



Ron Cohen VAS  
Valuation and Advisory

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# Israel Real Estate MARKET RECAP

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10 transactions and corporate developments across  
the Israeli commercial property market

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## Renewable infrastructure: record-scale solar and storage project reaches financial close

Rafeq Energy and Shamir Energy (controlled by Mivtach Shamir) reached financial close with Discount Bank on an ₪800m financing package for a large-scale solar-and-storage facility in the Negev. The project will deliver 174 MW of generation alongside 974 MWh of storage, making it Israel's largest energy-storage installation to date. The scheme, on roughly 1,400 dunams south of Be'er Sheva, is structured 75% Rafeq and 25% Shamir and operates under Israel's market-regulated transmission model, positioning it as a flagship of integrated solar with large-scale storage.

### Industrial: Migdal acquires full freehold of Rav Bariach's Ashkelon plant in sale-and-leaseback

Rav Bariach agreed to sell its remaining 30% interest in the Ashkelon plant land to Migdal Insurance & Finance for ₪97m, completing Migdal's 100% ownership. The deal structure includes a 25-year CPI-linked lease (annual rent c. ₪19.2m) on Phase A and a follow-on transfer of the land SPV stake in H1 2027; proceeds will repay owner loans and a Migdal facility, leaving positive net cash and an accounting gain of ₪12.8m–₪13.9m. A 25-year lease will also be signed over Phase B to support expansion.

### Hospitality (north): Israel Canada Hotels acquires 50% of two Galilee hotels from Kibbutz Kfar Giladi for ₪142m

Israel Canada Hotels agreed to acquire 50% of Hotel Galileon and

Hotel Kfar Giladi from Kibbutz Kfar Giladi for a gross consideration of ₪142m. The consideration for the Kfar Giladi stake is ₪77.5m (before deduction of half the hotel's net financial debt of c. ₪40m) and for the Galileon stake ₪65m. On completion, management of both properties will transfer to the purchaser. Hotel Galileon, in the Hula Valley, comprises 120 rooms, a spa, swimming pool, conference centre and restaurant alongside a retail element; Hotel Kfar Giladi, in the Upper Galilee, offers 158 rooms, indoor and outdoor pools, a gym, spa and conference facilities, on a combined site area of c. 70 dunams (30 and 40 dunams respectively). Completion is conditional on regulatory approvals — including from the Competition Authority, the Ministry of Tourism, Israel Land Authority and a tax ruling — to be satisfied within six months. Israel Canada Hotels, which has a market capitalisation of c. ₪1.1bn, will manage 41 hotels across Isra-

el, Croatia, Greece and Cyprus (c. 4,500 rooms) following completion.

### Corporate: Azrieli Group appoints Dana Azrieli as permanent CEO; Irit Sekler-Pilosof named Chair

Azrieli Group's board appointed Dana Azrieli as permanent CEO, following a six-month stint as acting CEO alongside her role as Chair. During that period she oversaw day-to-day operations, made several senior management appointments and shaped the group's strategic growth plans in Israel and abroad. Since becoming Chair in 2014, Dana Azrieli has presided over a fivefold increase in the company's value; the group now holds a mixed-use portfolio of 23 shopping centres and 17 Class A office towers and has diversified into senior living, data centres and residential development. Separately, the board appointed Irit Sekler-Pilosof as Chair effective 22 March 2026; Sekler-Pilosof joined Azrieli in 2000, served most recently as CFO and Deputy CEO, and was instrumental in the group's 2010 IPO.

### Yoqne'am: Nvidia signs full-building lease with Melisron; footprint to reach c. 67,000 sqm

Melisron reported a lease with a multinational technology company, understood to be Nvidia, for an entire new 11-storey building of c. 29,000 sqm at Ofer Park, Yoqne'am. Construction is due to begin this year with completion in 2028; the initial lease term is 10 years from completion, with a tenant option after five years to shorten the term on one-year notice. Total rent over the first term is expected to be c. ₪230m, CPI-linked, with an extension option



that carries a 5% rent uplift. Nvidia has also extended existing leases in the park (currently c. 38,000 sqm); on delivery of the new building the company's footprint there would be c. 67,000 sqm. The move complements its wider Israeli expansion, including a planned 160,000 sqm campus in Qiryat Tivon, a 3,000 sqm site in Be'er Sheva, and c. 22,000 sqm across 18 floors in Tel Aviv.

