

## Europe Real Estate Strategic Outlook

Year-End 2025

### IN A NUTSHELL

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- Recovery appears to be accelerating despite market volatility, with liquidity seemingly returning and structural supply shortages driving rent growth as prime rents still trail replacement rents, limiting new development.
  - Debt capital is returning faster than investment activity, potentially creating an opportunity for equity investors to secure competitive financing.
  - Living and logistics are currently preferred sectors, with operational residential and multi-let industrial appears to potentially outperform. Value-add living leverages acute shortages, and growing value across parts of office and retail.
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## 1 / Market Outlook

‘Keep calm and carry on’

This phrase, though coined in another era, encapsulates the current sentiment in European real estate as we enter 2026: steady, disciplined, and quietly regaining momentum. After enduring a period marked by interest rate shocks, valuation resets, and a sharp decline in liquidity, the market appears to now be transitioning into a period of normalization. Capital is gradually returning, debt markets seem fully functional, and capital values are rising once more. Nevertheless, the landscape is not without its distractions: geopolitical tensions, trade wars, fears of an AI-driven bubble, and steep yield curves all add complexity. In this environment, it may be prudent to remain level-headed, look for value and consider sticking to long-term trends and thematic investing.

In our view, European real estate appears to be in a strong position. Asset values have undergone a full repricing, bringing valuations to cyclical lows and potentially offering a cushion against potential future shocks. Vacancy rates – particularly for prime, high-quality assets – currently remain low, while new supply is constrained across most major markets. These dynamics may collectively help to de-risk real estate as an asset class, potentially making it an attractive proposition for investors looking for stability and resilience, but also outperformance.

As we are transitioning from an era characterized by ultra-low interest rates to a new reality with higher borrowing costs, this may not necessarily prompt a re-evaluation of investment strategies. Long-term, structural demand drivers are expected to remain broadly unchanged. But identifying thematic investment strategies aligned with long-term structural trends that may meet return requirements could be key – whether its income, alpha or higher risk strategies.

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### Navigating Rates, AI, Geopolitics, and Fiscal Policy

Macro uncertainty persists, but its dynamics are evolving. Inflation has receded as the primary concern for investors, shifting attention toward interest rate trajectories and structural changes in the global economy. The European Central Bank is expected to maintain stable rates, while the Bank of England is anticipated to resume rate cuts later this year or early next. At the same time, the rise of artificial intelligence (AI) has become a central theme, fuelling both optimism around innovation and caution over elevated equity valuations and potential market bubbles.

Geopolitical tensions continue to add complexity to the investment landscape. Despite these challenges, economies have shown notable resilience, adapting to new tariff regimes and shifting trade dynamics. Renewed commitment amongst most NATO members to increase defence spending to 3.5% of GDP<sup>1</sup> could drive substantial government investment in the defence sector, potentially supporting economic growth, including some parts of the real estate market. Fiscal stimulus and immigration policies are increasingly shaping the macroeconomic outlook, marked by the interplay of higher public spending and rising government debt. However, these trends are not uniform across countries. Notably, Germany stands out, with upcoming fiscal initiatives expected to underpin economic growth during the second half of the decade.

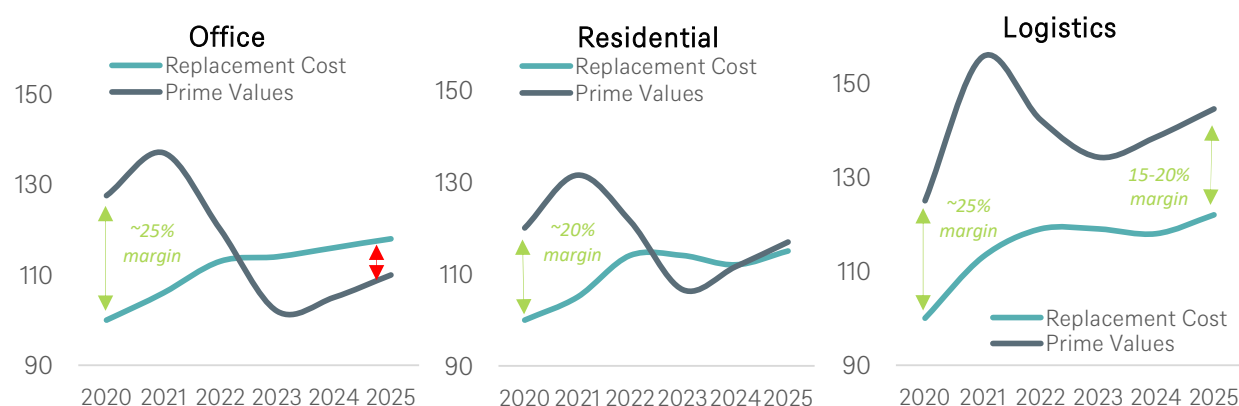
### Discount to Replacement Rents Fuels Rental Growth

