



Realometer

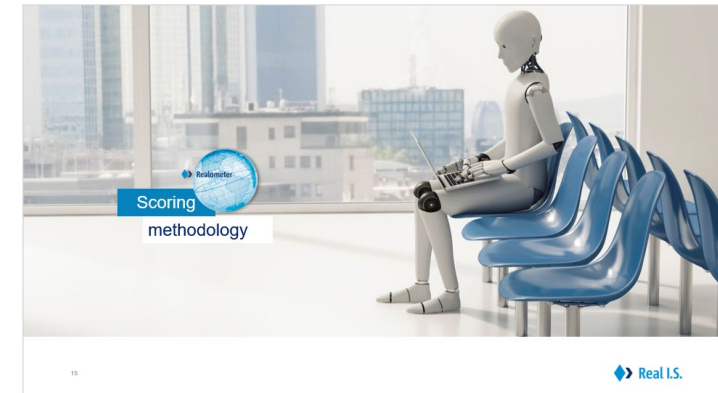
Real I.S. Research Realometer

September 2025

Real I.S. AG / Research and Investment Strategy

Real I.S. Research

Realometer September 2025 / Topic overview



Results

Country and
market analyses



Key findings

Yields and purchase prices have been stabilising for several quarters. Moderate market recovery continues, investment market still weak.

- Sluggish economic momentum offers little tailwind for the rental markets in 2025. Moderate recovery likely in 2026.
- Trend towards declining long-term interest rates uncertain. Real estate yields are expected to move sideways for the time being.
- Residential, logistics and hotel sectors are currently viewed positively. Office investments should focus on (super) core properties.



Countries

The economy is expected to remain weak in 2025, but somewhat better than in the previous year. Political and economic risks are currently high.

Office

Transaction activity remains weak. Yields have stabilised and are at 9-14-year highs. Rental growth in central locations, declining rents in secondary locations.

Retail

Commercial buildings and specialist retail segments in demand, few transactions in shopping centres. Private consumption is also expected to provide little stimulus for growth in 2025.

Logistics

Logistics is one of the most attractive segments. Despite the weak economy, rents are expected to continue to rise in the future.

Hotels

The recovery of the hotel markets continues. Hotels currently offer the highest prime yields in comparison with other segments.

Residential

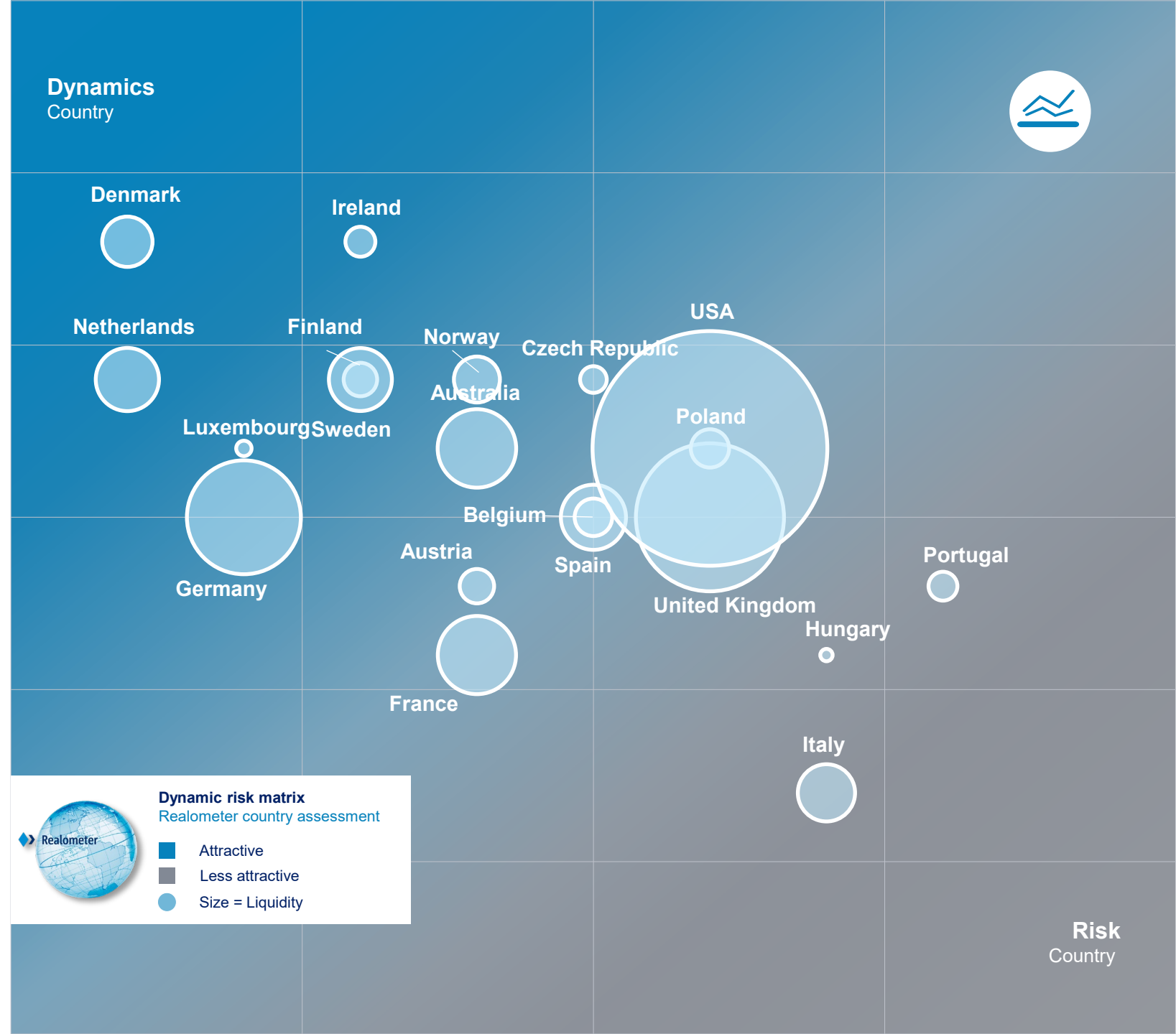
Excess demand and rising rents offer cash flow security. Sub-sectors such as serviced apartments and student housing offer additional returns.

