פורום הנדל"ן הישראלי
ISRAEL REAL ESTATE FORUM

IREF session on Israeli listed real estate and capital markets

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What follows is an edited transcript of an IREF panel session held on 14 January 2026.

The session was introduced by Ron Cohen, IREF co-founder. The participants were-

Professor Zvi Wiener – Former Dean, Hebrew University Business School;
Jana Sehnalova – Moderator;
Gadi Beeri – Senior Partner, Giza Singer Even;
Lior Pais – Chairman and CEO, Rosario Capital;
Tom Alhadif – Head of Capital Market Development, Tel Aviv Stock Exchange (TASE);

Israel's listed real estate market has often been treated as a niche topic outside the country, overshadowed by the technology story and complicated by geopolitics. In this IREF session, the discussion centres on a different proposition: a relatively liquid public market, a large domestic savings base, and a listed property sector that has held up operationally through a volatile period. What follows is an edited transcript of the discussion.

Ron Cohen: Hello everyone and thank you for joining. My name is Ron Cohen. I am one of the co-founders of IREF, the Israel Real Estate Forum, which was founded two years ago.

A very brief introduction to IREF. It is a professional platform intended to bridge Israeli real estate with international investors.

We do this through a small number of focused work streams. First and foremost, we have set up a Financial Reporting Committee with participation from senior representatives from all the Big Four, and from some of the largest Israeli real estate companies. The Financial Reporting Committee intends to introduce reporting guidelines for Israeli REITs and real estate companies, aligned with EPRA best-practice guidelines and with the guidance of the Israel Securities Authority, with whom we are in dialogue.

We have also set up a Research Committee headed by Professor Zvi Wiener. We hope to produce outputs on transparency and market research, which has been lacking from the Israeli real estate sector to date. There is also a planned Sustainability Committee.

That is enough for now. You can follow us on LinkedIn and learn more, and soon we will also have a website. Today's session sits within that bridging mission. I would like to introduce Professor Zvi Wiener, former Dean of the Hebrew University Business School, to give a short context and introduction to our session today. Professor Wiener, the floor is yours.

Professor Zvi Wiener: Welcome everybody. I will say a few words about the Israeli economy.

Israel is a small country. Our population is about 10 million people. But it is a developed country: GDP per capita is very high, around 15th in the developed world.

The economy is developing very fast. Population is growing about 2 per cent a year. The economy is developing despite the fact that we had Covid and a very unstable, war-like situation in recent years. Still, the economic situation is not bad. The Tel Aviv Stock Exchange, which is the only stock exchange in Israel, rose significantly in 2025. Yields there were better than in most worldwide stock exchanges.

Moreover, many public companies are traded. The real estate sector is probably one of the largest sectors represented on the Tel Aviv Stock Exchange. There are many companies, mainly concentrated in commercial real estate, but not only. There are also construction companies and others.

Israel is known worldwide as a start-up economy. But real estate completes this market. Real estate is also a very big market.

In the last 20 years, hundreds of billions of dollars were invested in Israeli start-ups. A significant portion of this money went to real estate: building offices, building research centres. Israel has a very good higher-education system, several universities, world-quality professors, world-quality research.

Unfortunately, a very small part of this research was devoted to real estate, and Ron's initiative to create a Research Committee under IREF is intended to help address that.

We are going to look at the opportunities and also the problems for foreign investors investing in Israeli real estate, including diversification. It is good for citizens of one country to invest in sectors in another country. For long-term savings, for pension funds, diversification is very important.

> I think Israel today, and especially the real estate sector, presents a unique opportunity of being a big, transparent, and relatively liquid market. That is what we are going to discuss today.

In the last couple of years, several American real estate companies discovered this market. They issued various forms of debt and equity on the Tel Aviv Stock Exchange. We are going to hear from representatives of the Tel Aviv Stock Exchange and some underwriters. I hope this session will be useful. Thank you very much, and I am happy to pass it to Jana.

Jana Sehnalova: Thank you so much, Professor Wiener, for the introduction and for kicking off our discussion today. To the audience, Happy New Year 2026. I hope it is a year filled with health and new learnings, and interesting adventures across real estate and capital markets, not only in Israel but around the world.

I am joined today by a panel of very experienced investment professionals in the Israeli capital markets and real estate markets.

Let me introduce the panellists. I am joined by Gadi Beeri, senior partner at Giza Singer Even, focused on corporate finance advisory and M&A. I am joined by Lior Pais, Chairman and CEO of Rosario Capital, an underwriter focused on M&A advisory in the domestic market. And last but not least, Tom Alhadif, Head of Capital Market Development at the Tel Aviv Stock Exchange.

