



Italy Spotlight - H1 2025



Italian Retail Spotlight



66 Positive retail trend strengthens

Highlights

Retail investment volumes more than doubled compared to the same period last year, reaching 22% share of total volume

Tourism expenditure continues to grow, driving the high street segment and supporting prime rental levels

Luxury beach, lake, and ski destinations are becoming established hotspots for brands and investors

In shopping centres, footfalls slightly increased in the first 5 months of 2025

Especially for mass market and premium retail positioning, calendar shifts affected consumptions

Prime net yields are expected to remain stable throughout 2025

H1 2025 KPIs



MILAN HIGH STREET | PRIME RENTS
15,000 €/sqm/y
Stable YoY



MILAN - QUADRILATERO DELLA MODA
NEW OPENINGS
+45



SHOPPING CENTRES | PRIME RENTS
1,050 €/sqm/y
+11% YoY



SHOPPING CENTRES*
TURNOVER
-1.2%



SHOPPING CENTRES*
FOOTFALL
+0.8%



INVESTMENT VOLUME
€ 1,150 mln
+134% YoY



N° OF DEALS
18
+5 YoY



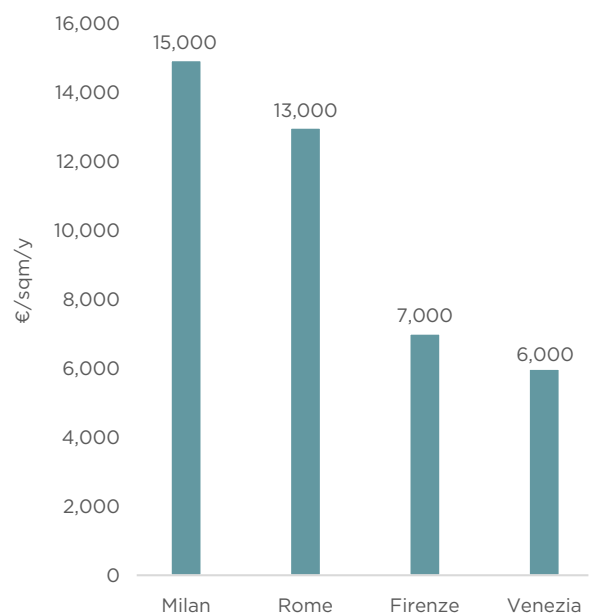
* CNCC data; YTD May 2025 vs YTD May 2024

High Street leasing market

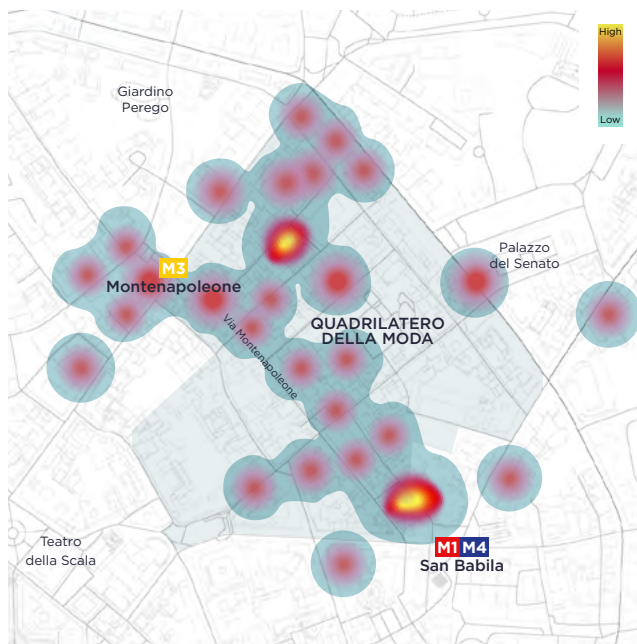
Italy's high street retail market remains highly attractive, driven by a steady stream of new store openings, the arrival of new brands seeking to grow their presence, and the introduction of innovative store formats. This positive momentum, bolstered by consistent tourism flows, extends beyond major cities like Milan, Rome, Florence, and Venice to include upscale coastal, lakeside, and alpine resort destinations.

Milan continues to stand out as the leading destination for high street retail, fuelled by strong demand and a scarcity of available space. Numerous brands are either expanding their footprint or selecting Milan as the location for their first Italian flagship, particularly in sectors such as fashion, jewellery, and home décor. The city remains a magnet for innovative concepts ranging from luxury hotels and exclusive clubs to entirely new retail formats for the Italian market, enhancing the consumer experience and strengthening its overall appeal. In the prestigious Quadrilatero della Moda, availability is virtually non-existent, yet the district remains dynamic, with a continuous flow of new store openings. It is no surprise that Via Montenapoleone commands the second prime retail rents in Europe, at €15,000 per square metre per year, underscoring its reputation as one of the continent's most sought-after luxury retail streets.

