

REVIEW

# RETAIL MARKETS

ITALY 2024

Shutterstock © Miguel Parici

RESEARCH & INSIGHTS



**BNP PARIBAS  
REAL ESTATE**

Real Estate for a changing world



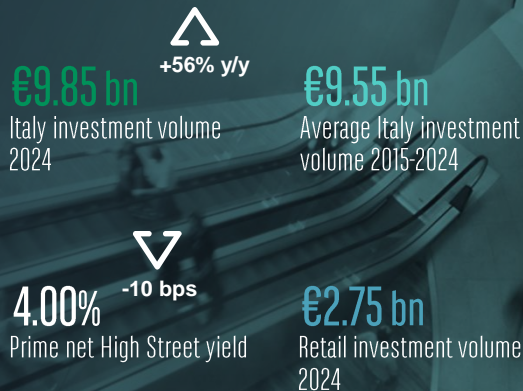
# 2024

## RETAIL MARKETS ITALY

### AN ACTIVE RETAIL REAL ESTATE MARKET SEES RENEWED INTEREST AS REPRICING BEGINS

Although High Street Retail grabbed the spotlight, investor interest involved a range of asset types in 2024.

### KEY FIGURES



Shutterstock © PHOTOCREO Michal Bednarek



### MARKET OVERVIEW

The market begins to see the benefits of the focus shifting towards creating a unique customer shopping experience. Quality assets and locations demonstrate a higher degree of resistance to socio-economic change.

In 2024 evolution of the Retail market, underway for a number of years, accompanied benefits from renewed real estate interest. Repricing commenced as inflation was brought under control, the ECB implemented rate cuts, and consumer confidence endured.

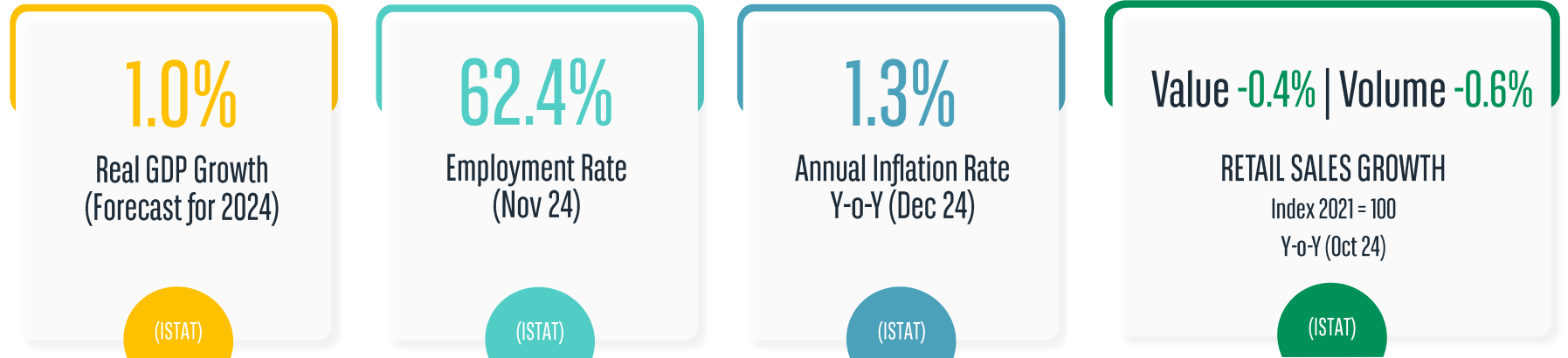
The very significant growth in investor activity resulted in improved volumes for all CRE including the Retail sector, which dominated the Italian investment volume in 2024 thanks to the closure of the largest single asset real estate deal recorded, in the HS Retail sector.

Prime Retail yields compressed in Q4 in the High Street sector after stability in the first part of 2024, although disparities exist in asset location and type and between prime and secondary.

Rental growth in prime locations within key cities is sustained by a healthy High Street occupier sector and strong tourist flows in these locations, including in the Luxury segment which remained largely unaffected by recent the economic challenges. Here, the tight supply of suitable opportunities has limited activity.

Although Mass Market retail did face a more challenging environment in recent quarters, essential retail - involving the sale of products that consumers consider indispensable - continued to play an important role. The customer shopping experience remains a key focus in today's consumption patterns.

