July 2026

SOUTHERN EUROPE INVESTMENT

MARKET OVERVIEW

2026 H1

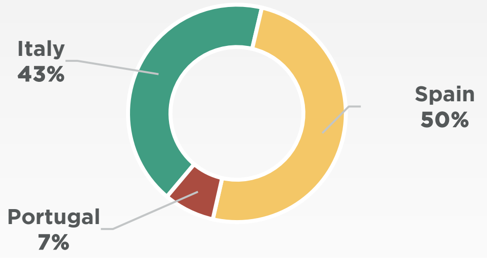
Better never settles

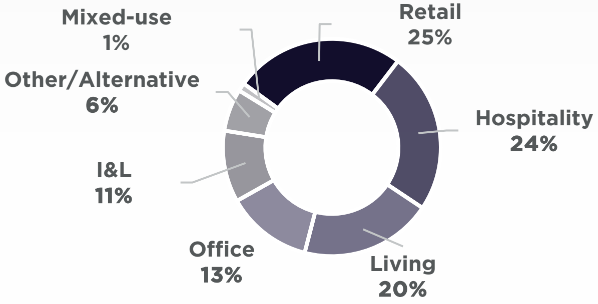
SOUTHERN EUROPE REGIONS

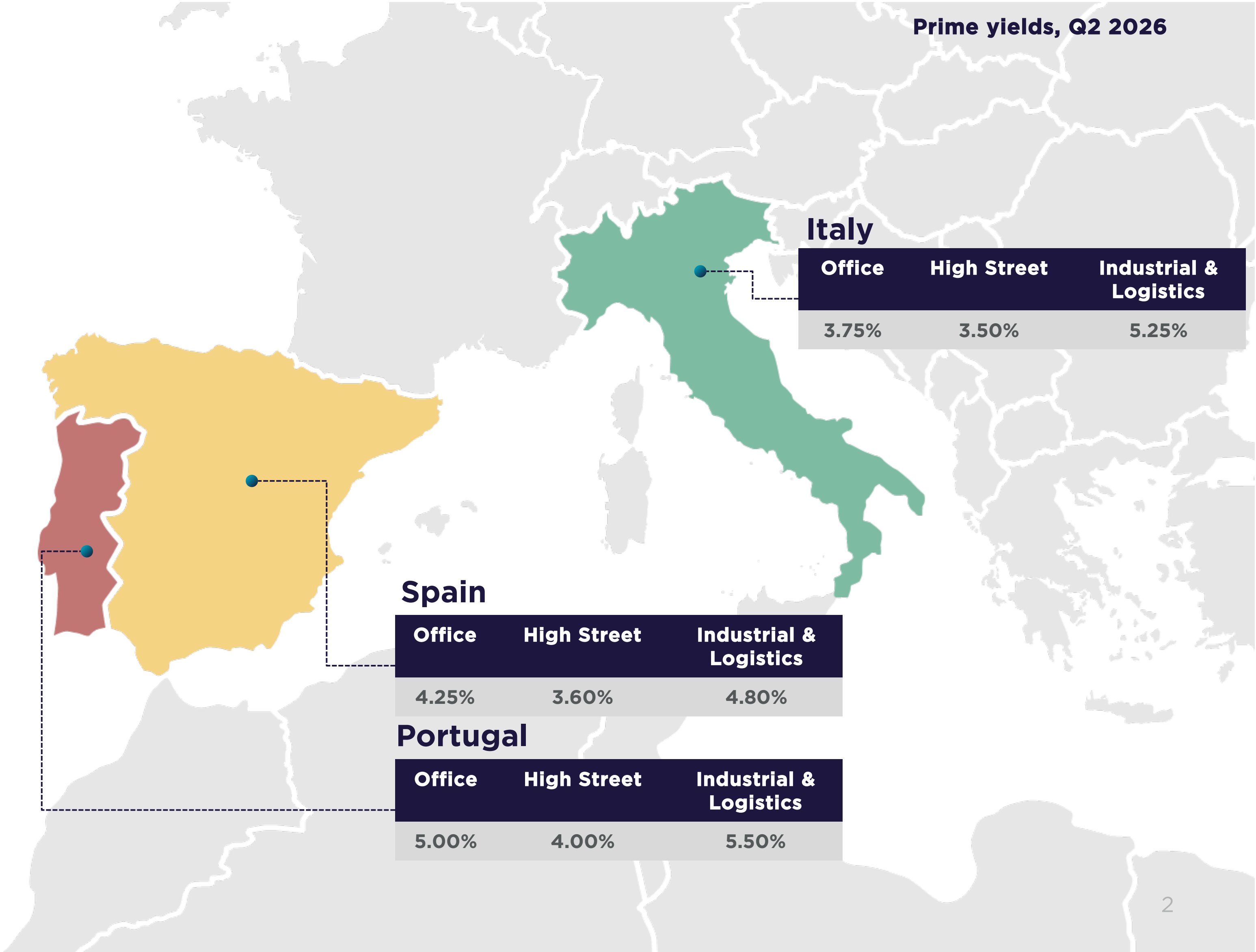
Investment Market 2026 H1

18.2 Bn
Investment volume 2026 H1

+ 39 %
Volume change y/y







Prime yields, Q2 2026

Italy

Office	High Street	Industrial & Logistics
3.75%	3.50%	5.25%

Spain

Office	High Street	Industrial & Logistics
4.25%	3.60%	4.80%

Portugal

Office	High Street	Industrial & Logistics
5.00%	4.00%	5.50%

ITALY

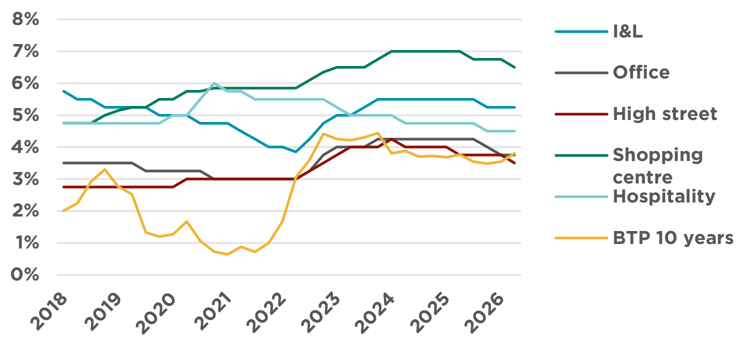
Investment Market 2026 H1

7.75 Bn
Investment volume 2026 H1

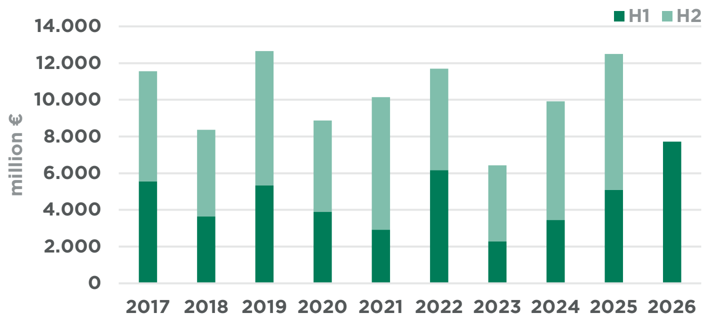
+45 %
Volume change y/y

Italian real estate investment activity recorded a strong recovery in H1 2026, with volumes reaching 7.75€Bn, up 45% year-on-year and well above the five-year average.
Retail emerged as the leading asset class, accounting for one-third of total volume (2.55€Bn) thanks also to a large transaction in the Hight Street segment, while Industrial & Logistics confirmed its return to prominence, benefiting from the resurgence of portfolio transactions and sustained occupational fundamentals. Hospitality gained momentum, with investors continuing to pursue value-add and repositioning opportunities. Office activity remained more subdued, reflecting ongoing selectivity and a preference for prime assets and conversion-led strategies. Alternative sectors continued to attract capital, particularly Data Centres and Living, highlighting investors' growing focus on operationally intensive and future-oriented asset classes.

