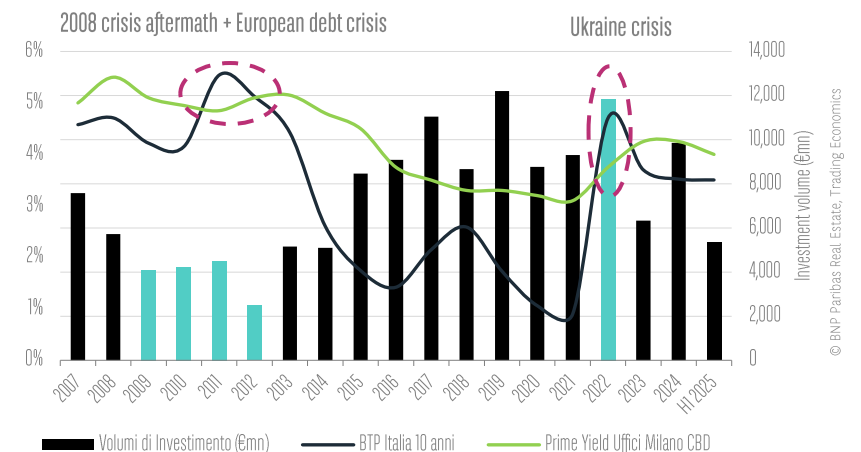
### Total investment volume



### Italian composite PMI signals modest growth



### 10y government bond > prime yield CBD, halting decompression



\* With reference to those deals where the origin of the capital is known



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# H1 2025

## CAPITAL MARKETS ITALY

### KEY FIGURES

**€1.40 bn**  **+43% y/y**  
Office investment volume H1 2025

**€1.37 bn**  
Office average investment volume H1 2016-2025

Prime office yields in Milan's CBD contracted to 4.00%. The city's remaining submarkets featured yield stability. Rome's Office yields continued to see some increases across submarkets.

Investor interest in Office product is strong as the sector accounted for the highest investment volume weighting, although a significant portion of this related to product for which a change of use is subsequently expected.



### OFFICE

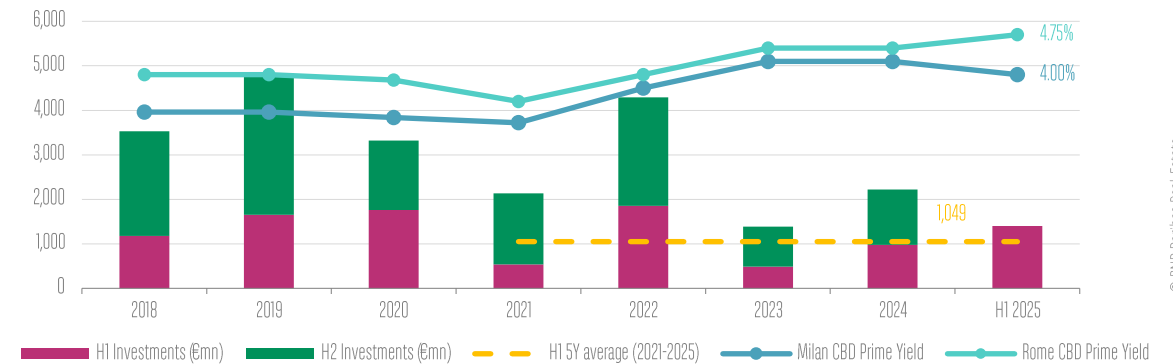
In H1 2025 the Office asset class held joint first place, accounting for 26% of Italian investment volume in the period.

The **total invested** in this asset class was in line with the results of the previous year, confirming investor interest in the Italian and European markets.

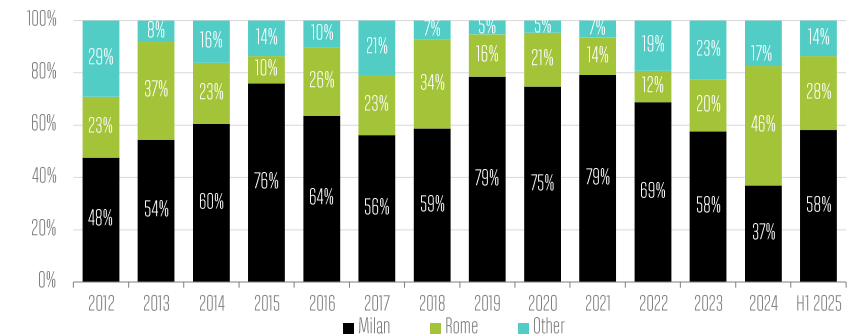
However, **changes of use** are a trend of increasing significance and an analysis of these would reduce Office investment to 18% of H1 total.

In terms of **marketplaces**, Milan accounted for 77% of the H1 national Office investment volume, while the Rome weighting contracted further to 6%. The remaining 18% relating to assets outside these two main markets.