Country evaluation

Political uncertainty remains high, the economy remains weak and inflation is currently low.

- Overall, little change since the last assessment in February 2025.
- The economy has so far proved relatively resilient to US tariff policy. Nevertheless, growth prospects and competitiveness remain weak in a number of eurozone countries, particularly in Germany.
- Denmark, the Netherlands and Ireland are best positioned. Italy, Hungary and Portugal are at the bottom of the table.

Note: Momentum, return and risk are key figures that are determined using a scoring procedure based on various criteria. They do not represent net initial returns or volatility, but rather show a quantitative assessment of the expected momentum and risk at country level.

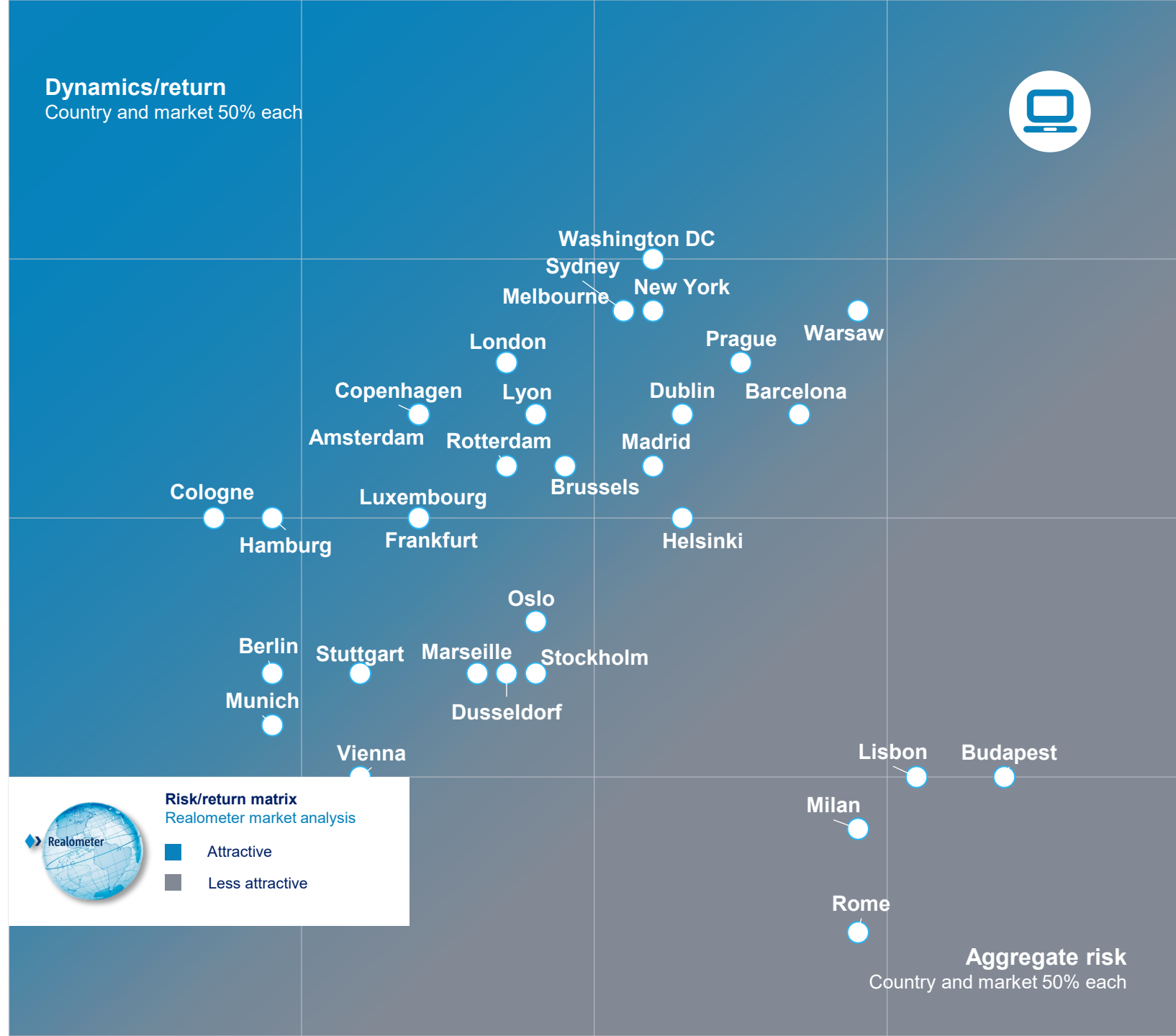


Office

Little market dynamics, but largely stable returns and vacancy rates.

- Little momentum in the investment market with stable prime yields.
- Vacancy rates have also remained largely unchanged so far in 2025.
- Prime rents for high-quality office space have continued to rise moderately in recent quarters.
- Investments are selectively attractive. This also applies in view of the future shortage of supply due to weak construction activity.

Note: Dynamics, returns and risk are key figures that are determined using a scoring procedure based on various criteria. These are not net initial returns or volatility, but rather a quantitative assessment of the expected returns and risk of a potential real estate investment.

