

## A MACROECONOMIC OUTLOOK\*

- H1 2026 was shaped by the Middle East conflict, triggered in late February, driving a sharp rise in energy prices and an acceleration of euro area inflation to **3.2% in May**
- Against the renewed inflationary pressure, the ECB raised rates by 25bps on **11/06** and again on **10/09**, taking the deposit rate from 2.25% to **2.50% from 16/09**; the BoE held its rate at **3.75%** since late 2025
- Inflation eased to **2.8% in June** before rebounding to **2.9% in July** and **3.3% in August** (Eurostat flash estimate, the highest since 2023), driven by energy at **+14.3%**; core inflation edged down to **2.4%**
- Since late June, sharp pressure on long rates: the 10-year OAT moved from **-3.6% to 4.43% on 10/09**, the highest since 2008; rates confirmed as of 15/09 (AFT, ECB)
- Oil prices remain volatile: Brent has climbed back to **US\$108/bbl in mid-September**, amid persistent tensions around the Strait of Hormuz

## B FINANCING MARKET\*

- The rate shock interrupted the easing in funding costs: 5-year EUR swap at **-3.2%** and 3M Euribor at **-2.57% in late August, versus -2.0% in early January**
- Senior terms remain competitive on prime assets, with median LTVs around **60%** and margins of **175-225bps** depending on asset class, broadly stable excluding compression on offices
- Non-bank lenders show greater appetite for leveraged structures and junior/mezzanine financing, while **refinancing** remains the primary driver of debt demand in 2026
- Liquidity remains selective and concentrated on prime / ESG assets; the rise in the French 10-year yield, from **3.59% in late June to 4.09% in late August**, is weighing on the overall cost of debt
- French prime yields:** decompression in H1 across offices (**+38bps**), logistics (**+15bps**) and retail (**+7bps**); offices **4.25%**, warehouses **4.90%**, light industrial **5.75%**

Indicative median margins and LTVs - prime senior assets in Europe, 2026\*

|               | France  | Germany | Iberia  | Italy   | Netherlands |
|---------------|---------|---------|---------|---------|-------------|
| Margins (bps) |         |         |         |         |             |
| Core          | 175-225 | 100-220 | 160-220 | 150-250 | 140-220     |
| Value-add     | 275-375 | 230-375 | 260-390 | 250-400 | 275-400     |
| Trend (qoq)   | ↑       | ↓       | =       | =       | =           |
| LTV (%)       |         |         |         |         |             |
| Core          | 55-60   | 50-65   | 55-70   | 50-65   | 55-70       |
| Value-add     | 50-60   | 50-65   | 50-60   | 50-60   | 50-60       |
| Trend (qoq)   | =       | =       | =       | =       | =           |

↑ Up ↓ Down = Stable - quarterly change (qoq); margins in bps

## C H1-26 NOTABLE FINANCINGS\*



**Asset:** 91 av. des Champs-Élysées – prime office / retail  
**Location:** Paris (France)  
**Amount:** €288.6m  
**Deal:** Acquisition & repositioning financing  
**Investors:** MIMCO / Foncière Renaissance  
**Lender:** Cheyne Capital



**Asset:** Police headquarters (State of NRW lease)  
**Location:** Essen-Bredeney (Germany)  
**Amount:** €127m  
**Deal:** Refurbishment/conversion, delivery mid-2029  
**Investor:** die developer  
**Lender:** pbb



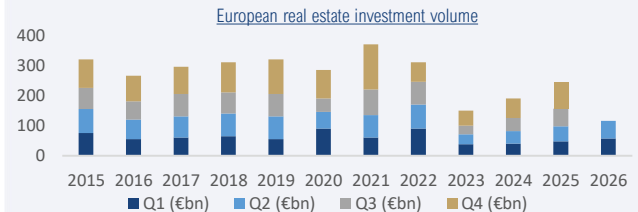
**Asset:** Via Monte Napoleone 8 – prime retail  
**Location:** Milan (Italy)  
**Amount:** €729m  
**Deal:** Acquisition financing  
**Investors:** Al-Mirqab / Kering  
**Lender:** UniCredit



**Asset:** Four Seasons Hotel Madrid  
**Location:** Madrid (Spain)  
**Amount:** €330m  
**Deal:** Refinancing  
**Investor:** Mohari Hospitality  
**Lender:** Generali Real Estate