With Europe cruising at a modest pace of economic growth, supply shortages are the engine behind rent growth, with pipelines shrinking across much of the region. Since 2022, developers have faced tightening profit margins due to falling exit values and a sharp rise in both financing and construction costs. The rent required to make new developments viable, the so-called “replacement rent”, has soared by 15-25%. With prime rents still lagging well below these thresholds, the incentive to pursue new development schemes has diminished considerably.

This is the critical juncture where the concept of replacement cost enters the narrative. Historically, when replacement rents have been ‘in the money’—meaning they fall materially below prime rents—the market has responded with a surge of new supply within 24 months. Today, however, replacement rents remain firmly ‘out of the money.’ One may argue that falling land values (i.e., deflationary replacement costs) could eventually bridge the gap between replacement and prime rents. However, a scenario in which land values fall drastically is not our base case—particularly in Europe’s gateway cities, where high density, ongoing urbanization, and strong transit infrastructure underpin long-term demand.

In both residential and office sectors, replacement costs are above or near prime capital values. By contrast, industrial replacement rents are still sufficiently ‘in the money.’ Albeit supply growth in this segment is decelerating (see Chart 1). With the inherent lag between project starts and completions, it is only now that near-term supply forecasts are beginning to reflect these shifting dynamics. Looking ahead, the outlook for prime rent growth in Europe’s gateway markets is expected to remain robust and may outpace inflation.

**Chart 1: Estimated Replacement Cost vs. Prime Values in Europe (Indexed in 2020)**



Note: Estimated replacement cost, including land, hard costs, soft costs, tenant incentives and financing  
Source: Green Street and DWS, November 2025

<sup>1</sup> NATO, June 2025

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### Competitive Lending Dynamics

Income and rental growth continue to be the primary contributors to total returns. At the same time, debt has become more accretive as debt availability has seen a marked improvement. Competition has intensified among banks, debt funds, and insurers, enabling borrowers to secure more favourable terms. Senior loan-to-value (LTV) ratios now typically range from 55% to 65%, even for traditionally conservative asset classes like offices – signalling a clear recalibration of lender risk appetite. Lending margins have tightened further in 2025, particularly for prime assets. While prime assets with stable cash flows are refinancing smoothly, secondary assets requiring capital expenditures face a fundamentally different, and more challenging, lending environment. Notably, lenders have re-entered the market faster than buyers, and 2025 loan origination volumes are near 2021 levels (see Chart 2). This abundance of debt capital, outpacing current transaction volumes, may have created a unique window for competitive financing for those positioned to act.

### Value-Add Opportunities and Core Capital Returning

The investment market is transitioning from a period of paralysis to one of discovery and opportunity. With pricing now reset, bidder dynamics are stabilising, and overall sentiment is improving. Liquidity is gradually returning, and we notice a growing duality among investors. Since 2022, value-add strategies have gained traction, with investors seeking higher returns amid volatility and taking advantage of pricing dislocation. In the current phase of the cycle, opportunities exist to increase leverage or address supply shortages through development, refurbishment, and conversions, particularly in the living sector.