High street prime rents, H1 2025



Quadrilatero della moda, new and next opening heat map (last 12 months)



STORES
480+



INTERNATIONAL
31%



CHAINS
70%



VACANCY RATE
1%



NEW OPENINGS
45



CLOTHING AND ACCESSORIES
59%



PRIME RENT
15,000 €/sqm/y

Out of town leasing market

In the first five months of 2025, shopping centres have demonstrated resilience, delivering good performance and showing encouraging momentum. Many external factors and changes in consumer habits have affected performance in the first part of this year: winter sales', the comparison with the leap year 2024, Easter on April. The global scenario is still dominated by growing uncertainty and this is affecting confidence and consumptions.

Most of the space in shopping centres is dedicated to clothing and accessories, which account for 58% of the total, followed by consumer electronics and food. In terms of store count, clothing and accessories remains the leading category, while culture/leisure/gift stores and food followed, with personal care stores close behind. Clothing and accessories lead even in terms of turnover, followed however by consumer electronics and food.

The increased propensity toward the personal care sector is consolidating with the inclusion of more and more operators, particularly in urban facilities. Even in terms of revenue growth, this sector recorded the second largest increase in turnover with a +3.3% growth, while services led the way with a +3.8% YoY (CNCC data).

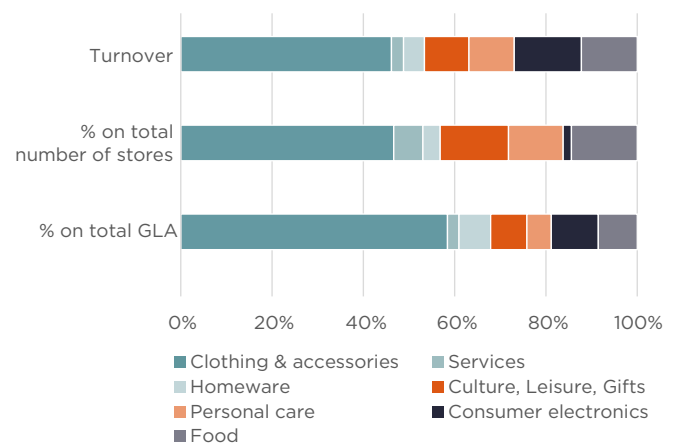
Food category, after the significant growth in sales recorded in recent years, is now consolidated, even though leisure support in larger facilities is still not fully sufficient; revenue growth is in fact slowing down, showing a -0.8%

YoY.

In shopping centres managed by Savills, services performed better than the average and than the benchmark; a similar trend has been recorded for personal care, food and culture, leisure and gifts shops.

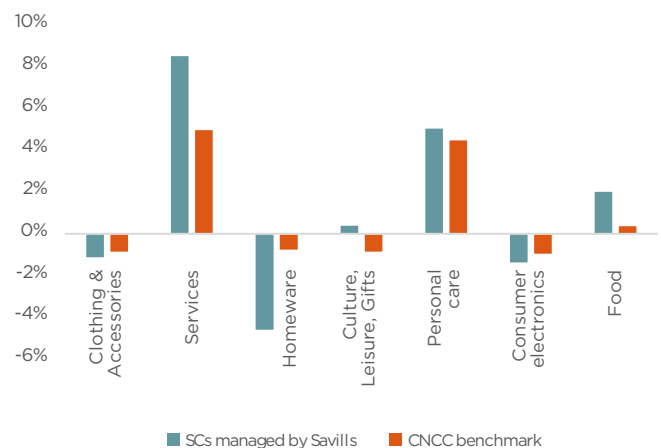
Overall, the launch of new schemes remains limited, with retailers continuing to prioritise locations that have a proven track record.

Shopping Centres Data* by category



*Data refer to shopping centres managed by Savills. Food anchor stores are excluded from the turnover analysis

Turnover by categories: % var. on total turnover (YTD May 2025 vs YTD May 2024)



FOOTFALLS*

+0.8%

YTD May 2025 vs YTD May 2024*



TURNOVER OF SHOPPING CENTRES*

-1.2%

YTD May 2025 vs YTD May 2024*



TOP BEST CATEGORIES BY TURNOVER TREND*

YTD May 2025 vs YTD May 2024*

SERVICES:

+3.8%

PERSONAL CARE:

+3.3%

* CNCC data

Retail Investment market

Retail volumes are still growing in H1 2025, continuing the positive trend of 2024, totalling around €1,150 mln, a figure 2 times greater than H1 2024 and than the last 5-years average. A total of 18 deals were recorded, 6 of which were portfolio deals.

The out-of-town segment recorded the best H1 performance since 2018, across 12 deals for around € 685 mln. The factory outlet sub-sector drove the activity, thanks to the closing of one major transaction related to two assets. In addition, the shopping centre component showed a strong growth, mainly due to the sale of an asset in Sicilia.

