Prime Real Estate:

Engel & Völkers Presents the “Milan–Rome Market Report 2026”

- In the first half of 2026, residential transactions in Italy grew overall by 2.1% year-on-year (compared to +9.5% in H1 2025). Milan’s growth was consistent with this trend (+3.3%), while Rome maintained a positive trajectory with an increase of +2.6%.
- For new builds or turnkey renovated properties within the analyzed medium/high-end segment, prices settled in a range between €7,900–€13,500/sqm in Milan—peaking at €27,000/sqm in the Quadrilatero and Brera—and between €3,700–€5,200/sqm in Rome, peaking at €10,500/sqm across historic center districts.

Milan, October 28, 2026. Engel & Völkers Italia—an international leader in the prime real estate sector—today presents the findings of the 2026 edition of the “Milan - Rome Market Report.” The observatory, developed in collaboration with the economic research firm Nomisma, provides a comprehensive overview of the prime property market.

The Italian residential market as a whole showed signs of positive growth in the first half of 2026 (+2.1%), albeit at a slower pace compared to the same period last year (+9.5%).

This dynamic reflects a broader path toward the normalization of growth across the Italian residential market, driven both by the high volume of transactions already achieved and by recent credit tightening tied to ECB interest rate hikes.

Regarding price dynamics, an average annual increase of 1.6% is anticipated for 2026 across Italy's 13 major cities (compared to 1.4% recorded in 2025).

"The data from the 2026 Market Report confirms that the prime residential market is entering a more balanced and selective phase of growth, underpinned by buyers who are increasingly attentive to property quality, energy efficiency, and location value. Milan and Rome continue to act as two complementary and strategic markets for Italian real estate: Milan is strengthening its international profile alongside its ability to attract capital and high-caliber residents, while Rome shows widespread growth and renewed vitality across several areas of the city," stated Muhannad Al Salhi, CEO of Engel & Völkers Italia.

“During the first half of 2026, Milan and Rome confirmed the strong appeal of their prime segments, albeit with distinct dynamics depending on the neighborhood and property features,” declared Chiara Pelizzoni, Senior Project Manager of Nomisma’s Real Estate Observatory. “For the second half of the year, property quality, energy efficiency, and prime locations will continue to serve as the core anchors of market resilience within an overarching normalization trend.”

Prime Real Estate in Milan: A Growing Market Favored by Domestic Buyers

In line with nationwide trends, Milan’s overall residential market posted moderate yet steady transaction growth (+3.3% in residential sales compared to the first half of 2025), coupled with broad price stability in the prime segment, where values range from €7,900 to €17,000/sqm for new builds or turnkey renovated homes.

Divergent dynamics emerge across price tiers. Properties valued above €1.5 million continue to benefit from financially solid demand, and the €1 million to €1.5 million segment maintains healthy activity.

Conversely, greater friction appears below €800,000, particularly for properties lacking distinctive architectural features. This bracket also absorbs part of the supply previously dedicated to short-term rentals, which is now shifting back toward sales or long-term leases.

Milan firmly remains a market driven by primary residence purchases and upgrades. Among established prime districts, Brera, the Historic Center, the Quadrilatero, and San Babila maintained robust demand. San Siro, the Fondazione Prada district, and Maggiolina proved particularly vibrant, while the sharpest value increases were recorded in Niguarda and Bicocca. The Città Studi–Lambrate axis remained broadly flat.

The outlook for the second half of 2026 points toward a largely stable sales market, with prices and transaction volumes matching current levels. While a slight moderation in deal volume is possible for 2027, positive indicators persist across more peripheral districts—notably San Siro and Gambara–Bande Nere (West Zone), Città Studi (East Zone), and Gioia–Maggiolina (North Zone)—which show stronger upside for transaction activity.

Demand is increasingly tilting toward newly built or comprehensively upgraded properties where quality, energy efficiency, and sustainability act as decisive criteria. In the prime segment, prime urban context, proximity to amenities, high-quality public spaces, and transport links are equally vital, alongside premium features such as terraces, private gardens, privacy, and turnkey finishes.