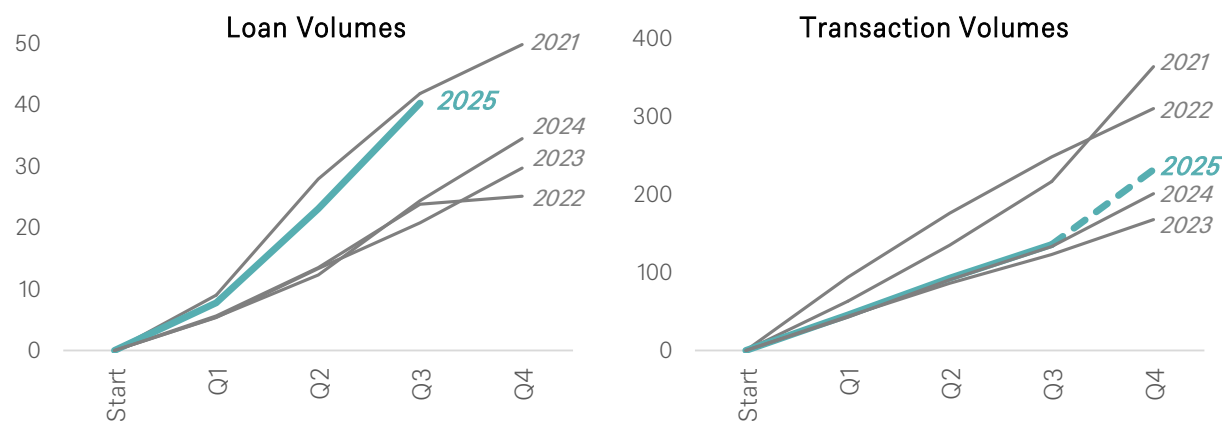
At the same time, core capital is making a notable return, with over €50bn reportedly targeting Europe<sup>2</sup>. These investors are prioritizing simplicity and resilience, favouring assets that deliver rental income and growth while generally avoiding heavy capex requirements. The flight to quality is accelerating, with core markets and prime assets – such as Central Paris office and Copenhagen, Stockholm and Spanish residential – experiencing heightened competition and yield compression.

Cross-border capital is also showing stronger interest, viewing Europe as attractively priced. New equity is targeting the living and logistics sectors, as well as private debt and value-add strategies, reflecting the breadth of opportunities in Europe.

### Positive Momentum Despite Market Volatility

European real estate continues to demonstrate improving performance through 2025, with the INREV ODCE Index recording a 2.6% total return over the first three quarters, compared to -0.3% over same period in 2024<sup>3</sup>. Trends in the public markets reinforce this positive outlook, as European REITs have appreciated by 7% year-to-date<sup>4</sup>, though they still trade at a discount to gross asset value. This environment may present a compelling opportunity for capital deployment across the region. Our forward-looking view highlights several strategic drivers that could underpin total returns: potentially attractive entry yields, robust rental growth supported by persistent supply shortages, accretive financing, and prospects for yield compression as market liquidity returns.

**Chart 2: European Cumulative Quarterly Loan Origination and Transaction Volumes (€bn)**



Source: RCA, PMA and DWS, November 2025

<sup>2</sup> PERE, October 2025

<sup>3</sup> INREV European ODCE Quarterly Index, November 2025

<sup>4</sup> FTSE EPRA Europe, Gross Total Return, Macrobond November 2025

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## Sector outlook

### Shortages suggest attractive options may exist across all four sectors

On the surface our sector outlook is unchanged compared to six months ago. The residential sector is once again showing the highest risk-adjusted return, closely followed by logistics, with shopping centres and office languishing some way behind. But these headlines lack nuance as we see potential opportunities across all four sectors. Not always for prime assets, but across cities, subsectors and assets, we see potential for attractive investment opportunities.

**Residential** has led the European real estate recovery over the past 18 months, supporting our previous calls on the market. And while this does perhaps suggest that some upside has been taken – and that some cash investors could struggle to meet their return requirements from standing prime stock – we see acute shortages continuing to drive high occupancy and strong increases in market rent. And while this does open-up regulatory risk, events in Ireland highlight that rent controls can be reversed.

Many of the dynamics driving our residential outlook are evident across the subsectors of co-living, affordable housing, student housing and senior living – although each one has its own unique characteristics. Later in the paper we expand upon this, but overall, the outlook for the sector is one of expected strong rent growth and continued demand from institutional capital.

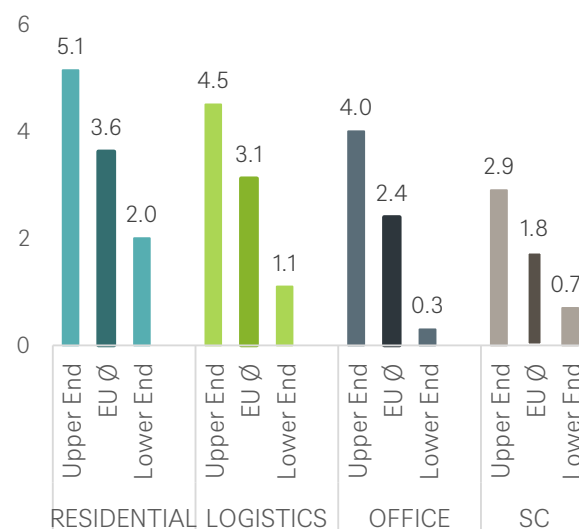
The **logistics** sector has also been one of the leading performers during this early recovery phase. However, doubts began to emerge during the first half of this year, which led us to pair back our outlook, reflecting ongoing uncertainties around global trade, and its impact on real estate demand – particularly in some port locations like Rotterdam. And while caution remains and vacancy has ticked up, the medium-term outlook is still one of expected accelerating rental growth, supported by ongoing structural demand and a fall in new supply. We still tend to prefer urban schemes, in part leading us to actively consider multi-let industrial, and while we see less rent growth across Big Box schemes, at an average of 3% per annum, this part of the market still offers potential opportunities, particularly in more supply constrained regions, and in those markets with close links to defence.