By way of background, I have been involved in real estate capital markets for 25 years across three continents, and have invested across small and mid-caps around the world, including Israel, and I sit on the board of one of the largest listed real estate companies in Asia.

Without further ado, let us jump into the discussion. Let us start with a look back at 2025. I will make it quite difficult for the panel: please summarise 2025 in one word. Lior, how was 2025 for you?

Lior Pais: It was great, but unexpected.

Jana Sehnalova: Unexpected. Perfect. Gadi?

Gadi Beeri: It is very common for Israelis to answer this question in the last few years by saying that personally everything is okay, but nationally it is not so good. I hope we will see an end to the conflict, and then it will be better nationally as well.

Jana Sehnalova: Tom?

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If I have to choose one word, it would be resilience. It sums up what we saw here in the past year in all aspects: economics, social, military. It is part of the characteristics of Israeli society.

Tom Alhadif

Jana Sehnalova: If we now switch gears and look forward, over the last few years Israel has been somewhat overlooked internationally given geopolitics, but that has not prevented solid development. Building on what Professor Wiener said about the economy, what have you seen on the ground, and how has the economy performed in light of the conflict?

Gadi Beeri: GDP rose by about 3 to 4 per cent in 2025. Inflation expectations came down to around 2.5 per cent, within the Bank of Israel range. The shekel strengthened against foreign currencies, roughly 15 per cent over the last 12 months. That supported the Bank of Israel cutting rates. The policy rate is now 4 per cent, and as you know interest rates are a major factor in real estate values.

Israel's sovereign rating was notched down in recent years by S&P, Moody's and Fitch. Recently, S&P stabilised the outlook, although the outlook remained negative at the other rating agencies. CDS spreads jumped in 2023–2024 from around 50 basis points to roughly 120 to 150 basis points, but they have since come down again, which reflects a return of confidence.

The economy was affected by conflict and also by the sharp rise in interest rates, which influenced demand for real estate, both residential and offices. Still, it remained fairly stable, especially in Tel Aviv for offices. In the periphery we saw some slowdown, but not significant to date. High-tech remains an important driver of office demand.

Jana Sehnalova: Let us look at capital markets and domestic equity performance in 2025, both overall and for real estate. Tom, what did you see?

Tom Alhadif: Markets are tricky because there is an impact from macro events, but correlations are not always clean. If we look at performance, the flagship indices in Tel Aviv have outperformed many global indices over 2021 to 2025. It has been consistent through 2024 and 2025.

Liquidity has improved materially. Roughly 90 per cent of Tel Aviv 125 companies show daily liquidity of around one million dollars or more, which is a threshold we often hear global investors require. Global investor participation grew sharply over the past year, and retail investor involvement also increased.

If you look at the Tel Aviv real estate index, it rose strongly during 2025. We have also seen an active pipeline of offerings over recent years.

Jana Sehnalova: Lior, could you add colour from the underwriting and advisory side, both equity and debt?
Lior Pais: On bonds, Israel is among the most actively traded corporate bond markets worldwide. That is a major advantage both for Israeli companies and for foreign companies.

Tom Alhadif: It is actually third now; the ranking was updated.

Lior Pais: Then I need to update my pitch.

On equity, the market today is different from the Covid period. Investors and institutions expect companies with revenue and profitability, and a model that is clearly understood. Institutional demand is typically for larger companies, roughly around the one billion shekel scale and above.

In 2025, total equity fundraising was above 20 billion shekels across IPOs, follow-ons, secondary offerings and rights issues. On corporate bonds, issuance volumes were very large in 2025, and that is part of what places Tel Aviv among the most active bond markets.

Jana Sehnalova: Do we have a sense of the split between foreign and domestic issuers?

Lior Pais: The vast majority is domestic, but foreign issuance exists and has been growing.

Jana Sehnalova: One benefit is optionality. Tapping another market can create an advantage in cost, or speed of execution, at specific times. This is often misunderstood globally, but it is worth highlighting.

Lior Pais: In 2008, for example, when US and UK markets were effectively closed, the Israeli market remained open. It could be more expensive, but it was open.