### Key Indicators





2024

RETAIL MARKETS  
ITALY

### Consumer Confidence

**+0.5%**

Dec 24 vs Dec 23

(ISTAT)



### MACRO-ECONOMIC SCENARIO

#### Consumer Prices

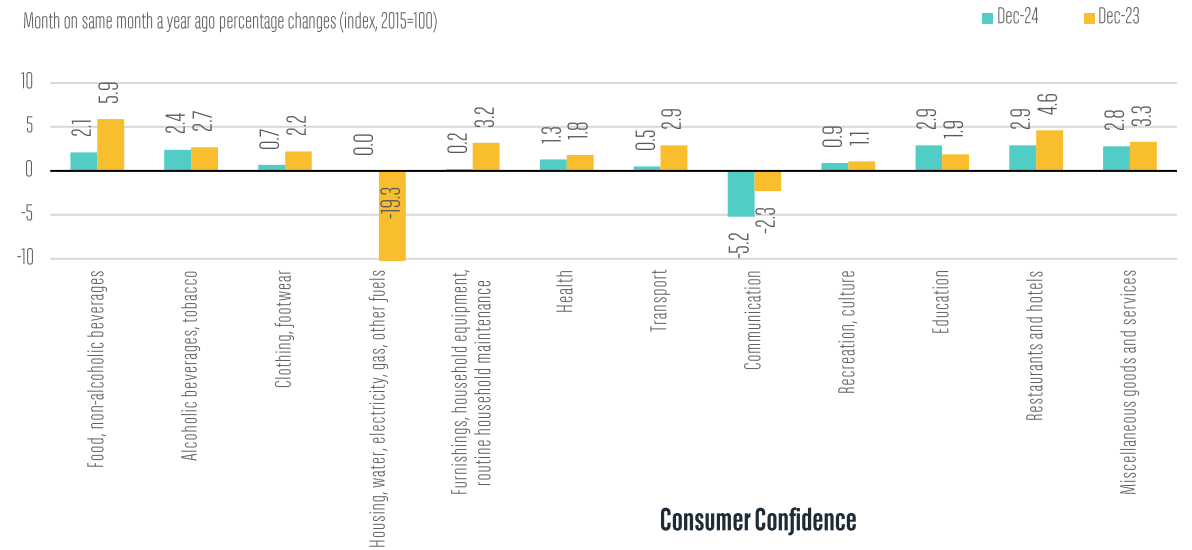
In December 2024 the Italian consumer price index for the whole nation (NIC) increased by +0.1% on a monthly basis and by +1.3% on an annual basis.

Core inflation - excluding energy and unprocessed food - slowed in 2024 and remained stable at around the ECB target.

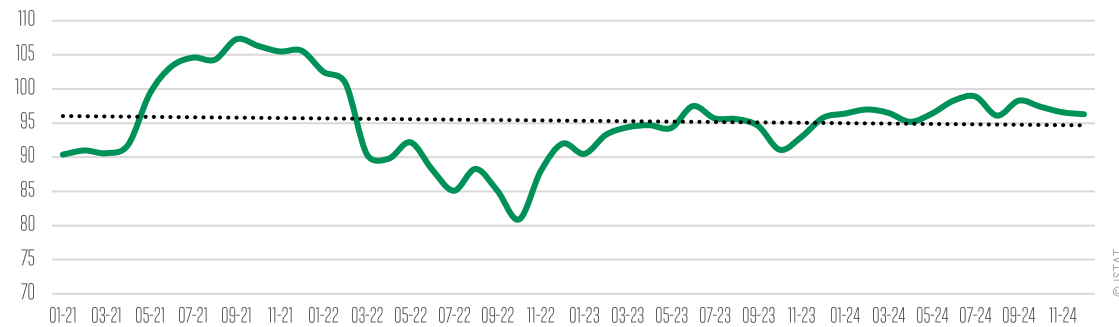
Growth stabilization underlies contrasting trends: the prices of unprocessed food and of services related to recreation slowed down although the prices of energy products increased.

#### Consumer Prices indices by sector

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



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



#### Consumer Confidence

At the end of the 2024, the consumer confidence index in Italy softened to stand at 96.3, with further deterioration in the economic and future climate indexes. The retail trade confidence climate remained basically unchanged.