Sentiment towards **offices** has certainly improved this year, and although capital may be highly selective, and limited by historical exposure, the return of large lot size transactions has been a notable feature. The sector remains highly polarized, with major cities reporting shortages of high-quality stock in central locations, while at the same time recording an abundance of empty floors across the rest of the city. Prime office rents may have risen by an average of almost 3% this year, with major cities like London reaching new record highs. This has led some to question the sustainability of these rents, suggesting that cost-sensitive tenants may seek cheaper options. And while we think this is certainly possible, we remain convinced that demand could continue to focus on well-connected central locations – with amongst other things generative AI acting as a boost to these locations, while at the same time lowering demand for back-office space in decentral locations.

We have also started to become more constructive in our outlook for **retail**. While the sector remains an overall underperformer, in part led by our expectations for some shopping center markets, the sector has been through an exceptionally long period of adjustment, rebasing rents and bringing construction activity almost to a standstill. And although long-term structural trends may still drag on performance, we believe that trends towards services over stuff, alongside growing demand for entertainment and wellness, could potentially drive future demand for physical space. We're cautious over capex requirements, particularly shopping centres, but for those investors looking for accessible, affordable and adaptable space, with a potentially cash-enhancing entry yield, retail parks may offer the potential for sustained tenant demand and above inflation rental growth.

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Sector Outlook – Rent Growth 2026-30 (% p.a.)



Source: DWS, December 2025

Note: Based on risk-adjusted DWS in house real estate return five-year forecasts for office, logistics, residential and shopping centres.

## 2 / Investment Strategies

Real estate appears well positioned relative to equities and bonds, offering compelling value following recent repricing and solid fundamentals. This presents a potential advantageous entry point for investors seeking both resilience and growth. Investors may consider adopting an approach anchored in thematic investing and long-term structural demand trends, focusing on investment strategies that align with evolving market conditions and societal shifts.















Residential and industrial assets have attracted sustained investor focus over the past decade. However, longevity alone does not justify a wholesale shift in strategy. While established themes like "Beds & Sheds" remain relevant, selectivity is essential in these increasingly competitive segments. Outperformance could potentially be achieved by targeting regional markets, operational living, and multi-let logistics, where structural demand drivers and asset management opportunities persist.

Contrarian opportunities may exist in the office and retail sectors. In offices, discounts to replacement cost and below-market rents support rental growth, particularly for assets in central locations that can be refreshed to achieve higher rents. Retail is experiencing a revival, with retail parks standing out due to their higher yields, strong rental tension, low vacancy rates, and comparatively lower capital expenditure requirements.

Against a backdrop of ongoing market volatility, investors may consider pursuing a range of investment strategies, from targeting high cash yields as an alternative to bonds, to seeking outperformance relative to core benchmarks, or focusing on value-add opportunities that may drive enhanced returns through development and active asset management.

- 1) **Core Income:** Focus on seeking to generate sufficient income returns that may exceed fixed income yields by a healthy margin, without compromising on asset or location quality.
- 2) **Core Alpha:** Target total return outperformance of the broader market or core benchmarks by investing in assets that could generate alpha, through sector, market or asset selection.
- 3) **Value-Add:** Taking on additional risk and asset management requirements to seek to enhance returns by undertaking development, conversion or refurbishments strategies, venturing into high-growth emerging sectors, and increasing leverage at this early point in the recovery cycle.

