Italian Market Introduction

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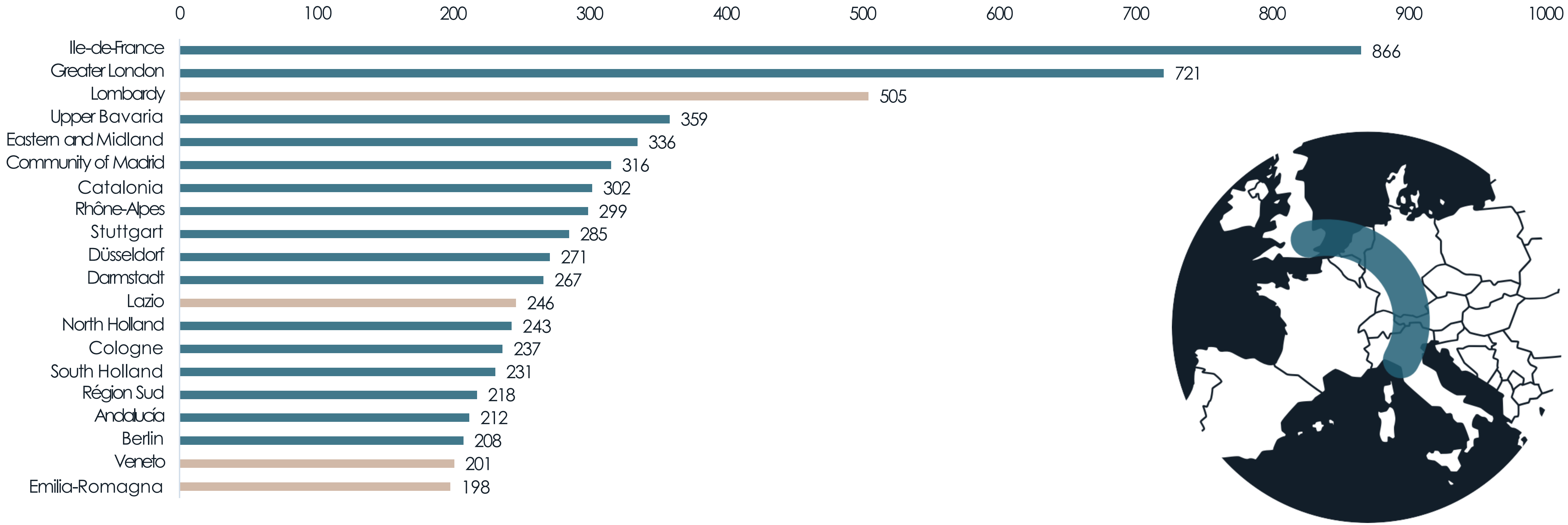
Introduction

Italy: a proven destination for Global Capital

Regional economic engine: Lombardy is Europe's 3rd largest regional economy (€505B GDP), anchored in the strategic "Blue Banana" corridor.

Regional GDP (Bn€) by Region

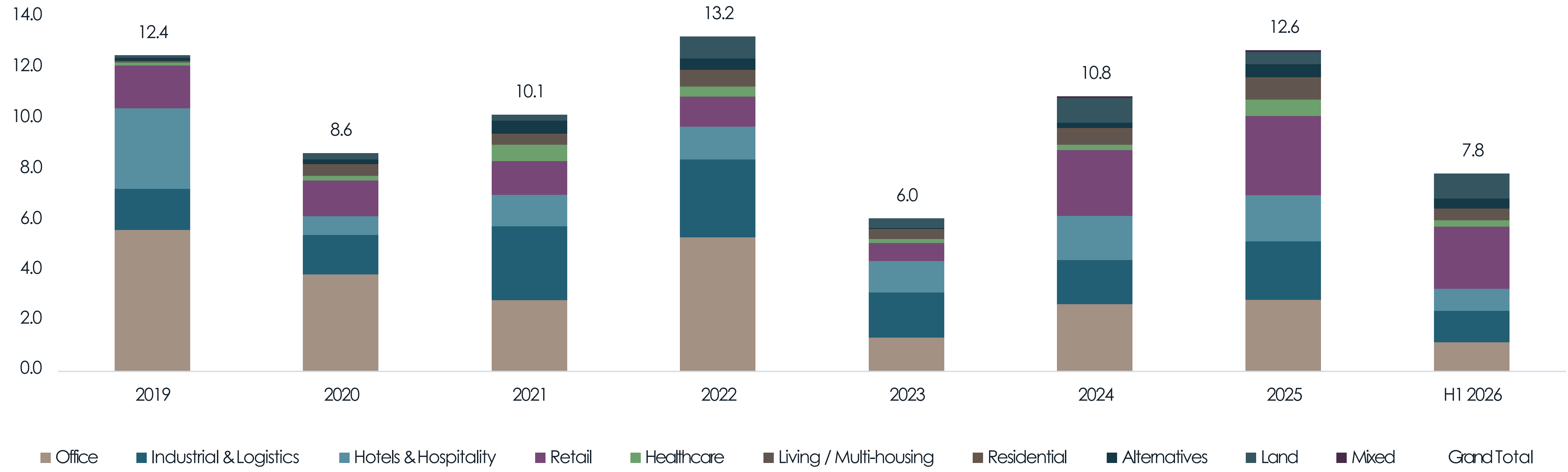


Source: Eurostat Gross domestic product (GDP) at current market prices by NUTS 2 region 2024 , Office for National Statistics for London, 2023 data

Real Estate investment market in Italy

Italy RE investment reached €12.6 billion in 2025 (+17% YoY) and H1 2026 volumes recorded €7.8 billion (+34%) signaling strong momentum heading into the year.

Annual Real Estate Investment in Italy (€ bn)



Source: JLL Research. Note: Land and Share deals included. Excludes deals under €5M. H1 2026

Investment Real Estate Market by sectors

Retail: leading investment in H1 2026 recording €2.4 Bn in investments with transactions spanning all subsectors.

Hotels: investments reached € 900 Mn, with operational asset acquisitions across prime and secondary cities and additional office/living -to-hotel conversions (€ 260 Mn), demonstrating sustained investor appetite.

Industrial & Logistics: attracted investment volumes exceeding € 1.3 Bn, confirmed as one of the main investment targets.

Offices: investments reached approximately € 1.2 Bn, with over 25% of volumes directed toward assets earmarked for conversion, primarily into hotels and residential uses.

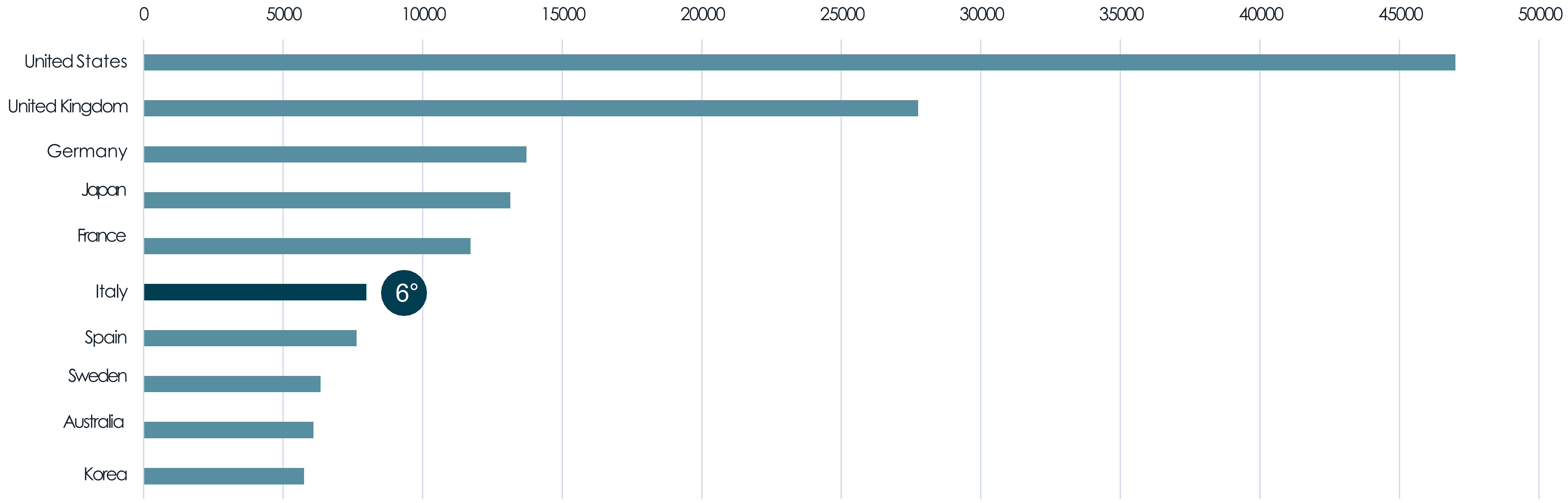
Operational Sectors: growing institutional interest in student housing, healthcare. Living & Healthcare overall recorded €700 Mn.

