

REVIEW

# RETAIL MARKETS

ITALY H1 2025

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RESEARCH & INSIGHTS



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# H1 2025

## RETAIL MARKETS ITALY

### AN ACTIVE RETAIL REAL ESTATE MARKET SEES RENEWED INTEREST IN REPRICED ASSETS

Investor activity in H1 2025 covers both Out-of-Town and High Street segments, with a focus both on asset quality and location and on the consumer experience.

### KEY FIGURES

**€5.34 bn** <sup>+51% y/y</sup>  
Italy investment volume  
H1 2025

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

**3.90%** <sup>-20 bps</sup>  
Prime net High Street yield

**€1.20 bn**  
Retail investment volume  
H1 2025

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### OVERVIEW

European GDP data in the first half of 2025 was distorted by US tariffs. As a result, strong activity in Q1 was followed by much weaker levels in Q2. In Italy in the first quarter of 2025, gross domestic product (GDP)\* grew by 0.3% compared to the previous quarter and by 0.7% compared to the first quarter of 2024.

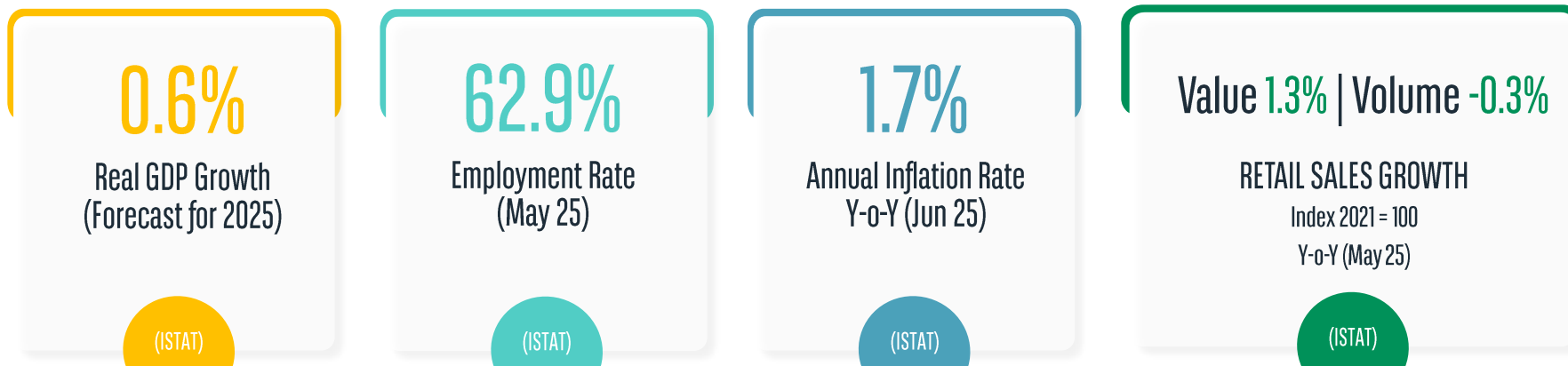
Real estate repricing commenced last year as inflation was brought under control, the ECB implemented rate cuts, and consumer confidence endured. With investment activity picking up across asset classes as a result, institutional investment in Retail experienced the benefits of the structural changes the market underwent in recent years beginning in pre-pandemic years. Today in both High Street and in Out-of-Town sectors, the focus is increasingly on creating a unique customer shopping experience.

The importance of ESG criteria is also pertinent within Retail, although different types of asset and location are able to respond to sustainability criteria in different ways.

With disparities in location and quality, prime High Street Retail yields contracted in both Milan and Rome in H1 2025, remaining stable for Italy's Out-of-Town sectors.

The limited supply of prime, high-visibility spaces in top High Street locations continued to drive prime rents upwards in H1 2025. However, both in Milan, which is as a global shopping hub is key entry point for international brands, and in Rome, which benefits from strong tourist flows, variations in rental levels persist based on location and asset quality.

### Key Italy Indicators



\*expressed in chained values with the reference year 2020, adjusted for calendar effects and seasonally adjusted



# H1 2025

## RETAIL MARKETS ITALY

### Italian Inflation

# +1.7%

## June 2025

(ISTAT)

### Consumer Confidence

# -2.2%

## Jun 25 vs Jun 24

(ISTAT)



## MACRO-ECONOMIC SCENARIO

### 10Y government bond contracts

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

At the same time investment activity levels continued to grow following repricing across sectors as a result of stable or contracting real estate yields.