### Investment Strategies

	Core Income	Core Alpha	Value Add
	<b>&gt;4% net cash return</b> <b>10 Year Hold Period</b>	<b>&gt;7% net IRR</b> <b>5 Year Hold Period</b>	<b>&gt;12% net IRR</b> <b>3 Year Hold Period</b>
 <b>Status Quo</b> <i>Beds &amp; Sheds</i>	 Regional / OPRE  S. Europe and CEE logistics	 Commuter residential  Multi-let Industrial	 Living-2-Living Refurb  Privatisation
 <b>Contrarian</b> <i>Office &amp; Retail</i>	 Retail Parks  Neighborhood Retail	 Light-capex Office	 Levered Retail
 <b>Pioneering</b> <i>New sectors</i>	 Whole Loans	 Flex Living and Co-living	 AV Supported Suburbs  AV Servicing

Note: Indicative levered returns after taxes and fees. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Source: DWS, December 2025

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## Living

### Core Income

For income-focused investors, operational and regionally targeted strategies often may represent the most compelling options. In these mature market segments, returns are primarily driven by stable cash flows, while pricing dynamics play a comparatively smaller role. Key strategies may include a focus on regional markets, which offer higher entry yields and affordable rents, making them potentially compelling for investors seeking dependable returns. Cities like **Leipzig, Valencia** or **Manchester** fall into this category. Additionally, senior living is emerging as a potentially promising segment across Europe, particularly in **France, Germany, and the Netherlands**, where strong local partnerships help mitigate regulatory concerns. Student housing also may present potential due to rising numbers of mobile students and low penetration rates, with some of the most interesting opportunities seen across **Iberia, France, and Germany**.

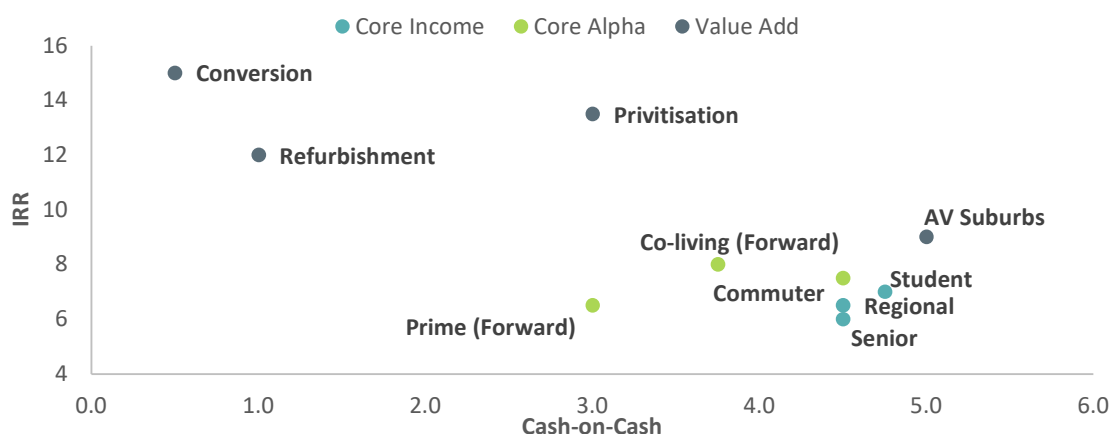
### Core Alpha

Some investors may favour strategies aimed at achieving outperformance through capital value appreciation and overall total return. This typically involves targeting less mature yet increasingly professional and institutionalised market segments with the goal to potentially exceed broader market returns. Higher entry yields combined with relatively affordable rents may strengthen the case for commuter and fringe locations. Future advancements in autonomous driving could also further enhance accessibility to these areas with limited public transport, although this concept remains largely untested and leans toward value-add strategies in major agglomerations such as **London, Madrid, and Germany's Top-7** cities. Co-living is another expanding subsegment, benefiting from tight multifamily markets and evolving work models, with potential opportunities in **Germany, Iberia, and the UK**. Investors may also consider prime locations, which approach the market from a slightly different angle. Economically strong cities like **Dublin and Berlin** may offer secure investments with above-average rent growth, although premium pricing and access to stock may often require creative structures such as forward funding.

### Value Add

This strategy may be well-suited for investors prepared to take higher risk exposure in an effort to achieve outperformance. Within the residential market, it remains comparatively secure versus other sectors, as rental markets exhibit low vacancy and strong tenant demand, minimising letting risk. As such, there is a potentially compelling case for refurbishment of older residential stock or conversion into residential, leveraging undersupply and offsetting temporary cash flow reductions with substantial value creation in countries like **Germany, Spain, and the UK**. A more selective approach within this category is also privatisation, a proven strategy in **the Netherlands**, where government support enables price premiums of 30-40% over institutional block sales, despite inherent risks such as lengthy sales processes and residual stock that is difficult to dispose of. Other markets where price premiums seem achievable, although at a lower scale, include **Germany or Spain**.

### Indicative Levered Returns (% p.a.)\*



\*Core Income = 10yr hold, Core Alpha = 5yr hold, Value Add = 3yr hold. Indicative levered returns after taxes and fees.