### Office investments volume and CBD prime yields



### Investor focus returns to Milan office market



### Key Office deals in H1 2025

ASSET	LOCATION	DISTRICT	INVESTMENT PROFILE	VOLUME (M€ ca)
Piazza Cordusio, 2 - Uniqlo (Office part)	Milan	CBD Duomo	Core	130
Via delle Vergini, 18	Rome	Centre	Value Add	130
Via Principe Amedeo, 5	Milan	CBD Porta Nuova	Core	110

### Office investments in H1 2025



### Prime yields Q2 2025



\* Research BNPPRE analyses take into consideration the original destination



# H1 2025

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## KEY FIGURES

**€800 mn**   
+30% y/y  
Logistics investment volume H1 2025

**€575 mn**  
Logistics average investment volume H1 2016-2025

Underpinned by strong demand fundamentals in the occupier market, throughout the first half of 2025, prime yields for logistics assets in Milan and Rome have been stable, with reference to newly constructed properties in strategic locations exceeding 5,000 sqm.

Meanwhile, lower prime yields remain a feature of urban and last-mile logistics, which have also remained consistent since the second half of 2023.



## LOGISTICS

The investment volume attributable to Industrial & Logistics assets reached €800 mn in H1 2025 after growing +30% compared to the previous year.

The **weighting** of the Logistics asset class fell to fourth placed however, at 15% of the total H1 2025 investment volume.

**Portfolios** play a growing role, representing over a third of total Industrial & Logistics investment (38%) in H1 2025, up significantly from an average 5-year weighting of 29%.

Reflecting this, the majority of **deal locations** fell within the 'Mixed' location category. After this, Lombardy continues to lead in terms of the regional distribution of total volumes (22%), followed by Veneto and Emilia-Romagna.

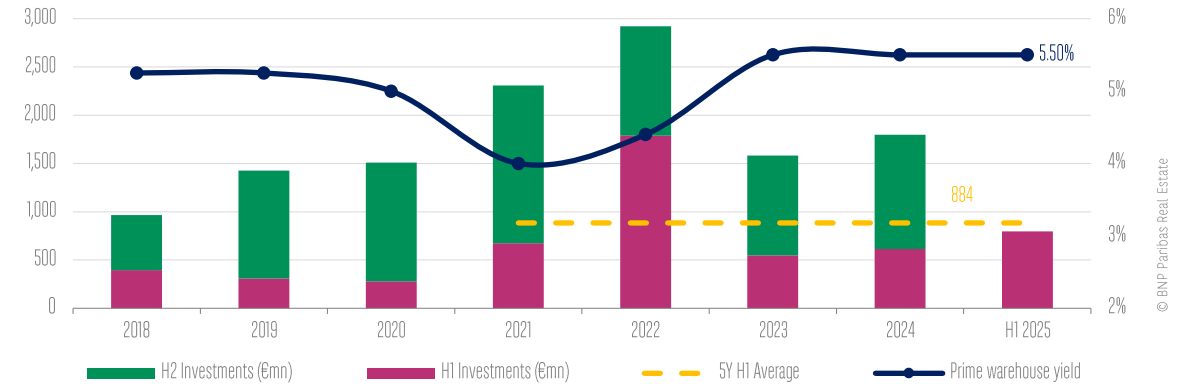
### Key Logistics deals in H1 2025

ASSET	LOCATION	REGION	VOLUME (M€ ca)
Techbau Portfolio (4 assets)	North	Mixed	260
Project Zephyr (12 assets)	North-East	Mixed	200
Logistics Land for Data Center	Cusago (MI)	Lombardy	80

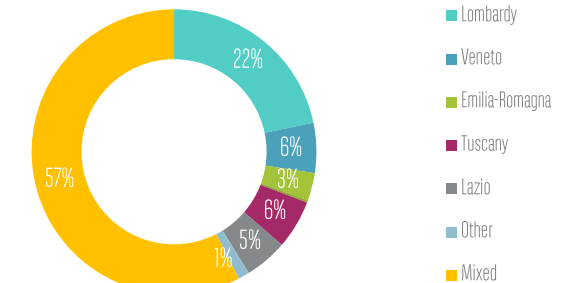
### Logistics investments in H1 2025



### Logistics investment volume and prime yields



### Portfolios in mixed regions contribute to total volumes



### Prime yields Q2 2025



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# H1 2025

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## KEY FIGURES

**€1.20 bn**  **+142% y/y**  
Retail investment volume H1 2025

**€720 mn**  
Retail average investment volume H1 2016-2025

Retail High Street prime yields contracted in both Milan and Rome in H1 2025, remaining stable for Out-of-Town assets.

The High Street sector had already begun to see prime yield compression the previous year, whereas Out-of-Town yields have been stable since the latter part of 2023.