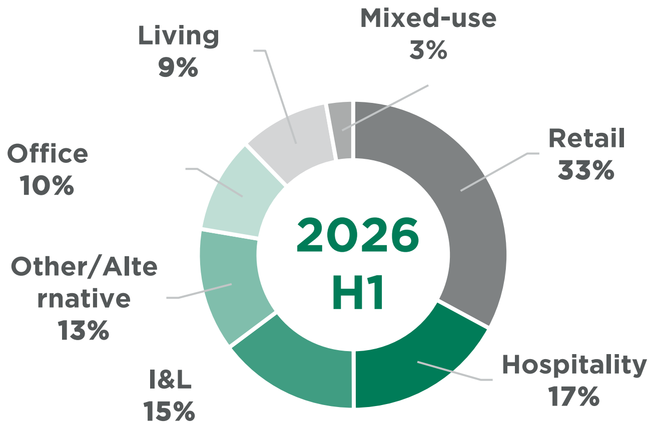
Prime Yields



Investment Volumes



Key Investment



Economic Forecast

Economic indicator	2025	2026	2027	2028
GDP growth	0.6%	0.7%	0,7%	0,8%
Inflation	1.7%	2.6%	2.4%	2.3%
Unemployment rate	6.1%	5.4%	5.5%	5.4%

Source: Moody's Analytics – June 8th, 2026; International Monetary Fund

SPAIN

Investment Market 2026 H1

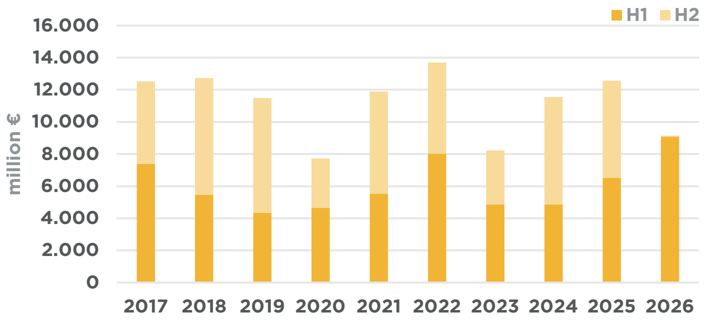
9.1 Bn
Investment volume 2026 H1

+39 %
Volume change y/y

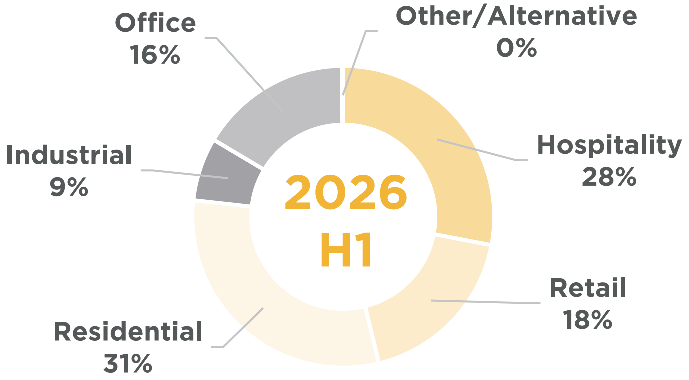
Investment activity in Spain reached 9.1€Bn in the first half of 2026, representing a 39% year-on-year increase and confirming the recovery in investor appetite across most asset classes. Residential (2.8€ Bn) and Hospitality (2.6€Bn) led activity, supported by robust demand and the growing appeal of operational real estate. The Residential sector was further supported by several large-scale portfolio and corporate transactions, reflecting investors' growing appetite for platform-based strategies and long-term exposure to Spain's living sectors. Retail maintained positive momentum, while logistics investment remained constrained by the limited availability of prime product. At the same time, the office market showed encouraging signs of recovery, with investors increasingly targeting Core+ and value-add opportunities. In Madrid, more than 1.1€ Bn has been invested since 2024 in the conversion of obsolete office assets into residential and hotel uses, highlighting the rising importance of repositioning strategies in a supply-constrained environment.

