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Israel Real Estate Market Recap | June 2026

Israeli commercial property spent June pulling in two directions at once. In the occupier market the story was concentration: tenants paid up for the newest, best-connected space and left the rest behind. Reit 1 made the point at Infinity Park in Ra'anana, letting some 11,500 sqm to Enlight and the defence group Ondas. But beneath the headline deals a swelling pipeline of new office towers is colliding with a fresh round of technology lay-offs, widening the gap between a near-full Tel Aviv core and a faltering periphery — and leaving defence occupiers, led by Elbit and Rafael, as the market's most dependable new source of demand. Nothing frames the supply question more sharply than ToHa, the landmark at the Tel Aviv CBD's eastern gateway, where a second tower is climbing towards almost 300 metres on the strength of Google's record lease.

Capital kept moving in retail and leisure, too: Migdal, the insurer, agreed to buy out the Gindi family's stake in the Golden Mall in Rishon LeZion for ₪840 million (\$280 million); Ami Group bought the Planet entertainment complex in the same city for ₪300 million (\$100 million); and Rani Zim took full control of the Zim Urban centre in Or Yehuda for ₪105 million (\$35 million).

The listed market told a different story again — a record first half in which the global AI trade repriced the data-centre developers and the energy and infrastructure groups, carrying Mega Or, Doral and Generation Capital to fresh highs, even as a mooted Treasury levy on data centres sounded the first note of caution. Listed property, though, sat out the rally: the TA Commercial Real Estate index has slipped about 2% this year, and office-heavy REITs have fared worse still, with Reit 1 down around 18%. This issue also features a spotlight on Global Property Research, the Amsterdam-based listed-real-estate index provider, and the place of Israeli companies within its global benchmarks.

Reit 1 and SAN Zahav lease c. 11,500 sqm at Infinity Park, Ra'anana to Enlight and Ondas

Reit 1, the listed real estate investment trust, has signed two ten-year leases at Infinity Park, the Ra'anana business campus it owns in equal partnership with the private company SAN Zahav, controlled by Meir Noga and the Ganot family. The incoming tenants are Enlight Renewa-



ble Energy and the defence-technology company Ondas, which take about 11,500 sqm between them. Enlight moves into more than 5,000 sqm in the campus's northern section from the first quarter of 2027. Ondas takes around 6,000 sqm in the Infinity tower, with its move due over the coming months.

The two deals cap a steady run of leasing at the scheme. Reit 1 and SAN Zahav have recently signed the Israeli games developer Beach Bum to about 1,230 sqm in the tower on a ten-year term; IMD to about 1,650 sqm in the campus over five years; Weebit Nano to about 2,100 sqm on a single floor; and Rail Vision to a further 1,300 sqm. Earlier occupiers include Mindspace, Red Hat, Abra, Ness, Synopsys, Ceva, Novidea and

Deloitte. The market, the owners note, is adjusting to changing organisational needs — and even amid uncertainty, occupiers keep choosing locations that offer flexibility, efficiency and easy access for staff.

A wave of new supply and fresh technology lay-offs test the office market beyond Tel Aviv's core

The steady leasing at schemes like Infinity Park masks a less comfortable picture for the wider market. A swelling supply pipeline — some 600,000 to 700,000 sqm of new offices over the next five years — is arriving just as the technology sector sheds staff. In the best locations demand still outstrips supply; further out, newly finished towers are opening half-empty, the BBC tower

in Bnei Brak and Park Naimi in Or Yehuda among them.

The result is a widening split between core and periphery. Occupancy holds close to full in the Tel Aviv CBD but thins with distance, slipping to the mid-70s in percentage terms in Holon and the secondary zones around it, where landlords struggle to fill space or to push rents past inflation. Rents trace the same gradient, though the quoting convention must be read with care. New prime Tel Aviv CBD space reaches ₪165–180 psm, on a Cat A fitted-out basis, against about ₪65 to ₪85 psm for older, secondary stock in the more peripheral locations. (Note: lettable commercial space in Israel is quoted on a Gross External Area basis, including all common and ancillary space on the floor.)