Manufacturing and construction confidence worsened, the latter recording two month of decline. The market service climate improved thanks to growing optimism and upgraded expectations.





2024

RETAIL MARKETS  
ITALY

Italian Inflation

+1.3%

December 2024

(ISTAT)



## MACRO-ECONOMIC SCENARIO

### A moderate acceleration is expected for the Italian economy

Reflecting current economic uncertainty, Italian GDP has been revised downwards compared to initial annual forecasts and is expected to have expanded by +0.5% in 2024, slightly below Eurozone levels, with current expectations that this increase by +0.8% in 2025 (Banca d'Italia forecast).

In December 2024 the Harmonised Index of Consumer Prices recorded lower growth in Italy than in the Eurozone and in other countries. The annual average rate dropped significantly to 1.0% compared to 5.7% in 2023.

The 10Y Italian Government Bond yield stood at 3.6% at the end of 2024, after contracting from the peaks seen at end-2023.

The associated widespread decompression throughout 2023 was followed by underlying yield stability in 2024. Yield levels are significantly differentiated by asset type and location and some further decompression may be seen for secondary product and as market evidence becomes available.

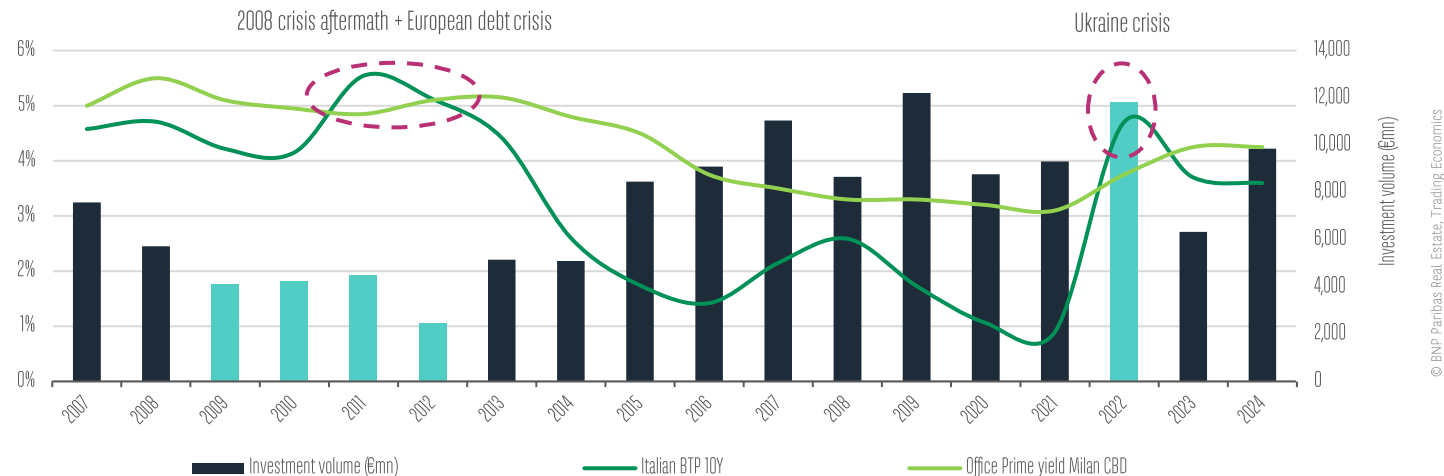
Italian exports in the third quarter of 2024 registered a slight +0.6% increase on a quarterly basis as international trade in goods remains weak. Exports have followed a negative trend since the beginning of the year (-0.5% vs 2023) mainly due to a reduction in export values that was more significant than the increase in average unit values.

This export decline did not involve all industrial sectors however: indeed, the export of food and beverages, as well as the chemical and pharmaceutical sectors, increased over the same period.

In Q3 2024 household purchasing power continued to grow (+0.4%), albeit at a slower pace than the previous quarter. This growth was driven by an increase in disposable income, which outpaced the rise in the consumption deflator, leading consumption expenditure to rise significantly alongside a decline of the household saving rate.

On an annual basis, employment increased by 328,000 (+1.4%) to 62.4%, while unemployment, especially in the youth segment, fell and the inactivity rate raised.