### Consumer Prices

The rate of change of the Italian consumer price index for the whole nation (NIC) was +0.2% on a monthly basis and +1.7% on the same month the previous year.

Core consumer prices in Italy increased by +2% in June 2025 over the same month in the previous year. The Core Inflation Rate in Italy from 1997 until 2025 has averaged 1.80%.

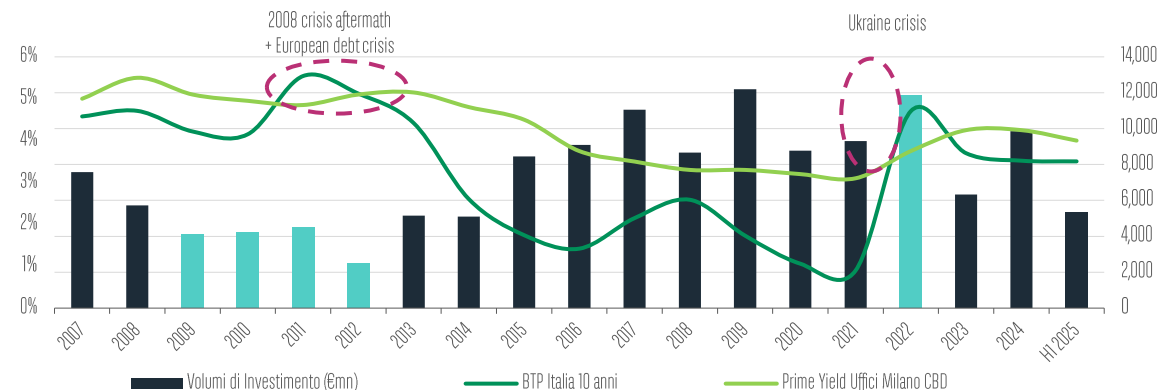
### Consumer Confidence

Consumer confidence grew at the start of 2025 but subsequently softened. After recovering somewhat in May 2025, the index stood at 96.1 in June 2025, representing a -2.2% contraction Y-o-Y.

Manufacturing confidence grew to its highest value since June of the previous year. In June 2025 the construction confidence index also reached a 6-month high, although falling short of the peaks achieved in 2024.

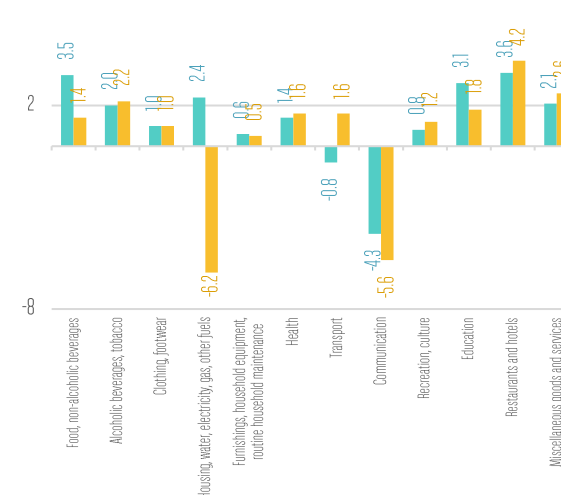
\* Harmonised Index of Consumer Prices

### Key Capital Markets Indicators

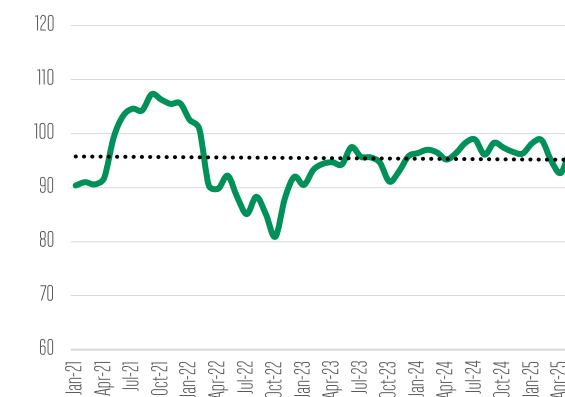


### Consumer Prices indices by sector

Month on same month a year ago percentage changes (index, 2015=100) 25-Jun Jun-24



### Consumer Confidence (index, 2021 = 100)



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# H1 2025

## RETAIL MARKETS ITALY

### Retail Spending

# +1.7%

Jun 25 vs Jun 24

(ISTAT)



## RETAIL TRADE

### Retail Spending

After contracting significantly in the first two months of the year, retail spending had picked up again by the end of H1 2025 despite not having yet returned to the end-2024 levels.