ToHa: Tel Aviv's gateway landmark climbs towards 300 metres, anchored by Google's record lease

Of all the schemes reshaping the city's office supply, few loom larger than ToHa. The Totzeret HaAretz complex, named for the street it stands on in the Nahalat Yitzhak quarter at Tel Aviv's eastern gateway, is a joint venture between Amot Investments, part of the Alony Hetz group, and Gav-Yam. The first tower, ToHa 1, opened in February 2019 — a 110-metre, roughly 57,000 sqm block designed by the British-Israeli architect Ron Arad with Yashar Architects and built for about ₪950 million (\$317 million). Conceived as an iceberg, it rests on three seven-storey "legs" that carry its services and raise a public roof garden clear of the street; it let fast, about 95% committed before completion.

It is the second phase that now remakes the skyline. ToHa 2, unveiled at the end of 2021 with a budget of around ₪3 billion (\$1 billion), is rising to about 298 metres and some 76 floors — the third tallest in Israel — and will add 140,000 to 160,000 sqm of offices on floorplates of 2,500 to 3,000 sqm. Built by Electra, it is advancing towards a certificate of occupancy expected late in



ToHa 2, rising to about 298 metres, the third tallest in Israel, anchored by Google's record lease at the city's eastern gateway. Source: Wikipedia/Mister Gvartsian under Creative Commons CC0 1.0

2026, with tenants moving in from 2027. Its anchor is Google, which in the summer of 2024 took about 60,000 sqm in what is reckoned the largest commercial-property lease ever signed in Israel — around ₪115 million (\$38 million) a year on a ten-year term, with a break after five —

and which is in advanced talks for a further 25,000 sqm or so, partly for the Wiz team it acquired.

Spotlight — Global Property Research: Israeli names inside the global listed-real-estate benchmark

This month's spotlight falls on Global Property Research (GPR), the Amsterdam-based index provider that has specialised in listed real estate and infrastructure since 1995. Now part of Solactive AG (www.solactive.com) and led by managing directors Jeroen Vreeker and Floris van Dorp, GPR maintains one of the longest-running datasets in the asset class: its GPR General Index, with an inception date of 31 December 1983, captures every listed property company that meets its rules, while its flagship GPR 250 Index tracks the 250 most liquid listed real estate securities worldwide on a free-float-weighted basis. The family extends into continent, regional, country, sector and REIT/non-REIT cuts, giving investors a granular, rules-based view of the listed market.

For investors in Israeli real estate, the point of interest is that the domestic listed sector sits inside these global benchmarks. In the latest published GPR 250 Index rebalancing, Israel is represented by Amot Investments Limited and Melisron Limited and is classified within the flagship index's European sleeve, while the broader GPR General Index reaches further down the Israeli listed universe. The significance is one of visibility and comparability: inclusion in a widely distributed global benchmark (carried on Bloomberg, Refinitiv, FactSet and Morningstar, among others) places Israeli real estate companies in the same frame as their European, North American and Asian peers, and helps channel passive and benchmarked capital towards them.

GPR's lens is complementary to the one these recaps usually apply. Where the Israel Real Estate Index (IREI)[™] produced by Ron Cohen VAS measures the direct, unlisted market, GPR measures the listed market — the two together spanning the private and public halves of the same asset class. The listed series tends to move with the news cycle and to lead private valuations, while the direct index has historically delivered a steadier, income-led return; read side by side, they give a fuller picture of Israeli commercial property than either can alone.



*Jeroen Vreeker, Managing Director,
Global Property Research*

Ami Group buys the Planet leisure and cinema complex in Rishon LeZion for ₪300 million (\$100 million)

The month's largest retail and leisure deal saw Ami Group, controlled by the businessman Shlomi Nachaisi, buy the Planet complex in Rishon LeZion from Israel Theatres for ₪300 million (\$100 million), taking the low-profile group to eighteen shopping and leisure centres nationwide. Opened in July 2012 for about ₪200 million (\$67 million), Planet is one of the country's largest entertainment destinations, drawing some 1.5 million visitors a year; it sits in western Rishon LeZion beside Superland, the Ampy MAX Live arena and the Alef complex. The scheme covers roughly 30 dunam (about 3 hectares) and some 25,000 sqm of built space, with 26 auditoriums — 24 of them cinema screens seating around 3,600, plus two events and conference halls — and about 2,000 parking spaces. Ami Group reports it fully let, the cinemas flanked by some twenty shops and kiosks.