Land & Alternatives: over € 1.4 in H1 2026, largely driven by strategic land purchases designated for data center development projects (€ 800 Mn).

Italy secures 6th rank in Global cross-border investment

Sustained investment flows position Italy among Global top-tier destinations, with cross-border volumes of approx. $8 billion in 2025 and consistent ranking improvement from 11th (2021) to 6th place (2025).

Top 10 destinations for CRE cross border direct investment Volumes, US$ Millions (included "global" sources of capital). 2025

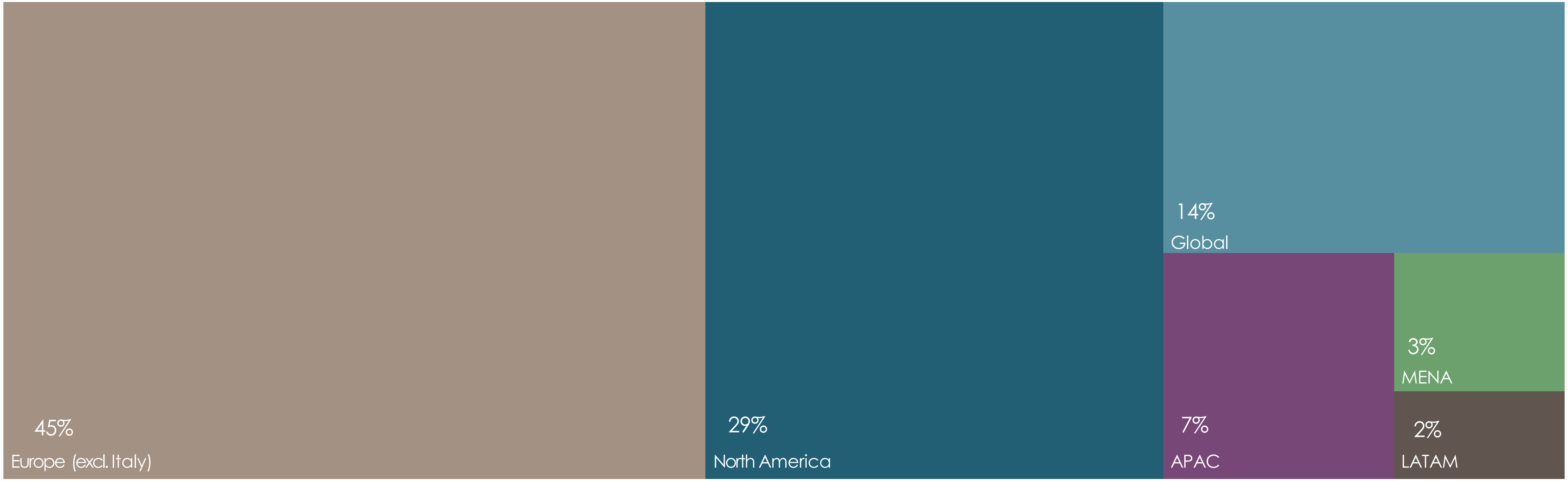


Source JLL Research, based on direct commercial real estate transactions above $5m (USD), excluding land and development, as well as entity level (M&A) deals. Prices in $m. Included "global" sources of capital.

Italy attracts cross-border capital across all major regions with Europe leading at 45%

In 2025, Europe and North America formed the foundation of cross-border activity at 74% combined (€5.8Bn), yet the presence of emerging market investors from APAC, MENA, and LATAM (12%, €1Bn) alongside Global funds (14%, €1.1Bn) demonstrates Italy's positioning as a truly diversified international investment destination.

Cross-border CRE Investment in Italy by macro Region 2025



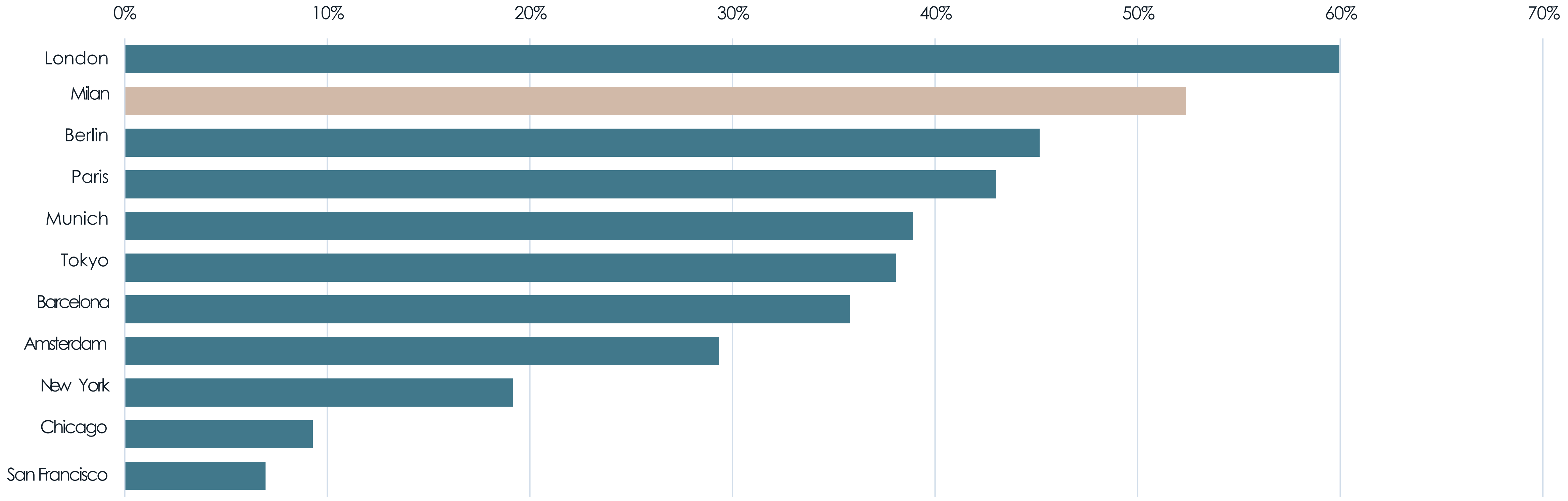
Source: JLL Research elaborations. Note: Land and Share deals included. Excludes deals under €5M.

Foreign capital fuels over 50% of Milan's CRE

Milan confirms its status as a premier global hub, after London, with foreign capital accounting for over half of its total CRE investment volume in 2025, surpassing all European and American peer cities.

Foreign investors drive over half of real estate activity

FY 2025 % cross border CRE capital markets investments



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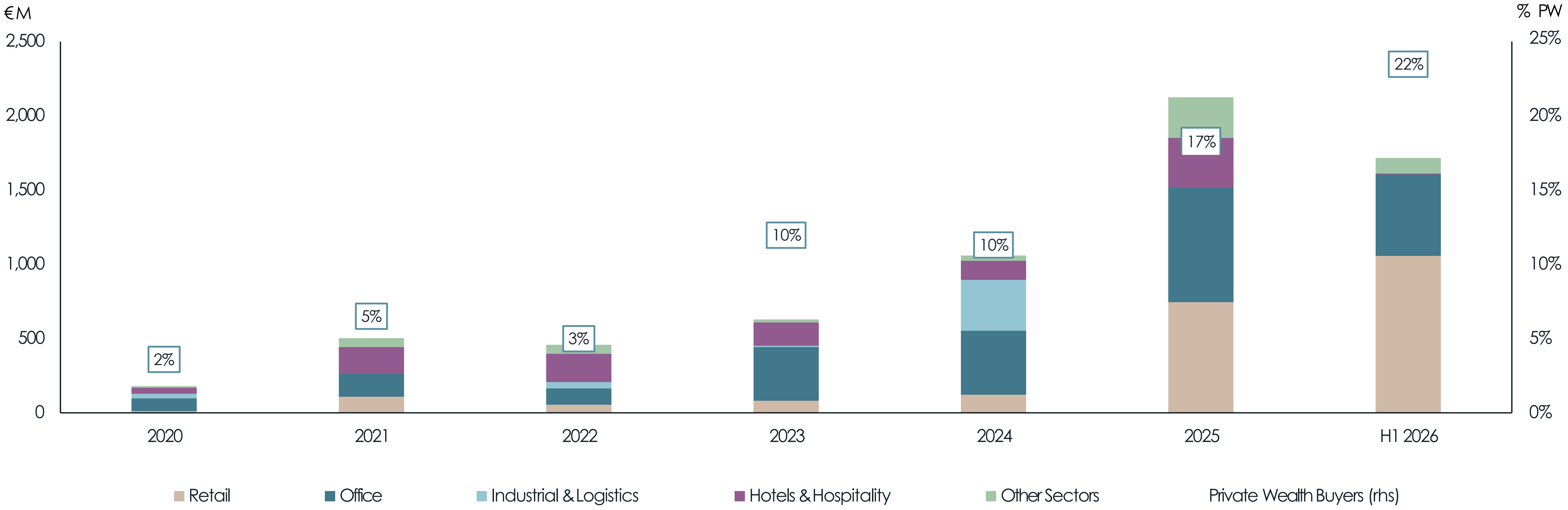
Private wealth surges to 22% of Italian CRE investment in H1 2026

