

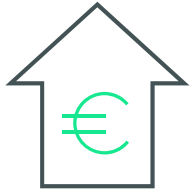


The Case for Optimism

For the Irish Commercial Real Estate Capital Market

November 2025

Despite ongoing macro-turbulence, we believe there are ample reasons to be positive about Ireland's real estate investment market as we approach year-end



Increased Liquidity

- Investment volume bounce
- Return of core capital
- Greater transactional data, resulting in:
 - Improved investor conviction, and
 - A self reinforcing deal cycle



Interest Rate Stability

- Relative attractiveness of Eurozone versus other economies
- Accretive leverage



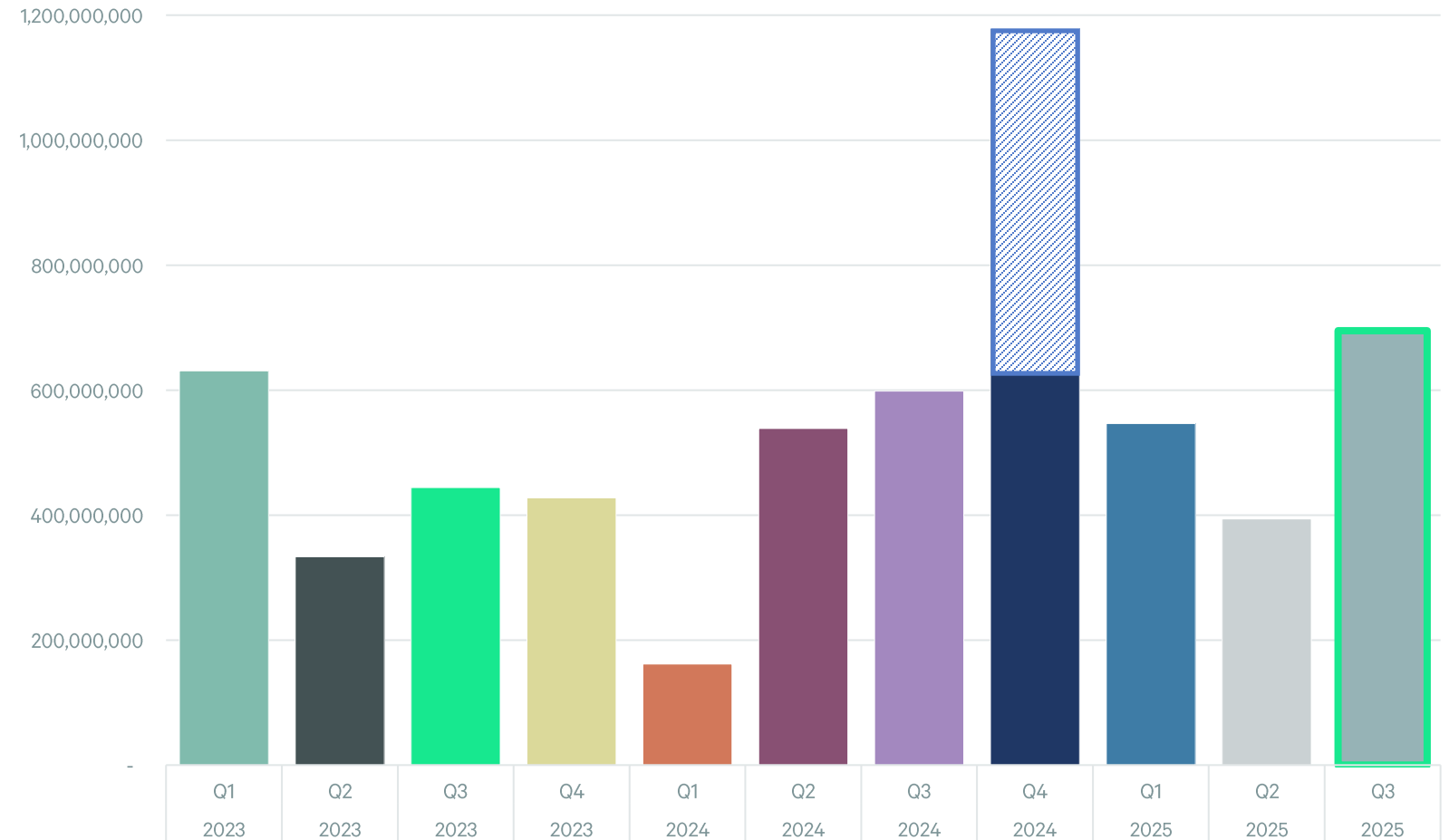
Competitive Debt

- Private capital liquidity
- Margin compression
- Incremental cost reduction
- Business plan flexibility