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



Shutterstock © PHOTOCRED Michael Bednarek



2024

RETAIL MARKETS  
ITALY

## Retail Spending

**+1.1%**

Nov 24 vs Nov 23

(ISTAT)



## MACRO-ECONOMIC SCENARIO

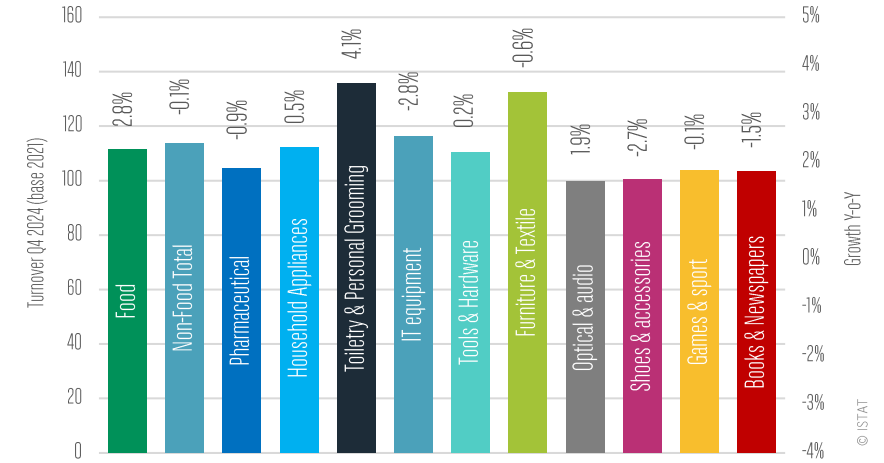
### Retail Spending

After the promising performance achieved in the first part of the year, in November 2024 the retail trade index fell by -0.4% in terms of value and volume contracted by -0.6% compared to the previous month.

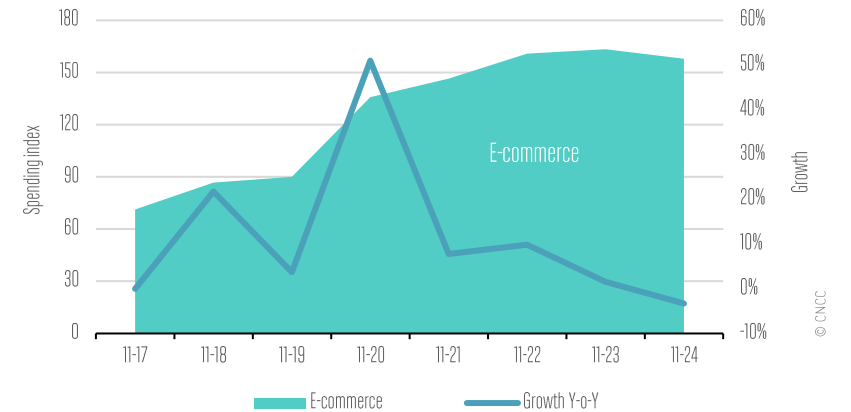
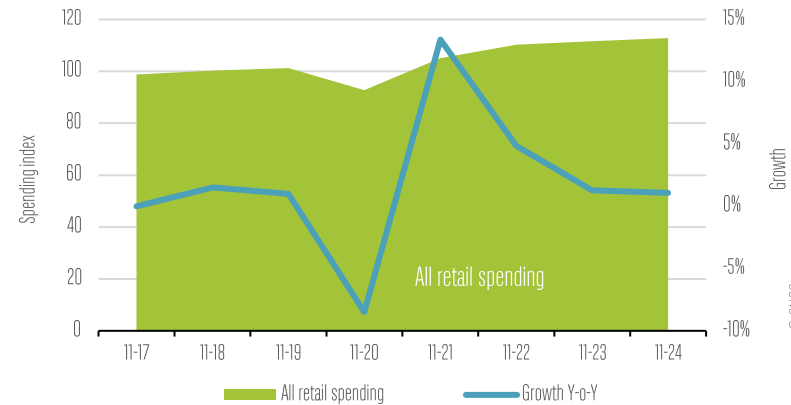
However, on a yearly basis the value of retail trade rose by +1.1%, although volumes dropped slightly by -0.2%.

Large-scale distribution grew by +3.8% but small-scale distribution decreased by -0.9%. Non-store retail sales fell by -3.9% and online sales by -3.3% Y-o-Y.

Mixed results were recorded in non-food sales trends depending on the specific category.