Prime Real Estate in Rome: Rising Transactions and Sustained Demand Across Key Districts

Rome's residential market maintained strong momentum in the first half of 2026, recording a +2.6% increase in transactions compared to the same period in 2025 (+7%).

In the premium tier, activity remained robust, with prices reaching €10,500/sqm for new or fully renovated homes in the most sought-after neighborhoods.

Growth remains widespread across much of the capital. Beyond traditionally prestigious areas like the Historic Center and Prati–Vaticano, positive momentum is visible across the residential districts of North, West, and South Rome, with notable dynamism along the Tuscolana–Pigneto corridor.

The rental market also sustained its upward trajectory: following a 6% spike in rents in Q1 2026, pricing stabilized over H1, underpinned by persistent demand for renovated, move-in-ready units.

For H2 2026, the outlook remains positive, with further expansion expected primarily in the Historic Center, Prati–Vaticano, and select southern pockets, while the remainder of the city should see steady prices and activity.

Milan Focus: Top In-Demand Areas and Price Trends

- Historic Center: Widespread price increases across turnkey renovated properties, reaching peaks of €27,000/sqm in the Quadrilatero and Brera, and €23,800/sqm in the Castello–Foro Buonaparte area.
- West Zone: Rising values across all sub-markets, spanning €9,000–€17,000/sqm in CityLife, and €6,900–€12,000/sqm across Sempione–Arco della Pace–Chinatown and Vercelli–Washington.
- East Zone: Rising average prices throughout, with the exception of Città Studi, which remained stable (€4,500–€6,000/sqm). The most expensive neighborhoods include Porta Venezia (peaks of €10,400/sqm), Repubblica (peaks of €8,900/sqm), and Indipendenza–Cinque Giornate–XXII Marzo (peaks of €9,600/sqm).
- North Zone: Significant price variance across sub-markets, with top prime averages reaching €20,800/sqm in Porta Nuova–XXV Aprile and €14,500/sqm in Garibaldi–Moscova–Arena.
- South Zone: Values range from €7,800/sqm in Medaglie d'Oro–Lodi to €12,400/sqm in Porta Romana–Crocetta–Quadronno.
- Residential Rentals: Robust dynamic driven by students, young professionals, and families, with one-bedroom apartments (*bilocali*) leading demand (+2.2% average rent increase) and city-wide average rates ranging between €240 and €600/sqm/year.

Rome Focus: Top In-Demand Areas and Price Trends

- Historic Center & Prati–Vaticano: Confirmed as the most exclusive locations, touching €10,500/sqm for new or renovated residences. Historic Center values range from €3,750 to €10,500/sqm, while Prati–Vaticano spans €4,600 to €7,900/sqm.
- North Zone (Parioli, Trieste–Salario, Balduina, Cassia): New or renovated properties range from €3,400 to €8,200/sqm, supported by healthy demand and shortening days on market.
- West Zone (Monteverde, Gianicolense, Colli Portuensi): Growth across the entire macro-area, with prices between €3,200 and €4,800/sqm for new or renovated homes, alongside rising transaction numbers.
- South Zone: Broad-based value appreciation ranging from €2,700/sqm in Laurentino to €5,500/sqm in San Giovanni–Appio Latino and EUR, which remain among Rome's most active sub-markets.
- East Zone: Continued regeneration in Tuscolana–Pigneto, joined by growth in Tiburtina and Centocelle–Pigneto, with new or renovated properties priced between €2,700 and €4,700/sqm.
- Residential Rentals: After a ~6% average jump in Q1 2026, lease values leveled out in Q2. Turnkey or renovated rental rates stand at €260–€450/sqm/year in the Historic Center, €276–€384/sqm/year in Prati–Vaticano, €170–€310/sqm/year in the West Zone, and €160–€310/sqm/year in the South Zone.

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