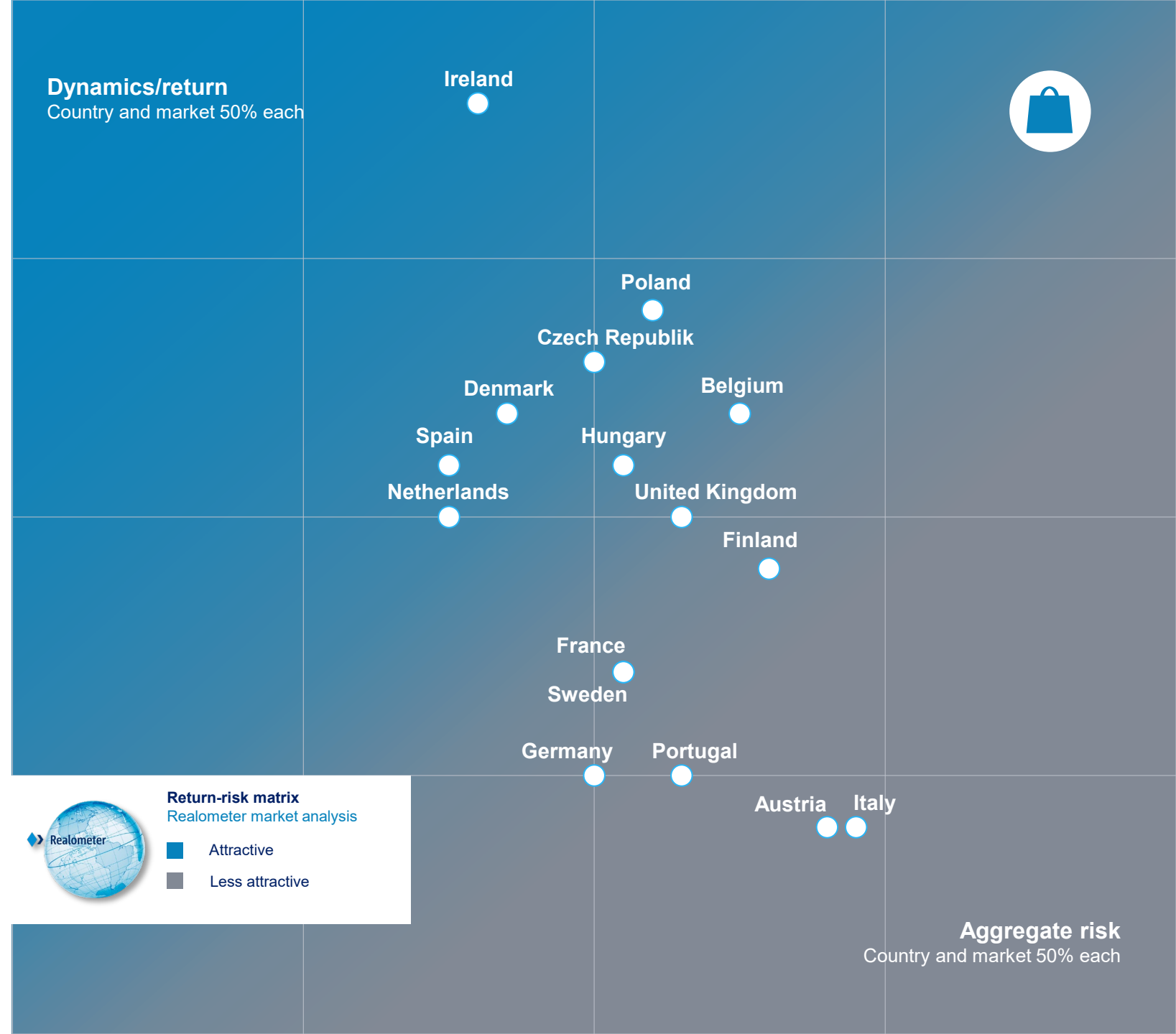


Retail

Structural change and consumer reluctance are weighing on the sector. Retail parks and concepts with food stores are positive.

- Little growth momentum from private consumption (declining income expectations, consumer sentiment and propensity to buy).
- The overall result (including country ratings) has changed little compared with February 2025. Ireland, Denmark, Spain and the Netherlands are in the best position.

Note: Momentum, return and risk are key figures that are determined using a scoring procedure based on various criteria. These are not net initial returns or volatility, but rather a quantitative assessment of the expected return and risk of a potential real estate investment. Evaluation here at country level.



Logistics

Logistics remains one of the most attractive segments. Despite the weak economy, rental prices are expected to continue to rise in the future.

- Prime yields average 5.2%.
- Declining construction activity and falling supply of new space are limiting the supply of high-quality logistics space and supporting further rental growth.