Increased Liquidity

- Q3 2025 represented the 2nd highest quarterly investment volume (€695m) since 2022 after Q4 2024, which was amplified by the sale of Blanchardstown Shopping Centre.
- Total investment volume for the 1st 3 quarters of 2025 represented a 26% increase on the same period last year and a 16% increase on 2023.
- There is evidence of much needed core capital returning to the market for prime office, logistics and residential assets.
- Increased transactional activity helps to support asset valuation which, in turn, leads to greater conviction for buyers and sellers in what becomes a virtuous cycle of liquidity.

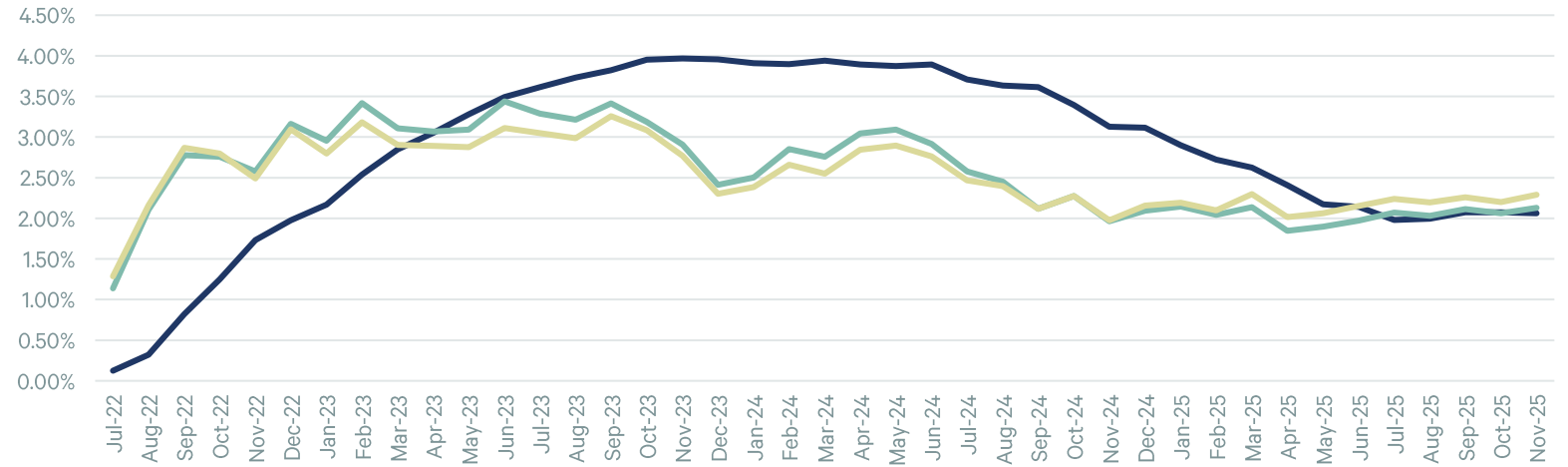
Ireland Investment Volumes (€)



