



Ron Cohen VAS  
Valuation and Advisory

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2

# Israel Real Estate MARKET RECAP

March 2026



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# Israel Real Estate Market Recap | March 2026

March has been dominated by the US-Israel military campaign against Iran, launched on 28 February, and the renewed ground operation in southern Lebanon that followed. The broader equity market responded upbeat: the TA-125 surged past 4,300 points, up 66% year-on-year. Equities may be pricing a post-conflict strategic dividend. But the listed commercial real estate sector told a different story. The TA-Income Producing index, which tracks commercial real estate companies, peaked at 1,565 in mid-January and has since fallen 12.8% to 1,365 at month-end, its lowest point of the year (see chart).

Wiz (Google) and Cisco both signed major long-term office leases during the campaign. Reit 1, Melisron and BIG all reported record 2025 results. BIG's centres reopened within days of the March operation and recovered to 90% of normal turnover within a week. The pattern is by now familiar: Israel's commercial real estate market absorbs the shock and carries on.

## 1. Wiz (Google) leases 23,500 sqm across 13 floors at Landmark B, Sarona, Tel Aviv

Google's \$32 billion acquisition of Wiz, the largest in its history, completed on 11 March. Wiz has signed for 23,500 sqm across 13 floors with car parking at Landmark Tower B, Sarona, at ₪60 million (\$19 million) per annum for six years, with a 5% uplift option. The headline rate implies over ₪200 per sqm per month, though parking may reduce the effective office rent.

Landmark is a 50:50 joint venture between AFI Properties and Melisron, comprising approximately 150,000 sqm of offices and 116 residential units across two towers. Tower A tenants include Meta, Cato Networks, Cyera, Walmart, JP Morgan, Pitango, Israel Chemicals (ICL)



and Israel Corporation. Tower B completes by end-2026.

## 2. Cisco leases 6,500 sqm at Ha-Rakevet Campus, Caesarea

Cisco has signed a ten-year lease for approximately 6,500 sqm at the HaRakevet Campus, Caesarea, expanding alongside its existing offices in Midtown Tel Aviv and Neta-

nya. Rents range from ₪55 per sqm at shell-and-core to ₪95 fitted, implying a total commitment of approximately ₪50 million (\$16 million). The campus, developed by Caesarea Development Corporation (controlled by Rothschild family fund) at a cost of ₪400 million (\$127 million), comprises three Class A six-storey buildings totalling 45,000 sqm.

## 3. Reit 1 reports 8.9% annual NOI growth; Infinity Tower occupancy rises to 80%

Reit 1 reported full-year 2025 NOI of ₪525 million (\$167 million), up 8.9%, and net profit of ₪497 million (\$158 million), up from ₪293 million, on the back of new lettings, CPI-linked escalations and revaluation gains. The REIT holds 58 properties totalling 751,000 sqm valued at ₪9.3 billion (\$3.0 billion). Portfolio occupancy stood at 92.5%, or 97.7% excluding Infinity Park, Ra'anana, where the flagship tower's occupancy climbed to 80% from 69% in H1. Guidance for 2026 NOI is ₪535-545



million (\$170–173 million). Separately, Reit 1 has signed a framework agreement with Enlight Renewable Energy for solar-integrated energy storage across its portfolio, at an estimated cost of ₪140 million (\$44 million) (50% share), expected to generate ₪40 million (\$13 million) annually from 2028.

#### 4. Melisron and BIG Shopping Centres report record 2025 results

Melisron reported revenue of ₪2.3 billion (\$730 million) (up 12%) and net profit of ₪1.9 billion (\$603 million) (up 22%), with Ofer Mall Ramat Aviv valued at ₪3.2 billion (\$1.0 billion) and HaKiryon near Haifa producing the highest NOI at ₪186 million (\$59 million), up 41%. Post year-end, Melisron leased 11 floors in Yokne'am to NVIDIA for ₪230 million (\$73 million) over ten years.

BIG reported revenue of ₪2.9 billion (\$921 million) (up 14%) and net profit of ₪1.76 billion (\$559 million) (up 21%), with domestic turnover of ₪7.7

billion (\$2.4 billion) and European turnover of €696 million at BIG centres and €590 million at AFI Romania.

Both companies trade at approximately ₪20 billion (\$6.3 billion) and report occupancy close to 100%. On the March military operation, BIG's CEO noted that centres reopened within days, reaching 90% of normal turnover within a week.

#### 5. Generation Capital reports record 2025 results; targets ₪10 billion (\$3.2 billion) AUM by 2030

Generation Capital reported net profit of ₪543 million (\$172 million), up sixfold from ₪90 million, and a record 28% pre-tax return on equity. The fund manages approximately ₪5 billion (\$1.6 billion) in infrastructure assets across power generation, EV charging, transportation, water desalination and waste treatment. The waste segment is the principal growth driver, with EBITDA forecast to rise 190% between 2024 and 2028. Recent wins include a desalination plant

in Eilat and a waste-to-energy facility in the Negev with Shapir. Cash flow forecasts have been upgraded significantly, with the 2026 projection raised to ₪328 million (\$104 million) from ₪247 million. The fund targets ₪10 billion (\$3.2 billion) AUM by 2030.

#### 6. Israel Real Estate Index: 2025 edition due by April

The 2025 Israel Real Estate Index (IREI), produced annually by Ron Cohen VAS, is expected to publish by early April. The IREI is Israel's only direct commercial real estate index, tracking total returns across the major institutional platforms. It has been cited in the Bank of Israel's Financial Stability Report. The 2025 edition will cover a year in which the listed property sector recovered strongly from its October 2023 lows before retreating in the final weeks, while the direct market as measured by the IREI may tell a different story. Initial snapshots from the index dashboard will be included in next month's recap.



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