After several years of very limited investor interest, growing activity levels reflect the investment opportunities which are perceived in this asset class.

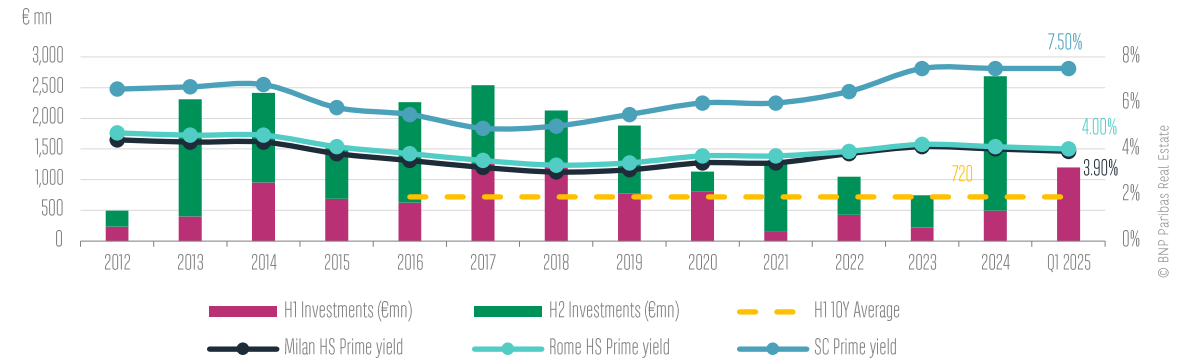


## RETAIL

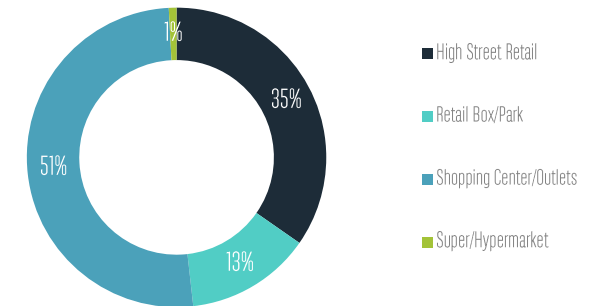
Strong interest in the Retail sector was confirmed as investment volumes grew by a remarkable +142% Y-o-Y.

The Out-of-Town segment featured the largest transaction in the period, comprising two Outlets, as well as a Shopping Centre deal. High Street Retail also contributed to total volumes with a large transaction in the centre of Milan. Activity in the Retail Box and Supermarket segments confirms interest in these asset types as well.

## Retail investment volume and prime yields



## Retail investments by product



## Key Retail deals in H1 2025

ASSET	LOCATION	TYPE	VOLUME (M€ ca)
Two The Mall Luxury Outlets	Sanremo (IM) Florence (FI)	Outlet	350
Piazza Cordusio, 2 - Uniqlo (Retail part)	Milan	High Street	195
SC Centro Sicilia	Misterbianco (CT)	Shopping Centre	180

## Retail investments in H1 2025



## Prime yields Q2 2025



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# H1 2025

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## KEY FIGURES

**€1.26 bn**  **+171% y/y**  
Hospitality investment volume H1 2025

**€710 mn**  
Hospitality average investment volume H1 2016-2025

Hospitality continues to benefit from an active tourism sector and investor interest confirms this. The sector accounted for 24% of H1 investment volume, a weighting which would grow to 27% following a number of use changes post-sale.

Having experienced growing interest from domestic investors in recent years, international and domestic capital were roughly equal in H1 Hospitality investment volume (51% and 49% respectively).



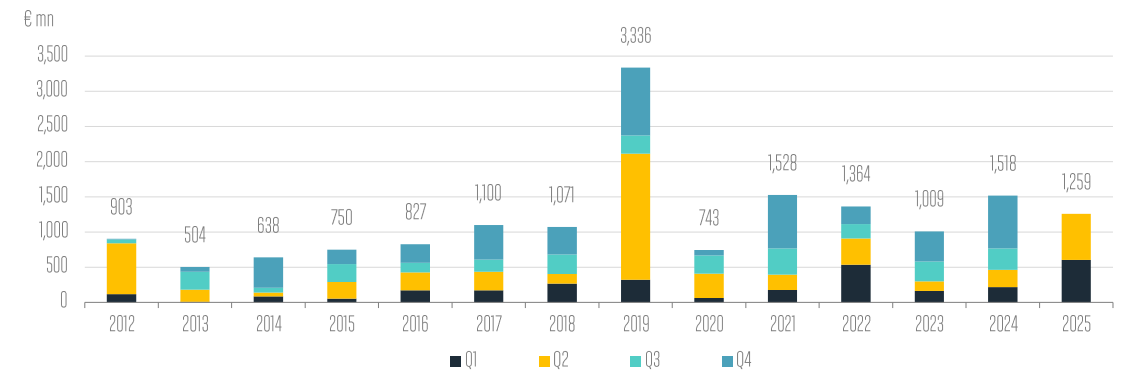
## HOSPITALITY

The resilience of Hospitality is supporting optimism from investors with investment activity involving both existing Hospitality assets and properties for conversion.