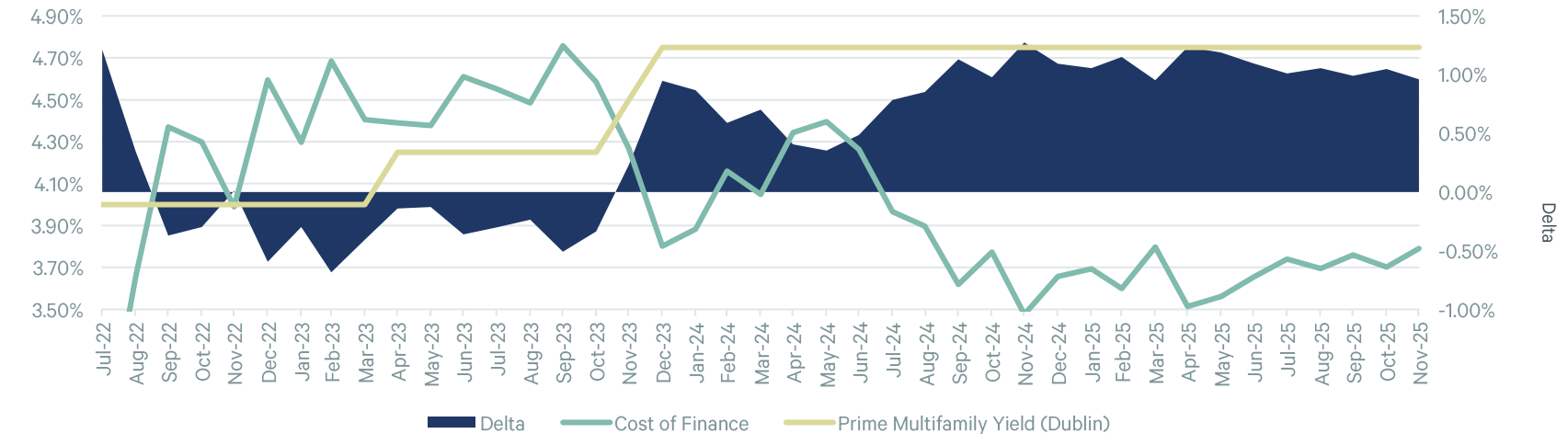
Interest Rate Stability

- With Eurozone inflation now substantively aligned to the ECB medium-term target level of 2% (2.1% in October), the decision by the Governing Council at last month's meeting to hold rates was widely anticipated.
- Following the decision in September and July to also hold rates, the widely shared consensus is that the rate cutting cycle is over for the foreseeable future, save for an unexpected shock to the Eurozone economy.
- While investors would certainly welcome further reductions, a stable rate environment is positive for sentiment particularly when compared to the challenges faced by the other major central banks.
- The result of the 7 cuts (totaling 175bps) since June 2024 is that leverage is firmly accretive for most real estate asset classes and this is key to unlocking investment and financing activity.

Historic 3m EURIBOR Rates



Accretive Leverage



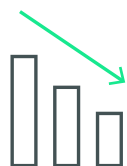
Assumptions:

1. Cost of Finance assumes a fixed rate loan with an all-in rate equal to the sum of 1.50% margin plus 5yr 3m EURIBOR swap rate (as provided by Chatham Financial)
2. Delta is the product of Prime Multifamily Yield (CBRE Research) less Cost of Finance

The Debt Market

- As core investment capital gradually returns, it will find a real estate debt market that is truly buoyant.
- The key reason for this is the level of capital raised by debt funds over the past 5 years, which has more than offset any retrenchment by commercial banks.
- PERE Credit estimate global real estate debt fundraising of almost \$30bn¹ in the first half of 2025. In Europe, the largest 30 real estate debt funds have raised over \$75bn¹ between them in the period 2020 to 2024, inclusive.
- This heightened competition for deals is leading to positive outcomes for borrowers.

Features of a Competitive Debt Landscape



Margin and Fee Compression

Heightened competitive tension, particularly for modest-leverage financing opportunities in prime sectors, is resulting in tight margins starting in the low to mid 100bps



Higher Leverage Optionality

There is greater appetite for higher leverage deals, particularly for stabilised, income generating assets. The incremental cost of debt between c.55% - 70% LTV has reduced by c.200bps over the past 18 months for these transactions



Borrower Friendly Flexibility

Lenders are more willing to provide greater structural flexibility to help differentiate themselves when pricing is exhausted. In the new environment, flexibility regarding change of control, early repayment and covenant headroom are attractive features for borrowers

