Q1 2026

# Market Report

## MILAN OFFICE

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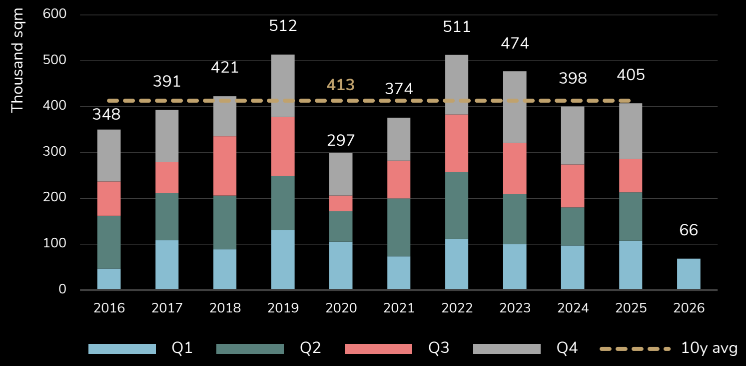
# Milan Office Q1 2026

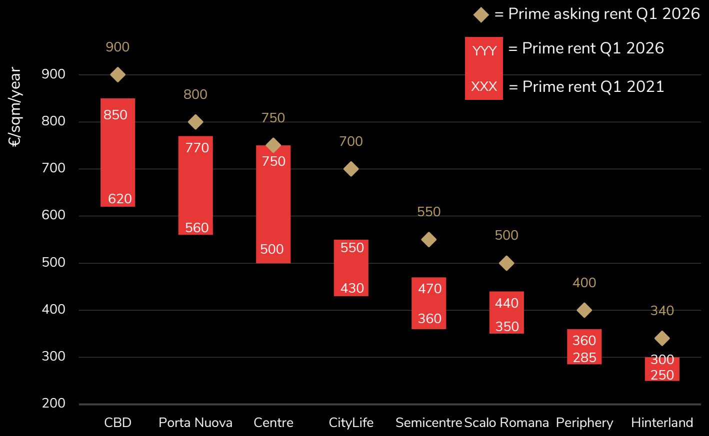
## Overview

- In Q1 2026, the Milan office market recorded a **take-up** of approximately **66,400 sqm**, resulting in a 37% decline compared to the same period in 2025. The number of transactions remained broadly stable, highlighting a **reduction in the average deal size** – which fell below 800 sqm, compared to last five-years average of 1,200 sqm. This trend is attributable mainly to the **limited availability** of large surfaces in the most preferred submarkets - evidenced by the absence of transactions exceeding 5,000 sqm - and to **renewed caution** among major players amid an uncertain environment.
- Among submarkets, **Scalo Romana** showed signs of **renewed momentum** after several quarters of subdued activity. Notably, one of the major transactions of the quarter - the pre-let of an asset currently under development - was concluded in this area. In contrast, the **Periphery** and **Hinterland** weighed on overall volumes, with particularly **low absorption levels**, confirming their relatively lower attractiveness compared to more central submarkets, where volumes have remained more resilient.
- The share of take-up related to **grade A/A+** spaces remained in line with previous quarters, accounting for **73%** of total absorbed space and **51%** of completed deals. The divergence between these two figures underscores how **grade B properties** continue to attract occupiers primarily seeking **smaller space requirements**.
- **Prime rents** remained **stable** at Q4 2025 levels, while the gap with prime asking rents across most submarkets indicates further **growth potential**.


## OFFICE TAKE UP




## OFFICE PRIME RENT EVOLUTION



# Milan Office Q1 2026

## Take up

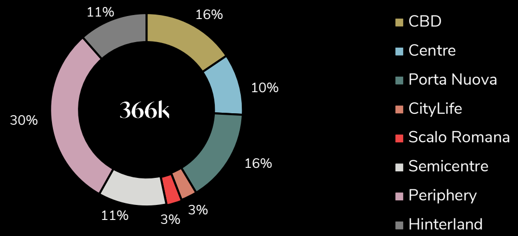
## Top 10 Office Deals last 12 months

- During the quarter, activity was supported by sectors such as ICT, consultancy, and finance, with **ICT** emerging as the **largest contributor** to take-up (15,000 sqm). Conversely, a temporary slowdown was observed in consumer goods, manufacturing, and services.