#### **Offices (Tel Aviv / Gush Dan): Palo Alto Networks seeking 60,000–80,000 sqm campus for consolidated Israeli headquarters**

Palo Alto Networks (Nasdaq, market capitalisation c. \$125bn) is reported to be searching for a single campus of 60,000–80,000 sqm in Tel Aviv or the wider Gush Dan area, targeting relocation by 2030–2031. The company currently occupies c. 27,000 sqm in the Alon Towers, Tel Aviv; following its recent c. \$21bn acquisition of CyberArk — which leases c. 28,000 sqm at Ofer Park, Petach Tikva — the combined Israeli operations are expected to be housed on a single site. CBRE Israel is understood to be advising, with formal submissions from landlords expected shortly. Market sources estimate annual rent of c. ₪100m–₪150m on a minimum five-year term with extension options.

#### **Corporate: Israel Canada to merge with Acro in ₪10bn combination; largest Israeli development company**

Israel Canada (controlled by Barak Rosen and Assi Tuchmaier) is acquiring the operations of Acro (controlled by Tsachi Arbov) at an implied equity value of ₪3.1bn — a 10% premium to the prevailing share price — and merging them into Israel Canada. The consideration is payable 60% in shares and 40% in cash. The combined entity is valued at c. ₪10bn, making it the largest development company in Israel by market capitalisation. Acro brings a pipeline of c. 61 projects under construction (c. 7,700 residential units), predominantly in urban regeneration, together with c. 165,000 sqm of office and retail space in which it holds an interest.

#### **Offices (Netanya): Qualcomm leases 2,000 sqm at Anchor Park from Yisras**

Qualcomm has leased c. 2,000 sqm at the Anchor Park (Poleg industrial zone, Netanya) from Yisras, taking space currently occupied by Golf's head office. The premises will house the Autotalks vehicle-to-vehicle communications team, acquired by Qualcomm in 2025, which is relocating from Kfar Netter. Rent is understood to be c. ₪60/sqm/month, down from the c. ₪75/sqm/month paid by the outgoing tenant — reflecting continued tenant leverage in a market with office oversupply. Anchor Park comprises c. 38,000 sqm of built space and c. 20,000 sqm of parking across several buildings accommodating offices, retail, storage and light industrial uses.



#### **Offices (Tel Aviv): Cato Networks expands to 23,400 sqm with 13-year lease at Beit Ha'Ikarim**

Cybersecurity company Cato Networks is expanding its Tel Aviv office footprint by 6,400 sqm through a c. 13-year lease at Beit Ha'Ikarim on Kaplan Street, a listed building owned by Ronen Ashkenazi Equity. The space is being vacated by Fiverr, which is relocating to Wix's premises in Glilot. On occupation, expected in mid-2027, Cato's total Tel Aviv footprint will re-

ach c. 23,400 sqm across the new premises and its existing six floors in the Landmark Towers at Sarona. Market sources estimate rent at c. ₪180/sqm/month (shell and core), implying annual rent of c. ₪13m.

#### **Industrial (Petach Tikva): Yuvalim exercises option on 15-dunam site for ₪130m; 67,000 sqm scheme planned**

Yuvalim (managed by Itzik Baruch) exercised an option to acquire a 50% interest in a c. 15-dunam site in Petach Tikva from Yoka Park for c. ₪130m. The two companies intend to develop a c. 67,000 sqm gross scheme comprising retail, industrial and logistics space. Yuvalim and Yoka Park have a track record in the area, having developed and sold industrial and logistics units totalling c. 90,000 sqm at the nearby Segula industrial zone for in excess of ₪700m.

#### **Logistics (Caesarea): Frontek signs 25-year lease with Caesarea Assets for 11,000 sqm distribution centre**

Motor-parts importer Frontek signed a 25-year lease with Caesarea Assets Company for an 11,000 sqm build-to-suit distribution and office facility at the Caesarea Smart Business Park. Rent is understood to be at prevailing market levels of ₪50–₪60/sqm/month, implying annual rent in excess of ₪7m and aggregate rent of c. ₪175m over the lease term. The facility will be located in the northern section of the park, adjacent to a c. 81,000 sqm distribution centre being developed for Diplomat, with occupation expected in 2027.

Note: any comments and additional information are welcome.

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**RON COHEN Valuation Advisory Services**  
2 HaPalyam Avenue  
3309502 Haifa, Israel

**[www.roncohen.co.il](http://www.roncohen.co.il)**