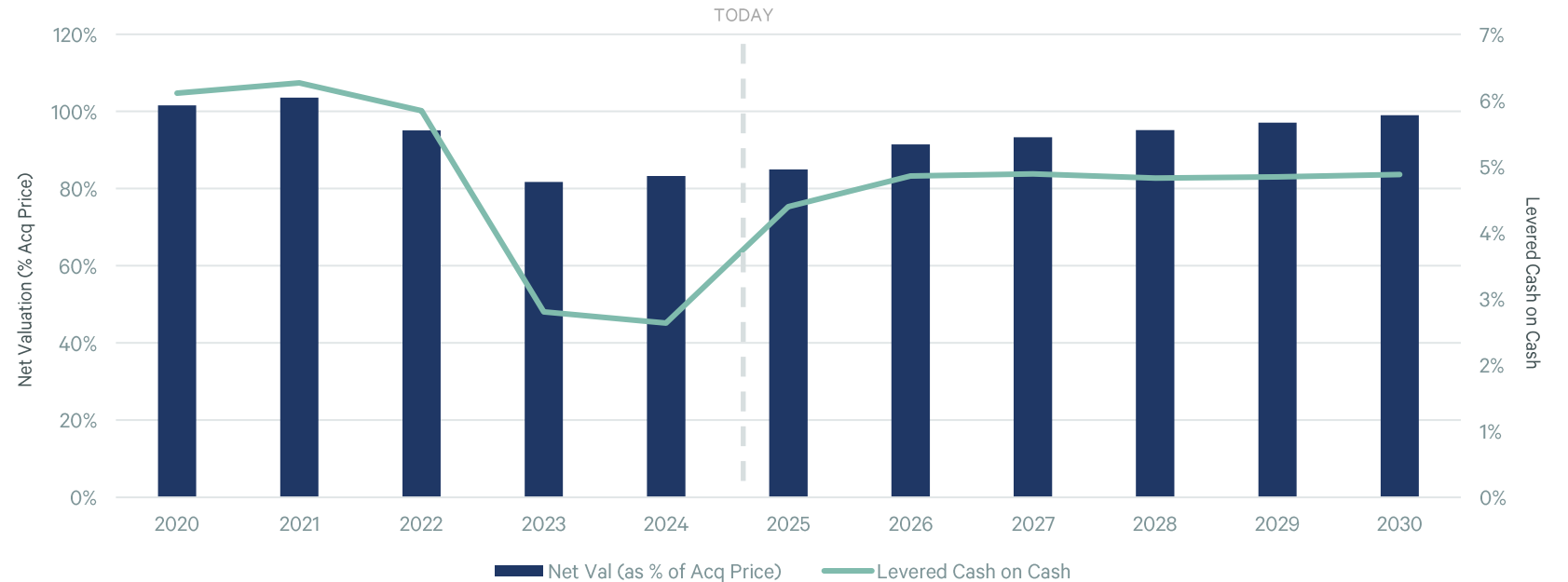
Source:
1: Real Estate Capital Europe

Illustrative Example

Prime Multifamily Investment

- To help depict the turning tide, let's take a theoretical prime Dublin multifamily investment made in 2019 at the peak of the previous cycle and witness the effects of COVID 19, interest rate volatility and general market uncertainty on valuation since then.
- Despite allowing for robust 2% p.a. net income growth, elevated interest rates and yields have made for a challenging investment period.
- However, a more favorable financing environment and the potential for slight yield compression of 25bps versus today's rate, make the outlook from 2026 far rosier.

Investment Performance



Assumptions:

1. Acquisition price of €100m plus 4.46% standard purchaser costs reflecting a 3.60% Net Initial Yield
2. Year-end Net Valuation is a function of passing NOI and prevailing prime yield (as per CBRE Research)
3. Estimated net yield of 4.75% for end 2025 and 4.50% terminal rate for years 2026 – 2030
4. Day 1 passing NOI of €3.7m with 2% p.a. growth thereafter
5. Acquisition loan of €55m (55% LTPP/LTV) with 0.75% arrangement fee and 1.50% margin
6. The acquisition loan is unhedged with a 3m EURIBOR reference rate
7. Historic and projected EURIBOR rates provided by Chatham Financial
8. The loan is Interest Only with a bullet repayment

Illustrative Example Cont'd

- Given the overall improvement in the market as discussed herein, it's unsurprising (but no less reassuring) that the performance outlook for our example is predicted to significantly improve from 2026.
- The return of core investment liquidity coupled with a far more attractive debt market mean the immediate and longer-term strategic options available to our Investor are much more favorable than they have been since the acquisition date in 2019.
- For investors who have been able to withstand the challenges of recent years, the perseverance and patience is starting to pay off.

Investment Performance



Assumptions:

1. The IRR and MOIC assumes a sale at the end of each year

“We believe 2025 is proving to be an inflection point in the cycle and the forecast for 2026 and beyond is bright”

CBRE Ireland Capital Markets Senior Team

One Team

Our integrated Capital Markets team provides a unique “one-stop” solution to our clients’ requirements across the capital stack, from investment and divestment to debt and equity structuring.

This allows us to provide unbiased advice and create tailor-made solutions for our clients.

Local Expertise with International Reach

We leverage our on-the-ground sector experts and market-leading research team on every single transaction to boost deal conviction and realise the optimal outcome for our clients.



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Thank you

CBRE

Gracias	धन्यवाद	Salamat	Asante	धन्यवाद	Obrigado	Tack	謝謝	O Se	Спасибо	감사합니다	
Bedankt	Grazi	पूँनदास	Merci	תודה	شكریه	Teşekkürler	Danke	あかたう	Dziękuję	Terima Kasih	شکرا

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