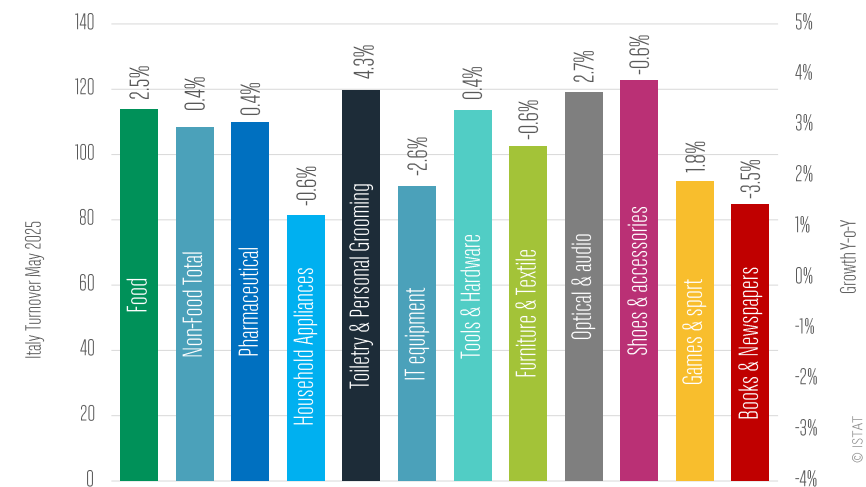
Growth was present for both Supermarkets and Discount store indices, which saw +3.0% and +4.5% increases Y-o-Y.

For e-Commerce, despite also growing, the index value remained below the

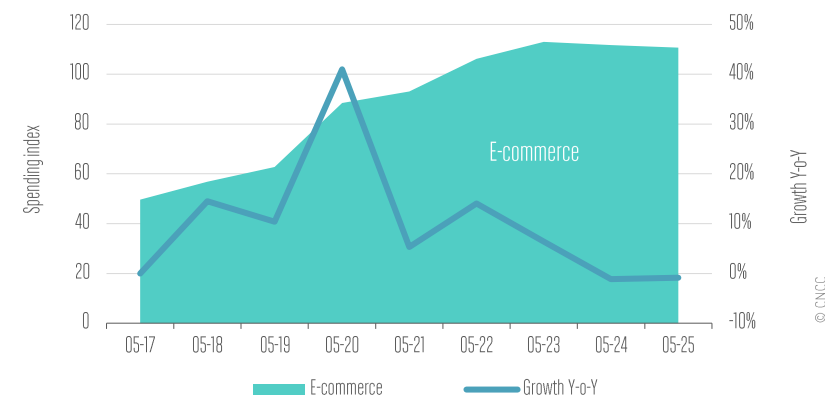
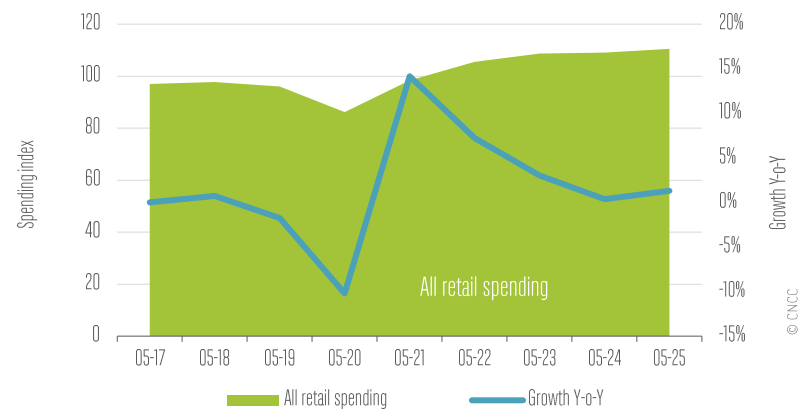
previous year's figure representing a -0.9% Y-o-Y contraction.

Large-scale distribution grew by +3.2% but small-scale distribution decreased by -0.4%. Non-store retail preserved stability while online sales fell by -0.9% Y-o-Y.

Both food and non-food categories experienced sales growth, to differing degrees, with the food index increasing by +2.5% and non-food by +0.9% Y-o-Y.