| SUBMARKET | BUILDING | TENANT | SURFACE (sqm) | TYPE |
|---|---|---|---|---|
| Periphery | Lorenteggio Business Village | Agenzia delle Entrate | 16,900 | New Lease |
| Porta Nuova | Via Vespucci 2 | *Confidential* (Tech Sector) | 11,000 | Pre-let |
| Periphery | Via Amidani 1 | Agenzia delle Entrate | 10,000 | New Lease |
| Porta Nuova | Via Tocqueville 13 | Bending Spoons | 9,750 | Pre-let |
| Semicentre | Via Solari 33 | Ernst & Young | 5,500 | New lease |
| Semicentre | Viale Regina Giovanna 27/29 | *Confidential* (Architecture sector) | 5,350 | New lease |
| CBD | Via Borromei 5 | *Confidential* (Legal sector) | 5,000 | New lease |
| Scalo Romana | Vitae – Via Serio | Fastweb | 4,800 | Pre-let |
| CityLife | CityWave | Marsh | 4,750 | Pre-let |
| Porta Nuova | Bassi Business Park | IBM | 4,600 | New Lease |

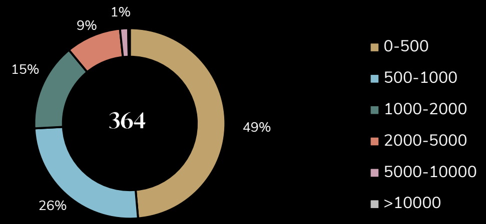
### TAKE-UP BY SUBMARKET, LAST 12 MONTHS

% transacted surface (sqm)



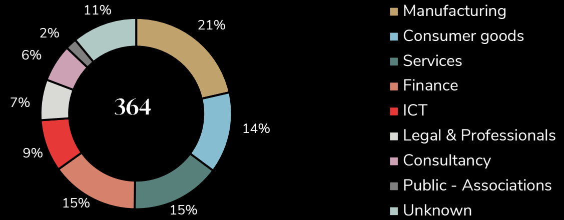

### TAKE-UP BY DEAL SIZE, LAST 12 MONTHS

% transactions number




### TAKE-UP BY OCCUPIER SECTOR, LAST 12 MONTHS

% transactions number



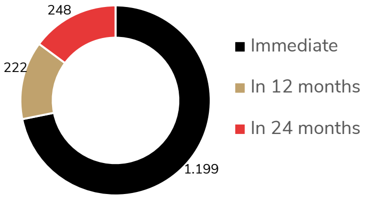
# Milan Office Q1 2026

## Vacancy

- **Vacancy** in the Milan market showed a slight decrease in the first months of 2026, reaching approximately **1.2 million sqm** (-0.7% YoY), with a further 470,000 sqm expected to become available over the next 24 months. Milan's vacancy rate stood at **9.6%**, slightly **down** on the previous quarter.
- Despite marginal increases recorded in Q1, **vacancy levels** in both the **CBD** and **Porta Nuova** submarkets remain extremely **tight**, at around 2% of total stock. Across these two areas, only four units exceeding 2,000 sqm are currently available, underscoring the structural shortage of large ready-to-let spaces. Overall, the CBD and Porta Nuova **combined** represent **just 5% of Milan's total** vacant office stock.
- In the **Scalo Romana** submarket the vacancy rate rose sharply to 6.2% due to the completion of a **12,000 sqm** office **refurbishment** project that has not been pre-leased.
- Immediate **availability** in the **Periphery** and **Hinterland** remains significantly **higher** than in other submarkets. These areas continue to represent the largest share of overall vacancy (around 83%), with a clear **predominance** of **grade B/C** space.
- **Low vacancy** rates, together with a **limited** development **pipeline**, are expected to result in a shortage of available space - particularly in central areas and for quality assets - potentially putting further **upward pressure** on rents in the future.