## D INVESTMENT\*

- Q2 2026: €59.1bn** invested in Europe (+10% YoY), taking H1 to **€116bn (+10%)**; on a rolling 12-month basis, volumes are up **18%**
- Recovery still fragile: the INREV indicator fell to **41.0** in June, from **54.7** in March, its lowest level since inception; volumes remain **~40-45%** below their historical peaks
- Sectors:** Living leads with **€29.9bn (+17%)**, ahead of offices **€22.6bn (+13%)**, I&L **€19.2bn**, retail **€18.1bn** and hotels €11.8bn (excluding other asset classes)
- Prime office yields:** European average stable at **4.9%** in Q2; compression in Milan (**4.00%, -25bps**), Dublin (**4.75%, -10bps**) and Brussels (**4.75%, -5bps**)
- Other markets:** strong growth in Poland (**+72%**), Sweden (**+71%**) and Finland (**+48%**) vs H1 2025



## E COUNTRY OUTLOOK\*

## France

- H1 2026: €6.75bn** (+8%); excluding Proudreed/Blackstone, -29%
- Offices: €1.95bn** (-22%), of which 84% in the Paris region
- Retail: €1.83bn** (stable), 57% from three deals above €200m
- Highly concentrated market: 9 transactions above €100m = 62% of volumes
- Trend:** strong polarisation towards value-add, 42% of volumes (vs 19% on average)

## Germany

- H1 2026: €16.2bn** (+13%), of which €13bn in commercial (+20%)
- Offices: €3.45bn** (+66%), the strongest recovery across asset classes
- Recovery driven by single-asset deals, while portfolios remain slightly down
- Selective activity focused on core assets, with the Top 7 gaining weight
- Financing: €30.3bn** of new CRE origination in H1 (+14.3%), still mostly refinancing; **pbb €3.1bn** (+18%); residential and stabilised logistics the most financeable
- Trend:** BF financing index deteriorating sharply across all asset classes, at -25.97 pts in Q2; **NPL volumes rising sharply**
- Margins:** slight average decline driven by residential; stable to marginally more expensive elsewhere, wide standard deviations

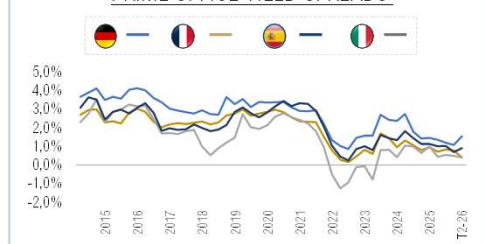
## Italy

- H1 2026: €7.1bn** (+32.6%), Q2 at €4.4bn
- Drivers:** alternatives €1.1bn (+241.8%), retail +116%, living +79.2%, I&L +47.4%
- Slowing:** offices -18.9%, hotels -6.7%, healthcare -34.3%
- Milan: €2.8bn** (+74.7%), a half-year record; Rome €730m
- Trend:** foreign capital at 76.8% (€5.5bn); a more selective market focused on asset quality

## Spain

- H1 2026: >€12bn** (+59%), the best first half on record, with Q1 up 93%
- Living: €4.58bn** (+156%), or 38% of the market and the leading sector
- Hotels: >€2.0bn** (+18%); offices and retail at ~€1.6bn each
- Madrid (€6bn) and Barcelona (€1.4bn) account for 70% of volumes
- Trend:** domestic capital dominant (~50%), Living driven by BTR/PRS and flex-living

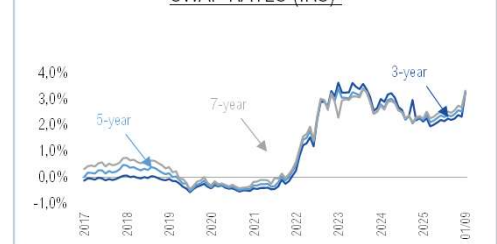
## PRIME OFFICE YIELD SPREADS\*



## EURIBOR 3M\*



## SWAP RATES (IRS)\*



SOURCES — \* BCE, Eurostat, Bank of England, Banque de France / AFT, Investing.com (OAT 10 ans, Brent) - \* CBRE European Lender Intentions Survey 2026, AEW, DWS, Ciondis / Bank of Finland / Investing.com, Banque de France / AFT, Cushman & Wakefield - \* CBRE European Lender Intentions Survey 2026, CBRE NL Market Outlook 2026 (Financing), CBRE España 2026, AEW / Chatham Financial, DWS, analyse interne Shift Capital (P. Iberique) - \* Cheyne Capital, Standard Chartered / Crédit Agricole, UniCredit, pbb (26/08/2026), Generali Real Estate - \* CBRE, INREV, Savills - \* Pricelis / World Capital Group, « Il mercato immobiliare in Italia », S1 2026 (Italie); Cushman & Wakefield, CBRE, vdp, BF Quartalsbarometer T2 2026 (Allemagne) - \* JLL, Cushman & Wakefield, Investing.com - \* Bank of Finland - \* Ciondis

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