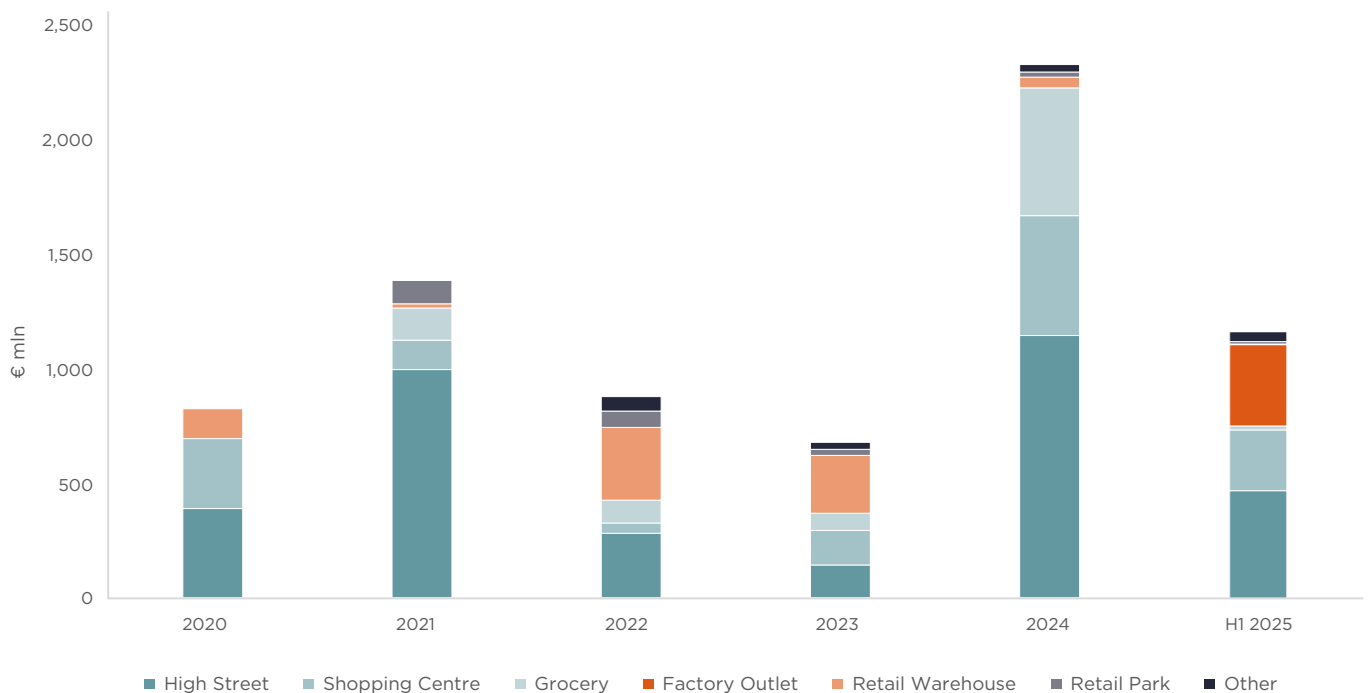
High street retained a steady appeal, covering 40% of the volumes across six deals, three of which located in the city of Firenze. The number of tourists is slightly declining in the first half 2025 compared to the same period last year, but tourism expenditure continues to grow, driving the high street segment and supporting prime rental levels. Luxury beach, lake, and ski destinations are becoming established hotspots for brands and investors.

The market was again dominated by foreign capitals, covering 70% of total activity. Prime net yields were mostly stable in the last 12 months, except for the retail park segment that saw a -25 bps YoY decrease, landing at 7.50%. Prime net yields are generally expected to remain unchanged throughout 2025.

Prime net yields, H1 2025



Investment volume by subsector



Retail key facts



New locations are gaining prominence as travellers seek unique and local shopping experiences



Retail spaces are becoming wellness destinations that align with consumers' evolving priorities



Tourism and retail often intertwine, shaping consumer behaviour and influencing urban economies



Focus on management strategies: high-value RE services, strategic marketing and digital communication



Immersive pop-ups, interactive product showcases, and curated social spaces



Shopping centres are resilient and evolve to match consumer habits, technological advancements, and societal shifts





Savills Team

Please contact us for further information

Davide Dalmiglio

Managing Director,
CEO Italy
+39 335 8473054
davide.dalmiglio@savills.it

Alberto Albertazzi

Director, Head of
Retail Management
+39 335 7419992
alberto.albertazzi@savills.it

Francesca Cattagni

Head of
Retail Agency
+39 342 1375481
francesca.cattagni@savills.it

Gianni Flammini

Chairman, Head of
Valuation & Advisory
+39 348 7717661
gianni.flammini@savills.it

Marco Montosi

Director,
Head of Investment
+39 02 632814749
mmontosi@savills.it

Nunzia Moliterni

Head of Building &
Project Consultancy
+39 347 7500606
nunzia.moliterni@savills.it

Elena Zanlorenzi

Head of Research &
Marketing
+39 340 7701607
elena.zanlorenzi@savills.it

Manuela Nitti

Research Associate
Director
+39 340 4773859
manuela.nitti@savills.it

Claudia Solarino

Research
Senior Consultant
+39 345 6593813
claudia.solarino@savills.it

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