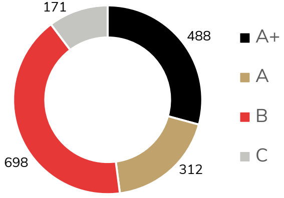
### AVAILABILITY BY TIMING

Thousand sqm




### AVAILABILITY BY GRADE

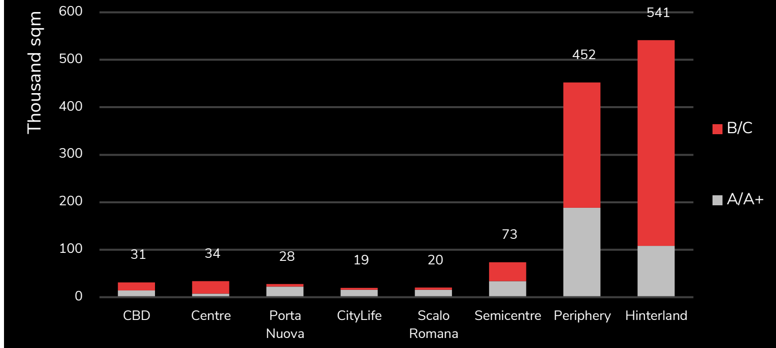
Thousand sqm, within 2 years



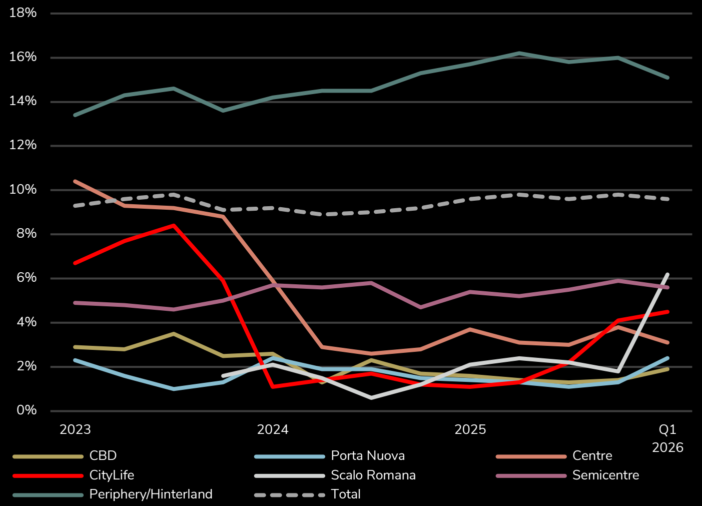

**Vacancy rate all grades 9.6%**

**Vacancy rate grade A/A+ 7.8%**

### IMMEDIATE VACANCY BY GRADE




### VACANCY RATE EVOLUTION



# Milan Office Q1 2026

## Supply

- In the **first quarter** of 2026, a total of **48,000 sqm** were **completed**, comprising both refurbished assets and new developments. Of this total, 31,000 sqm were delivered in the **Porta Nuova** submarket, while 12,000 sqm were completed in **Scalo Romana**, underscoring the strategic importance of these areas as modern directional hubs. **By year-end**, the Milan office market is expected to record approximately **209,000 sqm** of completions, close to supply levels observed in recent years. However, volumes are still not expected to return to pre-2023 levels, partly due to the ongoing urban planning constraints within Milan's Municipality.
- The total active pipeline amounts to **561,000 sqm**, with completion scheduled by the **end of 2028**. Of this, only 49% remains available, once again highlighting strong **demand for modern, high-quality office space**.
- Major developments will be concentrated in emerging districts such as **Scalo Romana** and **CityLife**, particularly with regard to **new-build** projects, while activity in more **established submarkets** will primarily focus on the **refurbishment** and repositioning of existing stock.

## Main ongoing developments

| SUBMARKET | BUILDING | SURFACE (sqm) | DUE DATE |
|---|---|---|---|
| Scalo Romana | Torre Faro A2A | 33,000 | Q3 2026 |
| CBD | Palazzo Missori | 14,500 | Q1 2027 |
| CityLife | CityWave West | 57,000 | Q1 2027 |

## Main recent completions

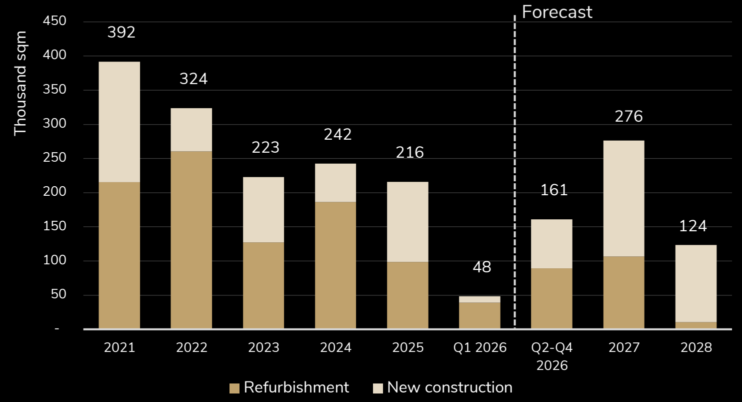
| SUBMARKET | BUILDING | SURFACE (sqm) | COMPLETION DATE |
|---|---|---|---|
| Porta Nuova | West – Gioia 20 | 9,000 | Q1 2026 |
| Scalo Romana | Via Ripamonti 89 | 12,000 | Q1 2026 |
| Porta Nuova | Bassi Business Park | 22,000 | Q1 2026 |