### Online Retail Spending



Shutterstock © PHOTOCREDI Michal Bednarek



# 2024

## RETAIL MARKETS ITALY

### RETAIL INVESTMENTS GROW BY 298% IN 2024

Retail is the first asset class in terms of both absolute year-end volumes and annual percentage growth, with success across a range of locations and sectors.

Although High Street Retail grabbed the spotlight, investor interest involved a range of asset types in 2024.

Prime Retail yields fell in Q4 2024 by 10 bps both in Milan and Rome, whereas Shopping Centre remained stable Y-o-Y.

### KEY RETAIL DEALS

ASSET	LOCATION	TYPE	VOLUME (M€)
Via Monte Napoleone, 8	Milan	Street Retail	1,300
Retail Garbe Portfolio	Mixed	Supermarket	350
Shopping Centre Roma Est	Rome	Shopping Centre	225

Shutterstock © PHOTOCREDI Michal Bednarek



## RETAIL INVESTMENTS

### Retail investments



© BNP Paribas Real Estate

### Investment in Retail Real Estate 2024

+627% y/y  
ROME 2024  
**€235 m**

+858% y/y  
MILAN 2024  
**€1,425 m**

AVG. 2015-2024  
**€1.72 bn**

+298% y/y  
2024  
**€2.75 bn**



2024

RETAIL MARKETS  
ITALY

ALTHOUGH HIGH STREET RETAIL GRABBED THE SPOTLIGHT, INVESTOR INTEREST INVOLVED A RANGE OF ASSET TYPES IN 2024.

The unprecedented result in 2024 was achieved thanks mainly to the largest single asset deal ever closed in the sector, which accounted for almost half of the annual volume.

However, even excluding this deal, Retail performance would have been remarkable, more than doubling the previous year's total.