### Online Retail Spending



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# H1 2025

## RETAIL MARKETS ITALY

### ITALY

The Out-of-Town segment featured the largest transaction in the period, comprising two Outlets, and a Shopping Centre deal. High Street Retail also contributed and included a large deal in central Milan. The Retail Box and Supermarket segments have also been active.

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

## INVESTMENT VOLUMES H1 2025

**€345 mn**  
Milan Retail

**+1,302% y/y**

**€32 mn**  
Rome Retail

**-86% y/y**

**€1.2 bn**  
H1 2025

**+142 y/y**

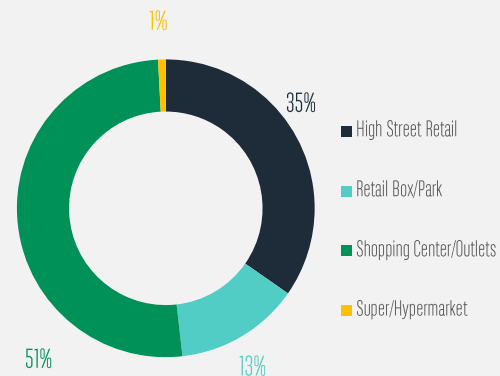
**€720 mn**  
AVG. H1 2016-2025

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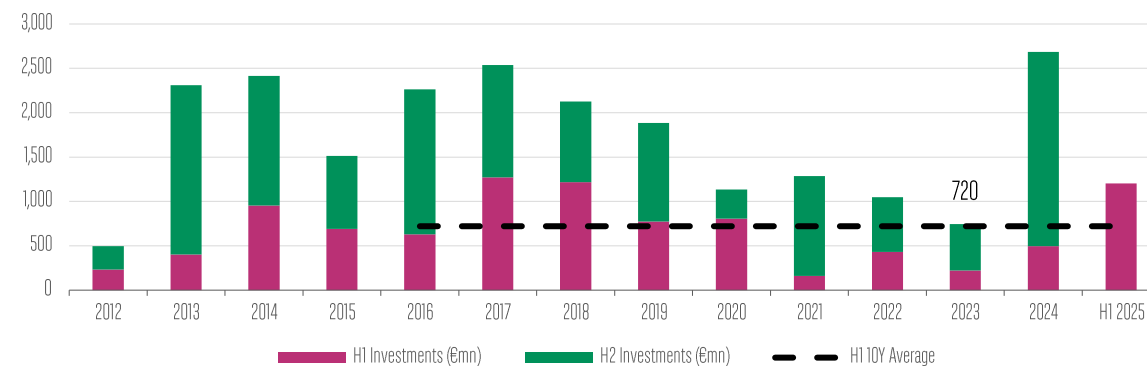


## RETAIL INVESTMENTS

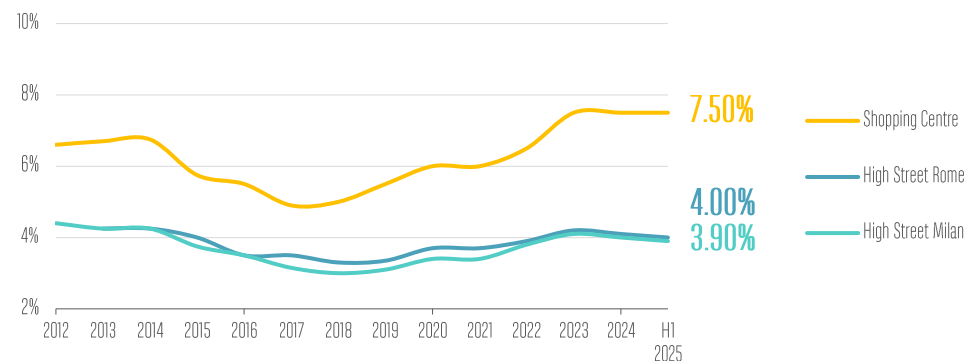
### H1 2025 Retail Investments by Product



### Retail investments



### Retail prime yields



Source: BNPPRE Research

### Key Retail investments deals

ASSET	LOCATION	TYPE	VOLUME (ME)
The Mall Luxury Outlet	Sanremo (IM)	Outlet	250
Piazza Cordusio, 2 (Retail portion)	Milan	Street Retail	195
Centro Sicilia	Misterbianco (CT)	Shopping Centre	180



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# H1 2025

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ITALY's top High Street locations are evolving, with strong footfall and limited supply especially for prime, high-visibility spaces. This scarcity continues to drive up prime rents, which grew further in H1 2025, though variations persist based on location and asset quality.