Source: DWS, December 2025

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Logistics

Multi-let industrial and selective defense driven locations

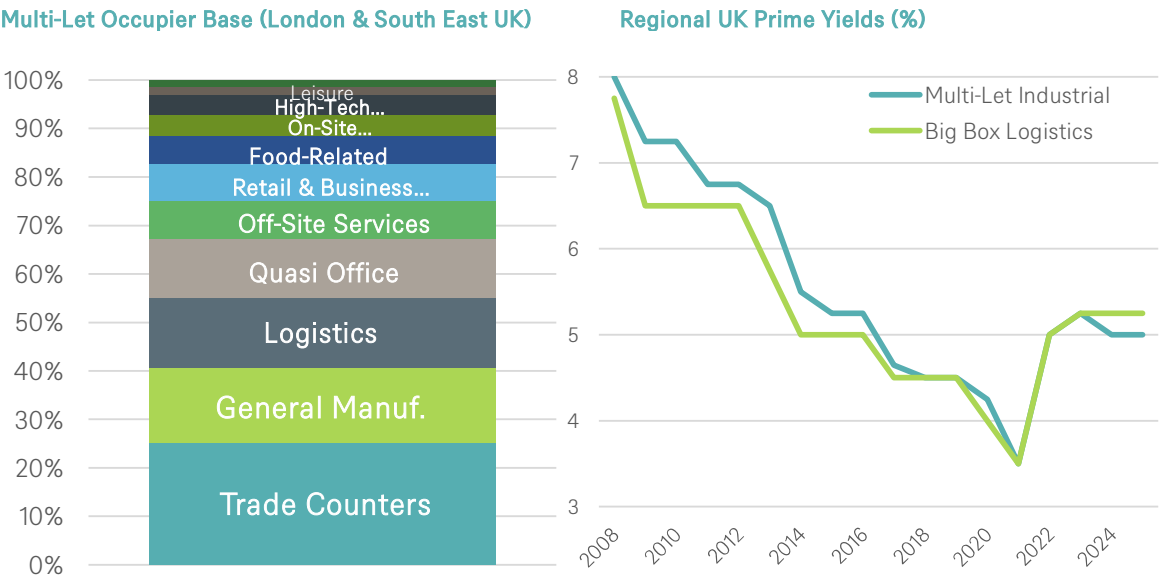
Multi-let industrial properties typically serve multiple functions, including last-mile delivery hubs, trade counters, and food distribution facilities, essentially segments supported by enduring consumer-driven trends. Additionally, uses such as light industrial, advanced engineering, and small-scale manufacturing benefit from EU and national government initiatives aimed at supporting small and medium sizes enterprises (SMEs). Shorter leases and rolling tenancies enable landlords to more easily capture rental growth, especially through active asset management.

Multi-let schemes are typically located on the fringes of major population centres, where competing land uses constrain supply. This scarcity, combined with proximity to end-users, may underpin robust rental growth prospects. Our focus would be on well-connected assets near key urban hubs, particularly in Germany, the United Kingdom and the Netherlands.

While the UK market has seen significant institutionalization of multi-let assets over recent years, the sector remains relatively nascent across much of the rest of Europe, creating potential early-mover advantage. Multi-let schemes are generally priced at higher yields due to shorter lease terms and multiple occupancies. In the UK, this yield premium has compressed as the market matured, signalling scope for similar dynamics elsewhere.

Beyond multi-let, rising defence budgets across Europe are driving demand for high-spec industrial and warehousing space. However, much of this requirement will be met through owner-occupation, limiting investible leased stock. Opportunities are therefore likely to concentrate in select established markets, notably defence clusters in Southern Germany, Northern Italy, and Poland. These locations may offer long-term stability, resilient occupier demand, and potential for public-private partnerships, potentially making them attractive for investors seeking durable returns mid economic volatility.

For investors seeking cash returns, Big Box logistics may remain compelling in select high-yield markets underpinned by strong fundamentals and structural growth drivers. Iberia continues to benefit from strong consumer-led growth and low e-commerce penetration supporting future demand, with Portugal offering value as prime yields stand nearly 100 basis points above core European markets. Poland also stands out, with prime yields above 6% across much of the market, moderating supply and near-shoring trends driving sustained rental growth.