Transforming from a marginal source to a key market driver, private wealth invested €1.7 billion in H1 2026, dramatically increasing its market share from just 2% in 2020 to 22%

Private wealth volumes by sector



Source: JLL Research elaborations. Note: Share deals included. Excludes deals under €5M

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Wealth by Nation: Aggregating the Top-50 Cities

The world's wealthiest cities by resident millionaires (Henley Top 50, 2025).
Milan is 11th in the world — and Italy was the #3 destination globally for millionaire inflows in 2025.

#	City / Area	Country	Millionaires	Billionaires	Growth % (2014–24)
1	New York City	USA	384,500	66	+45%
2	The Bay Area	USA	342,400	82	+98%
3	Tokyo	Japan	292,300	18	+4%
4	Singapore	Singapore	242,400	30	+62%
5	Los Angeles	USA	220,600	45	+35%
6	London	UK	215,700	33	–12%
7	Paris	France	160,100	22	+5%
8	Hong Kong	Hong Kong (SAR China)	154,900	40	+3%
9	Sydney	Australia	152,900	22	+28%
10	Chicago	USA	127,100	25	+24%
11	MILAN	Italy	115,000	17	+24%

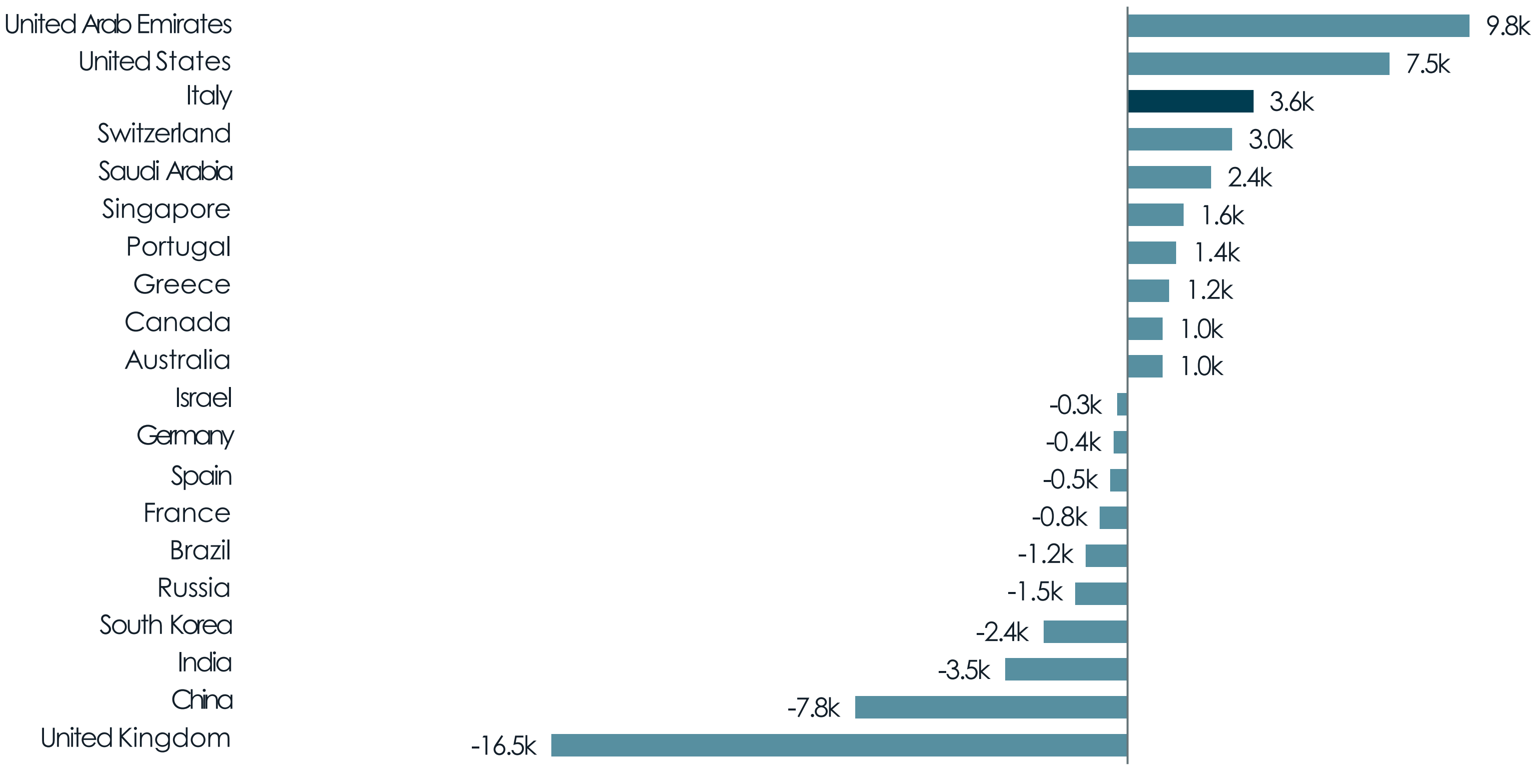
The real signal: Milan outranks Beijing, Shanghai, Toronto and Dubai. In Europe only London and Paris sit above it. And momentum is strong: in 2025 Italy drew +3,600 net millionaires — the 3rd-largest inflow worldwide behind the UAE and the US — with Milan as the principal entry point.

Source: Henley & Partners / New World Wealth – World's Wealthiest Cities Report 2025.

Italy is the 3rd destination globally for wealth inflows

Italy attracts 3,600 net new millionaires (+€20.7B) in 2025 via its €300K flat-tax, with Milan as Europe's fastest-growing wealth hub where residential prime property prices rose 49% since 2017.

Millionaire wealth flows by country – 2025



Source: Henley & Partners / New World Wealth – World's Wealthiest Cities Report 2025 (complete Top 50). © 2026 Jones Lang LaSalle IP, Inc.