- According to Realometer scoring, logistics hubs in the Netherlands, Sweden and Denmark are particularly attractive, as are those in Germany, Finland and the Czech Republic.

*Note: Momentum, return and risk are key figures that are determined using a scoring procedure based on various criteria. They do not represent net initial returns or volatility, but rather show a quantitative assessment of the expected return and risk of a potential real estate investment.
Evaluation here at country level.*



Hotel

The sentiment continues to improve. Hotels currently offer the highest prime yields in comparison with other segments.

- The valuation of hotel markets has improved further compared to February 2025. Hotels in German locations have performed well, as have those in Barcelona and Brussels.
- Prime yields have remained stable in recent months and average around 5.3%.
- The investment market is also recovering, with rising investment volumes recorded in Paris, Madrid, Barcelona and London.

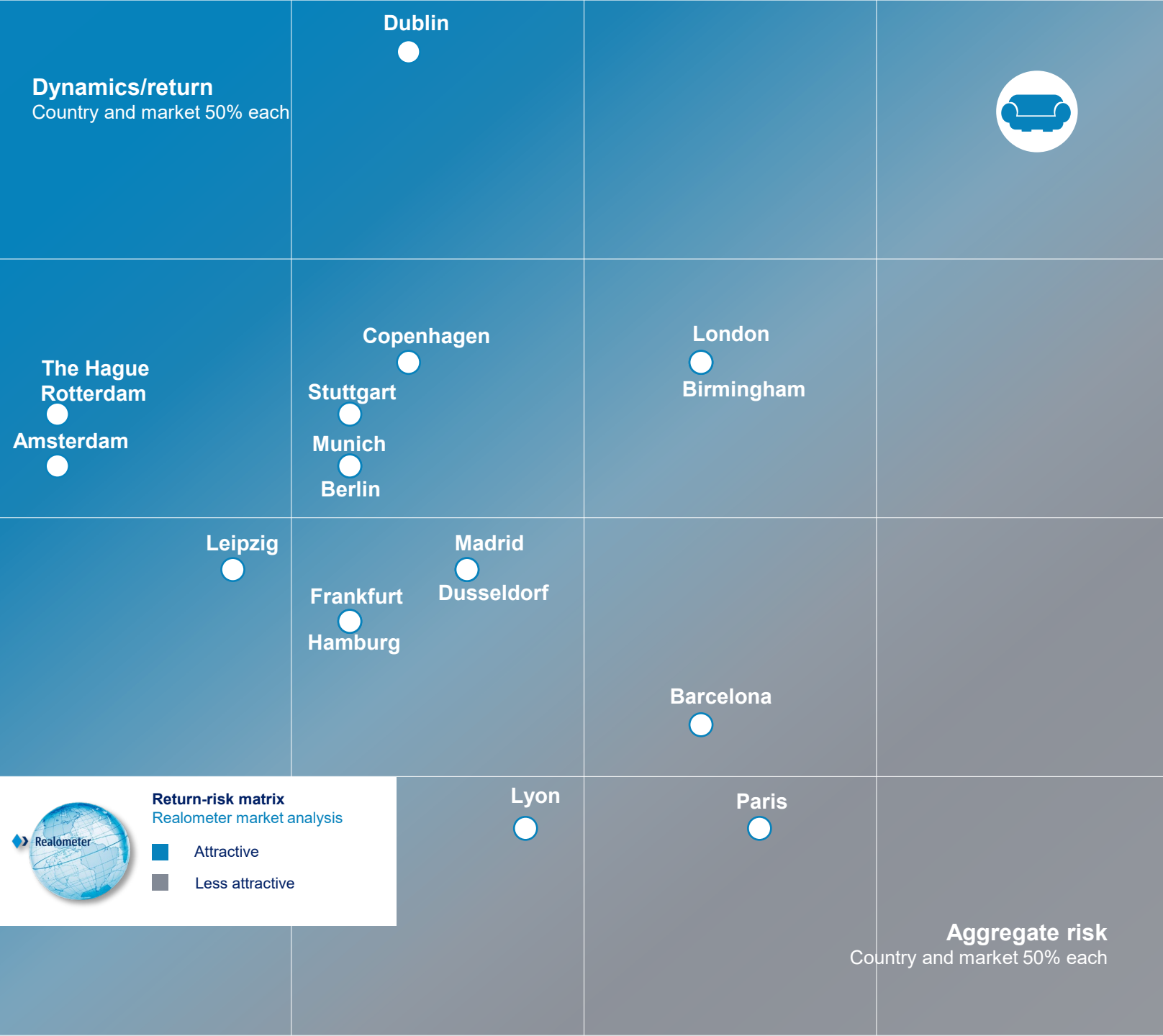
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Residential