Source: DWS, Newmark, Knight Frank, CBRE, November 2025

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Office and Retail

Well-Located Office Refresh in Core Markets

We see potential opportunities in Europe’s office market to acquire well-located, average-quality assets in central locations that may require only a light refresh to unlock rental upside. Average-quality office assets in the best submarkets are outperforming best-in-class office assets in weaker, less desired submarkets. Occupier preferences are gravitating toward central locations with strong connectivity and amenities. These Grade B offices in core submarkets are increasingly attractive as the spread between prime and secondary rents widens to roughly 35% in European core markets – a trend that has accelerated since the pandemic.

With that in mind, we see potential value in targeted capital expenditure to upgrade properties to a “Grade A minus” standard—creating modern, flexible space that appeals to tenants without incurring the cost of full prime repositioning. While these assets may not achieve the highest market rents, they can potentially capture a meaningful uplift and may deliver attractive returns in a market where quality and location are polarized. This approach may appeal to occupiers seeking flexibility and affordability without sacrificing connectivity and amenities. Typical tenants include professional services firms, tech start-ups, and creative agencies as well as smaller, cost-efficient coworking operator which cater to hybrid work and offer leaner footprints compared to large-scale operators.

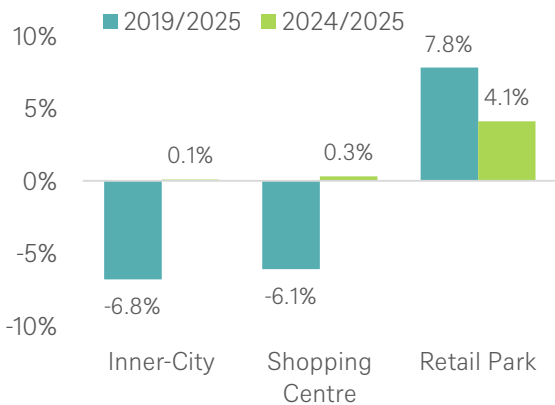
We see potential in gateway cities such as London, Berlin, Munich, Milan and Madrid – markets characterized by strong job growth, a young and tech-driven workforce, and high concentrations of research and development activity. They may benefit from deep venture capital pools and high innovation scores, potentially reinforcing long-term demand fundamentals.

Retail Parks Provide the Strongest Investment Case

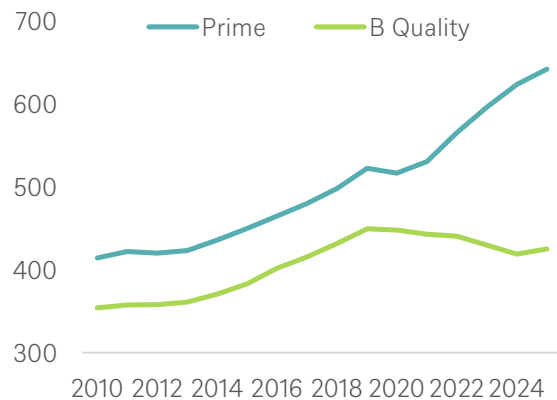
We believe retail parks stand out as a potentially compelling investment opportunity. These parks typically offer higher yields than most other real estate sectors, benefit from good rental tension driven by low vacancy, and require lower capital expenditure requirements compared with other retail formats. Targeting retail parks, as well as grocery and service-focused portfolios, may provide attractive cash returns, resilience to online spending and a potentially reliable growth outlook.

Opportunities are emerging in markets characterized by robust occupier demand and constrained new supply. Iberia and Italy stand out due to their attractive yields, balanced retail provision, low e-commerce penetration, and the positive impact of tourism. In Ireland, convenience-driven retail parks located in densely populated areas demonstrate strong tenant retention and low vacancy rates. Meanwhile, Poland benefits from solid economic growth, increasing immigration, and rapid expansion in in-store retail spending. Across the largest retail park markets of the UK, we would suggest a more selective approach, particularly as pricing has already materially improved over recent years.

European Visitor Numbers in Select Asset Type  
Year-on-Year Growth (%)