Focus by sectors

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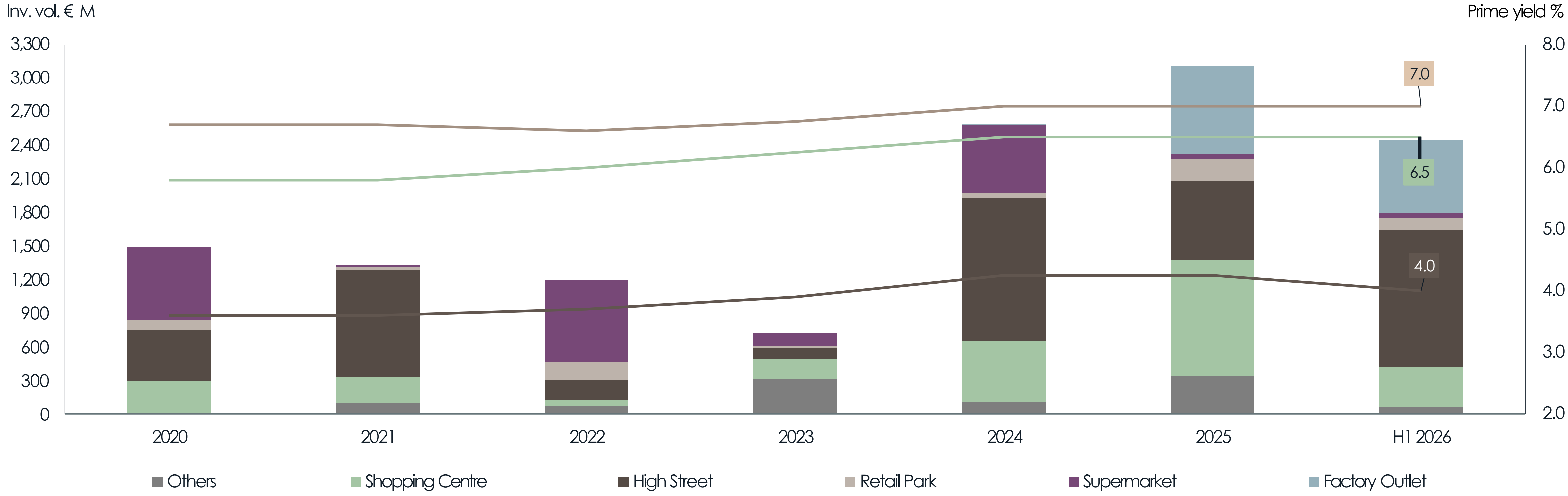
01 Retail

Retail takes the lead: #1 CRE asset class in H1 2026 in Italy, with 30% share

Investor appetite spans the full spectrum of retail assets, with strong performance from shopping centres, retail parks and high street

Historical Retail Investment prospects

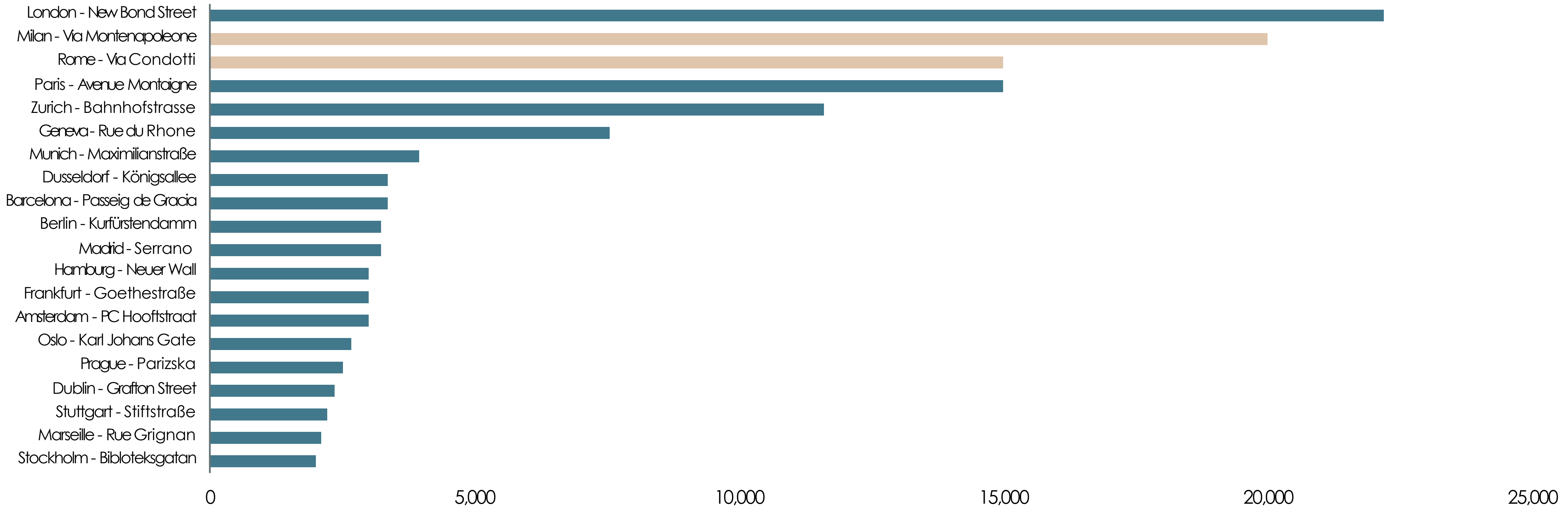


Source: JLL Research elaborations. Note: Share deals included. Excludes deals under €5M

Luxury retail ranking: Milan's Via Montenapoleone at #2 and Rome's Via Condotti at #3

Milan established as the primary entry point for international newcomers, retailer demand is intensely focused on the country's prime luxury corridors

Prime rents luxury retail locations Europe Q2 2026 (€/sqm/pa)



Source: JLL Research, iO Partners, Akershus Eiendom; Note: H1 2026 is based on Q1 2026 values.

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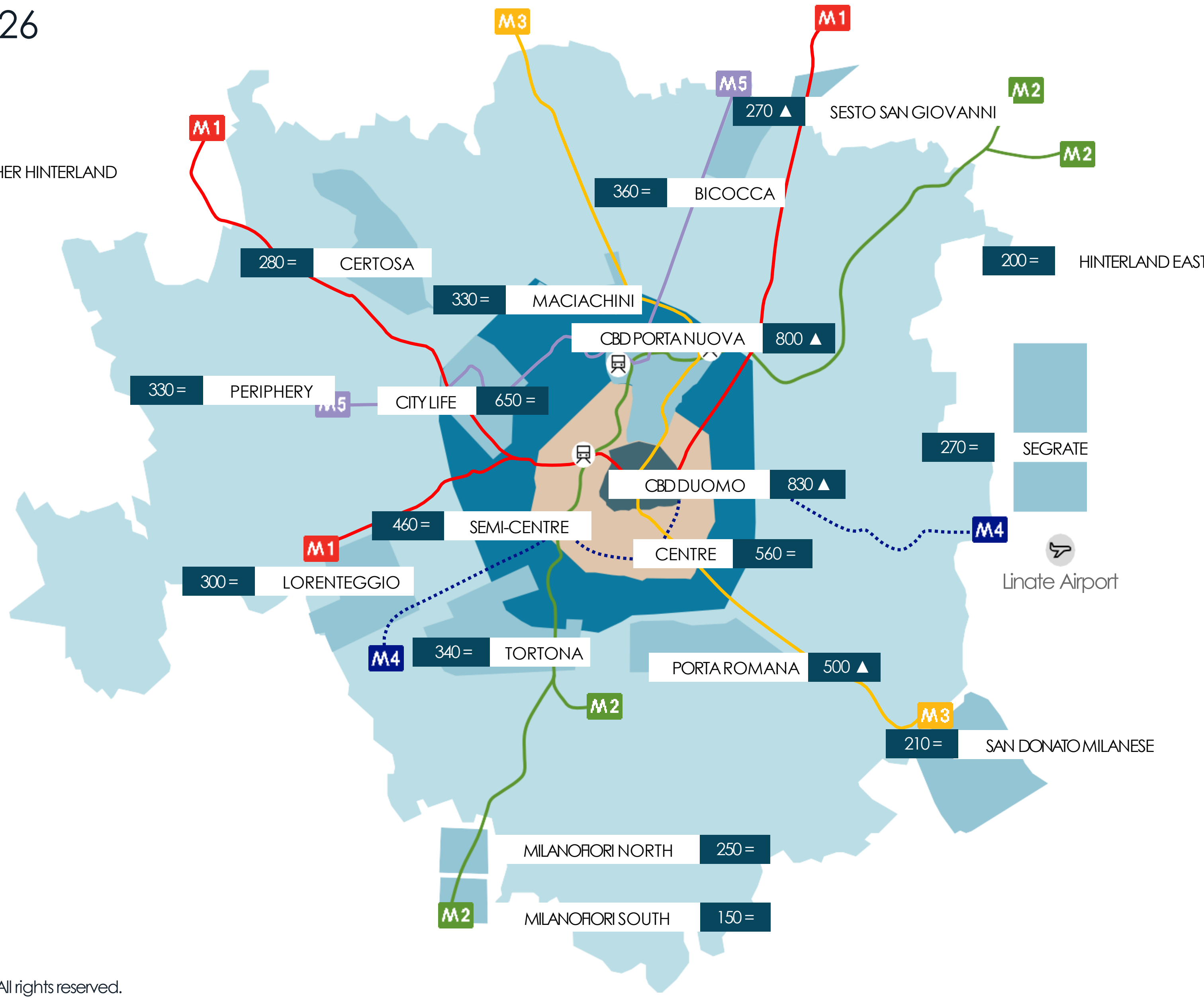
02 Offices