Excess demand and rising rents offer secure cash flow.

- A shortage of supply is likely to lead to rising rents in almost all markets.
- Residential property is currently the asset class with the highest turnover.
- Sub-sectors such as serviced apartments and student housing offer attractive yield premiums. At the same time, these types of housing are in high demand.
- Dublin, Copenhagen and the major cities in the Netherlands and Germany are attractively valued.





Realometer

Focus

on selected markets

Amsterdam office market

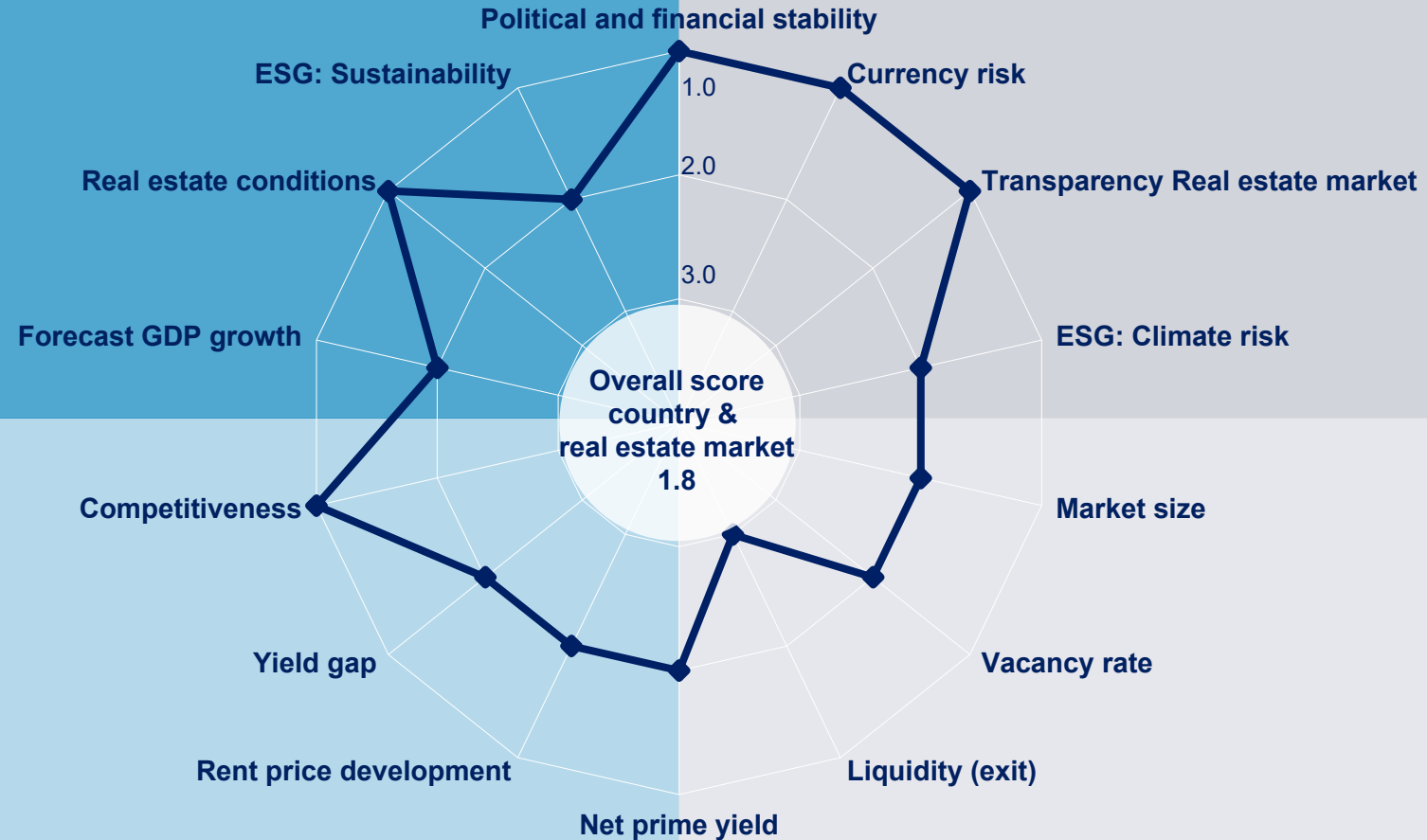
Amsterdam currently offers attractive purchase yields and positive prospects for core properties.