European Office Rents Grade A vs. Grade B  
€/sqm/year



Source: DWS, PMA, CBRE, Savills, Green Street, November 2025

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### 3 / Country Summaries

Germany	<ul style="list-style-type: none"> <li>Fiscal and infrastructure spending plus monetary easing expected to boost Germany real estate, with GDP growth forecast to outpace the euro area. International capital returning, drawn by relative attractive entry points.</li> <li>In residential, regional cities like Leipzig and Hanover stand out. Focus in top-7 shifted to PBSA &amp; micro living segments.</li> </ul>	<ul style="list-style-type: none"> <li>We favor logistics defense hubs like Munich, see potential prospects in Frankfurt and Rhein-Ruhr, and target urban multi-let logistics for potentially higher yield and rental growth through asset management.</li> <li>There may be strong potential in acquiring Grade B offices in Berlin and Munich for uplifts, as market polarisation deepens and AI reduces back-office demand while prime CBDs could benefit.</li> </ul>
France	<ul style="list-style-type: none"> <li>France's economic outlook remains cautious, with political and fiscal uncertainty - including debates over the 2026 budget - weighing on investment and leasing sentiment.</li> <li>Despite a sluggish economy and caution among both occupiers and investors, we continue to see rental growth and stabilising yields across the core sectors.</li> </ul>	<ul style="list-style-type: none"> <li>Logistics offers steady rental growth, though this is less pronounced than in recent years. We remain positive on Paris, Marseille and Lyon due to persistent demand-supply gaps.</li> <li>High student demand and limited PBSA supply in cities like Paris, Lyon, and Toulouse make France a potential market for student housing investment.</li> </ul>
UK & Ireland	<ul style="list-style-type: none"> <li>The recovery is slow but strengthening, with easing rates and greater clarity around fiscal policy. Select opportunities offer income growth potential and potential upside exist for active investors.</li> <li>Structural undersupply keeps UK build-to-rent resilient. London seems well placed for value-add investment. For core income, select regional cities may offer strong fundamentals and pricing discounts.</li> </ul>	<ul style="list-style-type: none"> <li>In Central London, upgrading well-located Grade B office assets to near-Grade A standard may offer strong value potential, with the City of London seemingly poised for the greatest upside through the addition of yield compression.</li> <li>Logistics calls for selectivity amid global trade uncertainty. Multi-let assets may offer resilience through tenant diversification and low vacancy. Active management may enable rental uplifts.</li> </ul>
Southern Europe	<ul style="list-style-type: none"> <li>Southern Europe remains a strong performer in the Eurozone, with Spain and Portugal leading growth ahead of Italy.</li> <li>Logistics across Southern Europe is expected to deliver rental growth above the European average, with Lisbon and Barcelona currently seeing strong demand and tight Grade A space.</li> </ul>	<ul style="list-style-type: none"> <li>PBSA may offers strong opportunities in major cities, including Madrid, Valencia and Seville, supported by rising student numbers and a shortage of modern, purpose-built accommodation.</li> <li>Retail parks are emerging as an interesting sector, with low vacancy, rising rents and yield compression potentially supporting capital growth.</li> </ul>
Benelux	<ul style="list-style-type: none"> <li>The Benelux economies show mixed performance, moderate growth in the Netherlands and slower expansion in Belgium amid soft consumer demand.</li> <li>Sustainability and logistics are expected to drive Benelux commercial real estate, potentially creating opportunities in green buildings and industrial assets.</li> </ul>	<ul style="list-style-type: none"> <li>Tight housing supply across the Benelux, especially in Belgium and the Netherlands, is pushing demand and rents upward, potentially supporting long-term value of residential investment.</li> <li>Student housing demand is currently strong in university towns including Amsterdam and Leuven, with supply shortages pushing rents higher.</li> </ul>
Nordics	<ul style="list-style-type: none"> <li>Rebound in investor interest is supported by safe-haven appeal. Gradual yield compression and rental growth in supply-constrained markets are expected to underpin returns.</li> <li>Copenhagen living may offer solid income potential, but high pricing should favors forward funding. Helsinki residential shows long-term upside as occupancy recovers.</li> </ul>	<ul style="list-style-type: none"> <li>Urban logistics remains in focus, with Copenhagen expected to see healthy near-term rent growth. Stockholm's easing vacancy and limited pipeline should drive medium-term growth.</li> <li>Limited Grade A office supply may drive rent growth in Stockholm and Copenhagen, but tight pricing limits upside. Helsinki may offer higher yields, but weaker fundamentals constrain performance.</li> </ul>
Central Europe	<ul style="list-style-type: none"> <li>Poland is expected to join the ranks of the world's top 20 economies, a clear testament to its recent economic achievements.</li> <li>Domestic demand based on a more affluent population as key driver for economic growth, alongside EU funding and strong links into the German market.</li> </ul>	<ul style="list-style-type: none"> <li>Strong mid-term outlook for the logistics sector thanks to economic outperformance and moderating supply. Focus remains on prime stock in key markets.</li> <li>Retail Parks are a growing feature of the Polish Real Estate landscape, extending into regional markets. Resilience, growing affluence and a preference for convenience shopping as drivers.</li> </ul>

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