Milan |Prime office rents

Q2 2026 vs Q1 2026



Prime Rent	
=	QonQ change Stable
▼	QonQ change Down
▲	QonQ change Up

Tot. Vacancy rate Milan
9.6% ▲ (QoQ)

Vacancy rate Grade A Q2 2026
3.6% ▲ (QoQ)

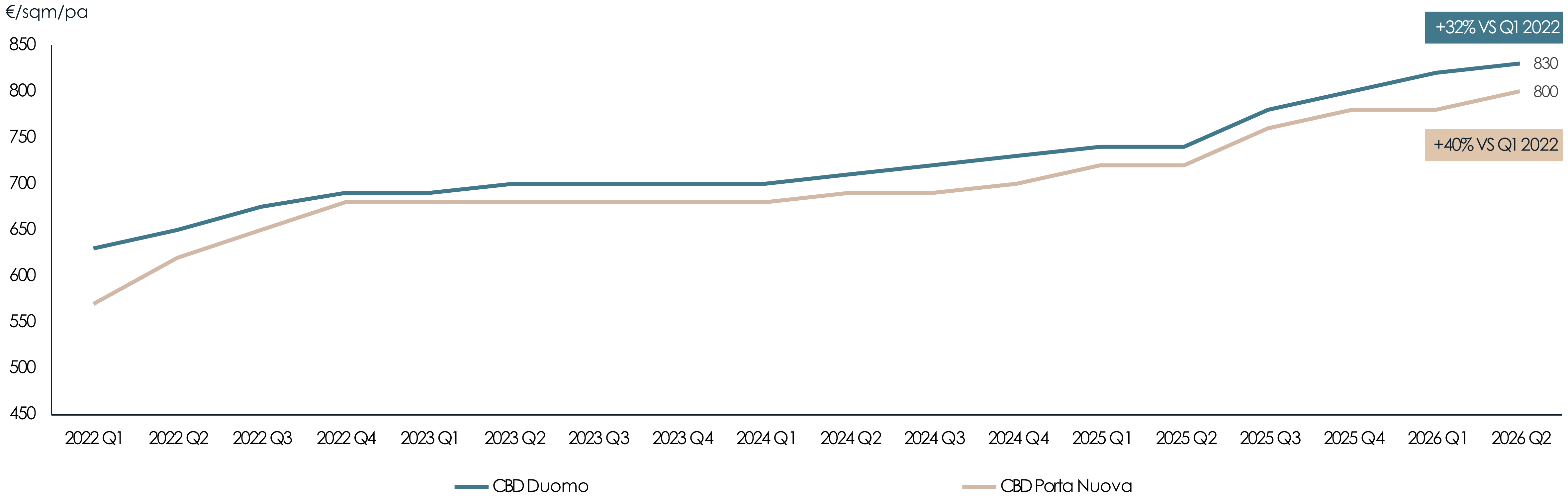
CBD P.N.
1.2%

CBD Duomo
1.9%

Office fundamentals fuel significant rental growth for prime assets in Milan's CBD

Strong occupier demand for prime CBD locations, combined with a scarcity of Grade A supply, is driving exceptional rental growth, with Milan's prime rents increasing by up to 40% since Q1 2022

Milan Prime Rents maintain strong upward trend (Q1 2022 – Q2 2026)

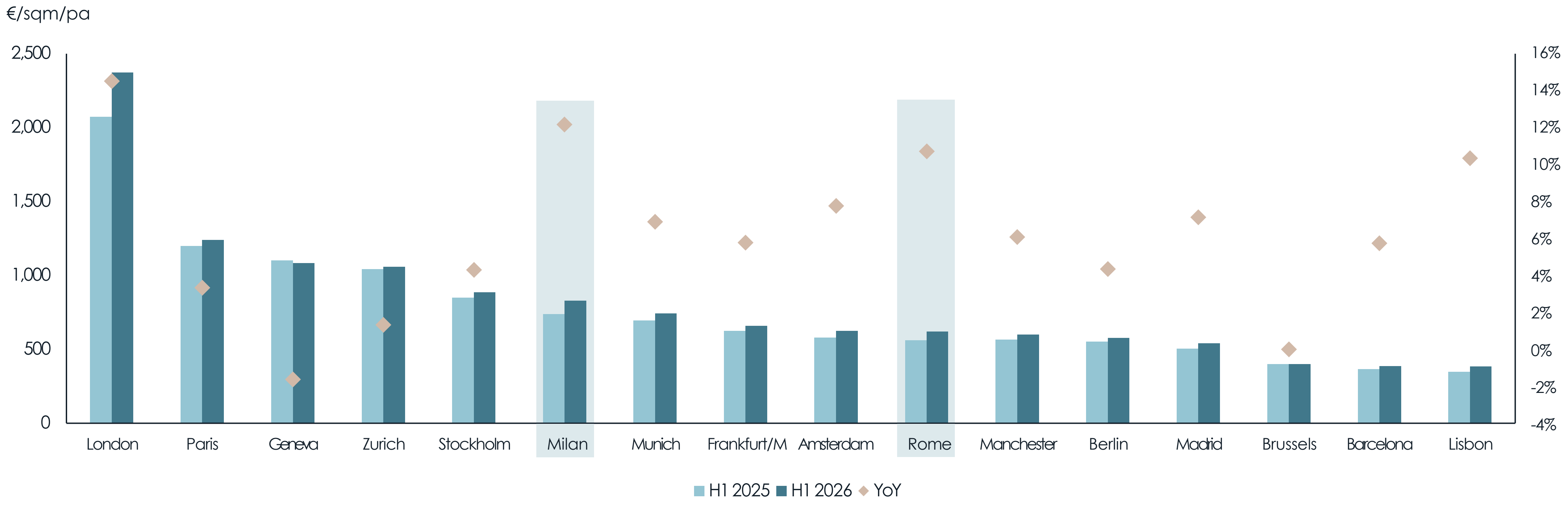


Source: JLL Research

Milan and Rome lead Europe in rental growth

Fuelled by persistent occupier demand and a scarcity of Grade A supply, Milan and Rome are significantly outperforming their European peers, posting some of the continent's highest rental growth rates

Milan and Rome lead European rental growth

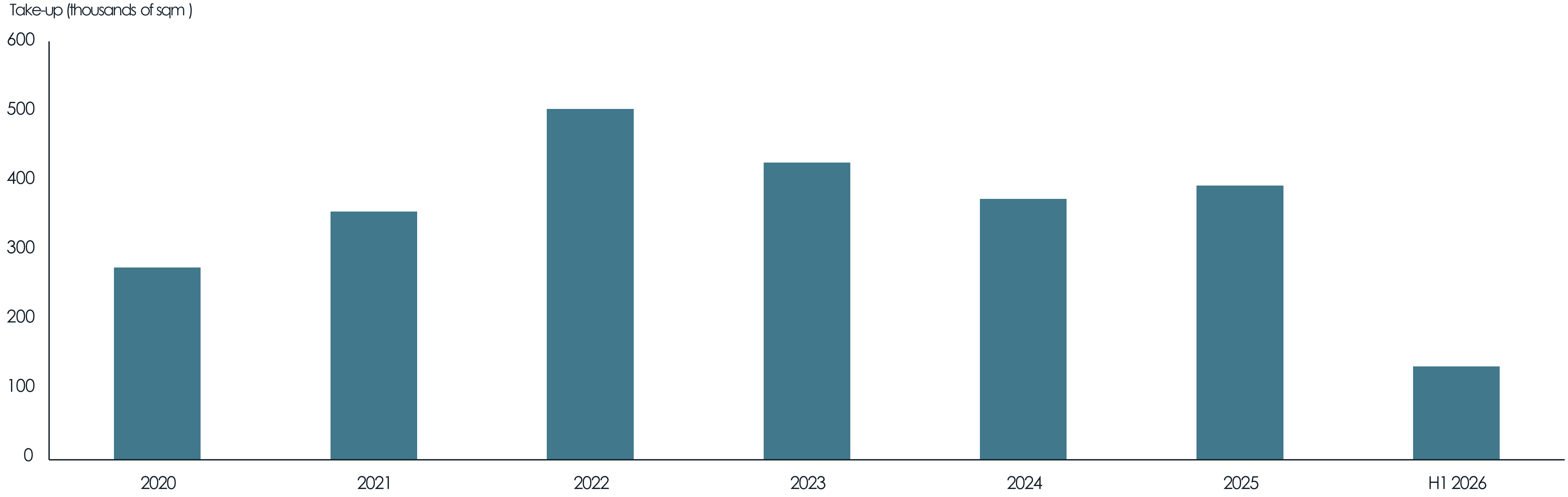


Source: JLL Research

Solid demand for grade A and central assets but gap between demand and supply is constraining take-up levels.