- Amsterdam currently offers historically high yields. A net prime yield of 4.8% was last recorded in 2015.
- Rents are expected to continue to grow at an above-average rate in the coming quarters (around +11% until 2028).
- The vacancy rate is around 8%, which is just below the average for all markets considered.
- The current low liquidity is viewed negatively. The transaction volume for office properties in the Netherlands amounted to €1.7 billion in 2024 (10-year average: €4.8 billion).

Dynamics 1.6

Macro level Netherlands

Risk 2.2



Yield 2.0

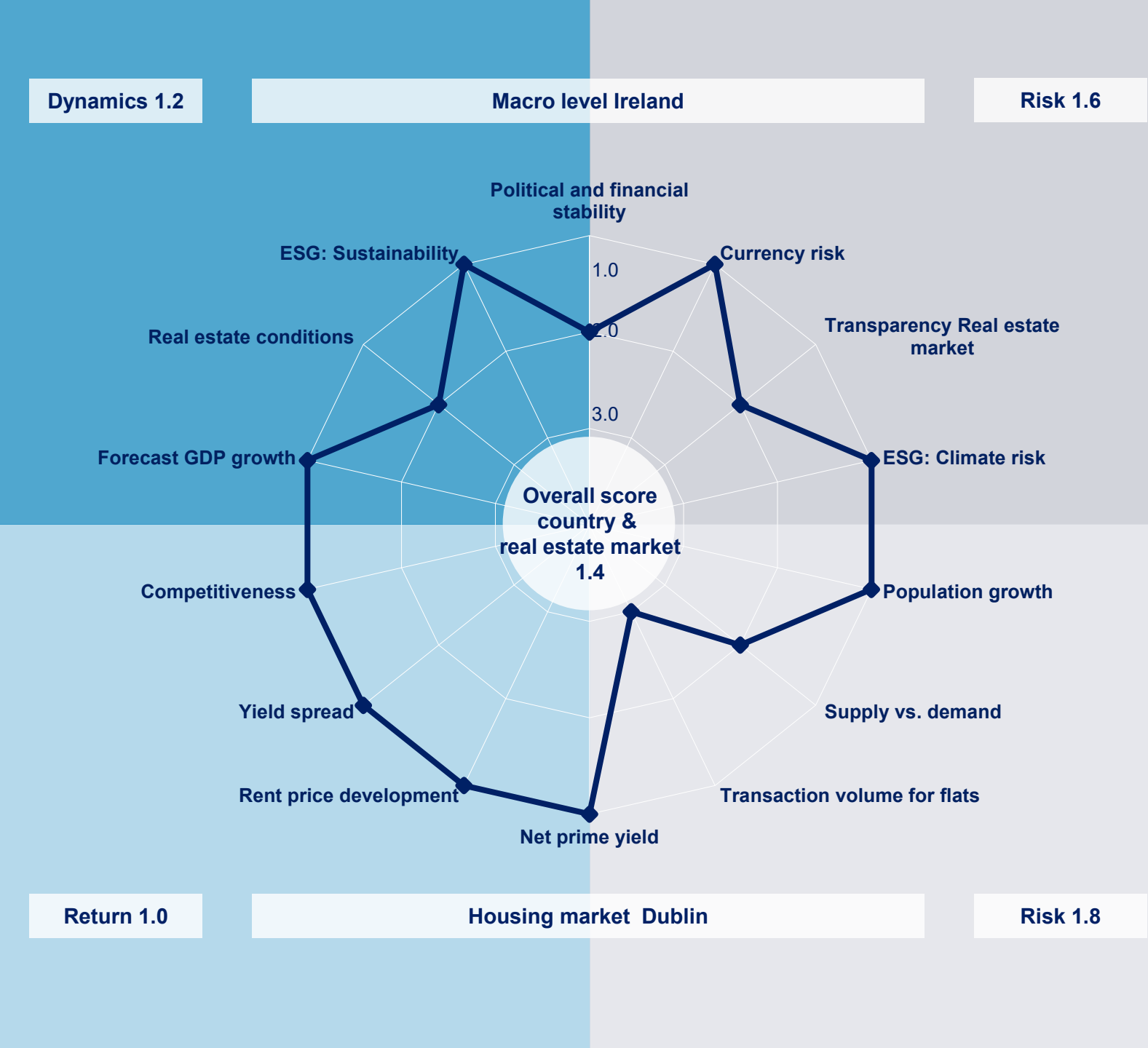
Amsterdam office market

Risk 2.2

Dublin housing market

Flats in Dublin offer comparatively high returns with a positive outlook.

- The overall rating has improved further compared to February 2025, from 1.6 to 1.4.
- Dublin currently offers the highest net prime yield of all the residential markets considered, at 4.8%.
- The outlook for rental price development is positive (+12% by 2028).
- The Dublin housing market (lower half of the chart) currently has the best rating of all the markets considered.
- The transaction volume in 2024 was low (well below €1 billion).



Comparison hotel markets Amsterdam vs. Milan

Hotels in Amsterdam show a more balanced profile, offering more investment opportunities with lower risks.

- At the macro level, the Netherlands outperforms Italy in most criteria.
- At around 5.5%, Amsterdam offers the highest net hotel yields in the eurozone alongside Brussels and Vienna. Milan achieves 50 basis points less (it should be noted that the data may be distorted due to the low number of transactions).
- In line with the ranking of the individual criteria, the overall assessment is clearly in favour of the Netherlands (1.5 vs. 2.4).