**Office Stock**
**12.6 mn sqm**

**Ongoing pipeline**
**561 k sqm**
(by 2028)

**Available surface in the ongoing pipeline**
**49%**

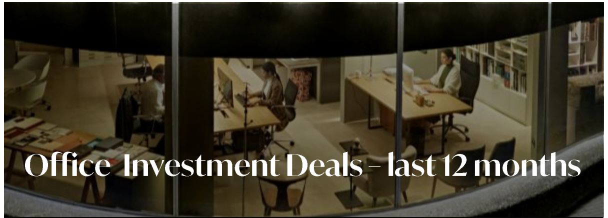
### NEW SUPPLY & PIPELINE




# Milan Office Q1 2026

## Investments

- Investment activity in Italy remained broadly **in line** with the previous year, with approximately **€2.8 billion** invested across all asset classes, the same result of Q1 2025. **Retail** emerged as the most sought-after sector, accounting for **€650 million** of total volumes. The office sector attracted €400 million of investments, marking a year-on-year decline of approximately 20%.
- Over the **past two years**, the Milan office investment market has shown **signs of gradual recovery**, with volumes increasing from €800 million in 2023 to €1.4 billion in 2025. However, **Q1 2026** recorded **subdued activity**, with a limited number of transactions amounting to roughly €90 million, representing about 23% of national office investment volumes. Among the deals completed during the quarter, the acquisition of a mixed-use asset in the CBD stands out as the most notable and high-profile transaction.
- Investment activity was largely driven by **private domestic capital**, with the only exception being an owner-occupier deal. Since 2023, **private investors** have progressively **increased their market share**, taking advantage of the repricing phase triggered by higher interest rates.




| BUILDING | VALUE (€MN) | BUYER | SELLER |
|---|---|---|---|
| Moncler HQ | 227 | Valesco | Covivio |
| Cordusio 2.0 (office portion) | 130 | Private | Hines |
| Via Bassano Porrone 6 | 85 | Private | Blackstone |

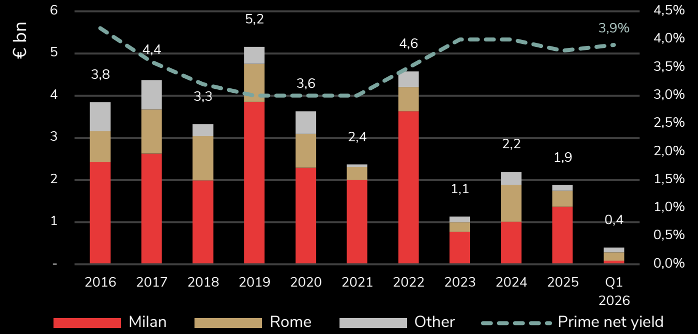
**Investment Italy All asset classes Q1 2026** — **€2.8bn** +0% YoY