Milan recorded 134,000 sqm of office take-up in H1 2026 with average transaction size declining to 750 sqm (from 1,100 sqm in H1 2025), reflecting a supply-constrained market where Grade A vacancy stands at 3.6%

Milan office take-up (sq. m)



Source: JLL Research

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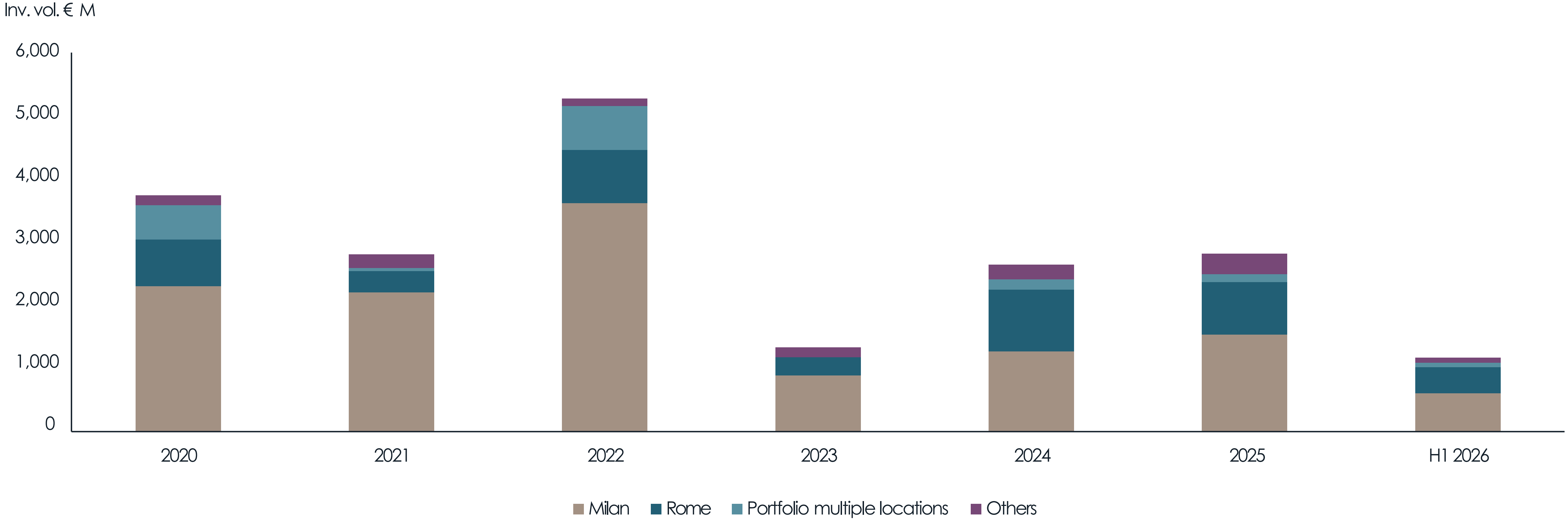
Italian Office Market: Milan and Rome capture over 80% of activity since 2020

Office investment totaled €1.2Bn in H1 2026, with 26% targeting alternative use conversions (hospitality, residential, PBSA) and 74% (€900M) in pure office transactions—half of which was driven by private wealth, family offices, and HNWIs.

Investment Volumes by Location



Source: JLL Research elaborations. Note: Share deals included. Excludes deals under €5M

03 Industrial & Logistics

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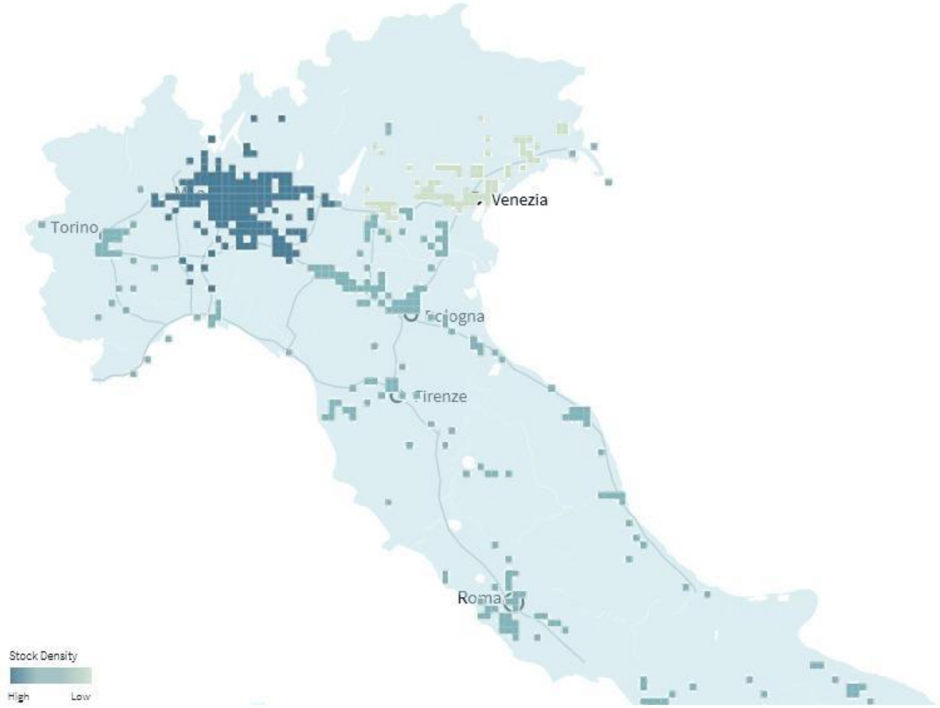
Logistics market momentum strengthens on robust occupier activity in Italy

Italy's 30 million of modern logistics stock, rank as one Europe's largest market, delivering resilient take-up performance and low vacancy rate levels (4%)

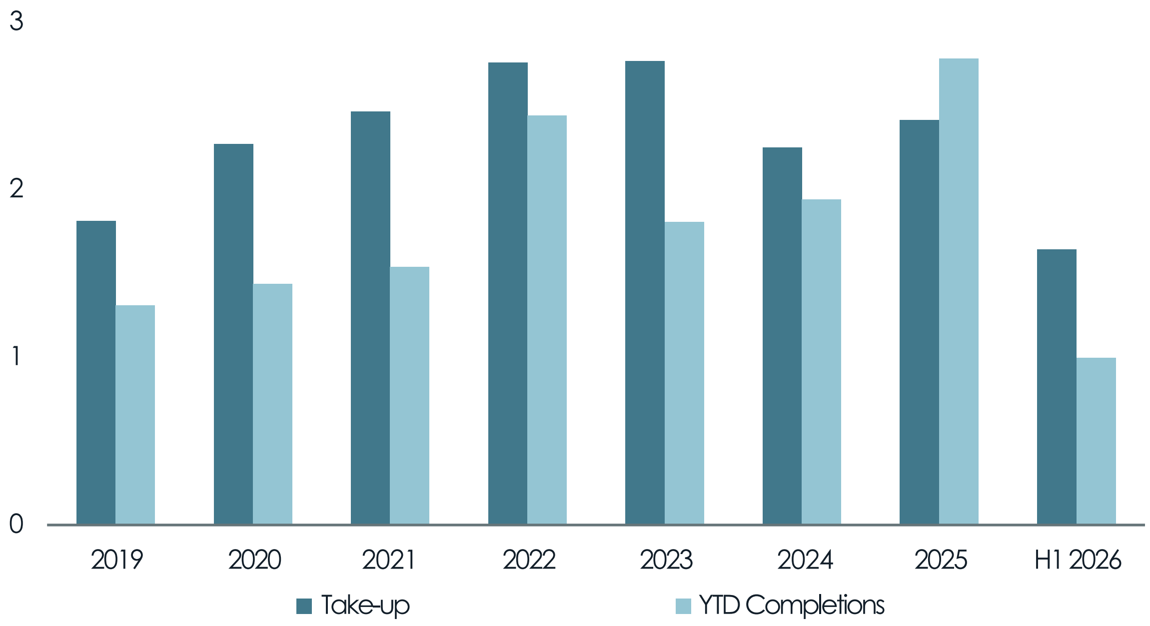
Strategic European connectivity

With Milan positioned within the "Blue Banana" logistics corridor



Italy historical take-up trend confirm strong market fundamentals

H1 2026 take-up reaches 1.6M sqm (+72% YoY), driven by 3PL operators (70% share) and growing transaction sizes