MILAN remains a global shopping hub and key entry point for international brands. ROME benefits from its capital city status and from the strong tourist flows which support its retail market.

### MILAN and ROME Key High Street Occupier Transactions, H1 2025

STREET	LOCATION	AREA (sqm)	BRAND
Corso Vittorio Emanuele II, 24-28	Milan	530	Lululemon
Via Torino, 18	Milan	500	Urban Outfitters
Via Dante, 6	Milan	300	Pop Mart
Via del Babuino	Rome	ca. 200	Alo Yoga
Via del Babuino, 20	Rome	450	Frette

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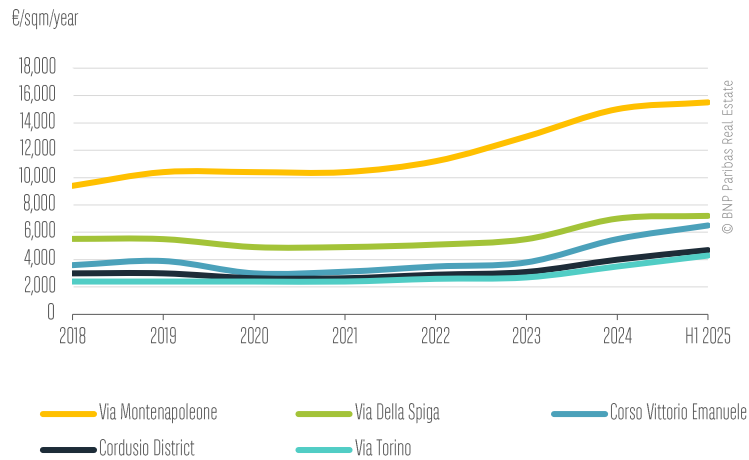


## HIGH STREET RETAIL

### MILAN High Street Prime Rents and Footfall



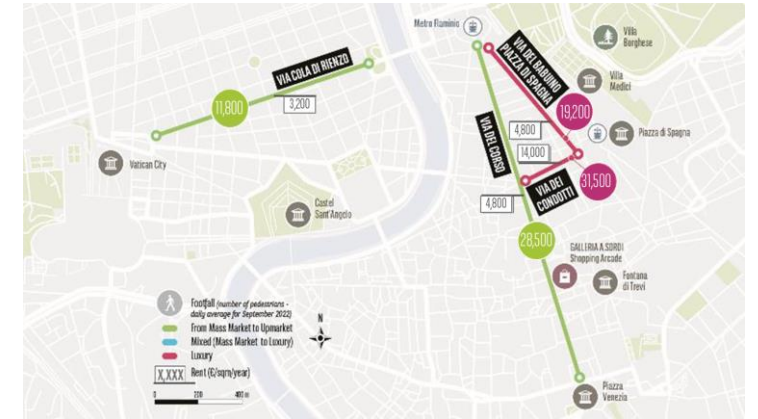
### MILAN High Street Prime Rents



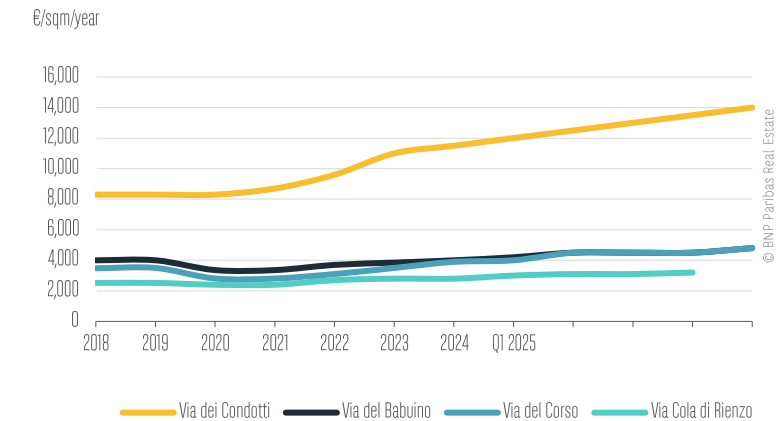
Source: BNPPRE Research

\* Average rents for a small size shop excluding key money. Please note that rents could greatly vary for every single asset according to the position on the street, the sidewalk, cadastral use of the premises, size of the shop, layout features, number of levels and number of shop windows.

### ROME High Street Prime Rents and Footfall



### ROME High Street Prime Rents



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Shopping Centre visitor levels have seen positive growth followed by stability in the second quarter of 2025.