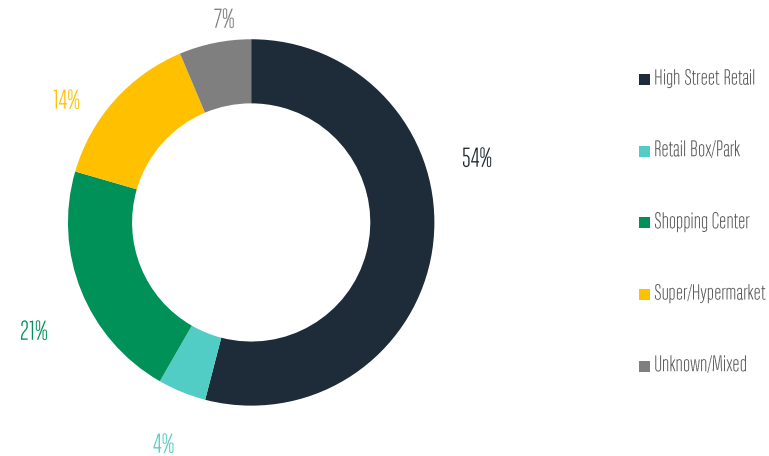


Shutterstock © PHOTOCREDI Michal Bednarek



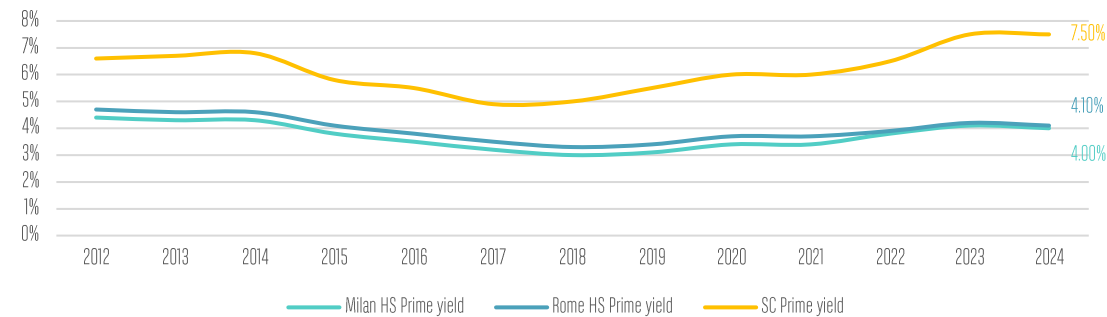
## RETAIL INVESTMENTS

### 2024 Retail Investments by Product



© BNP Paribas Real Estate

### Retail prime yields



© BNP Paribas Real Estate

### Prime yields 2024

Milan High Street  
**4.00%**

Rome High Street  
**4.10%**

Shopping Centres  
**7.50%**





2024

RETAIL MARKETS  
ITALY

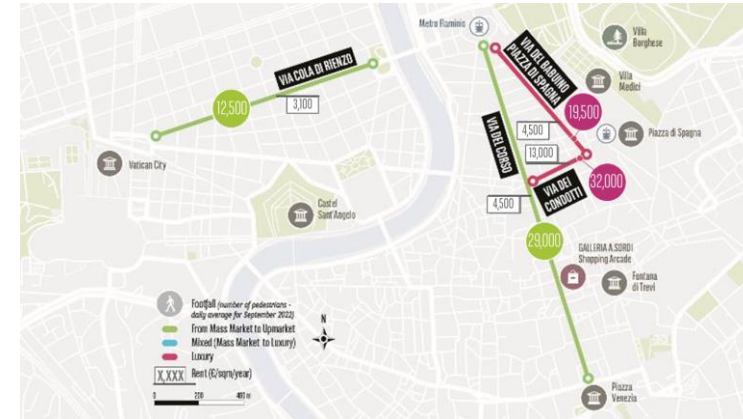
**LUXURY** stock is limited by the size and number of luxury retail streets in both Rome and Milan and in those key shopping cities which boast the highest local purchasing power and the strongest tourist flows.

However, the Luxury sector has been particularly resilient to the effects of periods of economic challenges.



## HIGH STREET RETAIL

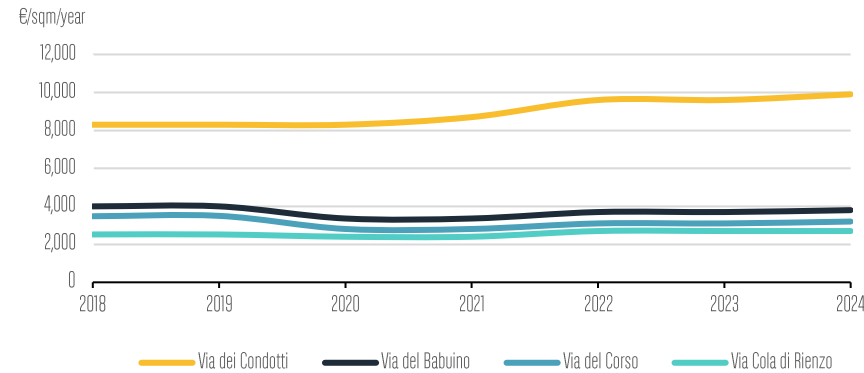
### ROME High Street Prime Rents and Footfall



© BNP Paribas Real Estate

Average rent 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



© BNP Paribas Real Estate

### ROME Focus

Rome's retail market benefits particularly from its role as the capital city as well as the strong tourist flows.

Centrally located stock often tends to house Luxury brands but can give rise to ESG-related issues. Demand for sustainable assets is thus especially strong.

Footfall levels for Mass-Market retail streets, which tend to be located in the areas surrounding the historic centre, are improving, as are rental levels.

### ROME Key High Street Occupier Transaction in H2 2024

STREET	LOCATION	AREA (sqm)	BRAND
Piazza San Silvestro, 6	Rome	800	Starbucks
Via Frattina, 136	Rome	400	Max&Co
Via del Babuino, 59	Rome	235	Zadig&Voltaire





2024

RETAIL MARKETS  
ITALY

Italy's best **HIGH STREET** locations continue to evolve to offer new shopping experiences as footfall levels remain strong. The appeal of Milan and Rome as a shopping destinations benefit from strong and growing tourist flows.

High street rents continued to grow across H2 2024, although discrepancy by quality of location and asset remain significant.

Interest in owner acquisition is also emerging.