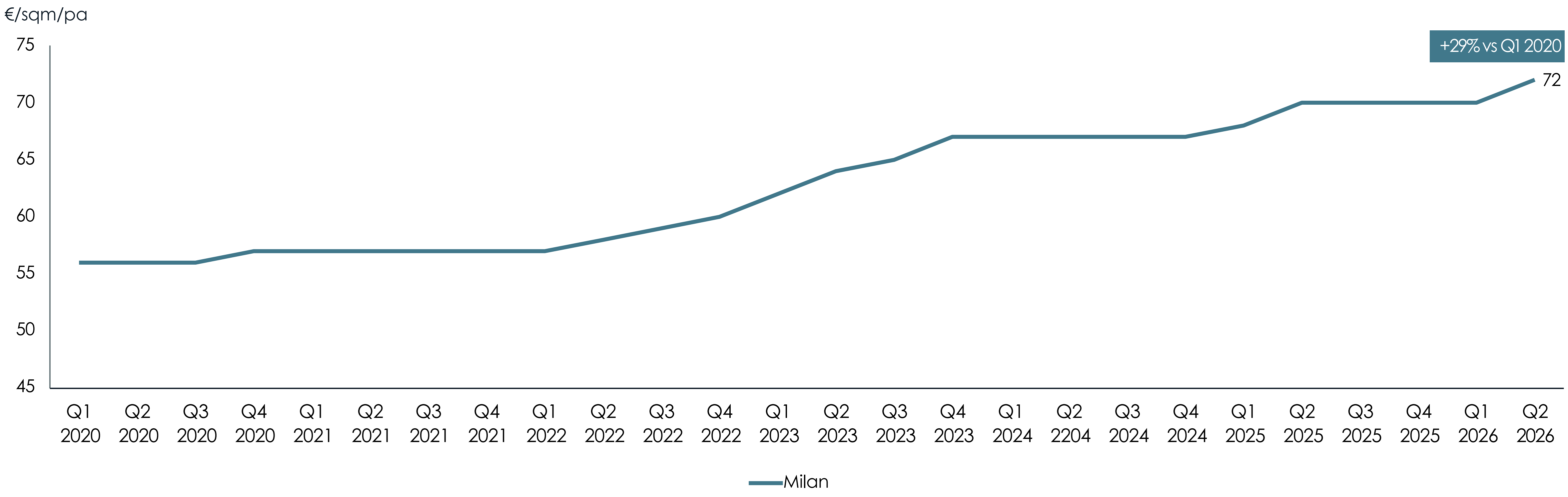


Source: JLL

Milan leads Italian logistics rent growth with 29% increase since Q1 2020, reaching €72 per sqm in Q2 2026

Strong fundamentals continue to support the market, driven by occupier demand for modern facilities, strategic location advantages, and Milan's role as Italy's primary logistics gateway

Milan Logistics Prime Rent Evolution

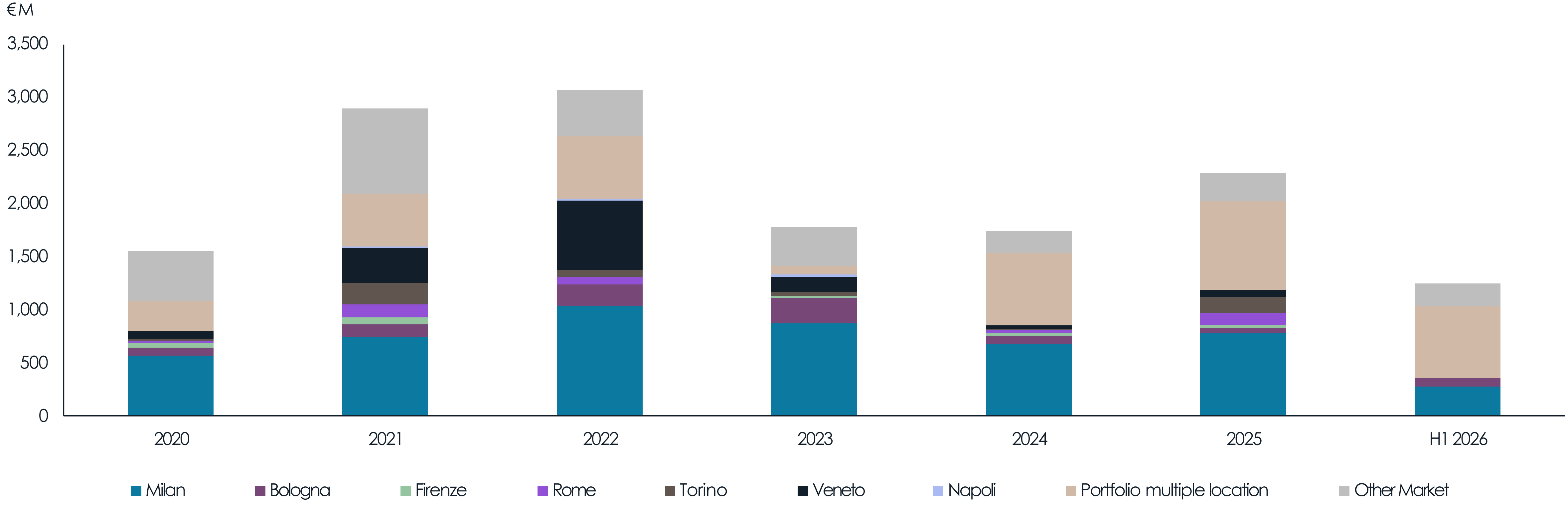


Source: JLL Research elaborations.

Italy Logistics: resilient investment momentum

Logistics confirms its central role in Italian real estate with €1.2 billion invested in H1 2026 (+50% vs H1 2025) and 16% of Italian CRE volumes.

Investment volumes by Market



Source: JLL Research elaborations. Note: Share deals included. Excludes deals under €5M.

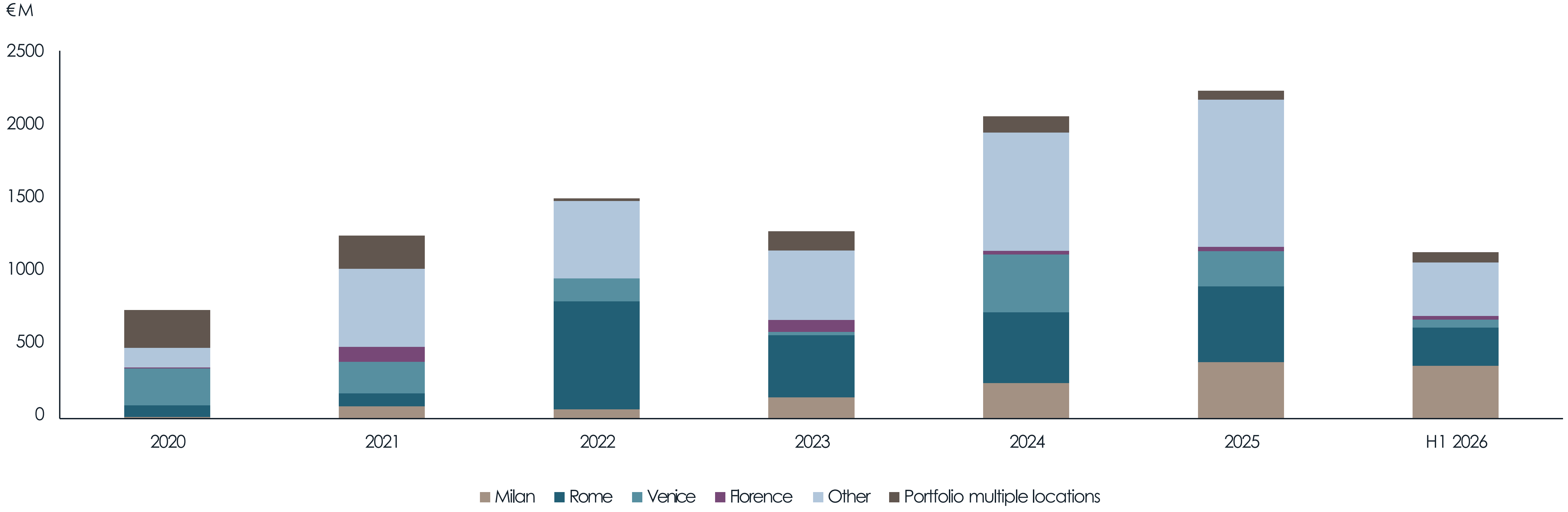
04 Hotels

Hospitality: robust Investment in H1 2026

€1.1 billion deployed, with a growing focus on value-add conversions accounting for €260 million of total volume.