Hospitality accounted for the largest market share of the last 10 years in H1 2025, at almost a quarter of the total H1 investment volume.

The asset class saw the strongest Y-o-Y growth of all (+171%). A positive outlook is suggested by the number of conversions to Hospitality, principally from existing office assets, which will further increase the stock of investment grade product in this sector.

## Hospitality investment volume

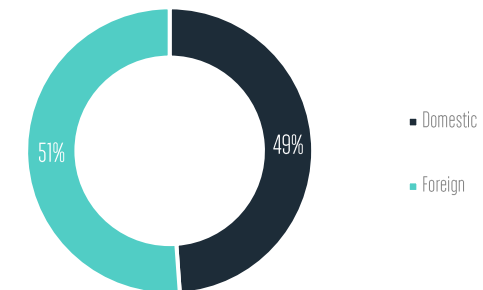


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## Key Hospitality deals in H1 2025

ASSET	LOCATION	NO. ROOMS	VOLUME (M€ ca)
10 Villini Sallustiani - Mandarin Oriental	Rome	108	170
Hotel Caesar Augustus	Anacapri (NA)	56	160
JW Marriott	Venice	266	140

## Hospitality investments by source of capital



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## Hospitality investments in H1 2025



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## KEY FIGURES

**€555 mn**  **+55% y/y**  
Alternatives investment volume H1 2025

**€705 mn**  
Alternatives average investment volume H1 2016-2025

## RESIDENTIAL FOCUS

The Italian housing market experienced a **+11.2% Y-o-Y growth** in the number of residential property sales\* nationwide in the first quarter of 2025, despite contractions on a quarterly basis.

Around 172,000 properties were sold in the period. The country's 8 key regional capitals led the increase with a +9.0% rise. Of these, the marketplaces of Genoa, Turin, and Rome experienced double-digit increases in sales, followed by Bologna, Palermo, and Milan.

Residential prices growth accelerated in 2024 and the start of 2025. The country's 8 key cities all saw double digit Y-o-Y growth in the first quarter of 2025 and national price growth averaged at +7%.

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## ALTERNATIVES

The Alternatives asset class accounted for 10% of Italy's total investment volumes in H1 2025, after +55% growth Y-o-Y.

Changes of use, should these be taken into account, would contribute to further increasing the transacted volumes for this asset class, raising the weighting to 16%.

The Healthcare and Living sectors accounted for the majority of Alternatives investment (93%) with the remainder relating primarily to the Leisure segment.

The Living sector saw a +48% Y-o-Y increase in volumes in H1 2025.

### Number of residential transactions

CITY	2024	Q1 2025	Q1 2024	VAR% Q1
Rome	35,073	8,528	7,703	+10.7%
Milan	23,986	5,505	5,141	+7.1%
Turin	15,119	3,583	3,193	+12.2%
Naples	7,768	1,982	1,868	+6.1%
Genoa	8,770	2,155	1,898	+13.5%
Palermo	6,502	1,640	1,508	+8.8%
Bologna	5,782	1,357	1,241	+9.3%
Florence	4,824	1,067	1,137	-6.2%
<b>Total 8 cities</b>	<b>107,824</b>	<b>25,817</b>	<b>23,689</b>	<b>+9.0%</b>
<b>Italy</b>	<b>719,576</b>	<b>172,048</b>	<b>154,770</b>	<b>+11.2%</b>

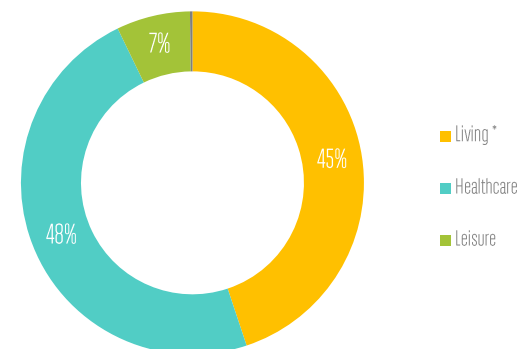
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\*NNT (Normalised Number of Transactions)

### Key Alternatives deals in H1 2025

ASSET	CITY	REGION	VOLUME (M€ ca)
Healthcare portfolio (11 assets)	Mixed	Mixed	180
Beyoo Laude Living (Student Housing)	Bologna	Emilia-Romagna	75
Project Seneca (3 Care Homes)	Mixed	North-East	65

### Alternatives investments by product



\*Living includes Residential, BTR/Co-Living, Senior Housing, Student Housing

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