Shutterstock © PHOTOCREDI Michal Bednarek



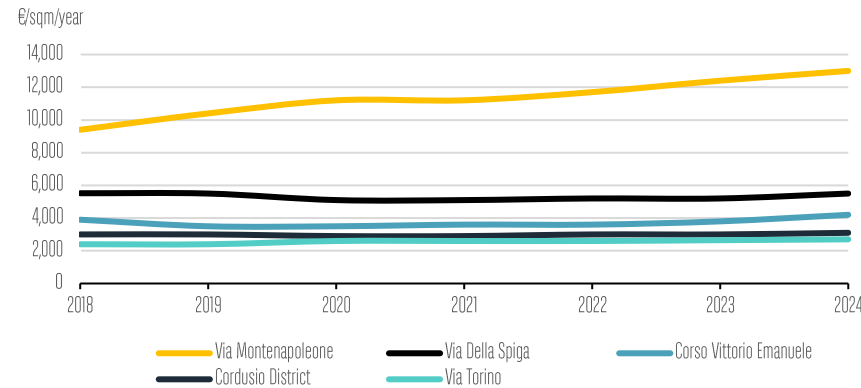
## HIGH STREET RETAIL

### MILAN High Street Prime Rents and Footfall



Average rent 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.

### MILAN High Street Prime Rents



### MILAN Focus

MILAN is a major global shopping capital and tourist destination and a first port of call for many brands entering Italy. New openings, with international retailers still expressing interest in entering Milan, continue to transform the city.

Existing supply can be restricted, especially for the highest quality stores with good visibility. These supply factors exert ongoing upward pressure on prime rents in key shopping streets.

### MILAN Key High Street Occupier Transaction in H2 2024

STREET	LOCATION	AREA (sqm)	BRAND
Via Dante, 16	Milan	554	North Sails
Corso Matteotti, 12	Milan	548	Spontini
Piazza San Babila, 6	Milan	542	Gruppo Damiani



2024

RETAIL MARKETS  
ITALY

SHOPPING CENTRE visitor levels have seen continuous monthly increases compared to previous year footfall as the out-of-town sector continues to evolve.

The higher fixed costs involved specifically in **FOOD RETAIL** have also been negatively impacted this segment the food sector.

However, **NECESSITY RETAIL** played an important role in the recent period of economic difficulties, across categories.

## SHOPPING CENTRE PIPELINE

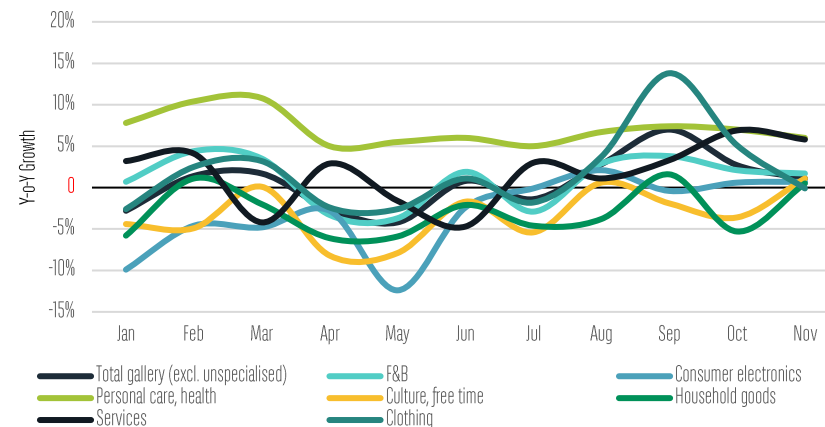
ASSET	LOCATION	AREA (SQM)	COMPLETION
Centro Commerciale Messina	Messina	43,000	Fall 2025
Montalto Center	Montalto Uffugo (Caserta)	35,500	2025
Waltherpark	Bolzano	35,000	Q1 2025
Selva Candida	Rome	25,500	2025