Dynamics 1.6

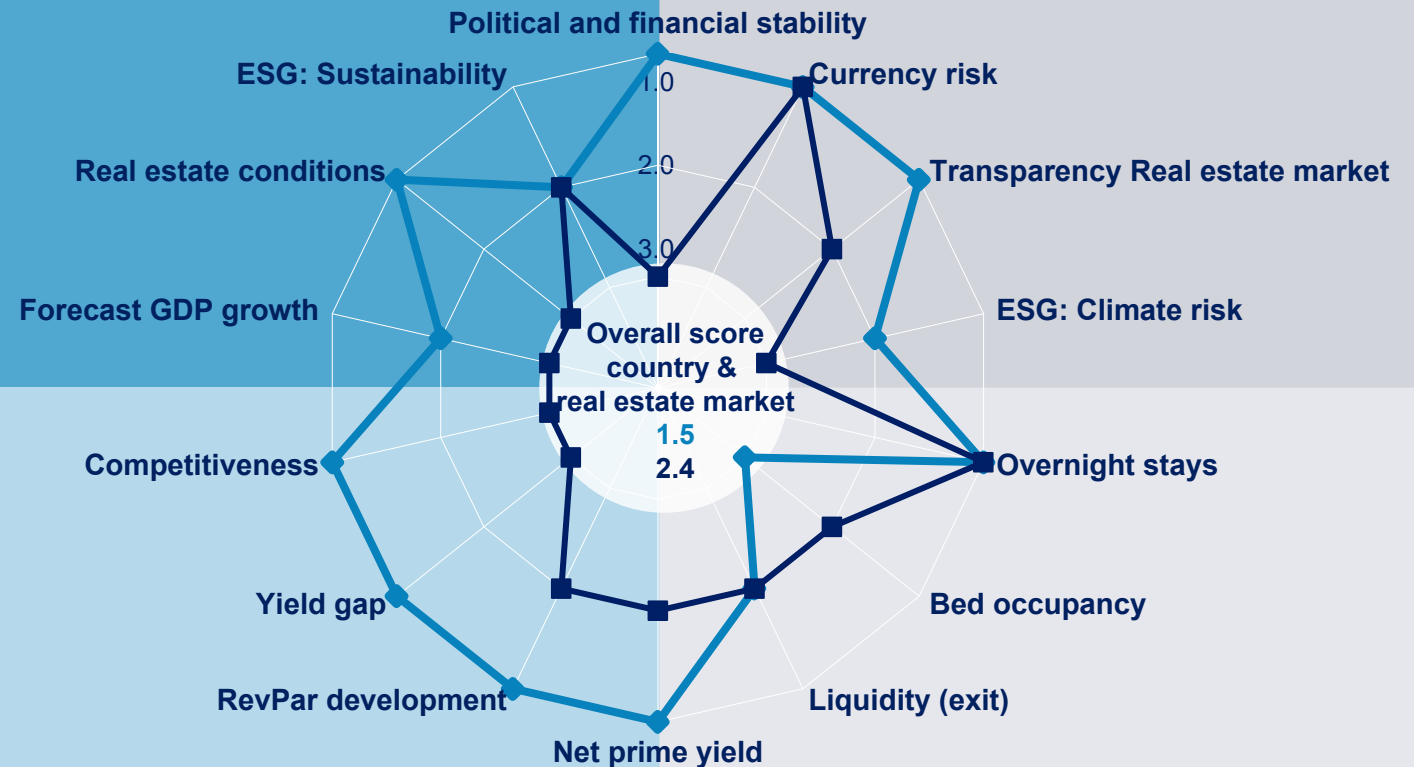
Dynamics 2.8

Macro level Netherlands

Macro level Italy

Risk 1.2

Risk 2.4



Return 1.0

Return 2.2

Hotel market Amsterdam

Hotel market Milan

Risk 2.0

Risk 1.6



Scoring methodology



Realometer scoring method: criteria, weightings and metrics

Macro level assessment (country)

	Criteria	Weight	Measurement
Dynamics	1 Competitiveness	10	World Competitiveness Centre Rankings by IMD (International Institute for Management Development)
	2 Forecast GDP growth	20	Average GDP forecast for current year and following year from Consensus Economics
	3 Real estate economic conditions	10	Qualitative assessment, e.g. legislation regarding rental agreements, additional purchase costs
	4 ESG: Sustainability	10	Sustainability assessment based on SolAbility's Global Sustainability Competitiveness Index
Risk	5 Political and financial stability	20	S&P rating
	6 Currency risk	10	Maximum negative exchange rate change over a period of three years since the beginning of 1999 based on daily rates (exchange rate change over rolling time slices)
	7 Transparency of the property market	10	JLL Real Estate Transparency Index
	8 ESG: Climate risk	10	Climate risk based on the World Risk Index of Ruhr University Bochum

Office market assessment

	Criteria	Weight	Measure
Return	1 Net prime yield	10	Net prime yield based on current data
	2 Rent price development	30	Change in % Current rent compared to forecast in 4 or 5 years
	3 Yield gap	10	Net prime yield minus 10-year bond yield of the country
Risk	4 Market size	15	Office space stock (million m ²)
	5 Vacancy rate	25	Vacancy rate in % according to current data
	6 Liquidity (exit)	10	Annual transaction volume for office properties

Realometer scoring method: criteria, weightings and metrics

Retail rating

	Criteria	Weight	Measure
Return	1 Net prime yield	10	Net prime yield based on current data
	2 Rent price development	30	Change in % of current rent compared to forecast in 4 or 5 years
	3 Yield gap	10	Net prime yield minus 10-year bond yield of the country
Risk	4 Private consumption	25	Average change in consumer spending from the previous year, current year and forecast for the coming year
	5 Share of online trade	15	Share of online retail in total retail spending according to current data
	6 Liquidity (exit)	10	Annual transaction volume of retail properties