**Investment Office Milan Q1 2026** — **€90mn** -79% YoY

**Prime net yield** — **3.90%** +10 bps QoQ

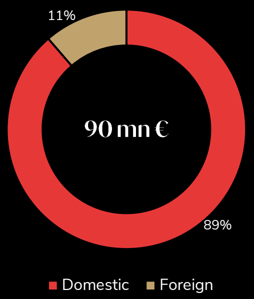
### OFFICE INVESTMENT VOLUME

Italy, by geographical distribution



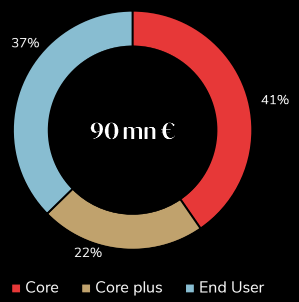

### ORIGIN OF CAPITAL

Milan office, Q1 2026



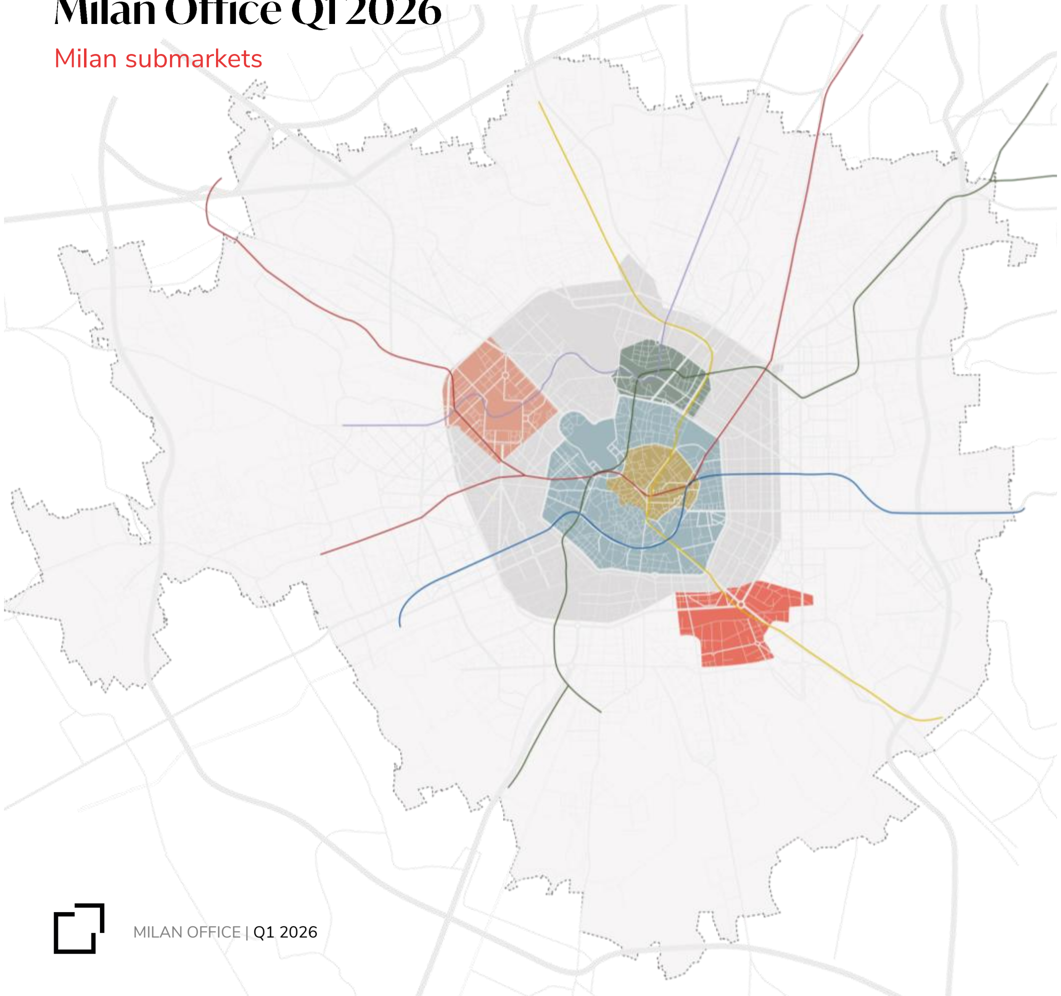

### RISK PROFILE

Milan office, Q1 2026



# Milan Office Q1 2026

## Milan submarkets



### CBD
**€850**/sqm/year
Vacancy rate: 1.9%
Take-up **Q1 2026:** 10,400 sqm

### Centre
**€750**/sqm/year
Vacancy rate: 3.1%
Take-up **Q1 2026:** 10,800 sqm

### Porta Nuova
**€770**/sqm/year
Vacancy rate: 2.4%
Take-up **Q1 2026:** 12,500 sqm

### CityLife
**€550**/sqm/year
Vacancy rate: 4.5%
Take-up **Q1 2026:** 2,000 sqm

### Semicentre
**€470**/sqm/year
Vacancy rate: 5.6%
Take-up **Q1 2026:** 6,400 sqm

### Scalo Romana
**€440**/sqm/year
Vacancy rate: 6.2%
Take-up **Q1 2026:** 6,100 sqm

### Periphery
**€360**/sqm/year
Vacancy rate: 15.7%
Take-up **Q1 2026:** 14,900 sqm

### Hinterland
**€300**/sqm/year
Vacancy rate: 14.6%
Take-up **Q1 2026:** 3,200 sqm

# Milan Office Q1 2026

## Definitions

- Grade:

### A+ (Prime Office Space)

**Building Age**
New or recently built/renovated with state-of-the-art infrastructure.

**Construction & Design**
Iconic architecture, premium materials, and cutting-edge sustainability features (e.g., LEED Platinum, BREEAM Outstanding).