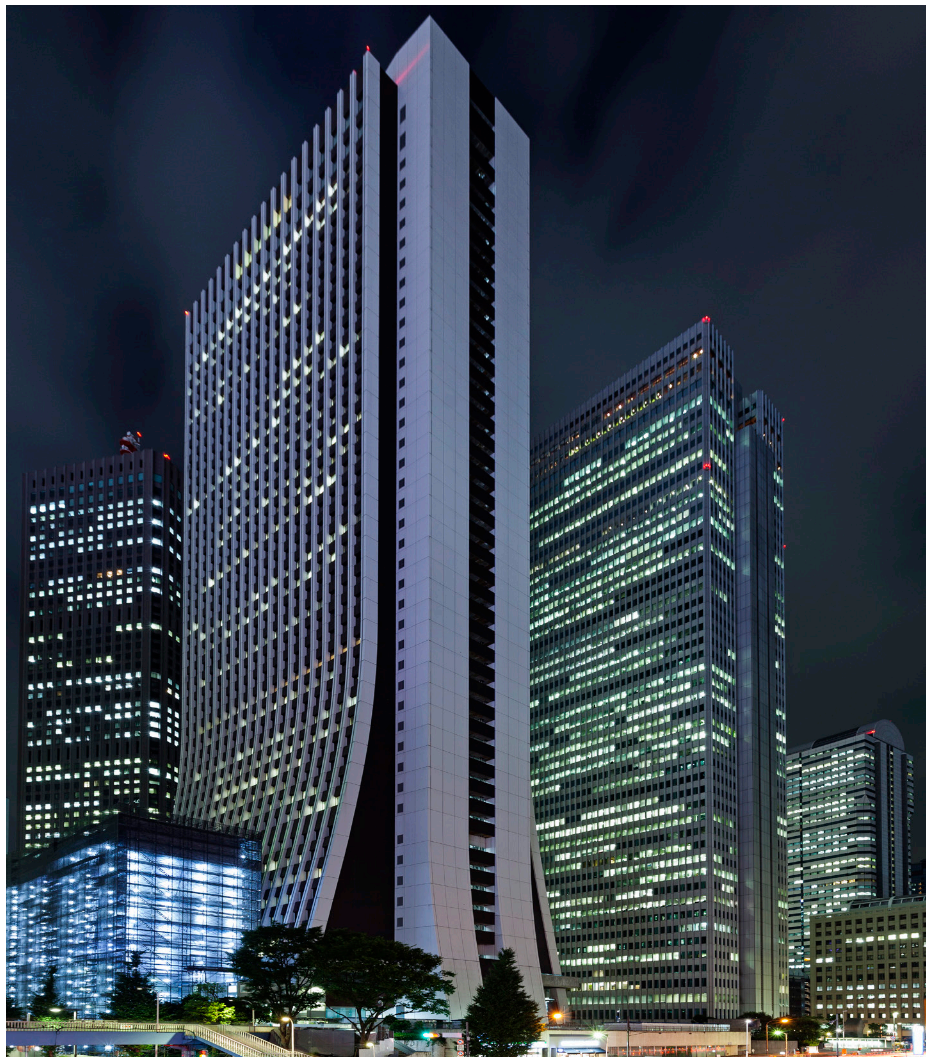
Tom Alhadif: After 7 October, the market was open and functioning immediately. Companies raised money, investors invested. If you compare to 9/11, US markets were closed for days. The resilience of the local market is part of the DNA.

Lior Pais: Another structural factor is the domestic savings system. Mandatory pension saving creates a steady flow of capital that must be deployed.

Tom Alhadif: There is a lot of money coming in, and it needs deployment, with a meaningful portion naturally allocated to shekel assets and the local market. That is a distinctive feature.

Jana Sehnalova: Let us move to real estate specifics: sectors, cap rates and opportunities. Gadi?

Gadi Beeri:



Listed real estate companies in Israel are active across several segments, mainly retail, offices and logistics. Some have expanded into residential development, and there is increasing attention to data centres.

There are only a small number of REITs, focused on commercial real estate, and they are smaller than the largest listed developers and owners. All companies report under IFRS, with periodic revaluations.

Israel has local rating agencies affiliated with the global groups. Despite the security situation and higher rates, we did not see broad negative rating actions for the leading companies, and operating performance has generally been good: low vacancies and stabilised rents, including in offices.

One useful lens is the gap between companies' bond yields and the cap rates they apply to value their assets. That gap shrank compared with earlier periods but remains meaningful.
I also looked at the relationship between book equity and market value for several leading companies; market value is substantially above book in those cases, which differs from the pattern in parts of Europe. Occupancy levels are high. The operating statistics would not suggest deterioration.

Jana Sehnalova:

International investors often want diversification of cycles and fundamentals. Access to liquid listed names broadens the opportunity set, even if every market has its own trajectory and valuation framework.

Let us come back to the internationalisation theme: issuance, pricing, liquidity and investor base. Tom, and then Lior.