Logistics rating

	Criteria	Weight	Measure
Return	1 Net prime yield	10	Net prime yield based on current data
	2 Rent price development	30	Change in % of current rent compared to forecast in 4 or 5 years
	3 Yield gap	10	Net prime yield minus 10-year bond yield of the country
Risk	4 Logistics Performance Index	20	Current Logistics Performance Index of the World Bank
	5 Trade volume	20	Average change in retail spending from the previous year, current year and forecast for the coming year
	6 Liquidity (exit)	10	Annual transaction volume for logistics properties

Realometer scoring method: criteria, weightings and metrics

Hotel rating

	Criteria	Weight	Measure
Return	1 Net prime yield	10	Net prime yield based on current data hotel type lease/rental agreement (no management agreement or hotel building without contractual obligation)
	2 RevPAR development	30	Change in % room revenue (RevPAR – revenue per available room) currently compared to forecast in 4 or 5 years
	3 Yield gap	10	Net prime yield minus 10-year bond yield of the country
Risk	4 Demand: trend in overnight stays	20	Change in the number of overnight stays in hotels, average of the last three years*
	5 Capacity utilisation: Change in occupancy rate	20	Average occupancy rate over the last 12 months relative to the average for the same period last year*
	6 Liquidity (exit)	10	Annual transaction volume for commercial property

Residential rating

	Criteria	Weight	Measure
Return	1 Net prime yield	10	Net prime yield according to current data
	2 Rental price trend	30	Change in % current rent compared to forecast in 4 or 5 years
	3 Yield gap	10	Net prime yield minus 10-year bond yield of the country
Risk	4 Population growth	20	Forecast population growth over the next 5 years
	5 Supply in relation to demand	20	Quotient of the net increase in housing and the change in the number of households at the location over the last 5 years
	6 Liquidity (exit)	10	Transactions in the housing market at the location

* Due to the sharp declines in 2020 during the lockdown phases of the coronavirus pandemic and the correspondingly large percentage changes in the following year or years, the evaluation of annual rates of change may not be meaningful. Alternatively, other meaningful key figures are determined, e.g. reference is made to the level before the pandemic.

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