**Amenities**
High-end lobbies, advanced security systems, smart building technology, premium HVAC and top-tier tenant services.

### A (High-Quality Office Space)

**Building Age**
Generally, less than 10-20 years since construction / last renovation.

**Construction & Design**
High-quality materials, floating floor and false ceiling, potentially with mid to high-quality certifications (e.g. LEED/LEED Silver, BREEAM Pass/Good…)

**Amenities**
Good parking ratios, well-maintained common areas and modern HVAC systems.

### B (Mid-Tier Office Space)

**Building Age**
20-40 years old, possibly with limited renovations.

**Construction & Design**
Functional but lower-spec materials, standard floor plans and basic energy efficiency.

**Amenities**
Adequate security, functional elevators and standard maintenance services.

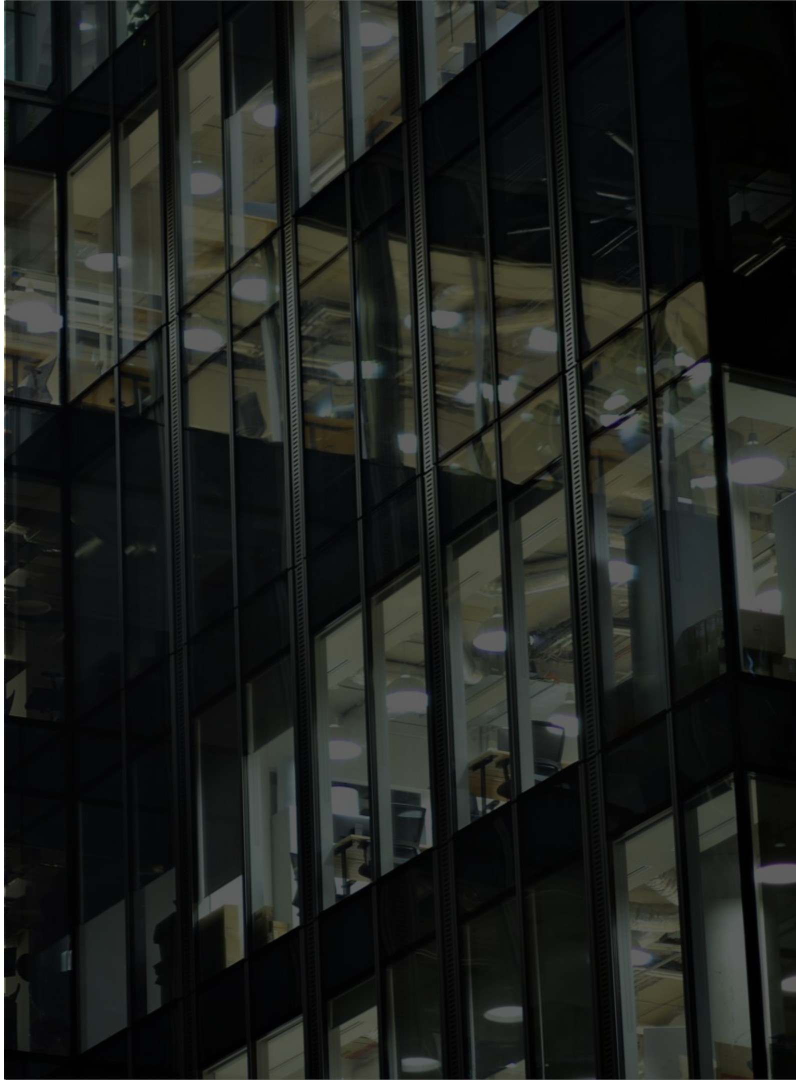
### C (Low Quality Office Space)

**Building Age**
40+ years old, with none or minimal renovation.

**Construction & Design**
Aging infrastructure, outdated design and lower-quality materials.

**Amenities**
Limited amenities, older HVAC and security systems and potential maintenance issues.

- Immediate availability: Area immediately available for lease or sale.
- Take-up: Area absorbed by end-users through lease and sublease contracts, or sale agreements.



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# Thank you.


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