Urban and resort markets maintain strong momentum with activity concentrated in Rome, Milan, and key tourist destinations including Lake District, Puglia, and Sicily.

Italy hotels & hospitality investment volumes by geography

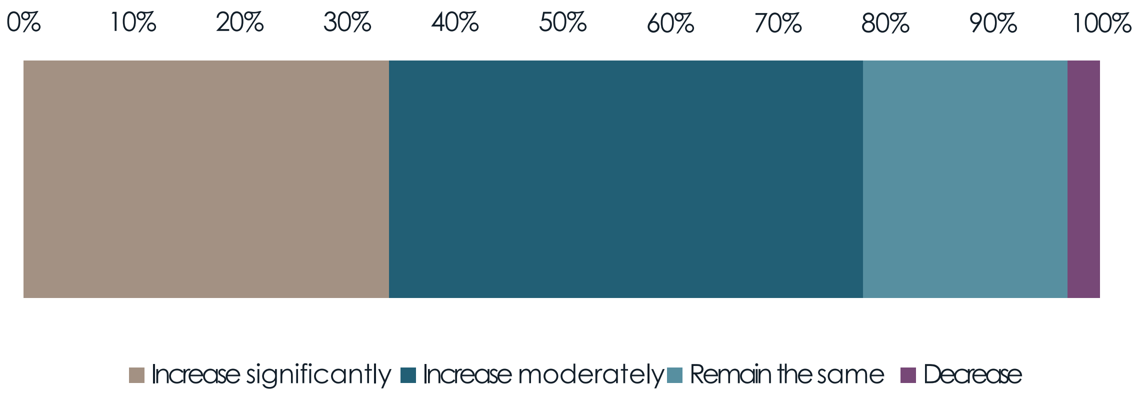


Note: Share deals included. Excludes deals under €5M. Conversion and development included.

Hotels |Market momentum

Nearly 80% of investors plan to increase Italian hotel exposure over the next 12-24 months

Allocation Intentions for Italian Hotels



- 4 in 5 investors expanding Italian exposure
- Moderate growth dominates
- Strongest expansion appetite among investors with <5% current exposure

Key luxury destinations

Source: JLL Italian Hotel Investment Outlook and Strategy Survey, May 2026.

05 Alternatives

PBSA |Italian supply among the lowest in Europe

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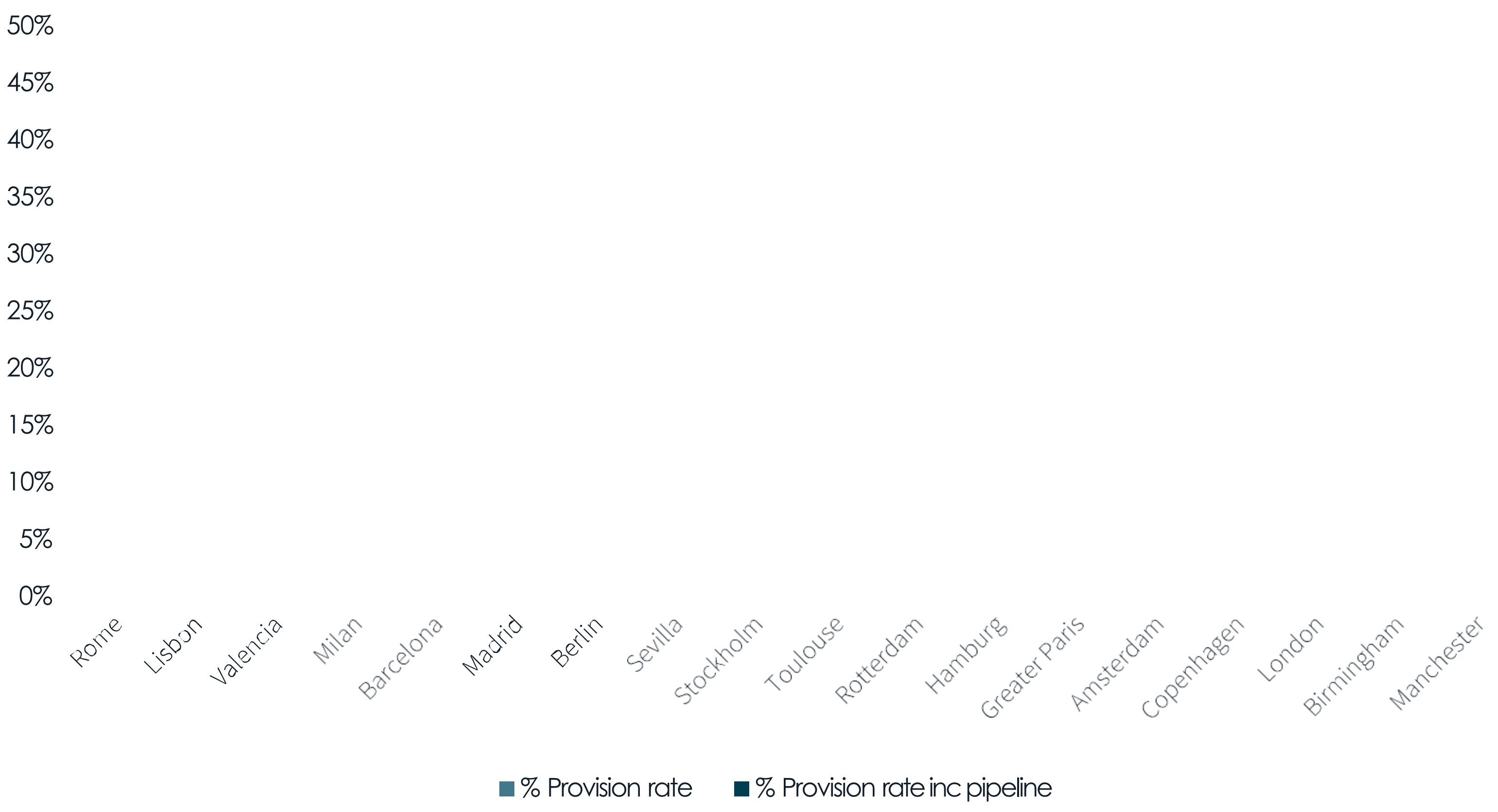
PBSA provision rates in key European cities



4%

Average city provision rate in Italy

€250*m

H1 2026 Italian PBSA investment volumes

+139%

Italian H1 2026 PBSA investment volumes rise compared to H1 2025

*Share deals, forward purchase transactions, conversion and development included. Excludes deals under €5M.
Source: JLL, 2025. Note: Provision rates are based on all students and total student beds (inc public and private PBSA beds).

Data Centres: Milan poised for Tier-1 Status

Hyperscale demand and new capital flows are driving the city's rapid ascent to a core European market.

- Milan is set to re-rate as a tier-1 data centre market as capital rotates beyond the established FLAP-D hubs, with Iberia and the Nordics on a similar trajectory.
- Hyperscale demand is the key driver, highlighted by a single €2bn commitment for 250 MW in Milan (May 2026), demonstrating the significant scale of new investment.

Source: JLL on commitment and Osservatorio Data Center Politecnico di Milano on the right

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Conclusions

Why invest in Italy?

Key performance indicators driving market momentum

Robust growth & sectors diversification

- +34% CRE investment YoY in H1 2026
- #6 global rank for cross-border capital

Record Office rental growth

- +40% rental growth since 2022
- <4% Grade A vacancy in Milan

Strong Retail momentum

- First asset class in H1 2026
- Milan #2 in Europe for luxury retail rents

Continued Structural Growth in Logistics

- +72% YoY logistics take-up growth
- 4% national vacancy rate

The Rise of Private Capital

- 22% of total CRE investment (vs. 2% in 2020)
- €1.7B invested in H1 2026 (+15% YoY)

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Thank you

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