Retail linked to Personal Care and to Health continues to outstrip other product type in terms of turnover growth Y-o-Y.

## SHOPPING CENTRE PIPELINE

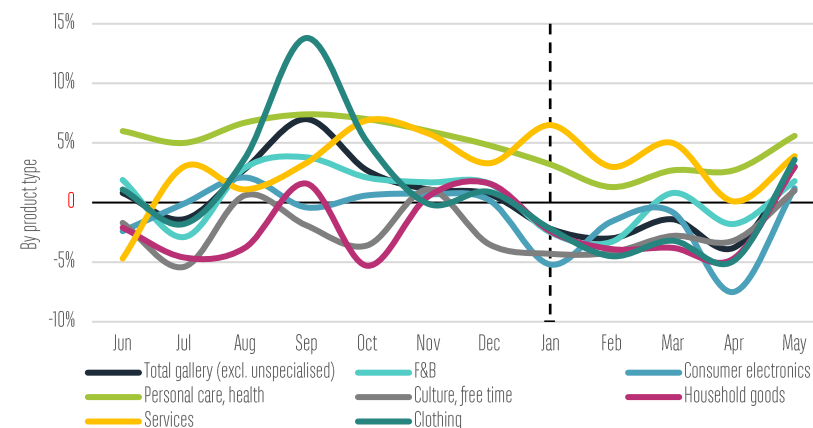
ASSET	LOCATION	AREA (SQM)	COMPLETION
Walther Park	Bolzano	35,000	End-2025
Montalto Center	Cosenza	35,000	End-2025
Selva Candida	Roma	25,500	End-2025
Porto Bolaro Retail Park	Reggio Calabria	32,000	2026

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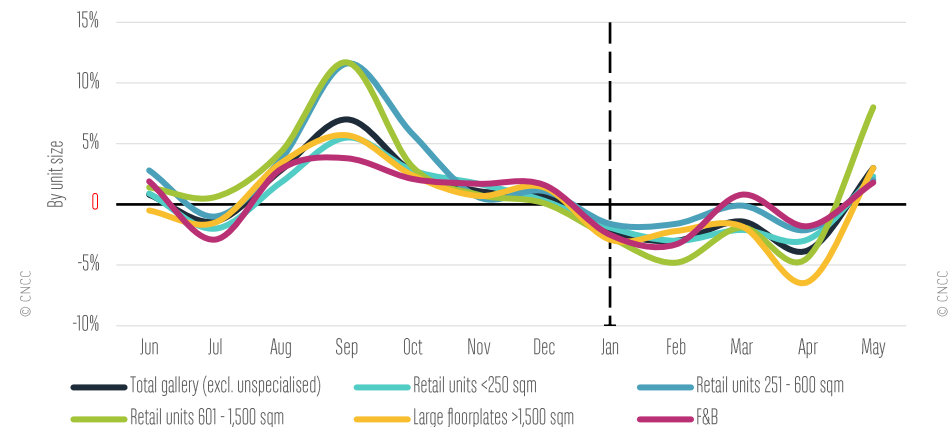


## OUT OF TOWN RETAIL

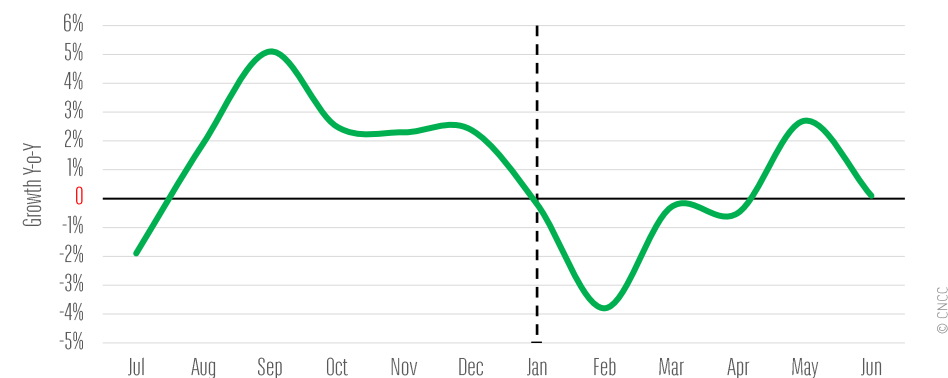
### Shopping Centres Turnover by Product Type



### Shopping Centres Turnover by Unit Size and Type



### Consumer Visits



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