Shutterstock © PHOTOCREO Michal Bednarek

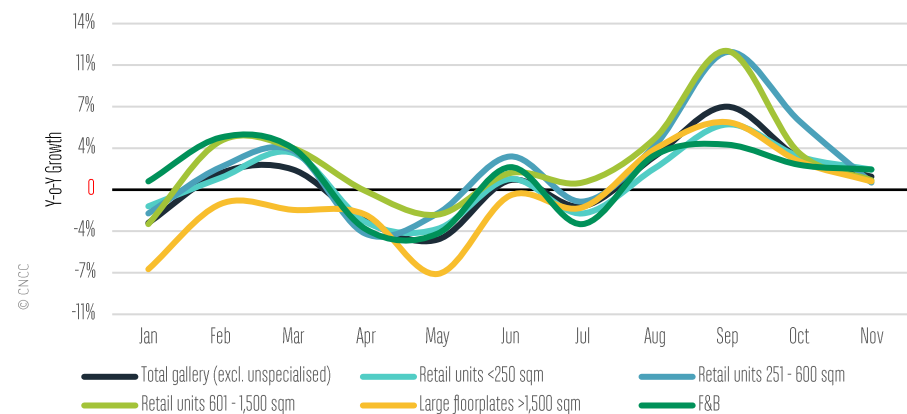


## OUT OF TOWN RETAIL

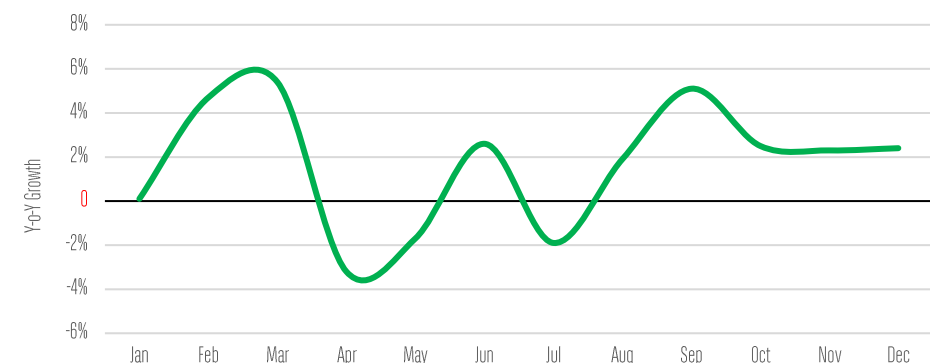
### Shopping Centres Turnover by Product Type



### Shopping Centres Turnover by Unit Size and Type



### Consumer Visits





2024

RETAIL MARKETS ITALY



CONTACTS

RESEARCH



**Susan Amanda TREVOR-BRISCOE**  
Head of Research, Corporate Marketing & Communication  
Cell: (+39) 335 171 8200  
[susan.trevor-briscoe@realestate.bnpparibas](mailto:susan.trevor-briscoe@realestate.bnpparibas)

TRANSACTION



**Carlo Maria PAOLILLO**  
Head of High Street Retail  
Cell: (+39) 335 770 2905  
[carlo.paolillo@realestate.bnpparibas](mailto:carlo.paolillo@realestate.bnpparibas)



Looking for a tailor-made analysis? Click here to find out our service offer **Research on Demand**



Piazza Lina Bo Bardi, 3 – 20124 – Milan  
Phone: +39 02 58 33 141  
  
Via Salandra, 13 – 00187 – Rome  
Phone: +39 06 98 26 2112  
  
[www.realestate.bnpparibas.com](http://www.realestate.bnpparibas.com)

Le présent document a pour but de procéder à une information générale. Les informations contenues dans ce document ont un caractère strictement informatif, elles n'emportent aucun avis, ni accord contractuel de la part de BNP Paribas Real Estate. En outre, ces informations doivent être prises en considération au moment de la date de publication du document et non au moment de sa consultation. BNP Paribas Real Estate décline ainsi toute responsabilité pour toute information, inexactitude ou omission portant sur les informations disponibles sur ce document, ainsi que toute éventuelle utilisation qui pourrait en être faite.  
BNP PARIBAS REAL ESTATE, Société par Actions Simplifiée au capital de 383 071 696 euros, dont le siège social est 50 cours de l'île Seguin – 92100 BOULOGNE-BILLANCOURT France, immatriculée au RCS de Nanterre sous le numéro 692012180 – Code APE 7010 Z – Identifiant CE TVA FR 69692012180 Adresse postale: 50 cours de l'île Seguin – CS50280 – 92650 BOULOGNE-BILLANCOURT Cedex. Tél. : +33(0)155652004 – Fax : +33(0)155 85 20 00 – [www.realestate.bnpparibas.fr](http://www.realestate.bnpparibas.fr) – BNP Paribas Real Estate est une société du Groupe BNP PARIBAS (art. 4.1 de la loi 70-9 du 02/01/70).





KEEP IN TOUCH WITH US, WHEREVER YOU ARE

**#BEYONDBUILDINGS**



[www.realestate.bnpparibas.com](http://www.realestate.bnpparibas.com)