Tom Alhadif: What is happening today can look like a "perfect storm": more global investors, more liquidity, but it is the result of years of work. The exchange aligned its trading week with global markets, and a major effort has been improving accessibility of disclosure for global investors, including translation and presentation.

Lior Pais: On international issuance, recent activity by Israeli banks in global markets shows strong demand. Domestically, risk spreads have been very tight for high-quality issuers, including leasing and real estate names, with pricing that depends on whether issuance is nominal or CPI-linked.

For foreign companies considering Israel, there can be an accounting and disclosure dimension, and there is also a "scale" effect: what is mid-cap in the US can be large in Israel, and that can influence index relevance and investor appetite.

Jana Sehnalova: Dual listing comes up frequently. Tom, what does it take?

Tom Alhadif: It is simpler than people assume. The process is largely seamless. There is not an additional layer of regulatory burden for companies already listed on major exchanges. In many cases it is about market education rather than the mechanics of listing.

Lior Pais:

Institutions here are very familiar with investing abroad, and even where a company does not proceed with a dual listing, Israeli investors can still participate through other channels.

Jana Sehnalova: Time and cost are usually the practical questions.

Tom Alhadif: Costs are a fraction of some other venues, and timelines can be relatively fast once a decision is made.

Lior Pais: For debt, initial documentation and marketing can take several weeks, and then subsequent raises can be executed faster through established frameworks.

Jana Sehnalova: Another feature is CPI-linked bonds, which are less common outside Israel but potentially useful for real estate. Who uses them, and how does appetite shift?

Lior Pais: Real estate companies often use CPI linkage because rental income is frequently linked to inflation. Investor preference depends on the inflation outlook. At times investors favour nominal issuance; at other times CPI linkage is attractive. There is demand for both.

Professor Zvi Wiener: The pension system is large and growing. Long-duration instruments, both nominal and CPI-linked, are natural fits for parts of that pool.

Jana Sehnalova: Let us address misconceptions directly. Mark and I have tried to promote dual listing and CPI-linked issuance, but investor reaction has sometimes been lukewarm. Is it rigidity, or misunderstanding, and how do you change it?

Tom Alhadif: Misconceptions are a central issue. The market has evolved significantly over the past decade. The more explanation, transparency and accessibility there is, the easier the conversation becomes. Numbers speak for themselves, and my role is to help investors navigate the market.

Professor Zvi Wiener: Two simple reference points for global investors are helpful. First, look at the performance of major Tel Aviv indices over one, three and five years, despite non-ideal conditions. Second, look at the scale of global technology companies' R&D footprints in Israel. It helps frame the economic base.

Jana Sehnalova: No conversation is complete without risks. What are the key risks going forward?

Tom Alhadif: Israel is not a risk-free market. Investors need to price country-specific factors and uncertainty. That said, the system has shown an ability to function and provide liquidity through stress.

Lior Pais: The risk is the unexpected. If someone had listed the shocks of the last five years in advance, most would not have predicted market outcomes. The opportunity is the resilience we have discussed.

Jana Sehnalova: Let us finish on one word for 2026. Gadi?

Gadi Beeri: Optimistic.

Jana Sehnalova: Lior?

Lior Pais: Optimistic, with more ground for that optimism than a year ago.

Jana Sehnalova: Tom?

Tom Alhadif: Realistic.

Professor Zvi Wiener: Opportunities.

Jana Sehnalova: Thank you for the discussion. The message, for global listeners, is that the market has proven resilience and has shown strong performance despite geopolitical noise. It should not be ignored, and education matters.

Participants

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Israel Real Estate Forum (IREF)

Israel Real Estate Forum (IREF) is a professional platform for Israeli and international investors, managers, and service providers operating in the Israeli real estate investment market. IREF promotes best practices, transparency, and international alignment through research, publications, and events.

Our mission is to facilitate the exchange of knowledge, share best practices, expand networks and connect the Israeli and international real estate investor communities closer together. As an association driven by our Israeli and international members from diverse backgrounds, IREF fosters professional development, exchange of ideas and sharing of best practices amongst industry leaders in a structured way.

Our activities include:
· undertaking research and communicating the findings
· building and maintaining an asset level index for Israeli commercial real estate
· events, courses and webinars
· providing a forum for networking, discussion and debate amongst our members and the wider global investment community.

Ron Cohen VAS
Valuation and Advisory

Ron Cohen VAS is a real estate valuation and advisory firm based in Israel, which provides independent advice based on detailed market knowledge and understanding. Services include real estate valuations for financial reporting, expert witness, acquisitions and disposals, development viability, tax and statutory valuations.

For further information please visit www.roncohen.co.il

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