Prime Yields

Investment Volumes



Key Investment



Economic Forecast

Economic indicator	2025	2026	2027	2028
GDP growth	2.8%	2.5%	2.2%	1.9%
Inflation	2.7%	2.9%	2.4%	1.8%
Unemployment rate	10.5%	10.2%	9.4%	9.2%

Source: Moody's Analytics – June 8th, 2026

PORTUGAL

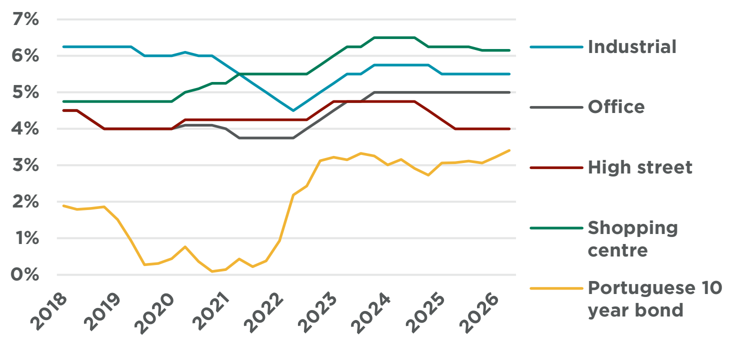
Investment Market 2026 H1

1.4 Bn
Investment volume 2026 H1

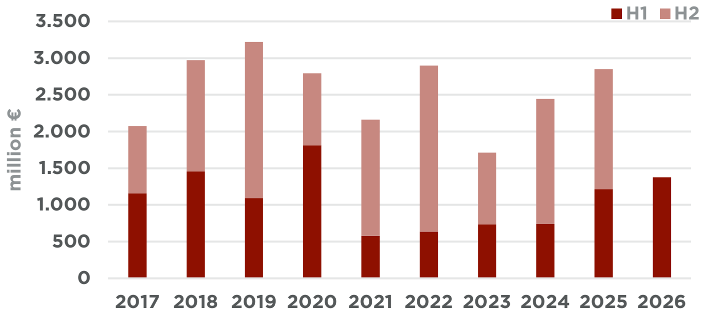
+13 %
Volume change y/y

Investment activity in Portugal reached 1.37€Bn in H1 2026, up 13% year-on-year. The market remained driven by large-scale transactions, with the five largest deals accounting for almost 50% of total investment volume. Investment activity was led by the Hospitality and Retail sectors, which accounted for 37% and 30% of total volume, respectively, while Alternative assets continued to gain prominence, particularly Data Centres and Senior Housing assets. Hospitality remained the most active sector, attracting more than 500€Mn and reflecting sustained investor confidence in Portugal's tourism industry. Retail followed, with most of the capital allocated to Shopping Centres. The Industrial & Logistics volume grew significantly compared to H1 2025, despite the persistent shortage of prime investment product. Office investment remained relatively subdued, reflecting investors' cautious approach and preference for prime and repositioning opportunities.

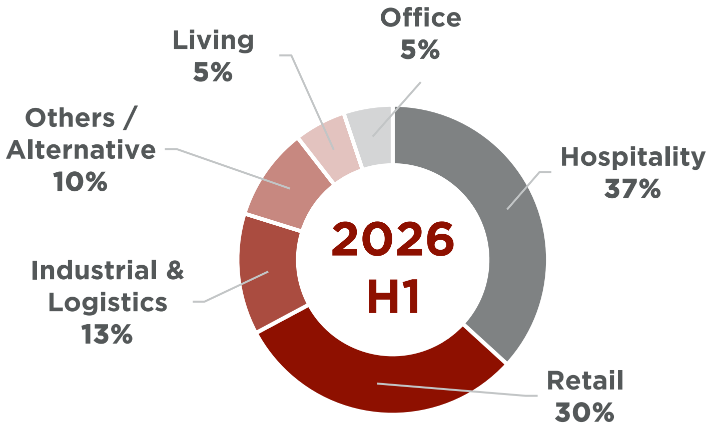
Prime Yields



Investment Volumes



Key Investment



Economic Forecast

Economic indicator	2025	2026	2027	2028
GDP growth	1.9%	2.0%	2.1%	1.7%
Inflation	2.3%	3.3%	2.8%	2.0%
Unemployment rate	6.0%	5.8%	5.6%	5.4%

Source: Moody's Analytics – June 8th, 2026

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