Nachaisi called the deal "a significant strategic transaction" and a further step in the group's income-producing real estate, adding that Ami Group plans to realise about 10,000 sqm of unused building rights already in the zoning plan and to develop the site further. It continues a steady run of buying: about a year ago the group paid some ₪330 million (\$110 million) for the Y-Center complex, formerly the Yakhin Center, and around six months ago ₪215 million (\$72 million) for the Gan Ha'lr centre in Karmiel. It also owns and manages centres across the country, including in Petah Tikva, Netanya, Rishon LeZion, Tel Aviv and Ness Ziona.

Rani Zim Shopping Centres buys out the Zim Urban centre in Or Yehuda for ₪105 million (\$35 million)

In a second retail deal this month, Rani Zim Shopping Centres moved to full ownership of the Zim Urban centre in Or Yehuda, buying the remaining 29.99% from Geshem Holdings for about ₪105 million (\$35 million). The centre holds about 17,500 sqm of

retail space and is in the final stages of lease-up, around 90% let when the deal was announced. It sits beside the planned Purple Line of the Tel Aviv light rail, due in about two years, and is positioned to serve Or Yehuda, Kiryat Ono, Yehud-Monosson, Ganei Tikva, Savyon and eastern Ramat Gan. The price carries an adjustment mechanism tied to the asset's future net operating income.

Migdal buys the Gindi family's stake in Golden Mall, Rishon LeZion, for ₪840 million (\$280 million)

A third retail transaction this month saw Migdal Insurance agree to buy out the Gindi family's 25% holding in Golden Mall in Rishon LeZion, for about ₪840 million (\$280 million); the purchase takes in three floors of the centre, including a basement level now under refurbishment. Migdal already held the bulk of the scheme — it bought 75% nearly two decades ago for around ₪1 billion (\$333 million) from the brothers Moshe and Yigal Gindi, who built the shopping centre in the early 1990s — while the family stayed on as the active partner.

About a year ago Migdal agreed to sell a 51% interest to Melisron for ₪818 million (\$273 million), a price that valued the whole centre at roughly ₪1.5 billion (\$500 million); that transfer still awaits clearance from the Competition Authority, given Melisron's already commanding position in the retail sector. Golden Mall is one of the region's strongest centres, with high footfall, near-full occupancy and some of the highest rents in the sector.

A data-centre boom drives a record first half for the listed market, repricing Mega Or and the groups that power it

The force defining the listed market this year is the one driving exchanges abroad: artificial intelligence, and the race to build the physical capacity behind it. It carried the Tel Aviv Stock Exchange to a positive first half despite the war with Iran and the uncertainty trailing it — the TA-

125 up about 8.3% since January. For the broad index the half-year pace, an annualised gain of roughly 16%, runs well above its long-run average, and follows advances of about 51% in 2025 and 28% in 2024. That theme now reaches into property and infrastructure.

The clearest case is Mega Or. Tzachi Nachmias's company is, at heart, a logistics and retail landlord — 34 logistics centres and 26 retail schemes, about 94% of its assets, let at close to 99% — yet it is the data-centre arm, Mega DC, that the market has rerated. The shares have roughly doubled since January, up about 116%, and are up about 400% since the start of 2025, lifting the company to about ₪22.1 billion (\$7.4 billion). Mega Or's portfolio now includes seven data centres — one operational in Modi'in, six under development — with a total planned capacity of 314 megawatts. The enthusiasm carries a caveat: the Ministry of Finance is weighing a levy on data centres to reflect their draw on the country's gas reserves and their pull on power prices, a charge that, if imposed, would take a visible bite out of the profits now projected for the business.

The same logic has rerated the companies that would power those sites. Doral, the renewable-energy group run by Yoni Hantis, is up about 103% this year to roughly ₪16 billion (\$5.3 billion), lifted by electricity demand in Israel and the US, where its American arm, Doral LLC, holds a solar pipeline of some 15 gigawatts and 4 gigawatt-hours of storage, part of it already generating. The infrastructure funds are moving too. Generation Capital, run jointly by Erez Balasha and Yossi Zinger and valued at about ₪5.9 billion (\$1.97 billion), spans energy, transport, environment and logistics; it has bid ₪4.2–4.5 billion (\$1.4–1.5 billion) for Shikun & Binui Energy — raising ₪1 billion (\$333 million) to fund the offer — in a move that would sharply deepen its position in power generation. Its rival Keystone has since said it too will contest the prize.

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